



CÔNG TY CỔ PHẦN BAO BÌ VÀ IN NÔNG NGHIỆP AGRICULTURE PRINTING AND PACKAGING JOINT STOCK COMPANY

Trụ sở: Số 72, Đường Trường Chinh, Phường Phương Mai, Quận Đống Đa, Thành phố Hà Nội
Tel: 024 3869 5605 • Email: info@apprintco.vn • Website: www.apprintco.com
Nhà máy sản xuất: Lô 3-CN3, Khu công nghiệp Ngọc Hồi, Xã Ngọc Hồi, Huyện Thanh Trì, Thành phố Hà Nội • Tel: 024 3684 0094
Chi nhánh Hưng Yên: Đường CT, Khu công nghiệp Phố Nối A, Xã Lạc Hồng, Huyện Văn Lâm, Tỉnh Hưng Yên • Tel: 0221 398 2136

Hanoi, March 28, 2025

REPORT OF THE BOARD OF DIRECTORS

Submit to the 2025 Annual General Meeting of Shareholders (GMS)

PART ONE

COMPANY PERFORMANCE REVIEW 2024

I. FACTORS AFFECTING COMPANY PERFORMANCE

1. World situation

- In 2024, the world situation continues to be complicated and unpredictable; strategic competition is fierce; conflicts escalate in Ukraine, the Middle East, the Red Sea, tensions increase in the Korean Peninsula and the Taiwan Strait; prices of gasoline, basic goods, and transportation costs fluctuate sharply; economic and trade recovery is slow and unstable; total demand and global investment decline; exchange rates and interest rates fluctuate unpredictably; natural disasters, climate change, energy security, food security, and cyber security develop complicatedly.

2. Domestic situation

- Domestically, we must respond flexibly and effectively to external fluctuations; overcome internal limitations and shortcomings that have lasted for many years; and spend a lot of time and resources to solve sudden and arising problems, especially responding to and overcoming natural disasters; Typhoon Yagi caused serious and prolonged consequences in many localities.
- Macroeconomic stability still has potential risks. Production and business activities still face difficulties; production costs remain high; domestic purchasing power shows signs of increasing but slowly.
- Rising global energy and food prices have pushed domestic inflation higher than in 2023.
- Difficulty in trained labor in printing and packaging industry.

3. Factors affecting the Company's production and business activities

- Main raw materials depend on imports; Ocean freight rates increase.
- Unpredictable fluctuations in prices of materials and supplies.
- The devaluation of VND against USD.
- Compete for orders mainly on price.
- The number of foreign companies investing in Vietnam in the packaging sector is increasing, especially Chinese companies.
- Over the years, the Company has always focused on human resources and invested in the right direction. Effectively used and exploited equipment, machinery and technical infrastructure.

II. ASSESSMENT OF COMPANY MANAGEMENT ACTIVITIES

1. Management structure

- The Board of Directors (BOD) consists of 05 members (Term 2023-2028).
- The Board of Supervisors (BOS) consists of 03 members (Term 2023-2028).
- Company Executive Board: Consists of 03 members (01 General Director, 02 Deputy General Directors).
- Organizational structure: The organization operates effectively according to the restructured structure in 2023.

2. Activities of the Board of Directors in 2024: Pursuant to the Resolution of the GMS for the 2023-2028 term approved by the GMS, the BOD focuses on the following specific issues:

- The Company's management organization focuses on key tasks: Cost management, budget, salary system, lean production implementation, review and improvement of organizational structure, production optimization, green production program, digital transformation and research on automation.
- Strict and effective cost management has created price competition, regularly amending, supplementing and developing new regulations of the Company. Deploying and maintaining operations according to the charter, regulations and rules throughout the Company to implement and complete the technical and economic targets decided by the GMS for the term 2023-2028.
- Regarding human resources: Focus on training, fostering, recruiting, and screening the workforce at levels appropriate to the development and competitiveness of the Company. Strengthen the team of

tested staff to successfully complete the transfer of leadership generations in the period 2023-2028. Focus resources on implementing investments according to the roadmap in factories according to the set goals, creating conditions for the Company to develop in the coming years.

- Focus on digital transformation, basically completing the planned stages.
- 3. **Evaluation of the Company's Board of Directors' performance:** In 2024, The Company's Board of Directors has made efforts to effectively implement the BOD's requirements in managing and operating the Company's activities from time to time. Specifically:
 - Strengthen and improve the quality of the Company's marketing team.
 - Organize the purchase and sale of appropriate materials. Manage cash flow and collect debts. Use capital well and safely, without generating bad debts. Estimate materials to meet production and business activities.
 - Maintain discipline and order in the Company's operations according to rules and regulations. Comply with issued production, quality, technical management processes, etc.
 - Organize training courses (internal and external) for management staff and technical workers. The quality of the workforce is stable and gradually improved.
 - Periodically and regularly carry out recruitment, training, evaluation, and development of remuneration policies for employees. Prepare well and adequately resources to serve production in each stage.
 - Arrange reasonable production plans, reduce labor in each period. Promote the spirit of creativity, innovation - rationalization, and emulation of workers in production and business.
 - Maintain and implement well the system of standards (*ISO 9001-2015, ISO 14001-2015, ISO 15378-2017, HACCP, FSSC, G7, 5S,...*).
 - Regularly adjust the salary regime (KPIs) for employees according to the Company's annual goals, assign specific tasks to units within the Company at each time, attach the responsibility of managers to labor productivity - product quality, thereby evaluating the results of completing the task level as a basis for salary payment.
 - Effectively exploit infrastructure and equipment invested in Hanoi and Hung Yen.
- 4. **Evaluation of the Board of Supervisors' performance:** In 2024, The Board of Supervisors (BOS) has seriously and fully performed its functions regarding the Company's activities.
 - Regularly monitor and inspect financial activities, comply with regulations of the Company Charter, and give opinions at meetings of the Board of Directors (*specifically, the Supervisory Board will present in the Board's independent report*).

5. Production and business results in 2024

TT	Target	Unit	2023		2024		Growth Rate 2024/2023 (%)
			Plan	Perform	Plan	Perform	
1	Total revenue	Billion VND	1,650	1,532.1	1,650	1,766.5	15.30
2	Profit before tax	Billion VND	105	113.1	116->120	135.2	19.54
3	Pay dividends	%	Minimum 18	25	Minimum 18	Expected to be paid in shares (50%)	

(Source: Audited Consolidated Financial Statements 2024)

6. **Investment and construction work:** Implement in accordance with the Resolution of the 2023-2028 Shareholders' Meeting, the approved roadmap and plan. Repair the factory, make additional investments to complete reasonable production lines with the capacity of each stage of production.
 - a) The Board of Directors and the Board of Management of the Company decided to invest in a smart packaging factory: Meeting the requirements of green production, ensuring environmental requirements. The Company has invested in a land plot in Pho Noi A Industrial Park with a total area of 44,500 m² · 2km from the old land plot.
Investment amount: 146,270 billion VND. Investment procedures have been completed. granted investment certificate.
 - b) Additional investment in equipment and machinery in Hanoi and Hung Yen: VND 59,356 billion (Foil stamping machine; IT system serving digital transformation stages in Hanoi and Hung Yen;

Flexo printing machine; air conditioning system of VP 72 Truong Chinh and production factories; Dry laminating machine; GMP standard clean room; elevator; Die cutting machine with punching - foil stamping; Automatic label catching machine; Screw air compressor; Air dryer; QR code inkjet printer; 2-piece box folding and gluing machine).

c) The Company's total investment in 2024 is: VND 205,626 billion.

7. **Digital transformation:** The Company's Digital Transformation Board continues to make efforts to implement each part of phase 2, has basically completed the digital transformation work in 2024 and is currently implementing Go-live system in parts. Striving to put the system into operation from June 30, 2025.

8. Evaluation of production, business and investment results

a) *About production and business:*

- Although 2024 is difficult due to the general economic context and customers, the Company still maintains stability and develops human resources, basically completing the goals set out in the Resolution of the 2024 Shareholders' Meeting.
- Stable productivity and quality, meeting the increasing needs of customers.
- The operations of the member units have achieved positive results. Especially the film packaging factory in Hung Yen and DAC.

b) **Regarding investment:** The equipment has been invested in the right direction and on time. Currently operating stably and effectively.

9. Assessment of financial performance, management and capital use

a) *Financial work:*

- Good financial management, financial statements are prepared in accordance with regulations, on time, audited by a qualified independent auditing company recognized by the State Securities Commission and voted and selected by the General Meeting of Shareholders.
- Disclose financial reports in accordance with regulations and on time on the Company's website, with the State Securities Commission and Hanoi Stock Exchange.

b) **Financial balance:** Inventory, debt, capital, are all at a financially safe level.

c) **Board of Directors Meetings** Regular meetings are held with the full participation of the Board of Supervisors in accordance with procedures and principles, and meeting contents are carefully prepared, effectively directing the implementation of targets set by the General Meeting of Shareholders.

- The Company's policies and orientations were all met, democratically discussed, voted and approved by the Board of Directors, with timely decisions made to direct the Board of Directors to implement and achieved high results.

10. General assessment of the Company's operations

- The Board of Directors has properly implemented the contents of the Resolution of the General Meeting of Shareholders, oriented specific tasks closely to the actual economic and political situation of Vietnam in each period, directed the Company's Board of Directors to perform well, and basically completed the set goals.
- Financial situation is safe, effective, public and transparent.
- The Company's Board of Directors is proactive in management and operation of production and business, thus achieving the requirements set out for each specific stage.
- The Company's staff actively work in production, promote the spirit of creative work, solidarity, continuous learning,... making an important contribution to the completion of the Company's annual goals.
- The lives of employees are stable and increasingly improved.
- Develop and maintain the Company's brand in the market. Maintain traditional customers and large customers well. Be trusted by many customers.
- The organization and operation of the Company and its member units are stable and effective.

Thus, in 2024, through analyzing and assessing the situation, taking advantage of timely opportunities, the Board of Directors will give close and timely instructions on the overall activities of the Company in terms of: production and business; investment; human resource organization; finance and other issues. Continue to create a favorable foundation for the Company to develop sustainably, creating momentum for the 5-year plan - period 2023-2028.

IV. OTHER JOBS

1. **Use of profits and dividend payment in 2024:** Expected use of pre-tax profits according to the Law and the Company's Charter. Specifically:

- Profit before tax (billion VND): VND 135,201,864,548
- Corporate income tax payment: VND 21,211,403,999 (*The amount of 5,828,968,911 VND has been deducted, representing a 50% exemption from corporate income tax*)
- Profit after taxes: VND 113,990,460,549
- After-tax welfare bonus fund deduction (5%): VND 5,699,523,027
- Remaining undistributed profits: VND 108,290,937,522

↓ **Pay dividends 2024:** The Board of Directors proposes:

- Pay dividends in 2024 in shares, ratio 2:1 (50%). For every 02 shares owned, 01 share will be paid.
- The purpose of paying dividends in shares is to increase charter capital and retain cash to invest in building new factory.
- Handling of odd shares less than 01 share: Contribute to the shares of the Trade Union of Agricultural Printing and Packaging Joint Stock Company.
- Time and form of implementation: In June 2025, hire a consulting unit to implement.

2. **Remuneration of the Board of Directors and the Board of Supervisors in 2024**

a. The remuneration for members of the Board of Directors is 1.5% of pre-tax profit.

b. Compensation for BKS: fixed monthly:

- *Head of Department: 2 times the regional minimum wage each period.*
- *Board of Supervisors members: 1.5 times the regional minimum wage for each period.*

3. **Amend and supplement some contents in the Company Charter to comply with current laws** (*Details are attached to this report*).

4. **Headquarter building at 72 Truong Chinh - Dong Da - Hanoi**

- The company is currently continuing to lease 04 floors (from the 1st to the 4th floor) for a term of 05 years. The rental price in 2024 must be adjusted down from VND 500,000,000/month (excluding VAT) to VND 450,000,000/month (excluding VAT) due to the difficult business situation and the partner's request to reduce the rental price, and in 2025 it will also be reduced.
- 5th & 6th floors of the building: Currently, DAC Anti-Counterfeiting Technology Co., Ltd. (a subsidiary 100% invested by APP) is using it as an office.

PART TWO

COMPANY DEVELOPMENT ORIENTATION IN 2025 AND FOLLOWING YEARS

I. SOME GENERAL SITUATION CHARACTERISTICS

1. **World situation:** Armed conflicts around the world have not shown positive trends, some new conflicts are at risk of escalating tensions.

- The unpredictable nature of the United States causes many disturbances in all activities of the world.
- The new tariff policy between the United States and the rest of the world has a certain impact on the world economy.
- The rapid development of information technology and artificial intelligence is the driving force for businesses to change.

2. Domestic and Company Situation

- Vietnam's export-dependent economy has been hit by tariff policies from the United States and other powers.
- Foreign investment in the packaging sector, especially from Chinese enterprises, is increasing, causing great competitive pressure.
- The government has made many decisions to develop the economy, setting a growth target of 8% for 2025, but these are lagging and have not had immediate effects. People's purchasing power (or demand) is weak.
- Domestic businesses in the same industry are expanding rapidly, competing on price, lowering production costs to get orders.
- The number of technical workers trained each year in the printing industry is very small and can be said to be non-existent for recruitment.

- The main materials for the Company's production are mainly imported goods, so the increase in exchange rate (VND devaluation), transportation costs and unpredictable material prices affect the Company's production activities.

II. COMPANY DEVELOPMENT ORIENTATION IN 2025 AND FOLLOWING YEARS

Implement in depth the contents of the Resolution of the 2023-2028 Shareholders' Meeting.

1. Business sector

- Continue to focus on developing paper packaging and complex film packaging using Offset, Gravure, and Flexo printing technology to serve domestic production and export.
- Developing digital stamps to serve anti-counterfeiting, product traceability as well as utilities for product management.
- Commercial business revolves around the Company's main business lines.

2. Orientation on administrative work

- a) Company message "**Discipline, solidarity, responsibility, innovation - creativity for development**".
- b) Some of the tasks to be implemented from the beginning of 2025 include:
 - Resolutely implement cost management tasks (supplies, raw materials, production, sales; build work packages, be proactive in salary payment; productivity; quality; savings; equipment preservation).
 - Optimize production processes to eliminate waste in the production process, reduce costs to increase competitiveness.
 - Allocate budget and expenditure according to approved annual budget to units.
 - Develop indicators to evaluate the Board of Directors. Quarterly evaluation to pay salaries and bonuses.
 - Complete the salary system for administrative salary recipients (Salary fund).
 - Implement emulation movements on productivity, quality, discipline, equipment maintenance, and savings. Motivate employees to be proactive and creative in their work.
 - Strengthen and enhance the operation of the Internal Control Board to evaluate and control the implementation of the Company's regulations for all units, from the Board of Directors to employees.
 - Lean manufacturing practices.
 - Organize green production step by step according to the roadmap in accordance with Government regulations and customer requirements.
 - Digital transformation and automation create accurate, objective data files that reflect the effectiveness of operations and management. Automation of production stages can be aimed at reducing dependence on labor and increasing production efficiency.

3. Production and business targets in 2025

- Revenue reached 1,755 billion VND.
- Pre-tax profit reached from 135 billion VND to 140 billion VND.
- Dividend payment for 2025 is expected to be at least 18%/year.

4. Investing for 2025 and beyond

4.1 *Survey, design, and bid for the construction of a smart packaging factory that meets green standards and protects the environment.* Estimated construction investment is from 250 billion to 280 billion VND. Specifically:

- Design and tender completion in June to July 2025.
- Construction from July 2025 to July 2026.
- The factory will gradually come into operation from August 2026.

4.2 *Equipment investment for Hung Yen phase 2*

- 9-color Flexo printing machine - expected to arrive at the Company in June 2025.
- 8-color gravure printing machine - expected to arrive at the Company in June 2025.
- 7-color Offset Printer - expected to arrive at the Company in July 2025.
- Box cutting machine - expected to arrive at the Company in July 2025.
- In addition, we also invested in 01 box gluing machine, 03 quality inspection machines, and 01 laminating machine.
- Investment in equipment is approximately 150 billion VND.
- Total investment in new factory and equipment is approximately 430 to 450 billion VND. Assigned to the Board of Directors to decide with the goal of achieving efficiency and sustainable development.

5. Some work done

- a) *The focus is on management, increasing productivity - quality, reducing costs.* Maintain management and operation of the Company in accordance with laws, regulations and rules. Comply with committed and issued standards. Organize quarterly reviews and improvements.
- b) *Promote marketing development:* Focus on improving human resources, applying information technology to marketing, researching and developing new products to expand the market.
- c) *Reserved Materials, raw materials. suitable* for when there is demand from customers, from the market. Must organize production well, timely supply of goods according to customers' requirements.
- d) *Reorganize the organization, assign work, evaluate and pay salaries* based on work performance, linked to KPIs to achieve good results, fairness and transparency.
- e) *Focus on training and developing human resources in depth,* Ensure the sustainable and stable development of the Company. Focus on training, evaluation, and classification of labor along with the recruitment and effective use of human resources for production expansion in Hung Yen.
- f) *Guidance, regular training, good maintenance of implementation* Standard documents of processes, standards (ISO 9001-2015, ISO 14001-2015, ISO 15378-2017, G7, HACCP, FSSC, 5S), production stages so that implementation must be linked to the Company's management practices to improve labor productivity, product quality, and work efficiency.
- g) *Digital transformation of enterprises:* Focus on completion and putting into use from June 30, 2025.
 - Step by step, apply automation and smart devices to stages suitable for the Company's production process, aiming to build a smart factory.
- h) Research and install solar power systems in Hanoi and Hung Yen. Maintain wastewater treatment systems and wastewater sources according to issued regulations.

III. SELECT AN INDEPENDENT AUDITING COMPANY TO AUDIT THE COMPANY'S FINANCIAL STATEMENTS IN 2024

The General Meeting of Shareholders assigned the Board of Directors to appraise, select and sign a contract with a reputable auditing firm on the list of auditing firms recognized by the State Securities Commission to audit the Company's 2025 financial statements.

PART THREE

SOME WORK PRESENTED AND VOTED AT THE CONGRESS

- 1) Vote to approve: The contents of the report of the Board of Directors & Board of Supervisors; Business results in 2024; Business targets in 2025; Business development orientation in 2025 and the following years; Remuneration of the Board of Directors and Board of Supervisors in 2024; assign the Board of Directors to conduct appraisal, selection, and sign contracts with reputable auditing units and those on the list of auditing companies recognized by the State Securities Commission to audit the Company's 2025 financial statements (*Vote No. 1*).
- 2) Vote to approve the plan to pay dividends in 2024 by shares (50%) (*Vote No. 2*).
- 3) Vote to approve the amendments and supplements to the Company Charter (*Vote No. 3*).

Above is the report and assessment of some key activities of the Board of Directors in 2024, the Company's development goals and the Company's production and business plans in 2025 and the following years.

The Board of Directors would like to sincerely thank the Board of Supervisors, the Board of Directors and the organizations and unions in the Company for their cooperation with the Board of Directors in the past time. At the same time, in order to complete the common goals set out, the Board of Directors hopes to continue to receive the support of shareholders./.

Recipient: 

- Member of Board of Directors and Supervisory Board;
- Shareholders;
- CBTT;
- Company Secretary.

Board of Directors
CHAIRMAN OF THE BOARD
OF DIRECTORS


Nguyen Thanh Nam