

REPORT

Regarding the situation of production and business activities in 2024 and production and business plan in 2025

To: General Meeting of Shareholders of Tay Ninh Rubber Joint Stock Company.

I. SITUATION CHARACTERISTICS:

Advantages:

The company always receives the attention and support of the Leaders, departments of Vietnam Rubber Industry Group and local authorities; especially the solidarity of all employees. Employees and employees together complete the common tasks of the whole company.

The selling price of rubber latex in 2024 tends to increase and always maintains a stable level in the year, thereby helping the company have more revenue growth over the same period.

Disease prevention and treatment in rubber plantations is closely directed, timely spraying and treatment of diseases is carried out, controlling the spread of diseases on a large scale.

Business orchards: implement early shaving bark planning, equip adequate and timely materials, and complete fertilization, contributing to ensuring highly efficient exploitation.

Gaining the trust of customers in the quality of rubber products, contributing to increasing income for employees, improving the efficiency of using the processing line.

Difficulty:

In 2024, Tay Ninh Rubber Joint Stock Company will perform production and business tasks in general difficult conditions such as: the world economic and political situation is unpredictable, the cost of input materials is still high, leading to a significant reduction in economic efficiency in the Company's production and business activities.

Extreme changes in weather, prolonged sunshine and drought lead to poor growth of KTCB orchards, the time to open and shave is later than the same period of the year, when entering the exploitation stage, prolonged rainstorms (especially Typhoon Yagi) affect the Company's plan to implement output and latex consumption.

The situation of fertilizer market is fluctuating, for many years, the Company has applied fertilizer only about 48% compared to the norm according to the 2020 Strategic Plan, leading to the quality of the orchard showing signs of deterioration.

The situation of labor shortages and fluctuations is quite complicated, increasing labor competition affects the Company's output exploitation.

Rubber land is increasingly faded, poor in nutrition, orchards have to reduce care costs, greatly affecting the growth and development of orchards in the future.

In 2024, in the face of the above difficulties and challenges, with the close attention and direction of the Group's leaders, the support of agencies, departments and local authorities. The Board of Directors and the Board of Directors of the Company have set out flexible and correct management and administration measures; together with employees, unanimously overcome difficulties, and best complete the targets assigned by the Industrial Group. Along with that, the companionship of mass organizations has promoted their roles and responsibilities very well, accompanying the Company to complete common tasks.

II. PRODUCTION AND BUSINESS RESULTS IN 2024:

1. Production Activities:

1.1. Garden area: (Hec)

Garden/Unit	NTGD	NTCK	NTBC	Total
A-RUBBER AREA	2.220,71711	2.640,18897	2.231,76908	7.092,67516
B- The area of orchards stopped from exploitation	14,08411	-	-	14,08411
TOTAL (A+B)	2.234,80122	2.640,18897	2.231,76908	7.106,75927

1.2. Business garden:

- Realized output in 2024: 9,090.91 tons (*self-exploited 8,975.23 tons; Mining concession of 115.68 tons*), reaching 102.15% of the Group's plan of 8,900 tons.

- The average yield of orchards exploited in 2024 will reach 2,041 tons. The average productivity of the Company from 2015 to now is as follows:

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Productivity (tons/ha)	2,21	1,92	2,14	2,13	2,18	2,10	2,19	2,19	2,11	2,04

1.3. The care of the basic construction garden:

- Regularly take care of, weed, fertilize and monitor the disease situation on 2,185.44616 hectares of KTCB orchards.

- Regarding the quality of orchards by the end of 2024: orchards that meet and exceed the standards will reach over 92.5%, orchards that do not meet the standards will be about 7.5%; Substandard orchards are the 3rd year of hard-hit orchards in the dry season of 2023-2024.

1.4. Replanting in 2024:

- In 2024, the Company has difficulties in selling and liquidating rubber, until August 16, 2024, the auction will be successfully sold. Therefore, the Company cannot carry out replanting on time before July 31, 2024 (*the Company has submitted a document to Vietnam Rubber Industry Group on replanting in 2024*).

- The area to be replanted in 2024 is 245.53 hectares, reaching 54.2% of the plan (452.85 hectares). The remaining area of 207.32 hectares will be replanted in 2025. The replanted orchards are well cared for, meet the prescribed standards, and the survival rate is 100%.

1.5. Gardening work:

For an area of 1.99 hectares, take care of: fertilizing, pruning wild shoots, disease prevention and treatment... Up to now, it has reached 4-5 layers of leaves, it is expected to harvest seedlings around the 1st quarter of 2025.

1.6. Fertilization:

In 2024, the Company has procured fertilizers and planned for each rubber plantation to comply with the 2020 Strategic Plan; Specifically, as follows:

TT	Fertilizer Name	Quantity used (tons)			
		Replanting	KTCB	Business	Total
1	Manure NPK 16-16-8	49,96	311,09		361,05
2	Manure NPK 16-8-16			831,51	831,51
3	Manure Organic Microbiology	384,62		920,07	1.304,69
4	Urê			12,37	12,37
5	Lân			17,40	17,40
6	Kali			9,18	9,18
Cộng		434,58	311,09	1.790,53	<u>2.536,2</u>

1.7. Disease prevention and treatment:

- Powdery mildew: In 2024, the Company will spray powdery mildew prevention on business orchards with an area of 4,222.99 hectares, reaching 94.8% of the total area of business orchards. In general, the implementation of white chalk spraying on the orchard in 2024 has achieved high results, the orchard has thick, stable green leaves, and is relatively disease-free.

- Pink fungus disease: From July 2024, pink fungus appears in orchards in 2016-2021. The company has carried out an inventory, marking and spraying for pink fungal disease with the drug formula: Vivadamy 1.5% + Adhesively 1% with an area of 2,325.6 hectares.

- Round spot defoliation: in 2024, there will be 2 episodes of the disease, the time of disease appearance is after a prolonged rain, the infected area is 1,773 hectares. For diseases from very mild to mild, the Company only monitors the development of the disease; for mild diseases that tend to increase to moderate levels, the Company performs spraying and treatment of diseases with an area of 24 hectares.

- Shaved face stripe ulcers: regularly check and apply prevention and treatment of shaved face stripe ulcers; The company applied the disease prevention 02 times at times of heavy rain.

1.8. Procurement – processing:

By December 31, 2024, the total output of processed rubber will reach **12,328,578 tons**, of which: exploited latex is **8,809,573 tons**, processed latex is **2,862,965 tons**. The purchased latex is **656,040 tons**.

1.9. Quality management:

- Rubber testing: Centrifugal rubber products produced in 2024 are good, reaching 100% of the requirements according to TCVN 6314:2013 & TCCS 114:2020 (VRG).

- Laboratory management: The infrastructure is quite fully equipped and periodically inspected to promptly detect inconsistencies, quickly fix them so as not to affect the test results.

- Wastewater testing: Wastewater from 2 factories is always well treated, meeting the requirements according to the limits specified in QCVN 01-MT:2015 BTNMT.

2. Business Results:

No.	Quota	ĐVT	Plan for 2024	Implementation 2024	Proportion (%)
1	Area - Output				
	- Total Area	Hec	7.107,71	7.106,76	99,99
	- Mining concession area	Hec	-	73,92	-
	- Total area of rubber extraction	Hec	4.454,38	4.380,46	98,34
	- Productivity	Ton /Hec	2,00	2,04	102,15
	- Production	Ton	8.900,00	9.090,91	102,15
2	Rubber purchased in the period	Ton	600,00	656,04	109,34
3	Rubber Processing	Ton	10.384,32	12.328,58	118,72
4	Output Consumption		9.500,00	9.062,19	95,39
5	Total Revenue	<i>Million VND</i>	400.768,46	502.028,26	125,27
5.1	<i>Production and Business</i>	<i>Million VND</i>	365.000,00	447.587,12	122,63
5.2	<i>Financial performance</i>	<i>Million VND</i>	8.106,50	18.732,63	231,08
5.3	<i>Other activities</i>	<i>Million VND</i>	27.661,96	35.708,51	129,09
6	Total cost	<i>Million VND</i>	319.305,92	342.080,58	107,13
6.1	<i>Production and Business</i>	<i>Million VND</i>	316.703,00	333.861,22	105,42
6.2	<i>Financial performance</i>	<i>Million VND</i>	-	6.470,49	-
6.3	<i>Other activities</i>	<i>Million VND</i>	2.602,92	1.748,88	67,19
7	Lợi nhuận trước thuế	<i>Million VND</i>	81.462,54	159.947,67	196,35
8	Lợi nhuận sau thuế	<i>Million VND</i>	70.542,77	140.723,96	199,49
9.	Tổng nhu cầu vốn	<i>Million VND</i>	332.229,74	29.333,38	8,83

3. Labor, salary, income situation:

- Employees present at the beginning of the period: 1,331 people. In the year, there were 394 people, down 419 people (*419 people quit their jobs*); Employees present at the end of the period: 1,306 people.

- Average income in 2024 will reach: **12,107,376 VND/person/month** (reaching 133% of the plan: 9,126,989 VND/person/month)

- Expenditure on other regimes and policies such as toxic fostering, labor protection, safety, propaganda, fire prevention and fighting, etc. The company fully complies with regulations.

- Periodic medical examination and treatment costs in 2024 (2 installments) are estimated at VND 166,113 million.

- Expenses for mid-shift meals for the Company's employees in 2024: VND 11,662,592 million.

4. Financial work:

- Always ensure the balance of sources and capital to serve the company's production and business activities in a timely manner, pay salaries, bonuses, regimes and policies for employees, pay to the state budget, etc.

- Ensure accounting and accounting work as prescribed. Prepare and submit periodic and irregular reports on time prescribed by the Group and the Law.

5. Domestic and foreign investment:

5.1. Tay Ninh Siem Reap PTCS Company: Production and business results in 2024 at the Company are as follows:

	Quota	ĐVT	Plan for 2024	Implementation 2024	Proportion (%)
A	VOLUME INDICATORS				
1	Mining area	hec	5.512,12	5.512,12	100,00
2	Mining output	Ton	7.500,00	8.268,68	110,25
3	Productivity	Ton /hec	1,36	1,50	110,29
4	Processing output	Ton	7.500,00	7.501,20	100,02
5	Consumption	Ton	7.504,97	7.123,72	94,92
B	VALUE INDICATORS				
1	Price	Million VND /ton	34,20	42,82	125,19
2	Average consumption cost	Million VND /ton	30,80	28,99	94,13
3	Total Revenue	Million VND	256.669,98	305.311,49	118,95
4	Total profit before tax	Million VND	10.381,17	86.992,35	837,98

Tay Ninh Siem Reap PTCS Company is a subsidiary owned by Tay Ninh Rubber Joint Stock Company (stock code: TRC) with 100% capital. This company was established to implement the project of planting, exploiting and processing rubber in

Cambodia.

Over the past 15 years, the fact that Tay Ninh Siem Reap Company has moved from a loss to a profit in 2023 and achieved better and better results has created a significant positive impact on the business results of Tay Ninh Rubber Joint Stock Company. This result not only makes an important contribution to the completion of the annual profit plan but also helps strengthen shareholders' confidence in the long-term investment strategy and the correct and effective management capacity of the Board of Directors of Tay Ninh Rubber Joint Stock Company.

When the operating efficiency at the subsidiary is increased, TRC's consolidated profit also increases, thereby promoting stable stock price growth and improving liquidity in the market. Thanks to the recovery and contribution of Tay Ninh Siem Reap Company, it has become a bright spot in TRC's investment portfolio, helping to attract more attention from individual and institutional investors, creating a motivation for new capital inflows, contributing to improving TRC's position in the stock market.

5.2. Some other capital contribution investment projects:

In 2024, the Company will not contribute additional capital to investment projects. Accumulated by December 31, 2024, the Company has contributed investment capital to 6 projects. Specifically, as follows:

	Company Name	Cumulative until 31/12/2024
I	Investment in subsidiaries	968,84
1	Tay Ninh Siem Reap Company	968,84
II	Investing in affiliates	24,50
1	Tay Ninh Wood Import & Export Joint Stock Company	24,50
III	Other long-term investments	140,77
1	Dau Tieng-Lao Cai Rubber Joint Stock Company	36,95
2	Rubber Trading & Tourism Joint Stock Company	8,66
3	Viet Nam Rubber Industrial Zone And Urban Development Jsc	17,66
4	Viet Lao Rubber Joint Stock Company	77,50
	TOTAL	1.134,11 <i>(billion VND)</i>

6. Organization of apparatus and personnel:

- The company has carried out the process of appointing 03 people; re-appoint 02 people; dispatching CB. 03 employees.

- Training: in 2024, they have participated in professional training and fostering (24 classes); political intermediate (1 class); National Defense and Security Object 2 (1 class)

- The company has raised salaries on time and according to regulations.

7. Emulation and commendation

The company rewarded 175 collectives and 2,097 individuals and was rewarded by superiors for 07 collectives and 18 individuals. The total amount of commendation

and reward expenditure is 18,131,911,000 VND. In which, the reward for good students and advanced students in the 2023-2024 school year is 505 students, the amount of 99,020,000 VND.

8. Legal, military, inspection and protection work:

- The company has done a good job in relevant legal issues, ensuring the legitimate rights and interests of the enterprise, the legitimate interests of employees as well as customers.
- Regularly monitor the compliance with the Company's and the Group's Operation Regulations and the provisions of law.
- Inspect and urge grassroots security forces to strengthen close coordination with local functional forces in organizing patrols and guards to prevent and combat crimes, preserve security, and ensure the security and order situation of agencies and units.
- Regularly inspect fire prevention and fighting; fire protection system of affiliated units. Conduct periodic fire protection inspections in accordance with regulations.

9. Other tasks:

- The company always maintains and implements a quality management system in accordance with ISO 9001: 2015, ISO 14001: 2015; and ISO/IEC 17025: 2017.
- The Company applies the Product Journey Chain Management system according to PEFC-CoC standards and the Sustainable Forest Management system according to VFCS/PEFC-FM standards. Maintaining the system according to the above standards helps the Company establish an international standard system of responsible forest management for the community and society.
- The company is continuing to complete the relevant documentation system to adapt to the European Union Anti-Deforestation Regulation (EUDR).
- The company also applies the lean production program; helping the company's management system to operate streamlined and efficient; the topics of innovation-improvement continuously increase in quality and quantity through the continuous identification of waste.
- In 2024, there will be 11 innovative solutions recognized by the Company's Science and Technology Council. This is a new culture of the Company that will continue to contribute to the sustainable development of the Company in the following years.

III. GENERAL ASSESSMENT OF THE SITUATION IN 2024:

- The Company's production and business activities in 2024 still face many difficulties and challenges, salaries and incomes of employees have increased but not significantly compared to the general income level in the locality.
- The company regularly promotes the movement of initiative, improvement and application of scientific and technological advances to agricultural production and processing. Actively practicing thrift, anti-waste, reducing product costs, saving investment rates.
- In 2024, the whole Company will continue to maintain the tradition of solidarity; be proactive, creative, overcome difficulties and challenges to best complete the assigned tasks, well take care of the life, jobs and income of employees, always create

consensus and believe in the sustainable development of the Company.

IV. DIRECTIONS, TASKS AND SOLUTIONS IN 2025

1. Some targets of the 2025 plan of Tay Ninh Rubber Joint Stock Company:

INDICATOR	ĐVT	Plan 2025
I. VOLUME INDICATORS		
1- Total rubber area		7.091,53
- Total area of rubber extraction	hec	4.818,42
+ <i>Self-exploited rubber area</i>	hec	4.521,81
+ <i>Contracted and concession area</i>	hec	296,61
3- Total rubber production	ton	9.400,00
- Mining in the plan	ton	9.400,00
+ Self-exploited rubber output	ton	8.886,00
+ Output of contracted exploitation and franchising	ton	514,00
3- Productivity:	ton/hect	1,97
4- Processing output:	ton	10.486,00
5- Consumption:	ton	10.050,00
II. PRODUCTION AND BUSINESS INDICATORS		
1- Total revenue (minimum)	Million VND	562.636,00
2- Profit before tax (minimum)	Million VND	197.072,00
3- Profit after tax (minimum)	Million VND	177.686,00
4- Dividend (minimum)	Million VND	84.685,00
III. INVESTMENT TARGETS:		
1- Total investment capital demand (maximum)	Million VND	304.225,00
2- Funding sources:	Million VND	304.225,00

❖ Some solutions to implement the production and business plan in 2025:

- Well manage and exploit 4,521.81 hectares of commercial rubber orchards, striving to complete the 2025 output plan assigned by the Group of 8,886 tons.

- Continue to coordinate with the Rubber Research Institute in providing technical advice on latex harvesting and plant protection on rubber plantations in order to provide effective technical solutions to complete the 2025 plan and sustainable development in terms of productivity, output, etc the quality of the orchard is guaranteed.

- Develop plans, plan scraping boards, design early shaving mouths, prepare materials and fertilizers in a timely and adequate manner to be ready for the shaving season when the weather is favorable.

- The Company continues to implement and maintain VFCS/PEFC forest certificates, CoC certifications; ISO 9001&14001:2015 standard; ISO/IEC 17025:2017; Lean program...

- To study and apply advanced science and technology in production, processing, maintaining brands, improving production and business efficiency in association with

sustainable development.

- Strictly control the quality of input materials, improve the quality of preliminarily processed rubber, meet the markets with high quality requirements. Regularly update the development of the rubber latex consumption market to have a consumption strategy with high economic efficiency.

- Implement well the code of conduct in work, business culture, maintain traditional customer relations, promote marketing to find new customers.

- To coordinate well with local authorities in maintaining political security, social order and safety, property protection, fire prevention and fighting, and rescue and rescue.

- Regularly take good care of employees, help improve the material and spiritual life of employees, so that employees can work with peace of mind, improve labor productivity, contribute to the completion of the common tasks of the whole company.

2. Some targets of the 2025 plan of Tay Ninh Siem Reap Company:

INDICATOR		Plan 2025	
		Vietnamese Accountant	Cambodian Accountant
I. VOLUME INDICATORS			
1-Rubber area		6.410,51	6.410,51
2- Productivity:	tấn/ha	1,41	1,41
3- Mining output:	tấn	9.050,00	9.050,00
4- Processing output:	tấn	9.050,00	9.050,00
5- Consumption:	tấn	9.050,00	9.050,00
II. PRODUCTION AND BUSINESS INDICATORS			
1- Revenue from sales and provision of services	Tr.đồng	363.810,00	363.810,00
2- Cost of goods sold	Tr.đồng	264.981,81	271.132,44
3- Pre-tax accounting profit	Tr.đồng	54.031,98	52.353,31
4- Profit after tax	Tr.đồng	54.031,98	52.353,31
III. INVESTMENT TARGETS:			
1-Total investment capital demand:	Tr.đồng	310.879,62	310.879,62

❖ Some solutions to implement the 2025 plan of Tay Ninh Siem Reap Company:

- Exploiting and managing 6,410.51 hectares of commercial rubber, striving to complete the 2025 output plan assigned by the Group of 9,050 tons.

- Well manage the process of caring for and exploiting rubber latex in accordance with the regulations issued by the Company and the Group.

- Stabilize the exploitation labor source at the company in order to exploit the

productivity of the orchard.

- Research and expand the consumption market to contribute to the completion of revenue and profit targets for the Company.

- Proactively grasp the policies of the Government of Cambodia related to the Company's activities to organize production appropriately.

- The Company's employees unite and strive to complete all targets of the production and business plan in 2025.

The report above is the operational situation of production and business in 2024 and the production and business plan for 2025 of the Executive Board of Tay Ninh Rubber Joint Stock Company.

Recipient:

- General Meeting of Shareholders 2025;
- Storage location: Company records office.

GENERAL DIRECTOR

(Signed)

Nguyen Hong Thai