

BOARD OF DIRECTORS' REPORT

Dear Shareholders!

In 2021, the Company continues to focus on increasing expansion while adhering to sustainable development principles.

1. Activities of the Board of Directors:

- In 2021, the Board of Directors has held regular meetings to evaluate business results, provide orientations, direct operations, and discuss a variety of themes and topics in order to support management activity as well as approve the Board of Managements' suggestions. In addition, the Board of Directors made decisions on a variety of other Proposals through the form of collecting opinions in writing. The list of Board of Directors' Resolutions for 2021 is included in Minh Phu Seafood Corporation's Corporate Governance Report 2021.
- The members of the Board of Directors have carried out their responsibilities and functions in accordance with the Company's Charter, assuring Minh Phu's overall efficiency. In each period, the Board Members concentrated on discussing and evaluating the situation, operation outcomes and contributing to Minh Phu's development strategy and business plan.

No	Board Members	Position	Date of appointment/resignation	Number of meetings attended by the Member	Meeting attendance rate
1	Mrs. Chu Thị Bình	Chairwoman		04	100%
2	Mr. Lê Văn Quang	Board member		04	100%
3	Mr. Lê Văn Điệp	Board member		04	100%
4	Mr. Bùi Anh Dũng	Board member		04	100%
5	Mr. Nguyễn Nhân Nghĩa	Board member		04	100%
6	Mr. Phan Thanh Lộc	Board member		04	100%
7	Mrs. Hồ Thu Lê	Board member		04	100%
8	Mr. Nagoya Yutaka	Board member		04	100%
9	Mr. Tsukahara Keiichi	Board member	Appointment on 17/06/2021	02	50%
10	Mr. Osada Tsutomu	Board member	Resignation on 17/06/2021	02	50%

2. Remuneration for the Board of Director, the Supervisory Board in 2021.

The payment of remuneration to the Board of Directors and the Supervisory Board is made in accordance with the following resolution approved by the Annual General Meeting of Shareholders in 2021:

- Remuneration for Board members who do not serve concurrently as Corporate Officers: VND 25,000,000/person/month (*twenty-five million Vietnam Dong*). Remuneration for Board Members who serve concurrently as Corporate Officers: VND 12,500,000/person/month (*twelve million five hundred thousand Vietnam Dong*).
- Remuneration for Supervisory members who do not serve concurrently as Corporate Officers: VND 20,000,000/ person/month; (*twenty million Vietnam Dong*). Remuneration for Supervisory members who serve concurrently as Corporate Officers: VND 4,000,000 person/month (*four million Vietnam Dong*).

Total remuneration, bonuses and benefits paid to the Board of Directors and the Supervisory Board in 2021: **2.641.115.385** dong (*two billion, six hundred and forty-one million, one hundred fifteen thousand, three hundred eighty-five Vietnam dong*).

No.	Content	Amount
1	Board of Directors	2,497,115,385 (Vietnam Dong)
2	Supervisory Board	144,000,000 (Vietnam Dong)
	Total	2,637,750,000 (Vietnam Dong)

3. Evaluation of the Board of Directors on the activities of the Board of Management

The Board of Directors' supervisory activities toward the Board of Management are carried out in accordance with the Charter and internal corporate governance standards. In general, the Board of Directors understands the Board of Directors' strategy and works diligently to carry out the plan.

Overall evaluation of the Board of Directors' performance in the Group's production and business activities:

- The Board of Management acknowledges the Board of Directors' orientation and direction promptly and organizes effective implementation throughout the Group.
- The Board of Management has defined and implemented particular responsibilities in the Company based on the operation orientation of the Board of Directors with major strategic goals and assigning business targets to the member companies, directed each unit/ block/ department/ department to implement.
- At each BOD' Meeting, the General Director fully reports on the company's production and business situation, outstanding activities, growth promotion policy, business plan and reports on business activities as well as reports on topics at the Board of Directors' request.
- The Board of Management has carried out production and business activities in accordance with the General Meeting of Shareholders' resolutions, the Board of Directors' direction in compliance with the Company's Charter and the provisions of the law.

4. Evaluation of the Board of Directors on all aspects of the Company's activities in 2021

In 2021, the Vietnamese economy in general and the seafood market in particular have been heavily affected by the Covid-19 epidemic. In addition, Minh Phu also faces competition from other countries, especially India, Ecuador, Indonesia as well as trade impediments from importing countries.

These factors have caused the company's export output to drop, disrupting the global shrimp supply chain, affecting export markets and having a significant impact on Minh Phu's business plan.

However, with a strict and clear risk management policy along with a flexible business strategy, Minh Phu has accelerated the growth of profit targets over the same period:

- Export turnover reached 648.74 million USD, up 9.9% compared to 2020;
- Production output reached 59,968 tons, up 1.8% compared to 2020;
- Profit before tax reached VND 775.36 billion, up 1.7% compared to 2020.

5. Orientation of the Board of Directors in 2022

Minh Phu Seafood Corporation is a shrimp production enterprise which have end-to-end value chain of shrimp from research on shrimp diseases and solutions to prevent and treat shrimp diseases; IoT/AI technology and digitization of the shrimp industry; shrimp seed production; shrimp nursery; shrimp supply/purchasing chain; processing/exporting; logistics/logistics; Import/distribute in the United States and Japan.

We have always wondered why shrimp farmers in the Mekong Delta get poorer the more shrimp they raise, the more they have to leave their fields, houses, and hometowns to go to Ho Chi Minh City, Binh Duong and Dong Nai for their livings. So we determine to find answers and solutions to help Mekong Delta shrimp farmers get rich on their own land, get rich sustainably and get rich well.

After many years of surveying, we found that shrimp farming in the Mekong Delta has 3 outstanding characteristics/existences as follows: One is small scale shrimp farming - over 80% are shrimp farming households with only 0.5-3.0 ha; Second, there is no separate exit channel, but only one exit channel; Third, there is no or very poor irrigation system and infrastructure for shrimp farming. As a result, shrimp farming in the Mekong Delta has a very low survival rate and high cost of shrimp farming, while the selling price is low and precarious.

Such as:

1. Forest shrimp model has a survival rate of 0.5-1.0%
2. Extensive shrimp model 2.0-5.0%
3. Semi-intensive/intensive model 5.0-10.0%
4. Rice shrimp model 5.0-10.0%
5. High-tech super-intensive shrimp model under 60.0%

Meanwhile, if you can solve the above 3 characteristics/existences, you can achieve a survival rate of 60% and more!

To solve the above 3 characteristics/existences, after many days and nights of consideration, the only way that we can do is plan and re-plan the Mekong Delta shrimp industry. Accordingly, Minh Phu sponsored Ninh Thuan province to plan the production of high-quality shrimp seed, and sponsored the provinces of Ca Mau/Tra Vinh/Ben Tre/ Bac Lieu to plan the whole shrimp value chain.

By funding the planning with the aim of eliminating the above 3 characteristics/existences; Minh Phu wishes to help shrimp farmers get rich on their own land, get rich sustainably and get rich well. At the same time, it helps Vietnamese shrimp to compete well in the world market. In addition, this master plan also aims at a green economy, a circular economy, and a favoritism according to the Prime Minister's resolution 120: combating climate change. According to the funding roadmap - when approved by localities to integrate into socio-economic planning and approved by the Prime Minister,

Minh Phu will invest in samples for each farming model of 100-500ha or more, demonstrating high income from 2-5 times even to 10 times for shrimp farmers to follow. After that, we will invest in 3-5 shrimp processing factories/locality already planned. In order for this plan to come true, the whole political/social system from hamlets, communes, districts, provinces, people and businesses must be involved. Implement "consolidation and exchange of plots" to create large shrimp ponds/rice fields of 7-10ha by the method of linking many farmer households into cooperative groups; many groups cooperate into cooperatives. Minh Phu and his partner and investment bank/investment fund invest heavily in shrimp farming infrastructure and collect fees for shrimp farming infrastructure.

Dear Congress, with our enthusiasm and responsibility to the Mekong Delta shrimp farmers, we are determined to work with the Mekong Delta provinces to turn this dream and aspiration into reality to help the Mekong Delta shrimp farmers get rich on their own land. get rich sustainably and get rich well; to build the Mekong Delta countryside into a livable place, ending the situation where people have to leave their homes, fields, gardens, and hometowns to the city to work as hired laborers.

**On behalf of the Board of Board Director
General Director – Mr. Le Van Quang**