

BOARD OF MANAGERMENTS' REPORT

Dear Shareholders!

On behalf of the Board of Management of Minh Phu Seafood Group, we would like to report business activities in 2021 as the followings:

In the past year, Minh Phu has improved the operational efficiency of management and administration levels. Organize the evaluation of the performance of the departments, reorganize the organizational structure of the Company to achieve better efficiency. Continue to implement food saving and hygiene and safety policies to the forefront, promote market expansion and food hygiene and safety to the forefront, promoting market expansion and strengthening the group's position in the shrimp export market. Training key sources of capacity, improving management and technical qualifications of company members to meet the development needs of the Company.

1. Business results report

In the first 6 months of 2021, Vietnam's economy has gradually improved and thanks to efforts in Covid-19 prevention and the rapid adaptation of businesses. However, the fourth outbreak caused the efforts and results of recovery to be eroded. Especially in the southern provinces and cities, the social distancing took place throughout the third quarter of 2021, causing Minh Phu's factories to operate in capacity. In addition, measures to burn in ports and many countries also caused the consumption of products in export markets to decrease. Not out of the general situation of businesses, by the end of 2021, Minh Phu's net revenue and profit after tax recorded a decrease in turn 5.24% and 2.55% compared to 2020 and have not met the set plan. However, thanks to effective production and business coordination, export turnover, the company's production volume increased over the same period:

Target(s)	Unit(s)	Year of 2020	Execution in 2021	Plan in 2021	Achievement compared to 2020 (%)	The achievement compared to the plan (%)
Export turnover	Million dollar(s)	590.27	648.74	638.00	109.90%	101.68%
Production output	Ton(s)	58,924	59,968	61,500	101.77%	97.51%
Net Revenue	Billion dong	14,329	13,578	15,775	94.76%	86.07%
Earnings Before Interest And Taxes	Billion dong	762.42	775.36	1,187.00	101.70%	65.32%
Earnings After Interest And Taxes	Billion dong	673.79	656.59	1,092.00	97.45%	60.13%

In 2021, to strengthen risk management in production and business activities as well as adapt to the recovery situation of post-pandemic markets, the Group's Board of Management will restructure, increase the proportion of export exports to the US market (increase 8.72%), South Korea (increase 3.88%) and reduce exports to other markets such as: Japan (decrease 4.95%), China (decrease 3.80%), Canada (decrease 2.89%).

No.	Market	Year of 2020		Year of 2021	
		Values (million USD)	Rate (%)	Values (million USD)	Rate (%)
1	USA	149.11	25.35%	221.0	34.07%
2	Japan	143.93	24.47%	126.6	19.52%
3	Canada	77.89	13.24%	67.1	10.35%
4	Australia & New Zealand	59.32	10.09%	69.2	10.66%
5	Hongkong & Taiwan	16.9	2.87%	17.0	2.62%
6	EU	61.42	10.44%	74.1	11.42%
7	Russia	27.8	4.73%	23.0	3.55%
8	Eastern Europe	0.57	0.10%	0.2	0.04%
9	Korea	4.29	0.73%	29.9	4.61%
10	China	26.92	4.58%	5.0	0.78%
11	Other(s)	19.95	3.39%	15.5	2.40%
	Total	588.11	100%	648.7	100%

2. Assets and liabilities

As of December 31, 2021, the company's total assets reached 9,559.17 billion VND which is increased 6.98% compared to 2020. The proportion of short-term assets accounted for 75.1% and the proportion of long-term assets. accounted for 24.9%. In the year, short-term assets increased by 3.4% due to an increase in inventories of 47.28% with difficulties in exporting and consuming products during the outbreak period. The company's long-term assets increased by 19.47% compared to 2020 due to the fact that the company initially start to build up construction of Minh Phat seafood processing factory and invest more in treatment systems, farming management which cause construction in progress and fixed assets to increase by 12.86% and 14.69%, respectively.

The company's total liabilities reached 4,067.04 billion VND at the end of 2021, which is increased of 12.55% compared to 2020. Because of the specification of the aquaculture and seafood processing export industry, it is very demanding. Therefore, short-term debt accounted for a high proportion of 97.05% of total liabilities, short-term debt increased by 11.32% due to short-term loans during the year to supplement capital for production activities. Besides, company take advantages of cheap loans and preferential interest rate policies to invest in activities to upgrade ponds, manage raw materials, as a foundation for Minh Phu's development strategy in the next period. Long-term debt still

maintained a low proportion of 2.95% of total debt structure and increased by 77.36% due to deferred income tax and payment increased 169.91% compared to the end of 2020.

Unit: Billion dong

BALANCE SHEET			
No.	Main target(s)	31/12/2021	01/01/2021
I	Assets	9,559.17	8,935.57
1	Short-term assets	7,178.98	6,943.22
2	Long-term assets	2,380.19	1,992.35
II	Capital	9,559.17	8,935.57
1	Liabilities	4,067.04	3,613.49
2	Equity	5,492.13	5,332.08

3. Financial report

Profitability, payments:

Target(s)	Unit	2020	2021
1. Ability to pay			
- Current payout ratio	time	1.96	1.82
- Quick payout ration	time	1.10	0.69
2. Capital structure			
- Debt/Total asset	time	40.44	42.55
- Debt/Total equity	time	67.90	74.05
3. Operational capacity			
- Inventory turnover	time	4.32	3.11
- Net sales/total asset	time	1.69	1.47
4. Profitability			
- Profit after tax/Net revenue	%	4.70	4.84
- Profit after tax/Total equity	%	13.03	12.14
- Profit after tax/Total asset	%	7.93	7.10
- Operation profit/Net revenue	%	5.35	5.64

4. Changes in shareholder equity:

We would like to finalize list of shareholders from 24/05/2022 is: **2,501** shareholders.

Total number of company shares:

Common stock: 200,000,000 stocks

Adjustable preferred stock: None

Treasury stock: 56,350

**On behalf of the Board of Management
Deputy General Director – Mr. Le Van Diep**