

To: - The State Securities Commission of Vietnam;
- The Hanoi Stock Exchange.

- Pursuant to Circular No. 96/2020/TT-BTC dated November 16, 2020, of the Ministry of Finance providing guidelines on information disclosure on the securities market.

- Pursuant to the reviewed interim financial statements for the first six months of 2025 of Phuoc An Coffee Joint Stock Company, audited by Ernst & Young Vietnam Ltd., which contains an Emphasis of Matter paragraph in the Independent Auditor's Review Report stating: *"We draw the readers' attention to Note 29 to the financial statements, which describes the Company's ongoing petition regarding the Dak Lak Provincial Inspectorate's request to recover 318.68 hectares of the Company's coffee plantations. As the final outcome of this petition remains uncertain, the Company has not yet recognized all potential impacts that may arise from this matter in the accompanying financial statements"*

Phuoc An Coffee Joint Stock Company (the "Company") provides the following explanation:

1. Reasons:

On June 26, 2025, Phuoc An Coffee Joint Stock Company received Inspection Conclusion No. 58/KL-TTr issued by the Dak Lak Provincial Inspectorate. According to this conclusion, the inspecting authority recommended that competent agencies consider revoking 318.68 hectares of coffee plantations under the Company's management, for the following reasons:

- This area was previously approved by the Dak Lak Provincial People's Committee for the Company to implement replanting and renovation in 2009 and 2014 due to old, low-efficiency coffee trees; however, the projects have not been implemented to date.
- The Inspection Conclusion stated that the Company does not directly manage, invest, or use the land, and uses the land inefficiently and for incorrect purposes.

However, the Company finds that this recommendation lacks legal basis and does not fully reflect the actual situation or the difficulties encountered during the replanting initiative. Specifically, most of this land area is currently contracted to households who directly manage and cultivate it. During the implementation of the replanting plan, these contractor households did not cooperate, occupied the plantations, and obstructed the Company from managing, renovating the plantations, and exercising the owner's rights over the plantations. This is the primary reason for the delay in implementing the replanting initiative, despite the Company's repeated efforts to work with, persuade, and coordinate with relevant parties.

Furthermore, annually, the Company continues to account for and fully fulfill its financial obligations under the law for the aforementioned land area, while also taking necessary legal measures to regain management and usage rights of the plantations, including filing lawsuits against households occupying the land (a total of 09 cases in Phuoc An).



The legal grounds cited by the Provincial Inspectorate in Inspection Conclusion 58/KL-TTr for applying the land revocation sanction are also inappropriate (including Point D, Clause 1, Article 181 of the Land Law 2024; Point B, Clause 2, Article 67 of Decree 102/2024/ND-CP; Point C, Section 4 of Conclusion No. 103-KL/TW of the Politburo), as these documents apply to *"Agriculture and Forestry Companies."* According to Decree 118/2014/ND-CP on the arrangement, renovation, development, and enhancement of operational efficiency of Agriculture and Forestry Companies, the applicable entities are *"State-owned single-member limited liability companies in agriculture and forestry in which the State holds 100% of charter capital (hereinafter collectively referred to as agriculture and forestry companies) that have been converted under Decree No. 170/2004/ND-CP dated September 22, 2004, of the Government on the arrangement, renovation, and development of state-owned farms; Decree No. 200/2004/ND-CP dated December 3, 2004, of the Government on the arrangement, renovation, and development of state-owned forestry enterprises; Decree No. 25/2010/ND-CP dated March 19, 2010, of the Government on the conversion of state-owned enterprises into single-member limited liability companies and the organization and management of single-member limited liability companies with state ownership."* Currently, Phuoc An Coffee One Member Limited Liability Company – a 100% state-owned company – no longer exists, and Phuoc An Coffee Joint Stock Company is not subject to the aforementioned regulations.

Therefore, the Company is still carrying out procedures to petition and work with competent authorities to review the content of the inspection conclusion to ensure the legitimate rights and interests of the enterprise.

At the time of preparing the 2025 financial statements, due to the lack of a final decision from the competent state authority, the Company has not recorded any adjustments related to this matter in the 2025 financial statements.

2. Resolution Plan:

The Company will continue to closely coordinate with relevant functional agencies to clarify the content of the inspection conclusion, while fully implementing all necessary legal procedures in accordance with regulations to protect the legitimate rights and interests of the enterprise.

In all cases, upon receiving an official conclusion from the competent authority, the Company commits to updating, fully and promptly disclosing information in accordance with securities laws and regulations on information disclosure on the securities market, and will recognize any related impacts (if any) in the financial statements of the appropriate period.

The Company respectfully reports this to the State Securities Commission and the Hanoi Stock Exchange for your information.

Sincerely.

PHUOC AN COFFEE JOINT STOCK COMPANY

Distribution:

- As above.
- File.



Nguyễn Huyền Lâm

