

**DRAFT**

No: 03/2025/BC-HĐQT

*Ho Chi Minh City, March 27, 2025*

**REPORT**  
**ACTIVITIES OF THE BOARD OF DIRECTORS AND**  
**THE EXECUTIVE BOARD IN 2024**  
**ORIENTATION AND OPERATION PLAN FOR 2025**

**I. Global and Vietnam Economic Situation in 2024 and Outlook for 2025**

**1. Global Economic Situation in 2024<sup>1</sup>**

In 2024, the global economy continued to face numerous difficulties and challenges, with increasingly intense and comprehensive strategic competition among major powers. Rising geopolitical tensions, the prolonged and complex Russia–Ukraine conflict, and escalating hostilities in the Middle East had a negative impact on the global economic recovery following the COVID-19 pandemic. Although global inflation cooled somewhat in 2024, it remained at a relatively high level. Many major economies continued to pursue tight monetary policies and maintain high interest rates. Growth in several countries—including Vietnam’s key trading partners—slowed significantly, while public debt rose to alarming levels, posing potential risks and exerting direct impacts on highly open economies such as Vietnam.

The Organisation for Economic Co-operation and Development (OECD), the International Monetary Fund (IMF), and the European Union (EU) all projected global GDP growth in 2024 to reach 3.2%, unchanged from their previous forecasts. Fitch Ratings (FR) forecasted global economic growth at 2.8%, up by 0.1 percentage points compared to its projection in September 2024. The United Nations (UN) estimated that the global economy would grow by 2.7% in 2024, a 0.3 percentage point increase from its January 2024 forecast.

According to the IMF’s World Economic Outlook Update released in October 2024, global economic growth for both 2024 and 2025 is projected to remain at 3.2%, consistent with its July 2024 forecast. However, the IMF revised upward its growth forecast for the United States, while lowering projections for other developed economies—particularly in Europe—as well as for emerging markets, developing economies, the Middle East, Central Asia, and Sub-Saharan Africa. The downward revisions were attributed to disruptions in production and logistics, especially in the oil sector, along with ongoing conflicts, civil unrest, and extreme weather events. On a more positive note, the IMF raised growth forecasts for emerging markets and developing economies in Asia, driven by increased demand for semiconductors and electronic equipment, and a surge in investment in artificial intelligence technologies.

According to the OECD Economic Outlook published in December 2024, the global economy remains resilient, with moderate inflation and signs of a recovery in global trade. Global GDP growth in 2024 is projected to reach 3.2%, unchanged from the September 2024 forecast, and is expected to rise slightly to 3.3% in 2025 (an increase of 0.1 percentage point compared to the September projection). Inflation is under control, employment growth is stable,

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<sup>1</sup> Tổng cục Thống kê - Bộ Kế hoạch và Đầu tư, Tổng quan dự báo tình hình kinh tế thế giới quý IV và năm 2024, <https://www.gso.gov.vn/du-lieu-va-so-lieu-thong-ke/2025/01/to%CC%89ng-quan-du-bao-tinh-hinh-kinh-te-the-gioi-quy-iv-va-nam-2024/> truy cập ngày 06/01/2025.

and less restrictive monetary policies are expected to stimulate demand, although some obstacles remain due to fiscal tightening in many countries. Growth disparities among countries are narrowing: economic expansion in the United States and Brazil is showing signs of slowing down, while the recovery in Europe is accelerating. Meanwhile, strong domestic demand in India and Indonesia, along with recently announced stimulus measures in China and Japan, are expected to drive robust growth in Asia.

The labor market has shown signs of stabilization. According to the United Nations Department of Economic and Social Affairs (UNDESA), labor markets in developed economies are displaying increasing signs of stability. During the first three quarters of 2024, labor conditions in these economies have continued to return to pre-pandemic levels.

## **2. Vietnam's Economic Situation in 2024**

In 2024, despite numerous difficulties and challenges both globally and domestically, Vietnam remained a bright spot in the overall economic landscape and continued to enhance its international standing.

Vietnam's economic outlook is viewed as fairly positive, with a balanced mix of opportunities and risks. The country's GDP is forecast to grow by 6.1% in 2024, and to rise further to 6.5% in 2025—an upward revision of 0.6 and 0.5 percentage points, respectively, compared to the World Bank's April 2024 projections. Amid global uncertainties that have led to shifts in trade and investment patterns, Vietnam has benefited from its participation in regional and international trade agreements, which are expected to foster more open and stable trade regimes. The development of digital platforms has contributed to higher productivity for businesses in certain sectors. Increased productivity, driven by automation and larger-scale production, has also helped generate employment opportunities for skilled workers.

Vietnam's economic growth is forecast to reach 6.1% in 2024, driven by strong external demand, robust foreign direct investment (FDI), and the implementation of adaptive policy measures. Domestic demand is expected to gradually recover, while the real estate sector is projected to fully rebound only in the medium term.

However, several risks to the economy should also be noted. Exports, a key driver of Vietnam's economic growth, could weaken if global growth underperforms expectations, geopolitical tensions persist, or trade disputes escalate. Under current accommodative monetary conditions, if exchange rate pressures persist for an extended period, they could lead to domestic inflationary pressures. Furthermore, the prolonged weakness in the real estate sector and the corporate bond market could place additional strain on the banking sector's credit expansion capacity, negatively affecting economic growth and potentially undermining financial stability.

The Asian Development Bank (ADB) revised upward its growth forecast for Vietnam compared to its September 2024 projection, increasing it from 6.0% to 6.4% for 2024 and from 6.2% to 6.6% for 2025. Vietnam's economy grew by 6.8% in the first three quarters of 2024, supported by strong trade activity, a rebound in the manufacturing sector driven by rising exports, and fiscal stimulus measures. The robust recovery of export-oriented production and trade—fueled by the positive rebound of the U.S. economy—is expected to continue contributing to GDP growth. Additionally, accelerated public investment and adaptive fiscal and monetary policies will help stimulate domestic demand further. Despite the severe impact of

Typhoon Yagi in several regions of the country, the government's swift response and recovery efforts helped minimize the negative effects on overall economic growth.

## **II. Activities of the Board of Directors (HDQT) in 2024**

### **1. Members and Structure of the Board of Directors during the Term:**

The Board of Directors (BOD) of Tan Phu Vietnam Joint Stock Company consists of 05 members, including 1 Chairman, 1 Vice Chairman, and 3 BOD members. All members of the BOD have fully performed their functions and duties in accordance with the provisions of the law. The composition of the BOD in 2024 is as follows:

<b>Stt</b>	<b>Members of the Board of Directors</b>	<b>Position</b>	<b>Date of Appointment as BOD Member</b>
1	Tran Duc Huy	Chairman of the Board of Directors, Member of the Audit Committee	18/10/2024
2	Hoang Quoc Thuy	Vice Chairman of the Board of Directors	08/04/2022
3	Phan Anh Tuan	Member of the Board of Directors	08/04/2022
4	Ngo Duc Trung	Member of the Board of Directors	20/04/2020
5	Vu Thuy Linh	Independent Member of the Board of Directors, Chairman of the Audit Committee	08/04/2022

### **2. Activities of the Board of Directors**

In the 2024 financial year, the Company's Board of Directors held a total of 09 meetings, including 04 regular sessions, and issued 09 resolutions/decisions. The key matters approved by the Board of Directors during the year included the following:

- Investment and Business Activities: Approved the record date for the payment of principal and interest of the TPP12101 bond issuance..
- Corporate Governance: Completed all 2024 corporate governance reports fully and on time; disclosed full information on related party transactions; selected the auditing firm for the 2024 financial statements; approved the official termination of the Company's branch operations; supervised compliance with legal regulations, the Company's Charter, and disclosure requirements to ensure fairness for shareholders.
- Shareholder Relations: Convened and organized the 2024 Annual General Meeting of Shareholders and conducted the 2024 Extraordinary General Meeting of Shareholders in accordance with the law and the Company's Charter.
- Appointments and Dismissals: Dismissed and appointed the positions of Chairman of the Board of Directors, Deputy General Director, and Deputy General Director of Business.

- Other Activities: Performed other activities within the authority of the Board of Directors.

In addition to regular and extraordinary meetings, the Board of Directors frequently held weekly and monthly briefings to review and assess the Board's activities and to monitor the implementation of business operations by the Executive Board.

All resolutions and decisions of the Board of Directors were issued based on a high level of consensus among its members. Each BOD member made strong efforts to fulfill their governance responsibilities in alignment with the Company's development strategy, acting in the best interests of shareholders and for the overall growth of the enterprise.

### **3. Evaluation of the Board of Directors' Performance in 2024:**

#### **- Performance Indicators in 2024 Compared to the Plan:**

<b>STT</b>	<b>Indicator</b>	<b>Unit</b>	<b>Actual 2024</b>	<b>Plan 2024</b>	<b>% Completion Compared to Plan</b>
1	Revenue	VND billion	3.194	2.757	116 %
2	Profit Before Tax	VND billion	53	31.2	170 %
3	Profit After Tax	VND billion	41.6	24.9	167 %
4	Dividend Payout Ratio for 2023 (paid in 2024)	%	0 %	0%	0 %
5	Expected Dividend Payout Ratio for 2024	%	0 %	0%	0 %
6	Net Profit Margin	%	1.3 %	0.9 %	144 %
7	Charter Capital	VND billion	450	450	100%

#### **- The main activities of the Board of Directors in 2024 were as follows:**

- The Board of Directors developed the Company's vision, mission, and core values, and is currently implementing the development strategy for the 2020–2025 period.
- In 2024, the Board of Directors held regular and extraordinary meetings to vote on matters related to the Company's operations. All meetings were conducted in accordance with the procedures stipulated by the Law on Enterprises and the Company's Charter. The Board complied with corporate governance principles and effectively carried out tasks as assigned in the resolutions of the Annual General Meeting of Shareholders and the Company's Charter.

- The Board of Directors directed and managed the Company's overall business operations, achieving significant revenue growth, particularly in the Inochi household product line and the AOI ecosystem for mothers and babies.
- In terms of operational governance, the BOD promoted internal improvement initiatives aimed at cost reduction, enhancing labor productivity, and increasing operational efficiency. The Company developed and implemented a digital transformation roadmap, applying IT solutions in both management and operations.
- Alongside process improvements and automation in production, the BOD also reorganized the workforce to optimize human resources, focused on training and recruiting to fill key vacancies—especially in management positions—and worked to build a strong corporate culture, with an emphasis on the physical and mental well-being of employees.
- The Board of Directors successfully organized the 2024 Annual General Meeting of Shareholders in an in-person format in April 2024, during which all proposals submitted by the BOD received approval and strong support from the shareholders.

#### **4. Evaluation of the BOD's Supervision of the Executive Board (EB)**

Through its supervisory activities, the Board of Directors highly appreciates the efforts of the Company's Executive Board in implementing the 2024 business plan. Specifically:

- The supervision and support of the Company's members in business activities were carried out closely, through regular evaluations of monthly and quarterly business results and development targets.
- The Executive Board fully implemented the Resolutions of the General Meeting of Shareholders and the Board of Directors, actively participated in BOD meetings, and made constructive contributions.
- On a quarterly basis, the Executive Board reported to the BOD on the Company's financial status and the management and operation of business activities. This allowed the BOD to stay promptly informed of the Company's business situation, enabling timely discussion and direction in line with the approved strategic orientation.
- During its operations, the Executive Board strictly complied with the provisions of the law, the Company's Charter, the resolutions of the General Meeting of Shareholders, and all Resolutions, Decisions, and Notices of the Board of Directors.

#### **5. Remuneration, Operating Expenses, and Other Benefits of the Board of Directors and Each Member in 2024**

The operating expenses and other benefits of the Board of Directors were implemented in accordance with the provisions of the Company's Charter.

#### **6. Transactions between the Company, its subsidiaries, or companies in which the public company holds more than 50% of charter capital and members of the Board of Directors or their related persons; transactions between the Company and any company in which a member of the Board of Directors is a founding shareholder or has held a managerial position within the past 3 years prior to the transaction:**

None.

## **7. Activities of the Independent Member of the Board of Directors and the Independent Member's Evaluation of the Board's Performance:**

The Company has 01 independent member of the Board of Directors, who effectively fulfilled their functions and duties in 2024. This contributed to enhancing the objectivity and effectiveness of the Board's resolution-making and implementation processes, as well as strengthening transparency in the operations and organization of the Board of Directors.

*(Details of the Report on the Activities of the Independent Member of the Board of Directors within the Audit Committee are attached below.)*

## **8. Activities of the Audit Committee under the Board of Directors:**

The Audit Committee under the Board of Directors of the Company consists of 02 members. The Chairman of the Audit Committee is an independent member of the Board of Directors, and the second member is a non-executive Board member, both of whom meet the standards and conditions prescribed by the securities law. In 2024, the Audit Committee held 02 periodic meetings in accordance with legal regulations and effectively performed its role in reviewing and supervising financial activities and independent audit processes. The Committee also analyzed potential risks in the Company's business and financial operations and reported to the Board of Directors for consideration and discussion prior to issuing resolutions or decisions under the BOD's authority. In addition, the Audit Committee participated in all meetings of the Board of Directors to stay informed about the Company's business operations and to provide input on relevant matters.

### **Key Duties of the Audit Committee in 2024**

- Supervised the implementation of the 2024 Annual General Meeting of Shareholders' Resolutions;
- Oversaw the accuracy and integrity of the Company's financial statements and official disclosures related to its financial performance;
- Reviewed the internal control and risk management systems;
- Reviewed related-party transactions under the approval authority of the Board of Directors or the General Meeting of Shareholders and provided recommendations on transactions requiring such approvals;
- Monitored the activities of the Company's internal audit department;
- Monitored and assessed the independence and objectivity of the external auditing firm and the effectiveness of the audit process, including non-audit services;
- Oversaw the Company's compliance with legal regulations, regulatory requirements, and the Company's internal policies.

### III. REPORT ON THE ACTIVITIES OF THE EXECUTIVE BOARD (GENERAL DIRECTOR) IN 2024:

#### 1. Regarding Production and Business Operations:

TT	Indicator	Unit of Measurement	Plan 2024	Actual 2024	Actual 2023	TH/KH	TH 2024/2023
1	Net Revenue	VND billion	2.757	3.194	2.507	116%	127%
2	Profit Before Tax	VND billion	31,2	53,0	26,7	169%	199%
3	Profit After Tax	VND billion	23,1	41,6	20,0	180%	208%

- ❖ Revenue reached VND 3,194 billion, achieving 116% of the target and growing 27% year-on-year: In 2024, revenue followed the planned trajectory, with a growth rate of nearly 30% compared to 2023. This was driven by steady growth across all three segments, especially Inochi and Flexible Packaging. Stable revenue growth, expansion of the customer base with a wide range of products, improved product quality, and strengthened brand identity are expected to form a solid foundation for continued business growth and profitability.
- ❖ Inochi grew 36% year-on-year, despite a challenging economic environment and ongoing fluctuations in raw material prices, exchange rates, and geopolitical instability. Notably, the eGT channel grew by +156% and the export channel by +94% — establishing a strong basis for Inochi's development focus in 2025.
- ❖ Continuing the momentum of profit growth from 2022 and 2023, the net profit after tax in 2024 more than doubled compared to 2023, reaching 180% of the target. This was the result of continuous and comprehensive efforts to improve profitability in the context of persistent economic difficulties and intense domestic and international competition.

Rigid and flexible packaging segments remained consistent with the goal of prioritizing sustainable and efficient growth. Inochi achieved dual growth, not only in terms of revenue but also in overall operational efficiency. At the same time, the Company actively implemented cost-saving and optimization plans, such as Kaizen initiatives and cost reduction across all departments—based on the principle of maintaining effectiveness while optimizing expenses.

#### - Regarding the Implementation of 2024 Business Plan Targets:

STT	Indicator	Đơn vị	Actual 2024	Plan 2024	% Completion Compared to Plan
1	Net Revenue	VND billion	3.194	2.757	116%
2	Profit Before Tax	VND billion	53	31.2	170%
3	Profit After Tax	VND billion	41.6	24,9	167%
4	Dividend Payout Ratio for 2023 (paid in 2024)	%	0%	0%	0%
5	Expected Dividend Payout Ratio for 2024	%	0%	0%	0%
6	Net Profit Margin	%	1.3%	0,9%	144%
7	Charter Capital	VND billion	450	450	100%

## **2. Investment Activities:**

- ❖ The Long An and Bac Ninh factories were standardized with the development of clean workshops, ensuring product quality in line with customer requirements and improving working conditions for employees. Outdated machinery was almost completely replaced with modern equipment from reputable brands such as Toshiba, Woojin, and SMC. The facilities achieved high standards including GMP, ISO 15378:2015 for the pharmaceutical industry, as well as HACCP and BRC for food safety and hygiene. The BBM factory obtained the BSCI certification, supporting the export segment of the BBM product line.
- ❖ The centralization of production was completed through the relocation of the Ho Chi Minh City factory to Dong Nai and Long An.
- ❖ Significant investment was made in new molds, with a focus on supplier diversification—including Lap Phuc, Minh Tri, and Dai Tu Hung—to enhance competitiveness, production stability, and speed. These suppliers are recognized by customers as among Vietnam’s leading mold manufacturers, contributing to a notable improvement in mold quality, reduced waste, and greater product consistency.

## **3. Finance, Procurement, Human Resources, and Management Operations:**

- ❖ Efforts were made to streamline interest and financial costs by restructuring loan sources to optimize borrowing expenses and reduce banking fees. The Company also actively negotiated and secured commitments from banks for 2025, strengthening financial capacity and ensuring timely access to working capital—creating favorable conditions for breakthroughs in business operations and lowering overall financial costs.
- ❖ Internal communication was strengthened to foster a healthy and positive work environment. Recruitment, training, and retention policies were continuously improved to maintain workforce stability, enhance employee quality, and boost labor productivity.
- ❖ The ERP system rollout and digital transformation continued to be expanded across the Company’s operations.
- ❖ The Company issued and revised internal procedures and regulations, aiming to minimize administrative processes by adopting electronic and digital technologies to replace traditional paperwork and signatures. In addition, the Company successfully implemented a delegation (backup) mechanism for urgent situations, helping to ensure smooth business operations and reduce reliance on key personnel, thereby mitigating the risk of operational disruption.
- ❖ Office and workplace facilities were improved, contributing to better employee morale and well-being.

## **IV. PLANS AND STRATEGIC DIRECTIONS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD FOR 2025**

### **1. Economic Outlook for 2025**

- ❖ Favorable factors::
  - ~ The company’s internal resources, such as production capacity, factories, and machinery, have been methodically invested in and will continue to be upgraded to ensure sufficient product supply for the sales team to expand into new markets and customers.
  - ~ Highly qualified personnel across all departments of the company.
  - ~ A large volume of orders has been secured through long-term commitments from loyal customers.



- ~ In the household goods segment, the company has a strong domestic market foundation, which will serve as a launchpad for international market expansion in 2025.
- ❖ Challenges:
  - ~ The cost of input materials for plastic production, especially plastic resins, tends to increase due to global oil price fluctuations and disruptions in the global supply chain.
  - ~ Competitive pressure from rivals: The continuous “copycat” behavior targeting the company’s key and core products poses a major challenge in protecting existing offerings while accelerating new product development. Additionally, the plastics industry faces fierce competition from imported products, particularly from countries with advanced plastic industries such as China and Thailand.
  - ~ Environmental requirements: The growing green consumption trend and increasingly strict environmental regulations create pressure on enterprises to innovate technology and products to meet eco-friendly standards.
  - ~ A greater need for capital investment to develop the household plastics segment, in the context of limited capital accessibility and rising interest rates aimed at curbing inflation.
  - ~ Intensifying competition across all business segments of TPP.

## 2. Business and Production Plan for 2025:

Target Indicators for 2025:

STT	Indicators	Unit	Plan for 2025	Actual Performance 2024	% Compared to 2024
1	Net Revenue	VND billion	3.600	3.194	113%
2	Profit Before Tax	VND billion	81	53	153%
3	Profit After Tax	VND billion	65	41.6	156%
4	Charter Capital	VND billion	650	450	144 %

### 2.1. Operational Plan of the Board of Directors for 2025:

**The Board of Directors has set forth its operational plan for 2025, as follows:**

- ~ Continue to direct the development of strategic goals and business plans, focusing on building and expanding the Inochi household goods segment, the flexible packaging segment, and the AOI ecosystem for mothers and babies. This will include broadening the customer base while deepening product quality.
- ~ Focus on maintaining and nurturing the existing market share, fully leveraging the current industrial plastics market, optimizing the use of invested assets, promoting the development of new company projects, and expanding export markets.

~ Promote organizational streamlining and invest in developing highly qualified personnel to meet development requirements for the coming year and the next five-year goals in terms of professional quality and work ethic.

~ Strengthen centralized management, improve work efficiency, prioritize cost-saving and performance-enhancing solutions, reasonably cut costs, and prioritize investments in automation.

~ Accelerate the adoption of technology to digitize data and implement digital transformation in corporate governance and operations.

~ Work closely and actively with the Executive Board to achieve business goals and ensure sufficient financial capacity to support the company's production and business activities.

## **2.2. Business Operation Plan of the Executive Board for 2025**

### **2.2.1. On Business Activities:**

- (i) **B2B Segment:** Continue to maintain stable and effective growth at an average rate of 10% per year through restructuring of the product and customer portfolio.
- (ii) **BBM Segment:** In addition to maintaining and expanding business with existing customers, the 2024 goal is to broaden the customer base to include the U.S. and Canada, while strengthening direct relationships with major supermarket chains and large distribution systems.
- (iii) **Inochi Segment:** The goal is to become the number one in the Southeast Asia region, achieve effective growth in the eGT channel, and ensure sustainable, efficient growth across MT platforms and project channels.

#### **In 2025, Inochi's key objectives are as follows:**

- Building on the foundation of 2024, Inochi sets the goal of becoming the most preferred brand in the Southeast Asia region.
- Pioneer in distribution through the eGT channel (targeting a 45% growth compared to 2024).
- Ranked among the top companies providing gift solutions and products for corporate clients.
- Continue to develop multi-channel sales with effective growth across existing domestic channels such as MT (Modern Trade), Projects, etc., while restructuring underperforming sales channels such as retail during 2024.
- Develop the AOI mother and baby brand not only domestically but also expand internationally, targeting over 200 SKUs in the first year and continued expansion in the following years.
- Diversify products to stay aligned with consumer trends and preferences, expand product lines, develop themed collections, and offer bundled solutions and combo sets to create unique brand value.

### **2.2.2. On Investment and Production**

- (i) Continue investing in machinery, equipment, and molds to meet the demands of breakthrough growth, especially in the Inochi household goods segment. The total planned investment is estimated at nearly VND 80 billion.
- (ii) Improve production efficiency: aim for machinery and equipment operating efficiency between 85%–90%, and reduce the defect rate in production.

- (iii) Enhance the effectiveness of production improvements, progressing toward automation in manufacturing operations.
- (iv) Optimize and reduce input material costs.

#### **2.2.3. On Finance:**

- (i) Strengthen measures to improve capital liquidity and ensure sufficient working capital for the company.
- (ii) Implement recovery of working capital tied up in slow-moving inventory.
- (iii) Optimize capital usage: accelerate inventory turnover, extend payment terms with suppliers, control overdue receivables, and conduct customer credit assessments to mitigate bad debt risks.

#### **2.2.4. On Governance and Operations::**

- (i) Organize the company's operations with a lean and agile approach. Develop employee welfare policies to ensure workforce stability. Foster a green and safe working environment. Apply AI technology in business operations to streamline organizational structure and optimize efficiency.
- (ii) Build a corporate culture rich in identity, with a people-driven approach and a customer-centric mindset.
- (iii) Establish strategic partnerships with key domestic raw material suppliers to secure the best volume and pricing, enhancing competitiveness against imported goods.
- (iv) Optimize warehouse and logistics operations in both the North and South to reduce storage and operational costs.

The above is the report of the Board of Directors and the Executive Board on the business and production results for 2024 and the plan for 2025. We respectfully submit it to the General Meeting of Shareholders for approval.

#### **Recipients:**

- Shareholders;
- Board of Directors, Supervisory Board;
- Filing: Office.

**BOARD OF DIRECTORS**

**CHAIRMAN**

**TRAN ĐUC HUY**

**ACTIVITY REPORT**

## **Report of the Independent Board Member in the Audit Committee**

### **DEAR: THE GENERAL MEETING OF SHAREHOLDERS**

#### **TAN PHU VIETNAM JOINT STOCK COMPANY**

Pursuant to Article 284 of Decree No. 155/2020/ND-CP, the Company's Charter, and the regulations on the organization and operation of the Audit Committee, the Independent Member of the Board of Directors ("HDQT") serving on the Audit Committee respectfully submits to the General Meeting of Shareholders the Report on the activities of the Audit Committee ("UBKT") in 2024, as follows:

### **I. REPORT ON OPERATING RESULTS FOR 2024**

#### **1. Members and Structure of the Audit Committee during the Term:**

The Audit Committee under the Board of Directors of Tan Phu Vietnam Joint Stock Company consists of 02 members, including 01 Chairman of the Audit Committee who is an Independent Member of the Board, and 01 Member who is a Non-Executive Director. All members of the Audit Committee meet the qualification standards as prescribed by law and the Company's Charter. The composition of the Audit Committee in 2024 is as follows:

#### **2. Activities of the Audit Committee:**

- **Meetings of the Audit Committee:** In 2024, the Audit Committee held 02 regular meetings with full participation from its members, including Chairwoman of the Audit Committee Ms. Vu Thuy Linh and Member Mr. Tran Duc Huy.

<b>STT</b>	<b>Day</b>	<b>Number of participating members</b>	<b>Main topics of the meetings:</b>
1	June 28, 2024	02/02	<ul style="list-style-type: none"><li>- Discussed, reviewed, and approved certain activities of the Audit Committee from January 2024 to June 28, 2024;</li><li>- Discussed and agreed on the Audit Committee's action plan for the second half of 2024.</li></ul>
2	September 26, 2024	02/02	<ul style="list-style-type: none"><li>- Discussed and reviewed the Audit Committee's activities during Q1 and Q2 of 2024;</li><li>- Discussed and agreed on the Audit Committee's operational plan for Q3 and Q4 of 2024.</li></ul>

In addition, the Audit Committee also participated in all meetings of the Board of Directors to stay informed about the Company's business operations and to provide input on relevant matters.

#### **- Key Responsibilities of the Audit Committee in 2024:**

- Supervised the implementation of the 2024 Annual General Meeting of Shareholders' Resolution;
- Oversaw the accuracy and integrity of the Company's financial statements and official disclosures related to financial performance;
- Reviewed the internal control system and risk management framework;

- Reviewed related party transactions falling under the approval authority of the Board of Directors or the General Meeting of Shareholders and provided recommendations on transactions requiring such approval;
- Supervised the Company's internal audit function;
- Monitored and assessed the independence and objectivity of the external audit firm and the effectiveness of the audit process, including any non-audit services provided;
- Ensured the Company's compliance with legal regulations, regulatory requirements, and internal policies.

- In its role of reviewing and supervising financial activities and independent auditing, as well as analyzing potential risks in the Company's business and financial operations, the Audit Committee has promptly analyzed and assessed risks, provided conclusions, and proposed solutions to address arising issues. These were submitted to the Board of Directors within the scope of authority defined by the Company's Charter.

- **Audit Committee's Conclusions:** In its role of reviewing and supervising financial activities and independent audits, as well as analyzing potential risks in the Company's business and financial operations, the Audit Committee has promptly assessed and concluded on identified risks. It also proposed appropriate solutions to address issues arising during operations and submitted them to the Board of Directors within the scope of authority defined by the Company's Charter.

### **3. Remuneration, Operating Expenses, and Other Benefits of the Audit Committee and Its Members UBKT:**

Based on the Company's business performance, in 2024, it was agreed that no remuneration would be paid to members of the Audit Committee (who concurrently serve as members of the Board of Directors). Operating expenses and other benefits of the Audit Committee and each of its members were carried out in accordance with the Law on Enterprises and the Company's Charter. Detailed information has been disclosed in the Company's audited financial statements for 2024.

### **4. Supervisory Results on Financial Statements, Business Operations, and Financial Position of the Company:**

- The Audit Committee supervised the Company's financial statements before they were submitted by the Executive Board to the Board of Directors, the General Meeting of Shareholders, or disclosed externally, in accordance with legal regulations.
- Following its review, the Audit Committee concurred with the opinion of the Independent Auditor, Ernst & Young Vietnam Limited. Regarding the execution of the audit plan, Ernst & Young Vietnam performed its duties well, meeting the expectations of the Audit Committee and ensuring the reliability and integrity of the financial statements provided to shareholders and stakeholders.
- The audit service fee for 2024 was VND 350,000,000 (in words: Three hundred and fifty million VND), excluding VAT.
- The Company's financial reporting system was prepared and disclosed in accordance with Vietnamese accounting standards and prevailing legal regulations.

-During the year, there were no changes in the accounting regime, accounting standards, or tax policies that had a material impact on the financial position or published financial statements.

-No unusual or irregular related-party transactions were recorded.

-The key performance indicators for 2024 (audited) are as follows:

- Kết quả thực hiện các chỉ tiêu chủ yếu năm 2024 (đã kiểm toán):

STT	Chỉ tiêu	Đơn vị	Thực hiện 2024	Kế hoạch 2024	% thực hiện so với kế hoạch
2	Net Revenue	VND billion	3.194	2.757	116 %
3	Profit Before Tax	VND billion	53	31.2	170 %
4	Profit After Tax	VND billion	41.6	24.9	167 %
5	Dividend Payout Ratio for 2023 Distributed in 2024	%	0 %	0%	0 %
6	Projected Dividend Payout Ratio for 2025	%	0 %	0%	0 %
7	Net Profit Margin	%	1.3 %	0,9 %	144 %
8	Charter Capital	VND billion	450	450	100%

#### **5. Supervisory Results on the Board of Directors, General Director, and Other Executives of the Company:**

- The Company's operations were in accordance with its business registration, the Company Charter, and applicable legal regulations, while also honoring agreements and commitments with both domestic and international partners.

- The Executive Board effectively and seriously implemented the Resolutions of the Board of Directors, and strictly complied with the State's policies and regulations in managing the Company's business activities. The Executive Board promptly issued response plans to adapt to the post-COVID economic recovery and economic fluctuations, providing quick and effective solutions aligned with the Company's business conditions.

- The Audit Committee participated in all periodic meetings with the Board of Directors, collaborating with both the Board and the Executive Board to review operational risks and regularly evaluate business performance.

#### **6. Evaluation Results of the Company's Internal Control System and Risk Management**

- The Board of Directors and the Executive Board have reviewed, updated, and issued new documents, including regulations on the organization and operation of specialized departments, and operational procedures aimed at improving the effectiveness of the internal control system.

- The Company's risk management and internal control system has been established and maintained across all operational stages, through clearly defined departmental functions and responsibilities, cross-checking mechanisms, supervision processes, and multi-level reporting structures.

- Company officers and employees demonstrate strong awareness and responsibility regarding internal control and risk management.

#### **7. Evaluation Results on the Coordination between the Audit Committee, the Board of Directors, the General Director, and Shareholders:**

The members of the Audit Committee actively participated in meetings of the Board of Directors, providing input on matters related to the management of the Company's business operations. In addition to regular meetings, the Audit Committee members also worked closely with the Executive Board on matters concerning compliance control and internal auditing.

In 2024, the Audit Committee did not receive any proposals or requests from shareholders for reviews or inspections regarding the activities of the Board of Directors, the Executive Board, or other senior management of the Company.

#### **8. Báo Report on Transactions Between the Company, Its Subsidiaries, and Entities Controlled by the Public Company (with Over 50% Charter Capital), and Members of the Board of Directors, General Director, Other Executives, and Their Related Parties; Transactions Between the Company and Any Entity in Which a Member of the Board of Directors, General Director, or Other Executive Was a Founding Shareholder or a Manager Within the Past Three Years Before the Transaction: None.**

#### **9. Recommendations from the Independent Member of the Board of Directors**

In the 2025 financial year, the Audit Committee will continue to maintain the activities that were effectively carried out in 2024. On that basis, it will further improve its working methods and make the following specific recommendations::

- Continue reviewing potential risks that may affect the Company's operations and business performance.
- Propose risk management solutions, particularly regarding potential business risks in the context of post-COVID market recession.
- Review financial statements with a focus on assessing key accounting issues and ensuring the completeness and consistency of disclosed information.
- Strengthen meetings between the Independent Board Member and the Executive Board to enhance the independent member's critical oversight role, improve supervision, and minimize risks during operational management. Actively exchange information through regular Board of Directors meetings, Executive Board briefings, and ad-hoc meetings (if any) to closely monitor the Company's business and financial situation.

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**Recipients:**

- General Meeting of Shareholders
- Board of Directors;
- Filing: Office.

**INDEPENDENT  
MEMBER OF THE BOARD OF  
DIRECTORS**

**VU THUY LINH**