



**REPORT**  
**ON THE BOD'S OPERATION PERFORMANCE FOR 2021 YEAR,**  
**DIRECTIONS AND TASKS FOR 2022**

*Dear Valued Shareholders,*

In 2021, the complicated situation of the Covid-19 pandemic has a severe impact on economic-social activities both in Vietnam and all over the world. The pandemic led to stagnancy in production-business activities, interruption in trading and investment; social activities, specifically health, education – training, travel, culture and people livings are almost influenced. Besides, the production depending on most of imported raw materials and the huge fluctuation in prices of raw materials have posed dual challenges to production-business activities of Tien Phong Plastic Joint Stock Company.

Prior to situation above, the Company's BOD and BOM quickly proposed drastic policies, flexible solutions to adapt to the new situation. Thanks to the spirit of solidarity and determination of the BOD, BOM and entire staff, Tien Phong Plastic made great efforts to overcome every challenge to achieve the production-business plan 2021 as approved by the General Meeting of Shareholders 2021.

**I. 2021 OPERATION PERFORMANCE OF THE BOARD OF DIRECTORS**

**1. Principal activities of the BOD**

- The Board of Directors usually oversees production-business status of the Company, directs and supervises closely the BOM in operating production-business work, investment work, finance work, etc. At the same time, quickly takes timely and flexible solutions, aiming to achieve the best performance in the context of specific condition in 2021.

- During year, the Board of Directors held 04 periodic meetings in order to discuss, evaluate and propose orientations and directions of main activities of the Company, including:

+ Establish Audit Committee under the Board of Directors, ensuring the organization structure of the Company in compliance with Law on Enterprises 2020.

+ In order to implement the Resolutions of the Annual General Meeting of Shareholders 2021, the Board of Directors issued Decision on second cash dividend payment 2020 with ratio at 10% on 28/5/2021; and first cash dividend payment 2021 in advance with ratio at 15% on November 24<sup>th</sup>, 2021.

+ Appoint Mr. Chu Van Phuong to be General Director of the Company, term of appointment is 03 years (2022-2024)





- Besides, the Board of Directors usually joins the BOM meetings to understand and give directions quickly and efficiently.

## **2. Activities of the independent BOD member and Audit Committee**

- In 2021, the Company established Audit Committee to be compliance with the new management organization model of the Company, and elected Mr. Dao Anh Thang – Independent BOD member to be the Head of Audit Committee.

- Independent BOD Member – Mr. Dao Anh Thang participated in the BOD activities, oversaw, consulted and expressed his independent opinions about production-business activities of the Company. Simultaneously, he directly directed and operated every activities of Audit Committee.

- Audit committee is in charge of supervising the compliance operations of the BOM and departments through the supervision of Resolutions, Decisions of the BOD, GMS which had been issued in 2021 based on surveillance of department's activities through the BOM's meetings, audit programs and reports by third party, such as Internal Audit, etc.

- Through oversight operations, the Board of Directors already exercised rights and obligations in accordance with Laws, legal regulations, resolutions of the GMS and the Company's Charter. General Director already complied with his functions, duties, actively implemented Resolutions of the GMS, Resolutions of the Board of Directors, conducted management and operation activities in accordance with laws. During 2021, Audit Committee had not received any claims from shareholders.

## **3. Assessment of the BOM and sub-committees under the BOD's operations:**

### **3.1. Assessment of the BOM:**

- The Board of Directors highly appreciated roles of the Company's Board of Management in implementing guidelines, policies and resolutions of the Board of Directors in 2021 as well as maintain market development, uphold a trademark of Tien Phong Plastic

- In the context of severe market, at the same time, facing to impacts of Covid-19 pandemic, it has posed challenges in maintaining, developing and distributing the Company's products. Through practical solutions as well as strengthening sales staff, accelerating training courses to improve capacity, formulating new policies be in line with practical situation; new customer attraction policies, sales policies, strengthening positioning, standardizing the trademark and advertisement activities, the Company already maintained market share with consolidated revenue at 4,877 billion VND (equivalent to 111% compared to 2020 actual) and profit before tax of the Parent Company at 507,6 billion VNND (equivalent to 118% compared to 2020 actual)



- Continuously conduct system innovation programs. In 2021, the BOM completed targets about human resources reviews and development planning successfully. Refining regime policies in line with practical situation, satisfying employees' demands, ensuring the Company's benefits. Continuously direct to implement other activities in order to build corporate culture and rise competitive capacity of the Company.

- As for the organization of production work, the Board of Management already completed targets of production process improvement, optimized formula, mixing orders, be flexible in using machine-equipment, rationalized products on production lines at the highest capacity, meeting business demands. In particular, tested and put chemical mixing orders into production, ensuring quality and saving costs about 30 billion VND per year, such as: replace raw materials by self-mixing resin for conduit pipes and uPVC cable trunkings; replace expensive BA212E resin by mixing resin under L68B:2020 order; use mixing resin under L59-2020 order instead of PE100 in PE butt fusion fittings production, helping shorten lathe process and save cost, etc.

- Along with the implementation of production-business targets, the BOM directed the research and production of new products successfully, towards broadening and diversifying goods, optimizing costs, enhancing competitive capacity. Especially, subjects of new product manufacture, improvement of machinery-equipment, process of optimal product installation brought efficiencies in production, improved capacity and product quality, saved costs. In 2021, the Company already researched and produced spiral fittings ISO 3633 - DN110, fishery serving products: PE walls dimension of 1450x1000x100, plastic boxes T50 HDPE (KT10000) successfully.

- The BOM continuously directed to maintain the efficiencies of quality management system, environment management system, energy management system, deploying management tools such as: TPM, 5S, Lean Six Sigma well.

- Finance work is under control accurately, which supplied adequate and timely report figures, serving the operations of the Board of Management and Internal Governance. Finance reports and tax reports have been implemented strictly in accordance with laws and State regulations. The Company proactively exploited capital from variant resources with affordable interest rate, ensuring to serve production-business operations, investment, dividend payment, avoiding bad-debts, outstanding debts, etc.

- Apart from production-business activities, the Company continuously has paid attention and conducted social charity, presenting the corporate's responsibilities to community

### **3.2. Operations of Internal Audit**

- Build the annual operating plan, ensuring assessment of regulation compliance and give recommendations for operating activities rationally and efficiently. At the same time,



reports of Internal Audit also strengthened the transparent information as a basis of consulting the BOD for making decisions.

- During 2021, the audit has already been conducted at following entities: Tien Phong Central Plastic Co., Ltd, Research and Development Department, Sales Department, Customer Service Department, Finance and Accounting Department, Project Management Department, PVC factory. Through audit programs, Internal Audit summarized the assessment results and gave some recommendations about: finance issues, overdue debts, the State regulation on price transferring at Tien Phong Central, fixed-asset accounting, refunded goods, etc. at Finance and Accounting Department, recommendations related to molding – equipment management, compliances with processes and guidance, supervision of raw materials, etc. at Research and Development Department, PVC factory; recommendations related to supervision of discount and welding machines, etc. at Customer Service Department and Sales Department. As for investment work, it also gave recommendations on investment regulation, process of implementation of investment – construction work and legal risks of project-in-progress, etc.

- Summarize risks of the Company since 2022 from departments/divisions/factories, rank arising risks, accordingly, build risk prevention methods.

**4. Report on transactions between the Company, subsidiaries, entities whose charter capital has owned over 50% by NTP with members of the Board of Directors and relevant persons of such members:**

*As of 31/12/2021, the Company transacted with stakeholders as follows:*

Stakeholders	Type of transaction	Value (VND)
Tien Phong South Plastic Joint Stock Company	NTP purchased	104,701,830,415
	NTP sold	224,483,847,013
	Others	3,400,000,000
Vietnam Sekisui Co., Ltd	NTP purchased	597,020,525,164
	NTP sold	3,577,727,273
Tien Phong Packaging Joint Stock Company	NTP purchased	25,795,561,626
Tien Phong Equipment Joint Stock Company	NTP purchased	66,408,240,080
	NTP sold	30,150,000

*Subsidiaries (Tien Phong Central Plastic Co., Ltd – Tien Phong Central Plastic) have transactions with stakeholders as follows:*

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Stakeholders	Type of transaction	Value (VND)
Sekisui Vietnam Co., Ltd	Tien Phong Central Plastic purchased	90,183,693,600
Tien Phong Packaging JSC	Tien Phong Central Plastic purchased	401,698,000

## II. OPERATION ORIENTATIONS OF THE BOARD OF DIRECTORS FOR 2022 YEAR:

Based on actual market situation, development trend, and factors affecting production – business activities, with marketing promotion policy, the Board of Directors directs and closely controls over production – business activities of the Company, making great effort to keep up the growth rate of the Company in 2022, in which, consolidated sales revenue and profit before tax of Parent Company reaches 5,175 billion VND and 465 billion VND respectively.

In order for the completion of the given targets, the Board of Directors orients and instructs the below solutions:

- Follow up competitive situation, speed up the development of new products and broaden the market; formulate flexible market policies, creating motivations for distribution systems as well as customers of Tien Phong Plastic.

- Improve production capacity and automatic level in production, boost improvement activities in order to save cost and minimize resources. Accordingly, enhance business efficiencies and manage the Company.

- Pay attention to resource quality development, build a friendly and safe working environment, uphold benefits for employees. Strengthen welfare policies, retain talents, build management human resources and highly qualified labors.

- Maintain the sufficient, timely and transparent information supply, deserving as a credible address of investors; commit capital preservation and development, as well as interests guarantee of investors.

- Strengthen the competitive abilities by governance qualification improvement, application of advanced models and tools together with state-of-the-art technologies investment and application. Shape to build an advanced governance structure based on digital platform.

- Continue to carry out charity activities for the society and community.



**CÔNG TY CỔ PHẦN NHỰA THIẾU NIÊN TIỀN PHONG**  
**TIEN PHONG PLASTIC JOINT STOCK COMPANY**



*Dear Our valued shareholders!*

Developing achievements in 2021, the Board of Directors will concentrate on carrying out strategic solutions as well as overseeing the 2022 production - business activities of the Company, bringing out the highest benefits to the entire NTP shareholders and staff, ensuring jobs and livings to the staff, and stable and sustainable development of the Company. On behalf of the Presidium, we wish the General Meeting good success.

Sincerely thanks!

**OBO. BOARD OF DIRECTORS  
CHAIRMAN**



**DANG QUOC DUNG**

