**PPH: Annual Corporate Governance Report 2023**

On January 29, 2024, Phong Phu Corporation announced Report No. 01/BC-PP on the corporate governance of the Company as follows:

* Name of company: Phong Phu Corporation
* Headquarters address: No. 48 Tang Nhon Phu Street, Group No. 3, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City
* Tele 028 22 134 108
* Charter capital: VND 746,708,910,000
* Securities code: PPH
* Corporate governance model:

The General Meeting of Shareholders, the Board of Directors, the Supervisory Board, and the General Manager/Manager

* On Internal audit execution: Unimplemented.

1. Activities of the General Meeting of Shareholders

Information about the meetings and General Mandates/Decisions of the General Meeting of Shareholders (including General Mandates approved by collecting shareholders' opinions via a ballot):

|  |  |  |  |
| --- | --- | --- | --- |
| No. | General Mandate No. | Date | Content |
| 01 | 131/NQ-DHDCD/PP | May 15, 2023 | Annual General Mandate 2023 |

1. The Board of Directors (Annual Report 2023)
2. Information about members of the Board of Directors

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No. | Member of the Board of Directors | Position (Independent member of the Board of Directors, non-executive member of the Board of Directors) | Date of appointment/dismissal as member/independent member of the Board of Directors | |
| Appointment date | Date of dismissal |
| 1 | Mr. Tran Quang Nghi | Chair | April 19, 2019 |  |
| 2 | Mr. Duong Khue | Member | June 26, 2020 |  |
| 3 | Ms. Pham Minh Huong | Member | April 19, 2019 |  |
| 4 | Ms. Bui Thi Thu | Member | April 19, 2019 |  |
| 5 | Mr. Pham Phu Chung | Member | May 20, 2022 |  |

1. Board Resolutions/Decisions (Annual Report):

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No. | Resolution/Decision No. | Date | Content | Approval rate |
| 1 | 35 /NQ-HDQT | February 07, 2023 | Adjustment of the total project budget for the "Replacement of tube knitting machines" | 100% |
| 2 | 1602/BB- HDQT  43/NQ-HDQT | February 16, 2023 | Approval of loan from ACB Bank | 100% |
| 3 | 51/QD-HDQT | February 27, 2023 | The plan to organize the Annual General Meeting of Shareholders 2023 | 100% |
| 4 | 62A/NQ-HDQT | March 06, 2023 | Feasibility study report for the investment project “Product showroom introduction” | 100% |
| 5 | 62B/NQ-HDQT | March 06, 2023 | Approve the total project budget for the investment project "Product showroom introduction" | 100% |
| 6 | 62C /NQ-HDQT | March 06, 2023 | Approve the overall bidding plan for the investment project "Product showroom introduction" | 100% |
| 7 | 75/ND-HDQT | March 15, 2023 | Additional investment in machinery and equipment at Ninh Phu fiber plant | 100% |
| 8 | 91/ND-HDQT | April 04, 2023 | Credit limit for borrowing from Vietcombank | 100% |
| 9 | 102/ND-HDQT | April 14, 2023 | Appointment of Chief Accountant Le Thi Tu Anh | 100% |
| 10 | 92A/ND-HDQT | April 15, 2023 | The plan to organize the Annual General Meeting of Shareholders 2023 | 100% |
| 11 | 111A/QD-HDQT | April 20, 2023 | Advance payment of dividends for the second round of 2022 | 100% |
| 12 | 116/BB- HDQT/PP | April 24, 2023 | Approve the guarantee limit for Gia Dung Company's short-term loans at Vietcombank | 100% |
| 13 | 129/QD-HDQT | May 10, 2023 | Personnel matters representing capital at Nam Duong Phu Joint Stock Company | 100% |
| 14 | 134A/QD-HDQT | May 17, 2023 | Dividend payment 2022 | 100% |
| 15 | 152/QD-HDQT | May 29, 2023 | Personnel matters representing capital at Dong Nam Textile Joint Stock Company | 100% |
| 16 | 154a/QD-HDQT | May 31, 2023 | Approve additional collateral assets for the ADB loan agreement | 100% |
| 17 | 159A/QD-HDQT | June 06, 2023 | Personnel matters representing capital, nomination of personnel to the Board of Directors, and the Supervisory Board of Phuoc Loc Joint Stock Company | 100% |
| 18 | 162/QD-HDQT | June 07, 2023 | Agreement to hire A&C Auditing And Consulting Company Limited as the audit company for the year 2023 | 100% |
| 19 | 179/QD-HDQT | June 22, 2023 | Restructuring of the Sewing Thread Production sector and establishment of a Sales Department based on the restructuring of the Business Planning Department for Sewing Thread | 100% |
| 20 | 219A/NQ-HDQT | July 27, 2023 | Approve the second phase of the rooftop solar installation program | 100% |
| 21 | 220A/NQ-HDQT | July 28, 2023 | Approve the purchase of electric forklifts for use at Fiber Plant 3 | 100% |
| 22 | 239A/NQ-HDQT | August 22, 2023 | Amendment of the Investment Certificate for "Denim Fabric Factory in Nha Trang" | 100% |
| 23 | 251A/NQ-HDQT | September 05, 2023 | Adjustment of the project "Office, showroom, and product introduction" | 100% |
| 24 | 266/QD-HDQT | September 22, 2023 | Participation in the Annual General Meeting of Shareholders 2023 | 100% |
| 25 | 286 /NQ-HDQT | October 16, 2023 | Borrow capital at SeA Bank | 100% |
| 26 | 310A/NQ-HDQT | November 07, 2023 | Approve the divestment plan at the Vietnam Textile Raw Materials Company | 100% |
| 27 | 317 /NQ-HDQT | November 15, 2023 | Advance payment of dividends for 2023 (first round) | 100% |
| 28 | 330 /NQ-HDQT | December 01, 2023 | Approve the divestment plan at the Vietnam Textile Raw Materials Company | 100% |
| 29 | 332/QD-HDQT | December 04, 2023 | Advance dividend in 2023 (2nd round) | 100% |
| 30 | 339A/NQ-HDQT | December 07, 2023 | Approve the plan "Additional investment in equipment to increase sewing thread capacity" | 100% |
| 31 | 347 /NQ-HDQT | December 12, 2023 | Approve the total budget for the plan "Investment in additional equipment to increase sewing thread capacity" | 100% |
| 32 | 348/NQ-HDQT | December 14, 2023 | Approve the overall bidding plan for the plan "Investment in additional equipment to increase sewing thread capacity" | 100% |
| 33 | 356 /NQ-HDQT | December 22, 2023 | Approve the signing and implementation of contracts/transactions between the Corporation and related parties | 100% |

1. Supervisory Board/ Audit Committee (annual report):

Information about members of the Supervisory Board

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No. | Member of the Supervisory Board: | Position | Date of appointment/dismissal as member of the Supervisory Board | Qualification |
| 1 | Ms. Nguyen Thi My Le | Chief of the Supervisory Board | April 19, 2019 |  |
| 2 | Ms. Tran Lien Huu | Member of the Supervisory Board: | April 19, 2019 |  |
| 3 | Ms. Vu Thi Thuy Duong | Member of the Supervisory Board: | April 19, 2019 |  |

1. The Executive Board

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No. | Members of the Executive Board | Date of birth | Qualification | Date of appointment/dismissal as member of the Executive Board |
| 1 | Mr. Duong Khue | May 10, 1962 | Master of Business Administration (MBA) Textile Engineering | October 06, 2020 |
| 2 | Pham Phu Chung | November 30, 1970 | Master of Business Administration (EMBA) | October 07, 2022 |
| 3 | Ms. Le Thi Hoang Trang | November 20, 1974 | Bachelor of Laws | July 15, 2022 |
| 4 | Mr. Ly Anh Tai | February 06, 1971 | Master of Business Administration (EMBA)  Mechanical Engineer | January 02, 2014 |
| 5 | Mr. Nguyen Van Nhiem | October 15, 1968 | Master of Business Administration  College of Mechanical Engineering | June 01, 2019 |
| 6 | Ms. Truong Thi Ngoc Phuong | February 23, 1975 | Experimental Master of Business Administration (EMBA) Bachelor of Economics and Finance | July 15, 2022 |
| 7 | Mr. Doan Kien | November 19, 1970 | Master of Business Administration (EMBA); Textile Engineer | April 01, 2021 |

1. The Chief Accountant

|  |  |  |  |
| --- | --- | --- | --- |
| Full name | Date of birth | Qualification | Date of appointment/dismissal |
| Ms. Le Thi Tu Anh | February 18, 1984 | Bachelor of Economics-finance; Chief Accountant Certification; Accounting Practicing Certificate (APC) | April 14, 2023 |

1. Training on corporate governance:
2. List of affiliated persons of the public Company (Annual Report) and transactions between the affiliated persons of the Company with the Company itself:
3. Transactions between the Company and affiliated persons of the Company; or between the Company and major shareholders, PDMR and affiliated persons of PDMR

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| No. | Name of organizations/individuals | Relations with the Company | NSH\* No., Date of issue and Place of issue of NSH | Headquarters address/Contact address | Time of transaction with the Company | General Mandate/Decision of the General Meeting of Shareholder No. or Board Resolution/Decision No. (including date of promulgation, if any) | Content, quantity, total value of transaction | Note |
| 1 | Vietnam National Textile and Garment Group | Major shareholder; | 0100100008 | No. 25, Ba Trieu Street, Hang Bai Ward, Hoan Kiem District, Hanoi. | 2023 | Resolution No. 379/NQ-HDQT dated December 30, 2022 | Purchase contract of goods, finished products. Total value: VND 492 million |  |
| Service purchase contract. Total value: VND 298.8 million |  |
| Interest and fees of the ADB loan. Total value: VND 36.2 billion. |  |
| Paid dividends  VND 149.6 billion |  |
| 2 | Phong Phu Household Goods Trading Joint Stock Company | Subsidiaries | 4500470547 | Hanh Tri Hamlet, Quang Son Commune, Ninh Son District, Ninh Thuan Province | 2023 | Resolution No. 379/NQ-HDQT dated December 30, 2022 | Sales contract of goods, finished products. Total value:  VND 221.7 billion |  |
| Service supply contract.  Total value:  VND 81.8 billion |  |
| Rent income from asset leasing. Total value: VND 15.8 billion |  |
| Received dividends: VND 11.5 billion |  |
| Purchase contract of goods, raw materials. Total value: VND 303.2 billion. |  |
| Service purchase contract. Total value:  VND 7.8 billion |  |

1. Transactions between Company’s PDMR, affiliated persons of PDMR and subsidiaries, companies controlled by the Company: None
2. Transactions between the Company and other entities

3.1. Transactions between the Company and companies where members of the Board of Directors, members of the Supervisory Board, the Manager (General Manager) and other managers have been founding members or members of the Board of Directors, the Executive Manager (General Manager) for the past three (03) years (calculated at the time of reporting):

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| No. | Name of organizations/individuals | Relations with the Company | NSH No.\* , Date of issue, Place of issue | Headquarters address/Contact address | Time of transaction with the Company | General Mandate/Decision of the General Meeting of Shareholder No. or Board Resolution/Decision No. (including date of promulgation, if any) | Content, quantity, total value of transaction  Transaction values | Note |
| 1 | Coats Phong Phu Limited Liability Company | Subsidiary/ Affiliated person of PDMR | 0300828098 | 48 Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City | 2023 | Resolution No. 379/NQ-HDQT dated December 30, 2022 | Sales contract of goods, finished products. Total value:  VND 496.5 billion |  |
| Service supply contract. Total value: VND 15.1 billion |  |
| Received dividends:  VND 410.8 billion |  |
| Purchase contract of goods, raw materials. Total value: VND 229.2 billion |  |
| 2 | Phuoc Loc Joint Stock Company | Subsidiary/ Affiliated person of PDMR | 0304506503 | 48 Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City | 2023 | Resolution No. 379/NQ-HDQT dated December 30, 2022 | Sales contract of goods, finished products, and services. Total value: VND 48.02 billion |  |
| Service supply contract. Total value: VND 5.78 billion. |  |
| Received dividends:  VND 900 million |  |
| Purchase contract of goods, raw materials. Total value: VND 64.3 billion |  |
| Paid dividends  VND 103.18 million |  |
| 3 | Phong Phu International Trading Joint Stock Company | Subsidiary/ Affiliated person of PDMR | 0304995318 | 48 Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City | 2023 | Resolution No. 379/NQ-HDQT dated December 30, 2022 | Service supply contract. Total value: VND 14.9 billion |  |
| Dividends received:  VND 7.2 billion |  |
| Paid dividends VND 4.015 billion |  |
| 4 | Dalat Textile Joint Stock Company | Joint venture | 5800483309 | No. 9 Phu Dong Thien Vuong, Ward 8, Dalat City, Lam Dong Province | 2023 |  | Dividends received:  VND 634.6 million |  |
| 5¬ | Nha Trang Textile & Garment Joint Stock Company | Joint venture | 4200237973 | Lot K1111447,6,7,8 Dac Loc Industrial Park, Vinh Phuong Commune, Nha Trang City, Khanh Hoa Province | 2023 | Resolution No. 379/NQ-HDQT dated December 30, 2022 | Sales contract of goods, finished products. Total value: VND 3.6 billion |  |
| Service supply contract. Total value: VND 6.5 billion |  |
| Rent income from asset leasing. Total value:  VND 4.5 billion |  |
| Purchase contract of goods, raw materials. Total value: VND 9.5 billion |  |
| Service purchase contract.  Total value: VND 18.4 billion |  |

3.2. Transactions between the Company and companies where affiliated persons of members of the Board of Directors, members of the Supervisory Board, the Manager (General Manager) and other managers are members of the Board of Directors, the Executive Manager (General Manager).

None

3.3. Other transactions of the Company (if any) that can bring about material or non-material benefits to members of the Board of Directors, members of the Supervisory Board, and the Manager (General Manager), and other managers:

None

1. Share transactions of PDMR and affiliated persons of PDMR in 2023.

Company’s share transactions of PDMR and affiliated persons

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| No. | Transaction conductor | Relations with PMDR | Number of shares owned at the beginning of the period | | Number of shares owned at the end of the period | | Reasons for increase or decrease (buy, sell, convert, bonus, etc.) |
| Number of shares | Percentage | Number of shares | Percentage |
| I | PDMR |  |  |  |  |  |  |
| 1 | Pham Minh Huong | Member of the Board of Directors | 245655 | 0.33% | 603891 | 0.81% | 358,236 shares (Inherited from mother, Ms. Tran Thi Duong) |
| 2 | Pham Minh Huong | Member of the Board of Directors | 603891 | 0.81% | 962227 | 1.29% | Purchase |
| II | Affiliated person of PDMR |  |  |  |  |  |  |
|  | Affiliated person of Ms. Pham Minh Huong - Member of the Board of Directors | | | | | | |
| 1 | Mr. Pham Minh | Father |  | 0% | 358236 | 0.48% | 358,236 shares (Inherited from his wife, Ms. Tran Thi Duong) |
| 2 | Mr. Pham Minh | Father | 358,236 | 0.48% | - | - | Selling |
|  | Affiliated person of Ms. Bui Thi Thu - Member of the Board of Directors | | | | | | |
| 3 | Ngo Ngoc Thanh | Husband | 34,645 | 0.05% | - | - | Selling |
|  | Affiliated person of Mr. Doan Kien - Executive Manager | | | | | | |
| 4 | Doan Trinh | Younger brother/sister | 41,000 | 0.05% | - | - | Selling |

1. Other significant issues: None