

Hanoi, April 23 2025

REPORT OF THE BOARD OF DIRECTORS

Assessment of the implementation of production and business tasks, activities of the Board of Directors in 2024, production and business plan in 2025 of Hanoi Synthetic Paint Joint Stock Company

The Board of Directors of the Company would like to report to the Annual General Meeting of Shareholders on the implementation of the production and business plan and activities of the Board of Directors of the Company in 2024; The direction and tasks of production and business in 2025 of Hanoi Synthetic Paint Joint Stock Company are as follows:

In 2024, the world economy continued to be affected by conflicts in many regions, especially the Middle East, Israel and Russia, which have a strong impact on petroleum products, which are the main raw materials for paint production. The Vietnamese economy as well as domestic enterprises were also directly affected by the economic recession. The VND continued to depreciate against international payment currencies, especially the USD. In the difficult situation of 2024, with the drastic direction of the Company's Board of Directors, the consensus of all employees, the support and trust of partners, customers and shareholders, Hanoi Synthetic Paint Joint Stock Company (HSP) has achieved the following results:

I. Implementing the 2024 manufacture and business plan:

1. Manufacture and business results:

Target	Unit	Implementation	Plan	Implementation
		2023	2024	2024
1. Total revenue	Billion	419,7	450	417,5
2. Total consumption	Ton	5.160	6.000	5.373
3. Profit before tax	Billion	19,22	14	26.39
4. Basic earnings per share	VND	1.268		1.727

2. Market – Marketing activities

- In 2024, the company will focus on building a sales system, promoting the development and consumption of high-end and high-tech paints.

- Expanding the new distributor system for Z-PAINT brand zinc paint products, Z-PAINT product sales increased sharply compared to 2023

- In 2024, the company launched a super fast drying Alkyd paint product with the CHITAH paint brand (Chetaah logo).

- Regularly update customer information, contact and establish good relationships between the Company and agents, distributors, and expand relationships with large project customers.

- Successfully organized a Customer Conference to meet agents and distributors of Dai Bang Paint through the Dali - Lijiang - Shangrila tourism program in China 10/2024.

- Complete and continue to expand the Company's showroom system, distribution system, and product introduction channels to many new areas.

- Increase advertising of the company's products, brands, and product labels on many effective and systematic communication channels. Enhance the company's brand position in the market.

3. Manufacture organizing.

- Continue to apply flexible and scientific production methods to quickly meet customer product needs and reduce product ordering time. Provide products that meet customer requirements.

- Reasonable production schedule, maintenance, cleaning of equipment according to periodic plan, minimizing equipment problems during production process.

- Regularly maintain occupational safety and health work, ensure occupational safety and fire prevention

4. Engineering – Technology.

- Continuously research and update new raw materials to diversify and be proactive in using raw materials for production.

- Maintain good quality management and environmental management systems in production and business activities.

- Conduct continuous experiments to improve the quality of paint on Zinc and Stainless Steel, solvent-based Epoxy floor paint, self-flowing Epoxy floor paint, water-based Epoxy floor paint.

- Successfully researched and launched super fast drying Alkyd paint products with new paint brand CHITAH (Chetaah logo)

- Regularly handle raw materials and product inventory.

- Complete and upgrade wastewater and exhaust gas treatment systems to minimize environmental impact.

- Continue to implement technical support contracts with Japanese Partners, improve the quality of motorcycle paint products; promote technology transfer of other high-end paint products.

5. Investment and Basic construction.

- Repairing items affected by storm Yagy (collapsed fences, corrugated iron roofs, etc.), renovating office buildings, and equipping additional office machinery and equipment.

- Completing the research lab and renovating and repairing the Product quality control department.

- Continue to orient investment and construction work to be most effective, renovating and repairing to put into operation.

- Upgrading and renovating production equipment items (mixers, grinders, refrigeration equipment...), adding fire safety tools and equipment to meet safety regulations.

6. Labor salary, Security work, and Society

- Update new regulations on salary regulations, continue to build and improve to suit the production and business situation. Have a preferential treatment regime for competent officers and employees.

- Maintain labor and salary regulations to ensure fair and equitable remuneration for employees in the Company.

- Organize periodic health check-ups for employees.

- close relationships with local authorities and police.

- Carry out internal patrols and guards, military service, militia and self-defense, training reserve officers and reserve soldiers.

- Pay attention to and support the activities of the Company's Party, Youth Union, Trade Union and Women's Union organizations.

II. Board of Directors' Operations in 2024 (BOD)

- The Board of Directors has directed and supervised the General Director and the Company's management staff in strictly complying with the provisions of the Law related to corporate governance and the Company's production and business tasks.

- The Board of Directors of the Company has operated in accordance with its functions and duties as prescribed in the Company Charter, closely following reality, providing timely direction, closely following political and economic fluctuations, fluctuations in the paint industry market, and making timely decisions according to market mechanisms.

- The Board of Directors arranges meetings with the Company's Executive Board to review quarterly business performance. Supervision is carried out through inspection and control by the Company's Internal Control Board.

- Strictly implement the disclosure of reports to the State Securities Commission according to the law, and direct the full implementation of the resolution of the 2024 Shareholders' Meeting.

- Supervise the use, management and investment of assets; supervise the implementation of Resolutions and Decisions of the Board of Directors.

- Direct and supervise the assurance of labor regimes according to regulations; working environment conditions, implementation of collective labor agreements, and other regimes for laborers.

- The inspection and supervision of the Board of Directors are within their authority, without causing any hindrance or overlap to the management of the General Director and the Company's executive apparatus. Through inspection and supervision, the Board of Directors has grasped the operating situation and business results of the Company and has timely instructions to ensure high efficiency in production and business activities, limiting errors and risks.

1. Key economic indicators

- Total revenue	440 billion Đồng.
- Total Consumption	6000 Tons of product.
- Profit before tax	14 billion Đồng.

- Focus on research and launch many new products to serve market needs, continue to optimize the production process and quality of traditional products.
- Continue to improve and perfect management capacity for key staff.
- Create a dynamic, enthusiastic, fair corporate culture and a friendly working environment. Ensure jobs and income for staff.
- Launch brands and products according to market trends, focusing on promoting through many communication and sales channels.
- Reach out and expand your business opportunities with other businesses beyond your existing customer base.
- Exploiting new fields to diversify product portfolio, meeting the needs of many customers.
- Expand sales channels to more audiences than traditional sales channels.
- Closely cooperate with foreign partners on technical support for production, maintain and develop market share of motorcycle paint and high quality product lines.
- Research and arrange the production and business process reasonably. Control and manage operations in a streamlined manner, reducing production costs.
- Strengthen the repair and maintenance of factories, architectural objects, machinery and equipment in the Company.
- Continue to invest in high quality equipment to serve the production process.
- Continue to improve the Company's operating regulations to create stable development, ensuring harmony between shareholders' interests and employees' rights.

- Remuneration and business expenses of the Board of Directors and the Board of Supervisors, a total of 9 people, in 2024 are: VND 500,000,000 (VND 100,000,000 less than the expense approved by the 2024 shareholders' meeting of VND 600,000,000.)
- The operating expenditure plan including remuneration and business expenses of the Board of Directors and the Board of Supervisors in 2025, a total of 9 people, is 600,000,000 VND.

On behalf of the Board of Directors, I would like to thank the efforts of the Executive Board, the employees of the Company, the support and trust of shareholders and partners in the past year. We hope to continue to receive the encouragement and support of shareholders and partners in 2025 to build Hanoi Synthetic Paint Joint Stock Company to develop more and more sustainably.

Best Regards

Chairman of the Board of Directors



Nguyễn Thiện Ái

