



REPORT

ON OPERATIONAL RESULTS OF THE BOARD OF DIRECTORS IN 2022, ORIENTATIONS AND TASKS IN 2023

Dear Valued Shareholders!

The socio-economic situation of our country in 2022 took place in the context of the world economy having many rapid and unpredictable changes, increasing risks to the financial market, currency, energy and food security. The global economic growth was forecasted by international organizations to be lower than that of 2021. Domestically, with the determination to recover and develop the economy, create momentum to fulfill the socio-economic goals of 2022 and the 2021-2025 period according to the Resolution of the XIII Party Congress, the Government and the Prime Minister have directed the ministries, departments and localities to drastically implement the tasks and solutions of Resolution No. 01/NQ-CP, Resolution No. 02/NQ-CP, Resolution No. 11/NQ-CP on the program of socio-economic recovery and development. Macro-economy continued to remain stable, inflation was under control, major balances were ensured; Monetary and fiscal policies were operated proactively, flexibly and effectively. The business investment environment has been positively improved, contributing to socio-economic recovery and development, creating the trust and support of the people and the business community.

On that basis, our country's socio-economic development in 2022 prospered in most fields, many industries have recovered strongly with high growth rates.

2022 is also an important year for Tien Phong Plastic when Tien Phong Plastic made strong changes after 2021 with many uncertainties and difficulties. The Board of Directors and the Board of Management of the Company have adopted guidelines and policies to closely follow the reality, directing the Company's employees to well implement the 2022 business plan approved by the Annual General Meeting of Shareholders. through.

The performance results of the Board of Directors in the last term are shown in detail through the following work areas:

I. OPERATIONAL RESULTS OF THE BOARD OF DIRECTORS IN 2022:

1. Main operational activities of the Board of Directors:

- In 2022, the Board of Directors conducted 04 regular meetings to discuss, evaluate and provide orientations and directions for the implementation of the Resolution of the 2022 Annual General Meeting of Shareholders and key activities of the Company, including:

- + Directed and organized the implementation of the plan to issue shares to increase share capital from owner's equity at the rate of 10%.

- + Directed and organized the payment of the second installment of cash dividend in 2021 at the rate of 10% on May 31, 2022 and advanced the cash dividend for the first period of 2022 at the rate of 15% on December 15/ 2022.

- + Appointed Mr. Tran Ngoc Bao to hold the position of Deputy General Director of Finance, for a term of 3 years.

- + Appointed Ms. Luu Thi Mai to hold the position of Chief Accountant, term of 3 years.

- The Board of Directors closely monitored and supervised the Company's production and business situation, directed direction and frequently assessed the Board of Management in production, business, investment, financial management activities, etc. At the same time, quickly offered timely and flexible solutions to help production and business activities be most effective in the socio-economic situation of 2022.

- Besides, the Board of Directors also regularly participated in the meetings of the Board of Directors to grasp the situation and direct quickly and effectively.

2. Activities of independent members of the Board of Directors and the Audit Committee:

- In 2022, independent BOD members participated in BOD activities, supervised, advised and gave independent views on issues in production and business activities of the Company. At the same time, directly directed the operation of the Audit Committee.

- In 2022, the Audit Committee complied with the tasks specified in the Operation Regulation of the Audit Committee, including:

- + Directly monitored the activities of the Board of Directors through meetings and the issuance of Resolutions/Decisions of the Board of Directors.

- + Supervised the implementation of the resolutions of the Annual General Meeting of Shareholders in 2022; the implementation of the Resolutions/Decisions of the Board of Directors issued in 2022.



- + Supervised the implementation of business activities, management and administration of the company by the Executive Board through meetings of the Board of Directors, meetings of the Business Division.
- + Supervised the independent audit activities of the appointed independent audit unit.
- Through supervisory activities, the Board of Directors has properly performed its rights and obligations under the Law, in accordance with the provisions of law, the Resolution of the General Meeting of Shareholders and the Company's Charter. The Board of Management has complied with its functions and duties, actively implemented the resolutions of the General Meeting of Shareholders, the resolutions of the Board of Directors, and performed management and administration work in accordance with the law.
- In 2022, the Audit Committee did not receive complaints from shareholders.

3. Assessment of the performance of the Board of Management and the sub-committees under the Board of Directors:

3.1. Activities of the Board of Management:

With the results achieved in 2022, the Board of Directors highly appreciates the role of the Board of Management in implementing the guidelines, policies and resolutions of the Board of Directors in 2022 as well as maintaining the development of production and business activities, stabilizing the brand name of Tien Phong Plastic.

- With flexible solutions, attracting new customers along with appropriate business policies, the Company has maintained the market share with consolidated sales of products reaching VND 5,685 billion (equivalent to 118% compared to the performance of 2021) and the parent company's pre-tax profit reached VND 532 billion (equivalent to 102% compared to the performance in 2021).
- In 2022, the Company continued to pursue the goal of strategic human resource development, focus on recruitment activities, training and developing team capacity. At the same time, strengthening policies, expanding and increasing benefits for employees: putting into practice the Regulation on increasing benefits for employees, supplementing allowances such as skill allowances, benefits to participate in Personal Insurance Lifetime, travel benefits, honors for employees who have been with the Company for a long time... creating a competitive advantage over other businesses in the market.

- In the production organization, the Board of Management directed to effectively maintain the quality, environment and energy management systems, well implemented management tools such as TPM, 5S, Lean Six Sigma. Continued to perfect the goals of improving production processes, optimizing recipes, dispensing orders, being flexible in the use of machinery and equipment, and rationalizing products on the most efficient lines to meet the needs of customers and demand for goods for business.
- Along with the implementation of production and business objectives, the Board of Management has directed the implementation of product research and development, optimization of old products, testing and exploratory evaluation of new products, and at the same time encouraging innovative activities, technical improvement. Specifically, in 2022, we researched solutions to overcome the excessively high longitudinal shrinkage of uPVC pipes, designed and manufactured a machine for grinding nozzles of Sekisui products to meet the high requirements of product organoleptic products exported to Germany, design cylindrical shape with vacuum core, design and manufacture cooling tank for quick test of hardness of Unicor 2-layer corrugated pipe...
- In 2022, financial activities continued to be accurately controlled, provided complete and timely reporting data, served well for executive leadership and internal management. The financial statements, tax reports were strictly complied with the laws and regulations of the State. The company has actively exploited capital from various sources with reasonable interest rates, ensuring timely service for production and business, investment, dividend payment, and no bad debts and outstanding debts. ...
- Along with production and business activities, social charity work is focused and becomes the responsibility of the Company to the community. In 2022, the company continued to accompany people in remote areas in the project "Bridge of love", and also participated in many other community projects: Green kite, The Heart for children, etc.

3.2. Activities of the Internal Audit Committee

- The Internal Audit Department developed a year-round operation plan to ensure compliance with regulations and provide timely recommendations for reasonable, valid and effective operation. At the same time, the reports of the Internal Audit Committee also contributed to the transparency of information as a basis for advising and advising the Board of Directors.



- In 2022, audits were performed at the following units: Central Tien Phong Plastic Co., Ltd, Materials Department, PE-PP product factory, Mechanical factory, Fittings factory. Through the audit program, the Internal Audit Committee summed up the assessment and made a number of recommendations, as well as performed a post-audit situation to overcome the recommendations of 2021.

- In addition, the Internal Audit Department has also summarized the risks to the Company in 2023 from the units/divisions/departments/factories, ranked the arising risks, thereby developing measurement of risk control.

4. Report on transactions between companies, subsidiaries, companies controlled by Tien Phong Plastic over 50% or more of charter capital with members of the Board of Directors and related persons of the Board of Directors:



As of December 31, 2022, the Company had transactions with related parties as follows:

Related parties	Types of transaction	Value (million dong)
Tien Phong Plastic Joint Stock Company of the South	TPP buys products	248.685
	TPP sells products	134.739
	Others	3.400
Sekisui Vietnam Co., Ltd	TPP buys products	556.657
	TPP sells products	5.723
Tien Phong Packaging Joint Stock Company	TPP buys products	36.262
Tien Phong Equipment Technology Joint Stock Company	TPP buys products	73.531
	TPP sells products	36

Subsidiary (Central Tien Phong Plastic Co., Ltd - TPP Central) has transactions with the following related parties:

Related parties	Types of transaction	Value (million dong)
Seikisui Vietnam Co., Ltd	TPP Central buys products	208.552
Tien Phong Packaging Joint Stock Company	TPP Central buys products	1.277

II. OPERATIONAL DIRECTIONS OF THE BOARD OF DIRECTORS IN 2023:

Based on the actual market situation, development trends, as well as factors affecting the Company's production and business, with the policy of promoting market activities, the Board of Directors focuses on directing and closely monitor production and business activities of the Company, strives to keep the market of Tien Phong Plastic in 2023, with a plan of consolidated revenue of 5,875 billion dong, profit before tax of 535 billion dong.

In order to fulfill the above basic targets, the Board of Directors of the Company orients activities as well as directs some basic solutions as follows:



- Be consistent with the business strategy to maximize competitive advantages, flexibly apply policies to maintain market share and sales growth and satisfy the needs of customers and partners to the fullest.

- Enhance competitiveness through product improvement and optimization while expanding product diversity. Continue to apply advanced management models and tools combined with investment in modern production technology.

- Strictly comply with the provisions of the Enterprise Law, current law as well as the Charter and internal regulations of Tien Phong Plastic, ensuring objectivity, transparency, respecting the legitimate rights and interests of shareholders. winter. Continue to improve the risk management system in order to minimize any negative effects on the Company's business performance and sustainable development.

- Orient to build an advanced management structure based on a digitalization platform, and at the same time optimize the Company's resources. To step by step implement the digitization of the management system and apply technology and digital transformation in production and business activities in order to improve overall efficiency.

- Focus on developing the quality of human resources and staff. Build a friendly and safe working environment and improving benefits for employees by providing remuneration policies, retain talents, build high-quality management and labor resources.

- Continue to pay attention to and maintain the implementation of social charity activities, demonstrating the responsibility of the business to the community.

Dear our Valued Guests!

Promoting the results achieved in 2022, the Board of Directors will focus on directing strategic solutions while doing a good job of monitoring the Company's production and business activities in 2023, bringing the highest benefits to shareholders of Tien Phong Plastic, ensuring jobs and life for the Company's employees and the stable and sustainable development of the Company. On behalf of the Presidium, we wish the general meeting a great success.

Yours sincerely!

**O.B.O THE BOARD OF DIRECTORS
CHAIRMAN**

DANG QUOC DUNG