



REPORT

ON THE PERFORMANCE OF THE BOARD OF DIRECTORS IN 2024, TERM 2020–2025, AND ORIENTATION AND TASKS FOR 2025, TERM 2025–2030

Dear Shareholders,

In 2024, Tien Phong Plastic Joint Stock Company engaged in various activities and achieved significant results. This year also served as a preparatory milestone marking the Company's 65-year journey of development and growth. By anticipating trends and accurately assessing the situation, the Board of Directors, together with the Company's leadership team, demonstrated unity and strategic focus in formulating practical policies and directives. These efforts led to the effective implementation of the 2024 business plan approved by the General Meeting of Shareholders.

The performance of the Board of Directors in 2024, under the 2020–2025 term, is detailed in the following areas of work:

I. PERFORMANCE OF THE BOARD OF DIRECTORS IN 2024:

1. Key activities of the Board of Directors:

- In 2024, the Board of Directors held six regular meetings to discuss, assess, and provide direction for the implementation of the Resolution of the 2024 Annual General Meeting of Shareholders and key activities of the Company, including:

- + Consolidating the Investment Council.
- + Establishing the Standing Committee for developing the Company's development strategy.
- + Implementing the Resolution of the 2024 Annual General Meeting of Shareholders on the second cash dividend payment for 2023 at a rate of 10% on June 14, 2024; and the first cash dividend advance for 2024 at a rate of 15% on January 22, 2025.
- + Implementing the Resolution of the 2024 Annual General Meeting of Shareholders on the issuance of shares to pay a 10% stock dividend for 2023.



- The Board of Directors closely monitored the Company's business operations, provided strategic direction, and exercised strict supervision over the Board of Management in managing business, investment, and financial activities, etc. At the same time, timely and flexible solutions were promptly proposed to ensure the most effective business performance amid the economic and social conditions of 2024.

- In addition, the Board of Directors regularly participated in meetings of the Board of Management to stay informed and deliver prompt and effective guidance.

2. Activities of the Independent Member of the Board of Directors and the Audit Committee:

- In 2024, the independent member of the Board of Directors participated in the activities of the Board, provided monitoring, consultation, and independent opinions on matters related to the Company's business operations. At the same time, he/she directly directed and managed the activities of the Audit Committee.

- In 2024, the Audit Committee complied with its assigned duties as stipulated in the Audit Committee's Operational Charter, including:

- + Monitoring compliance with the Company's Charter and applicable legal regulations in the management and operation of the Company's business activities.

- + Monitoring the implementation of the resolutions of the General Meeting of Shareholders and the activities of the Board of Directors and the Board of Management.

- + Monitoring the implementation of the business plan.

- + Reviewing quarterly/semi-annual/annual financial statements and assessing the impact of significant matters highlighted in the Independent Auditor's Report.

- + Directing and monitoring the activities of the Internal Audit Department, providing recommendations to improve the effectiveness of the internal control and risk management systems.

- + Recommending the selection of the independent audit firm; monitoring and evaluating the independence, objectivity, and effectiveness of the audit process.



Through its monitoring activities, the Board of Directors fulfilled its rights and obligations in accordance with the law, the resolutions of the General Meeting of Shareholders, and the Company's Charter. The Board of Management duly performed its functions and duties, proactively implemented the resolutions of the General Meeting of Shareholders and the Board of Directors, and managed operations in compliance with applicable laws.

- In 2024, the Audit Committee did not receive any complaints or petitions from shareholders.

3. Assessment of the Performance of the Board of Management and the Subcommittees under the Board of Directors:

3.1. Activities of the Board of Management:

With the achievements recorded in 2024, the Board of Directors highly appreciated the role of the Company's Board of Management in implementing the guidelines, policies, and resolutions of the Board of Directors in 2024, as well as in maintaining and developing production and business activities and preserving the Tien Phong Plastic brand.

- Regarding revenue and sales volume targets: In 2024, Tien Phong Plastic recorded a breakthrough in production and business performance result, reaching the highest level in the Company's history, surpassing both revenue and profit targets. Revenue from product sales reached VND 5,542 billion, fulfilling 102.6% of the plan and increasing by 9% compared to the same period in 2023. Particularly, pre-tax profit reached VND 856 billion, fulfilling 160% of the plan and increasing by 33.5% compared to the same period in 2023.

- Regarding the development of the Company's strategic direction: In 2024, Tien Phong Plastic implemented strategic development activities targeting sustainable development goals.

- In production organization: Tien Phong Plastic continued to maintain and effectively apply quality, environmental, energy, and safety management systems. The



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Company further improved its process improvement objectives, optimized formulas and mixing instructions, ensured flexibility in equipment usage, and rationalized products across high-capacity lines to meet business demand. In 2024, the Company tested 76 new compounding orders and put 20 of them into production to improve product quality and reduce costs.

- In engineering and new product research and development: Tien Phong Plastic consistently focused on investing in and enhancing equipment capacity, ensuring sufficient and stable, efficient operation. The R&D department continuously improved technology, developed new products, and diversified the product portfolio to add value to customers and enhance the Company's competitiveness.

- In finance: Financial operations continued to be tightly controlled, with accurate and timely reporting data provided to support executive and internal management. Financial reports and tax reports were strictly prepared in accordance with legal regulations and State guidelines. The Company proactively mobilized capital from various sources at reasonable interest rates, ensuring timely support for production and business activities, investment, and dividend payments, with no bad debt or overdue liabilities.

- Regarding human resources and employee welfare: Tien Phong Plastic continued to improve employee policies, including: developing and applying a new salary scale for social insurance contributions and adjusting employee contribution levels accordingly; issuing regulations for periodic skill tests with added benefits; organizing occupational health examinations and regular health checkups for all employees; etc.

- In sustainable development: Tien Phong Plastic completed the Greenhouse Gas Emissions Report in accordance with Government Decree No. 06 and ISO 14064, identified the product carbon footprint in accordance with ISO 14074, and is implementing green product certification for the Company's product lines.



- Alongside production and business activities, social charity work continued to be a key focus and has become part of the Company's responsibility to the community. In 2024, the Company continued to accompany people in remote and isolated areas through the "Bridges of Love" project, and also participated in many other community programs such as "Warm Tet of Military-Civilian Solidarity", "Joining Hands to Overcome the Aftermath of Typhoon Yagi", etc.

3.2. Activities of the Subcommittees under the Board of Directors

*** Activities of the Internal Audit Department**

In 2024, under the direction and supervision of the Audit Committee, the Internal Audit Department carried out the following tasks:

- Reviewed the internal audit regulations to ensure compliance with legal provisions and alignment with the Company's actual conditions.

- Conducted audits as assigned in the approved plan, including: Audit of the Company's 2023 financial statements and 2024 semi-annual financial statements; Audit of the 2023 financial statements of Tien Phong Plastic Central Co., Ltd.; Operational audits at several departments/divisions/plants such as the Project Management Department, the Research and Development Department, and the PE-PP Manufacturing Factory. Internal audit activities were conducted by assessing the effectiveness of the internal control system, compliance with regulations and procedures in business operations; reviewing financial management and cost control practices, etc.

- Participated in internal and external training courses to enhance legal knowledge and professional competencies.

4. Report on Transactions between the Company, its Subsidiaries, and Entities in which NTP Holds More Than 50% of Charter Capital, with Members of the Board of Directors and Related Persons of the Board of Directors:

As of December 31, 2024, the Company engaged in transactions with related parties as follows:



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Related Party	Nature of transaction	Value (VND)
Tien Phong Plastic Central Company Limited	NTP sold equipment	2,279,690,901
	NTP sold services	3,427,175,512
	NTP sold materials	100,363,938,475
	NTP sold goods	46,054,201
	NTP purchased materials	32,312,076,000
	NTP purchased services	681,533,190
	NTP purchased goods	2,732,852,629
	NTP purchased fixed assets	203,000,000
	NTP transferred profits	169,544,177,267
Tien Phong Plastic South Joint Stock Company	NTP purchased goods	261,177,763,548
	NTP sold goods	148,923,547,231
	Other transactions	98,656,667
Tien Phong Packaging Joint Stock Company	NTP purchased goods	34,652,719,097
	NTP sold goods	24,650,000

The subsidiary (Tien Phong Plastic Central Company Limited – NTP Central) engaged in the following related party transactions:

Related Party	Nature of transaction	Value (VND)
Tien Phong Plastic South Joint Stock Company	NTP Central sold goods	1,975,077,556
Tien Phong Packaging Joint Stock Company	NTP Central purchased goods	2,989,955,000



II. PERFORMANCE OF THE BOARD OF DIRECTORS IN THE 2020–2025 TERM:

The year 2025 marks the end of the fourth term of the Board of Directors of Tien Phong Plastic Joint Stock Company, highlighting a 20-year journey operating under the joint stock company model and celebrating 65 years of the Company's establishment and development. Throughout this journey, Tien Phong Plastic Joint Stock Company has achieved impressive growth in scale, depth, and sales revenue.

During the 2020–2025 period, Vietnam's socio-economic landscape maintained its growth momentum post-pandemic, with GDP increasing by an average of 6–7% per year. Rapid industrialization and urbanization have fueled consumer and production demands, including for the plastic industry. Increasing pressure from the sustainable development trend and growing requirements for environmentally friendly products have significantly influenced the strategic direction of plastic enterprises in general and Tien Phong Plastic in particular. In the past term, the Board of Directors has leveraged favorable conditions, minimized difficulties, and strived to fulfill the annual business plan targets approved by the Annual General Meeting of Shareholders.

1. Assessment of Corporate Governance:

During the 2020–2025 term, the Company experienced changes in its corporate governance, specifically:

- Establishment of the Audit Committee under the Board of Directors, in line with the Company's organizational and management model.
- Appointment of the person in charge of corporate governance.
- The Board of Directors' operating principle has always been to preserve and grow capital, while ensuring the interests of investors. During the 2020–2025 term, the Board of Directors proposed, and the General Meeting of Shareholders approved, several rounds of charter capital increases, with newly issued shares listed and traded on the stock market (from VND 981,638,530,000 to VND 1,425,322,840,000). Along with proposing the charter capital increases, the Board of Directors has also consistently safeguarded shareholders' interests by maintaining stable cash dividend payments throughout the term.
- With the principle of "Transparency," Tien Phong Plastic places great emphasis on information disclosure and shareholder relations, aiming to provide investors with clear information about the Company's activities through various channels, such as the Securities Commission's disclosure system, Hanoi Stock Exchange, the Company's website, and others. In 2024, the Company was honored as



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a listed enterprise on the Hanoi Stock Exchange (HNX) for its good corporate governance.

- Fully aware of the role of corporate governance in enhancing operational efficiency and information transparency—thereby strengthening accountability and risk control—the Board of Directors has established specialized subcommittees to assist its operations, including the Human Resources and Remuneration Subcommittee, the Development Strategy Subcommittee, and the Corporate Governance Secretary Subcommittee.

2. Assessment of Production and Business Results and Product Improvements

Indicator	Unit	2020	2021	2022	2023	2024
Consolidated Product Sales Revenue	Billion VND	4,409	4,892	5,634	5,084	5,542
Sales Volume	Tons	90,900	97,339	101,058	98,582	108,345
Profit Before Tax (Parent Company)	Billion VND	505.2	551	532.2	641	856

During the 2020–2025 term, all key indicators showed stable growth, with the Company's product sales revenue increasing by nearly 26%; sales volume rising by 20%; and notably, the Parent Company's profit before tax saw a strong growth of nearly 70%.

In response to the practical demands of the market and the increasing requirements for product convenience, the Company has invested in the production of pioneering, high-quality products.

- In 2020, the Company continued to research and improve productivity in thread cutting and various components of Zacco uPVC valves, rainwater drainage channels with synchronized fittings, D110 spiral core uPVC pipes, developed a prototype for ISO 3633 fittings, drainage manholes, and others.

- In 2021, the Company successfully produced PE walls for shrimp pond construction; Zacco valves, resistance welding fittings, HDPE injection-molded fittings, CPVC pipes, spiral core uPVC pipes, and uPVC inspection chambers.

- In 2022, the Company manufactured cooling tanks for rapid hardness testing of Unicor double-layer corrugated pipes; researched UV pellet technology as an alternative to outsourcing processing.



- In 2023, the Company marked progress in the research and production of CPVC pipes for fire protection; improved outstanding features such as ball valves with lever handles, PPR swivel handles, and others.

- In 2024, the Company continued advancing the research and production of CPVC pipes for fire protection; researched new products such as modular underground tanks, and more.

3. Assessment of the Organization and Human Resources Work:

During the 2020-2025 term, the organization and human resources work has seen improvements, and it has been one of the key factors contributing to the success of the Company's business operations.

- Aiming for a lean and efficient management model, the Company has established, renamed, and merged departments and units, while enhancing the autonomy of these units.

- The Company has continued to enhance policies for employees and implemented programs aimed at increasing employee benefits, such as organizing summer travel programs for all staff, travel programs for the Company's leadership and mid-level managers, providing life insurance, allowances for team leaders and deputy team leaders, skill allowances for skilled workers, and honoring long-serving employees.

- Intensifying training efforts across various fields, from management skills to advanced technical training, aiming to enhance the quality of the Company's workforce.

II. ACTIVITIES DIRECTION OF THE BOARD OF MANAGEMENT IN 2025, TERM 2025-2030:

Based on the actual market situation, development trends, and factors affecting the Company's production and business operations, with the policy of boosting market activities, the Board of Management will focus on directing and closely monitoring the Company's production and business activities, striving to maintain Tien Phong Plastic's market share in 2025, with a target consolidated product sales revenue of VND 6,000 billion and a pre-tax profit of VND 856 billion.

The direction for the production and business operations in the next term will be based on the following basic targets:



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No.	Target	Unit	Year of 2025		Year of 2026		Year of 2027		Year of 2028		Year of 2029		Average growth
			Plan	Growth 2025/2024	Plan	Growth 2026/2025	Plan	Growth 2027/2026	Plan	Growth 2028/2027	Plan	Growth 2029/2028	
1	Consolidated Product Sales Revenue	Billion VND	6.000	106,1%	6,790	113%	7,755	114%	8,850	114%	10,190	115%	113%
2	Sales Volume	Tons	117.500	108,5%	135,125	115%	155,394	115%	178,703	115%	205,508	115%	114%
3	Pre-tax Profit of Parent Company	Billion VND	856	100%	820.8	96%	886.5	108%	957.4	108%	1,034	108%	104%



To fulfill the above key targets, the Company's Board of Directors directs operations and implements the following core solutions:

- Consolidating its pioneering position in Vietnam's plastics industry through improved product quality, supply chain optimization, intensified R&D activities, and market share expansion to meet escalating market demands.

- Successfully developing and executing the Company Development Strategy for the 2025–2035 period.

- Progressing toward modern, transparent, and efficient governance aligned with international standards. Enhancing the management framework and reinforce accountability of the Board of Directors and Board of Management to protect shareholder and stakeholder rights.

- Paving the way for development towards a Group model focusing on core traditional products and engineering plastics, while implementing the Tien Phong Education Complex Project at No. 2 An Da.

- Expanding export markets for the Company's existing products; researching and establishing production in foreign markets, especially post-war reconstruction markets (Russia-Ukraine).

- Committing to sustainable development by optimizing material usage, reducing production emissions, investing in modern energy-efficient technologies, elevating production efficiency, and developing environmentally friendly product lines.

- Driving digital transformation, progressively implementing a comprehensive Enterprise Resource Planning (ERP) system and applying Artificial Intelligence (AI) and Big Data to production and business management.

- Focusing on human resource quality development, cultivating a professional, innovative, and supportive workplace that encourages innovation and personal growth to attract and retain talent.



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- Researching and selecting new land plots for the Company's development, ensuring compatibility with growth scale and Hai Phong City's urban planning.
- Continuing charitable, social, and community-focused activities.

Distinguished Guests,

Under the motto: Solidarity, Dynamism, and Practicality, the Board of Directors will focus on directing strategic solutions while effectively supervising the Company's business operations, ensuring the highest benefits for all shareholders and employees, as well as the stable and sustainable development of the Company during the 2025-2030 term and beyond. On behalf of the Presidium, I wish the Congress great success.

Sincerely thank you!

O.B.O BOARD OF DIRECTORS

CHAIRMAN



DANG QUOC DUNG