



**REPORT**  
**ON THE PERFORMANCE OF THE BOARD OF DIRECTORS IN 2025**  
**AND ORIENTATIONS AND TASKS FOR 2026**

*Dear Esteemed Shareholders!*

The year 2025 marks the 65th anniversary of the establishment and development of Tien Phong Plastic Joint Stock Company, a proud and enduring journey affirming its position as a leading enterprise in the construction plastics industry in Vietnam. Amid market fluctuations, the Board of Directors together with the Board of Leaders upheld a spirit of unity, proactively grasped trends, and put forward practical policies and solutions, thereby effectively directing the implementation of the 2025 production and business plan approved by the General Meeting of Shareholders.

The performance of the Board of Directors in 2025 is reflected in the following key areas:

**I. PERFORMANCE OF THE BOARD OF DIRECTORS IN 2025**

**1. Key activities of the Board of Directors**

- In 2025, the Board of Directors held 05 meetings to discuss, evaluate, and provide orientations and directions for the implementation of the Resolution of the 2025 Annual General Meeting of Shareholders and key activities of the Company, including::

+ Election of the Chairman and Vice Chairman of the Board of Directors for the 2025–2030 term.

+ Consolidation of the Audit Committee for the 2025–2030 term.

+ Implementation of the Resolution of the 2025 Annual General Meeting of Shareholders regarding the payment of the second cash dividend for 2024 at the rate of 10% on June 25, 2025, and the first interim cash dividend for 2025 at the rate of 15% on January 20, 2026.

+ Implementation of the Resolution of the 2025 Annual General Meeting of Shareholders on issuing shares to pay dividends for 2024 at a rate of 20%.

+ Appointment of the Deputy General Director in charge of Business and the Deputy General Director in charge of Production.

- The Board of Directors closely monitored and comprehensively supervised production and business activities, effectively performing its role in orientation and supervision of the Board of Management in production, investment, and finance; at the same time, proactively proposing timely and flexible solutions to enhance operational efficiency amid the continued socio-economic fluctuations in 2025.

- Along with that, the Board of Directors has consistently accompanied and arranged time to attend meetings of the Board of Management in order to closely follow the actual situation, thereby providing opinions for the Board of Management to direct and administer activities in a timely, effective and appropriate manner.

## **2. Activities of Independent Members of the Board of Directors**

The Board of Directors for the 2025–2030 term includes 02 independent members of the BOD, of which 01 serves as Head of the Human Resources - Remuneration Subcommittee and 01 serves as Chairwoman of the Audit Committee.

### **2.1. Activities of the Independent Member cum Head of the Human Resources - Remuneration Subcommittee:**

In the role of Independent Member of the Board of Directors cum Head of the Human Resources - Remuneration Subcommittee, the independent member assessed the activities of the Board of Directors, the Board of Management, the Human Resources - Remuneration Subcommittee, and the Company's human resources and remuneration practices. Specifically:

- The Board of Directors and the Board of Management have proactively carried out their functions; demonstrated high compliance; and maintained generally good operational quality, fulfilling their roles in governance, orientation, and supervision of key Company activities within their authority.

- The Human Resources - Remuneration Subcommittee plays an advisory and supporting role to the Board of Directors in establishing policy frameworks and HR processes; and participates in reviewing and proposing matters related to appointment, dismissal, remuneration, and performance evaluation of the Board of Directors, Board of Management, representatives, and senior management positions. This scope of work is of significant importance to the Company's governance quality.

- Human resource management has a solid foundation and is undergoing transformation; however, progress remains slow and requires elevation with strong aspiration to ensure a workforce capable of leading the Company's development strategy for the 2026–2030 and 2030-2035 periods.

- The Company's current remuneration policy is assessed as well-governed, safe, and stable. However, it remains limited in terms of breakthrough incentives for growth and the attraction of high-level and mid-level talents.

## **2.2 Activities of the Audit Committee and Independent Members therein**

+ Supervising compliance with laws, the Company's Charter, and internal regulations; monitoring the implementation of Resolutions of the General Meeting of Shareholders, the Board of Directors, and the Board of Management.

+ Supervising the implementation of the production and business plan.

+ Reviewing quarterly/semi-annual/annual financial statements and assessing the impact of material issues raised in independent audit reports.

+ Recommending the selection of an independent audit firm; assessing its independence, objectivity, and audit effectiveness.

+ Strengthening its role in directing and supervising the Internal Audit function and providing recommendations to enhance the effectiveness of the internal control system.

+ Proactively identifying, analyzing, and recommending the handling of potential risks in the Company's business and financial activities, and advising the Board of Directors within the scope prescribed by the Company's Charter.



- Through supervisory activities, the Board of Directors has fulfilled its rights and obligations in accordance with the law, consistent with the Resolutions of the General Meeting of Shareholders and the Company's Charter. The Board of Management has complied with its functions and duties, actively implementing Resolutions of the General Meeting of Shareholders and the Board of Directors, and conducting management and administration in accordance with legal regulations.

- In 2025, the Audit Committee did not receive any complaints from shareholders.

### **3. Evaluation of the performance of the Board of Management and Subcommittees under the Board of Directors**

#### **3.1. Activities of the Board of Management**

- With the outstanding results achieved in 2025, the Board of Directors acknowledges and highly appreciates the role of the Board of Management in effectively organizing and implementing the policies and resolutions of the Board of Directors; while maintaining stability and promoting growth in production and business activities, and continuing to strengthen the Tien Phong Plastic brand in the market.

- Revenue and sales volume indicators: In 2025, under sound direction and flexible management, the Company recorded impressive revenue growth, averaging approximately VND 556 billion per month. Benefiting from a sharp decline in input material prices compared to 2024, the Company achieved a breakthrough in its production and business performance, reaching the highest level in its history. Revenue from product sales reached VND 6,454 billion, a significant increase from VND 5,542 billion in 2024. Business performance indicators improved markedly; pre-tax profit reached VND 1,138 billion, equivalent to 133% of the annual plan.

<b>Criteria</b>	<b>Unit</b>	<b>Actual 2024</b>	<b>Plan of 2025</b>	<b>Actual 2025</b>	<b>Plan completion rate</b>	<b>Growth 25/24</b>
Revenue	VND billion	5,542	6,000	6,454	108%	912

Sales volume	Tons	108,328	117,500	133,765	114%	25,437
Profit before tax	VND billion	856	856	1,138	133%	282

- Regarding the development strategy: Tien Phong Plastic has completed the Development Strategy Plan for the period 2025–2035 with four core strategic components: *Purpose – Vision – Mission – Core Values*, serving as a guideline for the Company’s long-term development orientation and contributing to sustainable value creation for customers, partners, employees and society.

- In production activities, the Company continued to maintain and effectively apply management systems on quality, environment, energy and safety. Indicators on quality, recycling rate and OEE were strictly controlled. In 2025, new compounding formulas were tested and applied in production to improve product quality and reduce material costs. Regarding automation, the Fittings Manufacturing Factory has put into operation robotic arms, JIG systems and automated threaded brass fittings production systems; the PVC Factory and PE-PP Factory have initially applied automation in product inspection and packaging stages.

- In technical and research activities, in 2025 the Company tested new materials and chemicals, and sought new materials with lower costs to improve product quality. It completed stable production technology for HDPE electrofusion fittings of Sekisui; produced CPVC pipes for fire protection systems; modular underground tanks; and PVC-U fittings in accordance with ISO 3633 meeting Vicat requirements.

- In financial activities, financial operations continued to be strictly controlled, ensuring timely and adequate reporting for management and governance purposes; the Company proactively optimized capital sources and flexibly used financial instruments to reduce capital costs and increase profitability, while maintaining a reasonable borrowing structure. E-banking applications were promoted, contributing to shortening transaction time, reducing costs and improving governance efficiency. Financial obligations to the State were fully fulfilled; tax incentive policies were promptly updated to optimize costs.

- In organizational and employee care activities, the Company fully implemented salary and welfare policies; organized various cultural and sports activities to celebrate the 65th anniversary of the Company, and conducted corporate culture communication activities. Training, skill competitions and periodic health check-ups were maintained, contributing to improving the quality of human resources. At the same time, the Company focused on improving employee living conditions, encouraging initiatives, increasing productivity and providing timely rewards, thereby enhancing production and business performance.

- In sustainable development, the Company implemented greenhouse gas inventory in accordance with ISO 14064-1 and product carbon footprint assessment under ISO 14067; continued to develop environmentally friendly product lines and completely eliminated lead stabilizers in production. In 2025, the Company achieved SGBP 4 Ticks – Leader certification, affirming its pioneering position in green building materials in Vietnam.

- Alongside production and business activities, the Company actively fulfilled its social responsibility through meaningful social welfare projects, notably the “Bridges of Love” program, with nearly 120 bridges constructed nationwide, contributing to improving infrastructure and living conditions for the community.

### **3.2. Activities of Subcommittees under the Board of Directors**

#### ***\* Development Strategy Subcommittee***

- In 2025, the Subcommittee conducted discussions on the Vision, Mission and Core Values of Tien Phong Plastic, as well as the Company’s development strategy towards 2035.

- Accordingly, the development strategy includes component strategies such as business strategy to maintain existing markets and expand into new markets and products; R&D strategy; human resource strategy; corporate culture development strategy; and digitalization and production efficiency enhancement strategy.

- The Subcommittee reported the draft development strategy to the Board of Directors and updated additional comments from the Board of Directors to ensure comprehensiveness and feasibility.

*\* Human Resources and Remuneration Subcommittee:*

- In 2025, the Subcommittee worked with the Human Resources Department to discuss the overall organizational and human resource structure of the Company, as well as regulations and policies related to recruitment, appointment and remuneration. At the meeting, the Head of the Subcommittee provided several orientations on corporate culture implementation and human resource policies linked to cost efficiency to enhance proactiveness and operational effectiveness of units.

The Subcommittee also participated in providing consultation and comments on the evaluation of management appointments of the Company.

*\* Corporate Governance Secretariat Subcommittee:*

- In 2025, the Subcommittee performed its assigned duties and work plans, ensuring that corporate governance activities complied with legal regulations and were aligned with international best practices.

- The Subcommittee also performed advisory functions for the Board of Directors and the Board of Leaders, and proposed training programs to enhance corporate governance capacity for management staff.

- Implemented communication of corporate governance newsletters to the Board of Directors and the Board of Leaders.

**4. Report on transactions between the Company, subsidiaries and companies in which NTP holds more than 50% of charter capital, with members of the Board of Directors and their related persons**

*As at December 31, 2025, the Company had transactions with related parties as follows:*

Related party	Type of transaction	Value (VND)
Tien Phong Plastic Central Region Co., Ltd.	NTP sells equipment	1,239,734,167
	NTP sells service	2,957,291,332
	NTP sells materials	10,945,876,250
	NTP sells goods	56,489,302
	NTP purchases service	575,822,286
	NTP purchases goods	13,953,864,268
	Profit remittance	203,275,081,024
Tien Phong Plastic South JSC	NTP purchases goods	321,410,984,123
	NTP sells goods	216,051,807,990
	Others	212,051,000
Tien Phong Packaging JSC	NTP purchases goods	39,831,103,844
	NTP sells goods	28,850,000

## II. ORIENTATIONS AND TASKS OF THE BOARD OF DIRECTORS FOR 2026

Based on the actual market situation, development trends and factors affecting the Company's production and business activities, with the orientation of promoting market activities, the Board of Directors will focus on directing and closely supervising the Company's production and business operations, striving to maintain the domestic market and expand into international markets in 2026, with a planned sales revenue of VND 7,330 billion, sales volume of 148,000 tons and pre-tax profit of VND 900 billion.

To achieve the above targets, the Board of Directors sets out the following orientations and directs the implementation of several solutions:



1. Promote the strategy of expanding markets to the region and globally, bringing the Tien Phong Plastic brand to potential international markets. Focus on improving product quality standards to meet stringent technical barriers, thereby affirming the capability of a leading Vietnamese plastics enterprise on the global map.

2. Prioritize resources for R&D activities to develop recycled and environmentally friendly product lines. This is not only a key business solution but also a core responsibility in the “Green Creation” journey, aiming towards sustainable development and a circular economy.

3. Develop a modern human resource management system, focusing on attracting and developing high-quality personnel with strong mindset and expertise. Emphasize building a professional, standardized and innovative corporate culture, creating an environment where each individual has the opportunity to develop together with the Company.


4. Continue to improve the management system in line with modern international governance standards. Enhance transparency, accountability and flexible risk management to maximize the protection of interests of shareholders and related parties in the context of integration.

5. Promote automation of production lines in combination with digital transformation, applying artificial intelligence (AI) and big data (Big Data) in supply chain management and smart manufacturing. Process optimization through technology will help minimize resource waste, improve productivity and effectively support the Company’s sustainable development objectives.

6. The Board of Management shall continue to implement flexible policies for market development and maintaining market share; material inventory planning must be emphasized and closely aligned with geopolitical developments and fluctuations in order to make timely and decisive decisions.

*Dear Esteemed Shareholders,*

Guided by the motto of 'Unity, Dynamism, and Practical Engagement,' the Board of Directors will focus on steering strategic initiatives while exercising rigorous oversight of the Company's production and business operations. Our objective is to strike a harmonious balance between the interests of shareholders, employees, partners, the distribution network, corporate growth, and social responsibility—thereby ensuring job security and enhanced well-being for all staff, while fostering the Company's stable and sustainable development in 2026 and the years to follow. On behalf of the Presidium, I wish the General Meeting a fruitful and resounding success.

Respectfully submitted, 

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



**DANG QUOC DUNG**