

PHONG PHU CORPORATION

Độc lập - Tự do - Hạnh phúc
Independence – Freedom – Happiness

Thành phố Hồ Chí Minh, ngày 24 tháng 4 năm 2025
Ho Chi Minh City, April 24, 2025

TỔNG GIÁM ĐỐC
GENERAL DIRECTOR

**TỔNG CÔNG TY
CỔ PHẦN
PHONG PHÚ**

Đương Khuê

No: 132/TM-PP

Ho Chi Minh City, April 24, 2025

INVITATION
To attend the 2025 Annual General Meeting of Shareholders
Phong Phu Corporation

To: Shareholders of Phong Phu Corporation

Phong Phu Corporation respectfully invites Shareholders to attend the 2025 Annual General Meeting of Shareholders, with the following details:

- Time: **09:00 A.M. on May 15, 2025 (Thursday).**
- Location: **Phong Phu Corporation's Office**

No. 48 Tang Nhon Phu Street, Quarter 18, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City.

To ensure the organization of the Congress is well-prepared and successful, Shareholders are kindly requested to confirm their attendance at the Congress via telephone, email, postal mail, scan the QR code to register for attendance (*on the Registration Form for attending the Congress*) or send a power of attorney (*in case of authorizing another person to attend the Congress*) according to the attached form, specifically:

- Address: *Phong Phu Corporation, 48 Tang Nhon Phu, Quarter 18, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City*
- Telephone: *(028) 667 34 555 (General Legal Department)*
- Email: *ptdthuy@phongphucorp.com*
- Registration time: *From the date of issuance of the Invitation Letter to before 04:00 P.M. on May 12, 2025 (Monday)*

When attending the Congress, Shareholders are kindly requested to bring the Invitation Letter (*with the automatic check-in barcode printed on it*) and Citizen Identification Card/Passport, for authorized Shareholders, please bring an additional power of attorney.

Your presence will contribute to the success of the Congress.

Sincerely./.

Note: Shareholders can refer to the documents, 2024 Financial Statements, and draft documents of the Congress on Phong Phu Corporation's website at: www.phongphucorp.com, Shareholders section.

Place of receipt:

- As above;
- Save: Secretariat.



GENERAL DIRECTOR

Duong Khue



SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

Ho Chi Minh City,, 2025

**REGISTRATION FORM FOR ATTENDANCE
ANNUAL GENERAL MEETING OF SHAREHOLDERS 2025**

To: Board of Directors of Phong Phu Corporation

Shareholder's Name: _____

ID Card/Passport/Business Registration Certificate No.: _____

Date of Issue: _____ Place of Issue: _____

Address: _____

Phone: _____

Email: _____

Number of shares represented/owned: _____

(In words: _____ shares)

I/We register to attend the 2025 Annual General Meeting of Shareholders of Phong Phu Corporation, which will be held on May 15, 2025, at the Head Office of the Corporation – 48 Tang Nhon Phu, Quarter 18, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City, in the following form:

✓ **Directly attend the Meeting** ☐

✓ **Authorize a representative to attend the Meeting** ☐
(With attached authorization letter)

SHAREHOLDER

(Signature, full name, seal (if any))

Shareholders are kindly requested to send the Registration Form for Attendance/Authorization to:

- Head office of Phong Phu Corporation (as above);

- Tel: (028) 667 34 555 or email: ptdthuy@phongphucorp.com.

Or scan the QR code to register for attendance (at the beginning of the Registration Form)



Ho Chi Minh City,, 2025

POWER OF ATTORNEY

Re: Attending the 2025 Annual General Meeting of Shareholders

1. AUTHORIZING PARTY:

Individual/Organization Name: _____

ID Card/Passport/Business Registration Certificate No.: _____

Date of Issue: _____ Place of Issue: _____

Address: _____

Phone: _____

Number of Represented/Owned Shares: _____

(In words: _____ shares)

2. AUTHORIZED PARTY:

Individual/Organization Name: _____

ID Card/Passport/Business Registration Certificate No.: _____

Date of Issue: _____ Place of Issue: _____

Address: _____

Phone: _____

Number of Authorized Shares: _____

(In words: _____ shares)

Or, In case shareholders cannot attend and cannot authorize any other individual/organization, shareholders can authorize **01 (one)** of the members of the Board of Directors (“BOD”) of Phong Phu Corporation according to the list below:

No.	Full name	Position	Mark selection	Number of authorized shares
1	Mr. Tran Quang Nghi	Chairman of the Board of Directors		

2	Mr. Duong Khue	Member of the Board of Directors cum General Director		
3	Ms. Pham Minh Huong	Member of the Board of Directors		
4	Mr. Pham Phu Chung	Member of the Board of Directors cum Deputy General Director		
5	Ms. Truong Thi Ngoc Phuong	Member of the Board of Directors cum Managing Director		

3. AUTHORIZED CONTENT:

- Attend the 2025 Annual General Meeting of Shareholders (“AGM”) of Phong Phu Corporation.
- Exercise the right to speak and vote on all issues at the AGM corresponding to the number of shares that the Authorizing Party owns in accordance with the law.

4. COMMITMENTS OF AUTHORIZING PARTY AND AUTHORIZED PARTY:

- The authorized party commits to properly and fully implement the authorized content and related regulations of Phong Phu Corporation.
- The authorizing party and the authorized party voluntarily establish this Power of Attorney and comply with the related regulations of Phong Phu Corporation when exercising the rights of shareholders.
- When deemed necessary in specific cases, to ensure objectivity and accuracy, Phong Phu Corporation has the full right to inspect and request additional relevant documents from shareholders, the Authorizing Party, and the Authorized Party, and/or require certification from competent authorities for this authorization.

5. DURATION OF AUTHORIZATION:

- This Power of Attorney is effective from the date of signing until the end of the 2025 Annual General Meeting of Shareholders of Phong Phu Corporation.

AUTHORIZED PERSON
(Signature, Full name, Seal (if any))

AUTHORIZER
(Signature, Full name, Seal (if any))



Ho Chi Minh City, May 15, 2025

AGENDA

The 2025 Annual General Meeting of Shareholders of Phong Phu Corporation

- Time: **09:00 A.M. on May 15, 2025 (Thursday)**
- Location: **Phong Phu Corporation's Office, No. 48 Tang Nhon Phu Street, Quarter 18, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City.**

No.	Content	Preside
1.	- Welcome delegates, guests, and distribute materials; - Verify the eligibility of shareholders	Organizing Committee
2.	- Opening of the General Meeting: - Declare the reason for the meeting and introduce the delegates.	Organizing Committee
3.	- Report on the verification of the eligibility of shareholders attending the General Meeting	Shareholder Eligibility Verification Committee
4.	- Introduce and elect the Presidium of the General Meeting	Organizing Committee
5.	- Introduce the Secretariat and the Vote Counting Committee	Presidium
CONTENT OF THE GENERAL MEETING		
6.	- Approve the agenda of the General Meeting	Presidium
7.	- Opening speech of the General Meeting	Presidium
8.	- Report on the activities of the Board of Directors in 2024	Presidium
9.	- Report on the production and business performance in 2024 and the business plan for 2025 of the Board of Management	Presidium
10.	- Report on the inspection of the production, business and financial situation in 2024 of the Board of Supervisors	Board of Supervisors
11.	- Report on the items to be voted on at the 2025 Annual General Meeting of Shareholders.	Presidium
12.	- Shareholders discuss and vote on the agenda items of the General Meeting.	Presidium
13.	- Approve the draft resolution and minutes of the 2025 Annual General Meeting of Shareholders.	Secretariat
14.	- Closing speech and adjournment of the General Meeting	Presidium

ORGANIZING COMMITTEE

No. 02/QC-DHĐCĐ

Ho Chi Minh City, May 15, 2025



REGULATIONS
ORGANIZATION OF THE 2025 ANNUAL GENERAL MEETING OF
SHAREHOLDERS
PHONG PHU CORPORATION

- Pursuant to the Law on Enterprises No. 59/2020/QH14 passed by the National Assembly of the Socialist Republic of Vietnam on June 17, 2020;
- Pursuant to the Law on Securities No. 54/2019/QH14 passed by the National Assembly of the Socialist Republic of Vietnam on November 26, 2019;
- Pursuant to Decree 155/2020/ND-CP detailing the implementation of a number of articles of the Law on Securities passed on December 31, 2020;
- Charter of Phong Phu Corporation.

CHAPTER I
GENERAL PROVISIONS

Article 1. This regulation applies to the organization of the 2025 Annual General Meeting of Shareholders (hereinafter referred to as the "Meeting") of Phong Phu Corporation (hereinafter referred to as the "Corporation").

Article 2. This regulation specifies the rights and obligations of the parties participating in the Meeting, conditions, and formalities for conducting the Meeting.

Article 3. Shareholders and participating parties are responsible for implementing the provisions of this Regulation.

CHAPTER II
RIGHTS AND OBLIGATIONS OF PARTIES PARTICIPATING IN THE
MEETING

Article 4. Rights of shareholders

4.1. Conditions for attendance:

Shareholders whose names are on the list of shareholders of the Corporation on April 21, 2025, provided by the Vietnam Securities Depository and Clearing Corporation, are entitled to attend the Meeting.

4.2. Rights of shareholders:

- To directly attend or authorize another person to attend the Meeting;
- To vote as prescribed in Article 11 of this regulation;

- Shareholders or shareholder representatives, when attending the Meeting, are publicly informed of the Meeting agenda and draft Meeting documents. The opinions of shareholders or shareholder representatives to the Meeting will be discussed at the Meeting;
- To receive meeting documents, voting cards with the shareholder's name, shareholder code, and the number of voting shares. The voting value of a shareholder corresponds to the proportion of voting shares they own or the shareholder representative has registered with the Organizing Committee;
- Shareholders arriving after the meeting has commenced have the right to register and then have the right to participate and vote at the Meeting, but the Chairperson is not responsible for stopping the Meeting to allow them to register, and the validity of previous votes will not be affected.

Article 5. Obligations of shareholders

- Shareholders/authorized shareholder representatives attending the General Meeting of Shareholders must bring the Invitation Letter together with personal identification (Citizen ID card or passport) or Authorization Letter (in case of authorization) together with a copy of the authorizer's Citizen ID card and complete the registration procedures with the Organizing Committee of the Meeting;
- To comply with the regulations in this Regulation;
- To strictly comply with the internal rules of the Meeting and respect the results of the work at the Meeting.

Article 6. Rights and obligations of the Presidium

Members of the Presidium are introduced by the Organizing Committee and approved by the General Meeting of Shareholders, in which the Chairman of the Board of Directors acts as the Chairperson.

- The Presidium is responsible for conducting the Meeting in accordance with the agenda and the regulations approved by the General Meeting.
- The Presidium's decision regarding the order, procedures, or events arising outside the Meeting's agenda will be definitive.
- The Presidium has the right to carry out tasks to conduct the General Meeting of Shareholders in a legitimate and orderly manner, ensuring that the Meeting reflects the wishes of the majority of attending shareholders.
- Without needing to consult the Meeting, the Presidium of the Meeting may postpone the Meeting to another time and at another location in accordance with the Enterprise Law and the General Corporation's Charter if it finds that:
 - + *The behavior of those present obstructs or potentially obstructs the proceedings of the Meeting or;*

+ *The delay is necessary for the tasks of the Meeting to be carried out legitimately.*

Article 7. Rights and obligations of the Meeting Organizing Committee, Shareholder Eligibility Verification Committee

7.1. The Meeting Organizing Committee has the following duties:

- Welcoming guests, shareholders, or shareholder representatives attending the meeting, distributing documents, voting cards, and providing seating instructions.
- Assisting in recording shareholders' voting/election opinions for the Vote Counting Committee to summarize the results.
- Other Congress service tasks as assigned by the Head of the Organizing Committee.

7.2. The Shareholder Eligibility Verification Committee has the following duties:

- Verifying the eligibility of shareholders or authorized attendees; requesting shareholders or authorized attendees to present the documents specified in the Meeting Invitation Letter to compare with the Shareholder List and determine the valid attendance status of shareholders or authorized attendees;
- Reporting to the Meeting on the results of shareholder eligibility verification before the Meeting officially commences.
- Coordinating with the Vote Counting Committee to guide, support, and supervise voting.

Article 8. Rights and obligations of the Secretariat, Vote Counting Committee

8.1. The Secretariat: consists of **02** people nominated by the Presidium and approved by the Meeting through voting, with the following duties:

- Record the Minutes of the General Meeting fully and accurately, including all the content and developments of the meeting, as well as the issues that were approved or raised by the shareholders or their representatives during the meeting;
- Drafting and presenting to the Meeting the Resolution and Minutes of the Meeting;
- Performing other tasks as assigned by the Presidium.

8.2. The Vote Counting Committee: consists of **03** people nominated by the Presidium and approved by the Meeting through voting, with the following duties:

- Supervising the voting of shareholders or authorized persons attending the Meeting;
- Summarizing the voting results of the Meeting and being responsible to the Presidium and the Meeting when performing its duties;
- Reviewing and reporting to the Meeting any violations of the voting regulations or complaints regarding the voting results.

8.3. Performing other tasks as assigned by the Presidium.



CHAPTER III CONGRESS PROCEEDINGS

Article 9. Conditions for conducting the Meeting

The General Meeting shall be held when the number of shareholders attending represents more than 50% of the total voting shares, based on the shareholder list established at the time of the record date for exercising the right to attend the meeting.

Article 10. Procedures for Conducting the Meeting

The General Meeting of Shareholders will be held in one session. The Meeting will discuss and approve the contents of the Meeting in turn.

1. Members of the Presidium, the Secretariat, the Shareholder Qualification Verification Committee, and the Vote Counting Committee.
2. Agenda, regulations of the Meeting.
3. Report on the activities of the Board of Directors in 2024.
4. Audited Combined and Consolidated financial statements for 2024.
5. Report on the production and business performance in 2024 and the business plan for 2025 of the Board of Management.
6. Plan for profit distribution and dividend payment in 2024.
7. Production and business plan and dividend payment plan for 2025.
8. Report on the inspection of the production, business and financial situation in 2024 of the Board of Supervisors.
9. Selection of the auditing company for the 2025 financial statements.
10. Remuneration of the Board of Directors and the Board of Supervisors and bonus level of the Board of Directors, the Board of Supervisors, the Board of Management, operating expenses in 2024 and plan for 2025.
11. Continuing the plan to restructure ineffective investments at the Corporation.
12. Resolution of the Meeting.
13. Minutes of the Meeting.

Article 11. Rules of voting at the Meeting

11.1. All Resolutions and Decisions of the Annual General Meeting of Shareholders in 2025 of the Corporation such as: nomination of the Presidium, Vote Counting Committee, reports and other decisions of the Meeting must be voted on publicly and directly under the direction of the Presidium of the Meeting and only use ballots issued by the Organizing Committee of the Meeting.

11.2. Each shareholder has the number of votes equal to the total number of shares that person owns and represents.

11.3. Rules of voting:

- When registering to attend the Meeting, the Organizing Committee will issue each shareholder or authorized shareholder with voting rights a ballot to vote on the contents of the Meeting. Each ballot contains the shareholder code, the name of the shareholder and the total number of voting shares.
- The voting and vote counting to approve the above contents are conducted according to the following rules:
 - The Meeting votes on each issue in the agenda. For each issue to be voted on at the GMS, the Presidium of the Meeting will request voting 03 times in the following order:
 - + First time: Vote for Approval
 - + Second time: Vote for Disapproval
 - + Third time: Vote for Abstain

Each Shareholder or authorized shareholder is only allowed to vote once (***Approval or Disapproval or Abstain***) on the same issue to be voted on at the Meeting. Each shareholder has the number of votes equal to the total number of shares that person owns and represents.

- The contents at the Meeting are approved when they are approved by the number of shareholders representing over 50% (*Fifty percent*) of the total number of votes of all shareholders/authorized shareholders attending the meeting.
- Voting at the Meeting is conducted by raising voting cards. The vote counting committee will directly count the number of cards for Approval first, then count the number of cards for Disapproval and finally count the number of cards for Abstain. The voting results are summarized and announced immediately after each vote.
- At the time of conducting the voting, if a shareholder goes out of the Meeting organizing area and does not participate in the voting, it is considered that they have Abstain on the content to be voted on.
- In case of any inquiries regarding the voting results, the Presidium will consider and decide immediately at the Meeting.

Article 12. Principles of speaking at the Meeting.

- 12.1.** Shareholders attending the Meeting shall raise their voting cards to speak and discuss, and shall only speak when permitted by the Chairperson.
- 12.2.** Shareholders should speak concisely and focus on the core issues to be discussed, in accordance with the agenda of the Meeting that has been approved.

CHAPTER IV CONCLUSION OF THE MEETING

Article 13. Minutes of the General Meeting of Shareholders:



All contents of the General Meeting of Shareholders must be recorded in the minutes by the Meeting Secretariat. The meeting minutes shall be read and approved before the meeting adjourns and shall be kept at the Corporation.

CHAPTER V OTHER PROVISIONS

Article 14. Cases where the General Meeting of Shareholders fails to take place:

- In the event that the required number of delegates is not present as stipulated in Article 8 of this Regulation, the organizers of the Meeting shall decide to postpone the meeting and must re-organize the Meeting within 30 days from the date of the decision to postpone the meeting.
- The reconvened General Meeting of Shareholders may proceed when the number of shareholders and authorized shareholder representatives attending represents at least 33% of the total voting shares. In the event that the required number of delegates is not present at the second meeting, the Meeting must postpone the meeting and convene a third General Meeting of Shareholders within 20 days from the opening date of the second meeting.
- The third convened General Meeting of Shareholders is valid with any number of shareholders or authorized shareholder representatives attending and has the right to decide on all issues intended for voting that are included in the Meeting agenda sent to the shareholders in the previous convening sessions.

CHAPTER VI IMPLEMENTATION PROVISIONS

Article 15. Effect of implementation

- This Regulation consists of 6 chapters, 15 articles and takes effect immediately after being approved by the Meeting through voting.
- Shareholders or authorized shareholder representatives and members attending the Meeting are responsible for implementing this Regulation./.

**ON BEHALF OF THE BOARD OF DIRECTORS
MEMBER OF THE BOARD/ GENERAL DIRECTOR**

Recipients:

- GMS;
- BOD, BOS;
- File: BOD Office

Duong Khue

Ho Chi Minh City, May 15, 2025

DRAFT



REPORT

ACTIVITIES OF THE BOARD OF DIRECTORS PHONG PHU CORPORATION IN 2024

I. SITUATION ASSESSMENT:

a. Strengths:

In 2024, the Vietnam textile and garment industry maintained a relatively good growth rate. From Quarter 03, 2024, the industry overcame the difficulties of the first 06 months of 2024 to maintain growth momentum with significantly improved production and business efficiency. Specifically:

- Import and export of goods is a prominent bright spot and a driving force for economic growth in 2024 thanks to the recovery of international market demand. The GDP growth rate in 2024 of the entire economy reached 7.09% compared to the previous year, considering the period 2011 - 2024, achieving the target set by the National Assembly, the GDP growth rate in 2024 was only lower than the growth rate in 2018, 2019 and 2022. Overall in 2024, total import and export turnover of goods reached 786.29 Billion USD, an increase of 15.4% compared to the previous year, of which exports increased by 14.3%, imports increased by 16.7%. Trade surplus of goods reached 24.77 Billion USD.

- Inflation is controlled at an appropriate level, actively supporting economic growth. The average consumer price index (CPI) in 2024 compared to the previous year increased by 3.63%.

- Employment and average income of workers in 2024 increased compared to the previous year; social security work is promptly concerned; relief activities for people in difficult areas and disaster-stricken areas are carried out widely, practically and effectively by ministries, branches and localities.

For the textile and garment industry:

- Total textile and garment export turnover in 2024 reached approximately 44 Billion USD, rising to 2nd position after China in terms of total textile and garment export turnover, standing above Bangladesh, an increase of 11.26% compared to 2023.

- Main export markets include the United States (16.71 Billion USD, up 12.33%), Japan, EU, South Korea, China and ASEAN.

- In 2024, the Vietnam textile and garment industry has many advantages, when 17/19 new-generation Free Trade Agreements (FTAs) have taken effect. Free trade agreements such as EVFTA, CPTPP not only reduce taxes but also create favorable conditions for Vietnamese textile and garment products to access demanding markets such as Japan, EU, USA.... This is a market that brings great advantages to Vietnam's textile and garment industry, diversifying customer partners and diversifying products with high added value.



- The industry also well absorbs automation technology, digital governance as well as adapts well to the requirements of green - sustainable standards from many export markets.

- Textile and garment workers easily adapt to digital technology transformation, actively respond to creative labor emulation movements, have many initiatives and technological innovations to improve productivity and quality, practice their skills to become skilled workers, and accompany businesses in production, business and export.

b. Difficulties:

2024 is a difficult year for the Vietnamese economy in the context of unpredictable global geopolitical conflicts, severe natural disasters at home and abroad, labor shortages and competition at major production centers and industrial parks, causing many difficulties for businesses in organizing production.

Challenges for the Vietnam textile and garment industry:

- Labor and production costs: increasing labor costs and difficulty in recruiting, fluctuations in interest rates and exchange rates will affect competitiveness.

- Green transition requirements: Strict environmental and safety standards such as carbon emission reduction, waste management, renewable energy use, or maintenance of sustainable production processes... require businesses to invest heavily in research and product development as well as the process of meeting regulatory standards... creating financial pressure.

- Changes in customer behavior: International brands are increasingly demanding in terms of quality, delivery speed, and supplier responsibility for products.

- Pressure on prices and small orders: Export order prices continue to fall, while most businesses have to accept small orders with high requirements for time and quality, reducing profit margins.

In an increasingly competitive environment, in order to continue to maintain its position and participate in a high-value position in the global supply chain, the Board of Directors together with the Board of Management of the Corporation have clearly identified their situation; correctly assess the situation, proactively, flexibly, and synchronously implement solutions, improve competitiveness, innovate management methods in parallel with the sustainable development of their existing foundations of tradition and solidarity, along with the support and sharing of shareholders, especially the major shareholder Vietnam National Textile and Garment Group, so Phong Phu has overcome difficulties and is on a growth trajectory as targeted.

❖ The results achieved in 2024 are as follows:

- Total consolidated revenue reached **2,642 Billion VND**.
- Consolidated profit before tax reached 384 Billion VND.
- Consolidated profit after tax reached 380,5 Billion VND.
- The expected dividend payout for shareholders in 2024 is 25%/par value of shares.

II. ACTIVITIES OF THE BOARD OF DIRECTORS IN 2024:

Together with the Board of Management, the Board of Directors has regularly inspected and supervised all activities of the Corporation and has had many important, effective, and timely directions and solutions on the market, personnel, investment,

restructuring of the system, etc., helping the Corporation's operations to be convenient and effective.

The Corporation's Board of Directors has organized meetings in accordance with the procedures and regulations stipulated in the Corporation's Charter, the Enterprise Law, and the Securities Law in order to effectively implement the General Meeting of Shareholders' Resolution, while directing and promptly resolving arising issues to ensure that the Corporation's operations are effective and in accordance with the development orientation of the Board of Directors. All minutes of the Board of Directors meetings were attended by all members of the Board of Directors and had full voting opinions, in accordance with the Corporation's Charter and the provisions of law.

The members of the Board of Directors have a high sense of responsibility, fulfilling their obligations and powers as members of the Board of Directors in accordance with the Corporation's Charter and the provisions of law.

- Activities of the BOD in 2024:

+ Organized the Annual General Meeting of Shareholders in 2024, elected members of the BOD and the Board of Supervisors for the term 2024-2029.

+ Approved credit limits to supplement working capital for the Corporation's production and business activities.

+ Approved the annual production and business plan for subsidiaries and member companies.

+ Considered and responded to requests for opinions from Phong Phu's capital representatives in other businesses.

+ Approved the investment in expanding the Ninh Phu factory, investing in additional equipment to increase production capacity at the Sewing Thread Factory and the Ninh Phu Yarn Factory.

+ Established a branch of the Corporation in Da Nang city.

+ Established the Board of Directors Office and appointed the Chief of the Board of Directors Office.

+ Newly established the Administration Department and the General Legal Department based on the reorganization of the General Administration Department.

+ Regularly manage and supervise the operating activities of the Board of Management through meetings of the Board of Directors and the Board of Management. Promptly make decisions and solutions to stabilize and develop the Corporation's production and business activities.

III. REMUNERATION LEVEL OF THE BOARD OF DIRECTORS AND BOARD OF SUPERVISORS IN 2024:

The actual remuneration for the Board of Directors and the Board of Supervisors during the year is in accordance with the Resolution of the Annual General Meeting of Shareholders in 2024 that has been approved.

- **Implementation in 2024:**

• Total remuneration of the Board of Directors and Board of Supervisors:

✓ From January - May, 2024: 66,000,000 VND/month (post-tax income).

✓ From June - December, 2024: 82,000,000 VND/month (post-tax income).

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- The bonus level for the Board of Directors, Board of Supervisors, Board of Management and operating expenses is 3% of profit after tax.

- **2025 Plan:**

- The total remuneration of the Board of Directors and Board of Supervisors is 82,000,000 VND/month (post-tax income).
- The bonus level for the Board of Directors, Board of Supervisors, Board of Management and operating expenses is 3% of profit after tax and 10% of after-tax profit exceeding the set plan after deducting deductions...

IV. ASSESSMENT OF THE BOARD OF DIRECTORS ON THE OPERATION OF THE BOARD OF MANAGEMENT IN 2024:

1. General assessment:

- The members of the Board of Management have university degrees or higher, and the majority have master's degrees, are deeply trained in their expertise, have a deep understanding of the field assigned to them, and have many years of experience in business management and administration. There is harmony in textile yarn majors, experience, in-depth understanding of technology processes and finance, human resources, and business administration...

- The General Director implements a quarterly reporting regime on the implementation of the Board of Directors' resolutions in accordance with the provisions of the Internal Regulations on the Corporation's governance.

- The Board of Management has managed the Corporation's production and business activities in accordance with the resolutions of the General Meeting of Shareholders, the resolutions of the Board of Directors and in compliance with the Enterprise Charter and legal regulations.

- The Board of Management is well aware of the advantages and difficulties of the Corporation, so it has been proactive and flexible in managing production and business activities. At the same time, it has issued internal documents and documents according to its authority to effectively control all production and business activities of the Corporation, and effectively perform the role of risk control from the Board of Management and middle management levels.

- The Board of Management has set a goal in 2024: Profit growth and market development. Therefore, Phong Phu has made continuous efforts for sustainable development, which are: steadfast with goals, smart management, digitalizing management data, investing in additional machinery and equipment, updating technology, new science and technology to improve the Corporation's management system.

2. Several issues that the Board of Management needs to address in the coming period:

The year 2025 is forecast to be a challenging year for textile and garment enterprises. The global situation is complex and unpredictable, especially the impact of the tax policy that the U.S. just announced in early April, 2025, along with the reaction of some countries leading to tariff tensions between the U.S. and other countries. The risk of a trade war could negatively impact global economic growth.

The breakthrough development of artificial intelligence (AI) and its applications is no longer a "trend" but will create a real competitive playing field for manufacturing enterprises. AI is not merely a supporting tool, but it is gradually changing the nature of business operations in a more positive direction.

In that context, the Board of Management needs to pay attention to the following issues:

- Research and propose new investments, technology innovation, development of new products, market development, and effective revenue increase. Improve and refine digital governance and the digital transformation program for application in production to reduce costs and increase the Corporation's productivity.

- Focus on exploiting and maintaining the existing target market, considering this a strategic and overarching key task. Strengthen the development of markets where Vietnam has a competitive advantage and maximize opportunities in markets in countries participating in trade agreements with Vietnam.

- Focus on human resource development, on-site training, or additional recruitment in new conditions with new, flexible, and effective methods. Develop a training policy and assign training targets for each position: quantity, content, etc. With an innovative mindset in management methods, focus on the results of handling work, improving revenue, and developing the market, focusing on reviewing and standardizing management methods to allocate appropriate personnel, and maximizing the proactivity and creativity of the team.

- Regularly and proactively have plans to respond to changes in the event of epidemics, natural disasters, and the impact of war.

V. PLANS AND ORIENTATIONS OF THE BOARD OF DIRECTORS IN 2025:

The Board of Directors, together with the Board of Management and all employees, are determined to strive in corporate governance and management to complete the goals and tasks assigned by the General Meeting of Shareholders in 2025, ensuring the goal of striving for "sustainable development, adaptive innovation, and outstanding efficiency" with the following plans and orientations:

- Effectively implement the resolutions of the Board of Directors on: personnel work, monitoring investment efficiency, corporate culture, internal control, production, finance, practicing thrift and combating waste..., including identifying that stagnation and lack of drastic determination are also a waste of opportunity and growth rate.

- Focus on planning, developing medium-term and long-term plans in accordance with the development strategy of the Corporation and its member units.

- Promote investment and development, strengthen digital transformation according to new trends, apply artificial intelligence to general management, focusing on key projects. Research and develop new products with high differentiation and other products besides traditional products such as blankets, sheets, curtains, etc., to bring high value to the Corporation.

- Promote initiatives to improve and rationalize production and business to diversify products and designs, stabilize and improve the quality of products and services, save costs, and enhance competitiveness.



- Pay special attention to directing the prevention of objective and subjective risks, combating corruption, waste, and stagnation that affect the results, growth rate, and health of the business.

- Regarding the consolidation and development of human resources: there are specific solutions to create positive motivation for employees, especially the business and market development team, to promote intelligence, creative thinking, and dedication, and to develop a worthy income/reward policy to stimulate breakthrough thinking. This is a core element for training, developing, and consolidating human resources.

The above is the report on the activities of the Board of Directors of Phong Phu Corporation in 2024, respectfully submitted to the General Meeting of Shareholders for consideration and approval.

Sincerely./.

**ON BEHALF OF THE BOARD OF DIRECTORS
CHAIRMAN**

Tran Quang Nghi

Ho Chi Minh City, May 15, 2025

DRAFT

REPORT

SUMMARY OF PRODUCTION AND BUSINESS ACTIVITIES IN 2024 AND PRODUCTION AND BUSINESS PLAN FOR 2025

PART I

SUMMARY OF PRODUCTION AND BUSINESS ACTIVITIES IN 2024

I. SITUATION ASSESSMENT:

In 2024, Vietnam's economy and the world experienced many fluctuations with both advantages and challenges intertwined.

1. Global economic situation:

The global economic situation in 2024 was complex and unpredictable, influenced by many negative factors:

- Escalating conflicts in many regions.
- Sharp fluctuations in gasoline prices and freight rates.
- Slow recovery of trade economy, decline in total global investment.
- Complex developments in natural disasters, climate change, and energy security.

2. Domestic economic situation:

Vietnam's economy in 2024 showed positive growth amid many global fluctuations:

- GDP growth rate in 2024 reached 7.09% compared to the previous year.
- Total import and export turnover of goods reached 786.29 Billion USD, an increase of 15.4% compared to the previous year.
- Exports increased by 14.3%, imports increased by 16.7%.
- Trade balance of goods had a surplus of 24.77 Billion USD.
- Total export turnover of textiles and garments in 2024 reached approximately 44 Billion USD, an increase of 11.26% compared to 2023.

3. General situation of the textile and garment industry:

Total export turnover of textiles and garments in 2024 reached approximately 44 Billion USD, rising to the 2nd position after China in terms of total export turnover of textiles and garments, surpassing Bangladesh, an increase of 11.26% compared to 2023.

The main export markets include the United States (16.71 Billion USD, up 12.33%), Japan, the EU, South Korea, China, and ASEAN. However, the textile and garment industry also faces many difficulties such as global economic recession, geopolitical conflicts, changes in consumer behavior, and price competition from other countries. The trend of green consumption and green production is increasing, putting pressure on businesses to meet strict standards on environment and social responsibility.

To overcome challenges, in 2024, textile and garment enterprises focused on diversifying markets, improving productivity, and developing new products to meet consumption trends and sustainable development.

4. At Phong Phu:

The Corporation has shown the ability to adapt and strive to overcome the common difficulties of the economy, maintain growth momentum and achieve positive business results. Specifically, while 2024 witnessed many major challenges for both the global and domestic economies, the Corporation demonstrated its mettle and flexibility in operation. The advantages are still being promoted:

- **Production and Market:** Phong Phu has specialized production capacity (supplier of sewing thread to Coats globally) and diverse markets (domestic through major retail channels and international exports).

- **Resources:** The company has a team of experienced, dedicated and enthusiastic employees.

- **Orientation:** Phong Phu receives high consensus from shareholders and investors regarding the development strategy.

II. BUSINESS PERFORMANCE RESULTS IN 2024:

Faced with the market's "uncertain" difficulties, Phong Phu Corporation has implemented many solutions to promote investment in technology and automate production lines to ensure fast delivery times and high product quality.

✓ *Business performance results for 2024 (Consolidated):*

No.	Indicators	Unit	2024 Plan	2024 Implementation	% compared to 2024 Plan
1	Total revenue	Billion VND	2,600	2,642	102%
2	Profit before tax	Billion VND	330	384	116%
3	Profit after tax	Billion VND	324	381	117%

✓ *Business performance results for 2024 (of the parent corporation):*

No.	Indicators	Unit	2024 Plan	2024 Implementation	% compared to Plan year 2024
1	Total revenue	Billion VND	1,850	1,973	107%
2	Profit before tax	Billion VND	295	349	118%
3	Profit after tax	Billion VND	295	349	118%

To achieve the above-mentioned business results, in 2024, the leadership and employees of the Corporation carried out numerous activities to strengthen the Corporation's internal capabilities, preparing for the production and business plan and future development, specifically:

✓ **Regarding investment and development:**

Supplementing equipment to increase production capacity for the yarn industry from 100 tons/month to 130 tons/month; Investing in new machinery and equipment for Ninh Phu to meet the production needs of 3 raw material sources simultaneously.

✓ **Programs for the 2025 cost reduction target:**

- Conducting trials to replace old-generation engines with synchronous motors (some equipment at Ninh Phu) towards the goal of reducing electricity consumption by 10%/norm.

- Continuing to complete the renovation of the AC2 air conditioning chamber for automatic operation to reduce electricity consumption by 6%/norm.

- Installing pinter yarn break detectors and rough cutoffs on Rieter spinning machines. Initially assessing the rate of raw material waste at the yarn stage decreased from 0.91% to 0.6%.

✓ **Regarding production management and model development:**

- Implemented 54 projects to reduce production costs by 2.06%.

- Quality reached 98.52%, a significant improvement compared to 2023 at 98.36%.

- Meeting requirements for diverse designs, with hundreds of designs/month, nearly 1,000 designs in 2024, and short order production times of 2-3 weeks.

✓ **Participating in the circular economy:**

- Used renewable energy with a total capacity of #7MWp, of which 6MWp is in the Thu Duc area and 1MWp is in Ninh Thuan.

- Ninh Thuan Dyeing Factory has reused wastewater at a rate of 15%-20%, averaging 15,000 – 16,000 m³/month.

- Over 80% of CM yarn is produced from recycled materials, with a production volume of 3,737 tons/year.

✓ **Regarding personnel - training:**

- Planning for officials, training a successor team, rejuvenating the team throughout the system, especially strengthening Business personnel, design engineers, dyeing chemical engineers;

- Organizing and arranging the operating apparatus in a streamlined manner, maximizing professional capacity in the direction of specialization according to functions - tasks; Establishing a new Board of Directors Office to assist the Board of Directors in supervising the implementation of resolutions and directions from the Board of Directors and tasks under the authority of the Board of Directors. Establishing a new Administrative Management Department and a General Legal Department on the basis of reorganizing the General Administration Department; appointing 05 mid-level management staff (heads, deputies, assistants of departments);

- Developing/adjusting/completing/supplementing the competency framework for 94 job positions (including production: 46 positions; departments: 48 positions) and 128 job descriptions (including production: 67 positions; departments: 61 positions). Digitizing personnel data stored on software, including personal information, work history, training history, salary increases, etc.

- Organizing training courses and developing human resources at the source. Sending a number of officials to participate in internal training programs organized by the Group,

including topics: investment project management, legal affairs, finance and accounting; Sending a number of staff and employees to participate in training programs to improve professional knowledge outside: such as bidding nghiệp vụ according to new regulations, updated and supplemented Law on Social Insurance in 2024, salary regime policies in 2024; Coordinating with Hanoi University of Science and Technology to organize management skills and soft skills training courses for factory management staff from production team leaders and above.

✓ **Regarding salary:** based on the salary market, continue to develop and improve income and benefit policies suitable for employees based on capacity and work efficiency for each individual and each job position, to promote the spirit of promoting individual capacity, contributing to the Company's development. In 2024, an income increase for employees of approximately 7% was implemented.

✓ **Regarding regimes and benefits:** propose participation in health insurance for employees with the aim of improving morale, caring for employees' lives to create conditions and a working environment, and retaining employees for long-term work at the Company.

✓ **Regarding data digitization:**

- Complete the connection to collect electricity consumption data from branch counters to the centralized data system, reducing manual work and helping to quickly control and monitor;

- Complete the system of internal management documents throughout the Corporation from functional departments to production plants to create a legal corridor for the unit's activities to be strictly adhered to.

✓ **Responsibility to the community:** Fulfill social responsibility through social and charitable activities aimed at building a friendly image and brand of Phong Phu in the community, such as:

- On the occasion of celebrating the 60th anniversary of the Corporation's establishment (1964-2024), the Corporation supported the "For the Poor" Fund of Thu Duc City and Tang Nhon Phu Ward with 1.2 Billion VND.

- Continue to implement the "Supporting Students to School" scholarship program in 2024, organizing the awarding of 14 scholarships (including 08 scholarships of 5,000,000 VND/scholarship and 06 scholarships of 3,000,000 VND/scholarship) to children of workers with particularly difficult family circumstances who still overcome difficulties and achieve excellent academic achievements in the 2023-2024 school year. Donate 02 bookshelves to children in the Central Highlands, amounting to 15 Million VND.

- Mobilize union members and employees to contribute to the "Social Charity" Fund in 2024 launched by Vietnam National Textile and Garment Group and Vietnam Textile and Garment Union, with a total contribution of 51,896,000 VND; contribute to support people in the Northern regions severely damaged by Typhoon Yagi, with a total contribution of 255,880,000 VND; in addition, the Corporation also supported 06 tons

of various types of towels for people in areas heavily affected by Typhoon Yagi, equivalent to 792 Million VND.

III. PROFIT DISTRIBUTION PLAN FOR 2024:

Based on the undistributed after-tax profit on the 2024 consolidated financial statements of the Corporation that have been audited and the undistributed after-tax profit on the 2024 combined financial statements for 2024 of the parent Corporation, the profit distribution plan and dividend payment in 2024 are expected as follows:

(Unit: VND)

No.	Content	Amount
1	Undistributed after-tax profit on the 2024 consolidated financial statements	554,897,813,293
2	Profit used for distribution	349,334,456,704
3	Deductions	374,444,444
	<i>Remuneration for the Board of Directors and the Board of Supervisors</i>	374,444,444
4	Projected profit distribution:	348,960,012,260
-	Dividend distribution to shareholders (25%/ Par value of shares), including:	186,677,227,500
	<i>Cash dividend distribution to shareholders (25%)</i>	186,677,227,500
-	Bonuses for the Board of Directors, Board of Supervisors, Board of Management, and operating expenses (3% of Distributed Profit)	10,468,800,000
-	Bonus for exceeding the plan (10% of Excess Profit)	5,433,446,000
-	Allocation to reward and welfare fund (5%)	17,448,001,000
-	Allocation to investment and development fund (10%)	34,896,001,000
5	Remaining profit	94,036,536,760

Note:

- Dividend payout ratio in 2024: 25%/par value.
- The profit used to pay dividends is based on the undistributed after-tax profit on the audited 2024 consolidated financial statements;
- The above deductions may be subject to change depending on the 2024 tax finalization results and land rent affecting the remaining profit for distribution.
- The Corporation has retroactively adjusted the land rent and late payment penalties for the land area at No. 2 Truong Chinh Street, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City according to notices No. 09/TB-CCTTP dated March 20, 2024, notice No. 253487/TB-TB07-CCTTP dated April 09, 2024 and notice No. 14791/TB-CCTTP dated October 30, 2024. The adjusted amount reducing the accumulated undistributed after-tax profit to the end of the previous period (2023) of the Corporation is 44,776,178,674 VND.
- The Corporation received notifications from the Ho Chi Minh City Tax Department and the Ho Chi Minh City Department of Natural Resources and Environment regarding the re-determination of land lease unit prices from April 10, 2017 to December 31, 2024, as well as the area and purpose of land use corresponding to each area and location of land leased by the Corporation. Currently, the Corporation has not received an official notice of the land lease amount payable from the Tax Authority, so no additional recording has been made.

PART II

2025 BUSINESS PRODUCTION PLAN

I. SITUATION ASSESSMENT:

Overall, 2025 is expected to present many challenges for the socio-economic context of Vietnam. The implementation of appropriate economic policies and the effective utilization of opportunities from the international context will play an important role in achieving the set development goals.

1. Global factors:

According to international organizations, global trade in 2025 has a high degree of instability and unpredictability. This instability is largely due to the following reasons:

- Increased geopolitical tensions are causing logistics costs to surge. Escalating conflicts in the Middle East and Ukraine could directly impact countries importing goods, alter purchasing power, and destabilize input materials.
- The implementation of new tariff policies from countries with strong influence such as the United States, China... is expected to hinder trade activities.

The year 2025 will also mark a breakthrough for AI (artificial intelligence), as this technology is no longer a distant concept but has deeply penetrated every aspect of life. New generations of large language models (LLM) have the ability to process and analyze complex data, opening up breakthrough applications in healthcare, education, and manufacturing.

The trend of remote work continues to shape the labor market, while some countries' "de-globalization" policies slow down trade growth, causing supply chains to be restructured to adapt to global fluctuations.

2. Domestic factors:

- The National Assembly of Vietnam has approved a GDP growth target of at least 8% for 2025, an increase compared to the previous target of 6.5% to 7%.

- Forecasts from financial institutions: most international financial institutions such as WB, ADB, OECD and IMF forecast Vietnam's growth in 2025 at a level of 6.1%-6.6%. Domestically, Vietnam's economy is expected to continue to maintain positive growth momentum, but will face intertwined advantages, difficulties, and challenges.

- Challenges for Vietnam's textile and garment industry:

+ Labor costs are increasing and difficult to recruit. In addition, production costs are also directly affected by fluctuations in interest rates and exchange rates, affecting competitiveness.

+ Green transformation requirements: The global trend towards sustainable production, reducing carbon emissions, managing waste, using renewable energy or maintaining sustainable production processes... requires businesses to invest in technology, meet strict international standards such as ESG and green certification.... This process requires businesses to have large capital and management capabilities.

+ Changes in customer behavior: International brands are increasingly demanding in terms of quality, delivery speed, and supplier responsibility for products.

Pressure on prices and small orders: Export order prices continue to fall, while most businesses have to accept small orders with high requirements for time and quality, reducing profit margins.

- Digital economy, digital transformation, and innovative creation are identified as new growth drivers and a foundation for increasing the productivity and efficiency of the economy. Developing the semiconductor industry is a strategic goal, not only as a driving force for the development of other industries such as e-commerce, manufacturing, and logistics, but also as a fundamental element for the development of the digital economy and digital society in Vietnam.

- Opportunities to expand markets, participate more deeply in the global supply chain, and attract investment as Vietnam actively participates in free trade agreements (FTAs).

3. Forecasted impact on the textile and garment industry:

3.1. Opportunities:

- Vietnam can leverage its advantages from free trade agreements and strategic geographical location to attract foreign investment, especially in the field of high-tech manufacturing. The shift in the global supply chain also offers opportunities for Vietnam to become an important manufacturing center in the region.

- Digital transformation and sustainable development: The application of technology, especially artificial intelligence (AI), and the orientation towards green and sustainable production help businesses increase product value and meet the trend of green consumption in the world.

3.2. Challenges:

- Trade and monetary policy fluctuations: 2025 is forecasted to be a year of continued difficulties for the textile and garment industry in Vietnam, facing a series of challenges from fluctuations in trade policies, inflation, and monetary policies.

- In 2025, US President Donald Trump will apply a new tariff policy to goods exported to the US, including Vietnam. This decision will have a significant impact on the Vietnamese economy in general and the textile and garment industry in particular. Therefore, businesses need to continuously monitor to have appropriate responses.

- Working conditions and labor income: Improving the working environment and compensation policies is an important factor in retaining workers and improving productivity.

II. MEDIUM AND LONG-TERM DEVELOPMENT STRATEGY

1. Regarding production

- ✓ Promote advantages and continue to stabilize production for the 02 supply chains of Sewing Thread and Household Products.

- ✓ Optimize the chain, improve productivity: Maintain machinery periodically, upgrade equipment; Apply lean production to reduce waste; Train workers to operate high-tech machinery.
- ✓ Greening - Energy saving: Use recycled, organic, or biological fibers; Invest in a circulating water system to save dyeing water; Maintain compliance with green standards such as OEKO-TEX, GOTS, etc.
- ✓ Product diversification: Polyester blended yarn, colored yarn, microfiber yarn; Spa towels, hotel towels, baby towels, gifts....

2. *About the market:*

- ✓ Continue to promote strengths and continuously develop and expand the market for the 02 supply chains of Sewing Thread and Household Products.
- ✓ Focus on exploiting and maintaining existing target markets, considering this a strategic and key task throughout. Strengthen the development of markets where Vietnam has a competitive advantage and maximize opportunities in markets in countries participating in trade agreements with Vietnam.
- ✓ Focus on customers and build a system and series of operations that meet the requirements of the supply chain.

3. *Regarding personnel:*

- ✓ Build a strong, united, and long-term committed team of personnel to the company.
- ✓ Develop competitive compensation policies, consolidate the personnel apparatus, and focus on developing a professional business team.

4. *Regarding business*

- ✓ Building and developing brands: Building a professional website; Participating in fairs and exhibitions of the textile industry.
- ✓ Focus on target customers:
- ✓ Domestic: Commercial centers, supermarkets, hotels, spas, hospitals, schools.
- ✓ International: Japan, EU, Korea, Russia, USA....
- ✓ Diversify sales channels:
- ✓ Selling on e-commerce platforms such as Tiktok Shop, Shopee, and Lazada.
- ✓ Develop seasonal sales marketing programs.

5. *Provision & Flexibility*

- ✓ Proactively stockpile raw materials when the price of cotton/fiber/yarn fluctuates.
- ✓ Link with satellite factories to expand when there are large orders.
- ✓ Monitor and update consumption trends to develop and improve products.

III. ORIENTATION OF OPERATION AND IMPLEMENTATION SOLUTIONS:

1. For the Fiber industry:

- Expand synchronous connection with old-generation machinery and equipment to monitor real-time operations and retrieve data. Invest in supplementing and upgrading supporting equipment and tools with automation features (automatic bobbin feeder, yarn break detector, coarse stop...).
- Experiment with and apply synchronous motors with large power consumption on equipment to increase power savings by about 8-10%.

- Search for and directly negotiate with manufacturers of genuine spare parts, aiming to reduce the unit price by 5-10% compared to previous purchases.
- Research and develop new products with high added value, suitable to the technology equipment conditions of the Corporation, converting 100% to using recycled materials.
- Conduct a pre-feasibility study for the project to expand investment and relocate production by 2030.

2. For the Home Appliance industry:

- Export: maintain traditional markets, promote the development of retail chains in the EU (Ikea, Action, JYSK, Vomar, Brunotti), Japan (Aeon, Muji, Shimamura, Marushin). Particularly for the US market (Target), always closely monitor the general situation to make the most appropriate decisions, especially assessing the impact of changes in US tax policies because this is a large and potential market.
- Domestic market: Continue to develop multi-channels to develop and grow the domestic market: Supermarkets, traditional markets, Horeca, B2B, E-commerce. Special attention should be paid to promoting online marketing activities (B2C and B2B).
- Production: promote initiatives to reduce processing costs. Develop action programs to reduce processing costs compared to norms.
- Personnel: continue to plan and train successor and key personnel, and recruit positions for Fiber, Textile, Dyeing, and Business engineers.
- Promote R&D activities:
 - + Invest budget to pay attention to improving the fast and diverse sampling department to meet effective sales work;
 - + Research new material lines with different features, high quality, and competitive prices.
 - + Research to optimize the completion technology process, ensure quality, reduce time, and reduce costs.
 - + Research market trends and customer needs to orient product development.

3. Participating in the circular green economy – sustainable development:

- Regarding the use of renewable energy: Continue to use solar power from the rooftop power source already installed in the garment, dyeing, and garage workshops. Invest in additional rooftop power systems in the remaining workshops to reduce costs.
- Investment: In order to reduce production waste emissions, invest in a waste fiber tearing line to recover from the fiber and weaving production stages for reuse as a circular material, creating a Recycle Post - Consumer fiber line for towel products of European supply chains such as IKEA.

4. Planting trees and moving towards applying for CARBON certification:

In 2025, the plan is to complete the planting of approximately 500 trees (expected Melaleuca, Oil, and Hoang Nam trees) within the Corporation's premises. The number of trees planted will gradually increase until 2030 to achieve the goal of fulfilling

commitments to environmental protection, sustainable development, and building a green and friendly working space to enhance Phong Phu's brand image.

5. Regarding market and business:

- Focus on exploiting and maintaining the existing target market, considering this a strategic and key task throughout. Strengthen the development of markets where Vietnam has a competitive advantage and maximize opportunities in markets in countries participating in trade agreements with Vietnam.

- Taking customers as the center, build a system and chain of activities to meet the requirements of the supply chain.

6. Regarding finance:

- Maintain and continue to improve the Z score at the parent Corporation above 4.0 and the Home Appliance Company above 2.8.

- Balance and use VND and USD loans with low interest rates, and circulate cash flow flexibly to optimize loan interest costs.

- Continue to promote finding partners to divest from non-core investments according to the General Meeting of Shareholders Resolution in 2024, soon recover capital and focus on investing in core target industries.

7. Regarding personnel:

- Continue to provide additional management knowledge training to 100% of mid-level management staff according to the planning list.

- Consider increasing benefits for employees by purchasing health insurance for employees of approximately 1.5 Million VND/person/year for medical examination, treatment, hospitalization, and maternity leave.

- Experiment and apply the use of synchronous motors with large power consumption on equipment to increase power saving by approximately 8-10%.

- Standardize and complete the Human Resources Management and Development system according to the requirements of Vietnam National Textile and Garment Group.

8. Regarding investment and development cooperation:

- Research investment in producing new items such as blankets and sheets.

- *For the Fiber industry:*

- + Continue to invest deeply to increase fiber production capacity in Thu Duc with a cost of approximately 29 Billion VND.

- + Invest in automation (automatic bobbin feeder, yarn breakage detector, roughing cutter) at a cost of approximately 7.5 Billion VND;

- + Invest in expanding to increase fiber production capacity, with an estimated cost of approximately 32.8 Billion VND;

- *For the Home Appliance industry: Continue to invest in supplementing and replacing equipment to increase towel production capacity in the Ninh Thuan and Thu Duc areas with a total value of nearly 100 Billion VND. Including:*

- + Invest in replacing the joining machine, wringing machine, automatic cross-cutting machine, and color matching machine at Thu Duc.
- + Invest in automation: at Ninh Thuan sewing workshop (cutting machine, sewing machine, carton gluing machine).
- + Equip and renovate infrastructure, experimental equipment, etc.

9. Digital transformation and artificial intelligence application:

The current digital transformation trend is developing strongly, especially in the context of increasingly popular AI and automation technology. Some specific solutions:

- AI and Smart Automation: Applying AI to data analysis, customer care (chatbot, virtual switchboard), and automated production;
- Cloud Computing & Hybrid Cloud: optimizing costs, improving security and expanding target markets.
- Synchronize the digitization of management data into the entire Corporation's administration. Continue to improve the information system by investing in replacing advanced information technology equipment with high security value.
- Use advanced management software, shorten time, and report promptly to relevant authorities and information disclosure as required.

IV. 2025 PLAN TARGETS:

The year 2025 is forecast to continue to unfold with many unpredictable unknowns. Phong Phu Corporation will still prepare many solutions and appropriate scenarios to maintain production forces, maintain customers, stabilize production and markets, and closely monitor the actual situation to manage production and business accordingly to ensure the lives of employees and the interests of shareholders.

The financial targets for 2025 are set as follows:

No.	Indicators	Unit	Plan 2025 (Consolidated)	Plan 2025 (Parent Company)
1	Total revenue	Billion VND	2,600	1,850
2	Profit before tax	Billion VND	355	310
3	Profit after tax	Billion VND	350	310
4	Dividend payout ratio	%		15% - 25%

Above is a report summarizing production and business activities in 2024, the expected plan for profit distribution in 2024 and the 2025 production and business plan, respectfully submitted to the General Meeting of Shareholders for consideration and approval./.

GENERAL DIRECTOR

**REPORT OF THE BOARD OF SUPERVISORS**

*On the production, business, and financial situation in 2024
of Phong Phu Corporation*

To: General Meeting of Shareholders of Phong Phu Corporation

- Pursuant to the Law on Enterprises No. 59/2020/QH14 dated June 17, 2020 of the National Assembly (effective January 01, 2021);
- Pursuant to the Charter of Phong Phu Corporation approved by the General Meeting of Shareholders;
- Pursuant to the Regulation on organization and operation of the Board of Supervisors;
- Pursuant to the production and business operations and financial statements for 2024 prepared by the Corporation and audited by A&C Auditing and Consulting Company;

The Board of Supervisors respectfully submits to the General Meeting of Shareholders the results of monitoring the implementation of the General Meeting of Shareholders' Resolutions, monitoring the production, business, and financial situation in 2024 of Phong Phu Corporation for the fiscal year ended December 31, 2024 as follows:

I. Results of monitoring the implementation of the General Meeting of Shareholders' Resolutions and the Resolutions of the Board of Directors:

1. Implementation of the profit distribution and dividend payment plan for 2023 approved by the General Meeting of Shareholders.
2. Selecting A&C Auditing and Consulting Co., Ltd. as the auditing unit for the 2024 fiscal year.
3. Operating expenses and remuneration of the Board of Directors and the Board of Supervisors have been properly spent according to the approval of the General Meeting of Shareholders;
4. During the year, the Board of Directors held 61 meetings and issued 41 Resolutions. The Resolutions of the Board of Directors are issued in accordance with their functions, duties and powers, and in compliance with the organization and operation charter of the Corporation, the Law on Enterprises and legal regulations.
5. The Board of Directors closely monitors and supports the Board of Management in production, business, finance, investment, training and implementation of the Resolutions of the General Meeting of Shareholders, and the Resolutions of the Board of Directors that have been approved.

II. Monitoring the operation of the Board of Management:

The Board of Management of the Corporation has seriously implemented the instructions of the Board of Directors to complete the plan set out by the General Meeting of Shareholders, the results for 2024 are as follows:

1. Business performance results (consolidated):

Unit: Billion VND

No.	Indicators	2023 Actual	2024		% Comparison	
			Plan	Actual	2024 AC/ 2024 PL	2024 AC/ 2023 AC
1	Revenue	2,113	2,600	2,642	101.6%	125.0%
2	Expenses	1,793	2,270	2,258	99.5%	125.9%
3	Profit before tax	320	330	384	116.4%	120.0%
4	Profit after tax	317	324	381	117.5%	120.0%

2. Business performance results (of the parent Corporation):

Unit: Billion VND

No.	Indicators	2023 Actual	2024		% Comparison	
			Plan	Actual	2024 AC/ 2024 PL	2024 AC/ 2023 AC
1	Revenue	1,809	1,850	1,973	106.6%	109.0%
2	Expenses	1,458	1,555	1,624	104.4%	111.4%
3	Profit before tax	351	295	349	118.3%	99.4%
4	Profit after tax	351	295	349	118.3%	99.4%

Results of the Corporation in 2024:

- Parent Corporation: Completed and exceeded the plan assigned by the General Meeting of Shareholders, realized revenue of 1.973 Billion VND, reaching 106.6% of the plan, profit after tax reached 349 Billion VND, reaching 118.3% of the plan.
- Consolidated: Completed and exceeded the plan assigned by the General Meeting of Shareholders, realized revenue of 2.642 Billion VND, reaching 101.6% of the plan, profit after tax reached 381 Billion VND, reaching 116.4% of the plan.

Reason:

Despite the impact of the world economy in general and Vietnam in particular, in 2024, the Corporation still maintained stable main production and business activities, revenue and gross profit from the production and business of sewing thread and household cotton towels increased, and the business performance of joint venture companies increased compared to the same period last year.

3. Supervision of the 2024 financial statements:

The Corporation has prepared and published the 2024 financial statements. The Corporation's 2024 financial statements were audited by A&C Auditing and Consulting Co., Ltd. According to the opinion of the Independent Auditor, the financial statements of Phong Phu Corporation for the year 2024 fairly and reasonably reflect, in all material respects, the financial situation as of December 31, 2024, as well as the business results, and cash flow situation for the financial year ended on the same date, in accordance with Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System, and relevant legal regulations related to the preparation and presentation of consolidated financial statements.

- Independent Auditor's qualified opinion:

The Corporation has received notifications from the Ho Chi Minh City Tax Department and the Ho Chi Minh City Department of Natural Resources and Environment regarding the re-determination of land lease unit prices from April 10, 2017 to December 31, 2024, as well as the area and purpose of land use corresponding to each area and location of land leased by the Corporation (see explanatory note No. VIII.1 attached to the financial statements). Currently, the Corporation has not received an official notice of the land lease amount payable from the Tax Authority, so it has not been recorded in the consolidated financial statements.

The Corporation has recorded and paid land rent according to the provisional notice of the Tan Phu District Tax Department annually. When the Tax Authority has an official notice (increase or decrease) of the land lease amount to be paid, the Corporation will record the supplement.

- Comparison of figures due to retrospective adjustments:

The Corporation has retrospectively adjusted the land lease and late payment penalties for the land plot at No. 2 Truong Chinh Street, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City up to 2024 according to Notices No. 09/TB-CCTTP dated March 20, 2024, Notice No. 253487/TB-TB07-CCTTP dated April 09, 2024 and Notice No. 14791/TB-CCTTP dated October 30, 2024 of the Tan Phu District Tax Department regarding land lease payable up to 2024. Details of the adjusted figures are as follows:

Taxes and other payables to the State:

- *Figures before adjustment: 106.7 Billion VND*

- *Figures after adjustment: 151.5 Billion VND*

Retained earnings after tax:

- *Figures before adjustment: 165.2 Billion VND*

- *Figures after adjustment: 120.5 Billion VND*

4. Some financial indicators in the 2024 financial statements:

- Consolidated Balance Sheet as at December 31, 2024 of the Parent Corporation

Unit: Billion VND

ITEMS	ENDING BALANCE	BEGINNING BALANCE
ASSETS	2,716.2	2,712.4
Short-term assets	1,305.09	1,233.5
Cash and cash equivalents	48.8	25.4
Short-term financial investments	546.2	490.6
Short-term receivables	387.2	410.4
Inventories	322.1	305.9
Other short-term assets	0.69	1.1
Long-term assets	1,411.1	1,478.9
Long-term receivables	0.3	
Fixed assets	746.4	846
Investment properties		
Long-term assets in progress	2.7	1.6
Long-term financial investments	654.7	623.2
Other long-term assets	7.0	8.0
RESOURCES	2,716.2	2,712.4
Liabilities	1,248.8	1,373.1
Short-term liabilities	698.1	829.5
Long-term liabilities	550.7	543.6
Owner's equity	1,467.4	1,339.3
Owner's equity	1,467.4	1,339.3
Contributed capital of owners	746.7	746.7
Share premium	32.4	32.4
Development investment fund	457.3	439.7

Undistributed post-tax profit	231.1	120.5
- <i>Accumulated undistributed post-tax profit at the end of the previous period</i>	31.5	120.5
- <i>Undistributed post-tax profit of this period</i>	199.6	
Funds and other funds	-	-

Comment:

- The accounting and preparation of Audited Combined financial statements of the Corporation comply with the Enterprise Accounting Law, guiding circulars, standards and accounting regimes issued by the Ministry of Finance.
- The Corporation makes provisions for: doubtful short-term debts; inventories, long-term financial investments fully as prescribed.

a/ Regarding assets

The total assets of Phong Phu Corporation as of December 31, 2024, reached 2,716.2 Billion VND, compared to the beginning of the year at 2,712.4 Billion VND.

Of which:

- Short-term assets increased by 5.8%, reaching 1,305 Billion VND compared to the beginning of the year at 1,233.5 Billion VND.
- Long-term assets decreased by 4.6%, reaching 1,411.1 Billion VND compared to the beginning of the year at 1,478.9 Billion VND.

b/ Regarding capital sources

- Liabilities of Phong Phu Corporation as of December 31, 2024, decreased by 9.1%, reaching 1,248.8 Billion VND compared to the beginning of the year at 1,328.3 Billion VND.

Of which:

- + Short-term liabilities decreased by 15.9%, reaching 698.1 Billion VND compared to the beginning of the year at 829.5 Billion VND.
- + Long-term liabilities increased by 1.3%, reaching 550.7 Billion VND compared to the beginning of the year at 543.6 Billion VND.
- Owner's equity increased by 9.6%, reaching 1,467.4 Billion VND compared to the beginning of the year at 1,339.3 Billion VND.

Of which:

Undistributed after-tax profit increased by 91.8%, reaching 231.1 Billion VND compared to the beginning of the year at 120.4 Billion VND.

Reasons for increase or decrease:

- Short-term assets increased due to an increase in short-term financial investments.
- Long-term assets decreased due to depreciation of fixed assets during the year.

- Short-term liabilities decreased due to a decrease in state budget payments, and long-term liabilities increased due to an increase in ADB long-term loans resulting from exchange rate differences.
- The Corporation has advanced dividends for 2024 to shareholders at a rate of 20%, equivalent to 149.3 Billion VND, divided into 2 installments in July 2024 and January 2025.

5. Some financial indicators at the parent Corporation:

No.	Indicator	2024	2023
1	Profitability on revenue:		
	- Pre-tax profit margin on revenue	17.7%	19.4%
	- After-tax profit margin on revenue	17.7%	19.4%
2	Rate of return on total assets		
	- Pre-tax profit margin on total assets	12.9%	12.9%
	- After-tax profit margin on total assets	12.9%	12.9%
3	Rate of return on equity		
	- Pre-tax profit margin on charter capital	46.8%	47.0%
	- After-tax profit margin on charter capital	46.8%	47.0%

III. Comment:

- During operations, the General Director regularly reports to the Board of Directors on finance, production and business operations, personnel, etc., to provide timely and synchronized solutions, implement investment activities, streamline the organizational structure, to increase production capacity, and save costs for the Corporation.
- All unusual issues related to the Corporation's operations are reported by the Board of Management to the Board of Directors so that the Board of Directors can clearly understand the situation and promptly provide instructions when necessary.
- Although the global and domestic economic situation has not fully recovered, the Board of Directors and the Board of Management have made efforts to manage closely to the production and business goals. Therefore, the Corporation has exceeded the revenue and profit targets set by the General Meeting of Shareholders.
- The members of the Board of Directors and the Board of Management are capable, ethical, and responsible in their professional work. They effectively implement the resolutions and decisions of the General Meeting of Shareholders, use and promote the positive use of legal capital sources, assets, and labor to avoid waste and losses for the

enterprise; and fulfill their budget obligations to the State and ensure policies for employees.

- The Board of Directors and Board of Management shall direct the implementation of reporting and information disclosure in accordance with regulations.

IV. Activities of the Board of Supervisors

1. The Board of Supervisors has 03 (three) independent members, acting as representatives of shareholders, and is facilitated by the Board of Directors, the Board of Management, and other management personnel to perform its functions and tasks, continuing to supervise and inspect the business operations, management, and administration of the Corporation. The Board of Supervisors has access to information on the decisions of the Board of Directors, has attended meetings of the Board of Directors, and has grasped the actual business situation of the Corporation.

2. Supervisory plan for 2025:

- Monitoring the activities of the Board of Directors and the Board of Management of the Corporation in implementing the resolutions assigned by the General Meeting of Shareholders.
- Monitoring the business performance and quarterly financial situation of the Corporation.

The above is the entire content of the Board of Supervisors' inspection and supervision process, which is reported to the General Meeting of Shareholders. Submitted to the General Meeting of Shareholders for consideration and approval.

Sincerely report./.

**ON BEHALF OF THE BOARD OF SUPERVISORS
HEAD OF BOARD**

Nguyen Thi My Le





**PROPOSAL ON MATTERS FOR
THE 2025 ANNUAL GENERAL MEETING OF SHAREHOLDERS TO
CONSIDER AND VOTE**

Pursuant to the Law on Enterprises No. 59/2020/QH14 passed by the National Assembly of the Socialist Republic of Vietnam on 17/6/2020 and guiding documents for implementation;

Pursuant to the Charter on organization and operation of Phong Phu Corporation.
The Board of Directors respectfully submits to the General Meeting of Shareholders ("GMS") for approval of the following contents and for additional comments (if any):

- 1. Approving the report on the operational situation in 2024 of the Board of Directors (enclosed is the full text of the Board of Directors' Report).**
- 2. Approving the results of production and business activities in 2024, specifically as follows:**

✓ *Business performance results in 2024 (Consolidated):*

No.	Indicators	Unit	2024 Plan	2024 Actual	% compared to 2024 Plan
1	Total revenue	Billion VND	2,600	2,642	102%
2	Profit before tax	Billion VND	330	384	116%
3	Profit after tax	Billion VND	324	381	117%

✓ *Business performance results in 2024 (of the Parent Corporation):*

No.	Indicators	Unit	2024 Plan	2024 Actual	% compared to 2024 Plan
1	Total revenue	Billion VND	1,850	1,973	107%
2	Profit before tax	Billion VND	295	349	118%
3	Profit after tax	Billion VND	295	349	118%

- 3. Approving the Report on the inspection of the production, business and financial situation in 2024 of the Board of Supervisors (enclosed is the full text of the Board of Supervisors' Report).**
- 4. Approving the Audited Combined and Consolidated financial statements for 2024 (enclosed is the full text of the 2024 financial statements).**

5. Approving the plan for profit distribution and dividend payment in 2024, specifically as follows:

a. Plan for profit distribution and dividend payment in 2024:

No.	Content	Amount
1	Undistributed after-tax profit on the 2024 consolidated financial statements	554,897,813,293
2	Profit used for distribution	349,334,456,704
3	Deductions	374,444,444
	<i>Remuneration for the Board of Directors and the Board of Supervisors</i>	374,444,444
4	Projected profit distribution:	348,960,012,260
-	Dividend distribution to shareholders (25%/ Par value of shares), including:	186,677,227,500
	<i>Cash dividend distribution to shareholders (25%)</i>	186,677,227,500
-	Bonuses for the Board of Directors, Board of Supervisors, Board of Management, and operating expenses (3% of Distributed Profit)	10,468,800,000
-	Bonus for exceeding the plan (10% of Excess Profit)	5,433,446,000
-	Allocation to reward and welfare fund (5%)	17,448,001,000
-	Allocation to investment and development fund (10%)	34,896,001,000
5	Remaining profit	94,036,536,760

Note:

- Dividend payout ratio for 2024: 25%/par value.
 - The profit used to pay dividends is based on the undistributed after-tax profit on the audited 2024 consolidated financial statements;
 - The above deductions may be subject to change depending on the 2024 tax finalization results and land rent affecting the remaining profit for distribution.
 - The Corporation has retroactively adjusted the land rent and late payment penalties for the land area at No. 2 Truong Chinh Street, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City according to notices No. 09/TB-CCTTP dated March 20, 2024, notice No. 253487/TB-TB07-CCTTP dated April 09, 2024 and notice No. 14791/TB-CCTTP dated October 30, 2024. The adjusted amount reducing the accumulated undistributed after-tax profit to the end of the previous period (2023) of the Corporation is 44,776,178,674 VND.
 - The Corporation received notifications from the Ho Chi Minh City Tax Department and the Ho Chi Minh City Department of Natural Resources and Environment regarding the re-determination of land lease unit prices from April 10, 2017 to December 31, 2024, as well as the area and purpose of land use corresponding to each area and location of land leased by the Corporation. Currently, the Corporation has not received an official notice of the land lease amount payable from the Tax Authority, so no additional recording has been made.
- b. Authorize the Board of Directors to implement the detailed plan to pay dividends to existing shareholders of the Corporation.**
- c. Authorize the General Director – Legal Representative of the Corporation to decide on the plan for using the Reward and Welfare Fund in accordance with regulations.**

6. Approving the production and business plan for 2025 with the following targets:

No.	Indicators	Unit	2025 Plan (consolidated)	2025 Plan (Parent company)
1	Total revenue	Billion VND	2,600	1,850
2	Profit before tax	Billion VND	355	310
3	Profit after tax	Billion VND	350	310
4	Dividend payout ratio	%		15% - 25%

7. Approving Remuneration of the Board of Directors and the Board of Supervisors and bonus level of the Board of Directors, the Board of Supervisors, the Board of Management, operating expenses in 2024 and plan for 2025:

Implementation in 2024:

- Total remuneration for the Board of Directors, Board of Supervisors:
 - ✓ From January 01, 2024 - May 05, 2024: 66,000,000 VND/month (after-tax income).
 - ✓ From June 06, 2024 - December 12, 2024: 82,000,000 VND/month (after-tax income).
- The bonus level for the Board of Directors, Board of Supervisors, Executive Board, and operating expenses is 3% of the profit after tax.

- Plan for 2025:

- The total remuneration for the Board of Directors, Board of Supervisors is 82,000,000 VND/month (after-tax income).
- The bonus level for the Board of Directors, Board of Supervisors, Executive Board, and operating expenses is 3% of the profit after tax and 10% of the profit after tax exceeding the set plan after deducting deductions.

Authorize the Board of Directors to decide on the plan for distributing remuneration and bonuses to the Board of Directors, Board of Supervisors, Executive Board, and specific operating expenses.

8. Approving the authorization for the Board of Directors to continue implementing the divestment plan for ineffective, prolonged, mechanism-obstructed, and non-core investments to focus capital on developing the Corporation's highly effective core business lines (attached list).

Respectfully submit to the GMS for consideration and approval./.



Recipient:

- GMS;
- BOD, BOS; BOM
- Archive: Office. BOD;

**ON BEHALF OF THE BOARD OF DIRECTORS
CHAIRMAN**

Tran Quang Nghi

LIST OF RESTRUCTURING INVESTMENTS

(Attached to Proposal No. 01/TTr-PP dated 15/05/2025)

No.	Company name	Charter capital as of 31/12/2024	Book value of capital contribution at par value of the Corporation as of 31/12/2024	Rate
1	Viet Nam Wool Joint Stock Company	64,219,980,000	1,300,000,000	2.02%
2	Lien Phuong Textile and Garment Corporation	235,485,040,000	29,997,720,000	12.74%
3	Gia Dinh - Phong Phu Garment Joint Stock Company	55,000,000,000	6,000,000,000	10.91%
4	Saigon Rach Gia Corporation	133,161,700,000	3,000,000,000	2.25%
5	Gia Dinh Development Corporation	378,700,000,000	8,808,080,000	2.33%
6	HUD Saigon Housing and Urban Development Investment Joint Stock Company	46,500,000,000	10,000,000,000	21.51%
7	Phong Phu Trade and Investment Joint Stock Company	20,000,000,000	6,341,919,708	31.71%
8	Hung Phu Joint Stock Company	30,000,000,000	1,801,000,000	6.00%
9	Binh An garment Textile material Accessories Joint Stock Company	111,000,000,000	13,014,240,000	11.72%
	Total	1,074,066,720,000	80,262,959,708	





Ho Chi Minh City, May 15, 2025.

PROPOSAL

Re: Proposal for Selecting an Auditor for the 2025 Financial Statements

*To: The General Meeting of Shareholders of Phong Phu Corporation
- The Board of Directors of Phong Phu Corporation*

Pursuant to:

- *The Law on Enterprises No. 59/2020/QH14 dated June 17, 2020;*
- *The Law on Securities No. 54/2019/QH14 dated November 26, 2019;*
- *The Charter of Phong Phu Corporation;*

The Board of Supervisors respectfully submits to the General Meeting of Shareholders for approval the list of independent audit firms proposed to audit and review the 2025 Financial Statements of Phong Phu Corporation as follows:

1. Criteria for selecting an independent audit firm:

- Audit firms approved by the State Securities Commission to audit public companies and organizations.
- Firms with auditors who are qualified and experienced in industries and business sectors similar to those of Phong Phu Corporation.
- Firms that meet the Corporation's requirements in terms of audit scope and schedule, and have no conflicts of interest in auditing the Corporation's Financial Statements.
- Firms offering reasonable fees commensurate with audit scope and quality.

2. Proposed list of audit firms:

- Deloitte Vietnam Co., Ltd.
- KPMG Vietnam Co., Ltd.
- Auditing and Consulting Co., Ltd. (A&C)
- Auditing and Informatics Services Co., Ltd. (AISC)

3. Proposal:

Authorize the Board of Directors to select one of the four proposed audit firms and authorize the General Director to sign the service contract for the audit and review of the 2025 Financial Statements of Phong Phu Corporation in accordance with legal regulations.

Respectfully submit to the GMS for consideration and approval./.

**ON BEHALF OF THE BOARD OF SUPERVISORS
HEAD OF BOARD**

Recipient:

- GMS;
- BOD, BOS; BOM
- Archive: Office. BOD;

Nguyen Thi My Le

PHONG PHU CORPORATIONNo: /NQ-DHĐCĐ/2025**SOCIALIST REPUBLIC OF VIETNAM****Independence - Freedom - Happiness***Ho Chi Minh City, May 15, 2025***RESOLUTION****2025 ANNUAL GENERAL MEETING OF SHAREHOLDERS****PHONG PHU CORPORATION**

- Pursuant to the Enterprise Law No. 59/2020/QH14 passed by the National Assembly of the Socialist Republic of Vietnam on June 17, 2020;
- Pursuant to the Charter on Organization and Operation of Phong Phu Corporation;
- Pursuant to the voting results approving the contents at the 2025 Annual General Meeting of Shareholders ("AGM") of Phong Phu Corporation and the AGM Meeting Minutes No. /BB-AGM/2025 on May 15, 2025.

RESOLVES:**Article 1. Approving the Report on the Activities of the Board of Directors in 2024:**

The General Meeting agrees to approve the Report on the Activities of the Board of Directors in 2024.

Article 2. Approving the Report on Production and Business Activities in 2024:

The General Meeting agrees to approve the Report on Production and Business Activities in 2024 with the following main indicators:

✓ *Business performance results for 2024 (Consolidated):*

No.	Indicators	Unit	2024 Plan	2024 Actual	% compared to 2024 Plan
1	Total revenue	Billion VND	2,600	2,642	102%
2	Profit before tax	Billion VND	330	384	116%
3	Profit after tax	Billion VND	324	381	117%

✓ *Business performance results for 2024 (of the parent corporation):*

No.	Indicators	Unit	2024 Plan	2024 Actual	% compared to Plan year 2024
1	Total revenue	Billion VND	1,850	1,973	107%
2	Profit before tax	Billion VND	295	349	118%
3	Profit after tax	Billion VND	295	349	118%

Article 3. Approving the Report on the inspection of the production, business and financial situation in 2024 of the Board of Supervisors

The General Meeting agrees to approve the Activity Report of the Board of Supervisors in 2024.

Article 4. Approving the Audited Separate and Consolidated Financial Statements for 2024:

The General Meeting agrees to approve the Audited Separate and Consolidated Financial Statements for 2024, which were audited by A&C Auditing and Consulting Co., Ltd.

Article 5. Approving the plan for profit distribution and dividend payment in 2024:

The General Meeting agrees to approve the plan for profit distribution and dividend payment in 2024 as follows:

a. *Plan for profit distribution and dividend payment in 2024:*

No.	Content	Amount
1	Undistributed after-tax profit on the 2024 consolidated financial statements	554,897,813,293
2	Profit used for distribution	349,334,456,704
3	Deductions	374,444,444
	<i>Remuneration for the Board of Directors and the Board of Supervisors</i>	374,444,444
4	Projected profit distribution:	348,960,012,260
-	Dividend distribution to shareholders (25%/ Par value of shares), including:	186,677,227,500
	<i>Cash dividend distribution to shareholders (25%)</i>	186,677,227,500
-	Bonuses for the Board of Directors, Board of Supervisors, Board of Management, and operating expenses (3% of Distributed Profit)	10,468,800,000
-	Bonus for exceeding the plan (10% of Excess Profit)	5,433,446,000
-	Allocation to reward and welfare fund (5%)	17,448,001,000
-	Allocation to investment and development fund (10%)	34,896,001,000
5	Remaining profit	94,036,536,760

Note:

- Dividend payout ratio for 2024: 25%/par value.
- The profit used to pay dividends is based on the undistributed after-tax profit on the audited 2024 consolidated financial statements;
- The above deductions may be subject to change depending on the 2024 tax finalization results and land rent affecting the remaining profit for distribution.
- The Corporation has retroactively adjusted the land rent and late payment penalties for the land area at No. 2 Truong Chinh Street, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City according to notices No. 09/TB-CCTTP dated March 20, 2024, notice No. 253487/TB-TB07-CCTTP dated April 09, 2024 and notice No. 14791/TB-CCTTP dated October 30, 2024. The adjusted amount reducing the accumulated undistributed after-tax profit to the end of the previous period (2023) of the Corporation is 44,776,178,674 VND.
- The Corporation received notifications from the Ho Chi Minh City Tax Department and the Ho Chi Minh City Department of Natural Resources and Environment regarding the re-determination of land lease unit prices from April 10, 2017 to December 31, 2024, as well as the area and purpose of land use corresponding to each area and location of land leased by the Corporation. Currently, the Corporation has not received an official notice of the land lease amount payable from the Tax Authority, so no additional recording has been made.

- b. *Authorize the Board of Directors to implement the detailed plan to pay dividends to existing shareholders of the Corporation.*
- c. *Authorize the General Director – Legal Representative of the Corporation to decide on the plan for using the Reward and Welfare Fund in accordance with regulations.*

Article 6. Approving the Production and business plan and dividend payment plan for 2025:

The General Meeting agreed to approve the business production and operation plan and the dividend payment plan for 2025 with the following targets:

No.	Indicator	Unit	2025 Plan (Consolidated)	2025 Plan (Parent company)
1	Total revenue	Billion VND	2,600	1,850
2	Profit before tax	Billion VND	355	310
3	Profit after tax	Billion VND	350	310
4	Dividend payout ratio	%		15% - 25%

Article 7. Approving the Selection of the auditing company for the 2025 financial statements:

The General Meeting agreed to approve the selection of the Auditing firm for 2025 as proposed by the Board of Supervisors and authorized the Board of Directors to select one of the following Auditing firms to audit the financial statements for the Corporation in 2025:

- ✓ Deloitte Vietnam Company Limited
- ✓ KPMG Vietnam Company Limited
- ✓ Auditing and Consulting Company Limited (A&C)
- ✓ Auditing and Informatics Services Company Limited (AISC)

Article 8. Approving Remuneration of the Board of Directors and the Board of Supervisors and bonus level of the Board of Directors, the Board of Supervisors, the Board of Management, operating expenses in 2024 and plan for 2025:

The General Meeting agreed to approve the remuneration and bonuses for the Board of Directors, Board of Supervisors, Executive Board of the Corporation, operating expenses for 2024 and the plan for 2025 as follows:

Implementation in 2024:

- Total remuneration for the Board of Directors, Board of Supervisors:
 - ✓ From January 01, 2024 - May 05, 2024: 66,000,000 VND/month (after-tax income).
 - ✓ From June 06, 2024 - December 12, 2024: 82,000,000 VND/month (after-tax income).
- The bonus level for the Board of Directors, Board of Supervisors, Executive Board, and operating expenses is 3% of the profit after tax.



- ***Plan for 2025:***

- The total remuneration for the Board of Directors, Board of Supervisors is 82,000,000 VND/month (after-tax income).
- The bonus level for the Board of Directors, Board of Supervisors, Executive Board, and operating expenses is 3% of the profit after tax and 10% of the profit after tax exceeding the set plan after deducting deductions.

Authorize the Board of Directors to decide on the plan for distributing remuneration and bonuses to the Board of Directors, Board of Supervisors, Executive Board, and specific operating expenses.

Article 9. Approving the restructuring of the Corporation's investments:

The General Meeting agreed to authorize the Board of Directors to continue divesting from ineffective, long-standing investments due to institutional constraints and non-core sectors in order to focus capital on developing the Corporation's highly effective core business lines (attached list).

Article 10. Effectiveness of the Resolution

This Resolution was fully approved by the Annual General Meeting of Shareholders of Phong Phu Corporation in 2025 at the meeting and takes effect from May 15, 2025.

The Board of Directors is responsible for publishing the Resolution on the website of Phong Phu Corporation in accordance with the provisions of Law and the Corporation's Charter.

Article 11. Responsibility for disseminating and implementing the Resolution:

The General Meeting assigned the Board of Directors, Board of Supervisors, and Executive Board of the Corporation to be responsible for disseminating, implementing, and monitoring the implementation process in accordance with the spirit of this Resolution.

All Shareholders, members of the Board of Directors, Board of Supervisors, Executive Board, and all officials and employees of Phong Phu Corporation are responsible for implementing this Resolution./.

Recipients:

- Shareholders (www.phongphucorp.com);
- BOD; BOS;
- Archive Secretariat, Office. BOD.

**ON BEHALF OF THE GENERAL
MEETING OF SHAREHOLDERS
CHAIRMAN OF THE BOARD**

Tran Quang Nghi