

VINH PLASTIC, BAGS JOIN STOCK COMPANY

# 2024 ANNUAL REPORT

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## GENERAL INFORMATION

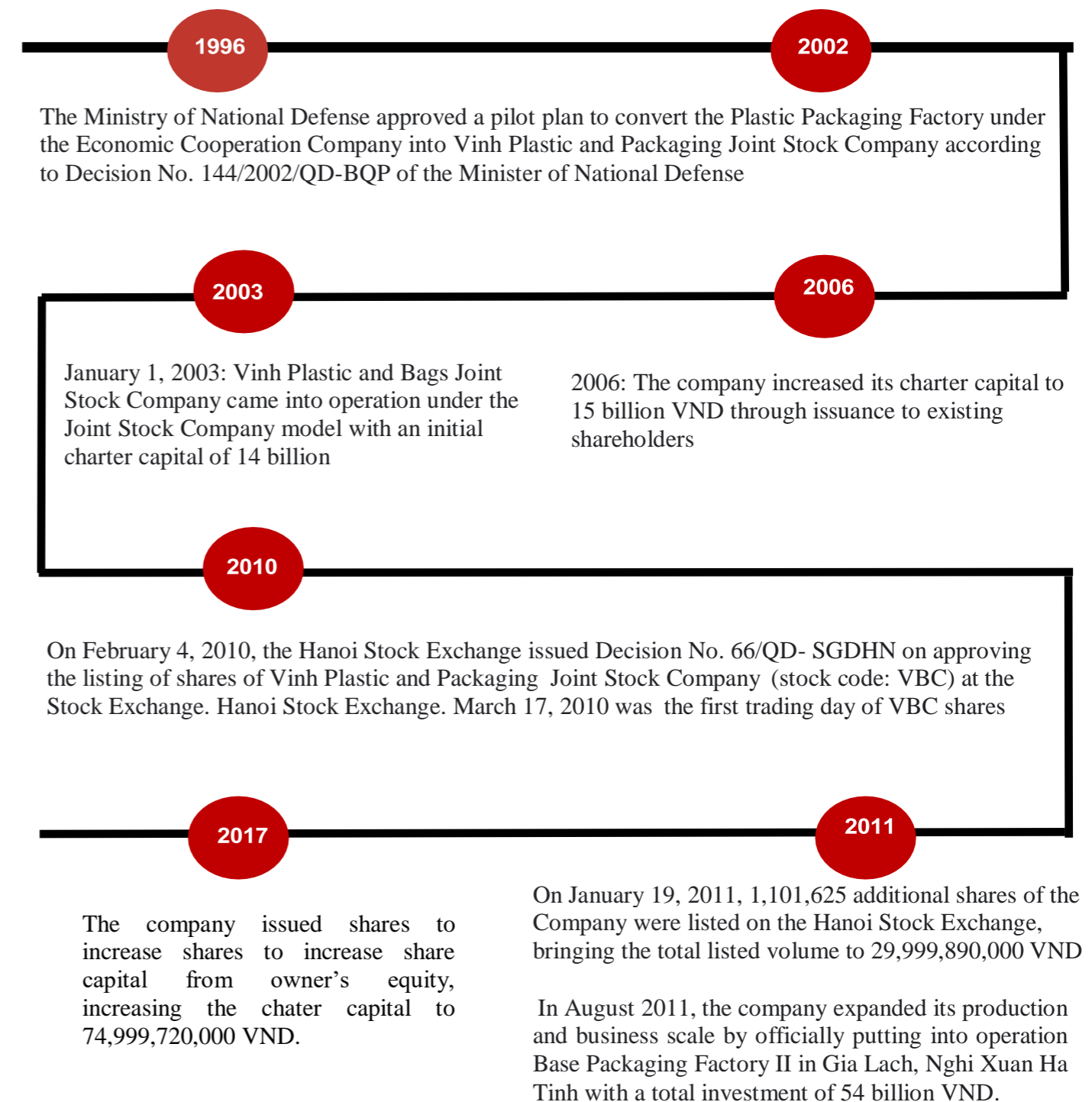
<b>Company Name</b>	VINH PLASTIC, BAGS JOINT STOCK COMPANY
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STOCK CODE	CHARTER CAPITAL	INVESTMENT CAPITAL
<b>VBC</b>	<b>74,999</b> billion VND	<b>166,39</b> billion VND



## DIVELOPMENTHISTORY

Vinh Plastic, Bags Joint Stock Company, formerly known as Plastic Packaging Factory, belongs to Economic Cooperation – Military region 4, established by Decision No. 1531/QĐ/ QP dated August 31, 1996 of National Defense.



# 1. INDUSTRY AND BUSINESS AREA



## Main business products and services

### Group of packaging products of all kinds

#### - Cement packaging, kp, pk bags:

Kp and kpk bags are cement bag products weighing 50 kg. Includes 1 or 2 layers of Kraft paper and 1 layer of PP plastic woven fabric. The product is highly durable and resistant to moisture, preserving cement well during transportation and storage

#### - PP packaging:

PP woven packaging packages animal feed, agricultural products, fertilizer, stone powder... according to customer requirements for technical specifications and quality.

#### - OPP, BOPP packaging:

Diverse designs, colors, and images are woven PP bags laminated with BOPP film.

#### - PE packaging:

Transparent, slightly translucent, with a glossy, flexible surface; Good water and vapor resistance; Waterproofing for O<sub>2</sub>, CO<sub>2</sub>, N<sub>2</sub> and grease is poor; Withstands high temperatures (below 230o C) for short periods of time.

#### - Jumbo bag, Sling (FIBC):

Jumbo and Sling bags are large-sized cargo bags that can hold a weight of 1 ton - 1.5 tons - 2 tons in one bag, are moisture resistant, and can withstand great force when transported.

#### •PP plastic granules:

Polypropylene plastic (PP), has high mechanical strength, quite hard, transparent, high surface gloss for high printing ability, clear printing. In addition, it has waterproof properties against O<sub>2</sub>, water vapor, grease and other gases.

#### - HDPE, LDPE, LLDPE plastic pellets:

Polyethylene (English: polyethylene or polyethene; abbreviation: PE), is a thermoplastic that is very commonly used in the world. Polyethylene is an organic compound (poly) consisting of many CH<sub>2</sub>-CH<sub>2</sub> ethylene groups linked together by saturated hydrogen bonds. Polyethylene is prepared by the polymerization of ethylene monomers (C<sub>2</sub>H<sub>4</sub>). PE plastic has three most important groups: HDPE; LDPE; LLDPE

#### PP recycled plastic pellets:

This is old plastic that is regenerated into other plastic products. Collected plastic will be classified and recycled separately according to different processes to create recycled plastic pellets. After recycling, PP recycled plastic pellets will be used to weave into large-sized plastic packages

Product group of plastic beads

## BUSINESS AREA

### With motto

1. Customers determine the success of the Company
2. Product quality is the deciding factor for customers
3. The employee decides on the above two factors

Implementing the above principle, in recent times, the Company's products have stood firm and developed in the domestic and international markets.

### Domestic market

Currently, the company is a supplier of KP, KPK, Jumbo, and Sling bags for cement factories such as: Nghi Son Cement; Song Gianh Cement; But Son Cement; Thanh Thang Cement; Hoang Mai Cement... with output of 100 - 120 million cement bags/year and 2,400,000 Jumbo and sling bags/year. The company is currently also providing PP and OPP bag products for fertilizer and sugar factories and bags serving the agricultural industry such as: Ninh Binh Fertilizer; Lam Thao Fertilizer; Binh Dien Fertilizer; Thach Thanh Sugar Factory; Quy Hop Street; Thanh Chuong Tapioca Factory, Nghi Son Cement Company, Xuan Thanh Group, Vissai Group, Thanh Thang Group

### International market:

Jumbo bag products; Sling; PP bags; OPP; The Company's PK has been present in the markets of New Zealand, Japan, Korea, USA, Fiji, Singapore, Thailand, Philippines, Malaysia, Cameroon... and is highly appreciated by the market for product quality and progress. delivery level.

## PRODUCTION CAPACITY

In Vietnam, VBC owns 3 manufacturing factories with large capacity and regular improvements to meet customer needs.

PP and OPP bag production factory: Capacity reaches 500 tons of products/month.

KP bag production factory; KPK: Capacity reaches 140,000,000 bags of cement/year.

Jumbo and Sling bag production factory): Capacity reaches 230,000 products/month

## Production process

1

### Fiber Creation Arc

From the main raw material, which is virgin PP plastic granules, through a system of spinning equipment, it will be melted and spun into rolls of yarn, imported into semi-finished products and exported to weaving in the next stage.

2

### The curtain is covered with curtains

From the input materials of woven screen, Kraft paper, PP coated beads, use a high-temperature melt-coating machine to hot-roll and press the paper to stick to the woven fabric to form KP coated fabric or PP coated fabric, rolled into large imported rolls. semi-finished product warehouse to move on to production at the next stage.

3

### Arc Create condylar :

From the KP laminated sheet, combine an additional layer of inner lining paper and edge sealing beads through the printing tube making machine according to the order's specified design to create a cement tube that is warehoused as a semi-finished product in preparation for the supply stage. next production.

### Completed sewing arc

From semi-finished pipe products through sewing equipment to create complete garment bags, finishing the process of producing cement bags, warehousing, transporting for export and sale.

## Quality check

With the motto of the Company's quality policy: "Quality is increasingly high, price is increasingly reasonable, service is increasingly perfect". Quality and reasonable price are prerequisites for customers to come to the Company. Always meet all requirements agreed with customers in accordance with statutory requirements, including meeting changing requirements.

In the production process, with the goal of taking the word "Trust" first, attaching importance to product quality and price is a prerequisite to serve customers. Currently, the Company is applying a quality management system according to ISO 9001:2015 standards; Halal Certificate confirms that the product does not contain prohibited substances according to Shari'ah Islamic Law requirements and meets food hygiene requirements during production and Food Safety Management Certificate HACCP.



# 1. INFORMATION ABOUT MANAGEMENT MODEL, BUSINESS ORGANIZATION AND MANAGEMENT APPARATUS

## General Meeting of Shareholders

Includes all shareholders with voting rights and is the highest authority of the Company, with the right to decide the annual dividend payment rate, approve the annual financial report, elect and dismiss the Board of Directors, Supervisory Board; supplement and amend the charter; decide on the type and number of shares to be issued; company merger or transformation; Reorganization and dissolution of the company.

## Board of Directors

The Board of Directors is the highest management body of the Company; The Board of Directors has full authority on behalf of the Company to decide on all issues related to the purposes and interests of the Company, except for issues falling under the authority of the General Meeting of Shareholders. The Board of Directors has 05 members elected, dismissed or dismissed by the General Meeting of Shareholders. The agency representing the owner of the State capital at the Company decides to nominate candidates for election to the Board of Directors to perform the duties directly. Management of State capital in the Company. The Director is the legal representative of the Company.

The Company decided to nominate candidates to run for the Board of Directors to serve as the person who directly manages State capital in the Company. The Director is the legal representative of the Company. The leadership and public administration team are qualified and dedicated to the development of VBC.

## Control Board

The Supervisory Board consists of 03 members, selected by the Board of Directors. The Supervisory Board, elected by the General Meeting of Shareholders, is an organization that supervises and checks the reasonableness and legality in the management and operation of business activities, in accounting and financial records of the Company to ensure the Company's benefits. legitimate interests of shareholders.

## Market room

Responsible for assisting the Director in market work, building market strategies, building plans and organizing the implementation of long-term and short-term market plans, exploiting, searching, expanding markets, implementing Performing after-sales service work.

## Finance department

Responsible for assisting the Director in finance, accounting, statistics, monitoring and evaluating the effectiveness of the Company's production and business activities. Manage, direct, operate and organize the implementation of finance, accounting, statistics and inventory work throughout the Company, capital market research, long-term and short-term financial planning, analysis accounting information and data, advising the Director on plans to mobilize capital to serve production and business.

## Department of Technical Technology

Responsible for advising and assisting the Board of Directors and Director on technology and engineering of basic construction work throughout the Company. Develop and organize the implementation of periodic and unscheduled factory maintenance and equipment repair plans throughout the Company.

## Political - Administrative Department

Is an advisory and assisting agency for the Party Committee and Board of Directors, and is also an agency that directly implements all aspects of Party work and political work; Labor, salaries, insurance and other policies for employees. Military work - Self-defense; office administrative work; logistics and protection; labor protection, occupational safety and hygiene, fire and explosion prevention, environmental protection and legal work in the Company.

## Board of Directors

The Company's Board of Directors consists of a Director and a Deputy Director appointed by the Board of Directors. The Director is directly and primarily responsible to the Board of Directors for the comprehensive organization, management, and administration of the Company's daily operations according to the Resolutions and Decisions of the Board of Directors. The Deputy Director is assigned and authorized by the Director to manage and operate one or several areas of the company's operations

## Planting Department

Responsible for assisting the Director in planning, investment, management, ensuring technical technology, quality management, product standards and innovation, improving and applying new technology . Develop and organize the implementation of annual, quarterly, monthly, unexpected plans and investment and development projects of the Company; serve as the operating center and coordinate between departments and workshops to implement production plans. of the Company. Ensuring the supply of raw materials and fuel, synthesizing, analyzing, evaluating, and reporting monthly, quarterly, and annual production and business results.

## 2. INTRODUCING THE BOARD OF LEADERSHIP

### Board of Directors

<p><b>Mr. Nguyen Huu Son – Chairman of the Board of Directors</b>  Year of birth: 1978  Hometown: Cam Binh, Cam Xuyen, Ha Tinh  Nationality: Vietnamese</p>	<p>Work process  07/1997 - 08/2002: Student of the Academy of Military Sciences  09/2002 - 07/2006: Team leader of the General Staff, 4th Army Corps  08/2006 - 01/2007: Student of Army Corps 4 Military School  02/2007 - 05/2009: Political officer C2 of the General Staff, 4th Army Corps  06/2009 - 10/2016: Assistant ToC, CaB Political Department of Economic Cooperation Corporation  November 2016 - February 2020: Deputy Director of Hong Lam Construction Materials Production Enterprise  March 2020 - April 2023: Deputy Director of Vinh Plastic Bags Joint Stock Company  April 2023 - present: Chairman of the Board of Directors of Vinh Plastic Bags Joint Stock Company</p>	<p><b>Mrs. Pham Nguyet Minh - Vice Chairman of the Board of Directors</b>  Year of birth: 1980  Hometown: Ha noi  Nationality: Vietnamese  Qualification: Master of Business Administration</p>	<p>Work process  2003 - 2013: Customer Care Officer of An Phat Xanh Plastic Joint Stock Company  2013 - 2018: Director of Representative Office in Hanoi, An Phat Xanh Plastic Joint Stock Company  2016 - present: Vice Chairman of the Board of Directors VBC</p>
<p><b>Mr. Le Xuan Tho – Vice Chairman of the Board of Directors, Director</b>  Year of birth: 1978  Hometown: Duc Tho, Ha Tinh  Nationality: Vietnamese  Qualification: Bachelor of Economics</p>	<p>Work process  2002 - 2004: Market assistant of Vinh Plastic Bags Joint Stock Company  2005 - 2007: Head of Market Department of Vinh Plastic and Packaging Joint Stock Company  2007 - 2013: Head of Market Department, Vinh Plastic Bags Joint Stock Company.  2013 - 2017: Deputy Director of Vinh Plastic Bags Joint Stock Company  07/2017 - 03/2018: Director of Vinh Plastic Bags Joint Stock Company.  2018 - present: Director, Member of the Board of Directors of Vinh Plastic Bags Joint Stock Company.</p>	<p><b>Mr. Truong Dac Thanh - Vice Chairman of the Board of Directors, vice President</b>  Year of birth: 1980  Hometown: Vinh, Nghe An  Nationality: Vietnamese</p>	<p>Work process  09/2005 - 10/2010: Student of the Military Engineering Officer School;  01/2011 - 03/2017: Construction technical assistant at Coecco Construction Enterprise - Technical Support Corporation  03/2017 - 06/2021: Head of Planning Department, Asia Mineral Joint Stock Company - Technical Support Corporation.  06/2021 - 10/2022: General planning assistant of Planning - Information Department/ Technical Support Corporation  November 2022 - present: Deputy Director of Vinh Plastic Bags Joint Stock Company.</p>
<p><b>Mr. Nguyen Trung Kien - Vice Chairman of the Board of Directors</b>  Year of birth: 1986  Hometown: Thai Nguyen  Nationality: Vietnamese  Qualification: Bachelor of Economics</p>	<p>Work process  2010 - 2019: Head of Investment Department/ Head of Analysis Department at SSI Securities Joint Stock Company  2019 - 2020: Member of the Board of Directors of Electromagnetic - Telecommunications Technology Investment and Development Joint Stock Company  2019 - present: Director of Investor Relations at An Phat Holdings Joint Stock Company  March 2020 - present: Member of the Board of Directors of Vinh Plastic and Packaging Joint Stock Company  March 2020 - present: Member of the Board of Directors of An Tien Industries Joint Stock Company  September 2021 - present: Member of the Board of Directors of An Phat 1 High-Tech Industrial Park Joint Stock Company  November 2021 - present: Member of the Board of Directors of An Phat 1 Technical Industrial Park Company.</p>	<p><b>Mr. Phan Van Toan – Chief Accountant</b>  Year of birth: 1978  Hometown: Vinh, Nghe An  Nationality: Vietnamese  Qualification: Bachelor of Finance</p>	<p>Work process  2002 - 2003: General Accountant of Construction Company - Technical Support Corporation  2003 - 2016: Chief Accountant of COECCO Mineral Limited Company - Technical Support Corporation  March 2017 - present: Chief Accountant of Vinh Plastic Bags Joint Stock Company.  March 2018 - April 2023: Member of the Board of Directors of Vinh Plastic Bags Joint Stock Company</p>

### Board of Control

<p><b>Mr. Tran Ngoc Sam – Chief Controller</b>  Year of birth: 1969  Hometown: Tho Xuan, Thanh Hoa  Nationality: Vietnamese  Qualification: Bachelor of Finance</p>	<p>Work process  1997 - 2006: Chief Accountant of Vinh Plastic - Packaging Joint Stock Company  2007 - 2009: Chief Accountant of COECCO Laos Construction Company Limited  2010 - 2011: Chief Accountant of Vientiane Mineral and Metallurgy Company Limited  2012 - 2013: PTC Assistant, Finance Department of Economic Cooperation Corporation QK 4  2014 - 2016: Chief Accountant of COECCO Rubber Industry Joint Stock Company  2017 - present: Head of specialized control board of Vinh Plastic Bags Joint Stock Company.</p>	<p><b>Mrs. Nguyen Minh Trang - Board Member</b>  Year of birth: 1980  Hometown: Huong Khe  Nationality: Vietnamese  Qualification: Bachelor of Finance</p>	<p>Work process  General Accounting Assistant - Economic Cooperation Corporation  Head of Supervisory Board - 30/4 Brick and Tile Joint Stock Company (Subsidiary of General Economic Cooperation)</p>
<p><b>Mrs. Dong Thi Ha – Board Member</b>  Year of birth: 1982  Hometown: Hai Duong  Nationality: Vietnamese  Qualification: Bachelor of Business Administration</p>	<p>Work process  2007 - 2008: Accountant of Nam Tien Production and Export Company Limited  2008 - 2009: Accountant of An Phat Xanh Plastic Joint Stock Company  2009 - 2017: Chief Accountant of Nam Tien Production and Export Company Limited  2017 - present: Chief Accountant of An Vinh Plastic Packaging Joint Stock Company  2021 - present: Head of Supervisory Board of An Phat High-Tech Industrial Park Joint Stock Company.</p>		



## 4. BUSINESS POSITION

As a reputable enterprise in business activities, VBC is able to make good use of preferential policies from credit institutions.

With over 20 years of experience in packaging production and business, VBC's products have created a position in the market. The company has built a reputable brand in terms of quality, reasonable price, and is the foundation for sustainable development in the future.

VBC's leadership makes reasonable strategic investments at the right time, with a deep understanding of technology and the strategic correlation between technology and the market. At the same time, members of the Board of Directors have accumulated a lot of experience in management, technical organization, and production and business planning for many years in the industry; The collective leadership and employees are united and attached, sharing the same interests and aspirations to maintain the development of the Company.

## 5. DEVELOPMENT ORIENTATION

Maximize output from traditional customers, seek to expand new markets at home and abroad. Develop the bottom-sealing bag market to supplement the lack of output of cement bags. Regularly check product quality to meet market requirements, enhance company reputation in domestic and international markets.

Strive to complete the main production and business targets in the 2024 plan approved by the General Meeting of Shareholders. Maintain political security stability, peace of mind, ensure property safety, labor hygiene, and fire and explosion prevention.

Continuously recruiting and training newly recruited labor resources to meet the production and consumption needs of the unit, gradually increasing output and product quality to meet customer needs. Contribute to improving the productivity of newly invested machinery and equipment.

Strengthen management and training to improve knowledge for workers on operating procedures using equipment, especially the bottom sealing bag line system; Seriously carry out maintenance and repair work according to the determined plan. Strengthen the application and improvement of machinery and equipment; innovate and improve technology - techniques to partly compensate for increased raw material prices, maintaining stable production efficiency.

“VBC always wants to be a stable and optimal manufacturing enterprise while providing the market with quality plastic packaging products to achieve long-term business efficiency”



## 6. The Risks

### Economic risk



The global economic outlook for 2024 shows a slight improvement compared to 2023, with growth forecast at 3.1 - 3.2% of GDP and inflation falling to 5.8 - 5.9%. However, the world economy still faces many significant challenges and risks. Financial and monetary policies are generally still tight in many countries, putting pressure on borrowing costs and increasing the risk of economic recession. Geopolitical conflicts, especially tensions in the Middle East, threaten to disrupt supply chains and global energy markets. At the same time, the trend of world market and technology fragmentation is increasingly evident, demonstrated by the expansion of the BRICS bloc and US sanctions, weakening international cooperation as well as the efficiency of the supply chain. global supply

Entering 2025, it is forecast that potential risks from the world economic environment will still exist and continue to have a negative impact on Vietnam's economic growth recovery prospects. The recovery ability of the global economy is unclear. Domestically, the National Assembly has set a growth target of 6 -6.5% in 2025, creating a driving force for the economy. However, to avoid negative risks affecting business operations, the Company always has a specialized research department as well as closely follows the macroeconomic environment to provide advice to the Board of Management on trends. in the future and the impacts on key business areas, thereby making appropriate decisions and strategies.

### Legal risk

The stability of a country's political system, laws, and policies greatly affects the stability and development ability of economic sectors in general and the plastic industry in particular. In particular, this is also one of the 10 industries prioritized by the Government to develop into a strong economic sector. Although legal documents regulating the operations of plastic companies have been developed and promulgated, the plastic industry still lacks state regulations on importing production scrap for recycling to lower costs. input for the plastic industry, making it difficult for the Company to proactively source input materials and reduce costs.

Because the plastic packaging industry requires a small scale of investment capital, while the ability to quickly recover capital makes the barrier to entry in the industry low. There are currently about 1,353 businesses operating in the plastic packaging industry. Besides, Vietnam's plastic industry still has a lot of room for growth, so Vietnamese plastic industry enterprises in general and Vinh Plastic Packaging Joint Stock Company in particular are at risk of facing competition from foreign enterprises. FDI enterprises.

### Industry risk

The trend of using environmentally friendly plastic products is also a challenge for Vietnam's plastic industry when in the industry's export structure, traditional packaging products that are not environmentally friendly account for a similar proportion. relatively large. This requires VBC in particular and the Vietnamese Plastics industry in general to take breakthrough steps with innovative products to keep up with ever-changing consumer trends. On the other hand, Vietnam's plastic industry is facing the risk of being sued for dumping. Vietnamese goods as well as those of some other countries are at risk of being sued for dumping and anti-dumping taxes will be imposed to protect the plastic packaging industry of importing countries such as the US, EU, Japan,...

## Credit and cash flow risk

Credit risk comes from the partner's payment obligations. If the partner fails to meet the debt obligations in the contract, it will cause financial loss to the Company. Therefore, accounts receivable is one of the major risks that the Company must regularly face. Receivables that are difficult to collect will put the Company at risk of capital misappropriation, causing loss of the Company's capital.

Cash flow risk occurs when the Company has difficulty fulfilling its financial obligations and fails to seize important investment opportunities when it does not have enough necessary capital. This is an issue related to asset management and working capital. Bad debts arising from long-term customer debts and inability to pay require the Company to set up provisions, reducing profits and losing cash flow.

## Raw material risk

Nearly 85% of raw materials and accessories must be imported: According to statistics, the current domestic supply of raw materials and accessories can only meet more than 15% of demand, the remaining 85% must be imported. Therefore, the trade balance of the plastic industry is always in a trade deficit.

Exchange rates affect input costs: Having to mainly import raw materials from abroad makes the plastics industry quite "sensitive" to exchange rate fluctuations, thereby having a significant impact on the input costs of businesses. plastic.

Competition in Vietnam's plastic industry is high. The reason is that Vietnam's plastic industry has relatively low barriers to entry, the market is fragmented, especially for packaging plastic products, the number of businesses operating in the packaging plastic segment is up to 1,353 businesses. Besides, the products of Vietnam's plastic industry do not have too many differences in design and quality, so the bargaining power of customers is high.



## Exchange rate risk

The Company is exposed to exchange rate risk when fluctuations in exchange rates adversely affect (1) the recognition of fair value of assets, loans or transactions arising in foreign currency. as well as adverse effects on (2) future cash flows arising from these items. Currently, the Company's exchange rate risk arises mainly from foreign currency revenues through pharmaceutical raw material export activities. To minimize exchange rate risk, the Company assigns the Finance Director to closely monitor exchange rate developments on the market, thereby balancing revenues and expenditures in foreign currency or using appropriate financial tools to minimize risk..

## Other risks

Other risks such as natural disasters, enemy sabotage, etc. caused by nature are force majeure risks. If they occur, they will cause great damage to property, people, and the general operations of the Company. To minimize possible damages, the Company has implemented plans to help minimize damages such as purchasing insurance for assets and goods, installing fire alarm systems, gathering Train staff on fire prevention and fighting and other security and safety measures.



# **B.**

## **PERFORMANCE DURING THE YEAR**

- 1. Business Performance**
- 2. Organization and personnel**
- 3. Financial situation**

# 1. BUSINESS PERFORMANCE

## Industry information

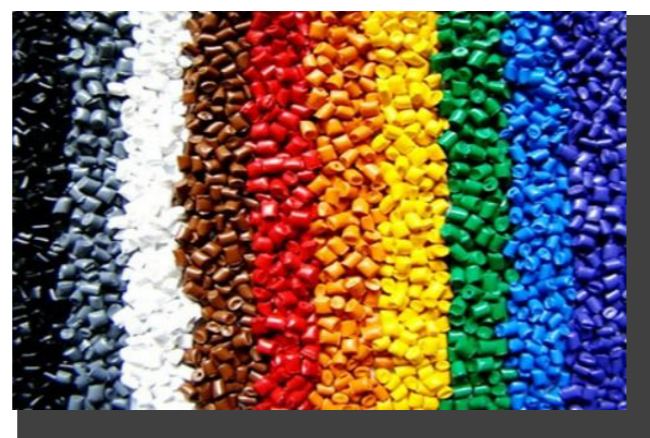
Plastic is one of Vietnam's important and diverse industries, contributing to the country's socio-economic development. In the difficult context of the current market, Vietnam's plastic industry is still trying to overcome challenges and seize opportunities to develop in 2024. According to a report by Mordor Intelligence, Vietnam's plastic market is expected to increase, growing at a CAGR of 8% in the period 2023-2028

Dự báo quy mô ngành nhựa Việt Nam sẽ đạt 10,92 triệu tấn vào năm 2024. Con số này có khả năng sẽ tăng lên 16,36 triệu tấn vào năm 2029, với tốc độ tăng trưởng hàng năm kép (CAGR) là 8,44% từ năm 2024 đến 2029.

Plastic packaging currently accounts for the largest market share in the Vietnamese plastic market. Outstanding factors such as light weight, good resistance to heat, chemicals and corrosion make this product a viable choice for packaging purposes in Vietnam

In the packaging industry, plastic is used to make packaging for health care, food and beverage, consumer goods, personal care products as well as home and garden care.

The packaging industry is one of the fastest growing industries in Vietnam with a growth rate of 15% to 20% in the coming years. More than 900 factories are currently operating in this sector, with about 70% being located in the southern region, mainly in Ho Chi Minh City, Binh Duong and Dong Nai.



The shift from traditional plastics to engineering and biological plastics. These plastics have superior physical and chemical properties and are more environmentally friendly than traditional plastics. According to Mordor Intelligence, the engineering plastics segment is forecast to have the highest growth rate during the forecast period (2023-2028), due to high demand from high-quality industries such as automobiles and transportation. load, electricity and electromagnetism and medical. The bioplastic segment is also expected to have strong growth in the near future, due to the increasing attention of the government and consumers in minimizing environmental pollution caused by plastic waste.

According to data from the General Statistics Office, Vietnam currently has about 4,000 businesses operating in the plastics industry, most of which are small and medium-sized enterprises, accounting for nearly 90%, with more than 25,000 employees. Among them, manufacturing enterprises in the plastic packaging industry account for the largest proportion with 38%. Next are household plastic and construction plastic businesses, accounting for 30% and 23% of the structure of Vietnam's plastic industry, respectively.

## Production and business results compared to plan

In 2024, the cement bag consumption market throughout the country will decline sharply, and the price of main raw materials (plastic granules and kraft paper) fluctuates frequently and is harder to predict than in previous years. Container rental costs and logistics costs are still high. The increase in the labor force exporting labor affects the attraction of labor and the resulting training costs. Negotiations to increase product prices face many difficulties that cannot be adjusted due to competition in product consumption becoming more and more fierce.

By the end of 2024, net revenue will reach 825,121 million VND, reaching 88.6% of the plan. Pre-tax profit reached 35,164 million VND, exceeding 0.17% of the plan.

No	Target	Unit	Plan 2024	Perform 2024	(%)	Compare 2023
1	Production output	Bag	120.220.000	117.212.500	97,5%	98,0%
2	Consumption output	Bag	120.220.000	117.212.500	97,5%	98,0%
3	Revenue	million VND	931.451	825.121	88,6%	94,0%
4	Profit before tax	million VND	35.104	35.164	100,17%	99,3%
5	Profit after tax	million VND	28.032	27.908	99,56%	100,0%
6	Pay budget	million VND	22.630	14.295	63,16%	114,0%
7	Average income	d/person/month	10.006.839	12.308.497	123,1%	102,4%

### Implement cost norms:

In 2024, basic costs will decrease in proportion to the decrease in revenue and output.

Despite facing many difficulties as mentioned above, the unit has also regularly researched to improve technology, promote labor productivity, and adjust the mixing ratio of some products to lower product costs and improve efficiency. At the same time, maximize the output of cement bags, Siling and Jumbo bags. In addition, the unit was flexible in balancing loan capital from banks to reduce financial costs, so the company's profit during the period remained 100.17% of the plan.

### Collecting secured debts and using capital:

In 2024, debt collection work will always be closely followed to ensure capital for production.

The total balance of customer receivables arising during the period was 872.46 billion VND, recovered and offset 874.22 billion VND. The remaining balance of receivables at the end of the period is 222.27 billion VND. Debt in 2023 is 1,096 billion, accounting for 0.5% of the remaining balance at the end of 2023. The unit continues to follow customers to find a guaranteed debt recovery plan.

On the other hand, with increased foreign currency revenue, the unit uses foreign currency loans to import raw materials for production. At the same time, take advantage of the Bank's interest rate reduction policies to reduce financial costs. Loans are matured promptly to prevent overdue debt from arising.

### Investment work:

In 2024, the unit has invested in 8 items according to the resolution of the General Meeting of Shareholders and the Decision of the Company Director with a total investment value of 10,584.92 million VND. Including: 02 air compressors, 01 refrigeration machine, 01 strapping machine, 01 side recovery machine, 03 Hyundai trucks; 01 bottom sealing machine line system, 01 bale pressing machine and 01 domestic wastewater filtration system.

During the year of liquidation: 01 fire pump, 01 anti-heat skylight system, 01 Indian belt weaving machine and 3 Hyundai trucks according to Decision No. 395/2024/QD-VBC dated June 6, 2024 of the Board of Directors. Total recovery value is 606 million VND.

## 2. ORGANIZATION AND PERSONNEL

### Labor Structure

		2024	
No	Criteria	Quantity	Density(%)
I	<b>Labor level</b>	<b>870</b>	<b>100%</b>
1	College and university	70	8%
2	College and secondary school	165	19%
3	Primary and technical workers	600	69%
4	Unskilled labor	35	4%
II	<b>Labor object</b>	<b>870</b>	<b>100%</b>
1	Direct labor	710	82%
2	Indirect labor	160	18%
III	<b>Sex</b>	<b>870</b>	<b>100%</b>
1	Male	320	37%
2	Female	550	63%
IV	<b>According to the contract term</b>	<b>870</b>	<b>100%</b>
1	Contract less than 1 year		
2	Contract from 1-3 year	468	54%
3	Contract indefinite term	402	46%
V	<b>According to management level</b>	<b>160</b>	<b>100%</b>
1	Senior rmanagement	4	3%
2	Middle management	7	4%
3	Branch level management	4	3%
4	Specialists, employees	145	91%
VI	<b>By age</b>	<b>870</b>	<b>100%</b>
1	From 18 to 25	170	20%
2	From 26 to 35	355	41%
3	From 36 to 45	210	24%
4	over 45	135	16%

**Salary:**

The company regularly checks the implementation of policies on wages, health insurance, unemployment insurance and annual salary increases for employees. In addition to the benefits specified in the Labor Law, employees in the Company also enjoy benefits in the form of travel, vacation, maternity and sickness benefits, hardship benefits... The company has a worthy reward policy for individuals and groups with excellent achievements, contributions to technical solutions that help bring high business efficiency, and at the same time applies measures and regulations. Penalize employees whose actions have a negative impact on operations Company's activities and image.

Indirect labor The company pays a fixed salary based on the assigned job position on a monthly basis.

Direct labor The company pays wages according to unit prices and product norms.

Employees who work overtime on normal days are paid 50% more, those who work night shifts are paid 50% more, and if they work on holidays, they are paid 300% of their salary. Salary, bonus, allowances, holiday gifts, insurance, health care, medical examination and treatment, sightseeing, travel, salary increase, worker level, etc. are provided. resolved properly and publicly. The diet is regularly maintained, ensuring quantity, standards and food safety and hygiene. Working 8 hours/day is entitled to a standard shift meal plan;

Hazardous allowances, social insurance, health insurance, and labor protection equipment are fully implemented in accordance with current laws

**Safety policy, labor protection:**

Employees are equipped with standard labor protection equipment and have annual health checks to minimize risks as well as promptly detect and treat occupational diseases; Employees at the company are eligible to participate in all 3 types of insurance, including: social insurance, health insurance, unemployment insurance and are considered for support policies and toxic compensation in fringe benefits. non-salary allowance. Office buildings and manufacturing plants are equipped with fire protection systems, fire alarms, fire extinguishers, faucets... to promptly respond to emergency situations.

**Subsidy:**

Fully implement benefits for employees according to the provisions of law.

On the basis of labor classification and the Company's funds, quarterly, six-monthly, and yearly, employees are allocated bonus funds by the Company to complete the plan based on the results of labor classification in that period. .

Salaries, bonuses and benefits are paid in full by the Company on the 15th-20th of every month.

**Employee training and development policy:**

Every year, the Company organizes on-the-job training for workers who are due to take exams to upgrade their salary, skills, and worker levels. In addition, we also organize skills training for workers before moving to new job positions. During the training period, employees do not have to pay any fees, but still enjoy salaries and allowances according to prescribed norms

**Recruitment policy:**

The labor force is regularly recruited by the Company to meet production needs, with priority given to workers who have been trained in occupations such as mechanical engineering, textiles, etc. The labor force when recruited to work has passed the time. probationary period, apprenticeship. When eligible, sign contracts ranging from 3 years to long-term. To maintain the Company's rules and regulations, apply measures and sanctions to employees whose behavior negatively affects the Company's operations and image.

### 3. FINANCIAL SITUATION

#### Some financial indicators

Target	ĐVT	2023	2024	% growth
1. Total assets	billion VND	388,17	400,96	3,29%
2. Net revenue	billion VND	874.55	822.00	-6,00%
3. Net profit from business activities kinh doanh	billion VND	35.55	35.15	-0,01%
4. Other profits	million VND	-141.90	8,166	105,7%
5. Profit before tax	billion VND	35.41	35.16	0,03%
6. Profit after tax	billion VND	28.07	27.90	0,0%

In 2024, the indicators recorded negative growth, raw material prices and transportation costs fluctuated due to the unstable world economic and political situation, leading to many difficulties in production and business activities, services, and goods circulation. However, this is the general situation of the plastic industry in general and plastic packaging manufacturing businesses in particular because of the severe impact of interruptions in business and production activities due to epidemics, natural disasters as well as the level of competition in the packaging market. The global supply chain is disrupted, causing new orders to decline, especially in foreign markets; increasing the burden on operating costs, labor payments, especially raw materials for production. In addition, the market situation of traditional packaging demand has dropped sharply, consumers are increasingly limiting plastic products. VBC has made great efforts to recover and return to business progress to compensate for the early period of 2025 and aim for future growth.

- The company's profitability is quite high: Profit after tax/equity ratio (ROE) reached 20.53%; Profit after tax ratio/total assets (ROA) reached 7.08%; Basic profit per share reached 2,882 VND/share.

- Indicators to evaluate the company's financial situation: General solvency is 1.71 times, short-term debt payment ability is 1.40 times, liabilities / equity ratio is 1.4 times; The ratio of mobilized capital/equity is 0.63 times.

- Finance and accounting work has complied with the principles, financial accounting regime and current legal regulations. Mobilize and use capital for the right purposes, ensuring timely and adequate capital sources for production, business and investment.

In general, in recent years, the company has always tried to reduce the proportion of debt in the capital structure to increase long-term financial independence. VBC's operating performance coefficients are on an increasing trend, both inventory turnover and total asset turnover indexes have increased significantly, showing that VBC is increasingly optimizing its efficiency and operating capacity.



A hand holding a glowing lightbulb over stacks of coins, symbolizing investment and innovation. The background shows a person in a suit pointing at a document.

# **C**.BOARD OF **DIRECTORS REPORT**

- 1. Board of Directors' assessment of all aspects of the company's operations**
- 2. Development direction 2025**

## 1. BOARD OF DIRECTORS' ASSESSMENT OF ALL ASPECTS OF THE COMPANY'S OPERATIONS

Although facing many difficulties in 2024, the staff and employees of Vinh Plastic, Bags Joint Stock Company with a spirit of enthusiasm for work, proactive innovation and besides that, thanks to the management With timely direction from the board of directors, VBC always keeps up with market changes, always innovates, builds its position in the market and builds trust for partners. In 2024, VBC has reaped certain achievements. Regarding production scale, VBC is investing in machinery and factory equipment to increase production output and expand factory scale to meet business strategy.

No.	Content	Implementation results
1	Revenue from sales and service provision	822.071.219.476
2	Revenue deductions	68.145.330
3	Cost of goods sold	746.670.098.380
4	Gross profit on sales and service provision	75.332.975.766
5	Revenue from financial activities	3.050.967.207
6	Financial costs	5.628.559.707
	In which: interest expenses	4.910.029.536
6	Selling expenses	19.545.508.952
8	Business management costs	18.054.246.283
9	Net profit From business activities	35.155.628.031
10	Other income	901.259.346
11	Other costs	893.093.218
12	Other profits	8.166.128
13	Total accounting profit before tax	35.163.794.159
14	Current corporate income tax expenses	7.256.019.955
15	Deferred corporate income tax expenses	
16	Profit after corporate income tax	27.907.774.204
17	Basic earnings per share (VND/share)	2.882

In 2024, the company will regularly pay attention to good management of the use of assets, materials, and capital at the company, which is implemented relatively strictly, business capital is preserved and promoted effectively. Debt collection work is always paid attention and coordinated, customer debt is tracked in detail by each subject, and at the end of the year, debt confirmation is compared in accordance with regulations; Bad debts are fully provisioned.

The management of economic and technical determination, collection of production costs, and calculation of product prices are carried out relatively strictly, divided into steps according to each production stage; Product prices are calculated correctly and fully, without missing costs, in accordance with the production process; Strengthen the management and use of machinery, equipment, supplies, tools and equipment; save costs, limit wasteful losses; Using technology to mix additives and recycled granules to reduce product costs;

## 2. DEVELOPMENT DIRECTION 2025

Maximize output from traditional customers, seek to expand new markets at home and abroad. Develop the bottom-sealing bag market to supplement output shortage of cement bags. Regularly check product quality to meet market requirements market, enhancing the company's reputation in the domestic and international markets. Maximize output from traditional customers, seek to expand new markets at home and abroad. Develop the bottom-sealing bag market to supplement the lack of output of cement bags. Regularly check product quality to meet market requirements. Enhance company reputation in domestic and international markets. Strive to complete the main production and business targets in the 2024 plan approved by the Corporation

Maintain political security stability, peace of mind, ensure property safety, labor hygiene, fire and explosion prevention.

Proactively ensure raw materials, labor, equipment, technology, design, strictly manage economic standards, incurred costs, maintain stable product quality; Organize and manage production to ensure progress and meet customer requirements. Continuously recruit and train newly recruited labor resources to meet the production and consumption needs of the unit, gradually increase output and product quality to meet customer needs. Contribute to improving the productivity of investment machinery and equipment.

Strengthen management and training to improve knowledge for workers on operating procedures using equipment, especially the bottom sealing bag line system; Seriously carry out maintenance and repair work according to the determined plan. Strengthen the application and improvement of machinery and equipment; innovate and improve technology - techniques to partly compensate for the increase in raw material prices, gifi stabilizes production efficiency.

Regularly update product sales volume to compare debts and firmly grasp the financial capacity information of each customer, taking advantage of opportunities to collect debts; Focus on resolutely collecting debt from customers with late payments and bad debt, minimizing debt risks. Pay attention to ensuring capital for production, investment and payment of policies for employees. Control and manage financial activities in accordance with regulations, overcome shortcomings and limitations after each inspection and audit.



# D.

## **BOARD OF DIRECTORS REPORT**

- 1. Board of Directors'assessment of all aspects of the company's operations**
- 2. Board of Directors'assessment of Management's Performance**
- 3. Board of Directors'Orientation Plan**

## 1. EVALUATION OF THE BOARD OF DIRECTORS ON ALL ASPECTS OF THE ACTIVITIES OF COMPANY

In 2024, the consumption market for cement bags in the country will decline sharply, the price of main raw materials (plastic granules, kraft paper) fluctuates, increasing and decreasing is difficult to forecast. Increased transportation and logistics costs affect sales costs. The increase in the number of labor exported affects the attraction of labor and the resulting training costs. Negotiations to increase product prices encountered many difficulties that could not be adjusted due to increasingly fierce competition in product consumption, directly affecting the production and consumption of products of the unit, but the Board of Directors directed and implemented the production and business plan, focusing on solving key issues to help the Executive Board successfully complete the planned targets. Especially ensuring jobs and stable income for workers.

In addition to the meetings, the Board of Directors passed decisions by consulting members in writing to direct and resolve related issues within the authority of the Board of Directors. At the same time, direct, manage and supervise the activities of the Executive Board in implementing the resolutions of the general meeting of shareholders and the Board of Directors.

The Board of Directors regularly reviews and inspects the implementation of functions and tasks of the company's Executive Board, always ensuring the operation and management of production and business activities in accordance with the law and internal governance regulations. The members of the Board of Directors are specifically assigned to each area under their authority to supervise, direct and urge the Board of Directors to implement tasks in accordance with the resolutions and decisions of the Board of Directors

Reports on the Company's management situation in 2024 will be fully and timely disclosed to the State Securities Commission, Hanoi Stock Exchange and on the Company's information page in accordance with regulations.

### MAIN TARGETS HAVE BEEN ACHIEVED

Unit: Million dong

No.	Targets	2023	2024	%
1	Charter Capital	74,999	74,999	100,00%
2	Output (million bag)	119,42	117,21	98,15%
3	Revenue and other income	877.567	825.121	94,02%
4	Profit before tax	35.413	35.164	99,30%
5	Profit after tax	28.069	27.908	99,43%
6	Basic profit /CP (dong)	2.923	2.882	98,60%
7	Dividends (%)	18	18	100,0%
8	Average income (d/person/month)	12.024.452	12.308.497	102,4%

### About Investment:

During the year, the unit invested in 02 air compressors; 01 chiller; 01 strapping machine; 01 edge recovery machine; 03 Huynhdai trucks; 01 bottom gluing machine line system; 01 bale press and 01 domestic wastewater filtration system with a total investment value of 10,584.92 million VND. The assets have been fully invested and put into operation, promoting good capacity to ensure production and business.

Among the five units that have filed documents and liquidated them, they include: 01 fire pump at Factory 1; 01 heat-resistant skylight system; 01 Indian belt weaving machine and 03 Huynhdai 320 trucks according to Decision No. 395/2024QD-VBC dated June 6, 2024 of the Board of Directors. With a recovered value of 606 million VND.

### Corporate governance:

In 2024, the Board of Directors will fully comply with operating regulations. In addition to regular meetings, the Board of Directors regularly discusses, discusses, and reaches consensus through meetings, irregularly, through phone and online exchanges, and soliciting written opinions to promptly approve issues and issue resolutions and decisions on investment, human resources, and production and business orientation; Promulgate, amend and fully supplement regulations on internal governance, company charter, organizational structure... to help the Company operate more and more regularly and orderly.

### Supervision of the executive board and management staff:

The Board of Directors supervises the company's Executive Board through inspection and evaluation of the implementation of resolutions and decisions of the Board of Directors. Over the past year, the Executive Board under the direction and supervision of the Board of Directors has worked hard to successfully complete assigned tasks in difficult production and business conditions.

## 1. BOARD OF DIRECTORS' ASSESSMENT OF MANAGEMENT'S PERFORMANCE

### Board of Directors' supervision of the executive board:

The coordination of activities between the Board of Directors and the Board of Management is carried out in accordance with the provisions of the Company's Charter and Management Regulations. The management of production and business by the Board of Directors is not hindered, the supervision of the Board of Directors and the Board of Supervisors is maintained regularly and closely, ensuring that the Company's activities comply with the content of resolutions and decisions of the Board of Directors.

Periodically, the Board of Directors approves monthly, quarterly, six-month, and annual Financial Reports and Business Plans reported by the Executive Board. Orienting capital assurance, debt recovery, market development and quality technology work

In 2024, the Board of Management has fully fulfilled its responsibility to report, explain, and disclose information about business operations fully and transparently. The Executive Board has complied with the Board of Directors' submission and approval requirements at regular and extraordinary meetings. Daily business and operational activities are followed according to management procedures.



## 2. BOARD OF DIRECTORS' PLANS AND ORIENTATION 2025

It is expected that by 2025, the price of input materials will fluctuate in an increasing direction, the product consumption market will always be competitive in terms of quality, progress, price, sales mechanism... Therefore, output The Company's consumption will face many difficulties.

Requirements on targets, production and business plans, management and ensuring jobs and income for employees are major challenges facing the Company. Given the above characteristics of the situation, the Board of Directors determined the 2025 operating plan as follows:

1. Continue to coordinate closely with the Board of Supervisors and the Board of Management in working relations for the common interests of the company and shareholders with the highest sense of responsibility and regularly proactively remove problems. hard; Strictly comply with relevant regulations of the Law, Charter, and Corporate Governance Regulations. Maintain a quarterly meeting regime and organize written consultations with members of the Board of Directors to direct the timely implementation of key tasks and resolutions in 2025.
2. Closely follow planned targets and consumer market needs to issue resolutions to implement quarterly, six-month and yearly tasks or in each specific case, striving to complete the targets set by the General Assembly. Annual shareholder approval in 2025. In the context of many competitors appearing in the market, the Company has implemented solutions to develop production and business, retain customers, and increase revenue. Analyze competitors and build and create business plans with policies and good product quality to attract customers and expand export markets. Strongly strengthen marketing, customer care, research new products, expand marketing scope, promote product images to domestic and foreign customers
3. Approve and assign plan targets for 2025. Approve amendments and supplements to the system of economic and technical norms, payroll organization and staffing of the Company in 2025.
4. Direct the implementation of investment work to ensure effectiveness, on schedule, and in accordance with the provisions of law. Focus on investing in essential items that need to be prioritized first. Review and arrange items according to investment priority, focusing on accelerating implementation progress to soon serve production activities.
5. Continue to perform the task of inspecting and supervising the Board of Directors in managing and operating production and business activities, investing in capital construction, and managing capital, supplies, and assets of the Company according to the resolutions of the Board of Directors.
6. Review and evaluate compliance with rules, regulations and regulations issued by the Company in practical activities and implementation of resolutions.

A hand holding a glowing lightbulb over stacks of coins, symbolizing investment and corporate governance. The background is a blurred office setting with another hand pointing at a document.

## **E. CORPORATE GOVERNANCE**

- 1. Board of Directors**
- 2. Board of Control**
- 3. Insider and related party transactions**

## 1. BOARD OF DIRECTORS

During the past term, the Board of Directors fully complied with operating regulations. In addition to regular meetings, the Board of Directors regularly discussed, discussed, and reached consensus through extraordinary meetings, via phone and online exchanges, Written opinions to promptly approve issues and issue resolutions and decisions on investment, personnel, and production and business orientation; Promulgate, amend and fully supplement regulations on internal governance, company charter, organizational structure... to help the Company operate more and more regularly and orderly.

### Board meetings

No	Member of the Board of Directors	Number of Board of Directors meetings attended	Meeting attendance rate	Reason for not attending the meeting
1	Mr. Nguyen Huu Son	04	100%	
2	Mr. Le Xuan Tho	04	100%	
3	Mr. Truong Dac Thanh	04	100%	
4	Mr. Nguyen Trung Kien	04	100%	
5	Mrs. Pham Nguyet Minh	04	100%	

### Resolutions and decisions of the board of directors

Resolution/Decision number	date	Content
1 09/NQ-HDQT	02/01	Resolution of the 4th Quarter meeting of the Board of Directors
2 22/QD- HDQT	15/01	Decision Regarding Approval of investment plan "Bottom sealing bag production line".
3 23/QD- HDQT	16/01	Decision to establish a steering committee for investment in bottom-sealing bag production line bottom-sealing bag production line".

Resolution/ Decision number	Date	Content
4 24/QD- HDQT	16/01	Decision Regarding the establishment of a team to evaluate the investment and procurement package "Bottom sealing bag production line"
5 26/QD- HDQT	18/01	Decision Regarding Approving the plan to select a contractor to provide "Bottom sealing bag production line".
6 58B/QD- HDQT	02/02	Decision Regarding the request for approval of the short list of contractors participating in the limited bidding for the supply of equipment "Bottom sealing bag production line"
7 91/NQ- HDQT	05/03	Resolution Regarding the organization of the Annual General Meeting of Shareholders in 2024
8 93B/QD- HDQT	05/03	Resolution of the 1st Quarter 2024 meeting of the Board of Directors.
9 94/QD- HDQT	06/03	Decision regarding promulgation of Financial Management Regulations.
10 107B/ QD- HDQT	22/03	Decision regarding request for approval of results of evaluation of Technical Proposal for supply of equipment for "Bottom sealing bag production line"
11 108B/ QD- HDQT	23/03	Decision Regarding the request for approval of the ranking list of contractors providing equipment for "Bottom sealing bag production line"
12 109B/ QD- HDQT	23/03	Decision Regarding Approval of the results of selecting a contractor to provide equipment for "Bottom sealing bag production line"
13 351/NQ- HDQT	26/04	Resolution of the 2024 Annual General Meeting of Shareholders
14 356/NQ- HDQT	03/05	Resolution Regarding payment of dividends in 2023 in cash
15 395/QD- HDQT	06/06	Decision regarding approval of liquidation of fixed assets
16 430B/NQ- HDQT	19/07	Resolution of the 2nd Quarter 2024 Meeting of the Board of Directors
17 431/QĐ- HDQT	19/07	Decision on promulgation of information disclosure regulations of Vinh Plastic, Bags Joint Stock Company
18 445/QĐ- HDQT	01/08	Decision on approving fixed asset investment settlement in August 2024.
19 451/NQ- HDQT	19/08	Resolution on welfare fund appropriation in 2024
20 512/NQ-HDQT	24/10	Resolution of the 3rd Quarter 2024 Meeting of the Board of Directors

## 2. BOARD OF CONTROL

### Member of the Supervisory Board

No	Member of the Supervisory Board	Position	Date of starting/no longer being a member of the Supervisory Board	Professional qualifications
1	Mr. Tran Ngoc Sam	Prefect	22/04/2017	Bachelor of Economics
2	Mrs.Nguyen Thi Minh	Member	10/04/2018	Bachelor of Economics
3	Mrs.Dong Thi Ha	Member	18/04/2023	Bachelor of Economics

### Supervision activities of the Supervisory Board for the Board of Directors, Board of Executive Directors and shareholders

- Supervise compliance with the provisions of law, the Company's Charter and Resolutions of the General Meeting of Shareholders when the Board of Directors and Executive Board carry out their duties;
- Periodically check and monitor quarterly, six-month, and yearly financial reports to evaluate the reasonableness and accuracy of financial data;
- Review reports evaluating management and administration and reports on the implementation of production and business plans and capital construction investment plans implemented by the Board of Directors;
- Inspect and review the submission and procedures for promulgating documents, internal rules, and internal management regulations of the Company in accordance with the provisions of Law and the Company's Charter;
- Supervise the Company's information disclosure according to the regulations of the State Securities Commission;
- Attend all meetings of the Board of Directors and Board of Directors and contribute opinions;
- Carry out a number of other tasks according to the provisions of the Law, Charter and Operation Regulations of the Supervisory Board.

### Meeting of the Supervisory Board

No	Member of the Supervisory Board	Number of meetings attended	Meeting attendance rate	Voting rate	Reason for not attending the meeting
1	Mr. Tran Ngoc Sam	04	100	100	
2	Mrs.Nguyen Thi Minh Trang	04	100	100	
3	Mrs.Dong Thi Ha	04	100	100	

### Coordination of activities between the board of supervisors and the activities of the board of the directors, executive management and other management personnel

The Supervisory Board regularly inspects and reviews all resolutions issued by the Board of Directors and the implementation of the Resolutions and production management by the Board of Executive Directors. Regularly make timely recommendations to the Board of Directors and Executive Board in production and business activities and other activities of the company. Every quarter, the Supervisory Board organizes inspections of documents and accounting books to guide the financial activities of the unit to be preserved and developed.

## 3. Stock transactions of insiders and related parties of insiders

No





# F.

## SUSTAINABLE DEVELOPMENT

1. Sustainable Development Goals
2. Board of Directors' Review
3. Sustainable Development indicators

Sustainable development is identified as an important goal of the Company's Board of Directors and Executive Board. The Company's Board of Directors believes that sustainable development comes from the daily efforts of each ell in the enterprise. Enterprise development is the ultimate task, but how to always maintain that ultimate goal requires Ask the Company's Board of Directors to be wise in each strategy and determined in each action. In VBC's long-term development strategy, sustainable development goals will contribute to increasing corporate value, while contributing to building a good, civilized society.



## 1. SUSTAINABLE DEVELOPMENT GOALS

Starting from the ultimate goal that the Company aims at is sustainable development, stable long-term development associated with regional and national social goals, Vinh Plastic, bags Joint Stock Company constantly Try to associate all production and business activities with sustainable development activities such as always paying attention to the ability to reuse input materials, ensuring safety when discharging water into the environment. school, always focusing on equipping labor protection equipment for workers or having charitable activities to share and contribute to the local community. The entire company's leadership team always thinks about how to balance economic development with sustainable development because only with the support of the community can a business go far and develop for a long time. durable in all circumstances".



## 2. Board of Directors' Review

### Assessment of environmental activities

VBC always strives to limit the impact on the environment during its production and business activities. VBC has a specialized environmental department, in charge of monitoring and supervising the Company's environmental compliance. Employees are regularly trained and reminded about the economical use of energy, as well as regulations on environmental hygiene and labor safety. In addition, the Company conducts regular environmental monitoring to check Control your waste discharge activities

During the process of construction and development, the Company always strictly implements the State's laws on environmental protection, while maintaining the application of environmental protection measures according to State standards. The environmental management system at VBC's factory is conducted according to a strict process to help the company better manage and control environmental hazards, thereby minimizing the business's environmental risks in the future. operating process.

To comply with environmental regulations, rainwater and domestic wastewater have a system of ditches, troughs to collect, treat and filter sedimentation tanks at the final discharge point before being discharged into the environment. According to annual monitoring results, wastewater meets allowed indicators. Ordinary solid waste and scrap during the production process are transported to facility 2 in Gia Lach Industrial Park, Nghi Xuan district, Ha Tinh province for recycling and use. Hazardous waste is mainly oil, burnt machine grease, greasy rags, broken light bulbs, ink cartridges... which are classified, stored in drums and stored in a separate warehouse. Every year the Company signs contracts with functional units and specialized departments for transportation and processing

### Evaluate community – related activities

VBC understands that the Company's development contributes to the development of the locality and society; And vice versa, the support of the local community is also the motivation for VBC to make further efforts. The company always believes that all activities the company is carrying out are aimed at serving the life of the community better.

### Evaluate employee related activities

Determining that people are the core factor promoting sustainable development of the enterprise, from the first day of establishment, VBC has strived to provide employees with the best working environment and the most complete capacity development opportunities. and a rich life both materially and spiritually

Ensuring labor safety for employees: Employees are equipped with standard labor protection equipment, have annual health checks to minimize risks as well as promptly detect and treat occupational diseases. career; The office buildings and manufacturing plants are equipped with fire protection systems, fire alarms, fire extinguishers, faucets... to promptly respond to emergency situations.

Life care for employees: Employees at the company are eligible to participate in all 3 types of insurance, including: social insurance, health insurance, unemployment insurance as well as benefits on salary, bonuses, vacation mode. The company also focuses on the quality of workers' meals at the factory. The company regularly has training programs for employees to help them improve their skills as well as compensation policies to encourage the working spirit of employees.

#### Specifically:

- In 2024, the union executive committee proposes to support sightseeing and vacation expenses for April 30 and May 1 of 1,664,150,000 VND for 897 workers.

- Visited 31 comrades in difficult circumstances and serious illnesses with an amount of 57,000,000 VND. Giving Tet gifts to the poor in Nghe An and Ha Tinh areas: 10,000,000 VND; Giving gifts to soldiers, retired officers and policy families of 23,000,000 VND.

Assign officials to visit and give gifts to the families of martyrs and sick soldiers on July 27 in the area of 10 million, and give gifts to 2 union members and children of martyrs of 2 million.

Coordinate with women's organizations to give gifts on June 1 and Mid-Autumn Festival: 503,400,000 VND.

# 3. SUSTAINABLE DEVELOPMENT INDICATORS

## Raw material source

The Company's main raw materials are mainly PP, PE plastic pellets, and various types of Kraft paper. To ensure product quality as well as production costs, the Company always makes competitive choices to find the best raw material suppliers. The Company's raw material sources imported from domestic and foreign supply companies have been relatively stable in recent years. The company manages raw material resources reasonably, uses them economically and effectively, and recycled production materials is both economical and beneficial to the social environment.

## Energy consumption

**Water:** Water used in production is clean water. Domestic wastewater is treated by the Company with an advanced wastewater treatment plant. The wastewater treatment process is always strictly followed and treated in accordance with the provisions of the Law on environmental protection. The company controls the percentage and total amount of water recycled and reused. Water saving measures used by the Company:

- Use water-saving toilet systems (automatic flush faucets, automatic flushing tanks, etc.)
- Regularly check for water leaks and take timely remedial measures.
- Reuse water for other company and factory activities.
- Do not use toilet water for other purposes.

**Electricity:** The company always pays attention to the issue of electricity consumption, energy saving and constantly explores and researches to find feasible energy saving solutions while improving the compliance awareness of staff and workers. members as well as the leadership team in using electricity saving.

- VBC has been installing and upgrading the entire lighting system with energy-saving devices (economical compact bulbs, lights that automatically turn on and off,...)
- Design the office to make the most of natural light instead of using a lighting system.
- Regulations on turning off the entire electrical system after work
- Periodically maintain the system to maintain maximum system performance and save energy.
- Maintain a suitable temperature of 24-27 degrees Celsius, avoid too much difference with the outside temperature, Turn off the entire air conditioning system after 6:00 p.m., Do not open the windows when opening the air conditioner.

## Comply with environmental protection laws

The company always strictly implements the State's laws on environmental protection, while maintaining the application of environmental protection measures according to State standards. The environmental management system at VBC's factory is conducted according to a strict process to help the company better manage and control environmental hazards, thereby minimizing the business's environmental risks in the future. operating process. In addition, the Company always researches the potential of renewable energy sources for investment while minimizing negative impacts on the environment. In addition, the Company has programs that call on employees to effectively use resources and save money.



## Employee related policy

### Salary:

Remuneration policies for employees in the Company are often of concern. Policies on salary, health insurance, unemployment insurance and salary increase according to annual term.

In addition to the benefits specified in the Labor Law, employees in the Company also enjoy benefits in the form of travel, vacation, maternity and sickness benefits, hardship benefits... The company has a worthy reward policy for individuals and groups with excellent achievements, contributions to technical solutions that help bring high business efficiency, and at the same time applies measures and regulations. Penalize employees whose actions negatively affect the Company's operations and image.

### Regime and allowance

Employees are entitled to hazardous compensation regimes, Social Insurance, Health Insurance, Unemployment Insurance, and labor protection equipment are fully implemented in accordance with current laws. .

On the basis of labor classification and the Company's funds, quarterly, six-monthly, and yearly, employees are allocated bonus funds by the Company to complete the plan based on the results of labor classification in that period.

Fully implement benefits for employees according to the provisions of law.

### Employee training and development:

Every year, the Company organizes on-the-job training for workers who are due to take exams to upgrade their salary, skills, and worker levels. In addition, we also organize skills training for workers before moving to new job positions. During the training period, employees do not have to pay any fees, but still enjoy salaries and allowances according to prescribed norms.

# G. FINANCIAL REPORT 2024



Please visit the website: [Nhuabaobivinh@gmail.com](mailto:Nhuabaobivinh@gmail.com)