



Board of Supervisors

No. 01/2025/BC-HIPC-BKS

Ho Chi Minh City, March 28, 2025

**REPORT OF THE BOARD OF SUPERVISORS
AT THE 2025 ANNUAL GENERAL MEETING OF SHAREHOLDERS
ON THE OPERATING RESULTS OF 2024**

- Pursuant to the Enterprise Law No. 59/2020/QH14 dated June 17, 2020;
- Pursuant to the Securities Law No. 54/2019/QH14 dated November 26, 2019;
- Pursuant to Decree No. 155/2020/ND-CP dated December 31, 2020 of the Government detailing the implementation of a number of articles of the Securities Law;
- Pursuant to Circular 96/2020/TT-BTC dated November 16, 2020 guiding information disclosure in the securities market;
- Pursuant to the Charter of Hiep Phuoc Industrial Park Joint Stock Company (sixth amendment) dated June 28, 2019;
- Based on the audited financial statements for the fiscal year ended December 31, 2024 of Hiep Phuoc Industrial Park Joint Stock Company,

The Board of Supervisors reports on the operating results and the results of monitoring the operations and finances in 2024 for Hiep Phuoc Industrial Park Joint Stock Company (HIPC) as follows:

I. OPERATING REPORT AND ASSESSMENT OF THE BOARD OF SUPERVISORS (BOS):

- As of December 31, 2024, the BOS consisted of 3 Members of the Board of Supervisors as follows:

No.	Member of the Board of Supervisors	Position	Date of appointment
1	Mr. Nguyen Kien Tan	Member of the Board of Supervisors	15/08/2022
		Head of the Board of Supervisors	24/02/2023
2	Mr. Le Van Cong	Member of the Board of Supervisors	15/08/2022
3	Ms. Le Nguyen Khanh Ngoc	Member of the Board of Supervisors	15/08/2022

- On February 24, 2023, the BOS met and elected Mr. Nguyen Kien Tan to hold the position of Head of the BOS for the term (2022-2027) according to Minutes of BOS Meeting No. 01/2023/BB-HIPC-BKS dated February 24, 2023.
- The BOS has exercised its rights and obligations in accordance with the provisions of the Enterprise Law, the Company's Charter, and the Company's internal governance regulations. The BOS's activities in 2024 mainly focused on the following contents:
 - Monitoring, supervising and inspecting the implementation of Resolutions of the General Meeting of Shareholders (GMS), the implementation of the Company's business plan;
 - Reviewing the reasonableness and legality of the Resolutions of the Board of Directors (BOD), Decisions of the BOD in the work, management and administration in accordance with the provisions of Law, Charter, BOD Operating Regulations, Internal Regulations on corporate governance and the actual situation of the Company;
 - Reviewing the reasonableness, honesty, and prudence in management and business administration; the systematic, consistent, and appropriate nature of accounting, statistics, and financial reporting;
 - Reviewing and appraising the honesty and reasonableness of the company's business performance report and audited financial statements for 2024;
 - Attending and discussing at the company's BOD meetings; supervising and counting votes in the written consultation of the BOD;
 - Reviewing the periodic disclosure of information and checking the authenticity of the disclosed information;
 - Reviewing the periodic reports prepared by the Board of Management (BOM) and submitted to the BOD;
 - Submitting a proposal for the selection of an auditing unit for the Financial Statements to the Annual General Meeting of Shareholders for consideration and decision;
- The Relationship in coordinating activities between the BOS, BOD, and BOM was carried out in accordance with the provisions of Law, Charter, BOD Operating Regulations, BOS Operating Regulations, and Internal Regulations on corporate governance but still maintained independence and objectivity in exercising the assigned rights, functions, and duties.

II. REPORT ON MONITORING RESULTS OF THE BOARD OF SUPERVISORS:

Scope and Limitations of Control:

The Member of the Board of Supervisors acknowledges and provides comments and assessments on the control contents based on relevant documents, records, and reports provided by the Management Board and functional departments of HIPC.

Limitations of Control of the Member of the Board of Supervisors: The Member of the Board of Supervisors carries out procedures to inspect business operations and appraise the 2024 audited Financial Statements of HIPC based on the method of assessment, analysis, and sampling of executed/completed records (post-audit) stored at specialized functional departments to collect documents/records/information for the inspection and provide the Member of the Board of Supervisors' opinions.

1. Implementation Status of the 2024 Annual General Meeting of Shareholders Resolution and the Board of Directors Resolution

1.1. Resolution of the 2024 Annual General Meeting of Shareholders:

Pursuant to Resolution No. 06/2024/NQ-HIPC-ĐHĐCĐTN dated April 26, 2024 of the 2024 Annual General Meeting of Shareholders, the implementation status of the main contents is as follows:

- Regarding land lease business activities: In 2024, the procedure for determining land rental unit prices to pay land rent to the State has not yet been implemented, so the land sublease business continues to be suspended. Land lease revenue in 2024 mainly comes from land lease contracts from 2019 and earlier.
- Regarding investment and construction plans: details are in Section 4 of this Report.
- Regarding the payment of remuneration to the BOD and BOS in 2024: The Company has made full payment in accordance with the 2024 General Meeting of Shareholders Resolution. Specifically, as follows:

Unit: Thousand Dong

No.	Content	Implementation in 2024			
		Quantity	Remuneration/ month	Number of months paid	Actual expenditure in 2024
I	Board of Directors				696,000
1	Chairman of the Board of Directors	1	10,000	12	120,000
2	Member of the Board of Directors	6	8,000	12	576,000
II	Board of Supervisors				264,000
1	Head of the Board of Supervisors	1	8,000	12	96,000
2	Member of the Board of Supervisors	2	7,000	12	168,000
III	Secretary of the Board of Directors	1	5,000	12	60,000
IV	Total				1,020,000

- Regarding the salary and bonus of the Board of Management: The Board of Management receives salary, bonuses, and other welfare benefits based on their position, job title, the level of task completion, and the company's current regulations. The salary of the members of the Board of Management is approved by the Board of Directors according to the Company's salary policy. Specifically:

Unit: Thousand Dong

No.	Name	Number of months	Salary/month	Salary in 2024	Holiday bonus, Tet bonus, 13th-month salary	Total salary and bonus in 2024
I	GENERAL DIRECTOR					
1	Huynh Bao Duc	12	63,261	759,132	222,000	981,132
II	DEPUTY GENERAL DIRECTOR					
1	Nguyen Thi Binh	12	45,701	548,412	163,954	712,366
2	Giang Ngoc Phuong	12	45,701	548,412	163,954	712,366
III	TOTAL					2,405,864

- Regarding profit distribution and fund appropriation: at the 2024 Annual General Meeting of Shareholders, the General Meeting of Shareholders approved the content "No fund appropriation and no dividend payment for 2023".

- Regarding the selection of an audit firm: The 2024 Annual General Meeting of Shareholders passed a Resolution to select an audit firm for the 2024 Financial Statements. The Board of Directors issued Resolution No. 08/2024/NQ-HIPC-HĐQT dated May 24, 2024 on Agreeing to select AFC Vietnam Auditing Company Limited as the audit unit for the 2024 Financial Statements.

1.2. Resolutions of the Board of Directors:

Resolutions of the Board of Directors in 2024:

No.	RESOLUTION NUMBER	DATE	RESOLUTION CONTENT
1	01/2024/NQ-HIPC-HĐQT	28/02/2024	Plan for organizing the 2024 Annual General Meeting of Shareholders.
2	02/2024/NQ-HIPC-HĐQT	01/04/2024	Contents proposed to the 2024 Annual General Meeting of Shareholders.
3	03/2024/NQ-HIPC-HĐQT	01/04/2024	Regarding the discontinuation of investment and construction of the "High-rise Factory" project.
			Regarding the termination of sublease contracts with enterprises that have not/delayed putting land into use at Hiep Phuoc Industrial Park.

			Regarding the adjustment of the land sublease contract of Honda Logicom VN (Lot D7a-4) and other land sublease contracts at Hiep Phuoc Industrial Park Phase 2 from 2018 and earlier.
4	04/2024/NQ-HIPC-HĐQT	09/04/2024	Adjust the approved content of the policy to install a new automatic wastewater monitoring system in Resolution No. 11/2023/NQ-HIPC-HĐQT dated 05/04/2023.
5	05/2024/NQ-HIPC-HĐQT	09/04/2024	Approve the Technical Economic Report of the Automatic Monitoring System.
6	07/2024/NQ-HIPC-HĐQT	24/05/2024	Approve the contractor selection plan for the Automatic Monitoring System.
7	08/2024/NQ-HIPC-HĐQT	24/05/2024	Agree to select AFC Vietnam Auditing Company as the auditor for the 2024 financial statements.
8	09/2024/NQ-HIPC-HĐQT	24/05/2024	Approve the sales policy for 2 vacant land lots with completed legal procedures at Hiep Phuoc Industrial Park - Phase 1.
9	10/2024/NQ-HIPC-HĐQT	24/05/2024	Agreement on the amendment and supplementation of clauses in the Joint Venture Contract between HIPC & Vie-pan Industrial Park Co., LTD.
10	11/2024/NQ-HIPC-HĐQT	24/05/2024	Propose to the City People's Committee to review and adjust the detailed planning of the 1/2000 scale construction subdivision of Hiep Phuoc Industrial Park - Phase 2.
11	12/2024/NQ-HIPC-HĐQT	02/07/2024	Authorize the General Director for personnel-related matters.
12	14/2024/NQ-HIPC-HĐQT	29/07/2024	Agree to dismiss Ms. Nguyen Thi Thanh Ngoc from the position of Person in charge of corporate governance cum Company Secretary for term IV (2022-2027).
13	15/2024/NQ-HIPC-HĐQT	29/07/2024	Appoint Ms. Phan Thi Thanh Van as Person in charge of corporate governance cum Company Secretary for term IV (2022-2027).
14	17/2024/NQ-HIPC-HĐQT	23/10/2024	Approve the policy to develop a project to transform Hiep Phuoc Industrial Park into an eco-industrial park.
15	18/2024/NQ-HIPC-HĐQT	04/11/2024	Adjust the "Investment Project for Construction and Business Infrastructure of Hiep Phuoc Industrial Park Phase 2".
16	19/2024/NQ-HIPC-HĐQT	04/11/2024	Appoint Ms. Lu Thi Thu Van as a member of the Appraisal Committee.
17	20/2024/NQ-HIPC-HĐQT	26/11/2024	Issue the Company's Financial Management Regulations.
18	21/2024/NQ-HIPC-HĐQT	10/12/2024	Approve the policy to hire consultants to prepare a report on reviewing and adjusting the planning scheme.
19	22/2024/NQ-HIPC-HĐQT	2024-12-10	Approve the 2023 Business Performance Report and the 2024 Business Plan of Viepan.

In 2024, the Company's Board of Directors issued 19 Resolutions, of which 14 Resolutions were issued after the 2024 Annual General Meeting of Shareholders. Important matters have been decided by the Board of Directors in accordance with its functions and duties.

2. Conducting financial statement appraisal and monitoring financial results:

The Member of the Board of Supervisors has appraised HIPC's 2024 Financial Statements (audited by the independent audit firm AFC Vietnam Auditing Company Limited) and confirmed the following results:

"The Financial Statements fairly and reasonably reflect the Company's financial position as of December 31, 2024, as well as the results of business operations and cash flows for the fiscal year ended December 31, 2024, in accordance with applicable Vietnamese accounting standards, enterprise accounting regimes, and relevant legal regulations on the preparation and presentation of Financial Statements."

- The Board of Supervisors notes that by the issuance date of the 2024 audited financial statements, HIPC still lacked an officially approved land rental unit price to adjust the cost recognition of land subleasing activities, significantly impacting HIPC's current business performance. Furthermore, in 2024, the Company liquidated 05 contracts related to land lease activities, resulting in the recognition of sales returns and a corresponding decrease in the cost of goods sold, amounting to 34.77 billion VND and 38.62 billion VND, respectively, impacting the annual operating results.

- The basic indicators of capital and assets as of December 31, 2024 are reflected in the financial statements as follows:

Unit: million VND

No.	Content	Year 2023	Year 2024
1	Total assets	2,450,440	2,398,005
2	Owner's equity	362,220	427,687
3	Profit after tax	67,459	66,198

3. Business performance in 2024:

HIPC's business performance in 2024 is presented in the following table:

Unit: million VND

No.	CONTENT	Plan 2024	Actual 2024	Actual 2024/ Plan 2024
1	Total revenue	133,978	70,081	52.3%
2	Total cost of goods sold	66,676	(24,510)	
3	Total expenses	43,143	28,392	65.8%
4	Profit before tax	24,160	66,199	274%
5	Corporate income tax	-	-	-
6	Profit after tax	24,160	66,199	274%

Source: HIPC's 2024 Audited Financial Statements

3.1 Total revenue:

HIPC's total revenue in 2024 reached 70.08 billion VND, achieving only 52.3% of the 2024 plan due to the following main reasons:

- Land rental revenue at the Industrial Park was low because the procedures for determining land rental unit prices for paying land rent to the State have not yet been completed, so the land subleasing business continues to be suspended. Revenue from land leases in 2024 mainly came from land lease contracts from 2019 and earlier.

- The Company's revenue mainly comes from the recurring activities of the Industrial Park, such as providing clean water, wastewater treatment, and worker accommodations, reaching 81.6 billion VND, exceeding the 2024 plan by 2.2%.

- Revenue from financial activities was 37.8 billion VND, a decrease compared to the 2024 plan, due to lower average interest rates at banks in 2024.

- Land recovery: In 2024, the Company refunded land rent to several enterprises in the Industrial Park because these enterprises had not been granted permission to implement projects, and the enterprises adjusted land lease contracts. Therefore, land recovery revenue was recorded as negative.

3.2 Total cost of goods sold and expenses:

The total cost of goods sold recorded a negative 24.5 billion VND because, in 2024, the Company recovered land from several enterprises in the Industrial Park as mentioned above, thus recording a negative cost of goods sold.

Total expenses amounted to 28.38 billion VND, a 34% decrease compared to the 2023 plan, due to the Board of Management proactively adjusting and minimizing business management expenses in accordance with the actual situation.

3.3 Profit before tax:

Profit before tax reached 66.19 billion VND, exceeding the 2024 plan by 2.7 times. This result was mainly due to a decrease in the cost of goods sold resulting from land recovery from some lessee enterprises in Hiep Phuoc Industrial Park. Moreover, although business operations at Hiep Phuoc Industrial Park encountered many difficulties in 2024, HIPC's Board of Management proactively adjusted and minimized corporate expenses to meet the set targets.

4. Investment and construction situation in 2024:

4.1. Investment implementation value table:

No.	Investment work item	Plan Actual 2024 (Unit: million VND)	Actual 2024 (Unit: million VND)	% Completion
1	Incident prevention and response works at the centralized wastewater treatment plant of Hiep Phuoc Industrial Park, phase 2	799	-	
2	Adjustment of the 1/2000 scale master plan for Hiep	1,539	-	

No.	Investment work item	Plan Actual 2024 (Unit: million VND)	Actual 2024 (Unit: million VND)	% Completion
	Phuoc Industrial Park, phase 2			
3	Renovation and completion of the fire protection system at the centralized wastewater treatment plant of Hiep Phuoc Industrial Park 1	1,686	1,686	100%
4	Renovation of the fire protection system at the worker's dormitory Block 1	2,665	2,665	100%
5	Installation of a new automatic and continuous wastewater monitoring system at Wastewater Treatment Plant 1 (Lot B11a) and upgrading and renovating the automatic and continuous wastewater monitoring system at Wastewater Treatment Plant 2 (lot F9XLNT)	2,241	-	
	TOTAL	8,930	4,351	48.7%

4.2. Assessment of investment and construction implementation:

In 2024, HIPC completed the renovation and completion of the fire protection system of the Hiep Phuoc 1 Industrial Park centralized wastewater treatment plant and the renovation of the fire protection system of the worker's dormitory Block 1.

The remaining items encountered many difficulties in procedures and legal basis for implementation, therefore they were not completed according to the plan, specifically:

- **Incident prevention and response works at the Hiep Phuoc Industrial Park centralized wastewater treatment plant, phase 2:** According to the investment registration certificate, the progress of infrastructure investment and construction in phase 2 has expired (2013-2022). Therefore, Hepza did not continue to process dossiers related to infrastructure investment and construction in phase 2.
- **Adjustment of the 1/2000 scale master plan for Hiep Phuoc Industrial Park phase 2:** The evaluation and review of the planning scheme at competent state agencies took a lot of time, so it has not been implemented yet.

- New installation of automatic and continuous wastewater monitoring system at Wastewater Treatment Plant 1 (Lot B11a) and upgrading and renovating the automatic and continuous wastewater monitoring system at Wastewater Treatment Plant 2 (lot F9XLNT): Completed in early 2025.

5. Financial situation

5.1 Asset structure:

Unit: million VND

No.	Content	Year 2023	Year 2024	Year 2024/2023
I	TOTAL ASSETS	2,450,440	2,398,005	97.9%
1	Short-term assets	913,911	829,467	90.8%
2	Long-term assets	1,536,530	1,568,538	102.1%
II	SOURCES OF CAPITAL	2,450,440	2,398,005	97.9%
1	Liabilities	2,088,220	1,970,318	94.4%
	- Short-term liabilities	1,946,054	1,890,632	97.2%
	- Long-term liabilities	142,166	79,685	56.1%
2	Owners's equity	362,221	427,687	118.1%

- **Current assets:** in 2024 were 829.46 billion VND, a decrease of about 9.2% compared to 2023. Mainly due to a decrease in bank deposits, the rest is mainly other short-term receivables recorded a decrease in the year.

- **Non-current assets:** in 2024 had a value of 1,568 billion VND, an increase of about 2.1% compared to 2023. Mainly due to the recognition in 2024 of the cost of unfinished construction from land and Industrial Park infrastructure of phase 2.

- **Liabilities:** in 2024 had a value of 1,970.3 billion VND, a decrease of 5.6% compared to 2023. The main reason for the decrease is that during the period the Company paid expenses and short-term payables to sellers.

+ **Current liabilities:** in 2024 were 1,890 billion VND, a decrease of 2.8% compared to 2023, the main reason for the decrease was due to a decrease in payables to other suppliers.

+ **Non-current liabilities:** in 2023 were 79.68 billion VND, a decrease of 43.9% compared to 2022, the main reason for the decrease was the recognition of the decrease in long-term loans as HIPC had paid down debt and provisions for signed land lease contracts with recognized risks decreased by 36.28 billion VND.

- **Owners's equity:** recorded a value of 427.68 billion VND, an increase of 18.1% equivalent to an increase of 65.46 billion VND compared to 2023.

5.2 Financial indicators:

No.	Index	Year 2023	Year 2024
1	Asset structure		
	Short-term assets / Total assets	37.30%	34.6%
	Long-term assets / Total assets	62.70%	65.4%
2	Capital structure		
	Liabilities / Total capital	85.22%	82.2%
	Owners's equity / Total capital	14.78%	17.8%
3	Solvency		
	Short-term debt solvency	0.47	0.44
	Quick solvency	0.44	0.13
4	Profitability		
	ROS	297.77%	199.1%
	ROA	2.75%	2.76%
	ROE	18.6%	15.48%
5	Financial leverage		
	Total assets/Owners's equity	6.8	5.6
	Total liabilities/Owners's equity	5.8	4.6

The solvency ratios are still low and have not improved. The ROA index is equivalent to the same period last year. The ROE decreased by 3.1% due to the increase in Owners's equity compared to the same period last year.

Current capital sources are mainly short-term liabilities, accounting for up to 78.8% of the capital structure, and Owners's equity accounts for a relatively low proportion.

According to the aforementioned financial indicators, HIPC's 2024 financial situation hasn't significantly changed compared to 2023, and business performance remains limited. HIPC's main operations continue to be impacted by land lease unit price regulations, which haven't been officially approved by competent authorities, directly affecting HIPC's core business performance in 2024. Additionally, the suspension of land leases from 2019 to the present, and potentially into subsequent years, will considerably affect HIPC's primary production and business activities and future capital resources.

Therefore, the Board of Supervisory proposes that HIPC's Board of Directors and Board of Management devise solutions addressing the highlighted issues in the 2024 audited financial statements to protect shareholder interests. Research solutions and urge relevant authorities to promptly approve official land lease unit prices to quickly stabilize HIPC's business operations. Continuously evaluate the 2025 business situation and market fluctuations for land leases, accommodation rentals, and other services in the industrial

park to strategize accordingly; stringently control and ensure proper expense usage as per regulations, maximize business cost savings, and ensure maximum profitability for HIPC.

6. Information Disclosure Status

Overall, HIPC's information disclosure in 2024 was fully executed and within the prescribed timeframe.

7. Supervisory Results of the Board of Directors and Board of Management Activities

7.1. Supervision of the Board of Directors' Activities:

As of December 31, 2024, the Board of Directors comprises 07 members, including 02/07 executive members and 05/07 non-executive members.

The Board of Directors adhered to the procedures for convening and organizing the 2024 Annual General Meeting of Shareholders in accordance with legal regulations, the Charter, the Board of Directors' Operational Regulations, and internal governance regulations. The company consistently ensures and facilitates shareholders' exercise of their rights, such as access to information and voting on matters at the General Meeting of Shareholders.

In 2024, the Board of Directors held 04 physical meetings and 08 written consultations, issuing 19 resolutions.

On April 26, 2024, HIPC held the 2024 Annual General Meeting of Shareholders; however, the Organization and Operation Charter (7th amendment) did not receive sufficient votes for approval. Therefore, the Board of Supervisors recommends that HIPC's Board of Directors resubmit the Organization and Operation Charter (7th amendment) to the 2025 Annual General Meeting of Shareholders for consideration and voting, ensuring amendments comply with the 2020 Enterprise Law and prevailing legal regulations.

During 2024, the Member of the Board of Supervisors issued 04 notices to the Board of Directors to expedite the resolution of outstanding matters. The Board of Directors diligently completed most of the pending tasks to ensure HIPC's regular business operations as well as the rights and interests of shareholders at HIPC.

7.2. Supervising the activities of the Board of Management:

As of 2024-12-31, the Board of Management comprises 03 members, including 01 General Director and 02 Deputy General Directors.

The Board of Management directly managed production and business activities according to their designated functions and responsibilities as stipulated in the Company Charter and consistently had representatives attending all meetings of the Board of Directors.

During 2024, the Board of Management prepared numerous reports and submissions, seeking input and providing updates to the members of the Board of Directors and the Board of Supervisors regarding business operations.

Furthermore, the Board of Management presented existing challenges and proposed solutions for the Board of Directors to consider, discuss, and endorse implementation strategies.

III. RECOMMENDATIONS

- The Board of Directors should collaborate closely with the Board of Management to expedite the resolution of outstanding issues with land sublease enterprises, safeguarding HIPC's interests and mitigating legal risks.

- Members of the Board of Directors, as representatives of IPC shareholders, are to engage directly with the owner to reach consensus and make timely decisions, ensuring efficient and prompt resolution of critical issues.

- The Board of Directors is requested to collaborate with the Executive Board to formulate a concrete plan to address matters pertaining to land rental rates as highlighted in the audited 2024 Financial Statements. The Board of Directors should request the Executive Board to propose a plan to petition competent authorities for prompt approval of official land rental rates to stabilize core business operations and protect shareholder interests.

- To prepare for land rent payment obligations upon the official approval of the land rental price by competent authorities, the Board of Supervisors recommends that the Board of Directors work with the Executive Board to develop a concrete financial plan, review the cost accounting procedures, land rent payment obligations, ensure proper accounting, and secure funds for land rent payments when the competent authorities issue the official land rental price for HIPC.

- The Board of Directors and the Board of Management should regularly review the 2025 business performance, closely monitor market fluctuations in land leasing, accommodation rentals, and other services at Hiep Phuoc Industrial Park. Consequently, they should develop flexible business strategies adaptable to real-world conditions while maintaining stringent cost control measures, ensuring compliance, and optimizing profits.

The Board of Supervisors respectfully proposes this report to the General Meeting of Shareholders for review and approval.

Recipients:

- As addressed;
- Disclosure documents of the General Meeting;
- Archived Admin, Secretary of the BOD.

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



NGUYEN KIEN TAN