

Hung Yen, 27th Apr, 2023

REPORT OF BOARD OF SUPERVISORS

To: Annual Shareholders' Meeting

Pursuant to:

- Law on Enterprise, Law on Securities, Company Charter of Everpia JSC
- Rights and duties of Board of Supervisors as prescribed.
- Audited Financial Report 2022 by Ernst & Young Viet Nam Limited.

Board of Supervisors of Everpia JSC would like to report Annual Shareholders' Meeting the result of 2022 as follow:

1. Board of Supervisors activities in 2022

In 2022, the Board of Supervisors has fully implemented all functions and duties as provided in the Law on Enterprises, the Company's Charter and the Operation Regulation of the Board of Supervisors. Specifically:

- Perform the supervisory role through the following methods
 - Monitor the activities of Board of Directors (“BOD”) through discussion with BOD members, attend regular meetings, email meeting of BOD thereby giving out recommendations to the BOD;
 - Supervise Board of Management through direct discussions to update the business performance, progress of the tasks assigned by Annual Shareholders' Meeting as well as resolutions of BOD;
 - Monitor through reports of Audit firm.
- The scope of supervision includes:
 - Supervise activities of the BOD, CEO and other executives;
 - Supervise business performance and finance of the Company;
 - Supervise information disclosure and related party transactions;
 - Supervise internal control system and risk management compliance.

In addition, based on monitoring results, Board of Supervisors proposes recommendations and advice to BOD and Board of Management on cost management, evaluation of self-innovation activities, improve inventory management efficiency, strengthen the internal audit function of Internal Control Department.

2. Result of monitoring the activities

❖ *Evaluation of the performance of the Board of Directors*

- The Board of Directors organized and maintained quarterly meetings. In addition, the Board of Directors also consult the members of the BOD in written documents to promptly approve and make decisions in order to implement the contents approved by the ASM as well as closely follow the implementation of major projects throughout the year.

- Every BOD meeting in particular, and other BOD's activities in general, the members of the BOD participated fully and worked with a high sense of responsibility, with the motto of strictly adhering to current laws, the Company's Charter, and internal regulations.
 - The resolutions and decisions of the BOD achieved a strong consensus of all members. The Board of Supervisors noted that there was nothing unusual in the activities of the BOD's members.
- ❖ ***Evaluation of the activities of the Board of Management and the CEO***
- Board of Management, especially CEO, has closely follow and manage the activities of each departments. The weekly strategy meeting with the each marketing team has improved their performance due to the timely adjustment of the operational plans to fulfill the sales and profit targets.
 - The 5S assessment and innovation reports are carried out monthly; the innovation competition is held semi-annually to increase the employees' self-improvement consciousness, productivity, cost-effective production, and efficient use of resources (energy, water, raw materials) to achieve our sustainable development goal.
 - During the management process, the CEO and the Board of Management quarterly reported to the Board of Directors and Board of Supervisors on the business performance and the expected plan and orientation for the next quarter.
 - The Board of Management operated the company in line with the laws and the Company's Charter, and the CEO and the Board of Management did not commit any irregularities or breaches in the course of running the company.
- ❖ ***Implementation of Resolutions of ASM***
- The 2022 business results have impressive growth, revenue achieved VND 1,024 billion (+18% y/y), profit reaches VND 91 billion (+54% y/y), completing 102% of target sales and 131% of target profit as assigned by the Annual Shareholders' Meeting.
 - The company paid dividends in 2021 in cash at the rate of 10% to all company shareholders on June 7, 2022 with the amount of VND 37.9 billion.
 - The remaining 888,184 treasury shares after successful issuance to existing shareholders at the rate of 8% in February 2022 were distributed to 54 employees in the Company with the issue price equal to par value and restrictions on transferring shares for one year from September 20, 2022.
 - The selection of audit unit for financial statements, remuneration for members of the Board of Directors and Board of Supervisors was implemented in accordance with the provisions of the Resolution of the Annual Shareholders' Meeting.
- ❖ ***Evaluation of the implementation of the Accounting and Financial Report***
- Financial statements for the year 2022 (including quarterly reports, interim reports, and annual audit reports) were prepared and presented honestly in accordance with current regulations.
 - No unusual events or transactions during the reporting period.
 - No cheating or serious mistake.
 - No violation of the obligation to disclose information.
 - Financial indicators such as liquidity, and financial leverage were at a safe level.

- The Accounting Department has readily prepared to publish financial statements in accordance with International Financial Reporting Standards (IFRS) from 2025 in line with the plan of the Ministry of Finance.
- Independent audit service: The audit firm and auditors were qualified. They acted independently. They audited the financial statements in a fair and objective manner, fulfilled all obligations as contracted, and complied with current accounting and auditing standards.

❖ ***Information Disclosure & Transactions with related parties***

- There was no violation in information disclosure in 2022.
- Transactions between the company, subsidiaries, companies where Everpia holds more than 50% of its charter capital with members of Board of Directors, CEO, other executives of the Company and their related persons: None
- Transactions between the Company and the companies in which a member of the Board of Directors, CEO, other executives of the Company who are founding members or executives for the last 3 years prior to the transaction time: None

❖ **Internal control and risk management system**

The company has not performed Internal Audit yet, but the company has an Internal Control department under the Board of Management to ensure the compliance of all company employees with production and business activities, specifically:

- Verify all payment vouchers of all teams;
- Review the calculation of CMT, calculate production cost, product cost;
- Periodically and randomly check process compliance, as well as monitor the effectiveness of the process and internal control system, and recommend or change control points necessary to increase risk management efficiency;
- Monitor whether the Company's activities are in accordance with the set orientations and strategic objectives and make recommendations to the Board of Directors.

3. The coordination between the Board of Supervisors and the Board of Directors, CEO and Shareholders

- The Board of Supervisors has closely coordinated with the Board of Directors, the Board of Management with the aim to maximize the legal interests of Everpia and shareholders, along with complying with the regulations on the operation regulations of the Board of Supervisors, and the Company's Charter.
- Board of Supervisors Members are fully informed about the quarterly meeting documents of the Board of Directors, the documents for the Board of Directors' opinions via email, thereby always being fully and timely updated with all information on the business plan of the company.
- For shareholders: The Board of Supervisors has not received any requests or complaints from shareholders or groups of shareholders

4. Meetings of Board of Supervisors and conclusion, opinion of Board of Supervisors

In 2022, Board of Supervisors has conducted 2 regular meetings with the full participation of members and discussed about the work under the assigned authority:

No.	Meeting date	Meeting content	Conclusions of Board of Supervisors
01	11/05/2022	1. Elect Chief of - Board of Supervisors for the term 2022 - 2026 2. Operational plan for the new term	<p>1. Electing the Chief of the Board of Supervisors Mr. Truong Tuan Nghia won the election with 3/3 (100%) votes</p> <p>2. Operational plan for the new term</p> <ul style="list-style-type: none"> - Review the contents of the plan of the Board of Supervisors in 2022 submitted to the Annual Shareholders' Meeting - Assign personnel within the members of the Board of Supervisors, in which, focus on the main tasks such as: <ul style="list-style-type: none"> o Assess and identify new material risks arising from changing business models and impacts of e-commerce; o Evaluate the effectiveness of the internal control system and recommend necessary improvements to improve quality of operational efficiency; o Supervise the preparation and publication of financial statements, the roadmap based on the IFRS standards from 2025 at the request of the Ministry of Finance; o Give opinions on the medium and long-term strategic plans of the Company; o Thematically assess on the effectiveness of factory self-innovation to improve the production management strategies to the Board of Management.
02	15/12/2022	1. Review the business performance for the first 11M2022 2. Update construction progress of Giang Dien factory 3. Evaluate the implementation of the Resolution of the Annual Shareholders' Meeting 4. Evaluate the implementation of the Resolution of the Board of Directors 5. Evaluate the effectiveness of	<p>1. Review the business performance:</p> <ul style="list-style-type: none"> - After 11 months, sales increased by 19%, reaching VND 897 billion, completing 81% of target sales; - Operating profit achieved 109 billion, increased 143% y/y; - Cost of goods sold and selling expenses are effectively managed through departmental cost management. <p>2. Construction progress of Giang Dien factory</p> <ul style="list-style-type: none"> - Complex factory: 50% complete - Padding factory: finished the civil part. - Garage: done - Sub-items: 80% complete - Infrastructure system: 70% complete <p>The factory can be expected to go into operation from the middle of Q2.2023</p> <p>3. Evaluation of the implementation of the resolution of the Annual Shareholders' Meeting</p>

	internal control activities	<p>- The tasks assigned by the Annual Shareholders' Meeting have basically been completed, such as paying dividends, remuneration for the independent Board of Directors and the Supervisory Board, selecting an auditing company, using treasury shares to sell to employees;</p> <p>- The whole company is trying their best to achieve the assigned revenue and profit targets</p> <p>4. Evaluation of the implementation of resolutions of the Board of Directors</p> <p>- The resolutions of the Board of Directors issued in the first, second and third quarters have been implemented and completed by the company.</p> <p>5. Evaluate the effectiveness of internal control activities</p> <p>- The Internal Control Department has performed well the roles of compliance control and risk control in all operating activities at the Company.</p>
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5. Remuneration and expenses of Board of Supervisors 2023

Unit: VND

Board of Supervisors	Position	Remuneration (before PIT)	Other expenses and interest
Mr. Truong Tuan Nghia	Chief	86,400,000	0
Mr. Ko Tae Yeon	Member	86,400,000	0
Mr. Nguyen Dac Huong	Member	86,400,000	0
Total		259,200,000	0

To:
- ASM 2023
- BOD
- Management
- Save

On behalf of. BOARD OF SUPERVISORS
Chief Supervisor
(signed)
TRUONG TUAN NGHIA