

No.: 01/BC-HĐQT

Hanoi, May 15, 2026

REPORT OF THE BOARD OF DIRECTORS

Summary of the term 2022-2026; Assessment of performance results in 2025; and Development Orientation for the period 2026-2031

Pursuant to:

- Law on Enterprises No. 59/2020/QH14 dated June 17, 2020; Law amending and supplementing a number of articles of the Law on Enterprises No. 76/2025/QH15 dated June 17, 2025;
- The Charter (amended for the 4th time) of the International Investment Trade and Service Joint Stock Company approved by the General Meeting of Shareholders on June 26, 2025;
- Resolution No. 01/NQ-HĐQT dated January 20, 2026, of the Board of Directors on the plan to organize the Annual General Meeting of Shareholders in 2026;
- Resolution No. 09/NQ-HĐQT dated April 10, 2026, of the Board of Directors on the approval of the documents for the 2026 Annual General Meeting of Shareholders.

The Board of Directors of the Company hereby reports to the General Meeting of Shareholders on the results of business operations for the period 2022-2026 and the orientation for the period 2026-2031 as follows:

I. SUMMARY OF MANAGEMENT ACTIVITIES DURING THE PERIOD 2022-2026

The Board of Directors' term for 2022-2027 was elected at the General Meeting of Shareholders on June 30, 2022, and is expected to end early as proposed at the 2026 Annual General Meeting of Shareholders. This is in the context of the State shareholder (Hanoi People's Committee) having successfully transferred its entire ownership stake in the Company (auction on March 20, 2026) and the need to streamline the management structure to conform with the new shareholder structure when converting from a joint-stock company with 45% state ownership to a 100% privately owned enterprise.

1. Board of Directors Personnel: The Board of Directors for the period 2022-2026 consists of 5 members:

- Mr. Phung Tien Toan, Chairman of the Board of Directors;
- Mr. Trieu Van Bang, Member of the Board of Directors – Deputy General Director;

- Mrs. Phung Thuy Hoa, Member of the Board of Directors – Deputy General Director;
- Mr. Nguyen Thai Hoa, Member of the Board of Directors;
- Mr. Nguyen Van Thinh, Member of the Board of Directors.

During the period 2022-2026, the Board personnel attended meetings and fully complied with the regulations under the 2020 Law on Enterprises (Article 157, Clause 1). The Board personnel successfully fulfilled their assigned roles and responsibilities, in accordance with the law and the Company's Charter.

The Board of Directors has clearly assigned responsibilities to each member in charge of the following areas:

- Mr. Phung Tien Toan (Chairman): responsible for overall management, strategic direction, enterprise restructuring and innovation, personnel organization within his authority, implementation of key investment projects, and direction of state divestment;

- Mr. Nguyen Thai Hoa: directs and supervises the logistics business sector, external relations, marketing, and project implementation in the southern provinces;

- Mrs. Phung Thuy Hoa: in charge of supervising labor export, human resources administration, salary organization, occupational safety, environmental hygiene, and socio-cultural affairs;

- Mr. Trieu Van Bang: directs and supervises commercial business operations, infrastructure exploitation, annual business and investment plans, and management technology strategies;

- Mr. Nguyen Van Thinh: directs and supervises investment and projects in the northern provinces, and reviews the effectiveness of using capital contributions in subsidiaries and affiliated companies.

2. Management and Strategic Decision-making:

- Regulations System: The Board of Directors has issued a system of regulations that forms the foundation for the new phase, specifically:

No.	Name of the Regulation	Date of issuance
1	Rules of operation of the Board of Directors	July 1, 2022
2	Regulations on Company Management and Operation (Revised 1st time)	December 28, 2023
3	Regulations on the Management of Capital Representatives' Activities (Revised 1st time)	December 28, 2023
4	Regulations on the decentralization of management of construction investment projects and bidding and contractor selection.	December 10, 2024

5	Regulations on Financial Management (Revised 1st time)	August 19, 2025
6	Regulations on the delegation of authority between the Chairman of the Board of Directors and the Board of General Management	August 19, 2025
7	Regulations on the Management of Capital Representatives' Activities (Revised 2nd time)	May 15, 2026

- Continue to implement key investment projects: Approve and implement the My Dinh ICD (Inland Clearance Depot) construction project in Hoai Duc commune - a strategic infrastructure project that will create a stable revenue source and market position for ILS in the period 2026-2031 and subsequent years.

- Capital Management: Assigning targets and approving proposals for the opinions of the Capital Representatives at subsidiaries (ILSI, ILSW, ILSM...), affiliated companies (CGD, ILST, Curate IT, USC, ICC, IPC...); and other invested companies (Aviation Logistics Joint Stock Company, Tay Ninh Logistics Joint Stock Company...).

3. Coordinate with the State Capital Representatives Group at the Company to assist the State Shareholders complete the divestment of their investment in the Company:

On March 20, 2026, the State shareholder (Hanoi People's Committee) successfully auctioned off 45% of the charter capital in ILS. The Board of Directors actively cooperated to implement the policy outlined in Decision 1479/QD-TTg of the Prime Minister, transforming the company into a 100% privately owned enterprise.

4. Remuneration for the Board of Directors and the Supervisory Board:

Payments are made strictly according to the budget approved annually by the General Meeting of Shareholders, with no expenditures exceeding the approved amount.

II. REPORT ON BUSINESS PERFORMANCE AND INVESTMENT RESULTS FOR THE PERIOD 2022-2025

1. Summary of business performance results:

No.	Target (million VND)	2022	2023	2024	2025
1	Net revenue – separate	157,935	122,692	150,749	185,956
2	Net revenue – consolidated	247,516	180,808	185,384	222,897
3	Separate profit before tax	(18,962)	2,245	13,054	13,819
4	Consolidated profit before tax	(17,313)	6,825	17,717	19,402

No.	Target (million VND)	2022	2023	2024	2025
5	Separate profit after tax	(18,962)	2,245	13,054	13,819
6	Consolidated profit after tax	(18,614)	5430	16,477	18,198

The year 2025 marked the most positive results in the 2022-2025 period, with net revenue reaching VND 185,956 million (108% of the plan); net profit before tax reaching VND 13,819 million (317% of the plan), and net profit after tax reaching VND 13,819 million. On a consolidated basis, net profit before tax reached VND 19,402 million (221% of the plan), consolidated net profit after tax reached VND 18,198 million, and basic earnings per share reached VND 430/share.

2. Investment Results:

No.	ITEMS	2022	2023	2024	2025
1	Investment and Capital Contribution	5,970	4,223	1,419	2,980
2	Project Investment	5,450	3,957	22,704	3,867
3	Major repair investment		1,363	860	1,957
4	Investment in the purchase of fixed assets	3,256	427	1,423	889
	Total	14,676	9,970	26,406	9,693

(Based on data from the Board of Directors' reports at the annual General Meetings of Shareholders)

The company is focusing on implementing the My Dinh ICD Project in Hoai Duc commune, Hanoi, with the approval of the adjusted investment policy (Decision 13/QD-HDQT dated October 20, 2025); approval of the adjusted plan for selecting contractors for the quality inspection package; completion of land clearance reaching 99.88%; and completion of the installation of 3 out of 5 110kV power poles. Cumulative disbursements as of December 31, 2025 reached VND 272.609 billion.

Regarding financial investments, the Board of Directors continues to direct the review and evaluation of investment efficiency in subsidiaries and associated companies.

III. EXISTING PROBLEMS AND MANAGEMENT EXPERIENCES

- The My Dinh ICD Project is progressing slower than planned due to legal procedural obstacles and planning adjustments. The company has adjusted the investment policy according to Decision No. 5000/QD-UBND dated October 6, 2025, with the project implementation deadline set for the fourth quarter of 2027 at the latest. However, closer coordination with state agencies is needed to resolve these issues and ensure the project is implemented as approved.

- Revenue and profits have improved and grown annually. However, the effectiveness of using capital is not high enough and does not match the potential. This is due to large provisions for bad debts, which have affected overall business results. In addition, some of the company's products and services have low profit margins; increased investment and application of science and technology are needed to increase labor productivity and improve the company's efficiency.

IV. PLAN FOR 2026 AND STRATEGIC ORIENTATION FOR 2026-2031

1. Business targets for 2026

1.1 Business Production Plan for 2026:

Unit: Million VND

No.	Target	2026 Separate Plan	2026 Consolidated Plan
1	Total revenue	431,072	506,785
2	Total cost	405,677	477,278
3	Profit before tax	25,395	29,507
4	Net profit after tax	25,395	28,002

2.2 Investment plan for 2026:

Unit: Million VND

No.	Category	Plan 2026
1	Investing capital in subsidiaries and affiliated companies	178,160
2	Investment project (My Dinh ICD, Hoai Duc Commune)	136,378
3	Major repair investment	998
4	Investment in the purchase of fixed assets	5,479
5	Provision	3,000
	Total	324,015

(The company proposes increasing its capital to VND 800 billion to supplement funding for its business plan and investments, especially the My Dinh ICD Project.)

2. Strategic orientation for the period 2026-2031

2.1 Construction basis

- March 20, 2026 marks a historic milestone in ILS's more than 45-year journey: The Hanoi People's Committee completed the divestment of its entire 45% state-owned capital in the company through a transparent competitive auction. ILS officially became a 100% privately owned joint-stock company - operating flexibly according to Law on

Enterprises and other laws, according to the company's charter, and having financial and investment autonomy.

- This is not simply a change in ownership structure. This is a fundamental shift in the system's nature – from an operating mechanism under the supervision of a governing body, with numerous constraints on hierarchical authority, investment limits, and lengthy approval processes, to a completely market-based governance model where every decision is driven by economic efficiency, shareholder expectations, and long-term strategy.

- The Board of Directors for the 2026-2031 term will assume executive power at a time when the company possesses significant infrastructure assets, a long-standing brand, and experienced personnel, but its governance model, organizational structure, business strategy, and technological foundation still bear the strong imprint of the state-owned enterprise era. The Board of Directors has identified this as the focus of reform for the entire term: a comprehensive restructuring from top to bottom – from governance philosophy to operational processes – to truly transform ILS into a modern, dynamic, and internationally competitive enterprise.

2.2 Target orientation for the period 2026-2031

The Board of Directors for the 2022-2026 term proposes the following objectives as a basis for the Board of Directors for the 2026-2031 term to develop a detailed action plan, appropriate to the actual context at the time of implementation:

2.2.1 Reorganizing the Board of Directors for the new term:

The Board of Directors for the 2026-2031 term will consist of 5 members, with the addition of a Vice Chairman position – ensuring leadership continuity, sharing the burden of strategic coordination, and strengthening oversight of the Executive Board. The Board of Directors will focus on two core functions: long-term strategic direction and effective implementation monitoring.

2.2.2 Reforming the system of delegation and decentralization of authority between the Board of Directors and the Executive Board:

The current management hierarchy is designed within the context of a state-owned enterprise – characterized by caution, multiple layers of approval, and slow adaptation. The Board of Directors will review and issue a new delegation of authority regulation based on the principle of empowering the implementing level with real authority, while the Board of Directors focuses on strategy and risk monitoring. All routine business decisions below the delegated authority threshold must be processed by the Executive Board within the stipulated timeframe. The internal control system is operated by the General Director and periodically monitored by the Board of Directors through reports – ensuring transparency without slowing down the decision-making process.

2.2.3 Build and approve the Company's development strategy for the period 2026-2031, focusing on the following objectives and strategic components:

➤ **Financial and investment strategy:**

○ *Period 2026-2027:*

- Completed the increase in charter capital to 800-1200 billion VND;
- Completing the land clearance and commencement of construction of the My Dinh ICD in Hoai Duc; adjusting the 1/500 scale planning and investment policy for the My Dinh ICD project in Hoai Duc;
- Research and promote investment in Tan Thanh Inland Port, Hong Van Inland Port, and Huu Lung Industrial Park in Lang Son;

○ *Period 2028-2030:*

- Complete the intelligent operating system and bring the My Dinh ICD in Hoai Duc into operation.

➤ **Business strategy:**

The business strategy for the 2026-2031 term is built on the principle of focus: delving into core areas with sustainable competitive advantages, while clearly defining the supporting role of auxiliary industries.

– Period 2026-2027: Estimated revenue of 400-600 billion VND, profit after tax of 25-34 billion VND.

– Period 2028-2029: Strive for revenue of 800-1100 billion VND; profit after tax of at least 48-66 billion VND; create conditions for the first-ever payment of cash dividends to shareholders.

– Phase 2030-2031: Strive for revenue of VND 1,300 billion; profit after tax of approximately VND 80 billion; complete the entire My Dinh ICD Project on a scale of 17.37 hectares; and improve the governance and information disclosure system according to capital market standards.

➤ **Human resources strategy:**

- Review and restructure the parent company's organizational structure according to the guiding principle: streamlined - flexible - effective.

- Restructuring the system of subsidiaries and affiliated companies:

ILS currently has a broad ecosystem of subsidiaries and affiliated companies operating in various sectors, but the level of strategic integration and coordination efficiency remains low. The Board of Directors will review the list according to four groups: (i) Retain and develop - units with clear competitive advantages and aligned with the core strategy; (ii) Restructure - units with potential but low efficiency; (iii) Merge/consolidate - small units with overlapping functions with the parent company; (iv) Divest with a roadmap - units outside the core business and operating inefficiently. All

decisions on restructuring member units will be approved by the Board of Directors through a Resolution based on an objective efficiency assessment.

- Human resource policy reform - Attracting and retaining talent:

The biggest challenge after the state divestment is competing for talent with the dynamic private sector. The Board of Directors directed the implementation of a human resources policy entirely based on market mechanisms: (i) Developing competency frameworks for each position - especially middle and senior management levels; (ii) Continuously improving and enhancing the effectiveness of the compensation mechanism linked to job performance, profits, and the actual contributions of each individual; (iii) Proactively recruiting from the external market for leadership positions requiring new competencies that the internal team cannot yet provide; (iv) Developing a succession management program to train the second generation of managers from within - creating long-term personnel stability.

- Building a corporate culture in the private sector — Unlocking business thinking:

The Board of Directors has identified cultural transformation as a fundamental task: from 'following procedures' to 'achieving results and creating value'. Specifically: (i) Implementing a clear performance measurement system from the company level down to departmental and individual levels; (ii) Building a culture of accountability – every commitment must be measurable, every failure must have a root cause analysis instead of formal blame; (iii) Encouraging improvement proposals from the grassroots level, organizing regular internal innovation forums; (iv) Connecting ILS personnel across the entire system through learning, development, and community building activities.

➤ **Digital transformation and technology strategy**

ILS did not start from the beginning of digitalization. The ERP system, Odoo, has already been deployed and is operating throughout the company, creating a unified management data platform for finance, human resources, procurement, and operations. This is a significant advantage compared to many domestic logistics businesses. The digital transformation strategy for the 2026-2031 term is not about starting over – but about focused upgrading, fully exploiting the existing platform and expanding to higher application layers linked to actual operational activities.

➤ **Sustainable development strategy**

With a diversified private shareholder structure – and the potential to attract institutional investors and foreign investment funds during the capital raising phase – sustainable development is no longer an option but a prerequisite for ILS to be properly valued and access long-term capital.

- Environment: Develop a plan to reduce emissions in transportation activities; design the My Dinh ICD to integrate a green electricity system; set a target for clean energy consumption to account for at least 30% of the total energy at the ICD in phase 2 by 2030;
- Society: Maintaining a Zero Accident workplace safety policy; a policy of continuous training and professional development for all personnel; contributing to the community through charitable programs;
- Governance: Disclosing complete and timely information in accordance with securities market standards; developing an integrated governance and sustainability report starting with the annual report.

The above strategic objectives are based on the company's current situation and industry development trends. The Board of Directors for the 2026-2031 term will be responsible for developing a detailed plan, adjusting it flexibly according to the actual context, and reporting the results to the Annual General Meeting of Shareholders. The Board of Directors for the 2022-2026 period believes that with the historic transformation from a state-owned enterprise to a 100% privately owned enterprise, ILS has the full foundation and opportunity to realize its mission of becoming a leading logistics enterprise, creating sustainable value for all shareholders and making a worthy contribution to the development of the Vietnamese logistics industry.

V. PROPOSALS AND RECOMMENDATIONS

We respectfully request that the General Meeting of Shareholders approve the Report of the Board of Directors summarizing the period 2022-2026; assessing the performance results in 2025; and outlining the development orientation for the period 2026-2031.

Recipient:

- Shareholders;
- Board of Directors, Supervisory Board;
- Archived: Archives Dept., Secretary of the BOD.

ON BEHALF OF THE BOARD OF DIRECTORS

CHAIRMAN 


Phung Tien Toan