

ANNUAL REPORT

For the year 2024

To: - State Securities Commission
- Hanoi Stock Exchange

I. GENERAL INFORMATION

1. Overview

- Company Name: Hanoi Soap Joint Stock Company
- English Name: Hanoi Soap Joint Stock Company
- Abbreviation: HASO
- Business Registration Certificate No.: 0100100311
- Charter Capital: VND 129,724,750,000
- Owner's Investment Capital: VND 129,724,750,000
- Registered Business Address: No. 233B Nguyen Trai Street, Thuong Dinh Ward, Thanh Xuan District, Hanoi, Vietnam.
- Office & Factory Address: Lot CN 3.2, Thach That - Quoc Oai Industrial Park, Hanoi, Vietnam.
- Phone Number: +84 24 385 87051 Fax: +84 24 385 84486
- Website: www.haso.vn
- Stock Code: XPH

2. Formation and Development

Hanoi Soap Joint Stock Company originated from Hanoi Soap Factory, which began construction in 1958 and commenced operations in 1960. It is one of the pioneering and reputable companies in the field of synthetic detergent production in Vietnam.

Hanoi Soap Factory was a state-owned enterprise under the chemical industry, directly managed by the Ministry of Heavy Industry and later by the General Department of Chemicals (now Vietnam National Chemical Group). Its primary mission was to manufacture synthetic detergents, bar soaps, and toothpaste to meet consumer demand.

From 1960 to 1990, the factory operated under the direction of the Ministry of Heavy Industry and conducted production and business activities according to state planning targets.

In 1993, by company organization laws, Hanoi Soap Factory was renamed Hanoi Soap Company and reorganized its management and production

model.

In December 1994, as part of the country's economic development trend, the company entered into a joint venture with Unilever Group. As a result, the original company was split into two separate enterprises:

1. Hanoi Soap Company
2. Lever-Haso Joint Venture Company

In 2003, Hanoi Soap Company transferred its entire capital contribution in the Lever-Haso Joint Venture Company to Vietnam National Chemical Corporation (now Vietnam National Chemical Group) for management before undergoing equitization.

Following the government's equitization policy, Hanoi Soap Company was transformed into a joint stock company under Decision No. 248/2003/QĐ-BCN dated December 31, 2003, issued by the Ministry of Industry. The first business registration certificate was issued on January 27, 2005 (No. 0103006569), with the 10th amendment issued on June 8, 2022 (No. 0100100311) by the Hanoi Department of Planning and Investment.

In compliance with the Prime Minister's decision, Hanoi Soap Joint Stock Company carried out the necessary procedures for listing its shares on the centralized stock market. On November 25, 2014, the company's shares were officially traded on the UPCoM exchange.

In April 2012, the company relocated its manufacturing plant to Lot CN 3.2, Thach That - Quoc Oai Industrial Park, Hanoi.

3. Business Sectors and Operating Areas

- Business sectors:

+ Manufacturing of cosmetics, soaps, detergents, polishes, and cleaning products: The company's products are marketed under brands such as POWER laundry detergent, KAZOKU dishwashing liquid, KEA fragrant soap, etc. In 2023, the company officially launched and introduced to the market various products, including laundry detergent, dishwashing liquid, floor cleaner, and bar soap under the HASO – Hanoi Soap brand.

+ Real estate business and leasing of land-use rights owned, utilized, or rented by the company.

+ Manufacturing and trading of cosmetic chemicals, packaging, and product label printing.

+ Trading of processed food, foodstuffs, and consumer goods.

+ Manufacturing and trading of PVC plastic, construction materials, interior and exterior decorative items, and mechanical industry products and supplies.

+ Fertilizer trading and import-export of chemicals, materials, and

synthetic detergents: The company deals with basic chemicals such as Las, Sles, Potassium, etc.

- Business Locations:

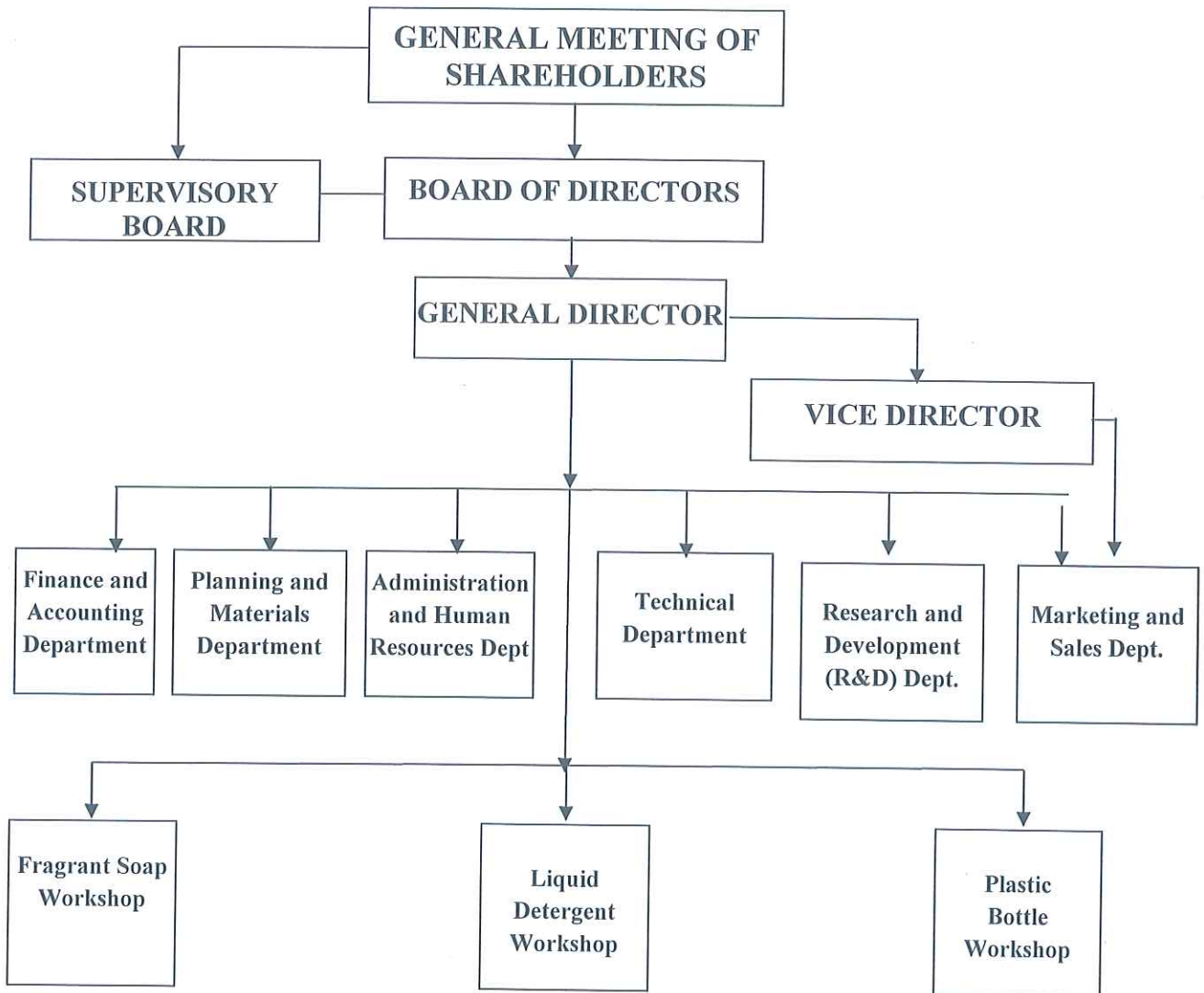
The company's current business operations cover provinces and cities in Northern and Central Vietnam, as well as Ho Chi Minh City.

- Production Facility:

The company's manufacturing operations are based at Lot CN 3.2, Thach That - Quoc Oai Industrial Park, Phung Xa Commune, Thach That District, Hanoi City.

4. Corporate Governance, Business Organization, and Management Structure

Governance Model:



Board of Directors

The Board of Directors of Hanoi Soap Joint Stock Company currently consists of five members:

1. Mr. Nguyễn Xuân Bắc, Chairman of the Board;

2. Mr. Lê Việt Phương, Board Member;
3. Mr. Đỗ Huy Lập, Board Member;
4. Mr. Lê Quang Hòa, Board Member;
5. Ms. Đoàn Thị Thanh Hương, Board Member.

Supervisory Board

The Supervisory Board of Hanoi Soap Joint Stock Company in 2024 consists of the following members:

1. Ms. Mai Thị Khánh Tân, Head of the Supervisory Board;
2. Mr. Dương Huy Mạnh, Supervisory Board Member;
3. Ms. Kiều Thị Năng, Supervisory Board Member;

Executive Management

1. Mr. Lê Việt Phương, General Director;
2. Mr. Lê Quang Hòa, Vice Director (resigned on October 1, 2024);
3. Mr. Lê Mạnh Cường, Chief Accountant.

5. Development Orientation

a) Key Objectives of the Company:

- Stabilize business operations and optimize existing resources.
- Restore its position as a leading detergent manufacturer in the Vietnamese market and expand operations regionally and globally.
- Build a highly skilled and dedicated workforce, fostering a strong corporate culture that supports business growth.
- Enhance employee welfare and living standards while ensuring shareholder benefits.
- Invest in technology innovation, upgrade production lines, and improve processes to increase productivity, optimize costs, and ensure product quality.

b) Medium and Long-Term Development Strategy:

- Stabilization and business expansion: Enhance competitiveness by optimizing production processes and improving product quality.
- Investment and application of new technologies:
 - + Upgrade production lines and improve technology to optimize efficiency and reduce costs.
 - + Implement environmentally friendly technological solutions to minimize negative environmental impacts.
- Sustainable development and social contribution:
 - + Maintain stable labor policies, improve employee benefits, and create the best working conditions for local workers where the company's factory is based.
 - + Develop high-quality products that contribute to building a strong Vietnamese brand.

- + Fulfill tax obligations and participate in community development in the areas where the company operates.
- Financial management and risk control:
- + Strengthen cost control, optimize cash flow, and ensure financial balance amid market fluctuations.
- + Proactively adapt to changes in tax policies, business environments, and consumption trends in both domestic and international markets.

6. Risks That May Impact Business Operations and the Achievement of the Company's Objectives:

a) Economic and Financial Risks:

Fluctuations in interest rates, exchange rates, and rising operating costs may affect the efficiency of the company's business operations.

b) Liquidity Risk:

Financial liabilities with different maturity periods may create liquidity risks for the company.

c) Procurement Risk:

The company may face procurement risks due to a limited supplier network and inconsistent delivery schedules.

d) Transportation Risk:

To minimize transportation risks, the company has switched from 3-layer to 5-layer cartons, which offer better durability and protection.

đ) Product Quality Degradation Risk:

The company has implemented the FIFO (First In, First Out) inventory management method to reduce risks related to product quality degradation.

e) Market Risk:

The household detergent market is highly competitive, with multinational corporations such as Unilever Vietnam, P&G and large domestic enterprises. The company's effort to regain its leading position in the detergent industry may fail if it does not properly identify the right market segment, lacks consistent execution, or fails to build a trusted brand with customers.

g) Raw Material Supply Risk:

The raw material market is volatile, with rising costs. Without a proactive supply strategy, production activities may face disruptions.

h) Environmental and Social Risks:

- Environmental protection regulations are becoming stricter, requiring the company to establish long-term compliance plans.

- Increasing pressure from local communities regarding environmental and social responsibility requires the company to implement appropriate support policies.

i) Force Majeure Risk:

Natural disasters, political conflicts, and trade tensions between nations may disrupt the supply chain for raw materials and the transportation of goods.

k) Investment Risk in Associated Companies:

The company faces risks associated with its investment in Xavinco Real Estate Joint Stock Company, where potential losses or lack of profitability could negatively impact the company's business performance.

II. BUSINESS PERFORMANCE IN THE YEAR

1. Business and Production Performance

No.	Indicators	Unit	Actual 2023	Plan 2024	Actual 2024	% of 2024 Target Achieved	
1	2	3	4	5	6	7=6/4	8=6/5
1	Industrial Production Value (at actual prices)	Mil. VND	35,000	66,000	36,000	102.86%	54.55%
2	Total Revenue	Mil. VND	37,509	64,359	39,247	60.98%	104.63%
3	Production Output	Tons	1,377	2,421	1,608	116.78%	66.42%
4	Sales Volume	Tons	1,682	2,640	1,620	96.31%	61.36%
5	Actual Profit	Mil. VND	-18,521	-6,673	-7,167		
6	Total Tax Contribution	Mil. VND	5,521	1,003	6,270	113.57%	625.12%

In 2024, the Company introduced a new product line under the Haso–Hanoi Soap brand. Despite having good quality and attractive packaging, brand awareness remained weak, leading to difficulties in market penetration. As a result, sales volume was low, and revenue could not cover costs.

Additionally, the Company faced challenges such as:

- High overdue receivables that were difficult to collect;
- A large stockpile of unused raw materials and finished products that had deteriorated or expired;
- Unsold inventory from 2020 in the postal service distribution channel is approaching expiration and will be returned in bulk.
- These factors contributed to a significant increase in provisioning costs, leading to continued losses in 2024.

2. Organization and Human Resources

2.1 Executive Board

The Company's Executive Board in 2024 consisted of:

- Mr. Lê Việt Phương – General Director;
- Mr. Lê Quang Hòa – Vice Director;
- Mr. Lê Mạnh Cường – Chief Accountant.

In 2024, Mr. Lê Quang Hòa submitted his resignation, which was approved by the Board of Directors, effective October 1, 2024.

2.2 Workforce

As of December 31, 2024, the Company had 70 employees, including 350 with postgraduate, university, or college degrees.

2.3 Labor Policies and Changes

❖ **Working hours:** The Company operates 48 hours per week. Office staff follow standard business hours. Factory workers operate in 8-hour shifts and may work overtime when necessary, with compensation under labor regulations.

Leaves and holidays: Employees are entitled to 12 days of annual leave if they have worked for 12 months, with proportional adjustments for shorter service. For every 5 years of service, employees receive an additional day of annual leave.

Employees receive 9 public holidays as per labor law.

Sick leave, maternity leave, and other benefits are provided in full compliance with regulations.

Employee benefits:

- 100% of employees are enrolled in social insurance (SI), health insurance (HI), and unemployment insurance (UI).
- 100% of employees are provided with necessary work equipment.
- Factory workers receive protective uniforms.
- 100% of employees receive meal allowances during work shifts.

Occupational safety:

The Company prioritizes workplace safety, ensuring all employees are trained in technical safety regulations and understand the importance of workplace safety.

Trade Union, Party, and Youth Union Activities: The Company provides full support for employee organizations to operate effectively.

❖ **Recruitment and Training Policies**

Due to its remote location and uncompetitive salaries, the Company faces challenges in attracting skilled workers. To address this, it focuses on:

- Optimizing staff allocation to align with their expertise;
- Enhancing training programs to improve employee skills;
- Encouraging participation in professional development courses.

3. Investment and Project Implementation

The Company has invested VND 71.25 billion (equivalent to 3.56% of charter capital) into Xavinco Real Estate JSC, which has a charter capital of VND 2,000 billion.

Xavinco Real Estate JSC is engaged in the real estate business and has

an investment project on land located at 233 and 233B Nguyễn Trãi, Thượng Đình Ward, Thanh Xuân District, Hanoi.

As of December 31, 2024, Xavinco is still in the basic construction phase, and the Company's investment value remains recorded at VND 71.25 billion.

4. Financial Situation

a) Financial Overview

General Financial Structure		
I. Assets	Amount (billion VND)	Percentage (%)
A. Current Assets	40	27.03%
B. Noncurrent assets	108	72.97%
Total Assets	148	100%
II. Liabilities & Equity		
A. Liabilities	3	2.03%
B. Owner's Equity	145	97.97%
Total Liabilities & Equity	148	100%

- The asset structure is not entirely suitable for a manufacturer, as it is skewed towards non-current assets, accounting for 72.97% of total assets. However, this is significantly influenced by the investment in Xavinco Real Estate Joint Stock Company, which accounts for 48.14% of total assets, equivalent to VND 71.25 billion, representing a substantial proportion of the asset structure.

- The capital structure demonstrates financial autonomy in business operations, with 97.97% of total capital coming from the owner's equity.

b) Analysis of Key Financial Ratios:

No.	Financial Ratio	Formula	Code	Unit	Value
1	Current Ratio	Current Assets/Current Liabilities	100	Times	11.7
2	Quick Ratio	(Current Assets - Inventory)/Current Liabilities	101	Times	7.0
3	Cash Ratio	(Cash & Cash Equivalents + Short-term Financial Investments) / Current Liabilities	102	Times	5.2
4	Average Accounts Receivable	(Accounts Receivable at Beginning + Accounts Receivable at End) / 2	103	Billion VND	20.76
5	Accounts Receivable Turnover	Revenue/Average Accounts Receivable	104	Times	1.9

No.	Financial Ratio	Formula	Code	Unit	Value
6	Average Collection Period	$365 / \text{Accounts Receivable Turnover}$	105	Days	192
7	Average Inventory	$(\text{Beginning Inventory} + \text{Ending Inventory}) / 2$	106	Billion VND	21.893
8	Inventory Turnover	$\text{Cost of Goods Sold} / \text{Average Inventory}$	107	Times	1.3
9	Average Inventory Holding Period	$365 / \text{Inventory Turnover}$	108	Days	281
10	Average Accounts Payable	$(\text{Accounts Payable at Beginning} + \text{Accounts Payable at End}) / 2$	109	Billion VND	3.789
11	Accounts Payable Turnover	$(\text{Cost of Goods Sold} + \text{Ending Inventory} - \text{Beginning Inventory}) / \text{Average Accounts Payable}$	110	Times	7.6
12	Average Payment Period	$365 / \text{Accounts Payable Turnover}$	111	Days	48

- The current quick and cash ratios indicate that the Company maintains financial independence.

5. *Shareholding Structure and Changes in Owner's Investment Capital*

a) **Shares:**

- Total shares issued: 12,972,475.
- Type of shares: Common shares
- Freely transferable shares: 12,972,475.
- Restricted shares: 0

b) **Shareholding Structure:**

- By ownership ratio:
 - + Major shareholders: 80.00%
 - + Minor shareholders: 20.00%
- By entity type:
 - + Institutional shareholders: 80.00%
 - + Individual shareholders: 20.00%
- By nationality:
 - + Domestic shareholders: 99.87%
 - + Foreign shareholders: 0.13%
- By ownership type:
 - + State shareholders: 80.00%
 - + Other shareholders: 20.00%

b) **Changes in Owner's Investment Capital: None.**

c) **Treasury Stock Transactions:** The Company does not hold treasury shares.

d) **Other Securities:** None.

6. Environmental and Social Impact Report

6.1 Environmental Impact

- The Company maintains an efficient wastewater treatment system that ensures all industrial and domestic wastewater is collected and treated according to technical standards. The treated water meets the discharge standards for the industrial zone's wastewater system.

- Each year, the Company hires an external environmental monitoring unit to oversee the workplace environment, air emissions, and wastewater treatment as per the Environmental Impact Assessment report. All indicators from these evaluations comply with permitted environmental standards.

6.2 Compliance with Environmental Laws

- Number of violations due to non-compliance with environmental laws and regulations: None.

- Total fines imposed for environmental violations: None.

6.3 Labor Policies

a) General information:

- Number of employees: 70 employees.
- Average salary: 8,718,000 VND/person/month.

b) Employee policies

❖ **Working hours:** The Company operates 48 hours per week. Office staff follow standard business hours. Factory workers operate in 8-hour shifts and may work overtime when necessary, with compensation by labor regulations.

Leaves and holidays: Employees are entitled to 12 days of annual leave if they have worked for 12 months, with proportional adjustments for shorter service. For every 5 years of service, employees receive an additional day of annual leave.

Employees receive 9 public holidays as per labor law.

Sick leave, maternity leave, and other benefits are provided in full compliance with regulations.

Employee benefits:

- 100% of employees are enrolled in social insurance (BHXH), health insurance (BHYT), and unemployment insurance (BHTN).
- 100% of employees are provided with necessary work equipment.
- Factory workers receive protective uniforms.
- 100% of employees receive meal allowances during work shifts.

Workplace Safety & Welfare:

Workplace safety training is a top priority, ensuring compliance with occupational health and safety standards.

The Company supports employees and their families in times of hardship, including financial assistance for illness, bereavement, and family emergencies.

Gifts are provided for employees' children on International Children's Day (June 1) and the Mid-Autumn Festival.

Rewards for children of employees achieving academic excellence or university entrance.

The Company organizes annual employee trips for all staff.

The Company facilitates the activities of the Party Committee, Trade Union, and Youth Union.

❖ **Recruitment and training policies**

Due to the Company's remote location and non-competitive salaries, it faces challenges in attracting qualified and experienced employees.

To address this, the Company focuses on optimizing human resource allocation based on expertise, enhancing professional development through training and workshops, and encouraging employees to attend industry-specific training courses.

The company is assigning four officers to participate in the new party member training course in May 2024.

The company also assigns officers to attend classes/seminars on environmental protection, construction investment, labor contracts and disciplinary actions, information security, finance and accounting, occupational safety and hygiene training, dissemination of environmental and labor laws, productivity and quality, traceability, barcodes and measurement assurance, digital transformation, etc.

Annual workplace safety training covers topics such as: Occupational safety and hygiene; Safe working at heights; Mechanical safety; Confined space work safety; Fire prevention and firefighting drills for all employees.

Innovation and Recognition: The Company encourages technical innovation and improvement initiatives. In 2024, 5 employees received awards from the Vietnam Chemical Industry Trade Union for outstanding achievements in labor and union activities.

III. REPORT AND EVALUATION BY THE BOD

1. Evaluation of Business Operations

In 2024, the global economic and political situation has been complex, and the market remains unpredictable. Business operations for companies in general, and Hanoi Soap Company in particular, have faced many difficulties

and challenges. Specific issues include:

- The business outlook for the detergent chemical industry heavily depends on fluctuations in the prices of input raw materials. Domestic production facilities have not yet met expectations in producing surfactants and additives. Although the domestic supply of surfactants such as LAS has met the expected capacity and is being supplied to detergent manufacturers, most chemical raw materials have set new high price levels, which are unlikely to decrease despite recent price adjustments.

- Common detergent chemical products for Vietnamese consumers, such as liquid detergents, soap bars, dishwashing liquid, and floor cleaners, have been largely dominated by multinational corporations. Additionally, the market has seen the entry of imported brands and private-label products, increasing competition in the detergent sector.

The company has focused on distributing products through wholesale channels, prioritizing its key products, including liquid detergents, dishwashing liquid, soap bars, and floor cleaners. These products have started to penetrate the market and are receiving positive feedback from consumers. Currently, the company's products are available in all 63 provinces and cities across Vietnam.

However, despite good quality and attractive packaging, the company's self-produced products under its brand face challenges in market expansion due to low brand recognition. As a result, product sales and revenue remain limited.

Additionally, issues such as overdue receivables, large inventories of unused materials and expired finished goods, and unsold postal channel products from 2020 that are now being returned have increased the company's provision costs. These factors contributed to a financial loss in 2024.

2. Financial Situation

a) Asset Situation:

The company's asset situation has experienced certain fluctuations compared to 2023. Short-term assets in 2024 decreased by VND 6.41 billion compared to 2023, including a reduction of VND 4.73 billion in cash, cash equivalents, and short-term financial investments by the end of the year, while inventory value decreased by VND 0.63 billion.

b) Liabilities:

Total liabilities in 2024 have decreased compared to 2023 by 27.71%, equivalent to 1.15 billion VND. Overall, the liability situation (both short-term and long-term) remains stable.

3. Improvements in Organizational Structure, Policies, Management, and Future Development Plans

3.1 Management Operations:

- Continue enhancing corporate governance, cost management, and efficiency in human resource and equipment management to maximize business performance. The company will gradually restructure its organizational system to ensure practical efficiency and improve management effectiveness.
- Continue revising, supplementing, and completing internal management regulations based on corporate governance regulations issued by the Board of Directors and relevant legal provisions.
- Ensure compliance with the company's delegation and assignment regulations, strictly implementing internal corporate governance policies.

3.2 Future Development Plan:

- Strategic Development Direction: The company aims to leverage its strengths in detergent chemical production, continuing to invest in and develop existing technologies while integrating advanced innovations.
- Product Quality Enhancement: Improve product quality to enhance competitiveness and establish a strong market position in the consumer chemical sector.
- New Product Development: Improve formulations, diversify the product portfolio, and begin researching organic product lines.
- Market Expansion:
 - + Distribution Channel Development: Strengthen distribution through supermarkets, convenience stores, retail agencies, and e-commerce platforms.
 - + Export Expansion: Explore and expand international markets, focusing on Southeast Asia and Europe.
 - + Strategic Partnerships: Collaborate with other brands and businesses to broaden sales channels.
- Brand Development:
 - + Marketing & Communication: Invest in digital advertising, launch green marketing campaigns, and organize promotional programs.
 - + Brand Identity: Modernize product packaging with an eco-friendly design.
 - + Quality Certification: Obtain safety and bio-product certifications to enhance brand credibility.
- Customer Service Enhancement:
 - + Loyalty Programs: Implement a rewards and discount program for long-term customers.
 - + Consultation & Support: Improve customer service and provide 24/7 online support.
 - + Feedback & Surveys: Actively listen to customer opinions to enhance product development.

Long-Term Goals:

✓ Become a leading brand in liquid detergent, dishwashing liquid, and floor cleaners in Vietnam.

✓ Build a sustainable and safe household cleaning product ecosystem.

✓ Achieve sustainable revenue growth and expand into international markets.

3.3 Human Resources & Administrative Management

- Recruit experienced and skilled personnel who meet job requirements. Restructure human resources across functional departments to ensure efficiency and streamlined operations.

- Maximize the potential of the existing workforce by continuously reviewing, reallocating, and optimizing personnel, particularly in production facilities.

- Collaborate with the company's labor union to implement competitive compensation and benefits, ensuring employee well-being and improving their quality of life.

3.4 Production Management

- Optimize production planning to maximize the efficiency of invested equipment, enhance operational capabilities, and maintain stable production levels. Increase labor productivity while minimizing surplus labor.

- Strengthen production management, closely monitor compliance with production procedures and material consumption standards, and continuously improve product quality.

- Ensure absolute safety in workplace conditions, equipment operation, and environmental protection.

- Encourage employees to propose production efficiency improvements, increase labor productivity, reduce costs, and lower product prices.

3.5 Labor Union & Employee Welfare

Given the challenges expected in 2024, the company's labor union will continue collaborating with management to support employees by ensuring job stability, expanding market opportunities, and promoting company loyalty during difficult times.

IV. BOD'S ASSESSMENT OF THE COMPANY'S OPERATIONS

1. Evaluation of the Company's Activities

Over the past year, to support corporate governance, the Board of Directors (BOD) held meetings and issued 30 Resolutions. The BOD effectively exercised its authority in overseeing, implementing, and organizing the execution of these resolutions, assessing the management team's performance in achieving business and production goals.

The BOD and the Executive Board have collaborated effectively and

met the requirements of the Supervisory Board (SB), creating favorable conditions for the SB to fully perform its functions and fulfill its duties in 2024.

In addition to striving to achieve the targets set forth by the Annual General Meeting of Shareholders (AGM) in 2024, the company has consistently prioritized employee welfare, ensuring the provision of social insurance (SI), health insurance (HI), unemployment insurance (UI), and other benefits in compliance with labor laws.

The BOD and the Executive Board have also supported and facilitated the activities of political and social organizations within the company, ensuring compliance with legal regulations.

2. Evaluation of the Executive Board's Performance

- The Executive Board has fulfilled its responsibilities and exercised its authority in implementing the resolutions of the 2023 AGM, as well as resolutions and decisions issued by the BOD, while strictly adhering to legal regulations and the company's charter.

- In business operations, the Executive Board has introduced business mechanisms and policies while promoting research and development of new products to meet customer demands across different market segments, aiming to increase sales volume.

- In production management, the Executive Board has demonstrated flexibility in maintaining the regular operation of machinery and equipment, ensuring job stability for employees.

- The company has fully implemented salary, bonus, and workplace improvement policies to enhance employees' working conditions and overall well-being.

In 2024, despite numerous difficulties in production and business activities, the BOD recognizes and highly appreciates the efforts and determination of the Executive Board in maintaining stability, sustaining operations, and strengthening the trust of employees and customers. However, certain shortcomings remain in the Executive Board's activities:

- Market development efforts have been limited.

- Some management solutions have not been fully implemented, such as a lack of proactive market expansion strategies and over-reliance on distribution channels. Additionally, the company has not been sufficiently responsive to market demands in production.

3. Plans and Directions of the Board of Directors

The year 2025 is expected to present ongoing challenges. Based on the company's capabilities and available resources, the BOD will continue to enhance its responsibilities in directing and supervising the Executive Board to

achieve the targets set for the AGM. Specifically:

Maintain regular BOD meetings and convene extraordinary meetings when necessary to promptly issue resolutions and decisions within its authority, addressing challenges in the company's operations. This will help ensure that company activities align with current regulations and practical business conditions.

Continue directing research, issuing, and amending internal governance regulations to enhance corporate governance quality with a focus on transparency and accountability. Strengthen management efficiency in company operations.

IV. CORPORATE GOVERNANCE

1. Board of Directors

1.1 Members and Structure of the Board of Directors

No.	Name	Position in the BoD	Number of Shares Represented by Authorization as of 31/12/2024	Number of Shares Personally Owned as of 31/12/2024
1	Mr. Nguyễn Xuân Bắc	Chairman	3.891.762	0
2	Mr. Lê Việt Phương	Member	3.243.134	0
3	Mr. Đỗ Huy Lập	Member	3.243.134	0
4	Mr. Lê Quang Hòa	Member		0
5	Ms. Đoàn Thị Thanh Hương	Member		0

1.2 Management and Direction by the Board of Directors

- The management and direction activities of the Board of Directors (BoD) have strictly adhered to legal regulations, the Company's Charter, Resolutions of the Annual General Meeting of Shareholders (AGM), and the BoD's Operational Regulations. The BoD respects and ensures the rights of shareholders and fulfills the Company's rights and obligations by the law.

- To ensure prompt yet cautious decision-making in the Company's business operations, BoD members have proactively and responsibly addressed matters through consultations, discussions, and written or email-based voting. Resolutions and decisions have been issued following the correct procedures and legal requirements in compliance with the Company's Charter.

- Detailed information on BoD Resolutions has been reported in the 2024 Corporate Governance Report, which has been publicly disclosed per Hanoi Stock Exchange regulations and on the Company's website: www.haso.vn.

1.3 Supervisory Activities of the Board of Directors

In addition to management and direction, the BoD has fully performed

its supervisory functions over the Executive Board and other management personnel, providing timely guidance and ensuring that Company operations comply with legal regulations and the Company's Charter.

The BoD's inspection and supervision have been conducted within its jurisdiction without obstructing or overlapping with the Executive Board's operations. This oversight has been carried out based on reports from the Executive Board or as requested by the BoD concerning specific areas of the Company's activities.

1.4 Activities of independent board members and their evaluation of the board's performance

The independent BOD members have fully complied with their duties and responsibilities as stipulated in the Company's Charter and relevant legal provisions. They have actively participated in all BOD meetings, contributed clear opinions, and voted on strategic development plans for the Company.

Based on their assessment of the BOD's activities in 2024, the independent members concluded the following:

- BOD meetings were convened and conducted with well-prepared agendas and supporting documents in full compliance with regulations. The meeting discussions were thorough, allowing BOD members to evaluate issues carefully and determine the best strategies and solutions for the Company.
- Matters related to business strategy and financial planning were thoroughly discussed, reviewed, and controlled rigorously.
- The BOD has fulfilled its assigned responsibilities with a high level of professionalism and accountability, ensuring strict compliance with legal regulations and the Company's Charter.
- The BOD has worked closely with the Executive Board in implementing corporate governance activities, including internal management, payroll policies, human resources, and employee compensation

2. Supervisory Board

2.1 Members and Structure of the Supervisory Board

No.	Name	Position	Number of Shares as of 31/12/2024	
			Representative	Individual
1	Ms. Mai Thị Khánh Tân	Head of the Supervisory Board	0	0
2	Mr. Dương Huy Mạnh	Member	0	0
3	Ms. Kiều Thị Năng	Member	0	0

2.2 Activities of the Supervisory Board

In 2024, the Supervisory Board held two meetings to conduct periodic inspections of the Company's activities. The main areas of review included:

- Examination of the annual financial reports; assessment of financial statements; review of the Company's annual business performance reports; evaluation of the activities of the BOD and the Executive Board.
- Inspection of the implementation of resolutions passed by the General Meeting of Shareholders.
- Participate in BOD meetings and provide recommendations and proposals within the scope of responsibilities and authority.
- Monitoring compliance with state laws, the Company's Charter, and BOD Resolutions.

2.3 Supervisory Board's Evaluation Report

a) Performance of the Executive Board

- The Company has actively promoted product innovation and development. However, its products face intense competition due to rising raw material costs and a highly saturated market with long-established brands.
- Despite significant efforts in 2024, the Company did not meet its business targets, recording a pre-tax loss of VND 7,167 million.
- The Executive Board needs to strengthen management and operational strategies to improve business efficiency.

b) Management and Direction by the Board of Directors

- The management and direction of the BOD were conducted by legal regulations, the Company's Charter, and the BOD's Operational Regulations, ensuring the proper execution of the Company's rights and obligations as required by law.
- The BOD's leadership was strategic, focusing on long-term goals while providing close supervision throughout reporting periods. Their decision-making was based on the Enterprise Law, Securities Law, the Company's Charter, and other relevant legal frameworks.
- The BOD exercised its authority in directing, supervising, and inspecting Company activities without causing obstruction or overlap with the Executive Board's operations.
- The format and content of BOD meetings, resolutions, decisions, and issued documents were timely and compliant with the Enterprise Law, the Company's Charter, and legal regulations.
- In 2024, the BOD fulfilled its legally mandated functions and duties as stipulated in the Enterprise Law, the Company's Charter, and other legal provisions.

c) Evaluation of the 2024 Financial Statements

After reviewing the audited 2024 financial statements, the Supervisory Board assessed compliance in financial reporting, reviewed financial indicators, considered the independent auditor's report, and examined the auditor's and the Company's financial statements.

- The Company's financial statements were prepared in full accordance with the reporting formats prescribed by Circular No. 200/2014/TT-BTC dated December 22, 2014, and Circular No. 53/2016/TT-BTC dated March 21, 2016, issued by the Ministry of Finance, as well as Vietnamese accounting standards and other applicable legal regulations.

- Issues were identified in accounts receivable, bad debts, and outstanding personal employee advances, which created liquidity challenges affecting the Company's operational cash flow.

- A separate assessment report on the audited financial statements for 2024 was prepared by the Supervisory Board (Assessment Report dated February 25, 2025).

VI. FINANCIAL REPORT

1. Auditor's Opinion

The financial statements fairly and accurately present, in all material respects, the financial position of Hanoi Soap Joint Stock Company as of December 31, 2024, as well as its business performance and cash flow situation for the fiscal year ending on the same date. These statements comply with Vietnamese Accounting Standards, the corporate accounting regime of Vietnam, and relevant legal regulations governing the preparation and presentation of financial statements.

Vietnam Auditing and Valuation Company Limited has issued an unqualified opinion, fully approving the financial statements of Hanoi Soap Joint Stock Company.

2. Audited Financial Statements

The Company's audited financial statements have been published on the website www.haso.vn.

**GENERAL DIRECTOR**

Mr. Lê Việt Phương