

**Appendix IV**  
**ANNUAL REPORT**

*(Issued with Circular No. 96/2020/TT-BTC dated November 16, 2020)*  
*of the Minister of Finance)*

**THONG NHAT HANOI  
JOINT STOCK  
COMPANY**

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**SOCIALIST REPUBLIC OF VIETNAM**  
**Independence - Freedom - Happiness**

Number: 37/BC-TNHN

Hanoi, April 14, 2025

**ANNUAL REPORT 2024**

To: - State Securities Commission  
- Hanoi Stock Exchange

**I. General information**

*1. General information*

- Trading name: Thong Nhat Hanoi Joint Stock Company
- Business registration certificate No. 0100100424 first issued by Hanoi Department of Planning and Investment on December 2, 2005. 6th change registration issued by Hanoi Department of Finance on March 5, 2025

- Charter capital : 237,000,000,000 VND (Two hundred thirty seven billion VND).

- Address : No. 10B Trang Thi Street, Hang Trong Ward, Hoan Kiem District, Hanoi City

- Phone number : 024 - 3 8572699

- Fax number : 024 - 38572744

- Website : [thongnhat.com.vn](http://thongnhat.com.vn)

- Stock code : TNV

- Formation and development process:

On June 30, 1960, the Ministry of Industry merged the Dan Sinh public-private partnership workshop and the Thong Nhat Southern Mechanical Corporation into the Thong Nhat Bicycle Factory, which met the needs and expectations of the majority of people, opening a new path for the bicycle industry.

On April 8, 1978, the Hanoi City People's Committee issued Decision No. 1221/QD-TC merging the Hanoi Bicycle Assembly Enterprise and Thong Nhat

Bicycle Factory and reorganizing them into enterprises under the Hanoi Bicycle Union Enterprise. Accordingly, Thong Nhat Bicycle Factory was officially named Thong Nhat Bicycle Enterprise with the main task of producing bicycle frames and assembling complete bicycles.

In September 1993, Thong Nhat Bicycle Enterprise was transformed into Thong Nhat Bicycle Motorcycle Company according to Decision No. 5563/QĐ-UB dated September 29, 1993 of Hanoi City People's Committee.

In October 2004, Dong Da Motorcycle and Bicycle Company merged into Thong Nhat Motorcycle and Bicycle Company according to Decision 7587 dated November 9, 2004 of Hanoi City People's Committee.

In October 2005, Thong Nhat Motorcycle and Bicycle Company was transformed into Thong Nhat State-owned One Member Limited Liability Company under Decision No. 162/2005/QĐ-UB dated October 18, 2005 of the Hanoi People's Committee. On December 2, 2005, the Company was granted the first Business Registration Certificate No. 0100100424 by the Hanoi Department of Planning and Investment with a charter capital of 120 billion VND.

In 2009, Thong Nhat State-owned One Member Company Limited inaugurated a bicycle factory in Tu Liem Small and Medium Industrial Cluster, Bac Tu Liem, Hanoi with an area of 10,000 m<sup>2</sup>.

In January 2011, Thong Nhat State-owned One Member Company Limited changed its name to Thong Nhat One Member Company Limited according to Decision No. 287/QĐ-TN dated January 18, 2011 of Hanoi City People's Committee.

On January 6, 2012, Thong Nhat One Member Co., Ltd. was granted the second amended Business Registration Certificate with a registered charter capital of 600 billion VND.

On December 29, 2015, the Hanoi People's Committee issued Decision No. 7252/QĐ-UBND approving the enterprise value and equitization plan of Thong Nhat One Member Co., Ltd. On June 3, 2016, the Company conducted the first auction of shares at the Hanoi Stock Exchange with 100% successful auction results, details as follows:

- Average successful auction price: 10,386 VND/share
- Total number of shares offered for public auction: 3,035,775 shares
- Total number of shares sold: 3,035,775 shares

On February 27, 2017, the Company officially successfully converted to a Joint Stock Company model with the official name of Thong Nhat Hanoi Joint Stock Company according to the Business Registration Certificate No. 0100100424 issued by the Hanoi Department of Planning and Investment for the 4th change with a charter capital of VND 237,000,000,000.

In more than 60 years of construction and development with a brand that has surpassed the century, Thong Nhat Bicycle Factory - now Thong Nhat Hanoi Joint

Stock Company has produced and launched hundreds of thousands of products to the market each year with eye-catching designs, durable quality over time, serving domestic and foreign customers.

During the process of formation and development, the Company has also achieved outstanding achievements over the years as follows:

- Awarded the First Class Labor Medal by the President;
- Received Certificate of Merit from the Prime Minister;
- Certified by the National Brand Council - Ministry of Industry and Trade as a National Brand Company (achieved the title 5/7 times, 10 consecutive years from 2010 - 2020);
- In particular, in 2024, the Company won first prize in the excellent worker competition organized by the Industry and Trade Union.
- And many other awards.

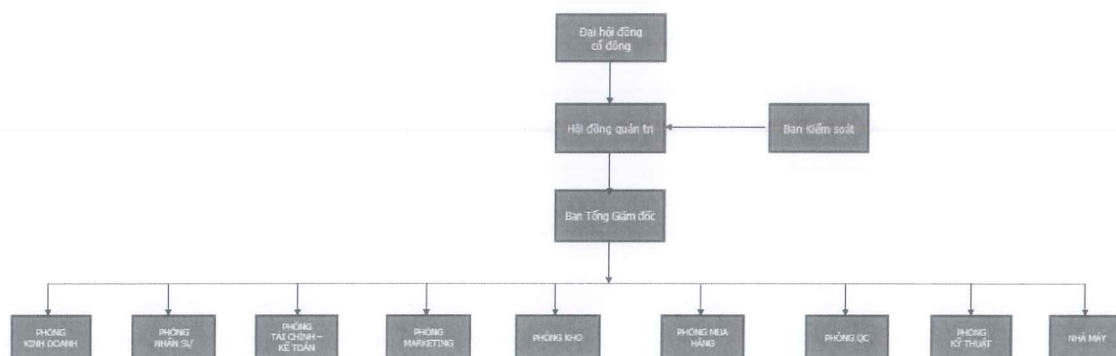
## *2. Business sector and location*

- Main business line: Manufacturing bicycles and vehicles for the disabled .
- Industry code: 3092
- Factory address: Lot A2CN3, Tu Liem Small and Medium Industrial Cluster, Bac Tu Liem, Hanoi
- Southern address: Lot 2-4-6, Road C, Tan Tao Industrial Park, Tan Tao A Ward, Binh Tan District, Ho Chi Minh City, Vietnam

## *3. Information on governance model, business organization and management apparatus.*

- Management model
  - + The company operates according to the model: General Meeting of Shareholders, Board of Directors, Board of Supervisors and Board of General Directors
- Company management structure





### ❖ General Meeting of Shareholders :

The General Meeting of Shareholders, consisting of all shareholders with voting rights, is the highest authority of the joint stock company, deciding on issues stipulated by the Law and the Charter of the joint stock company. In particular, shareholders will approve the annual financial reports of the joint stock company, the short-term and long-term development plans of the Company.

### ❖ Board of Member

The Board of Member of the Company consists of 05 members , whose duties include: managing the Company, having full authority on behalf of the Company to decide on issues related to the Company's purposes and interests, except for issues under the authority of the General Meeting of Shareholders. The Board of Member regularly supervises the Company's business activities, internal control activities and risk management activities.

### ❖ Board of Supervisors (BOS)

The Board of Supervisors consists of 03 members, with the following tasks: reviewing annual financial reports, checking each specific issue related to financial activities, ensuring the legality of the activities of the Board of Directors, General Director, and business operators; ensuring compliance with resolutions and decisions approved by the General Meeting of Shareholders or at the request of major shareholders ; on behalf of shareholders, controlling all business, management and operation activities of the Company.

### ❖ Board of General Directors (CEO)

The Board of General Directors includes: General Director and Deputy General Director. The Board of General Directors is appointed by the Board of Member, is supervised by the Board of Member and is responsible to the General Meeting of Shareholders, the Board of Member and before the law for the implementation of assigned rights and obligations.

The Deputy General Director assists the General Director in production and business operations, monitors and manages the direct production block, represents the General Director in handling tasks during production and business operations as



assigned and authorized by the General Director, and is responsible to the General Director for performing assigned rights and obligations honestly and diligently, for the benefit of the Company and shareholders.

❖ **Functional departments**

+ **Sales Department** : Responsible for developing sales strategies, finding and managing customers, Propose, negotiate and sign contracts, ensure after-sales service provision , monitor, report and evaluate business results to continuously improve sales performance.

+ **Human Resources Department** : Responsible for recruiting, training and developing staff, advising and implementing salary and benefits, as well as maintaining a positive working environment, resolving issues related to labor relations and ensuring compliance with the company's labor laws.

+ **Finance - Accounting Department:** responsible for managing and supervising the company's financial activities, including budgeting, cash flow management, accounting, financial reporting, Ensure compliance with financial and tax regulations, financial analysis reports to support business decisions of the company's Board of Directors .

+ **Warehouse Department:** responsible for managing and preserving the company's goods and materials, managing the import and export process, ensuring accuracy and timeliness, performing periodic inventories to ensure the quantity and quality of goods in the warehouse, Ensure goods are properly stored to avoid damage, loss, Monitor and adjust inventory levels to meet the company's production and business needs. Prepare reports on the status of goods in the warehouse and propose measures to improve warehouse management.

+ **Marketing Department:** responsible for market research, collecting and analyzing information about the market, competitors and customers, making marketing plans, building and implementing marketing and advertising campaigns, Build and maintain, develop the company's image and brand, manage communication activities, including public relations and social networks, Monitor and evaluate the effectiveness of marketing campaigns to continuously improve and optimize.

+ **QC Department (Quality Management Department)** : responsible for checking and evaluating the quality of input and output materials, semi -finished products and finished products, Monitor and supervise production processes to ensure compliance with quality standards, identify and analyze product defects, find causes and recommend corrective actions.

+ **Purchasing Department:** responsible for searching, evaluating and selecting reputable suppliers, negotiating contract terms, prices and purchasing conditions, Track and process orders, ensure goods are delivered on time and with quality, Coordinate with warehouse to maintain appropriate inventory levels, avoiding shortages or surpluses, Evaluate supplier performance and purchasing processes to ensure continuity and improvement.

+ **Technical Department:** responsible for tasks related to engineering, technology, machinery, and equipment to ensure that machinery and equipment

operate effectively; propose solutions to errors related to technology and machinery; plan and conduct maintenance of machinery and equipment...

- + **Factory:** Responsible for organizing and implementing production processes to create products of required quality and quantity.

- Subsidiaries and affiliates:

- + Detailed information about the Company's joint ventures and associates is as follows:

Company name: Thong Nhat - Bac Viet Company Limited

Head office: Hanoi

Main business field: Real estate business

Contributed capital: 117,025,553,713 VND

Ownership ratio: 30%

#### *4. Development orientation*

- The main objectives of the Company

- + Increase revenue , reduce production costs

- + Increase brand awareness and preference

- + Increase efficiency in manufacturing processes

- + Improve design skills, manufacturing technology

- + Strive to find and maintain the dealer system in the North and expand into the Southern market, promote comprehensive digital transformation, with active participation from the board of directors, all departments, and employees; Develop corporate culture, orienting the Company's working environment towards a professional, dynamic, and modern model.

- Medium and long term development strategy

- + Brand Rejuvenation

- + Renewing the bicycle product portfolio

- The Company's short-term and medium-term sustainability goals (environmental, social and community) and related key programs.

- + Over the past years and in 2024, the Company has not only focused on production and business activities but also always been aware of the company's responsibility to the community, society and surrounding environment because for the company, the community and society developing sustainably will create a positive business environment.



Therefore, the company's sustainable development goal is to spread the message of green living, becoming a national, modern bicycle brand, bringing a green, healthy life and pride to Vietnam.

#### 5. Risks

Besides favorable conditions and opportunities, the company also faces risks from:

- Chinese factories produce and distribute complete vehicles in Vietnam
- Chinese inventory is flooding in, especially cheap goods and assembled goods of unknown origin.

## II. Operational situation during the year

### 1. Production and business situation

-The results of production and business activities during the year are as follows:

### BUSINESS PERFORMANCE REPORT

2024

INDICATORS	Unit: VND	
	This year	Last year
1. Sales and service revenue	182,861,982,691	176,598,849,397
2. Deductions	140,791,540	28,309,629
<b>3. Net revenue from sales and service provision (10=01-02)</b>	<b>182,721,191,151</b>	<b>176,570,539,768</b>
4. Cost of goods sold	150,320,463,527	147,803,309,064
<b>5. Gross profit from sales and service provision (20=10-11)</b>	<b>32,400,727,624</b>	<b>28,767,230,704</b>
6. Financial operating revenue	534,800,534	314,208,724
7. Financial costs	3,421,091,024	3,373,772,773
<i>In which: Interest expense</i>	<i>3,421,091,024</i>	<i>3,357,854,773</i>
8. Selling expenses	12,212,130,933	12,443,115,562
9. Business management costs	12,354,396,848	9,953,723,173
<b>10. Net profit from business activities {30=20+(21- 22)- ( 25+26)}</b>	<b>4,947,909,353</b>	<b>3,310,827,920</b>



11. Other income	81,019,763	81,784,400
12. Other costs	717,492,528	763,853,853
<b>13. Other profits (40=31-32)</b>	<b>(636,472,765)</b>	<b>(682,069,453)</b>
<b>14. Total accounting profit before tax (50=30+40)</b>	<b>4,311,436,588</b>	<b>2,628,758,467</b>
<b>17. Profit after corporate income tax (60=50-51-52)</b>	<b>4,311,436,588</b>	<b>2,628,758,467</b>
<b>17. Basic earnings per share (*)</b>	<b>182</b>	<b>111</b>
<b>18. Declining earnings per share (*)</b>	<b>182</b>	<b>111</b>

#### **Revenue of operating segments**

- The Company's goods and finished products are mainly bicycles, including street bicycles, children's bicycles, and sports bicycles. The Company only provides individual services related to bicycle business activities such as: repair, maintenance, installation services... for some purchasing units in need. Accordingly, service provision activities only account for a very small part (about 0.05% of the Company's annual net revenue).

The Company's total net revenue in 2024 is VND 182.72 billion, an increase of VND 6.15 billion compared to 2023 (equivalent to an increase of 3.48%). In which, the majority of net revenue comes from the sale of goods and finished products (accounting for about 99.95% of annual net revenue).

In 2024, the Company has made efforts to find and maintain a dealer system in the North and expand into the Southern market through the distribution channels of AEON, Dien may xanh, and the Southern dealer system; ... thanks to that, although the number of large projects in 2024 is not much compared to 2023, sales in 2024 have grown and reached more than 182.86 billion.

#### **Operating segment profit**

### Gross profit structure

Unit: billion VND

Gross profit	2023		2024		+/- (%)
	Value	Proportion (%/Gross profit)	Value	Proportion (%/Gross profit)	
Gross profit from sales of goods and finished products	27.50	95.61	31.43	97.01	14.27
Gross profit from service provision	1.26	4.39	0.97	2.99	-23.20
Total	28.77	100.00	32.44	100.00	12.63

In 2024, the Company's revenue from sales of goods and finished products increased by 4.24%, while the cost of goods sold increased by only 1.7% (details are presented in the cost structure table), causing the gross profit from sales of goods and finished products to increase by 14.27%. This was achieved because the company adjusted the selling prices of goods and finished products to suit the market situation.

Gross profit from service provision in 2024 reached VND 97 million, down 92.47% compared to 2023. However, service provision activities only account for a very small part (about 0.05% of the Company's annual net revenue), so the contribution of service provision activities to the Company's overall gross profit is insignificant. In 2024, the Company's gross profit reached VND 32.4 billion, up 12.63% compared to 2023.

### Cost structure

### Cost structure

Unit: billion VND

Cost factor	2023		2024		% (+/-)
	Value	Value/DTT (%)	Value	Value/DTT (%)	
Cost of goods sold	147,803	83.71	150,320	82.27	1.70
Financial costs	3,374	1.91	3,421	1.87	1.39
- Including: Interest expense	3,358	1.9	3,421	1.87	1.88
Cost of sales	12,443	7.05	12,212	6.68	-1.86
Business management costs	9,954	5.64	12,354	6.76	24.11

Other costs	764	0.43	717.5	0.39	-6.09
Total	174,338	98.74	179,025	97.98	2.69

The Company's total cost in 2024 is VND 179.025 billion, an increase of 2.69% compared to 2023. Cost of goods sold increased by 1.7% due to the increase in price fluctuations in the raw material market.

In 2024, selling expenses decreased slightly by 1.86% as the company's sales and marketing system gradually stabilized. Large projects with high selling and transportation costs were also less than in 2023.

Business management expenses increased by 24.11% compared to 2023, mainly because in 2024 the company renovated office facilities and purchased advanced equipment for management.

Regarding the Company's financial expenses in 2024, it increased by 1.88% compared to 2023 due to high production and business demand at the time, so the loan level in 2024 was higher than in 2023, leading to high interest expenses.

### **Market**

In 2024, in addition to maintaining existing markets, the company will promote the search and development of new markets, especially the southern market, with the goal of having Thong Nhat bicycles present in all provinces and cities across the country.

Besides, the company also constantly improves product designs, launching new car models suitable to tastes and markets.

However, due to the impact of the pandemic, a large amount of cheap bicycle inventory from the Chinese market has flooded into Vietnam, along with the situation of counterfeit and fake bicycles still remaining, causing fierce competition in the bicycle market recently. Therefore, in addition to controlling and improving product quality, the Company focuses on Marketing activities, developing the Company's brand recognition.

### **Implementation status compared to plan**

#### **Implementation status compared to plan**

Unit: VND

STT	Target	Implementation 2024	Plan 2024	% Plan implementation
1	Net revenue	182,861,982,691	162,000,000,000	113%
2	Profit after tax	4,311,436,588	2,000,000,000	216%



In 2024, with the improvement of technology and machinery in production and business management and the efforts to find and maintain the dealer system, the close direction of the Board of Directors, the efforts of the staff of the departments, production and business activities have achieved the results according to the set plan.

## *2. Organization and personnel*

### *-List of Executive Board:*

The list of Executive Board includes:

Mr. Dinh Vu Minh Viet - Member of Board of Member, General Director

Mr. Phi Trong Thanh - Member of Board of Member, Deputy General Director

#### *2.1 Mr. Dinh Vu Minh Viet - Member of Board of Member, General Director:*

- Professional qualifications: Bachelor of Automation - Hanoi University of Science and Technology; Applied Information Technology Engineer - Hanoi Open University

- Mr. Dinh Vu Minh Viet was born in 1989. In June 2020, he was elected Deputy General Director and member of the Board of Member. In June 2022, he was appointed General Director of the company and has held the position of Member of the Board of Member and General Director of the company until now.

### *- Experience:*

From 06/2013 - 06/2015	Media staff - Hanoi People's Committee - Economic & Urban Newspaper
From 06/2015 - 12/2016	Business Management - Vincommerce Trading and Service Joint Stock Company
From 02/2017 - 02/2020	Sales Director - Thong Nhat Hanoi Joint Stock Company
From 03/2020 - 06/2020	Deputy General Director - Thong Nhat Hanoi Joint Stock Company
From 06/2020 - 11/2021	Member of Board of Member, Deputy General Director - Thong Nhat Hanoi Joint Stock Company
From 01/2022 to present	Member of Board of Member, General Director of Thong Nhat Hanoi Joint Stock Company
Share ownership ratio	79,502 shares, accounting for 0.33% of charter capital
Number of shares represented	6,043,500 shares, accounting for 25.50% of charter capital

#### *2.2 Mr. Phi Trong Thanh - Member of Board of Member, Deputy General Director*

- Qualification: IT Engineer - Phuong Dong Private University

- Year of birth: 1976

- Experience:

From 03/2000 - 09/2004	Head of Computer Department - Labor Company - Electricity Corporation 1
From 01/2006 - 12/2010	Sales Director - Lighting Equipment Distribution Company
From 01/2011 - 01/2012	Deputy Sales Director - MAST Spare Parts Company
From 09/2014 - 03/2017	Head of Automotive Industry, Adayroi E-commerce Site - VinGroup Corporation
From 09/2018 - 11/2019	Digital Project Management - OPES Digital Insurance JSC
From 06/2020 - 03/2021	Head of Operations Vinfast - VinGroup Corporation
From 04/2021 - 03/2023	Sales Director - Son Ha Group
From 04/2024 - 05/2024	Deputy General Director - Thong Nhat Hanoi Joint Stock Company
From 06/2024 to present	Member of Board of Member, Deputy General Director of the Company
Shareownership ratio	0

### 2.3 Mr. Tran Thanh Trung - Chief Accountant

- Professional qualification: Bachelor of Accounting - Auditing - National Economics University

- Year of birth: 1988

From 07/2010 - 03/2015	Economist - AASC Auditing Company Limited
From 05/2015 - 08/2015	Specialist - VinGroup Corporation
From 02/2016 - 04/2017	Accountant - Tay Ho View Hotel and Tourism Company Limited
From 05/2017 to present	Chief Accountant - Thong Nhat Hanoi Joint Stock Company
Share ownership ratio	0 shares, accounting for 0% of charter capital

Number of individual shares represent 4,621,500 shares, accounting for 19.50% of charter capital

-Number of staff. Summary of policies and changes in policies for employees .

#### Average income

Target	2022	2023	2024
Total number of employees (people)	174	187	166
Average income (VND/person/month)	11,883,050	11,407,089	12,630,066

#### POLICY FOR WORKERS

The company always focuses on building a satisfactory labor policy for employees and creating a united and healthy working environment, creating conditions for employees to maximize their abilities in order to achieve high efficiency in work.

In 2024, although the company's business operations still face many difficulties, the company's Board of Directors is constantly researching and improving its labor policies to ensure full benefits for employees in accordance with regulations , and at the same time, there are additional attractive remuneration policies to attract and retain talent to serve the company's production and business activities. In 2024, the average income of employees in the company increased by nearly 11% compared to 2023.

#### 3. Investment situation, project implementation situation

Unit: VND

Investment in associates	Year-end number		Beginning of year number	
	Original price	Fair value	Original price	Value reasonable
Thong Nhat - Bac	117,025,553,713	-	117,025,553,713	-



Viet Company Limited				
Add	117,025,553,713	-	117,025,553,713	-
Head office	Voting rights ratio	Ownership ratio	Main business areas	
Hanoi	30%	30%	Real estate business	

#### 4. Financial situation

##### a) Financial situation

#### Financial situation

Unit: VND

STT	Target	2023	2024	% Increase/Decrease
1	Total asset value	282,735,955,248	296,997,943,071	5.04
2	Net revenue	176,570,539,768	182,721,191,151	3.48
3	Profit from business activities	3,310,827,920	4,947,909,353	49.45
4	Other profits	(682,069,453)	(636,472,765)	-6.69
5	Profit before tax	2,628,758,467	4,311,436,588	64.01
6	Profit after tax	2,628,758,467	4,311,436,588	64.01

##### b) Key financial indicators :

#### Financial indicators

STT	Target	Unit	2023	2024
<b>Solvency ratio</b>				
1	Current Ratio (Current Assets/Current Liabilities)	Time	1.42	1.38
	Quick Ratio (Current Assets - Inventory)/Current Liabilities	Time	0.45	0.46
<b>Capital structure indicators</b>				
2	Debt/Total Assets Ratio	%	24.77%	26.93%
	Debt/Equity Ratio	%	32.93%	36.86%
<b>Performance indicators</b>				

3	Inventory Turnover (Cost of Goods Sold/Average Inventory)	Ring	2.29	2.12
	Total Asset Turnover (Net Sales/Average Total Assets)	Ring	0.65	0.63
<b>Profitability ratio</b>				
4	Return on Sales (ROS)	%	1.49%	2.36%
	Return on Equity (ROE)	%	1.24%	1.99%
	Return on Assets (ROA)	%	0.93%	1.45%
	Operating Profit Ratio/Net Revenue	%	1.88%	2.71%

5. Shareholder structure, change in owner's equity

a) Share:

Total shares: 23,700,000 shares

Type of shares: common shares

Freely transferable shares: 23,700,000 shares

Restricted shares: 0 shares

b) Shareholder structure:

Ownership structure:

Category	Domestic shareholders			Foreign shareholders		
	Number of shares	Value	Rate (%)	Number of shares	Value	Rate (%)
Shareholders owning more than 5% of voting shares	23,428,996	234,289,960	98.9	0		0
Shareholders holding less than 1% of voting shares	271,004	2,710,040	1.1	0		0

Category	Domestic shareholders			Foreign shareholders		
	Quantity share	Value	Rate (%)	Number of shares	Value	Rate (%)
1. State shareholders	10,665,000	106,650,000	45	-	-	-

<b>2. Internal shareholders</b> (Board of Directors, Board of Management, Board of Supervisors, Chief Accountant)	<b>129,402</b>	<b>1,294,020</b>	<b>0.55</b>	-	-	-
<b>3. Shareholders in the company</b>	<b>16,500</b>	<b>165,000</b>	<b>0.07</b>	-	-	-
CBCNV	16,500	165,000	0.07	-	-	-
<b>4. Shareholders outside the company</b>	<b>12,889,098</b>	<b>128,890,980</b>	<b>54.38</b>	-	-	-
Individual	3,009,873	30,098,730	12.7	-	-	-
Organization	9,879,225	98,792,250	41.68	-	-	-

## *6. Report on the company's environmental and social impact*

### *6.1. Environmental impact:*

Total direct and indirect greenhouse gas (GHG) emissions

The company operates in the mechanical field, so the production process will have an impact on the environment (hazardous waste, household waste, etc.). Aware of the need to protect the environment, the company has always followed the principles of collecting and processing waste, hiring waste collection and treatment units, minimizing negative impacts on the environment.

Along with that, the Company regularly organizes inspections and supervision of the production and waste treatment processes to promptly evaluate and improve, helping to ensure compliance with environmental laws. In addition, the Company is always proactive in promoting and raising environmental protection awareness of all staff, conducting training so that employees can classify and treat industrial waste, ensuring hygiene and safety. From there, each individual employee will be aware of the importance of environmental protection and the responsibility of each person in minimizing the impact of production activities. The implementation and evaluation of 5S at the company is also carried out regularly and continuously, ensuring that the working environment is always neat, clean and beautiful.

### *6.2. Management of raw materials:*



Every year, the Company uses a large amount of raw materials, of which iron and steel are among the main raw materials serving the Company's production and business processes. Therefore, effective management of raw materials will help the Company save costs, increase profits for the Company and shareholders, and reduce impacts on the environment. Although the prices of these raw materials are constantly fluctuating, with the current market situation, the Company always has plans and quantitative indicators of raw materials for each product, in order to tighten spending and avoid wasting raw materials. At the same time, the Company also monitors and searches for new sources of raw materials, quality, and reasonable prices. In addition, the Company's Purchasing Department always researches and forecasts market trends, in order to promptly grasp the situation to develop strategies and plans for purchasing raw materials and production and business in a reasonable manner.

#### *6.3 . Energy consumption:*

Electricity is an important and main source of energy in the production and business process of the company. Therefore, the Company always puts forward policies and strategies to save this energy, in order to minimize costs for the Company. Specifically, the Company has inspected and reviewed the system of equipment and machinery to conduct periodic repairs, maintenance or renewal of damaged equipment and machinery, while this also helps to improve the Company's productivity. In addition , the Company also conducts propaganda, raises awareness of all employees in saving electricity, provides thorough training on the use of production lines, and improves processes to maximize productivity, save time and tens of thousands of KWH consumed each year.

#### *6. 4 . Water consumption:*

Throughout the production and business process, the company is always aware that clean water is an extremely valuable resource for the environment and extremely important in all activities of the Company, so the company has appropriate usage policies, specifically:

- For domestic water sources: The company encourages and promotes employees to use water as economically and reasonably as possible.
- For water used in production: The company also regularly checks and repairs pipes and water valves of equipment and machinery to minimize loss during the production process, ensuring environmental safety.

#### 6. 5 . Compliance with environmental protection laws:

a) Number of times fined for non-compliance with environmental laws and regulations : 0 times

b) Total amount of fines imposed for non-compliance with environmental laws and regulations :

Because the company complies with environmental laws and regulations , it has not been penalized for violating environmental regulations.

#### 6. 6. Employee related policies

a) Number of employees, average salary for employees

##### Average income

Target	2022	2023	2024
Total number of employees (people)	174	187	166
Average income (VND/person/month)	11,883,050	11,407,089	12,630,066

b) Labor policy to ensure the health, safety and welfare of workers .

Thong Nhat's Board of Directors constantly researches and improves its labor policies to be suitable, ensuring full benefits for employees in accordance with regulations, and at the same time has additional attractive remuneration policies to attract and retain talented people to serve the Company's production and business activities. In addition, the Company always focuses on the spiritual life and health of employees by organizing health check-ups for employees every 6 months, organizing activities on International Women's Day March 8, Vietnamese Women's Day October 20, travel to celebrate the Company's birthday, etc. This is an opportunity to create cohesion as well as enhance the spirit of solidarity between the collective of employees and the Company.

c) Employee training activities

Training and coaching activities are organized periodically by the Company to improve and develop professional skills in each department and each operational block. At the same time, the Company also organizes testing and evaluation sessions to have appropriate training programs, improve professional qualifications, and foster skills of all resources of the Company.

Organize for officers and employees to participate in professional skills training courses.



### *6.7. Reports relating to responsibility towards local communities*

Community investment activities and other community development activities, including financial support for community service .

The company not only focuses on production and business activities, but also cares about its social responsibility to the surrounding community and locality. The company believes that only when the community develops steadily can businesses be stable. Therefore, the company is always proactive in sponsoring programs, proactively sharing and providing financial support to difficult circumstances and families, and regularly participating in charity to help and contribute to the locality and community.

*6.8. Reports related to green capital market activities according to the guidance of the State Securities Commission: none*

## **III. Report and assessment of the Board of General Director**

### *1. Evaluation of production and business performance*

#### **The Company's business performance results in 2024**

Unit: VND

Target	Unit	Actual 2023	Plan 2024	Actual 2024	%Increase / Down from 2023	%Increase / Less than planned
Net revenue	Billion VND	176,570,539,768	162,000,000,000	182,721,191,151	3%	13%
Profit before tax	Billion VND	2,528,758,467	2,000,000,000	4,311,436,588	70%	116%
Profit before tax/net revenue	%	1.43%	1.23%	2.36%	65%	91%
Pre-tax profit ratio/VCSH	%	1.19%	0.93%	1.99%	67%	113%

In 2024, the Company's revenue from sales of goods and finished products increased by 4.24%. Gross profit from sales of goods and finished products increased by 14.27%, exceeding the set plan.



- The company's progress has been:
- + ) The leadership is strengthened
- + ) More professional management system, higher adaptability to circumstances.
- + ) Applying modern machinery and technology into production contributes to improving product quality.

## 2. Financial situation

### a) Asset situation

Unit: VND

Target	12/31/2023	12/31/2024	% Increase/Decrease
Current assets	98,400,111,041	110,606,109,722	12.40%
Long-term assets	184,335,844,207	186,391,833,349	1.12%
Total assets	282,735,955,248	296,997,943,071	5.04%

### b) Accounts Payable Status

Unit: VND

Target	12/31/2023	12/31/2024	% Increase/Decrease
Short-term debt	69,838,148,832	79,993,100,067	14.54%
Long-term debt	204,400,000	-	-100.00%
Total liabilities	70,042,548,832	79,993,100,067	14.21%

## 3. Improvements in organizational structure, policies, and management

The company builds reasonable policies and benefits along with plans to help stabilize income for employees, thereby helping employees feel satisfied, secure in production and long-term commitment to the company.

Thong Nhat regularly organizes training sessions to help improve the skills and expertise of its employees.

Continue to focus on corporate governance, apply information technology to management and operation systems to improve management efficiency and save resources.

Invest in and apply science and technology to the production process; repair and renovate damaged equipment and machinery to promptly meet production needs.

#### 4. Future development plan

Unit: VND

STT	Target	Actual 2024	Plan 2025
1	Total revenue	182,861,982,691	200,000,000,000
2	Total cost	178,550,546,103	195,000,000,000
3	Profit before tax	4,311,436,588	5,000,000,000

#### 5. Assessment report related to the company's environmental and social responsibility

a. Assessment related to environmental indicators (water consumption, energy, emissions).

The company complies with and implements environmental regulations, and annually takes water and exhaust gas samples for analysis in accordance with regulations.

b. Assessment related to labor issues

For employees, in addition to ensuring jobs and stable income, the company also fulfills other responsibilities to employees such as welfare regimes, health check-ups, organizing skill competitions...

In order for employees to stay with the company for a long time, the working environment is one of the extremely important factors. A good working environment will inspire and motivate employees, helping them to complete their assigned tasks well. Therefore, the company always creates a professional, dynamic and fair working environment because Thong Nhat believes that a harmonious and comfortable working environment can help employees develop, maximize their creativity and capacity, thereby promoting efficiency and quality of work. In addition, the company also equips and provides full equipment, labor protection, ensuring safety for employees at the workplace and production.

c. Assessment related to corporate responsibility towards local communities

The company always actively carries out volunteer activities, fulfilling its corporate responsibility to the local community: giving bicycles to disadvantaged students within the framework of the program "Helping children go to school", giving bicycles to Truong Sa soldiers...

Thong Nhat Bicycles accompanies the Vietnam Journalists Association to give bicycles to studious students within the framework of the program "Lighting the Flame of Gratitude" in Nghe An.

In 2024, the Company sponsored the following competitions:

- + The big Idea FPT Polytechnic
- + National Stem Competition
- + AI & Robotic Competition for High School Students
- + Sponsor The Money Verse program
- + Coordinate with agencies and departments to organize and implement the Tay Ho Lotus Cycling program.

The company also launched free bicycle maintenance activities in the West Lake area and attracted a large number of cycling members to participate.

#### **IV. Board of Member assessment of the Company's operations**

*1. The Board of Member assessment of the Company's operations, including assessments related to environmental and social responsibility .*

In 2024, although still affected by negative impacts in the micro and macro economy, the Company's production and business activities have been and are continuing to stabilize, and the Company's business results have also achieved some positive results . These results are thanks to the close supervision and continuous efforts of the Board of Directors and all employees in the past year.

##### **a. About sales**

- The sales department has strengthened market research, especially the new Southern market. Developing new products to diversify product segments with the current orientation focusing mainly on mid-range and popular cars.
- Besides, we also promote warranty policies and other after-sales policies, search and export to international markets;
- The Marketing Department has implemented marketing programs to help the Thong Nhat bicycle brand spread to the community and penetrate deeply into the subconscious of consumers;
- research and development department has been regularly evaluating and continuing to launch new products.

##### **b. Regarding purchasing:**

- The Purchasing Department has built a chain of suppliers with guaranteed quality and reasonable prices; searched for new sources of raw materials, improved



quality standards, and gradually approached sources of raw materials that ensure export targets to the US and European markets.

**c. For the Production Department:**

- In 2024 , the Company will continue to maintain the rearrangement of warehouses and factories to ensure orderliness, scientificity and convenience for production. The Company focuses on upgrading and repairing outdated machinery and equipment to improve labor productivity to an average of 420 vehicles/day;
- Many technical innovations have been applied that have fundamentally changed production technology, helping to reduce time, increase productivity and produce higher quality products;
- Applying 5S in production, issuing main material norms, arranging machinery and rearranging workshop premises helps improve production flow and increase productivity;

**d. For Human Resources Department:**

- The management structure is being gradually restructured towards streamlining. The company has issued many more regulations, processes and rules to improve the quality of management work. The Board of Directors and managers at all levels pay attention and are close to employees to listen and absorb their comments to continuously improve the management mechanism and system;
- Applying many new policies and welfare regimes to make employees feel secure in their work and stay with the company for a long time. At the same time, the Company always ensures to properly and fully implement salary regimes and policies, as well as fully pay Social Insurance, Health Insurance, Unemployment Insurance, to ensure the rights of employees. This has helped the Company attract and retain highly skilled employees, contributing to the sustainable development of the Company.

*2. Board of Member assessment of the performance of the company's Board of General Director.*

The Board of Member supervises the Board of General Director in the management of production and business plans to evaluate the effectiveness of

production activities and provide timely instructions to ensure the Company's growth, efficiency and sustainable development.

In 2024, the Board of General Director and executive management staff performed well the assigned functions and tasks. The Board of General Director took measures to implement production plans, strengthen cost management, focus on customer care, improve management capacity of executives, create a united and unified collective towards the goal of creating sustainable corporate value and continuous development.

### *3. Plans and directions of the Board of Member.*

In 2025, the Board of Member has set out the following plans and directions:

The company continues to maintain its bicycle manufacturing activities, actively seeking cooperation opportunities, and developing business in industries based on its existing mechanical foundation. Continue to optimally exploit the benefits of real estate , continue to implement the policy of divestment from joint ventures to focus capital on the main field.

Strengthen supervision and closely direct activities to ensure financial safety . Training human resources and continuing to invest in machinery and technology to serve production and business will be key factors determining the success of the Company .

The company needs to continue researching and investing in automatic machinery and technology systems similar to those in developed countries to gradually move towards a modern production system that meets international standards. At the same time, the company needs to focus on expanding the supply chain, finding sources of raw materials that meet standards and quality to export to demanding markets such as Europe.

In parallel , the implementation of production and business plans, communications, brand development, improving legal risk management, internal control, and constantly directing the Board of Directors closely in environmental protection and labor safety are also of special concern to the Board of Member .

## **V. Corporate governance**

### *1. Board of Member*



a) Members and structure of the Board of Member:

STT	Board of Member	Title	Number of shares owned/represented	Share ownership ratio
1	Mr. Vu Ngoc Tu	Chairman of the Board	Representatives: 9,879,225	41,684 %
2	Mr. Pham Van Minh	Vice Chairman of Board of Member	49,900	0.21 %
3	Mr. Vu Ha Nam	Board Member	0	0 %
4	Mr. Dinh Vu Minh Viet	Board Member, General Director	Ownership: 79,502 Representative: 6,043,500	0.335 % 25.5%
5	Mr. Phi Trong Thanh	Board Member, Deputy General Manager	0	0 %

b) Subcommittees under the Board of Member: (List subcommittees under the Board of Member and members of each subcommittee: The Company does not establish subcommittees under the Board of Member. Depending on each field, the Board of Member will assign members of the Board of Member to be in charge and implement.

c) Board of Member performance: assess the Board of Member performance, specifying the number of Board of Member meetings, the content and results of the meetings.

- In 2024, the Board of Member of the Company fulfilled its responsibilities and tasks according to the Resolution of the Annual General Meeting of Shareholders. The strategic and operational directions and guidance of the Board of Member have helped the Company develop in the context of many economic difficulties.

- In 2024, the Board of Member held a meeting to resolve matters within its authority.

- The Board of Member also directed and successfully organized the 2024 Annual General Meeting of Shareholders on June 26, 2024 in person. The Board of Member also closely monitored and directed the implementation of the targets set out in the 2024 Shareholders' Meeting Resolution;

- In 2024, the Board of Member has strengthened governance, closely monitored, promptly directed the company's production and business activities and always strived to find effective business and investment methods to improve the company's production and business efficiency;



- The Board of Member has coordinated with the Board of Supervisors and other departments to perform well the assigned tasks.

Board of Member Meetings:

Stat us	Resolution Number	Day	Meeting content	Passag e Rate	Meeting results
01	01/NQ-TN- HĐQT	5/22/2024	Agenda and documents for the 2024 Annual General Meeting of Shareholders	100 %	The Board of Member has approved the Program and documents submitted to the 2024 Annual General Meeting of Shareholders.
02	02/NQ-TN- HĐQT	05/27/2024	Dismissal and election of 01 additional member of the Board of Member	100 %	The Board of Member has approved the Proposal on dismissal and election of 01 additional member of the Board of Member.
03	03/NQ-TN- HĐQT	June 17, 2024	Securities registration at Vietnam Securities Depository and Clearing Corporation (VSDC)	100 %	Through securities registration at Vietnam Securities Depository and Clearing Corporation (VSDC)

d) Activities of independent members of the Board of Member. Activities of subcommittees in the Board of Member : (evaluate the activities of subcommittees under the Board of Member, specify the number of meetings of each subcommittee, the content and results of the meetings : The Company does not establish subcommittees under the Board of Member.

e) List of Board of Member members with corporate governance training certificates. List of Board of Directors members participating in corporate governance programs during the year : None.

f) In October 2024, the company was approved by the Hanoi Stock Exchange to register for stock trading. In the coming time, when there are corporate governance training courses, the company will send staff to attend corporate governance courses to improve their capacity in corporate governance.

*2. Board of Control*

a) Members and structure of the Board of Supervisors.

STT	Full name	Position	Ownership ratio share
1	Mr. Nguyen Ho Ngoc	Head of Supervisory Board	0 %
2	Mr. Chu Van Vuong	Board of Supervisors	0 %
3	Mrs. Nguyen Hong Thuy	Board of Supervisors	0 %

b) Activities of the Board of Control.

In 2024, the Board of Supervisors held 03 meetings:

- The Board of Supervisors has inspected and reviewed the Reports, Resolutions and Decisions of the Board of Member to implement the Resolution of the 2024 Annual General Meeting of Shareholders, evaluated the achieved targets and the targets that have not been achieved.

- The Board of Supervisors has inspected and controlled the implementation of the contents of the Resolution of the 2024 Shareholders' Meeting, controlled the production and business activities, investment implementation in 2024, controlled the company's documents and accounting books; debt management and payment capacity; asset exploitation management, revenue, and expenses to analyze factors affecting production, business and investment activities, thereby making timely proposals to the company or making recommendations to improve operational and management efficiency to help the company develop and improve further.

*3. Transactions, remuneration and benefits of the Board of Directors, the Board of Management and the Board of Supervisors*

a) Salary, bonus, remuneration, benefits

Unit: VND

TT	Full name	TITLE	This year	Last year
<b>I</b>	<b>BOARD OF DIRECTORS AND THE BOARD OF DIRECTORS</b>		<b>1,101,889,962</b>	<b>765.148.735</b>
1	Vu Ngoc Tu	Chairman of the Board		
2	Pham Van Minh	Vice Chairman of Board of Member		
3	Vu Ha Nam	Board Member		

4	Trinh Nguyen Khanh	Member of Board of Member (Resigned in June 2024)		
5	Dinh Vu Minh Viet	Member of Board of Member, General Director	385,025,885	385,153,722
6	Phi Trong Thanh	Member of Board of Member, Deputy General Director (Appointed June 2024)	236,480,885	
7	Chu Thai Son	Deputy General Director (Resigned June 2024)	256,088,596	122,317,615
8	Tran Thanh Trung	Chief Accountant	224,294,596	257,677,398
<b>II</b>	<b>BOARD OF SUPERVISION</b>		<b>423,593,458</b>	<b>438.088.508</b>
1	Nguyen Ho Ngoc	Head of Control Board		
2	Chu Van Vuong	Board of Supervisors	223,578,000	248,419,023
3	Nguyen Hong Thuy	Board of Supervisors	200,015,458	189,669,485

b) Insider stock transactions: none

c) Contracts or transactions with insiders: none

d) Assessment of implementation of corporate governance regulations :

Based on the production and business plan of Thong Nhat Hanoi Joint Stock Company, the Board of Member has oriented activities to strengthen corporate governance, specifically as follows:

- Ensure that the Company operates in compliance with the law and effectively implements the Resolutions of the General Meeting of Shareholders and the Resolutions of the Board of Directors.
- Supervision of the Board of Member over the Board of General Director through exchanges and discussions between the Board of Member and the Board General Director;
- Through periodic or ad hoc reports from the Board of General Director on work results and progress, difficulties, problems and proposed solutions.
- Coordinate with the Board of Supervisors in supervising the activities of the Board of General Director.



- Strictly implement the Company Charter and the Company's internal governance regulations.

## VI. Financial reports

1. Auditor's opinion ( Excerpt from the auditor's opinion according to Independent Audit Report No. 308/BCKT-TC/AVA.NV6 dated March 26, 2025 of Vietnam Auditing and Valuation Company Limited):

*"In our opinion, the Financial Statements give a true and fair view, in all material respects, of the financial position of Thong Nhat Hanoi Joint Stock Company as at December 31, 2024, as well as the results of its operations and its cash flows for the year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and the relevant legal regulations on preparation and presentation of Financial Statements."*

### 2. Audited financial statements

The 2024 financial statements audited by Vietnam Auditing and Valuation Company Limited include: Balance sheet; Business performance report; Cash flow statement; Notes to the financial statements in accordance with the law on accounting and auditing.

The Company has submitted the audited Financial Report to the State Securities Commission and the Hanoi Stock Exchange in accordance with regulations and has posted the full text of the financial report on the Website: <https://thongnhat.com.vn>.

#### Recipient:

- As above;
- Save: Save HR department, accounting department.

### CONFIRMATION OF THE REPRESENTATIVE COMPANY LAW

(Sign, print full name, stamp)



CHỦ TỊCH HĐQT  
*Vũ Ngọc Lợi*