

ANNUAL REPORT

For the year 2025

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
- Stock Code: XPH
- Charter Capital: VND 129,724,750,000
- Registered Business Address: No. 233B Nguyen Trai Street, Khuong Dinh Ward, Hanoi City, Vietnam.
- Office & Factory Address: Lot CN 3.2, Thach That - Quoc Oai Industrial Park, Hanoi City, Vietnam.
- Showroom and display area: No. 2 Pham Ngu Lao Street, Cua Nam Ward, Hanoi City, Vietnam
- Phone Number: +84 24 385 87051 Fax: +84 24 385 84486
- Email: info@haso.vn; hasoco1960@haso.vn
- Website: www.haso.vn
- Enterprise Registration Certificate No.: 0100100311, first issued on January 27, 2005 by the Business Registration and Corporate Finance Division, Hanoi Department of Finance, and updated from time to time upon any amendments.

2. Formation and Development

Hanoi Soap Joint Stock Company is one of the long-established enterprises in the cosmetics and household chemical manufacturing industry in Vietnam. Its predecessor was Hanoi Soap Factory, construction of which commenced in 1958 and which officially began operations in 1960, marking the establishment of one of the first detergent manufacturing facilities of Vietnam's chemical industry.

During its early stages of formation and development, Hanoi Soap Factory operated as a state-owned enterprise under the Ministry of Heavy Industry, subject to specialized management by the General Department of Chemicals (now Vietnam National Chemical Group – Vinachem). Its primary mission was

to produce synthetic detergents, bar soap, and toothpaste to meet essential consumer demand, thereby playing an important role in ensuring the supply of essential goods during the centrally planned economy and the early years of the Doi Moi (renovation) period.

From 1960 to 1990, the enterprise operated under a centrally planned mechanism, producing in accordance with state-assigned targets. Entering the renovation period and in line with the transition to a market-oriented economy, in 1993 Hanoi Soap Factory was reorganized and officially renamed Hanoi Soap Company, gradually improving its corporate governance mechanism toward greater autonomy and accountability.

In December 1994, amid the trend of international integration and cooperation, the Company entered into a joint venture with Unilever Group, forming Lever – Haso Joint Venture Company. Accordingly, production and business activities were separated into two legal entities:

- Hanoi Soap Company, which continued to maintain and develop its traditional manufacturing operations; and
- Lever – Haso Joint Venture Company, focusing on leveraging the foreign partner's strengths in technology, management, and branding.

In 2003, in implementation of the Government's policy on restructuring and reforming state-owned enterprises, the entire capital contribution of Hanoi Soap Company in Lever – Haso Joint Venture Company was transferred to Vietnam National Chemical Corporation for management, creating a foundation for the equitization process.

On December 31, 2003, the Ministry of Industry issued Decision No. 248/2003/QĐ-BCN on the conversion of Hanoi Soap Company into Hanoi Soap Joint Stock Company. The Company officially commenced operations under the joint stock company model on January 27, 2005, under Business Registration Certificate No. 0103006569 (subsequently amended and updated for the 11th time on September 1, 2025).

In accordance with the Government's policy on restructuring and developing the capital market, the Company completed the necessary procedures to register its shares for trading on the stock market. On November 25, 2014, the Company's shares were officially traded on the UPCoM market, marking a significant milestone in enhancing transparency, strengthening corporate governance, and accessing market-based capital sources.

In parallel with organizational and governance restructuring, in April 2012 the Company completed the relocation of its manufacturing plant to Thach That – Quoc Oai Industrial Park, Hanoi, creating an important foundation for modernizing production lines, improving competitiveness, and meeting

environmental, safety, and sustainable development requirements.

After more than six decades of establishment and development, Hanoi Soap Joint Stock Company has continuously innovated and affirmed its position as a long-standing enterprise in the chemical and detergent industry, while steadily adapting to market demands and striving toward stable, efficient, and sustainable development in the new phase.

3. Business Lines

No.	Business Code	Business Line
1	2023 (primary)	Manufacture of cosmetics, soap, detergents, polishing and cleansing preparations <i>Details:</i> – Industrial production of synthetic detergents
2	4649	Wholesale of other household goods <i>Details:</i> – Manufacture and trading of cosmetics and household chemical products; packaging and label printing for such products (carton boxes, paper packaging, plastic bags and bottles of various types); – Wholesale of books, newspapers, magazines and stationery
3	6810	Real estate business; trading of land use rights owned, used or leased <i>Details:</i> – Leasing of offices and warehouses
4	4669	Other specialized wholesale not elsewhere classified <i>Details:</i> – Trading of fertilizers (excluding those prohibited by the State); – Import and export trading of chemicals, materials, chemical substances and synthetic detergents
5	4632	Wholesale of food products <i>Details:</i> – Trading of processed food products, foodstuffs and food commodities
6	2392	Manufacture of building materials from clay <i>Details:</i> – Manufacture and trading of PVC plastics, construction materials, interior and exterior decorative products, mechanical products and supplies
7	4933	Road freight transport <i>Details:</i> – Provision of cargo transport services by truck;

4. Distribution System

Throughout its operations, Hanoi Soap Joint Stock Company has progressively developed and refined its distribution system toward diversification of sales channels, in line with product characteristics and market trends.

The Company's traditional distribution channel has been established and maintained steadily for many years, primarily through the postal network of

Vietnam Post Corporation (VNPost), the Vietnam National Coal and Mineral Industries Group's chemical explosives system, the Vietnam Industry and Trade Trade Union network, and member units of Vietnam National Chemical Group (Vinachem). These channels provide extensive nationwide coverage and high stability, playing a significant role in delivering the Company's products to consumers across the country, particularly in rural, remote, and mountainous areas.

In recent years, the Company has gradually expanded and developed new distribution channels to adapt to modern consumption trends. Specifically, it has developed both the General Trade (GT) and Modern Trade (MT) channels, thereby increasing market coverage, expanding its customer base, and enhancing product competitiveness in the consumer market.

At the same time, the Company has focused on developing e-commerce channels, gradually expanding its presence on digital platforms and major online marketplaces. In 2025, online sales channels are identified as one of the key strategic directions, aimed at improving consumer access—particularly among younger customer segments—while strengthening brand recognition in the digital environment.

With respect to contract manufacturing activities, the Company maintains stable cooperation with strategic partners both domestically and internationally, leveraging production capacity, technical expertise, and quality management systems to meet increasingly stringent market requirements and improve overall production and business efficiency.

5. Key Awards and Certifications

Through continuous efforts in quality improvement and service enhancement, HASO has obtained the following awards and certifications:

a) System Certifications:

- Certification of Quality Management System in accordance with TCVN ISO 9001:2015 / ISO 9001:2015.
- Certification of Good Manufacturing Practices (GMP) in compliance with ASEAN Cosmetic GMP Guidelines.

b) Awards:

- Top 4 “Vietnamese Products Most Favored by Consumers” in 2019;
- Top 3 “Vietnamese Products Most Favored by Consumers” in 2021;
- Certification under the “Pride of Vietnamese Goods” Program organized and awarded by the Ministry of Industry and Trade.

6. Product Portfolio

Hanoi Soap Joint Stock Company currently manufactures and supplies a wide range of consumer chemical products under the HASO brand, meeting

diverse domestic demand and gradually expanding into international markets. The main product categories include:

- Laundry products: Including liquid detergent, washing powder, and fabric softener, serving household as well as institutional and service-sector needs.
- Household cleaning products: Including dishwashing liquid, floor cleaner, and kitchen cleaner, meeting daily hygiene and cleaning requirements.
- Personal care and hygiene products: Including bar soap, hand wash, and related products.
- Specialized products: Including toilet cleaner, multi-purpose cleaner, pickleball paddle surface cleaning spray, industrial cleaning products, and certain product lines manufactured according to specific partner requirements.

The Company's products are manufactured using appropriate production technologies and in compliance with quality, safety, and environmental standards, meeting the diverse demands of the domestic market and progressively expanding into international markets.

Images of selected typical products of the Company:



7. Organizational Structure

The Company operates under the governance model comprising the General Meeting of Shareholders (GMS), the Board of Directors, and the Executive Board.

The General Meeting of Shareholders consists of all shareholders with voting rights and is the highest decision-making authority of the Company.

a) Board of Directors

The Board of Directors of Hanoi Soap Joint Stock Company currently consists of four (04) members:

1. Mr. Nguyen Xuan Bac – Chairman of the Board of Directors;
2. Mr. Le Viet Phuong – Member of the Board of Directors;
3. Mr. Do Huy Lap – Member of the Board of Directors;
4. Mr. Nghiem Minh Long – Member of the Board of Directors.

b) Board of Supervisors

In 2025, the Board of Supervisors of Hanoi Soap Joint Stock Company comprises the following members:

1. Ms. Doan Thi Thanh Huong – Head of the Board of Supervisors;
2. Mr. Duong Huy Manh – Member of the Board of Supervisors;
3. Ms. Dang Ha Thu – Member of the Board of Supervisors.

c) Executive Board

1. Mr. Le Viet Phuong – General Director;
- Mr. Le Manh Cuong – Chief Accountant in charge.

8. Development Orientation

a) Key Objectives of the Company

In the coming period, Hanoi Soap Joint Stock Company sets its development objectives toward stability, sustainability, and efficiency, focusing on the following key priorities:

- To stabilize and enhance the efficiency of production and business activities; optimize the utilization of existing resources; improve corporate governance capacity and capital efficiency.
- To gradually restore and strengthen the Company's position in the detergent manufacturing sector, aiming to become a reputable and highly competitive enterprise in the domestic market while progressively expanding into regional markets.
- To build a high-quality workforce with professional competence, strong sense of responsibility, and long-term commitment to the Company; and to foster a healthy and professional corporate culture as a foundation for sustainable development.
- To improve the material and spiritual well-being of employees, ensuring their legitimate rights and interests in alignment with business performance and

shareholders' benefits.

- To invest in technological innovation and production process improvements in order to enhance labor productivity, product quality, cost efficiency, and market competitiveness.

b) Medium- and Long-Term Development Strategy

The medium- and long-term development strategy serves as the guiding foundation for all of the Company's operations, ensuring stable growth, enhanced competitiveness, and sustainable value creation for shareholders, investors, employees, and other stakeholders. In the coming period, the Company focuses on implementing the following strategic orientations:

b1. Stabilizing and Improving Operational Efficiency

The Company focuses on strengthening its core operational foundation by enhancing production management, optimizing operational processes, and strictly controlling product quality. At the same time, it promotes reasonable cost reduction, improves asset and capital utilization efficiency, and ensures stable production and business operations capable of adapting flexibly to market fluctuations.

In parallel, the Company will gradually expand its distribution system, develop General Trade (GT), Modern Trade (MT), and e-commerce channels to increase market coverage and enhance competitiveness in the detergent sector.

b2. Investing in Technological Innovation and Enhancing Production Capacity

- Gradually upgrade production lines and equipment toward modernization, energy efficiency, and environmental friendliness.
- Apply appropriate technological and automation solutions to improve labor productivity, enhance product quality, and optimize production costs.
- Strengthen research and development (R&D) capabilities to meet increasingly diverse market demands.

b3. Sustainable Development Associated with Social Responsibility

The Company identifies sustainable development as a core element of its long-term strategy. Accordingly:

- Fully implement policies for employees, with emphasis on improving income, working conditions, occupational safety, professional working environment, and overall well-being.
- Strictly comply with regulations on environmental protection, occupational safety, and relevant legal standards.
- Actively participate in social welfare activities and contribute positively to local communities where the Company's production facilities are located.

b4. Enhancing Financial Governance and Risk Management

- Strengthen financial governance, cash flow management, and capital structure efficiency to ensure sound and secure financial balance.
- Proactively monitor, assess, and respond to risks related to raw material price fluctuations, tax policies, competitive pressures, and macroeconomic factors.
- Gradually improve the risk management and internal control system toward greater transparency and effectiveness.

Conclusion on Development Orientation

The medium- and long-term development strategy reflects the commitment of Hanoi Soap Joint Stock Company to building a sustainable growth foundation, enhancing competitiveness, and creating long-term value for shareholders, employees, and society. With clear strategic orientation and the concerted efforts of the leadership and all employees, the Company is confident in gradually strengthening its market position and achieving stable development in the coming period.

9. Risks Factors

Risk identification and management constitute a key component of the Company's governance and operational activities. In the course of its production and business operations, the Company may face potential risks arising from the business environment, market conditions, financial factors, and legal regulations.

The Company adopts a proactive and systematic approach to risk management, with regular reviews to promptly identify, assess the level of impact, and implement appropriate control measures, thereby ensuring stable, safe, and sustainable operations.

a) Commodity and Raw Material Price Risk

The Company's production activities depend on input raw materials, while prices of chemicals, packaging materials, and transportation costs may fluctuate in both domestic and international markets.

To mitigate this risk, the Company:

- Closely monitors market developments to proactively plan procurement and production;
- Maintains reasonable inventory levels;
- Seeks and develops multiple sources of supply to reduce dependence on a single supplier;
- Negotiates procurement contracts with flexible terms and conditions.

b) Liquidity Risk

Liquidity risk may arise when the timing of receivables collection does not align with obligations for debt repayment when due.

The Company manages liquidity risk by:

- Preparing periodic cash flow plans and closely monitoring actual cash flow performance;
- Maintaining a reasonable capital structure;
- Strictly controlling accounts receivable;
- Ensuring access to credit facilities when necessary.
- The Management assesses the Company's ability to meet its due liabilities as being at a safe level, based on operating cash flows and available financial resources.

c) Competitive Risk

The detergent market is highly competitive, with participation from numerous domestic enterprises as well as multinational corporations possessing strong financial capacity, extensive management experience, and large-scale marketing strategies.

To enhance competitiveness, the Company focuses on:

- Developing products tailored to specific market segments;
- Strengthening traditional distribution channels and expanding new channels such as GT, MT, and e-commerce;
- Enhancing online marketing activities;
- Leveraging internal distribution systems within Vietnam National Chemical Group and the Vinachemmart e-commerce platform;
- Improving service quality and customer care.

d) Risk of Changes in Consumer Behavior

Consumer habits and trends may change in response to economic conditions and market preferences. In a volatile economic environment, consumers tend to prioritize essential products and carefully consider pricing factors.

The Company proactively:

- Conducts market research and analyzes consumer demand;
- Adjusts product structure accordingly;
- Improves packaging and product quality while optimizing costs;
- Develops products suitable for price-sensitive segments.

e) Legal Risk

The Company operates under various legal frameworks, including the Law on Enterprises, Law on Securities, Tax Laws, Law on Chemicals, Law on Environmental Protection, Law on Fire Prevention and Fighting, and other relevant regulations.

Changes in legal policies may affect production and business activities. The Company regularly updates new regulations and reviews its Charter and internal

regulations to ensure full and timely compliance.

f) Counterfeit and Imitation Goods Risk

Detergent products are susceptible to counterfeiting and imitation in the market, which may adversely affect brand reputation and consumer rights.

The Company strengthens:

- Control over its distribution system;
- Coordination with competent authorities upon detection of violations;
- Communication encouraging consumers to purchase products through official channels.

g) Environmental and Social Risk

Chemical manufacturing activities may generate emissions, wastewater, and solid waste, which, if not properly controlled, could impact the environment and surrounding communities.

The Company:

- Operates and monitors wastewater and emission treatment systems in accordance with environmental standards;
- Conducts periodic environmental monitoring and reports to competent authorities as required;
- Maintains and services environmental treatment systems;
- Gradually invests in modern equipment to reduce emissions and improve operational efficiency.

h) Force Majeure Risk

Events such as natural disasters, fires, epidemics, or other unforeseen incidents may disrupt the Company's operations.

To mitigate potential losses, the Company:

- Purchases insurance for assets, facilities, and employees;
- Equips and maintains fire prevention and firefighting systems;
- Conducts periodic safety training;
- Implements measures to ensure security and production safety.

i) Investment Risk in an Associate Company

The Company's investment in Xavinco Real Estate Joint Stock Company may involve risks if the associate's business performance does not meet expectations, potentially affecting the Company's consolidated results.

The Company regularly monitors the associate's performance, evaluates investment efficiency, and implements appropriate measures in accordance with legal regulations.

II. BUSINESS PERFORMANCE IN 2025

1. Business Performance Overview

In 2025, the Company's production and business activities recorded

significant positive developments. Total revenue reached VND 105,393 million, representing an increase of 169% compared to 2024 and achieving 176% of the annual plan. Profit after tax amounted to VND 37 million, marking a turnaround from losses to profitability after several years of financial difficulties.

Key financial indicators are summarized as follows:

No.	Indicators	Unit	Actual 2024	Plan 2025	Actual 2025	% of Total	
						Reporting year vs. previous year	Reporting year vs. plan
1	2	3	4	5	6	7=6/4	8=6/5
1	Industrial Production Value (at actual prices)	Mil. VND	36.657	60.653	41.126	112%	68%
2	Total Revenue	Mil. VND	39.247	59.800	105.393	269%	176%
3	Production Output	Tons	1.608	2.638	1.753	109%	67%
4	Sales Volume	Tons	1.620	2.590	1.748	108%	67%
5	Actual Profit	Mil. VND	-7.167	-5.582	37		
6	Total Tax Contribution	Mil. VND	6.080	6.765	2.920	48%	43%

In 2025, the Haso – Hanoi Soap branded product line, launched in 2024, continued to be improved in terms of quality and packaging design, and initially gained positive reception and trust from consumers. At the same time, the Company intensified the development of new business channels. Expanding its presence on e-commerce platforms, particularly the Vinachemmart platform under Vietnam National Chemical Group, contributed to enhancing the Company's brand recognition and reputation in the market.

In parallel, the Company gradually developed its retail distribution system through a network of supermarkets, convenience stores, grocery shops, and other outlets, thereby delivering quality products to consumers at reasonable prices.

Despite achieving positive revenue growth and recording initial profitability with notable improvements in production and business activities, the Company continued to face challenges in expanding its sales market. As a result, sales volume did not fully meet the planned targets, and production efficiency was not yet in line with expectations. Although revenue increased significantly, the Company remained under considerable pressure from fixed costs and market expansion expenses.

During the year, the Company made strong efforts to promote trading

activities in order to improve cash flow. In addition, dividend income received from its investment in Xavinco Real Estate Joint Stock Company contributed to supporting the overall financial results, enabling the Company to gradually stabilize its operations and lay a foundation for the next stage of development.

2. Organization and Human Resources

2.1 Executive Board

The Company's Executive Board in 2025 consisted of:

- Mr. Le Viet Phuong – General Director;
- Mr. Le Manh Cuong – Chief Accountant in charge.

2.2 Workforce

As at 31 December 2025, the Company had a total workforce of 70 employees, of whom 30 held postgraduate, university, or college degrees. The Company's personnel generally meet current professional, technical, and operational requirements for production and business activities.

2.3 Human Resources Policies and Employee Welfare

The achievements attained by the Company in recent years have been driven by a workforce possessing professional expertise, technical skills, strong responsibility, and long-term commitment throughout challenging periods. The Company recognizes human resources as a key factor playing a crucial role in its stabilization and sustainable development.

a) Working Regime

The Company applies a working schedule of 48 hours per week.

- Office staff work standard administrative hours;
- Factory workers operate on a shift basis, 8 hours per shift.

When production and business demands require, employees may work overtime in accordance with regulations. HASO ensures overtime pay and related benefits in compliance with applicable labor laws and internal compensation policies.

Annual leave and public holidays:

Employees who have worked for a full 12 months are entitled to 12 days of annual leave per year; employees working less than 12 months are entitled to leave on a pro-rata basis. For every five (05) years of service with the Company, employees are granted an additional one (01) day of annual leave per year. Public holidays and Tet holidays are implemented in accordance with the Labor Code.

b) Welfare and Occupational Safety Policies

The Company fully implements statutory benefits relating to sickness, maternity, and other entitlements for employees in accordance with the law.

Specifically:

- 100% of employees participate in social insurance, health insurance, and unemployment insurance;
- 100% of employees are provided with necessary working tools and equipment;
- Direct production workers are fully equipped with personal protective equipment (PPE);
- Mid-shift meals are provided to 100% of employees.

Occupational safety is given special attention by the Company's management and is consistently reinforced. Employees are provided with adequate protective equipment and are instructed on technical safety procedures as well as measures to ensure hygiene and a safe working environment.

The Company organizes periodic occupational safety training for employees upon recruitment and throughout their employment. In 2025, the Safety – Health – Environment (SHE) department conducted training sessions for all employees, covering topics such as safety in the use of pressure equipment and boilers, lifting equipment safety, electrical safety, occupational safety and hygiene, and chemical safety.

Activities of the Party organization, Trade Union, and Youth Union are supported to enable them to effectively represent employees, safeguard their rights, and enhance their welfare.

The Company focuses on improving employees' material and spiritual well-being, maintaining a stable and cohesive working environment, and fostering corporate culture. Employees receive periodic annual health check-ups in accordance with regulations.

In addition, the Company organizes cultural, artistic, and sports activities to strengthen internal solidarity, contributing to the development of a united, stable, and sustainable workforce.

c) Recruitment and Training Policies

Due to the Company's location being relatively distant from the city center and income levels not yet highly competitive, attracting qualified and experienced personnel remains challenging. To address this, the Company emphasizes the arrangement, allocation, and consolidation of personnel in alignment with professional capacity and production–business requirements.

The Company strengthens training and professional development activities, enabling employees to participate in training programs to enhance their qualifications and skills.

Recruitment is conducted based on assessments of competence, experience, and suitability for each position. Each job title is accompanied by clearly defined criteria, standards, and job descriptions, ensuring compliance with the

Company's recruitment procedures. In recent years, the Company has prioritized recruiting young personnel to build a successor workforce.

The Company promotes a fair working environment without discrimination based on gender, religion. Career advancement opportunities are structured through transparent and clearly defined career pathways.

Training policies are implemented with a learner-centered approach, encouraging proactive learning and long-term development. Training programs not only enhance employees' capacity to perform their current roles but also provide a foundation for their career progression.

Each year, the Company facilitates professional and soft skills development for employees, thereby improving human resource efficiency and strengthening internal cohesion.

3. Investment Activities and Project Implementation

The Company currently invests VND 71.25 billion, equivalent to 3.56% of the charter capital, in Xavinco Real Estate Joint Stock Company, whose principal business is real estate development, with a charter capital of VND 2,000 billion.

Under the investment cooperation agreement, Xavinco is responsible for developing and exploiting the land area located at 233 and 233B Nguyen Trai Street, Khuong Dinh Ward, Hanoi.

As at 31 December 2025, Xavinco remained in the basic construction and investment phase; accordingly, the Company continues to record its investment at VND 71.25 billion at historical cost.

4. Financial Position

a) Key Financial Indicators

I. Assets	Amount (billion VND)	Percentage (%)
A. Current Assets	46	30.7%
B. Noncurrent assets	105	69.3%
Total Assets	151	100%
II. Liabilities & Equity		
A. Liabilities	6.5	4.32%
B. Owner's Equity	144.5	95.68%
Total Liabilities & Equity	151	100%

As at the reporting date, the Company's total assets amounted to VND 151 billion, with the following structure:

- Asset Structure
 - Current assets: VND 46 billion, accounting for 30.7% of total assets;
 - Non-current assets: VND 105 billion, accounting for 69.3% of total

assets.

Accordingly, the Company's asset structure is currently weighted toward non-current assets, representing 69.3% of total assets. For a manufacturing enterprise, a relatively high proportion of non-current assets generally reflects substantial investment in machinery, factories, and long-term investments.

However, the current non-current asset structure is significantly influenced by the Company's investment of VND 71.25 billion in Xavinco Real Estate Joint Stock Company, which accounts for approximately 47.2% of total assets (VND 71.25 billion out of VND 151 billion). This represents a substantial proportion and is the primary factor contributing to the high ratio of non-current assets within the overall asset structure.

- Capital Structure

- Total liabilities: VND 6.5 billion, accounting for 4.32% of total capital;

- Equity: VND 144.5 billion, accounting for 95.68% of total capital.

The capital structure indicates that the Company maintains a very high level of financial autonomy, with equity representing nearly 96% of total capital and a relatively low debt ratio. This reflects:

- Low debt repayment pressure and limited financial risk;
- Strong independence in production and business operations;
- A sound and prudent financial structure, particularly as the Company is gradually restructuring its operations.

b) Analysis of Selected Key Financial Indicators

No.	Financial Ratio	Unit	Value
1	Current Ratio	Times	7.1
2	Quick Ratio	Times	4.46
3	Cash Ratio	Times	3.14
4	Average Accounts Receivable	Billion VND	6.62
5	Accounts Receivable Turnover	Times	15.92
6	Average Collection Period	Days	23
7	Average Inventory	Billion VND	16.06
8	Inventory Turnover	Times	6.56
9	Average Inventory Holding Period	Days	56
10	Average Accounts Payable	Billion VND	4.98
11	Accounts Payable Turnover	Times	21.17
12	Average Payment Period	Days	17

Overall Assessment of Financial Position

As at the end of 2025, the Company's financial position remained safe and stable. Short-term liquidity was maintained at a strong level, demonstrating the Company's full capacity to meet its financial obligations as they fall due and to mitigate liquidity risk amid ongoing market volatility.

Accounts receivable management was implemented relatively effectively. The collection period remained at a reasonable level, contributing to improved cash flow and minimizing the risk of capital being tied up in outstanding receivables. This has provided positive support for production and business activities and enhanced the Company's financial flexibility.

With respect to inventories, the Company maintained stock levels appropriate to its production characteristics, ensuring sufficient supply to meet market demand and business plans while limiting the risk of capital being locked in excess inventory. Stable inventory control reflects prudent operational management and oversight.

Payables were settled in a timely manner, helping to maintain the Company's reputation and cooperative relationships with suppliers and partners. The capital structure, characterized by a high proportion of equity, continues to demonstrate a strong level of financial autonomy, enabling the Company to minimize borrowing pressure and financial risk.

Overall, the Company's financial foundation in 2025 is assessed as sound and low-risk, providing favorable conditions for recovery and the gradual improvement of operational efficiency. In the next phase, the Company aims to further optimize the utilization of assets and capital in order to enhance profitability and create sustainable value for shareholders and other stakeholders.

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%

c) Changes in Owner's Investment Capital: None.

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

e) Other Securities: None.

6. Report on Environmental and Social Impact

6.1 Environmental Impact

The production and trading of detergent products require the operation of multiple technological production lines with significant energy consumption and potential risks of wastewater, emissions, and solid waste generation. Fully aware of its responsibilities as an enterprise operating in the chemical sector, the Company strictly complies with environmental protection regulations and continuously improves energy-saving and efficiency solutions to minimize environmental impacts throughout its operations.

The Company maintains and operates a stable wastewater treatment system, ensuring that all domestic and production wastewater is collected and treated to meet technical standards before being discharged into the centralized wastewater treatment system of Thach That – Quoc Oai Industrial Park. The quality of treated wastewater consistently complies with applicable standards.

Air emissions generated during production are treated to meet regulatory standards prior to release into the environment. Industrial solid waste, hazardous waste, and scrap materials are classified, collected, and transferred to licensed entities for treatment in accordance with regulations.

Annually, the Company engages qualified service providers to conduct environmental monitoring of the working environment, air emissions, and wastewater in accordance with the approved Environmental Impact Assessment (EIA). Monitoring results for 2025 indicate that all environmental parameters remained within permissible limits.

In addition, the Company enhances technical measures to improve working conditions, ensure proper ventilation in factories, and control workplace environmental factors, thereby safeguarding employees' health.

6.2 Compliance with Environmental Protection Laws

The Company fully complies with environmental legal procedures,

including environmental impact assessments and periodic monitoring obligations as required by law.

In 2025:

- No violations of environmental regulations were recorded;
- No administrative fines or penalties related to environmental protection were incurred.

The Company maintains a dedicated environmental management team with appropriately qualified personnel. All employees are instructed on waste segregation at source and compliance with environmental hygiene regulations in both production and office activities.

6.3 Responsibility Toward the Local Community

In parallel with production and business activities, the Company places strong emphasis on fulfilling its social responsibility toward the local community in which it operates.

The Company contributes to local employment, fulfills its tax obligations to the State, and maintains production activities without causing adverse impacts on surrounding residential areas. During the year, no complaints or reports were received from residents regarding noise, odor, wastewater, or other environmental factors.

Furthermore, the Company actively participates in social initiatives launched by local authorities, including contributions to poverty alleviation funds, support for disadvantaged households, and other social welfare activities. The Company's management and employees regularly engage in community programs, contributing to a stable living environment and sustainable development.

III. REPORT OF THE BOARD OF MANAGEMENT

1. Summary of Business Performance in 2025

The year 2025 continued to present significant challenges for the overall economy and the fast-moving consumer goods (FMCG) sector in particular. Domestic demand recovered slowly, prolonged consumer spending restraint persisted, and purchasing behavior shifted markedly toward lower-priced products, promotion-driven purchases, and online shopping channels. Competitive pressure in the cosmetics and detergent sector intensified with the emergence of new brands, flexible OEM manufacturers, and unofficial imported goods with price advantages.

In this context, Hanoi Soap Joint Stock Company faced dual challenges: maintaining core production capacity amid rising input costs and aging equipment, while adapting to rapid changes in market structure and distribution systems.

The postal distribution channel declined due to changes in pension payment methods, reducing the traditional customer base. General contractor and retail channels were affected by weak purchasing power and high inventory levels, while price competition became increasingly aggressive. The Company initially deployed the modern trade (MT) channel to expand market coverage and reposition the brand, although sales volume remained modest.

Internally, increasing fixed and selling expenses, coupled with aging machinery, reduced production efficiency and placed pressure on overall performance. In response, the Company adjusted its operational structure, strengthened trading activities, and expanded OEM manufacturing to leverage existing capacity and generate additional revenue streams.

As a result, revenue in 2025 increased significantly compared to the plan, primarily driven by trading and OEM activities. The Company successfully controlled losses and achieved positive profit. However, as revenue was largely derived from lower-margin segments and core manufacturing performance has not yet substantially improved, overall profitability remained modest.

Overall, 2025 represented a transitional year in the Company's restructuring process. The Company maintained stable operations, preserved its distribution system, and laid the groundwork for improving efficiency, restructuring its product portfolio, and restoring sustainable growth in the coming years.

2. Financial Situation

In 2025, despite ongoing market difficulties, the Company maintained a stable and safe financial position. Total assets were preserved without abnormal fluctuations, ensuring operational continuity.

Liquidity indicators demonstrate that the Company met its short-term obligations in full, with no significant cash flow imbalance. The structure of current assets remained appropriate relative to total liabilities, reflecting effective working capital management amid weakened market demand.

Working capital continued to be concentrated mainly in inventories and receivables—typical characteristics of the FMCG sector and multi-tier distribution systems. Although turnover rates were not high due to subdued market conditions, these items remained within controllable limits and did not give rise to significant credit risk.

The Company maintained a prudent commercial credit policy while strengthening debt collection and inventory management to optimize cash flow. Capital was structured conservatively, with limited use of financial leverage, thereby reducing interest burden and long-term financial risk.

Although profitability in 2025 remained modest due to the revenue mix

being weighted toward lower-margin trading activities, the Company effectively controlled costs and maintained positive operating results. This reflects the Board of Management's flexibility and adaptability amid market volatility.

Overall, the Company's financial position remained stable, liquidity was secured, financial risks were controlled, and no material overdue obligations arose. This provides an important foundation for continued restructuring, enhancement of core manufacturing efficiency, and improvement of profit margins in the coming years.

With a focus on optimizing working capital, controlling costs, and strengthening production capabilities, the Company is confident in progressively improving the quality of growth and delivering sustainable value to shareholders.

3. Business Orientation, Objectives, and Strategy for 2026

The year 2026 is identified as a period for restoring growth momentum on the stable foundation established in 2025. The Company will pursue controlled growth, improve substantive efficiency, and gradually modernize its business model.

The strategic focus will be on strengthening core production activities, ensuring stable operation of factories and equipment, and standardizing quality processes for both Haso-branded products and OEM manufacturing. In parallel, the Company will improve key product lines such as laundry detergent, floor cleaner, dishwashing liquid, and toilet soap, while developing eco-friendly and mild formulations aligned with green consumption trends and younger customer segments.

OEM manufacturing will remain an important growth driver to maximize capacity utilization and generate stable long-term revenue. The Company will actively seek and sign annual OEM contracts, prioritizing partners in the chemical, hospitality, healthcare, and education sectors.

Regarding the market, the two main distribution pillars will be General Trade (GT) and Modern Trade (MT). The Company will maintain and expand its distributor network in Northern and Central Vietnam, strengthen sales supervision teams, and support retail points. In 2026, the Company plans to officially introduce its key product lines into supermarket systems, accompanied by improvements in packaging, product specifications, and brand messaging aligned with modern purchasing behavior.

E-commerce will continue to be strengthened through official brand stores, combined with digital advertising, promotional campaigns, and cooperation with KOLs/KOCs to enhance Haso brand awareness among young urban households.

From a governance perspective, the Company will streamline its

organizational structure, apply performance-based remuneration mechanisms linked to KPIs, and enhance individual accountability and labor productivity. Training young personnel in sales, digital marketing, and data management will be prioritized to support the modernization of the business model.

In the long term, the Company aims to increase the proportion of revenue from OEM and trading activities, expand intra-group cooperation within Vietnam National Chemical Group, and explore export opportunities to neighboring markets. At the same time, it will gradually apply technology to sales management, data control, and operational optimization.

The 2026 strategy aims to build a sustainable growth foundation for the 2026–2030 period, enhance the Haso brand’s position in the domestic market, and improve profitability for shareholders.

IV. REPORT OF THE BOARD OF DIRECTORS

1. Report on the Activities of the Board of Directors

In 2025, the Board of Directors fully performed its governance, orientation, and supervisory functions in accordance with the Law on Enterprises and the Company’s Charter. The Board held regular meetings and issued 17 resolutions on matters within its authority, ensuring that Company operations were implemented promptly, appropriately, and in line with actual conditions.

The Board focused on supervising the implementation of the General Meeting of Shareholders’ resolutions, closely monitoring business performance, financial conditions, investment activities, and risk management. Key decisions relating to market strategy, organizational restructuring, and cost control were carefully considered to ensure efficiency and capital safety.

The Board maintained close coordination with the Board of Management and the Supervisory Board, enabling the Supervisory Board to perform its independent oversight functions as prescribed by law. The Board also emphasized corporate social responsibility, ensuring full compliance with policies and regulations relating to employees.

2. Evaluation of the Board of Management

The Board of Directors acknowledges that the Board of Management properly exercised its authority in operating production and business activities and seriously implemented the resolutions of the General Meeting of Shareholders and the Board of Directors in compliance with applicable laws and the Company’s Charter.

Amid challenging market conditions, the Board of Management proactively adjusted the operational structure, adopted flexible business policies, maintained stable production, and ensured employment and basic income for employees. Initial improvements in product development and the pursuit of OEM and

trading opportunities delivered positive results, contributing to revenue stability and financial resilience.

However, the Board of Directors also recognizes certain areas requiring improvement, particularly in market development, which lacked sufficient proactiveness and depth. Expansion of distribution channels and market share growth did not meet expectations, and certain governance measures were not implemented in a sufficiently synchronized and decisive manner.

The Board of Directors recommends that the Board of Management continue enhancing operational capability, flexibility, and individual accountability, while closely aligning business objectives with substantive performance outcomes.

3. Plans and Orientation of the Board of Directors

Based on the assessment of 2025 performance, the Board of Directors identifies its key priorities for the coming period as strengthening strategic orientation, enhancing supervisory quality, and ensuring financial safety.

The Board will maintain regular meetings and convene extraordinary meetings when necessary to promptly address emerging issues. It will continue closely monitoring the implementation of business plans, cost management, and capital utilization.

Additionally, the Board will direct the review and improvement of internal regulations, enhance corporate governance quality in line with transparency and modern governance practices, strengthen risk control, and ensure full legal compliance while protecting the legitimate interests of shareholders.

With a strong sense of responsibility, the Board of Directors commits to accompanying the executive management in the restructuring and recovery process, aiming toward sustainable development and increased shareholder value in the coming years.

III. 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 31/12/2025	Number of Shares Personally Owned as of 31/12/2025
1	Mr. Nguyen Xuan Bac	Chairman	3,891,762	0
2	Mr. Le Viet Phuong	Member	3,243,134	0
3	Mr. Do Huy Lap	Member	3,243,134	0

4	Mr. Nghiem Minh Long	Member		6,433
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1.2 Governance and Supervisory Activities of the Board of Directors

In 2025, the Board of Directors exercised its management and supervisory functions within its authority, ensuring that all Company activities complied with applicable laws, the Company's Charter, and the resolutions of the General Meeting of Shareholders. The issuance of Resolutions and Decisions was conducted in accordance with proper procedures, ensuring legality, timeliness, and prudence.

The Board maintained a flexible working approach, enhancing discussions, consultations, and written approvals to promptly address emerging matters, thereby enabling swift business decisions while maintaining effective risk control.

In its supervisory role, the Board regularly monitored the implementation of business plans, financial management, investment activities, and capital utilization, while overseeing the execution of its issued resolutions. Supervisory activities were conducted based on periodic reports from the Board of Management and additional thematic reviews when necessary, ensuring compliance with the Board's scope of authority and avoiding overlap with executive functions.

All members of the Board of Directors, including the independent member(s), attended meetings and provided objective and prudent opinions on strategic, financial, and risk management matters. Significant decisions were discussed democratically and thoroughly evaluated prior to approval, ensuring the legitimate interests of shareholders and the Company's sustainable development.

During the year, no related-party transactions occurred between the Company and members of the Board of Directors. The Board fulfilled its management, orientation, and supervisory responsibilities with accountability, transparency, and full compliance.

2. Supervisory Board

2.1 Members and Structure of the Supervisory Board

No.	Name	Position	Number of Shares as of 31/12/2025	
			Representative	Individual
1	Ms. Doan Thi Thanh Huong	Head of the SB	0	0
2	Mr. Duong Huy Manh	Member	0	0
3	Ms. Dang Ha Thu	Member	0	7

2.2 Activities of the Supervisory Board

In 2025, the Supervisory Board convened three (03) regular meetings to perform its inspection and supervisory functions in accordance with regulations. Its supervisory activities focused on reviewing the annual audited financial statements, examining business performance reports, and evaluating the activities of the Board of Directors and the Board of Management.

The Supervisory Board monitored the implementation of the resolutions of the General Meeting of Shareholders and oversaw compliance with applicable laws, the Company's Charter, and the resolutions of the Board of Directors across all management and executive activities.

The Supervisory Board attended meetings of the Board of Directors when necessary and provided recommendations and proposals within its scope of authority to enhance transparency, operational efficiency, and safety.

The Supervisory Board performed its duties independently and within its authority, contributing to the protection of the legitimate rights and interests of shareholders.

2.3 Appraisal Report of the Supervisory Board

a) Regarding the Activities of the Board of Management

The Supervisory Board acknowledges that in 2025, the Board of Management made considerable efforts to implement solutions aimed at maintaining production and business operations amid intense market competition and rising input costs. The Company focused on product improvement and development to better meet market demand.

However, business performance did not fully achieve the planned targets, and profitability remained modest. The Supervisory Board recommends that the Board of Management continue strengthening management practices, enhancing cost control, improving capital efficiency, and adopting a more proactive approach to market development in order to improve business results in the coming period.

b) Governance and Direction of the Board of Directors

The Supervisory Board assesses that the Board of Directors performed its functions and duties in accordance with the Law on Enterprises, the Law on Securities, the Company's Charter, and the Regulations on the Operation of the Board of Directors. Its direction provided strategic orientation while maintaining close supervision of the Company's performance in each period.

The issuance of Resolutions and Decisions was conducted in compliance with proper procedures, ensuring timeliness and conformity with legal regulations. The supervisory activities of the Board of Directors were carried out within its authority and did not overlap with the executive functions of the Board of Management.

c) Appraisal of the 2025 Financial Statements

The Supervisory Board reviewed the audited financial statements for 2025, including an assessment of compliance in the preparation and presentation of the statements, key financial indicators, and the opinion of the independent auditor.

The Supervisory Board concludes that the financial statements were prepared in accordance with Vietnamese Accounting Standards, the prevailing accounting regime for enterprises, and relevant legal regulations.

VI. FINANCIAL REPORT

1. Auditor's Opinion

The financial statements present fairly, in all material respects, the financial position of Hanoi Soap Joint Stock Company as at 31 December 2025, as well as its results of operations and cash flows for the financial year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese enterprise accounting regime, and relevant legal regulations relating to the preparation and presentation of financial statements.

Vietnam Auditing and Valuation Company Limited issued an unmodified (unqualified) opinion on the financial statements of Hanoi Soap Joint Stock Company.

2. Audited Financial Statements

The Company's audited financial statements for the year 2025 have been published on its official website www.haso.vn.



GENERAL DIRECTOR

Mr. Le Viet Phuong