

HASYNPAINTCO

ANNUAL REPORT In 2024

I. COMPANY INTRODUCTION:

1. General information:

- Company Name: **Hanoi Synthetic Paint Joint Stock Company**
- Abbreviated transaction name : **Hasynpaintco.**

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Address: Thanh Liet Commune, Thanh Tri District, Hanoi City

- Charter capital: 120,270,860,000 VND
- Phone : 24-36880086 Fax : 84-24-36884284
- Website: www.sondaibang.com.vn
- Email: mail@sondaibang.com.vn
- Securities code : HSP

Establishment and development process

- The company was established on 01/09/1970 with the name of Hanoi Ink Paint Factory, Hanoi General Ink Paint Factory under the General Department of Chemicals, Ministry of Industry and Trade (current Chemical Group). Since 1993, Hanoi General Paint Company has operated under the model of a State-owned enterprise,

- From 01/01/2006, it became a joint stock company operating under the Law on Enterprises under the name of Hanoi General Paint Joint Stock Company.

- Hanoi General Paint Joint Stock Company is registered for trading on UPcom market.

- From 01/2020, the State divests all capital in the Company.

- In order to meet the requirements of the market, the Company has expanded production, invested in high-tech and modern equipment to create

efficiency. The Company's charter capital has increased from VND 23 billion to VND 120 billion.

- The Eagle Paint brand is highly trusted by customers in the market, Eagle Paint products are used on many projects all over the country.

2. Business lines:

2.1 Production of printing ink paints, varnishes and surface coatings.

2.2 Trading in paints, inks, varnishes and surface coatings

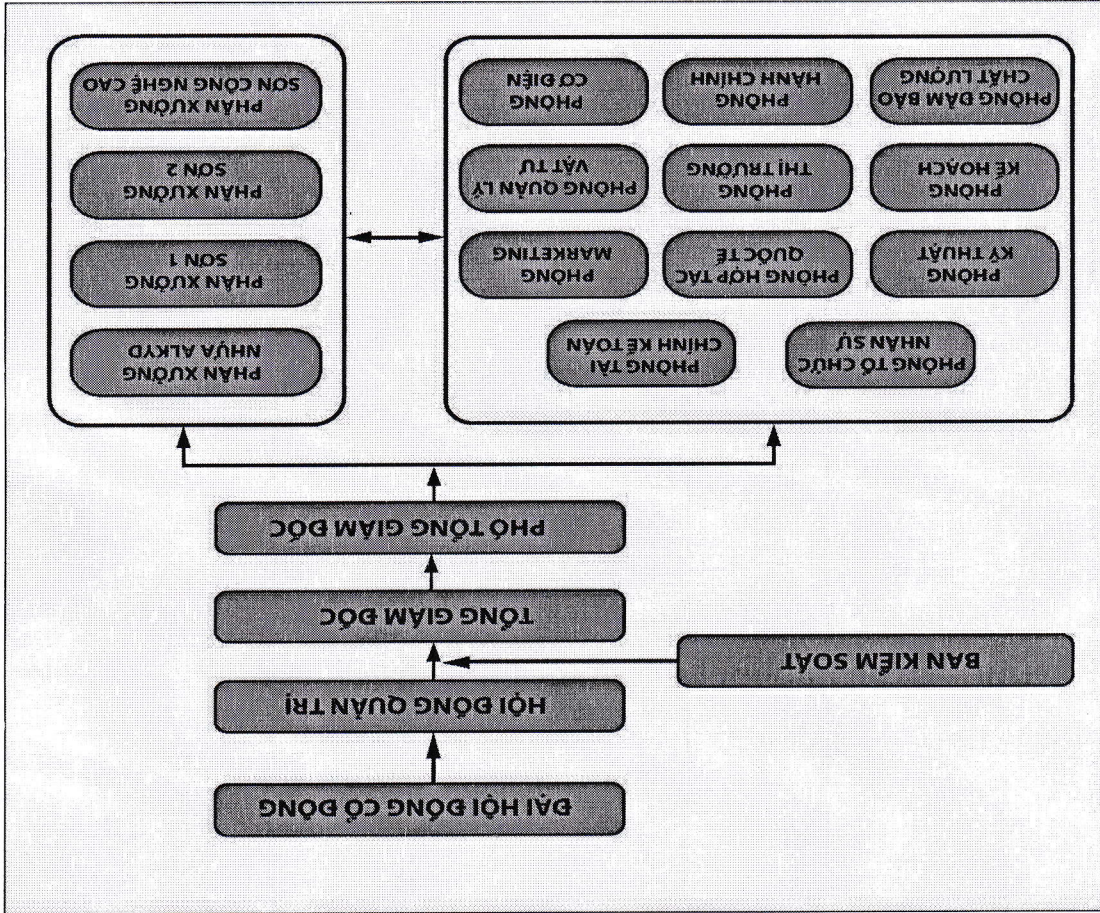
2.3 Import and export Paints, varnishes, inks and surface coatings

2.4 Research, technology transfer, consultancy for processing technical services in the paint, varnish and surface coatings.

3. Information about governance model

Hanoi General Paint Joint Stock Company operates under the Law on Enterprises. The core value of the enterprise is to harmonize the interests of shareholders and employees in the Company, well fulfill tax obligations to the State, business enterprises comply with the law, are responsible for the community and society.

Diagram of the corporate governance model:



- The General Meeting of Shareholders has the highest decision right to elect the Board of Directors and the Control Board.

- The Board of Directors as a permanent member of shareholders to manage the Company and supervise the Board of Directors.

- The General Director appointed by the Board of Directors shall exercise the rights and responsibilities specified in the Law on Enterprises and the Company's Charter.

The General Director is the representative before the law.

The Board of Directors of the Company consists of the General Director and 01 Deputy General Director.

- Control Board: The rights and responsibilities of the Control Board are specified in the Law on Enterprises and the Company's Charter.

Paint production facilities:

- Paint production facilities in Thanh Liet.
- Branch Minh Duc – Hung Yen
- Branch Hao Nam – Ha Noi

4. Development orientations.

Strategic objectives.

- The company aims for sustainable development.
- Maintain its position as one of the leading paint companies in Vietnam.
- Investing in high technology, researching new products with superior features, environmentally friendly and meeting market requirements.
- Expand the distribution system, strengthen promotion to improve the brand value of Son Dai Bang.
- Improve the corporate governance system to create a friendly working environment, bringing maximum profits to shareholders.

5. Risks:

- The risk of natural disasters and epidemics is very unpredictable, adversely affecting the production and business environment.
- Economic risks: The business environment has many fluctuations, paint substitutes are increasing rapidly, competition in the business field is increasingly fierce, raw material prices fluctuate, the participation in the Vietnamese market of foreign paint corporations on a global scale, etc. are factors that adversely affect the production and business activities of Hanoi General Paint Joint Stock Company.

- Legal risks: The Company's activities are affected by securities laws, corporate laws and other relevant laws. Our country's legal system and legal documents are in the process of being perfected and there are still many inadequacies affecting production and business activities.

- Environmental risks: Compliance with environmental laws and legal documents requires the Company to make large investments to meet environmental standards.

II. Operations in the year:

1. Situation of production and business operations:

- Results of production and business activities in 2024:

+ Revenue: 417,5 Billion VND

+ For example: 26,3 Billion VND

- Implementation situation compared to the plan: In 2024, profit before tax will increase compared to 2023.

2. Organization and human resource:

2.1 Board of Directors

- Mr. Nguyen Ngoc Anh, Vice Chairman of the Board of Directors; General Director

- Mr. Nguyen Manh Duc, Member of the Board of Directors; Deputy General Director

- Ms. Pham Thu Ha, Deputy Head of Accounting Department

2.2 Employees in the Company: 239 people

The Company fully implements policies for employees, and under permitted conditions, the Company applies policies that are more beneficial to employees.

The technical staff of Hanoi General Paint Joint Stock Company is capable of cooperating and receiving advanced technology transfer in the integration process.

The labor agreement has been signed and registered at the Department of Labor, War Invalids and Social Affairs of Hanoi City.

3. Investment activities and project implementation:

a) Large investments:

- Repair and renovation of factories and works.

- Invest in laboratory equipment and repair of quality assurance rooms to improve working conditions and evaluate the quality of paint products.

b) Subsidiaries and associated companies: *None*

4. *Financial situation:*

a) Financial situation:

Indications	Units of Calculation	Year 2023	Year 2024	% change
Total Asset Value	copper	222.784.917.581	228.822.745.486	
Net sales	-	419.439.331.838	417.333.864.331	
Profit before tax	-	19.223.112.000	26.391.572.755	
Profit after tax	-	15.254.814.949	20.772.898.816	
Underlying earnings per share	-	1.203	1.727	
Dividend payout ratio		1.140		

- Other indicators:

b) *Major financial indicators:*

Indicators	Year 2023	Year 2024	Notes
<i>1. Solvency norms</i>			
+ Short-term payment ratio: Short-term assets/Short-term liabilities	6,2	6,4	
+ Fast payment coefficient: Short-Term Assets - Inventory Short-term debt	4,4	4,3	

<i>2. Indicators of capital structure</i>			
+ Debt/Total Assets Ratio	0,14	0,14	
+ Debt/Equity Ratio	0,17	0,16	
<i>3. Indicators of operational capacity</i>			
+ Inventory turnover:			
Cost of Goods Sold/Average Inventory	5,9	5,0	
Net Revenue/Total Assets	1,9	1,82	
<i>4. Indicators of profitability</i>			
+ Profit after tax/Net revenue ratio	0,036	0,049	
+ Profit after tax/Equity ratio	0,08	0,1	
+ Profit after tax / Total assets ratio	0,07	0,09	
+ Profit from business activities / Net			
.....			

5. Shareholder structure, change in the owner's equity

a) Shares.

- Number of shares: 12,027,086 (par value of 10,000 VND/share).

- Number of existing shareholders: 390 shareholder

b) Shareholders structure:

- Major shareholders:

+ HAP Vietnam Investment Management Co., Ltd. holds 3,700,000 shares, equivalent to 30.764% of charter capital.

+ Shareholder Ton Nu Cam Van holds 1,599,661 shares, equivalent to 13.3% of charter capital.

- Foreign shareholders: Kawakami Paint Co., Ltd (Japan) holds 352,960 shares, equivalent to 2.935% of charter capital.

- Other shareholders:

c) Changes in the owner's equity: *None*

d) Transaction of treasury stocks: *No*

e) Other securities: *None*

6. Environment – Social – Governance Report of the company.

6.1. Management of raw materials:

a) Total amount of raw materials used for production and packaging of the organization's main products and services in the year: *6,200 tons*

b) Report on the percentage of recycled raw materials used for the production of the organization's main products and services: *Distillation of dirty solvents using cylinders instead of drums, using reusable packaging shells.*

6.2. Energy consumption:

a) Direct and indirect energy consumption: *862,400 KW/h*

b) Energy savings through energy efficiency initiatives : *Installation of high-end electrical equipment to reduce losses, adjustment of production processes to create efficiency, use of equipment with green energy stamps.*

c) Reports on energy-saving initiatives (provision of energy-saving products and services or use of renewable energy); Report on the results of these initiatives: *None*

6.3. Water consumption: (water consumption of business activities in the year)

a) Water supply and water consumption: *18,828 m³*

b) Percentage and total amount of recycled and reused water: *30%*

6.4. Compliance with the law on environmental protection:

a) The number of times of being sanctioned for violations due to non-compliance with laws and environmental regulations: *0 times*

b) The total amount of money sanctioned for violations due to non-compliance with laws and environmental regulations:

6.5. Policies related to employees

a) Number of employees: *239 people*

Average salary for employees: *11,600,000 VND/month/person.*

b) Labor policies aimed at ensuring the health, safety and welfare of employees

The company complies with current legal regulations, namely: Labor protection, periodic health checkups, occupational disease checkups, summer vacations, sick visits, etc.

c) Training of laborers

The Company always assesses human resources as the decisive factor for the Company's development in the coming period. In order to improve human resources, the Company strengthens training, research, and changes the reward and punishment mechanism to associate benefits with responsibility.

6.6. Reports related to responsibilities for the local community: As a unit based in Thanh Liet commune - Thanh Tri - Hanoi, the Company always complies with the provisions of the law, implements local requirements, does not allow disputes to occur with the surrounding community, material and spiritual support for local activities.

6.7. Reports related to green capital market activities under the guidance of the SSC: Not yet conducted

III. Report and assessments of the Board of Management

1. Assessment of operating results:

In 2024, the business environment will fluctuate unpredictably, the world economy will recession, the supply chain of materials will be broken, the price of materials will increase... Domestic: production and business have stalled, many enterprises have stopped production, purchasing power has decreased sharply, competition is increasingly fierce... Hanoi General Paint Joint Stock Company achieved the targets set by the 2024 General Meeting of Shareholders.

2. Financial situation:

a) Asset situation

The total value of the company's assets as of December 31, 2024 is:

228.822.745.486 VND.

b) Debt Payable

Liabilities as of 31/12/2024 are: 32.188.700.554 VND.

Bad debts incurred: None

3. Improvement in organizational structure, policies and management.

The system of Governance Regulations and the Company's Charter is increasingly perfect, creating a legal framework in the process of effective production and business administration.

The General Director pays attention to human resource work: Receiving technical staff, training and retraining through research and production practice with a reasonable income regulation regime, fair rewards and punishments.

4. Development plans in future:

In the coming years, the economic forecast is still difficult, the Company will try to complete the targets assigned by the Annual General Meeting in 2025.

Research and bring new products to the market, maintaining the reputation of the Eagle Paint brand.

Focus on sales to build sales for the Market Department, strictly reward and punish when completing targets. Strengthen advertising, apply new technologies to advertising.

Ensure adequate jobs for employees.

Fully comply with legal regulations to create sustainable development.

*5. Explanation of the Board of Management for the audit opinion (if any)
- (In case the audit opinion is not a full approval opinion).*

6. Assessment report related to the company's environmental and social responsibility:

Over the years, the Company has fully complied with the legal regulations on environmental work, through high-tech investment, introducing new raw materials to replace lead-containing materials into production, paying attention to the treatment of wastewater and exhaust gases, operating and managing the circulating water system well to minimize the impact on the environment, upgrade the fire protection system, raise the awareness of employees... do not let incidents occur.

The company always fulfills its responsibility to the community through activities to help flood people, residential communities, etc. there are no conflicts and complaints with the community.

IV. Assessments of the Board of Directors on the Company's operation (for joint-stock companies)

1. Assessments of the Board of Directors on all aspects of the Company's activities, including assessments related to environmental and social responsibility.

Based on the targets of the 2024 Annual General Meeting of Shareholders, the production and business results are set out as follows: profit before tax increases over the same period in 2023, fully contributes obligations to the State, fulfills responsibilities to the community, creates jobs for employees, etc dividends for shareholders, the Company has built a green and clean production environment, in accordance with legal requirements.

2. Assessments of the Board of Directors on the operation of the Board of Directors of the Company.

With the production and business results in 2024, the Board of Directors highly appreciates the management of the Board of Directors to complete the targets assigned by the 2024 Annual General Meeting of Shareholders and the resolutions of the Board of Directors. Specifically:

- The Board of Directors promptly reports to the Board of Directors to adjust production and business plans, focusing on making good order paints.

- The Board of Directors of full market research proactively offers appropriate solutions to promote sales and increase revenue. Good debt management does not allow bad debts to arise. The distribution system is becoming more and more stable and expanding.

- Gradually improve the corporate governance regulations, raise the awareness of employees to create higher and higher production and business efficiency.

3. Plans and orientations of the Board of Directors.

The Board of Directors will closely follow and promptly direct the Board of Directors to implement the following contents:

- Maintain production and business activities, complete the targets assigned by the Annual General Meeting of Shareholders in 2025.

- Improve the corporate governance system.

- To use financial sources rationally and effectively, preserve capital, and reduce costs to create competitive product prices.

- Improve the material and spiritual life of employees, implement the social security regime.

V. Corporate governance :

1. Board of Directors

TT	List	Duty	Ownership Rate	Notes
1	Mr. Nguyen Thien Ai	Chairman of the Board of Directors	1,66 %	
2	Mr. Nguyen Ngoc Anh	Vice Chairman of the Board of Directors	4,86 %	

3	Mr. Trinh Le Minh	Independent Member of the Board of Directors		
4	Mr. Nguyen Xuan Cuong	Member of the Board of Directors	0,92 %	
5	Mr. Nguyen Manh Duc	Member of the Board of Directors	0,33 %	

b) The committees of the Board of Directors: None

c) Activities of the Board of Directors:

In 2024, the Board of Directors has met in 07 sessions, approving a number of Resolutions, decisions, and contents to direct production and business activities.

Stt	Number of resolutions/decisions	Day	Content
1	Resolution No. 12/2024/HDQT - STH	Date 26/02/2024	<ul style="list-style-type: none"> - Approved the production and business results of the fourth quarter of 2023. - Approved financial statements for 2023 have not been audited. - Approve the production and business plan in 2024.

			<ul style="list-style-type: none"> - Approval of the 2024 Annual General Meeting of Shareholders
2	Resolution No. 18/2024/HDQT - STH	Date 07/03/2024	<ul style="list-style-type: none"> - The 2023 financial statements have been audited by CPA Vietnam Auditing Co., Ltd. - Approval of the profit sharing plan in 2023 - Approve the operating remuneration of the Board of Directors, the Supervisory Board in 2023 and the spending plan in 2024. - Approved the selection of an auditing company for financial statements in 2024.
3	Resolution No.: 27/2024/HDQT-STH	Date 11/04/2024	<ul style="list-style-type: none"> - Approved the production and business results in the first quarter of 2024. - Adopting solutions to operate production and business in 2024. - The Board of Directors assigned the General Director to implement the Resolution of the General Meeting of Shareholders in 2024. - The Board of Directors assigns the General Director to decide on the ratio of salary to annual revenue based on production and business plans, revenue and consumption.
4	Resolution No.: 38/2024/HDQT-STH	Date 14/05/2024	<ul style="list-style-type: none"> - Approved the dividend payment plan in 2023.

5	Resolution No.: 72/2024/HDQT-STH	Date 16/08/2024	<ul style="list-style-type: none"> - Approved the production and business results of the second quarter. - Approved the reviewed 2024 semi-annual financial statements. - Adopting production and business management solutions in the last 6 months of 2024.
6	Resolution No.: 103/2024/HDQT-STH	Date 23/10/2024	<ul style="list-style-type: none"> - Approved the production and business results of the third quarter. - Approved the financial statements for the third quarter of 2024. - Approved the selection of CPA Auditing Co., Ltd. to audit the financial statements in 2024. - Adopting production and business management solutions in the last 3 months of 2024.
7	Resolution No.: 104/2024/HDQT-STH	Date 24/10/2024	<ul style="list-style-type: none"> - Dismissal of the Chief Accountant of the Company for Mr. Tran The Giang. - Appointing Ms. Pham Thu Ha, Deputy Head of Finance and Accounting Department in charge of Accounting of the Company.

d) Activities of independent members of the Board of Directors. Activities of subcommittees in the Board of Directors:

e) List of members of the Board of Directors who have certificates of training in corporate governance.

2. Board of Supervisors

a) List of

TT	List	Duty	Ownership Rate	Notes
1	Mr. Nguyen Minh Duc	Head of the Supervisors Department	0,06 %	
2	Mr. Vuong Tuan Anh	Member	0,12 %	
3	Ms. Pham Thi Huyen	Member	0,008 %	

b) Activities of the Board of Supervisors:

Through the supervision activities as prescribed, the Supervisory Board of the company has assessed as follows:

The Supervisory Board attended all meetings of the Board of Directors of the Company. The Supervisory Board has inspected and supervised the compliance with the provisions of the Law and the Company's Charter in the management and administration of the Company by the Board of Directors and the Board of General Directors, specifically:

- Inspect and supervise the implementation and results of the implementation of the Resolution of the 2024 Annual General Meeting of Shareholders.

- Verify quarterly and annual financial statements to assess the truthfulness and reasonableness of financial data, in accordance with current accounting standards and regimes.

- Control the compliance with the Company's information disclosure regulations in accordance with the provisions of the Law on Enterprises and the Law on Securities.

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

a) Salary, rewards, remuneration and benefits:

TT	List	Duty	Remuneration in 2024 (VND)	Notes
1	Mr. Nguyen Thien Ai	Chairman of the Board of Directors	69.400.000	
2	Mr. Nguyen Ngoc Anh	Vice Chairman of the Board of Directors, General Director	48.200.000	
3	Mr. Trinh Le Minh	Member of the Board of Directors	44.200.000	
4	Mr. Nguyen Xuan Cuong	Member of the Board of Directors	44.200.000	
5	Mr. Nguyen Manh Duc	Member of the Board of Directors, Deputy General Director	44.200.000	
6	Mr. Nguyen Minh Duc	Head of the Supervisory Board, Consumption City	38.400.000	
7	Mr. Vuong Tuan Anh	Member of the Supervisory Board, Head of Planning Department	30.600.000	
8	Ms. Pham Thi Huyen	Member of the Board of Directors, Deputy Director of the Technical Department	30.600.000	

- Income of the Board of Management:

TT	List	Duty	Income in 2024 (VND)	Notes
1	Mr. Nguyen Ngoc Anh	General Director	610.858.925	
2	Mr. Nguyen Manh Duc	Deputy General Director	503.487.463	

3	Mr. Tran The Giang	Chief Accountant	464.054.667	Dismissal fromt 01/11/2024
4	Ms. Pham Thu Ha	In charge of Accounting	314.180.838	Appointing fromt 01/11/2024

b) Share transactions by internal shareholders:

Stt	The person who is present in the relationship	Relationship with the grandfather's nest	Lottery number s at the beginning of the period		Lottery number sin the right cu		Reasons for gloom (buying, bn,pouring,...)
			Lottery numberc	Billio naire (%)	Lottery numberc	Billio naire (%)	

List of internal shareholders and related persons *(With attached list)*

VI. Financial statements *(Attached to the audited financial statements
for 2024 on the Website: www.sondaibang.com.vn)*

1. Auditor's opinion
2. Audited financial statements.

**CONFIRMATION BY THE
COMPANY'S LEGAL
REPRESENTATIVES**



Nguyen Ngoc Anh