

REPORT

Annual Report for the Year 2024

To: - **State Securities Commission**
 - **Hanoi Stock Exchange**

I. GENERAL INFORMATION:

1. Overview Information:

- Trading Name: Vimeco Joint Stock Company

- Business Registration Certificate: Joint Stock Company (16th amendment). Enterprise Code: 0101338571, issued by the Hanoi Department of Planning and Investment on November 24, 2024, with a registered capital of VND 261,341,320,000 (Two hundred sixty-one billion, three hundred forty-one million, three hundred twenty thousand Vietnamese Dong).

- Registered Capital: VND **261,341,320,000**

- Address: E9 Block, Pham Hung Street, Trung Hoa Ward, Cau Giay District, Hanoi City

- Telephone: 024-37848204

- Fax: 024-37848202

- Website: www.vimeco.com.vn

- Stock Code: VMC

History and Development:

- Vimeco Joint Stock Company was established on March 24, 1997, pursuant to Decision No. 179/BXD-TCLĐ of the Minister of Construction.
- From January 1, 2003, the company transitioned to operating as a joint stock company under Decision No. 1485/QĐ-BXD dated November 7, 2002, issued by the Minister of Construction.
- On December 11, 2006, Vimeco Joint Stock Company's shares were first listed on the Hanoi Stock Exchange under the stock code VMC.
- According to the Joint Stock Company Registration Certificate No. 0103001651 issued by the Hanoi Department of Planning and Investment on May 23, 2008, the company, formerly known as the Joint Stock Company for Mechanization,

Machine Installation, and Construction, was renamed Vimeco Joint Stock Company.

- As of December 31, 2014, the company's registered capital was VND 65 billion (equivalent to 6,500,000 listed shares on the Hanoi Stock Exchange).
- On January 12, 2015, the company successfully issued additional shares, increasing its registered capital to VND 100 billion (equivalent to 10,000,000 shares).
- On October 16, 2018, the company successfully issued additional shares, raising its registered capital to VND 200 billion (equivalent to 20,000,000 shares).
- On July 20, 2022, the company successfully issued additional shares, increasing its registered capital to VND 215,995,830,000 (equivalent to 21,599,583 shares).
- On November 24, 2023, the company successfully issued additional shares, raising its registered capital to VND 237,589,510,000 (equivalent to 23,758,951 shares).
- On August 5, 2024, the company successfully issued additional shares, increasing its registered capital to VND 261,341,320,000 (equivalent to 26,134,132 shares).

2. Business Sectors and Operating Regions:

- Main Business Sectors:

- + Real estate business, land use rights owned, used, or leased: Real estate trading; leasing offices, hotels, and apartment buildings.
- + Site preparation: Construction and installation work including ground leveling and weak soil treatment.
- + Wholesale of construction materials and installation equipment: Trading sand, gravel, bricks, tiles, cement, roofing sheets, asphalt, and other materials used in construction and interior/exterior decoration; trading precast concrete structures and commercial concrete.
- + Mechanical processing; metal coating and treatment: Fabrication and installation of machinery, equipment, technological production lines, and steel structures for civil, industrial, power line, and substation projects.
- + Motor vehicle rental: Renting machinery.
- + Rental of machinery, equipment, and other tangible assets without operators: Renting equipment, technological production lines, and steel structures for civil, industrial, power line, and substation projects.
- + Preschool education.
- + Construction of processing and manufacturing facilities.
- + Construction of other civil engineering projects: Construction of technical infrastructure for urban areas, industrial zones, water supply and drainage systems, wastewater treatment, power lines and substations up to 220kV, fire prevention and firefighting systems; construction of civil, industrial, transportation (roads, airports, ports, bridges of all types), postal, irrigation-hydropower, dike, embankment, and dam projects.

+ Production of concrete and products from cement and gypsum: Manufacturing precast concrete structures and commercial concrete.

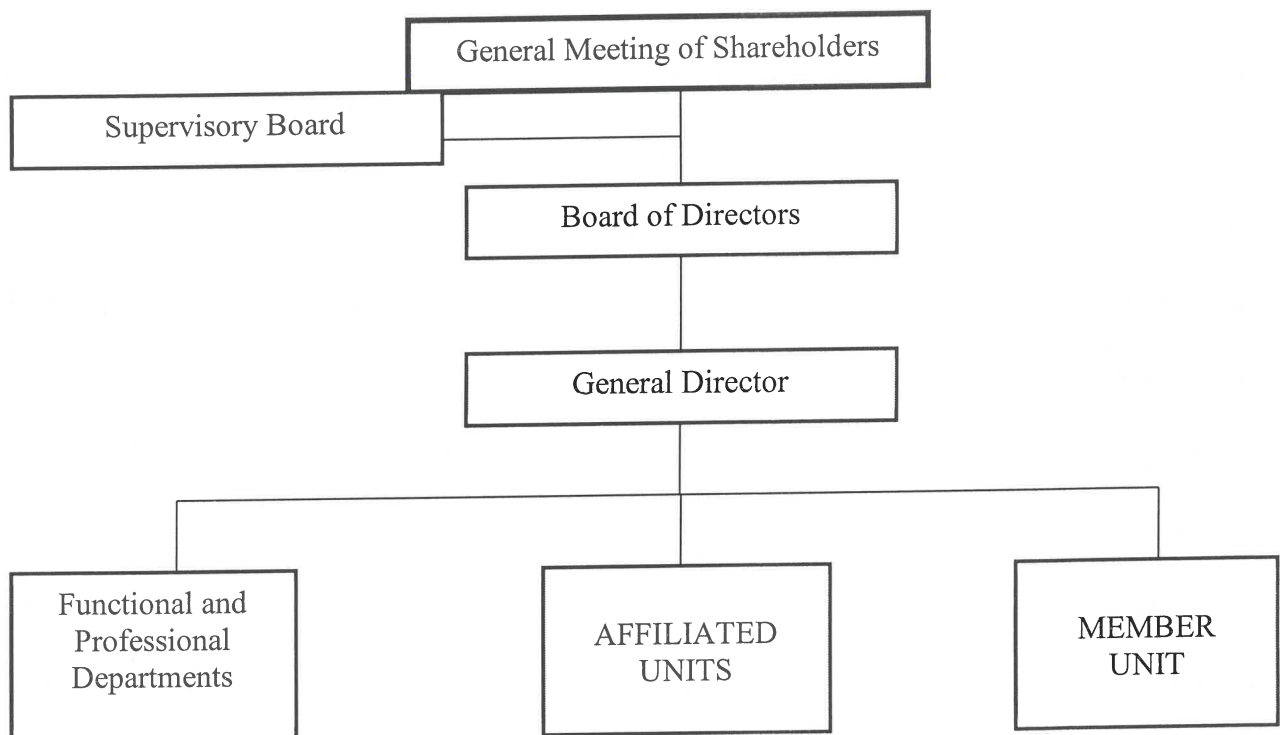
- **Operating Regions:** Throughout the territory of Vietnam.

3. Information on Governance Model, Business Organization, and Management Structure:

* **Governance Model:** General Meeting of Shareholders, Board of Directors, Supervisory Board, and General Director.

* **Management Structure:**

Board of Directors (Term 2023-2028):



Board of Directors (Term 2023-2028):

- Mr. Duong Van Mau – Chairman of the Board
- Mr. Tran Dinh Tuan – Board Member
- Mr. Dang Van Hieu – Board Member
- Mr. Nguyen Khac Hai – Board Member
- Mr. Bui Van Thieng – Independent Board Member

Supervisory Board (Term 2023-2028):

- Mr. Vu Van Manh – Head of the Supervisory Board
- Ms. Tran Thi Kim Oanh – Supervisory Board Member
- Mr. Nguyen Tien Khanh – Supervisory Board Member

Board of Management:

- Mr. Dang Van Hieu – General Director
- Mr. Hoang Anh Tuyen – Deputy General Director
- Mr. Doan Ngoc Ba – Deputy General Director
- Mr. Nguyen Dac Truong – Deputy General Director
- Mr. Vu Minh Hoang – Deputy General Director

Functional Departments and Affiliated Units:

- Functional and professional departments include 7 units:
 - Administrative and Organizational Department
 - Finance and Accounting Department
 - Project Management Department
 - Bidding Department
 - Investment Department
 - Mechanical and Material Department
 - General Secretariat
- Construction site management boards nationwide.
- **Subsidiaries:**
 - **Vimeco International Education System Joint Stock Company**
 - Address: 2nd and 3rd floors, CT2 Building, Vimeco Apartment Complex, No. 4 Nguyen Chanh Street, Trung Hoa Ward, Cau Giay District, Hanoi City, Vietnam
 - Tel: 024-22250930
 - Fax: N/A
 - Established and operating under Business Registration Certificate No. 0109974057, issued by the Hanoi Department of Planning and Investment on April 22, 2022.
 - Registered Capital: VND 12,030,000,000
 - Ownership and voting rights of Vimeco Joint Stock Company in Vimeco International Education System Joint Stock Company: 99.75%.

4. Company Development Orientation:

4.1. Main Objectives of the Company:

- Develop the company rapidly and sustainably in line with the General Meeting of Shareholders’ direction, adhering to the motto “Development – Safety – Efficiency”;
- Enhance equity capital for investment and ensure the legitimate rights and benefits of shareholders and employees;

- Seek investment opportunities in real estate markets, selectively sign high-value construction contracts, and secure concrete supply contracts to maximize the company's concrete production capacity;
- Manage and operate concrete mixing plants, mechanized construction equipment lines, and machinery to ensure safety, fully utilize design capacity, and achieve high efficiency.

4.2. Medium- and Long-Term Development Strategies:

- Expand the parent-subsidary model and propose to the General Meeting of Shareholders the establishment of additional branches or subsidiaries (if necessary). Strongly innovate and reform VIMECO's current production model from a pure construction enterprise to a multi-sector joint stock company with three core pillars:

1 Construction and Building Materials Sector: Enhance equipment capacity and management capabilities to position VIMECO as a leading enterprise in infrastructure construction, key projects, and technologically advanced construction works requiring high equipment and construction expertise;

2 Real Estate Investment Sector: Focus on developing and expanding VIMECO's investment portfolio, concentrating on synchronously developed, high-quality industrial zones and urban areas;

3 Services and Financial Investment Sector: Expand service offerings, focusing on high-quality education, energy, and flexible asset investments.

- Focus on directing, coordinating, and supervising the Board of Management to implement solutions to successfully execute the 2024 production and business plan approved by the General Meeting of Shareholders; develop management scenarios to minimize negative impacts on the company's overall production and business activities.

- Innovate management practices, mindset, and working style across individuals and departments within the system; promote the restructuring of organizational and labor structures; refine salary mechanisms and employee welfare policies.

- Enhance competitiveness, reputation, and the image of VIMECO in all fields, demonstrated through project progress, quality, and efficiency; intensify bidding efforts for projects funded by state budgets, foreign investment, or domestic investors with strong financial resources.

- Manage and utilize cash flow scientifically, flexibly, and in compliance with regulations to ensure financial safety; continue efforts to recover receivables and finalize pending projects.

- Develop cooperative relationships with reputable domestic and international partners to seek opportunities for expanding the company's production and business activities.

- Mở rộng mô hình công ty mẹ - con, trình ĐHĐCĐ phê duyệt thành lập thêm các chi nhánh, công ty thành viên (nếu cần). Đổi mới và cải cách mạnh mẽ mô hình sản xuất của VIMECO hiện tại từ doanh nghiệp xây lắp thuần túy sang công ty cổ phần đa ngành với 03 lĩnh vực trụ cột:

5. Risks:

II. PRODUCTION AND BUSINESS PERFORMANCE IN 2024:

1. Production and Business Situation:

+ Revenue: VND 1,118.08 billion

+ Profit After Tax: VND 3.21 billion

2. Organization and Personnel:

- List of the Management Board: (See Appendix 01 attached)

- Number of Employees:

CONTENT	2020	2021	2022	2023	2024	DECREASE
Total Employees	487	514	600	469	348	121

3. Investment and Project Implementation Status:

a) Financial Investments and Project Investments:

In 2024, Vimeco Joint Stock Company conducted market research but did not engage in or proceed with financial investments or project investments.

b) Subsidiary: Vimeco International Education System Joint Stock Company (details provided above).

4. Financial Situation:

a) Financial Overview:

Indicator	Năm 2023	Năm 2024	% Change
Total Asset Value	1.452.959.489.393	1.405.099.151.842	-3,29%
Net Revenue	1.172.412.058367	1.118.087.481.331	-4,63%
Profit from Business Activities	1.202.187.026	4.582.926.051	281,22%
Other Profit	10.293.065.496	5.715.471.543	-44,47%
Profit Before Tax	11.495.252.522	8.549.582.027	-25,63%
Profit After Tax	4.661.410.433	3.213.700.731	-31,06%
Dividend-to-Share Profit Ratio	10%	Expected 10%	

b) Key Financial Indicators:

Indicator	2023	2024	Notes
1. Liquidity Ratios			

+ Short-term Liquidity Ratio			
(Current Assets/Short-term Liabilities)	1,13	1,12	
+ Quick Ratio	0,82	0,80	
<u>Current Assets - Inventory</u>			
Short-term Liabilities			
<i>2. Capital Structure Ratios</i>			
+ Debt-to-Total Assets Ratio	0.76	0.75	
+ Debt-to-Equity Ratio	3,10	2,94	
<i>3. Operational Efficiency Ratios</i>			
+ Inventory Turnover			
Cost of Goods Sold/Average Inventory	3,17	3,15	
Total Asset Turnover (Net Revenue/Total Assets)	0,81	0,80	
<i>4. Profitability Ratios</i>			
+ Net Profit-to-Net Revenue Ratio	0.0040	0.0029	
+ Net Profit-to-Equity Ratio	0,0132	0,0090	
+ Net Profit-to-Total Assets Ratio	0,0032	0,0022	
+ Operating Profit-to-Net Revenue Ratio	0,0010	0,0041	

5. Shareholder Structure and Changes in Owner's Investment Capital:

a) Shares:

- Number of listed shares	26.134.132	shares
- Share type	Common shares	
- Outstanding shares	26.134.132	
- Treasury shares	0	shares
- Par value	10.000	VNĐ

b) Shareholder Structure:

No.	Shareholder Name	Number of Shares	Ownership Ratio	Notes
1	Tran Kim Ngoc	6.500.000	24,87%	
2	Phan Tran Hieu	5.726.406	21,91%	

3	Vietnam Construction and Import-Export Joint Stock Corporation	1.306.800	5%	
2	Other Shareholders	6.874.520	48,22%	

c) Changes in Owner's Investment Capital:

In 2024, Vimeco Joint Stock Company issued additional shares to pay the 2023 dividend to existing shareholders, increasing the registered capital to VND 261,341,320,000 (Two hundred sixty-one billion, three hundred forty-one million, three hundred twenty thousand Vietnamese Dong).

d) Treasury share transactions: None

e) Other securities: None

6. Report on Environmental and Social Impacts of the Company:

6.1. Environmental Impact:

VIMECO consistently focuses on green business practices and environmental protection. Alongside ensuring business efficiency, over the years, VIMECO has implemented creative initiatives toward a green business model, such as:

- Energy Saving: Limiting the use of energy-intensive equipment and applying green initiatives, such as greening workplaces by saving paper and electricity, using smart electrical devices, and reusing office supplies.

- Green Process Improvements: Adopting advanced software in management, operations, and service delivery has significantly saved resources for the company.

6.2. Raw Material Management:

For construction raw materials, VIMECO continuously researches and applies new technological solutions in construction to save materials and maximize the use of environmentally friendly materials. Waste from construction processes is handled by waste management units in compliance with legal regulations.

6.3. Energy Consumption:

By adopting advanced technological solutions, VIMECO has efficiently utilized energy, reducing costs for the company and societal energy consumption. The company has decisively phased out outdated, energy-intensive equipment.

6.4. Water Consumption:

In the construction industry, water usage is generally high. VIMECO has implemented effective water reuse solutions, particularly at concrete mixing stations. Water is extracted from boreholes, collected in drainage channels and sedimentation tanks after use, and reused for site operations. Before being discharged into the environment, it is tested to ensure compliance with wastewater standards.

6.5 Compliance with Environmental Protection Laws:

Number of penalties for non-compliance with environmental laws and regulations:
None

Total fines for non-compliance with environmental laws and regulations: None

6.6. Policies Related to Employees:

To make the workplace a true second home for employees, VIMECO strives to provide the best working environment, both materially and spiritually. Workspaces are designed to be airy, well-lit, and equipped with sufficient tools to meet job requirements while ensuring employee health. The professional, friendly, and collaborative working environment allows employees to feel happy and fulfilled, maximizing their potential and contributing to the company's production and business activities.

In addition to ensuring basic employee benefits such as social insurance and health insurance, VIMECO organizes annual health check-ups to monitor and improve employee well-being. The company also arranges annual recreational trips and visits to foster bonding and provide relaxation opportunities for employees.

VIMECO has developed a meaningful, unique, competitive compensation program balancing income and other benefits to attract and retain talent, ensuring fairness and satisfaction based on the following principles:

- The future success of VIMECO relies on the human resources trained and guided by the company. Recognizing the challenges of the highly competitive construction industry, VIMECO actively conducts training programs to enhance the skills of both managerial staff and employees.

- The company organizes various training programs tailored to specific groups—workers, technical staff, and managers—to ensure continuous career development support for all employees.

6.7 Report on Responsibilities to the Local Community:

VIMECO consistently prioritizes community benefits and fulfills its corporate social responsibilities.

From 1997 to 2023, VIMECO supported Vietnamese Heroic Mother Tran Thi Xa in Tan Minh Commune, Thuong Tin District, Hanoi, until her passing. This meaningful act by the company's employees has brought joy to those who contributed to the nation, promoting education on revolutionary traditions. This is a regular and practical activity reflecting the company's deep gratitude and care for families with contributions to the revolution, carried out by the leadership and employees over many years.

6.8. Report on Green Capital Market Activities per the Guidance of the State Securities Commission:

III. BOARD OF MANAGEMENT' PERFORMANCE ASSESSMENT REPORT:

1. Đánh giá kết quả hoạt động sản xuất kinh doanh

In 2024, the global and Vietnamese economies continued to face numerous difficulties and challenges. Enterprises in the construction sector encountered issues with

project availability. In this context, with comprehensive and decisive leadership from the Board of Directors, along with the determined efforts of the Management Board and all employees, the company's production and business activities remained stable and showed many positive signs.

2. Financial Situation

a) Asset Situation: Total assets of VND 1,405 billion, including short-term assets of VND 1,146 billion and long-term assets of VND 258.68 billion.

b) Liabilities Situation: Total liabilities of VND 1,048 billion, including short-term liabilities of VND 1,026 billion and long-term liabilities of VND 21.915 billion.

3. Improvements in Organizational Structure, Policies, and Management:

4. Future Development Plans:

The Management Board aims to adjust the production and business model, focusing on three core pillars: Construction and Building Materials; Real Estate Investment; Services and Financial Investment.

- **Bidding Activities:** Seek construction projects and select projects with reliable funding sources, including infrastructure projects and public investment projects under the government's economic stimulus package, by enhancing bidding capabilities and company capacity.
- **Construction Activities:** Focus on enhancing the company's position, image, and reputation in infrastructure and industrial construction, particularly in public investment projects; improve construction management professionalism and efficiency in bidding, execution, quality control, safety, settlement, and brand recognition. Continue investing in a synchronized fleet of machinery and equipment to handle large-scale construction projects.
- **Commercial Concrete Building Materials Sector:** Focus on supplying concrete only to projects and investors with strong financial backing, such as the Long Thanh Airport project and transportation projects.
- **Real Estate Investment and Business Activities:** Continue procedures for investment approval, planning concepts, funding planning, and preparing proposal documents for investment approval for projects under consideration, such as industrial zones, industrial clusters, and urban areas.
- **Financial Activities:** Proactively arrange capital to meet investment and production needs, enhance bidding capacity, and maintain a strong financial structure.
- Strengthen organizational and personnel efforts; develop the brand and corporate culture; and improve employee welfare.

IV. BOARD OF DIRECTORS' ASSESSMENT OF COMPANY OPERATIONS:

1. Board of Directors' Assessment of Company Operations:

2. Supervision Results of the Board of Management:

The Board of Management, led by the General Director, has managed the company's production and business activities in compliance with legal regulations, the company

charter, internal governance policies, and business registration. Members of the Board of Management are experienced and qualified managers with a strong sense of responsibility, clearly delegated authority, and provided conditions to maximize work efficiency. The Board of Directors assesses that the General Director has effectively fulfilled duties as the company's legal representative.

In addition to maintaining weekly meetings between the Board of Management and functional departments, the General Director regularly organizes monthly meetings and discussions with the Chairman of the Board and advisory council to promptly report urgent issues related to production and business activities and agree on effective solutions.

Key Highlights of the Board of Management's Performance in 2024:

- **Construction Activities:** The Board of Management ensured progress, quality, and labor safety at implemented projects, notably the North-South Expressway sections Vung Ang - Bung and Van Phong - Nha Trang. With successful execution in Phase 1 of the North-South Expressway project, VIMECO earned the trust of investors and main contractors to continue implementing packages in Phase 2.
- **Bidding Activities:** The Board of Management directed bidding efforts toward large-scale projects in transportation and infrastructure with reliable funding, prioritizing safety over chasing volume or revenue; focusing on projects requiring high technology, techniques, progress, and quality to gradually enhance the company's brand reputation and competitiveness.
- **Building Materials Production and Business:** The Board of Management implemented various solutions to reform the concrete mixing station operations, focusing on supplying concrete to projects, leasing low-efficiency stations, researching station investments based on project needs, and designing lightweight, low-cost station foundations while maintaining efficiency.
- **Real Estate Investment and Business Activities:** The Board of Management directed the research of investment projects and collaboration with financially capable investors, accelerating research, planning funding, and investment proposals for real estate projects across provinces such as Hanoi, Bac Ninh, and Kon Tum, receiving strong support from local authorities.
- **Financial Activities:** The Board of Management expanded cooperation with banks and financial institutions to secure sufficient capital for business operations; ensured the preparation and disclosure of quarterly, semi-annual, and annual financial reports in compliance with legal regulations.
- The Board of Management continued to collaborate effectively with the company's Party organizations and associations in organizing emulation activities, cultural events, and caring for employees' material and spiritual well-being; supported the development of Party and association organizations within the company. VIMECO's employees, Party members, and workers remain confident in the company's development plans and strategies.

2. Existing Issues:

- Bidding and project sourcing efforts need further improvement. Additionally, management and operational oversight must be tightened, recruitment enhanced, and investments in machinery and equipment increased to complete projects on or ahead of schedule, meeting quality requirements while reducing costs to achieve higher profit margins.
- Changes in mindset, working methods, and styles among some employees remain slow, affecting productivity, quality, and efficiency.
- Construction activities have not yet fully matched VIMECO's market position and capacity; some incomplete construction projects spanning multiple years remain unresolved, wasting resources.

V. CORPORATE GOVERNANCE:

1. Board of Directors:

a) Members and Structure of the Board of Directors:

No.	Board Member	Position	Date Appointed as Board Member	Date Terminated (if applicable)
1	Duong Van Mau	Chairman	March 8, 2019	
2	Nguyen Khac Hai	Member	March 29, 2021	
3	Dang Van Hieu	Member	March 16, 2022	
4	Tran Dinh Tuan	Member	April 6, 2024	
5	Bui Van Thieng	Independent Member	April 6, 2024	

b) Subcommittees under the Board of Directors: None

c) Activities of the Board of Directors:

No.	Board Member	Meetings Attended	Attendance Rate	Reason for Non-Attendance
1	Duong Van Mau	11/11	100%	
2	Nguyen Khac Hai	11/11	100%	
3	Dang Van Hieu	11/11	100%	
4	Tran Dinh Tuan	11/11	100%	
5	Bui Van Thieng	05/11	45,45%	Conflicting work schedules during meetings

d) Activities of Independent Board Members: None

e) List of Board Members with Corporate Governance Training Certificates and Participation in Corporate Governance Programs in the Year: [Incomplete in the original

document]

2. Supervisory Board:

a) Members and Structure of the Supervisory Board:

No.	Supervisory Board Member	Position	Date Appointed	Professional Qualifications
1	Vu Van Manh	Head of Supervisory Board	March 8, 2019	Economic Engineer, Bachelor of Accounting, MBA
2	Tran Thi Kim Oanh	Member	March 29, 2021	Bachelor of Economics (Accounting)
3	Nguyen Tien Khanh	Member	March 16, 2022	Bachelor of Business Administration, Accounting

b) Activities of the Supervisory Board:

No.	Supervisory Board Member	Meetings Attended	Attendance Rate	Voting Rate	Reason for Non-Attendance
1	Vu Van Manh	2	100%	100%	
2	Tran Thi Kim Oanh	2	100%	100%	
3	Nguyen Tien Khanh	2	100%	100%	

3. Transactions, Remuneration, and Benefits of the Board of Directors, Management Board, and Supervisory Board: None

a) Salaries, Bonuses, Remuneration, and Benefits: Remuneration for non-full-time members of the Board of Directors and Supervisory Board:

No.	Content	Amount (VND/person/month)	Notes
1	Chairman of the Board	15.000.000	
2	Board Member	10.000.000	
3	Head of Supervisory Board	10.000.000	
4	Supervisory Board Member	5.000.000	

b) Insider Share Transactions: None

c) Contracts or Transactions with Insiders: None

d) Assessment of Compliance with Corporate Governance Regulations: Fully compliant

VI. FINANCIAL REPORT:

1. Audit Opinion: Full acceptance

1. **Audited Financial Report:** (Published on the website <http://www.vimeco.com> under Investor Relations – Financial Reports)./.

Recipients:

- State Securities Commission (for reporting);
- Hanoi Stock Exchange (for reporting);
- Members of the Board of Directors and Supervisory Board;
- Filed: Administrative Department, General Secretariat.

LEGAL REPRESENTATIVE OF THE COMPANY



TỔNG GIÁM ĐỐC
Dặng Văn Hiếu

