

ANNUAL REPORT

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

Hanoi Battery Joint Stock Company 2024

I. General information

1. General information

- *Trading name:* Hanoi Battery Joint Stock Company
- *Certificate of business registration No:* 0100100752
- *Charter capital:* 72.539.110.000 VND
- *Owner's capital:* 72.539.110.000 VND
- *Address:* No.72 Phan Trong Tue road, Van Dien town, Thanh Tri district, Ha Noi city, Viet Nam
- *Telephone:* 024- 3861 5365
- *Fax:* 024- 3861 2549
- *Website:* www.habaco.com.vn
- *Securities code:* PHN

Incorporation and development process

- *Foundation and development process (Date of incorporation, time of listing, and development milestones since the establishment until now).*

+ Establishment: Invested and constructed with assistance from China in 1958, officially commencing operations in 1960 under the following name throughout its history, including: Van Dien Battery Factory; Hanoi Battery Union Enterprise; Hanoi Battery Company; specializing in providing common battery products for national defense and civilian use under the "Rabbit" brand.

+ Transformation to a Joint Stock Company: The company was transformed into a joint stock company from January 1, 2004, according to Decision No. 207/QĐ-BCN dated December 3, 2003, by the Minister of Industry.

+ In March 2011: Shares were issued to existing shareholders and a strategic shareholder, GP International Battery Singapore Co., Ltd. (GPBI) of the GP Battery Group, increasing charter capital from VND 19,740,000,000 to VND 34,545,000,000.

+ In March 2011: Established a subsidiary, Hanoi Battery One Member Co., Ltd. (100% capital contributed by Hanoi Battery Joint Stock Company), located at N3, Zone C, Hoa Mac Industrial Park, Hoa Mac Town, Duy Tien District, Ha Nam Province. Enterprise code: 0700524947 issued by the Ha Nam Provincial Department of Planning and Investment on March 11, 2011. Investment certificate No. 06221000118 issued by the Management Board of Ha Nam Provincial Industrial Zones on September 23, 2011.

+ In May 2011: Established a branch of Hanoi Battery Joint Stock Company in Ho Chi Minh City, business registration number 0100100752-002, issued by the Ho Chi Minh City Department of Planning and Investment on May 31, 2011, with the 4th change on August 26, 2022.

+ In October 2015 Increased charter capital from dividend distribution in shares and from owner's equity to VND 51,184,430,000.

+ In December 2015: Signed a joint venture cooperation agreement with GP International Battery Singapore Co., Ltd. to establish GP Battery (Vietnam) Co., Ltd. in Hoa Mac Industrial Park,



Duy Tien District, Ha Nam Province. Total charter capital of VND 90 billion, with Hanoi Battery Joint Stock Company contributing 30% and GP International Battery Singapore Co., Ltd. contributing 70%.

+ In July 2016: Dissolved Hanoi Battery One Member Co., Ltd.

+ December 2017: Increased charter capital from dividend distribution in shares and from owner's equity to VND 72,539,110,000.

+ In January 7, 2019: The Hanoi Stock Exchange issued Decision No. 20/QD-SGDHN approving the listing of Hanoi Battery Joint Stock Company shares with stock code: PHN.

+Listing: On March 13, 2019, Hanoi Battery Joint Stock Company shares (Stock code: PHN) officially opened their first trading session on the Hanoi Stock Exchange according to Notice No. 194/TB-SGDHN dated March 1, 2019.

+ In October 2019: GP Battery (Vietnam) Co., Ltd. increased its charter capital from VND 90 billion to VND 275,624 billion. Hanoi Battery Joint Stock Company did not contribute additional capital, thus reducing its ownership ratio in GP (Vietnam) Co., Ltd. from 30% to 9.8%.

+ In December 2019: Vietnam Chemical Group divested, reducing state ownership from 21% to 2%.

+In December 2019: GP International Battery Singapore Co., Ltd. acquired 19% of Vietnam Chemical Group's shares, increasing its ownership from 30% to 49% (foreign ownership).

+In January 2024: GP Battery (Vietnam) Co., Ltd. increased its charter capital from VND 275,624 billion to VND 341,328,317,880. Hanoi Battery Joint Stock Company did not contribute additional capital, thus reducing its ownership ratio in GP (Vietnam) Co., Ltd. from 9.8% to 7.91%.

The company operates under business registration certificate number 0103003444 issued by the Hanoi Department of Planning and Investment on January 2, 2004, and the 14th re-issuance of the business registration on July 26, 2023, with enterprise code: 0100100752.

- Other events

2. Lines and locations of the business:

- Lines of the business:

Business registration certificate No. 0100100752 issued for the first time on January 2, 2004; 14th amendment on July 26, 2023.

No	Major lines of business	Code
1	Manufacture of battery and accumulator	2720 (main)
2	Other specialized wholesale not elsewhere classified (Details: wholesale of all kinds of batteries, raw materials for battery production)	4669
3	Other business support services not elsewhere classified Only includes: Direct import and export of raw materials, battery products of all kinds and machinery and equipment serving production and business.	8299
4	Real estate business, land use rights owned, used or leased Only includes: Factory, office, warehouse for rent	6810

- Location of business: (Specify major locations of business which account for more than 10% of the total revenue in the last 02 years).

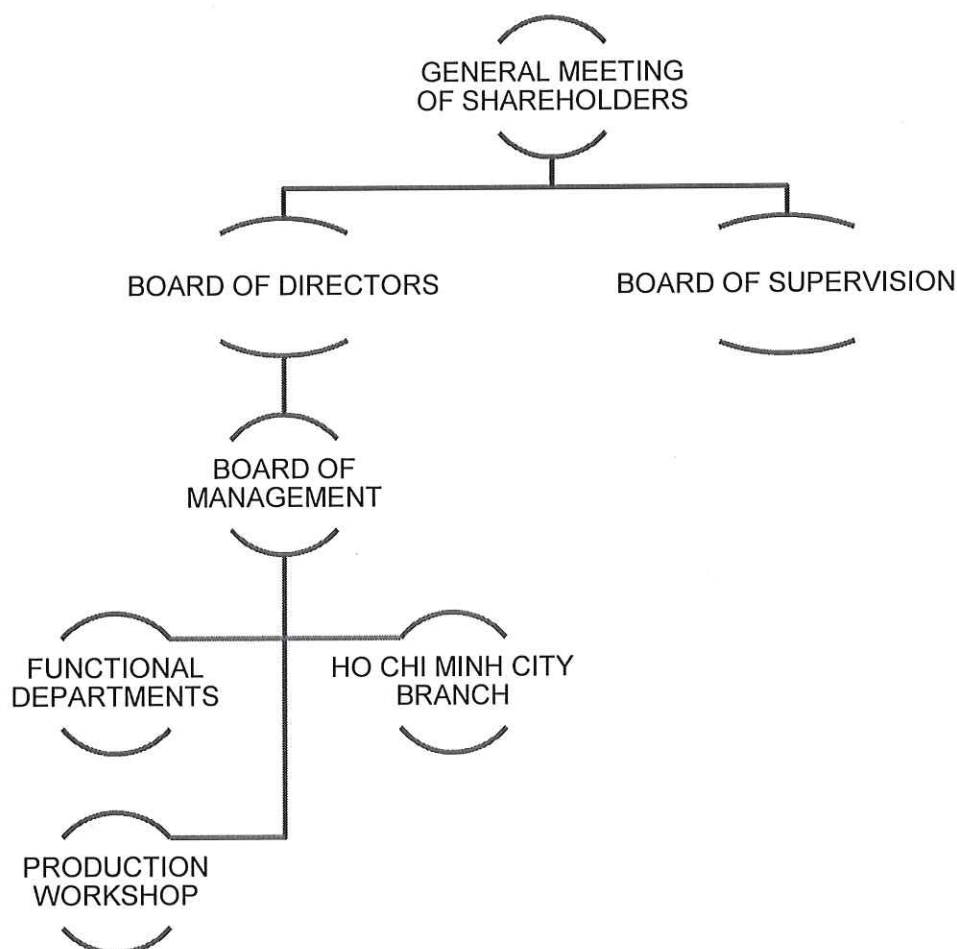
- + The Company's primary market encompasses all northern, central, and Central Highlands provinces.
- + In 2011, the Company established a branch in Ho Chi Minh City to target the consumption of high-end products and expand its product sales market in the southern provinces.
- + The Company maintains a stable export volume to the Lao and Cambodian markets, and through its strategic shareholder, GP International Battery Singapore Pte. Ltd., it has been and is actively promoting export activities to potential markets such as India, Eastern Europe, Central Asia, Africa, and South America.
- + The company resigned contracts with GPBI to become a sole distributor for all GP trademarks in vietnam market from september 2019 after a period of interruption.

3. Information about governance model, business organization and managerial apparatus

- Governance model.

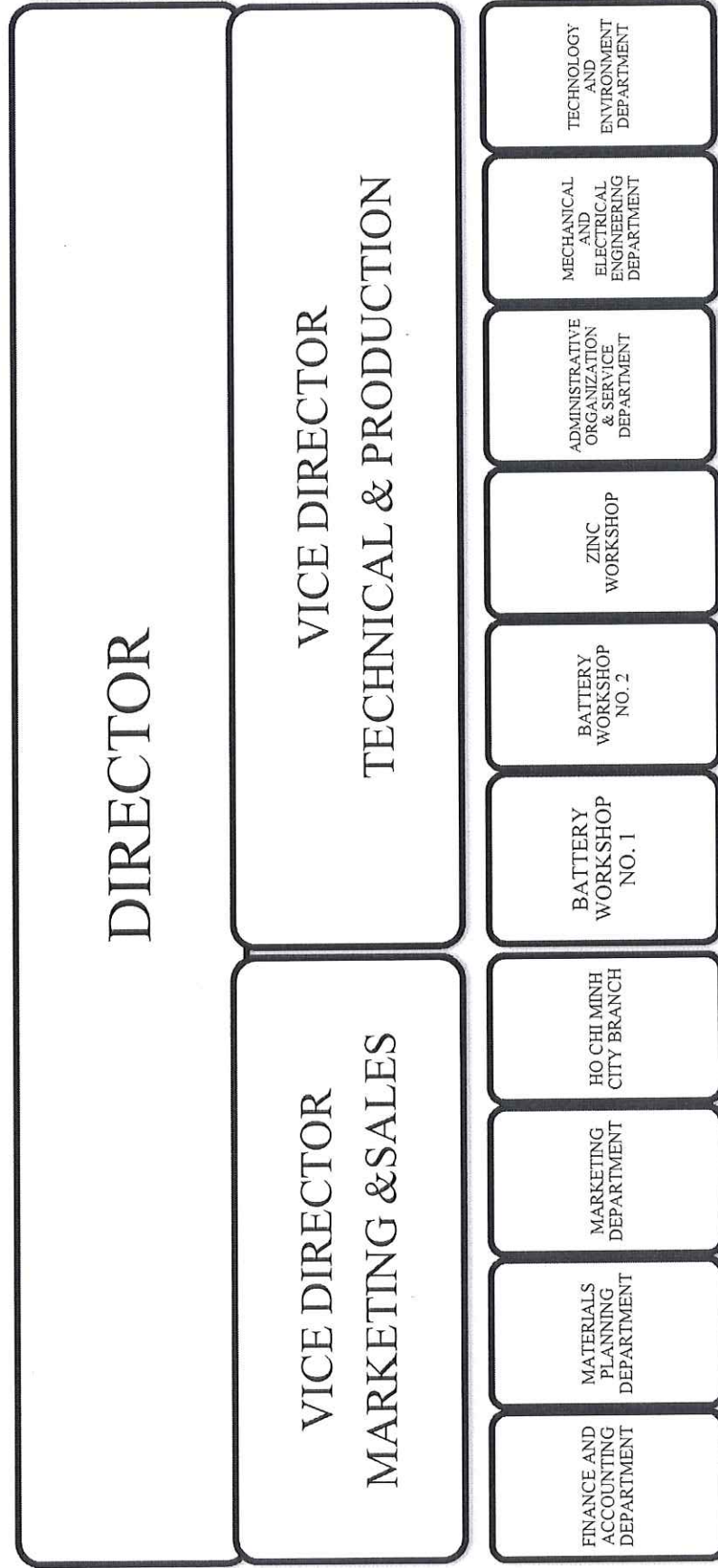
+Governance model

GOVERNANCE MODEL OF HANOI BATTERY JOINT STOCK COMPANY



+ Management structure

- Management structure.



- Subsidiaries, associated companies

+ Branch of Hanoi Battery Joint Stock Company in Ho Chi Minh City:

Tax code 0100100752002

Address: No. 369J An Duong Vuong, Ward 10, District 6, Ho Chi Minh City

Functions and tasks: to introduce, promote, and organize the consumption of the Company's products in Ho Chi Minh City and the southern provinces.

Accounting method: The branch has a seal and account, is dependent on accounting, and operates under the management of the Company.

+ GP Battery Company Limited (Vietnam):

Tax code: 0700761514

Address: Road N3, Area C, Hoa Mac Industrial Park, Duy Tien District, Ha Nam Province

Charter capital: VND 341,328,317,880

Form of ownership: Hanoi Battery Joint Stock Company holds 7.91% of capital. Singapore Battery International Company Limited holds 92.09% of capital.

Ownership relationship: Associate company.

4. Development orientations

- Main objectives of the Company..

Main objectives of the Company

- Focus on investing in carbon zinc battery products to improve quality and enhance competitiveness compared to similar domestic and imported products in terms of quality, appearance, and price.
- Promote research and production of environmentally friendly products towards sustainable development.
- Ensure efficiency and absolute capital safety for shareholders, and guarantee employment and income for employees.
- Ensure harmony among shareholder interests, employee benefits, state interests, and social responsibility..
- Gradually change sales methods to establish a company-owned sales system that brings the company closer to consumers through its existing dealer network. Approach and implement new and modern sales methods, and seek measures to stimulate consumer demand that align with the product's characteristics, maintain market share, and increase domestic consumption market share while boosting small-scale exports.
- Make efforts to proactively, or through partner GPBI, seek official export markets. Continue to consolidate and complete management processes, and implement reasonable investment and recruitment plans to meet development demands in the export market.
- Effectively coordinate with partner GPBI to implement promotions and drive sales of high-end GP-branded battery products (which the company has not yet produced) in the Vietnamese market.
- Enhance production capacity and standardize coin cell zinc to meet the supply requirements of coin cell zinc for GP Battery (Vietnam) Limited Company, thereby minimizing the import of coin cell zinc, contributing to ensuring the localization rate for export products of GP Battery (Vietnam) Limited Company, and improving the efficiency of the Company's equity

investment in the joint venture and optimizing the production costs of the Company's zinc smelting and rolling stage.

- *Development strategies in medium and long term.*

Production and Consumption Volume: Striving to increase by an average of 7%.

Specific measures:

- Traditional markets: By specific measures and with support to expand the market and increase market share from GP.

Maintain and increase the existing domestic market, Laos and Cambodia, increase R6 and R03 to compensate for the decrease in R20 so that this market increases by 5%, reaching 290 million pieces of all kinds by 2027.

- Kodak batteries, local exports and industrial consumers: Promoting the results achieved in 2021 and 2022, striving to increase by 10% each year, contributing to an increase of 2-3% of total output.

- Export market through GP: Strive to increase by >8% on average, by the following measures:

+ Maintaining and increasing output in existing markets..

+ By all measures, meet the import requirements of batteries for the very large market of India and other markets.

+ Exporting “Rabbit” brand batteries according to the consumer segment with the current quality level according to GP’s orientation to the Southeast Asian and African markets.

- Quickly complete the technology of producing lead-free batteries, properly implementing the established roadmap in producing lead-free batteries aiming for the Company’s products to meet the “Vietnam Green Label” standard first in the country.

- Increasing market share with environmentally friendly battery consumers when officially having environmentally friendly products.

- Focusing resources along with GP’s support for domestic market research for high-end products, combining with GP’s existing market to orient investment in new products according to battery consumption trends through importing GP for domestic consumption to evaluate the market.

Regarding efficiency: Strive for pre-tax profit to reach a ratio of > 45%/ current charter capital; On that basis, ensure:

* Dividend > 25%.

* Ensure the ratio of post-tax profit development investment fund deduction to accumulate for future development investment

* Maintain the ratio of undistributed profit to stabilize dividends for years when profit is not guaranteed.

* Deduction for bonus and welfare fund.

Regarding production location:

Maintain the current production location until an effective conversion partner is found or when relocation is required according to the planning. Proactively search for locations step by step and develop investment plans to build new production facilities suitable to the Company's conditions.

Regarding corporate governance:

Approach and apply advanced corporate governance according to international practices with support from GP to meet all requirements of customers consuming products on the basis of product selling prices and specific conditions of the company.

Regarding capital:

Ensure capital safety.

Based on output targets and actual investment needs, consider increasing charter capital from capital sources belonging to the company's equity or other measures.

Ensure Employment and Income for Employees.

Strictly comply with current laws in all areas of the company's operations.

- Sustainable Development Objectives (Environment, Society, and Community) and Main program related Short-Term and Medium-Term Programs of the Company/Corporate Objectives with regard to Corporate environment, society and community Sustainability

Since 2018, the Company has invested in changing its zinc smelting technology by using induction electric furnaces to replace Diesel furnaces, in order to minimize gas emissions and improve the working environment for employees. Upgrading and renovating the wastewater treatment system to meet the increasingly higher requirements according to Vietnamese Standards.

During the year, the Company also built and implemented a social responsibility management system according to the European standard BSCI, which was assessed and certified by the UK Intertek certification organization as meeting the requirements.

In the long term, the Company will aim to produce only green products that meet the "Vietnam Green Label" standard and green product standards according to European and international standards. In addition, the Company will research and diversify its products, bringing to the market higher quality and more diverse products to meet the increasing demands of customers.

5. Risks:

Financial Risk Management

The Company's financial risks include market risk, credit risk, and liquidity risk. The Company has 1 established a control system to ensure a reasonable balance between the cost of incurred risks and the cost of risk management. The Company's Board of Directors is responsible for monitoring the risk management process to ensure a reasonable balance between risk and risk control.

Market Risk

Domestic Consumption Market: There is always fierce competition among domestic battery manufacturing companies, leading to instability in production output, selling prices, and sales revenue.

Export Market: Dependent on orders from strategic shareholders. Subject to competitive pricing pressure, increasing demands for quality and diverse designs. Therefore, it is difficult to avoid the Company facing unexpected increases or decreases in orders.

Input Material Market: Raw material costs account for a large proportion of the Company's product cost, so the price of input materials directly affects the Company's production and business efficiency. Raw zinc ingot (the material with the largest proportion in product cost) is directly affected by the fluctuation of the world's non-ferrous metal market with abnormal increase and decrease ranges depending on many factors such as macroeconomic policies of developed industrial countries, raw material supply for the metallurgical industry... In addition, other types of raw materials, including those of imported and domestic origin, are also directly affected by policies on environment, energy, tariffs...

Exchange Rate Risk

The Company is subject to exchange rate risk due to the fair value of future cash flows of a financial instrument fluctuating with changes in foreign exchange rates when the Company's loans, revenues and expenses are denominated in currencies other than the Vietnamese Dong.

Interest Rate Risk

The Company is subject to interest rate risk due to the fair value of future cash flows of a financial instrument fluctuating with changes in market interest rates when the Company incurs term or non-term deposits, loans and debts bearing floating interest rates. The Company manages interest rate risk by analyzing competitive situations in the market to obtain interest rates favorable to the Company's objectives.

Credit Risk

Credit risk is the risk that a party involved in a financial instrument or contract will not be able to fulfill its obligations, resulting in financial losses for the Company. The Company has credit risks from production and business activities (mainly for accounts receivable from customers) and financial activities (including bank deposits, loans and other financial instruments).

	<u>Under 1 year</u>	<u>From 1 to</u>	<u>Over 5 years</u>	<u>Total</u>
	<u>VND</u>	<u>5 years</u>	<u>VND</u>	<u>VND</u>
As at 31/12/2024				
Cash and cash equivalents	19,913,084,405	-	-	19,913,084,405
Trade receivables, other receivables	15,713,755,199	-	-	15,713,755,199
Loans	44,000,000,000	-	-	44,000,000,000
	<u>79,626,839,604</u>	<u>-</u>	<u>-</u>	<u>79,626,839,604</u>
As at 01/01/2024				
Cash and cash equivalents	9,411,735,596	-	-	9,411,735,596
Trade receivables, other receivables	15,266,767,424	-	-	15,266,767,424
Loans	31,000,000,000	-	-	31,000,000,000
	<u>55,678,503,020</u>	<u>-</u>	<u>-</u>	<u>55,678,503,020</u>

Liquidity Risk

Liquidity risk is the risk that the Company has trouble in settlement of its financial obligations due to the lack of funds. Liquidity risk of the Company is mainly from different maturity of its financial assets and liabilities.

Due date for payment of financial liabilities based on expected payment under the contracts (based on cash flow of the original debts) as follows:

	Under 1 year	From 1 to 5	Over 5 years	Total
	VND	years	VND	VND
		VND	VND	VND
As at 31/12/2024				
Borrowings and debts	4,994,435,062	-	-	4,994,435,062
Trade payables, other payables	34,253,000,415	-	-	34,253,000,415
Accrued expenses	2,926,708,651	-	-	2,926,708,651
	42,174,144,128	-	-	42,174,144,128
As at 01/01/2024				
Trade payables, other payables	10,288,577,697	-	-	10,288,577,697
Accrued expenses	3,132,416,693	-	-	3,132,416,693
	13,420,994,390	-	-	13,420,994,390

The Company believes that risk level of loan repayment is controllable. The Company has the ability to pay due debts from cash flows from its operating activities and cash received from mature financial assets.

II. Yearly Operations

1. Situation of production and business operations

- Results of business operations in the year: State the results achieved during the year.

Indicator	Unit	2024 Plan (Adjusted by BOD on 31/10)	Actual		Increase/ Decrease 2024/2023	Deviation (%)	
			2023	2024		Compared to Plan	Compared to 2023
1/ Production	1000 pcs	370,000	338,103	358,130	20.03	97%	106%
2/ Consumption	1000 pcs	370,000	327,916	361,609	33.69	98%	110%
Total Consumption							
Rabbit + Kodak Consumption	1000 pcs		287,728	302,369	14.64		105%
Export GP Consumption	1000 pcs		40,188	59,239	19.05		147%
Total Revenue	Trillion VND	469.4	432.06	456.81	24.75	97%	106%
4/ Profit	Trillion VND	76.5	63.94	73.19	9.24	96%	114%

Evaluation:

During the year, due to the impact of typhoon No. 3 in all northern and north-central provinces, as well as some other unfavorable factors leading to a decrease in domestic consumption demand, the Board of Directors reviewed and adjusted the production and business plan, setting new targets suitable for the actual situation.

The Company's production and business results in 2024, although showing significant growth compared to 2023 in most key indicators, did not fulfill the plan adjusted by the Board of Directors on October 31st.

2. Organization and Human Resource

- Board of Management List:

+ Mr. Nguyen Thanh Hung Position: BOD Member - Director

Year of birth: 1963 Qualifications: Mechanical Engineering Engineer; Business Administration Engineer

Number of shares owned: 117,980 shares

+ Mr. Nguyen Cao Son Position: BOD Member - Deputy Director

Year of birth: 1966 Qualifications: Electrochemical Engineer

Number of shares owned: 7,723 shares

+ Mr. Vo Khanh Toan: Position: BOD Member - Deputy Director

Year of birth: 1973 Qualifications: Bachelor of Business Administration

Number of shares owned: 18.600 shares

+ Ms. Nguyen Thi Thuy Duong Position: Chief Accountant

Year of birth: 1982 Qualifications: Bachelor of Finance and Accounting

Number of shares owned: 0 shares

-Changes in the Board of Management: There were no personnel changes in the Board of Management during the year.

- Number of Staff. Summary and Changes of the Employee Policies.

- Average labor usage: 268.6 people.

- Employees on leave; termination of labor contracts: 17 people.

- Newly recruited employees: 11 people.

- Total employee costs (including total salary fund and meal allowance): 47.97 billion VND;
Average income 14.88 million VND/person/month, an increase of 18% compared to 2023.

3. Investment activities, project implementation

a) Major investments:

No	Asset Code	Asset Name	Date	Costs	Description
		Machinery and equipment		797,228,979	
1	TSCD991	Screw air compressor 22Kw/30HP No. 1	01/09/2024		Buy new
2	TSCD992	Screw air compressor 22Kw/30HP No. 2	01/09/2024		Buy new
3	TSCD994	Foil labeling machine 600c/min	14/11/2024		Buy new
4	TSCD995	Okamoto 4x8 Grinder	01/12/2024		Máy mài Okamoto 4x8
5	TSCD996	Semi-automatic blister packing machine No. 1/2024	01/12/2024		Buy new
6	TSCD997	Semi-automatic blister packing machine No. 2/2024	01/12/2024		Buy new
	L05	Other tangible fixed assets		1,982,955,129	
7	TSCD965	Fire protection system	31/12/2024		Upgrade and add fire protection system
8	TSCD990	Fire fighting water pump system	01/08/2024		Buy new
9	TSCD993	Wastewater treatment plant system	30/09/2024		Buy new
10	TSCDCN01	Van truck 750 kg	12/01/2024		Buy new
		Total		2,780,184,108	

b) Subsidiaries, associated companies:

GP Battery (Vietnam) Co., Ltd.:

- Tax Code: 0700761514
- Address: N3 Street, Zone C, Hoa Mac Industrial Park, Duy Tien District, Ha Nam Province
- Charter Capital: VND 341,328 billion
- Ownership Structure: Hanoi Battery Joint Stock Company owns 7,91% of the capital. GP Batteries International Limited owns 92,09% of the capital.
- Ownership Relationship: Associated company.
- Production and Business Results for Fiscal Year 2024-25 (Ending March 31, 2025) - Expected:
- Revenue: VND 367,2 billion
- Total Fixed Asset Value: VND 248 billion; Accumulated Depreciation: VND 105,3 billion
- Profit Generated: VND 18,9 billion
- Accumulated Loss: VND 77,7 billion (audited report)

Advantages in 2024:

- Production output increased by approximately 14,6% compared to the previous year.
- The factory made several improvements to reduce scrap.
- Shareholder loans were converted into equity, helping to improve cash flow and reduce interest expense.

Challenges in 2024:

- High zinc billet prices.
- Affected by global market instability due to war and weak demand from inflation.
- High interest expense.

Plans for 2025:

- Production Output: 308,1 million products, a 6% decrease compared to 2024.
- Revenue: VND 359,6 billion, a 2% decrease compared to 2024.
- Profit: VND 22,9 billion.
- Accumulated Loss: VND 54,8 billion
- Human Resources: Current number of employees: 167 domestic and 1 foreign.

Advantages in 2025:

- The factory continues to implement cost-saving projects, mainly focusing on localization of raw material sources and automation.

Challenges in 2025:

- Unstable production output due to uncertain market conditions.
- Challenges in transitioning to lead-free products for all customers.
- Sharp increase in labor costs.
- Hewei, a large battery manufacturing company from China, is building a Factory at Hai Phong, creating potential instability for export orders of VNGP.

4. Financial situation

a) Financial situation

b) Major financial benchmarks:

Benchmarks	Year 2023	Year 2024	Note
1. Solvency ratio			
+ Current ratio: (Short term Asset/Short term debt)	5,39	3,16	times
+ Quick ratio: Short term Asset – Inventories Short term Debt	2,15	1,50	times
2. Capital structure Ratio			
+ Debt/Total assets ratio	15,38	26,58	%
+ Debt/Owners' Equity ratio	18,17	36,20	%
3. Operation capability Ratio			
+ Inventory turnover: Cost of goods sold/Average inventory	4,30	3,77	times
(Net revenue/ Total Assets)	2,44	2,15	1 times
4. Target on Profitability			
+ Profit after tax/ Net revenue Ratio	12,04	13,01	%
+ Profit after tax/ total capital Ratio	34,79	38,08	%
+ Profit after tax/ Total assets Ratio	29,44	27,96	%
+ Operating profit/ Net revenue Ratio	15,01	15,96	%

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

a) Shares:

Total number of shares: 7.253.911 shares

Number of freely transferable shares: 7.253.911 shares

Restricted shares: 0 share

b) Shareholders structure:

Legal shareholders: 9 organizations holding 3,708,381 shares, equivalent to 51.12% of total shares

In which: 01 major shareholder

GP BATTERIES INTERNATIONAL LIMITED owns: 3,554,233 shares, equivalent to 49%

Individual shareholders: 320 people own 3,545,581 shares, equivalent to 48.88%

In which 02 major shareholders:

Mr. Pham Van Nghia owns: 364,350 shares, equivalent to 5.02%

Mr. Le Xuan Luong owns: 426,300 shares, equivalent to 5.88%

Domestic shareholders: 316 shareholders owning 3,688,398 shares, equivalent to 50.85%

Foreign shareholders: 13 shareholders owning 3,565,513 shares, equivalent to 49.15%

Note: The above data is based on the list of shareholders entitled to receive dividends as of December 27, 2024, prepared by the Vietnam Securities Depository Center on December 31, 2024.

c) Change in the owner's equity: None

d) Transaction of treasury stocks: None

e) Other securities: None

6. Report related impact of the Company on the environment and society

6.1. Management of raw materials:

a) *The total amount of raw materials used for the manufacture and packaging of the products as well as services of the organization during the year.*

- Value of main materials used for production in 2024: VND 245.9 billion

- Value of auxiliary materials used for production in 2024: VND 23.6 billion

b) *The percentage of materials recycled to produce products and services of the organization.*

- Total amount of recycled zinc for battery production in 2024: 13 tons from material reuse and recovery..

- Total amount of recycled anode powder for battery production in 2024: 20 tons from material reuse and recovery.

6.2. / Energy consumption:

a) *Energy consumption - directly and indirectly.*

- Total electricity consumption in 2024: 2,296,500 Kw equivalent to 107% of electricity consumption in 2023.

b) *Energy savings through initiatives of efficiently using energy.*

c) *The report on energy saving initiatives (providing products and services to save energy or use renewable energy); report on the results of these initiatives.*

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

a) Water supply and amount of water used.

The Company uses clean water provided by Viwaco Joint Stock Company.

- Total water used for production and daily life at the Company is estimated at 65 m³/day.
- Total water consumption in 2023: 18,927 m³

b) Percentage and total volume of water recycled and reused.

- The amount of water reused is 20 m³/day in the continuous zinc rolling process. With 300 production days in a year, the amount of reused water accounts for 24% of the total amount of water used.

6.4. Compliance with the law on environmental protection:

a) Number of times the company is fined for failing to comply with laws and regulations on environment.

- During the year, the company was not fined for failing to comply with the Law on Environmental Protection.

b) The total amount to be fined for failing to comply with laws and regulations on the environment. None

6.5. Policies related to employees

a) Number of employees, average wages of workers.

Number of employees, average wages of workers.

- Average number of employees: 268.6 people.
- Employees on leave; termination of labor contracts: 17 people
- Newly recruited employees: 11 people
- Total costs for employees (including total salary fund and shift meals): 47.97 billion VND; Average income of VND 14.88 million VND/person/month, an increase of 18% compared to 2023.

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

- Total cost of on-site compensation in kind and heat protection for workers in 2024: VND 414.3 million
- Cost of employee tours and vacations in 2023: VND 376.8 million
- The company maintains regular health check-ups on time for all employees, thereby arranging jobs suitable to the health conditions of each employee.

c) Training employees

- The average number of training hours per year, according to the staff and classified staff.

No	Training Content	No. of People	Hours per Person	Total Hours
1	Fire Prevention & Firefighting Training, Emergency Evacuation Drill	25	8	200
2	Chemical Incident Response Training	9	8	72
3	Occupational Safety & Health (OSH) Training for Employers (Group 1)	21	8	168
4	OSH Training for Occupational Safety Officers	1	16	16
5	OSH Training for Forklift Operators (Group 3)	11	12	132
6	OSH Training for Lifting Equipment Operators (Group 3)	32	12	384
7	OSH Training for Electrical Work, Arc Welding, Gas Welding (Group 3)	16	12	192
8	OSH Training for Pressure Equipment Operators (Group 3)	24	12	288
9	OSH Training for Safety Representatives (Group 6)	26	12	312
10	OSH Training for Workers (Group 4)	122	8	976
11	Salary Level Promotion Training	34	8	272
12	Recruitment Training	5	8	40
13	Training on Safety Inspection & Reliability Assessment	3	8	24
14	Wastewater Treatment System Operation Training	11	8	88
15	Single Battery Production Training	30	8	240
		370		3.404

- The skills development and continuous learning program to support workers' employment and career development.

+ The training content includes work training according to job instructions, labor regulations training, company regulations, product quality inspection methods, form filling instructions, inspection implementation instructions, machinery and equipment maintenance, awareness of ISO9001:2015; ISO14001:2015; BSCI Social Responsibility System, Internal Assessment System. Labor safety training, fire prevention and fighting, rescue and incident response... In addition, the Company regularly sends professional staff to participate in training courses on new policies. Sales skills, marketing, and market development training courses are also organized by the Company.

6.6. Report on responsibility for the local community.

The community investments and other community development activities, including financial assistance to community service.

- The Company actively participates in supporting activities of the local area where the Company is headquartered.

- Total amount of participation in social and charitable funds in 2024: VND 250 million.

6.7. Green capital market activities under the guidance of the SSC.

None.

III. Report and assessment of the Board of Management (the Board of Management reports and assesses on the situation in all aspects of the Company)

1. Situation of production and business operations

Indicator	Unit	2024 Plan (Adjusted by BOD on 31/10)	Actual		Increase/ Decrease 2024/2023	Deviation (%)	
			2023	2024		Compared to Plan	Compared to 2023
1/ Production	1000 pcs	370,000	338,103	358,130	20.03	97%	106%
2/ Consumption	1000 pcs	370,000	327,916	361,609	33.69	98%	110%
Total Consumption							
Rabbit + Kodak Consumption	1000 pcs		287,728	302,369	14.64		105%
Export GP Consumption	1000 pcs		40,188	59,239	19.05		147%
Total Revenue	Trillion VND	469.4	432.06	456.81	24.75	97%	106%
4/ Profit	Trillion VND	76.5	63.94	73.19	9.24	96%	114%

Evaluation:

1.1 Evaluation of Production Results:

Production organization in 2024 met requirements, promptly and fully supplying the quantity and quality of products for domestic consumption and export at all times, based on reasonable production organization, consistent with machine and equipment maintenance and repair plans, balancing adequate employment, and ensuring harmonious income distribution among production workshops when the product consumption structure changes.

The labor and employment situation was ensured throughout the year, with an average labor utilization of 269 people, and an average employee income of 14,88 VND/person/month. Compared to 2023, this represents an increase of 2,000,000 VND, or 18%.

The Company proactively implemented a social responsibility management system according to the European BSCI standard for employees, which is periodically assessed annually by the international organization Intertek.

Employee policies are adhered to by the Company in accordance with BSCI, the Labor Code, internal labor regulations, and collective labor agreements. Employee benefits, regimes, and incentive policies (such as: sightseeing vacations; visits for illnesses, weddings, and funerals; awards for employees' children who pass university entrance exams and achieve excellent student titles; allowances for employees with difficult circumstances, etc.), and working conditions are ensured in accordance with the provisions of the law and the Company. As a result, employees in the Company have a sense of peace of mind in their work, dedication, and attachment to the Company.

1.2 Evaluation of Consumption Results:

a/ For Traditional Markets:

Domestic Market: Total consumption volume in traditional markets, including domestic, Laos, and Cambodia, increased by 6% compared to 2023 due to several factors:

R20 batteries continued their downward trend, decreasing by 6,7% in 2024 compared to 2023. This decline rate is higher than in 2023 (5,4% decrease in 2022) due to consumer trends and intense competition in the Laos and Cambodia markets. Specifically, the Laos market faced many difficulties: the KIP currency fluctuated significantly, affecting the pricing strategy of dealers and consumer purchasing power, and competitors implemented deep discount policies, putting pressure on the Company's products. The domestic market basically maintained stable production, with 2024 production up 2% compared to 2023.

R6 batteries decreased by 2,5%:

Q1 and Q2 saw growth of 6,6%, and Q4 increased by 4.9%. However, Q3 (which is usually the quarter with the largest consumption volume in the year) was heavily impacted by typhoon No. 3 across most northern and north-central provinces, leading to a nearly 20% decrease in production compared to 2023. Therefore, the total 2024 of R6 production decreased by 2,5% compared to 2023. Overall, the market share of the Company's Rabbit-branded R6 products remained stable.

R03 batteries increased by 50.5% compared to 2023 due to several factors:

The first six months of 2024 saw very good growth across all markets, with growth rates ranging from 80% to over 100% in all market regions. The main reasons include:

Subjective factors:

- Rabbit-branded R03 batteries have good, stable quality, comparable to any other product on the market, which has been verified and accepted by consumers.
- The supply to the market is guaranteed, with absolutely no interruptions or shortages.
- Good pricing and discount policies ensure the competitiveness of Rabbit R03 compared to other products, and also ensure the benefits of the distribution system.

Objective factors:

- From the end of 2023, a new type of toy using R03 batteries appeared, attracting consumer interest and leading to a sudden increase in R03 battery demand.
- In the early months of the year, the supply of cheap, informally imported batteries was disrupted from overseas, creating opportunities for Rabbit batteries to expand market coverage.
- The market supply of some other brands was also unstable in the early part of the year, creating opportunities for R03 Rabbit products to expand market share.

b/ For Kodak Customers:

Kodak products, indirectly exported to the US market, were maintained and saw good growth. From Q4 2024, the customer actively appointed a member company of the GP group

as the importer of Kodak products, replacing the previous partner, a Vietnamese trading company.

c/ For Exports:

Local Exports:

Export volume to export processing zones decreased by 34.5% due to factories in these zones adjusting their product structure, which led to a reduction in products using R03 and R6 batteries. However, the indirect export volume is quite small, accounting for only 2-3% of the Company's total production volume, so this decrease did not significantly impact the total consumption volume in 2024.

Exports through GP:

Production volume experienced a significant recovery. Total export volume through GP increased by 40% compared to 2023, partly due to GP being appointed as the Kodak brand export partner from Q4 2024.

Furthermore, the battery export project to India has achieved initial successes. Since the beginning of Q3/2024, the Company has exported its first orders to the Indian market and has been well-received by customers in terms of product quality, appearance quality, and price. Export volume to India accounts for a significant proportion of the total export volume through GP. This is an important foundation for the Company to promote and expand export volume through GP in the coming years.

d/ For Imported GP-branded Batteries Consumed in the Vietnamese Market:

The Company has cooperated closely with its partner in building a sales staff, gradually expanding the market by opening new distributors for supermarket and bookstore sales channels. The GP partner provides financial resources to ensure the establishment of price steps and discount policies that are consistent with market developments, ensuring product competitiveness and promoting the product's brand image to the market. The GP partner continues to invest financial and human resources in marketing activities to expand the consumption scale of the GP brand in Vietnam. The 31,7% increase in sales revenue of imported GP products compared to 2023 is a fairly positive signal, but it does not contribute much to the Company's overall revenue and business performance.

1.3 Revenue:

Total revenue achieved: VND 456.8 billion, an increase of VND 24.2 billion compared to 2023, and a decrease of VND 26.8 billion compared to the General Meeting of Shareholders' Resolution, comprising:

	Year 2024	Year 2023
	VND	VND
Revenue from sale of finished goods	422,316,025,664	391,752,235,210
Revenue from sales of goods	10,131,771,021	7,691,182,312
Revenue from selling materials and scrap	21,040,024,304	29,226,048,421
Revenue from rendering of services	3,318,612,864	3,388,999,359
	<u>456,806,433,853</u>	<u>432,058,465,302</u>

1.4 Efficiency:

The 2024 target set in the Shareholders' General Meeting Resolution was VND 69.5 billion in pre-tax profit.

The actual pre-tax profit for the year reached VND 73,2 billion, an increase of VND 3,7 billion compared to the AGM Resolution, an increase of VND 9,2 billion compared to 2023, and a decrease of VND 3,3 billion compared to the Board of Directors' adjusted plan.

The main reason is that the prices of input materials, which account for a large proportion of production costs such as zinc ingots and electrolytic manganese, remained stable at a lower level than the planned forecast.

Pre-tax profit/Charter capital ratio reached 100,9%.

1.5 State Budget Payment:

Total state budget payment in 2024: VND 37,6 billion, an increase of VND 5,1 billion compared to 2023.

1.6 Investment:

Investment Items completed in 2024

No	Asset Cod	Asset Name	Date	Costs	Description
		Machinery and equipment		797,228,979	
1	TSCD991	Screw air compressor 22Kw/30HP No. 1	01/09/2024		Buy new
2	TSCD992	Screw air compressor 22Kw/30HP No. 2	01/09/2024		Buy new
3	TSCD994	Foil labeling machine 600c/min	14/11/2024		Buy new
4	TSCD995	Okamoto 4x8 Grinder	01/12/2024		Máy mài Okamoto 4x8
5	TSCD996	Semi-automatic blister packing machine No. 1/2024	01/12/2024		Buy new
6	TSCD997	Semi-automatic blister packing machine No. 2/2024	01/12/2024		Buy new
	L05	Other tangible fixed assets		1,982,955,129	
7	TSCD965	Fire protection system	31/12/2024		Upgrade and add fire protection system
8	TSCD990	Fire fighting water pump system	01/08/2024		Buy new
9	TSCD993	Wastewater treatment plant system	30/09/2024		Buy new
10	TSCDCN01	Van truck 750 kg	12/01/2024		Buy new
		Total		2,780,184,108	

New Investment Items Put Into Operation, Effectively Utilized During Use.

2. Financial Situation

a) Assets

CASH AND CASH EQUIVALENTS

	31/12/2024	01/01/2024
	VND	VND
Cash on hand	126,456,149	69,724,788
Demand deposits	14,913,084,405	9,411,735,596
Cash equivalents	5,000,000,000	-
	<u>20,039,540,554</u>	<u>9,481,460,384</u>

SHORT-TERM TRADE RECEIVABLES

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Related parties	6,644,460,915	-	2,938,108,736	-
GP Battery Company Limited (Vietnam)	118,641,267	-	315,837,190	-
GPI International Limited	6,525,819,648	-	-	-
GP Battery Marketing (HK) Limited	-	-	2,622,271,546	-
Others	5,826,901,845	(29,850,885)	9,551,144,157	(336,505,556)
- Hoang Anh Import Export Trading Company Limited	908,792,720	-	-	-
Nguyen Thi Cuc	671,246,704	-	841,300,277	-
Global Retail Distribution Joint Stock Company	1	-	2,293,049,089	-
Other customers	4,246,862,420	(29,850,885)	6,416,794,791	(336,505,556)
	12,471,362,760	(29,850,885)	12,489,252,893	(336,505,556)

SHORT-TERM PREPAYMENTS TO SUPPLIERS

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Others	1,022,460,725	-	118,270,310	-
- PINGXIANG SHI CHENGTAI TRADING CO.,LTD	906,228,419	-	-	-
- Thai Nguyen Nonferrous Metal Joint Stock Company VIMICO	60,407,437	-	27,883,438	-
- INTERTEK Vietnam Company Limited	48,803,969	-	30,759,292	-
- Others	7,020,900	-	59,627,581	-
	1,022,460,725	-	118,270,310	-

OTHER RECEIVABLES

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Short-term				
<i>Details by content</i>				
Receivables from interest of deposit	1,320,049,315	-	836,375,340	-
Receivables from social insurance	199,790,964	-	196,894,999	-
Receivables from health insurance	27,396,870	-	20,613,568	-
Receivables from unemployment insurance	17,328,920	-	15,466,497	-
Advances	265,656,304	-	221,980,411	-
Mortgages	1,255,700,000	-	1,315,700,000	-
Others	156,470,066	-	170,483,716	-
	3,242,392,439	-	2,777,514,531	-

DOUBTFUL DEBTS

	31/12/2024		01/01/2024	
	Original cost	Recoverable value	Original cost	Recoverable value
	VND	VND	VND	VND
Total value of receivables and debts that are overdue or not due but difficult to be recovered:				
- Hai Duong Trading and Services Company	-	-	51,540,380	-
- Mai Ngoc Hoa	-	-	29,360,789	-
- Others	29,850,885	-	255,604,387	-
	<u>29,850,885</u>	<u>-</u>	<u>336,505,556</u>	<u>-</u>

INVENTORIES

	31/12/2024		01/01/2024	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Raw materials	72,343,683,508	(240,047,728)	67,122,661,016	(240,047,728)
Tools, supplies	58,309,321	-	79,365,883	-
Work in process	2,991,849,757	-	3,169,797,328	-
Finished goods	13,200,513,054	-	14,721,419,847	-
Goods	3,714,740,709	-	1,720,210,075	-
	<u>92,309,096,349</u>	<u>(240,047,728)</u>	<u>86,813,454,149</u>	<u>(240,047,728)</u>

LONG-TERM ASSET IN PROGRESS

	31/12/2024	01/01/2024
	VND	VND
Cost of application for environmental license	402,861,600	-
- Cost of application for environmental license	402,861,600	-
Procurement of fixed assets	2,353,438,008	-
- R6 650 battery packaging line system and via cutting machine(*)	2,353,438,008	-
	<u>2,756,299,608</u>	<u>-</u>

(*) In November 2024, the Company purchased the R6 650 battery packaging line system and via cutting machine from Pingxiang Shi Chengtai Trading Co., Ltd. with a total contract value of CNY 672,800. As of 31 December 2024, the system has been installed and is in the trial run phase, expected to officially operate in the first quarter of 2025.

INTANGIBLE FIXED ASSETS

	Computer software
	VND
Historical cost	
Beginning balance	310,946,712
Ending balance of the year	<u>310,946,712</u>
Accumulated amortization	
Beginning balance	106,148,280
- Amortization for the year	21,370,272
Ending balance of the year	<u>127,518,552</u>
Net carrying amount	
Beginning balance	204,798,432
Ending balance	<u>183,428,160</u>

In which:

- Cost of fully amortized intangible fixed assets but still in use at the end of the year: VND 97,244,000



TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Vehicles, transportation equipment	Management equipment	Total
	VND	VND	VND	VND	VND
Historical cost					
Beginning balance	11,895,731,167	56,617,645,497	6,480,452,415	455,113,364	75,448,942,443
- Purchase in the year	-	2,405,372,591	374,811,517	-	2,780,184,108
- Liquidation, disposal	-	-	(340,333,333)	-	(340,333,333)
Ending balance of the year	11,895,731,167	59,023,018,088	6,514,930,599	455,113,364	77,888,793,218
Accumulated depreciation					
Beginning balance	11,895,731,167	47,112,550,095	5,646,987,899	405,906,387	65,061,175,548
- Depreciation for the year	-	3,763,029,254	240,711,021	27,330,985	4,031,071,260
- Liquidation, disposal	-	-	(340,333,333)	-	(340,333,333)
Ending balance of the year	11,895,731,167	50,875,579,349	5,547,365,587	433,237,372	68,751,913,475
Net carrying amount					
Beginning balance	-	9,505,095,402	833,464,516	49,206,977	10,387,766,895
Ending balance	-	8,147,438,739	967,565,012	21,875,992	9,136,879,743

In which:

- Cost of fully depreciated tangible fixed assets but still in use at the end of the year: VND 46,463,469,002

b) *Liabilities*

- Current debt situation, significant fluctuations in debts/

- Analysis of bad debts payable, the impact of exchange rate differences on the company's production and business operating results, the impact of loan interest rate differences.

PREPAID EXPENSES

	31/12/2024	01/01/2024
	VND	VND
Short-term		
Dispatched tools and supplies	77,759,748	75,713,767
Insurance premiums	26,462,719	21,419,104
Fixed asset repair costs	319,167,676	164,692,229
Others	115,079,167	129,145,833
	538,469,310	390,970,933
Long-term		
Dispatched tools and supplies	345,132,996	347,330,067
Major repairs of fixed assets awaiting allocation	1,217,407,513	1,095,419,093
Others	146,612,827	108,860,253
	1,709,153,336	1,551,609,413

SHORT-TERM TRADE PAYABLES

	31/12/2024		01/01/2024	
	Outstanding balance	Amount can be paid	Outstanding balance	Amount can be paid
	VND	VND	VND	VND
Related parties	1,294,232,356	1,294,232,356	535,759,267	535,759,267
GP Battery Company Limited (Vietnam)	1,294,232,356	1,294,232,356	535,759,267	535,759,267
Others	12,186,732,382	12,186,732,382	7,909,680,633	7,909,680,633
V-RESOURCE LIMITED	6,662,745,600	6,662,745,600	3,319,920,000	3,319,920,000
GUANGXI GUILIU NEW MATERIAL CO.,	3,990,555,180	3,990,555,180	3,287,908,800	3,287,908,800
Others	1,533,431,602	1,533,431,602	1,301,851,833	1,301,851,833
	13,480,964,738	13,480,964,738	8,445,439,900	8,445,439,900

TAX AND OTHER PAYABLES TO THE STATE BUDGET

	Opening receivables	Opening payables	Payables in the year	Actual payment in the year	Closing receivables	Tax payable at the end of the year
	VND	VND	VND	VND	VND	VND
Value added tax	-	-	15,285,792,474	15,285,792,474	-	-
Export, import duties	477,650,448	-	405,515,635	326,234,188	398,369,001	-
Corporate income tax	-	5,396,747,169	15,063,343,407	15,532,790,258	-	4,927,300,318
Personal income tax	-	591,654,645	1,527,022,025	2,040,643,714	-	78,032,956
Natural resource tax	-	-	4,033,250	4,033,250	-	-
Land tax and land rental	-	-	4,299,561,469	4,299,561,469	-	-
Other taxes	-	-	4,000,000	4,000,000	-	-
Fees, charges and other payables	-	3,472,527	119,873,923	118,990,244	-	4,356,206
	477,650,448	5,991,874,341	36,709,142,183	37,612,045,597	398,369,001	5,009,689,480

The Company's tax settlements are subject to examination by the tax authorities. Because the application of tax laws and regulations on many types of transactions is susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

SHORT-TERM ACCRUED EXPENSES

	31/12/2024	01/01/2024
	VND	VND
Payment discount, trade discount	1,974,152,762	1,574,994,873
Other accrued expenses	952,555,889	1,557,421,820
	2,926,708,651	3,132,416,693

OTHER SHORT-TERM PAYABLES

	31/12/2024	01/01/2024
	VND	VND
Trade union fee	154,230,024	85,316,284
Short-term deposits, collateral received	5,815,781,542	1,522,395,014
Dividend, profit payables	14,524,907,000	49,513,500
Allowances payable to non-executive Board of Directors	141,000,000	111,000,000
Others	136,117,111	74,912,999
	20,772,035,677	1,843,137,797

3. Improvements in organizational structure, policies, management.

+ Organizational Structure:

The company has established and continues to refine its joint-stock company model to ensure compliance with legal regulations and corporate governance requirements for listed companies.

+ Technology and Quality Management:

The ISO 9001:2015 quality management system has been maintained and is regularly audited internally. These internal audits have identified non-conformities and employee errors, leading to disciplinary actions and the immediate implementation of corrective, preventive, and improvement measures to enhance system effectiveness and efficiency. Effective quality management, production management, and material norms have resulted in no severe product quality incidents during the year. The scrap rate met targets, and material norms were adhered to across all production units. Both export and domestic batteries met customer standards and requirements.

Since 2020, the company has produced several batches of R6 batteries for export in accordance with IEC 60086-2:2015 standards, meeting all standard and customer requirements.

The company has completed research, pilot production, and acceptance testing of lead-free batteries, both internally and at STC (Singapore Test Centre). As of November 30, 2024, the company has officially eliminated lead from its battery production, switching to lead-free manufacturing.

During the year, the company researched and improved the R6 & R03 foil label batteries, applying the label directly to the single battery and eliminating the shrink film, enhancing product appearance and leakage prevention while reducing costs compared to the old foil label production technology. The company also improved the dummy bottom assembly machine for direct assembly onto single batteries after foil labeling, creating a continuous foil label battery line from existing tin bottom placement machines, reducing costs compared to new machine investment and increasing labor productivity.

Designed and manufactured an additional semi-automatic blister card pressing line to enhance the production capacity of blister card batteries to meet customer demands.

+ Environmental Issues:

The company consistently prioritizes and strictly adheres to environmental protection practices in accordance with legal regulations. The company has invested in a fire-

fighting water pipeline and pump system for fire prevention and control, and has also invested in a domestic wastewater treatment station to ensure that discharged water meets Hanoi's environmental standards.

+ Labor Policies (BSCI):

The company has proactively adopted and implemented a social responsibility management system in accordance with the European standard BSCI (Business Social Compliance Initiative). The company's labor policies comply with the Labor Code, internal labor regulations, and collective labor agreements.

Intertek completed the BSCI compliance assessment at the company for 2024, and the assessment report has been uploaded to the global BSCI system, report code 704-000016-001. The assessment result was a D rating, valid until February 6, 2026 (effective for one year from February 7, 2025, to February 7, 2026).

4. Development plans in the future

Basic indicators of production and business:

No.	Indicator	Unit	Plan 2025	Compared to 2024 implementation	
				Increase/Decrease	± % Rate
1	Production & Sales Volume	1,000 pcs	377.500	15,891	3,6
2	Total Revenue	Billion VND	490,8	33,9	6,6
3	Profit Before Tax	Billion VND	54,1	-19,1	-26,1
4	Expected Dividend	%	50	0	0

Basic Costs

Main and Auxilliary Raw Materials: Have norms are determined based on:

- Material consumption norms based on issued standards, generally adhering to the actual norms of 2024.
- Prices of major raw materials such as zinc (referencing LME prices), electrolytic manganese, and acetylene black, closely following quotations from traditional suppliers.
- Expected exchange rates: VND/USD: 25,800 VND; VND/CNY: 3,550 VND.
- Other materials: Generally stable compared to 2024.

Auxiliary materials without norms: determined based on actual costs in 2024, excluding unusual fluctuations.

Fuel: Based on 2024 performance, adjusted to align with 2024 production output.

Electricity: No change in electricity consumption norms compared to 2024, with a projected 5% electricity price increase from July 2025, resulting in an average annual increase of 2,5% in 2024 electricity costs.

Basic Depreciation: Based on the remaining value of fixed assets and new investments.

Major Repair Costs: Based on 2024 performance and 2025 arising needs, adjusted and allocated proportionally to 2025 production scale.

Labor Costs:

Labor: Utilizing existing workforce, with recruitment as needed to match production growth.

Salaries: Maintaining the approved total salary unit price of 2024.

Social insurance and trade union funds: As per regulations and policies.

Selling Expenses: 9% of revenue.

5. *Explanation of the Board of Directors Regarding Audit Opinions (if any):* **None.**

6. *Assessment Report related to environmental and social responsibility of company*

a. *Review concerning the environmental indicators (water consumption, energy, emissions...).*

- The total water consumption for production and daily activities at the Company is estimated at 85 m3/day.

- Total water consumption in 2024: 18,927 m3.

The company consistently prioritizes and strictly adheres to environmental protection practices in accordance with legal regulations.

b. *Review concerning the problems of workers*

The Company has established a reasonable salary policy approved by the annual Employee Conference. This ensures employment and income for employees. The average income of employees in 2024 reached 14.88 million VND/person/month, an 18% increase compared to the average income in 2023.

Employee benefits and working conditions are ensured. As a result, employees at the Company are psychologically secure and committed to their work.

The activities of the Trade Union organization are also carried out in accordance with regulations, ensuring the rights of employees, thereby preventing conflicts of interest between employees and employers.

The company has proactively adopted and implemented a social responsibility management system in accordance with the European standard BSCI (Business Social Compliance Initiative). The company's labor policies comply with the Labor Code, internal labor regulations, and collective labor agreements.

c. Review concerning corporate responsibility towards the local community

The Company has been operating in the locality for 65 years and has always been highly regarded by the local authorities for its community responsibility. A significant number of the Company's employees, both current and retired, reside in the Company's residential area, and the Company cares for their living conditions through public welfare projects such as cultural centers, playgrounds, and annual Tet holiday visits and gifts.

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

1. Assessments of the Board of Management on the Company's operation, including the assessment related to environmental and social responsibilities.

1.1. Production Output, Revenue, and Profit Targets:

The Board of Directors acknowledged the rather positive results of sales, revenue, and profit achieved in 2024. Particularly, the profit growth target was achieved despite the severe impact of Typhoon No. 3 in the Northern provinces. The Board of Directors recognized several positive results in management that contributed to enhancing production and business efficiency and exceeding the set profit target, including:

- Flexible and harmonious production organization, ensuring a reasonable inventory structure to meet market growth demands promptly and fully, especially in Q1 and Q4 of 2024.
- Effective management of production costs, quality management, environmental management, and social responsibility in accordance with regulations.
- Good control of selling expenses, development of a reasonable and effective discount policy, thereby reducing selling expenses while still ensuring product competitiveness.

However, at regular meetings, the Board of Directors pointed out management shortcomings that the Management Board needs to seriously acknowledge and address to further promote the Company's advantages and minimize potential risks that could affect the Company's production and business efficiency.

1.2. Investment:

During the year, the Company completed investments in 10 fixed asset items, including 6 machinery and equipment items, 3 fire prevention and control and wastewater treatment equipment items, and 1 transport vehicle. The total completed investment value was VND 2.78 billion.

The Board of Directors assessed the above investments as necessary and suitable for the Company's needs. The investments have also been effective in contributing to production stabilization, gradually improving labor productivity, and ensuring the safety of the Company's operations.

1.3. Issues related to listing on the stock exchange:The Company's shares have been listed on the Hanoi Stock Exchange since March 2019. The trading volume during the year was not significant as the Company's shareholders mainly hold shares for long-term investment purposes.

During the year, the Company did not receive any reminders or administrative penalties from the State Securities Commission of Vietnam or the Hanoi Stock Exchange for violations of regulations applicable to listed companies.

1.4. Personnel Work:The Board of Directors requested the Board of Management to proactively complete planning and consolidate management personnel to meet the requirements of the new situation.

1.5. Labor and Employment:Employment and income for employees are ensured and maintained at a relatively high level compared to the general level in the locality. The team of employees and workers possesses good skills and is competent to meet the Company's development requirements.

2. Assessment of Board of Directors on Board of Management' performance

- The Board of Directors meetings all included reviews and assessments of the implementation of the company's charter, the implementation of the General Meeting of Shareholders' resolutions, as well as the Board of Directors' resolutions and decisions regarding the Board of Management .The Board of Directors acknowledged that the Board of Management had performed its functions and duties as stipulated in the company's charter, correctly implemented the Board of Directors' resolutions, and complied with current laws. They also proactively managed within their authority to ensure the highest efficiency for the company, and any issues exceeding their authority were submitted to the Board of Directors for decision.

- The Board of Directors pointed out limitations and risks in the management of production and business activities and requested the Director and the Board of Management to take measures to minimize potential risks that may arise during the management process.

3. Plans, orientations of the Board of Directors

- Adhere closely to the resolutions of the 2025 Annual General Meeting of Shareholders in corporate governance activities. Determine to successfully implement the resolutions of the 2025 Annual General Meeting of Shareholders.

- Proactively arrange personnel to closely monitor the trading activities of the Company's shares on the stock exchange, reacting promptly and most effectively to ensure the interests of the Company and shareholders.

- Strengthen supervision of the Director and the Board of Management, as well as other management personnel, to implement positive and timely solutions. Issue appropriate company management resolutions and regulations to promote the proactive and creative spirit of the Board of Management ,while ensuring capital safety for the company and maximizing effectiveness.

- Deploy in a synchronized and decisive manner solutions to effectively and thoroughly address the shortcomings in the Company's governance, management, and operations that the Board of Directors has identified during reviews.

No.	<i>Board of Directors' members</i>	Position/ (Independent Board Member, Non-Executive Board Member)	Start date/end date of BOD'member / Independent BOD		Shares Held, Holding Ratio
			<i>Date of appointment</i>	<i>Date of dismissal</i>	
1	Mr. Pham Van Nghia	Chairman of the Board of Directors	29/04/2022		364,350 CP (5,02%)
2	Mr. Nguyen Thanh Hung	BOD's member	29/04/2022		117,980 CP (1,63%)
3	Mr. Nguyen Cao Son	BOD's member	29/04/2022		7,723 CP (0,11%)
4	Mr. Vo Khanh Toan	BOD's member	29/04/2022		18.600 CP (0,26%)
5	Ms. Quek Guet Ngoh	Non-Executive Board Member	29/04/2022		0 CP (0%)
6	Mr.Lam Hin Lap Michael	Independent Board Member	29/04/2022		0 CP (0%)
7	Mr.Edward Lam Wai Man	Independent Board Member	05/06/2023		0CP (0%)

- The Board of Directors will hold regular meetings to discuss and understand the Company's production and business situation. Through this, timely policies and directions will be provided for management.

- In addition, the Board of Directors will hold extraordinary meetings (if any) to resolve and handle arising issues within the Board's authority, as well as issues authorized by the General Meeting of Shareholders.

- Supervise the consolidation of personnel in several departments and workshops, develop planning and training for key company personnel based on existing, capable, and qualified staff who are willing to work and contribute to the company.

- In management and operations, the company regularly conducts periodic assessments of the basic contents of production and business activities, management measures, identifies the causes of unmet targets, remaining issues, solutions, and determines the responsibilities of individuals and units.

V. Corporate governance (Non-listed organizations are not obliged to disclose the information in this Section).

1. Board of Directors

a) *Members and structure of the Board of Directors:*

b) *The committees of the Board of Director:* None

c) *Activities of the Board of Directors:*

No.	Board of Director' member	Number of meetings attended by Board of Directors	Attendance rate	Reasons for absence
1	Mr. Pham Van Nghia	11/13	84.62%	Personal matters
2	Mr. Nguyen Thanh Hung	13/13	100%	
3	Mr. Nguyen Cao Son	13/13	100%	
4	Mr. Vo Khanh Toan	13/13	100%	
5	Ms. Quek Guet Ngoh	13/13	100%	
6	Mr.Lam Hin Lap Michael	12/13	92.31%	Business trip
7	Mr.Edward Lam Wai Man	13/13	100%	

In 2024, the Board of Directors hold 13 meetings with the following main contents

Content of the first meeting: February 2, 2024.

- Summarizing the business results of 2023.
- Approving the third quarter Supervisory Board minutes of 2023 and the recommendations of the Board of Supervisors.
- Approving the adjustment of the 2024 plan

Content of the second meeting: March 15, 2024

- Lead-free battery production plan.
- Business production plan for 2024.
- Evaluation of the results of the first 2 months of 2024.
- Plan to organize the 2024 shareholders' meeting.
- Personnel work: Regarding the election of additional members of the Board of Directors for the term 2022-2027.
- Expected profit distribution for 2024.
- VNGP's loss issue.

3rd meeting content: March 26, 2024.

- Approval of the 2024 shareholders' meeting agenda.
- Approval of the Board of Directors' performance report for 2023.
- Proposal on profit distribution for 2023.
- Proposal to elect additional members of the Board of Directors for the term 2022-2027.
- Audited financial statement for 2023.
- Report to the 2024 General Meeting of Shareholders.
- Proposal on Investment.
- Proposal on selection of auditing company.
- Report of the Board of Supervisors in 2023.

4th meeting content: 24/04/2024

- Approval of the first quarter business results of 2024.
- Issues to be considered after the first quarter business results are available.
- Conclusion of the Board of Directors on the 2024 business plan.
- Assignment of preparation for the 2024 shareholders' meeting.

5th meeting content: 28/04/2024

- Review of documents of the 2024 shareholders' meeting.
- 2024 business plan.
- Approval of the minutes of the Board of Supervisors in the fourth quarter of 2023.
- Agenda of the 2024 annual shareholders' meeting

6th meeting content: 29/4/2024.

- Expected production and business results in April 2024.
- Plan to change the purpose of use at location 72 Phan Trong Tue.

Content of the 7th meeting: June 11, 2024.

- Proposal of GP to the Board of Directors on introducing Mr. Toan as the Legal Representative of VNGP.
 - On production and business in the first 6 months of 2024.
 - + Production and business results in May.
 - + Expected for June and expected for the first 6 months of 2024.
 - Plan for the last 6 months of the year.
 - On the issue of business cooperation at the Company's current production location.
- In addition to the above meeting contents, the Board of Directors has carried out other activities during the year as follows:
- Authorizing the Board of Management to participate in the auction of zinc ingots for production in the last 6 months of 2024 and reserves for 2025.
 - Approving the proposal of the Board of Management on increasing EMD reserves to be sufficient for production in the last 6 months of 2024 and reserves for 2025.
 - The Board of Directors regularly monitors the activities of the Executive Board, management staff and other management and operation tasks, coordinates with the Company's Supervisory Board to check the contents of production costs, control and point out shortcomings in the inventory work on the reporting data of the units in the company.
 - The meetings of the Board of Directors have reviewed and evaluated the implementation of the company's charter, the implementation of the resolutions of the general meeting of shareholders as well as the resolutions of the Board of Directors and the decisions of the Board of Directors regarding the Board of Management and recognized that the Board of Management has properly performed the functions and tasks prescribed in the company's charter, properly implemented the resolutions of the Board of Directors and complied with current laws; Proactively operated within the scope of authority to ensure the highest efficiency for the company, issues beyond the authority were consulted by the Board of Directors for decision;
 - The Board of Directors pointed out the limitations and risks in the operation of production and business activities and proposed solutions to limit risks that may arise during the operation process.

Content of the 8th meeting: July 21, 2024.

- Approved the output for the last 6 months of 2024 and some contents related to the production and business plan for the last 6 months of the year.
- + Discussing the forecast of GP's export orders in terms of quantity and types for the last 6 months of the year and the following years:
- + In addition to the markets currently exporting batteries with PVC labels, the Indian market will be foil Label Batteries - Blister.
- + Investing in machinery and equipment: To meet the demand for exporting batteries according to GP's forecast, it is necessary to invest in additional machinery and equipment such as: Foil labeling machine, Blister machines and other machinery and equipment such as zinc can punching machine, air compressors, etc.
- + The Board of Directors discussed and agreed with the Director's proposal on investing in additional machinery and equipment mentioned above and will base on the reality to make careful step-by-step investments to ensure suitability and efficiency.
- Regarding the Memorandum of Understanding (MOU) between the Company and Hai Phong Group.
- + Discussing and approving the contents of the MOU.

+ Authorizing Mr. Hung, the Company Director, to sign the MOU with Hai Phong on behalf of the Board of Directors.

Content of the 9th meeting: 05/9/2024.

- Production and consumption output in July.
- Investment progress report for machinery and equipment as per the Board of Directors' conclusion at the meeting on July 21st.
- Other contents:
 - + Extension of the license to import batteries into the Indian market.
 - + Regarding GEEP brand batteries.

Content of the 10th meeting: 31/10/2024.

- Results of the 3rd quarter of 2024.
- Production and business results in the first 9 months of 2024.
- Plan for the 4th quarter of 2024.
- Adjusting the 2024 production and business plan and the 2025 production and business plan.
- Minutes of the first 6 months of 2024 control by the Board of Supervisors.

Content of the 11th meeting: December 3, 2024.

- The Director and the Board of Directors explain the contents of the Board of Directors' conclusion at the meeting on October 31.
 - + Auxiliary material costs without norm for the first 9 months of 2024
 - + Analysis of main material norms.
 - + Incurred costs.
 - + Loss from selling imported GP batteries.
 - + Regarding bad debts up to September 30, 2024.
- Production and business results in October + November 2024.
- Report on the Chairman of the Board of Directors' business trip to China.
- Update on the extension of export license to the Indian market.
- Update on output in 2024 and 2025.
- Other contents.

Content of the 12th meeting: December 9, 2024.

- Requesting the Board of Directors' votes via Email on the second interim dividend payment in 2024.

Content of the 13th meeting: December 21, 2024.

- Requesting the Board of Directors' votes via Email on the following contents:
 - + Financial report for the third quarter and 9-month accumulation.
 - + Report of the Supervisory Board.
 - + Update on the status of import licenses for batteries into India.
 - + Report on handling bad debts.
 - + Violations pointed out by the tax inspector.
 - + Content on batteries with fake company labels on the market

Activities of the Board of Directors' subcommittees (If any): Không

Resolutions/Decisions of the Board of Directors (Annual report):

No.	Resolution/Decision No.	Date	Content	Approval rate
1	Resolution No. 01/2024/NQ-HĐQT	04/3/2024	Closing the shareholder list at 25/3/2024 for the purpose of organizing the 2024 General Meeting of Shareholders	100%
2	Resolution No. 02/2024/NQ-HĐQT	29/4/2024	Closing the shareholder list for the purpose of paying the 2nd dividend in 2023 and the 1st interim dividend in 2024 in cash	100 %
3	Decision No. 03/QĐ-HĐQT	03/5/2024	Decision on remuneration for members of the Board of Directors and the Supervisory Board of the Company.	100%
4	Decision No. 04/QĐ-HĐQT	29/4/2024	Decision on Issuing the salary unit price in 2024	
5	Resolution No. 05/NQ-HĐQT	31/10/2024	Resolution on adjusting the 2024 production and business plan and approving the 2025 plan	100%
6	Resolution No. 06/NQ-HĐQT	9/12/2024	Closing the shareholder list for the purpose of paying the 2nd dividend in 2024	100%

d) *Activities of independent members of the Board of Directors.*

e) List of Board of Directors Members with Corporate Governance Training Certificates. List of Board of Directors Members participating in Corporate Governance programs during the year.

2. Board of Supervisors

a) *Members and structure of the Board of Supervisors:*

1- Ms. Nguyen Thi Thanh Hai - Head of Department; Qualifications: Bachelor's Degree in Finance – Accounting

Independent member, non-executive. Number of shares held: 34,965 shares.

2- Mr. Nguyen Thanh Duc - Member; Qualifications: Electrochemical Engineer. Position: Head of Technical - Environmental - Quality Control Department. Number of shares held: 8,303 shares.

3- Mr. Huynh Tin Dinh - Member;

Independent member, non-executive. Number of shares held: None.

b) *Activities of the Board of Supervisors:* (Evaluation of the Supervisory Board's activities, specifying the number of Supervisory Board meetings, the content, and outcomes of those meetings).

Based on Article 38 of the Company's Charter, and the Supervisory Board's operational regulations:

The Supervisory Board members consistently perform their assigned duties well, regularly exchanging and contributing opinions to the Head of the Board for compilation.

The Supervisory Board holds quarterly meetings to assess the production and business operations, and compliance with legal regulations and the Company's Charter.

An annual year-end meeting is held to summarize, analyze, and evaluate the overall production and business operations, management activities throughout the year. The inspection and control results are sent to the Board of Directors and the Management Board in accordance with regulations.

Members fully participate in the Board of Directors' meetings and directly contribute opinions.

The Supervisory Board operates independently and always coordinates with the Board of Directors, the Management Board, and relevant departments to fulfill its assigned tasks.

The Supervisory Board is consistently provided with accurate and timely information and documents by the Company to facilitate inspection and control.

Based on the powers and duties of the Supervisory Board as stipulated in the Company's Charter, the Supervisory Board is responsible for monitoring the Company's financial situation, and the legality of the activities of the Board of Directors members, the director, and other managers.

Accountable to shareholders for their supervision.

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

a) *Salary, rewards, remuneration and benefits:*

Report on income of members of the Board of Directors; Supervisory Board in 2024:

Legal basis:

- Resolution 01/NQ-DHĐCĐ of the General Meeting of Shareholders dated April 29, 2024;
- Decision No. 04/2023/QĐ-HĐB dated April 29, 2024 of the Board of Directors on the Total Unit Price of Salary applicable for 2024;
- Allowances of the Board of Directors and Supervisory Board according to Decision No. 03/QĐ-HĐB of the Board of Directors, dated May 3, 2024 of the Board of Directors on remuneration for members of the Board of Directors and Supervisory Board

Accordingly:

- Salary: Members of the Board of Directors and Supervisory Board do not receive full-time salary but only receive salary according to their position and position in operation and management at the Company.

Current monthly salary:

<i>Title</i>	Basic Salary (VND)	Bonus (VND)	<i>Industrial meal(VND)</i>	<i>Total (VND)</i>
Director	21,885,501	27,028,594	520.000	49.434.095
Deputy Director	17,496,447	21,608,112	520.000	39.624.559
Chief Accountant	14,477,208	14,650,934	520.000	29.648.142
Department Head – Factory Manager	13,470,796	12,325,778	520.000	26.316.574

- Board of Directors and Supervisory Board allowances:

Board Chairman:	VND 6,000,000/month
Board Member:	VND 4,000,000/month
Head of Supervisory Board:	VND 4,000,000/month
Board of Supervisory Board Member:	VND 3,000,000/month
Company Secretary:	VND 2,000,000/month

- In addition, for Board of Directors members; Supervisory Board members who do not directly operate and manage are also entitled to a remuneration of 1,500,000 VND/working day when attending meetings convened by the Board of Directors. The Board Chairman is entitled to a remuneration of 2,000,000 VND/actual working day.

***Actual income of the Board of Directors and Supervisory Board members in 2023
(Amount paid):***

Full Name	Position	Salary + Rewards	Fixed monthly remuneration	Remuneration based on actual work	Total
Mr Pham Van Nghia	Chairman of the BOD		60.000.000	167.222.222	227.222.222
Mr Nguyen Thanh Hung	BOD's member, Director	601.128.347	48.000.000		649.128.347
Mr Nguyen Cao Son	BOD's member, Deputy Director	475.438.142	48.000.000		523.438.142
Mr Vo Khanh Toan	BOD's member, Deputy Director	491.598.659	48.000.000		539.598.659
Ms Quek Guet Ngoh	BOD's member		48.000.000	31.562.500	79.562.500
Mr Lam Hin Lap Michael	BOD's member		48.000.000	28.437.500	76.437.500
Mr Lam Wai Man Edward	BOD's member		48.000.000	27.812.500	75.812.500
Ms Nguyen Thi Thanh Hai	Head of Supervisory Board		48.000.000	131.666.666	179.666.666
Mr Huynh Tin Dinh	Supervisory Board's member		36.000.000	22.499.999	58.499.999
Mr Nguyen Thanh Duc	Supervisory Board's member	320.893.158	36.000.000		356.893.158
Mr Nguyen Thanh Quang	Company Secretary	320.979.873	24.000.000		344.979.873

b) Transactions of internal shareholders:

- Transactions of internal shareholders and related Persons:

No.	Transaction executor	Relationship with internal persons	Number of shares owned at the beginning of the period		Number of shares owned at the end of the period		Reasons for increasing, decreasing (buying, selling, converting, rewarding, etc
			Number of shares	Percentage	Number of shares	Percentage	
1	Diep Thi Hanh	Wife of Mr. Pham Van Nghia, Chairman of the BOD	46.764	0.645%	44.464	0.613%	Sell shares
2	Pham Xuan Nam	Son of Mr. Pham Van Nghia Chairman of the BOD	69.945	0.964%	69.345	0.956%	Sell shares
3	Vo Khanh Toan	BOD's member	16.800	0.232%	18.600	0.256%	Buy shares

- Transactions of Major Shareholders' Shares

No.	Full name	Shares Held at Beginning of Year	Shares Held at End of Year	Increase/Decrease During the Year
1	Major Shareholder			
	Le Xuan Luong	425.700 (5,87%)	426.300 (5,88%)	+600 cp

Other major shareholders and other related persons have no changes.

Note: Changes in the Company's share holdings during the year are referenced from the list finalized by VSD on October 31, 2023 for the beginning of the year and the list finalized on December 27, 2024 for the end of the year.

c) *Contracts or transactions with internal shareholders: None*

d) *Implementation of regulations on corporate governance*

VI. Financial statements

1. Auditor's opinions:

In our opinion, the Financial statements give a true and fair view, in all material respects, of the financial Position of Hanoi Battery Joint Stock Company as at 31 December 2024, its operating results and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of Financial Statements.

2. Audited financial statements Audited annual financial statements include: Balance sheet; Income statement; Cash flow statement; Financial Statements Explanation. In case the company has to prepare consolidated or general Financial Statements in accordance to the law on accounting and audit, the Financial Statements presented in the Annual Reports shall be the consolidated Financial Statements; and the addresses where the financial statements of the parent company or the general Financial Statements or the financial statements of superior accounting units to be published and provided).

Recepients:

- *Information disclosure*
- *Board of Directors, Supervisory Board*
- *Achives, Company secretary*

**Legal representative
Director**



Nguyễn Thanh Hung

