

Hai Phong, March 1, 2025

2024 ANNUAL REPORT

I. GENERAL INFORMATION:

1. Overview:

- Company Name: Tia Sang Battery Joint Stock Company
- Business Registration Certificate Number: 0200168458
- Charter Capital: 67,454,800,000 VND
 - Capital from Duc Giang Chemical Group JSC (51%): 34,402,520,000 VND
 - Capital from other shareholders (49%): 33,052,280,000 VND
- Head Office Address: Ton Duc Thang Boulevard, An Dong Ward, An Duong District, Hai Phong City
- Phone: 02253.857080 | Fax: 02253.835876
- Website: www.tiasangbattery.com
- Stock Code: TSB

Formation and Development Process:

a) Company History:

On September 2, 1960, Tia Sang Battery Joint Stock Company (TIBACO) was officially established under the name Tam Bac Battery Factory. This was the first battery manufacturing plant in the Democratic Republic of Vietnam, with an initial designed capacity of 12,000 KWh per year. In 1963, the factory was officially renamed Tia Sang Battery Factory, Hai Phong.

On May 26, 1996, Tia Sang Battery Factory was officially renamed Tia Sang Battery Company under Decision No. 317/QĐ/TCNSDT dated May 26, 1993, issued by the Ministry of Heavy Industry. With a strong commitment to comprehensive and profound innovation, the company has gradually implemented a strategy of deep investment. The company has mobilized various capital sources to equip, install, and efficiently operate imported battery production lines, successfully meeting the increasing market demand.

In 1998, the company marked a new development milestone by successfully exporting high-quality battery plates to the South Korean market

b) Conversion to a Joint Stock Company:

On October 1, 2004, Tia Sang Battery Company transitioned from a state-owned enterprise to a joint stock company under Decision No. 54/2004/QĐ-BCN dated June 22, 2004, issued by the Ministry of Industry. The initial charter capital was 10,619,400,000 VND.

- State-owned shares: 51%
- Shares sold to company employees: 49%
- Share value: 100,000 VND per share

c) Listing on the Stock Exchange:

On January 19, 2011, Tia Sang Battery Joint Stock Company's shares were officially traded for the first time on the Hanoi Stock Exchange under Decision No. 1001/QĐ-SGDHN dated December 30, 2010, issued by the Hanoi Stock Exchange.

- Type of security: Common stock
- Stock code: TSB
- Par value: 10,000 VND per share
- Listed shares: 3,372,740 shares

After multiple capital increases, as of December 31, 2022, the charter capital of Tia Sang Battery Joint Stock Company reached 67,454,800,000 VND, equivalent to 6,745,480 shares.

On September 28, 2022, the Vietnam National Chemical Group approved the divestment plan for its investment in Tia Sang Battery Joint Stock Company.

On January 3, 2023, the successful auction of 51% state-owned capital in Tia Sang Battery Joint Stock Company was completed (equivalent to 3,440,252 shares).

Currently, Duc Giang Chemical Group Joint Stock Company holds 51% of the shares in Tia Sang Battery Joint Stock Company (equivalent to 3,440,252 shares).

d) Key Achievements and Events:

Throughout 65 years of development, the company has been honored with numerous prestigious awards from the Party and the State, including:

- Third-Class Independence Order (2005 – 2009)
- First-Class Labor Order (2001 – 2005)
- Outstanding Emulation Flag from the Prime Minister (2006, 2008, 2010)
- Certificate of Merit from the Prime Minister (2015)

- Outstanding Emulation Flag from the Ministry of Industry and Trade (2007, 2016)
- Certificate of Merit from the Ministry of Industry and Trade (2009, 2014)
- Certificate of Merit from Hai Phong People's Committee (2014, 2016, 2017)
- Outstanding Enterprise of Hai Phong City (2007, 2008)
- Certificate of Merit from the Vietnam Chamber of Commerce and Industry (VCCI) for multiple years
- Top 100 Leading Brands, Products, and Services in Vietnam (2016, 2017)
- Vietnam High-Quality Goods Award (consecutively from 1997 to 2020)
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2.2. Business Sectors and Locations:

2.1. Business Sectors

NO	Industry Name	Industry Code
1	Manufacturing of batteries and accumulators: - Production and repair of various types of batteries	2720
2	Other specialized wholesale trade not classified elsewhere: - Wholesale of general chemicals (excluding those used in agriculture) - Wholesale of raw materials and supplies for battery production - Wholesale of battery accessories	4669

2.2. Business Locations

2.2.1. Production and Operations Site

The company is located at Ton Duc Thang Avenue, An Dong Ward, An Duong District, Hai Phong City

- Total land area	: 34.894 m ²
- Production workshop area	: 5.129 m ²
- Warehouse area	: 2.007 m ²
- Office building area	: 716 m ²
- Auxiliary facilities area	: 924 m ²

2.2.2. Branches:

- Hanoi Branch: No. 18/44 Duc Giang Street, Thuong Thanh Ward, Long Bien District, Hanoi City.
- Da Nang Branch: 800 Nguyen Luong Bang Street, Hoa Hiep Nam Ward, Lien Chieu District, Da Nang City.
- Ho Chi Minh City Branch: No. 63, S11 Street, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City.

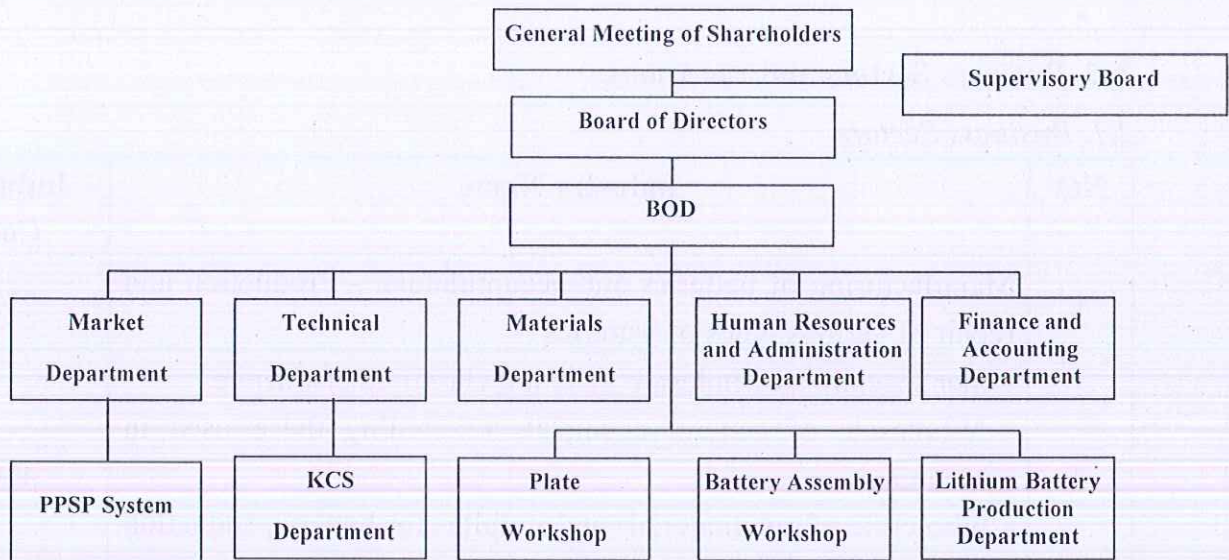
3. Information on Governance Model, Business Organization, and Management Structure:

Tia Sang Battery Joint Stock Company was converted from Tia Sang Battery Company to operate under the joint-stock company model with 51% state ownership from October 1, 2004. Since January 2023, the State has completely divested its 51% stake.

Company's Management Structure Includes:

- a. General Meeting of Shareholders
- b. Board of Directors
- c. Supervisory Board

Company's Organizational Chart:



4. Development Orientation:

4.1. The Company's Key Objectives:

- Continuously develop business activities, enhance competitiveness, and improve economic efficiency. Increase accumulation and expand production scale.
- Diversify business activities to ensure stable employment for employees and create more job opportunities.
- Improve employees' income, maximize shareholder benefits, and fulfill tax obligations to the state.
- Make practical contributions to the country's socio-economic development goals.

4.2. Medium and Long-term Development Strategy:

- Focus on implementing solutions to stabilize and improve product quality.
- Expand and strengthen the distribution network nationwide.
- Implement flexible sales policies tailored to each market to ensure both the company and its distributors/agents achieve business goals.
- Build a customer-centric business culture.

- Continuously research and enhance product quality while developing a diverse range of new products to best meet market demands.
- Invest in modern equipment to improve productivity and product quality.
- Continue researching and developing new products.

5. RISKS:

5.1. Risks Related to Economic Context and Legal Policies:

- The global economy in 2024 remains unstable due to prolonged negative shocks from the Russia-Ukraine conflict, tightened monetary policies in developed countries to curb inflation and ensure fiscal sustainability, reduced consumer spending, declining export orders, structural economic challenges, and a sharp downturn in the real estate market. High energy prices and rising interest rates, coupled with slowed economic activity in developed economies, may lead to an increase in bad debts and a decline in long-term asset values.

- The battery manufacturing and trading sector is subject to various regulations, including the Environmental Protection Law, Import-Export Law, Commercial Law, Enterprise Law, and Securities Law. However, Vietnam's legal system still has inconsistencies, overlaps, and complexities, which can pose legal risks if not timely understood and updated. To mitigate these risks, the company has appointed a dedicated legal team to review contracts and transactions, ensuring compliance with legal regulations. Additionally, the team monitors and updates changes in legal documents and disseminates relevant information to company departments.

5.2. Exchange Rate Risk

In 2024, exchange rates fluctuated, at times increasing by over 7%. However, compared to other countries, Vietnam remains one of the nations with relatively stable exchange rates, which has created favorable conditions for the company.

The company faces exchange rate risks as the fair value of future cash flows from financial instruments fluctuates due to foreign exchange rate changes. This risk arises when loans, revenues, and expenses are conducted in currencies other than the Vietnamese đồng (VND).

5.3. Human Resource Risks

Recruiting new employees is challenging due to competition in working conditions, income levels, and benefits policies from foreign-invested enterprises in industrial zones on the outskirts of Hải Phòng.

The company recognizes that frequent employee turnover is a critical issue that requires special attention. Additionally, as the company grows, its workforce faces increasing demands for skill development. To address this, the company has implemented policies to encourage employee retention, including salary adjustments, increased allowances for complex job roles, vacation and travel benefits, innovation rewards, and performance-based incentives.

The leadership team assesses that the current workforce meets operational requirements. However, to ensure future growth, the company must continue hiring additional employees and improving training and retraining programs.

5.4. Competition Risks

As Vietnam continues to integrate deeply into the global economy and participates in numerous trade agreements, competition from imported products is becoming increasingly intense. The company faces competition from brands originating from industry-leading countries such as Japan, South Korea, Thailand, Taiwan, and several strong domestic brands.

To maintain competitiveness and ensure stable development, the company has consistently invested in upgrading equipment and enhancing product quality over the years. With 65 years of accumulated technological expertise and technology transfers from the U.S., Italy, South Korea, and Taiwan, the company has been able to improve product quality, develop new products to meet consumer demand, and strengthen its market position in the battery industry.

5.5. Raw Material Risks

To mitigate risks, the company has actively sought to diversify its suppliers, ensuring a minimum of two suppliers for each type of raw material. This approach enhances competition, increases flexibility, and secures a stable supply chain for production.

5.6. Risks from Substitute Products

- As people's incomes increase, consumer preferences shift towards higher-quality products. Additionally, battery technology is evolving rapidly with the emergence of new technologies such as Gel batteries and Lithium-Ion batteries.

- For lead-acid batteries: While they are gradually being replaced by newer technologies, demand remains high due to the growing number of vehicles using these batteries over the next 3–5 years and their lower cost. Automotive and motorcycle assembly companies (OEMs) still prioritize domestic battery manufacturers.

- To mitigate the risks posed by substitute products, the company is heavily investing in R&D, seeking research collaboration partners, and actively exploring new technologies to replace existing ones for future development.

5.7. Environmental Risks

The industrialization process in Vietnam has led to increasingly severe environmental pollution risks. The Vietnamese government is tightening environmental protection policies and intensifying inspections and penalties for environmental violations by factories to ensure sustainable development.

As a battery manufacturing company, the production process and raw materials involve various environmental impacts. However, in recent years, the company has

strictly complied with environmental regulations by investing in systems for collecting and treating wastewater and emissions, as well as adhering to regulations on hazardous waste management, storage, and disposal.

The company also places great emphasis on educating and raising environmental awareness among its employees.

II. BUSINESS PERFORMANCE IN 2024

1. Business Operations in 2024

The year 2024 remains an uncertain time for the global economy, as countries continue to struggle with inflation, high interest rates, and significant debt—consequences of geopolitical tensions. Additionally, the ongoing military conflict between Russia and Ukraine, along with political instability and civil wars in countries such as Yemen (Middle East), Syria, the Gaza Strip and Lebanon (West Asia), and Myanmar (Southeast Asia), has severely impacted the domestic economy.

The battery market is highly competitive, especially within Vietnam, as the number of foreign-invested battery manufacturers has increased both in scale and quantity. Moreover, due to difficulties in exports, many manufacturers have shifted their focus to the domestic market, making product consumption even more challenging for the company.

Despite these challenges, by maximizing advantages and overcoming difficulties, the company's leadership has concentrated all available resources to maintain stable production. While revenue and profit did not meet expectations, employee income was secured, as reflected in the following key performance indicators for 2024:

The company's business results in 2024 are summarized as follows:

1. 1. Key Performance Indicators Achieved:

Indicator	Unit	Actual 2023	2024		Comparison (%)	
			Plan	Actual	With Phan	with Previous Year
Net Revenue from Sales and Services	Billion VND	157.547	200.000	182.054	91,03	115,56
Profit Before Tax	Billion VND	5.319	8.000	6.544	81,80	123,03
Dividend	%	5,56%	10%	(*)		
(*)The 2024 dividend is pending approval from the General Meeting of Shareholders.						

2. Organization, Personnel, and Policies for Employees:

2.1. Executive Board:

NO	Full Name	Position	Shareholding Ratio as of 06/02/2025
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1	Phùng Trọng Tú	General Director	0,05 %
2	Lương Văn Tuyển	Deputy Director	0,15 %
3	Đoàn Văn Quang	Deputy Director	0,30%
4	Nguyễn Văn Thỏa	Chief Accountant	0 %

*** Executive Board Profile:**

Full Name: Phùng Trọng Tú. -Gender: Male -Date of Birth: September 20, 1988 -Place of Birth: Hanoi -Permanent Address: 7/30 Tạ Quang Bửu, Bách Khoa Ward, Hai Bà Trưng District, Hanoi -Professional Qualification: Chemical Engineer -Position: General Director	Full Name: Lương Văn Tuyển. -Gender: Male -Date of Birth: August 10, 1974 -Place of Birth: Dang Hai Ward, Hai An District, Hai Phong City -Permanent Address: Đằng Hải Ward, Hai An District, Hai Phong City -Professional Qualification: Bachelor of Economics -Position: Deputy Director
Full Name: Đoàn Văn Quang -Gender: Male -Date of Birth: November 10, 1979 -Place of Birth: An Đức Commune, Ninh Giang District, Hải Dương Province (formerly Hải Hưng) -Permanent Address: An Đồng Ward, An Dương District, Hải Phòng City -Professional Qualification: Electrical Automation Engineer, Bachelor of Accounting -Position: Deputy Director	Full Name: Nguyễn Văn Thỏa - Gender: Male -Date of Birth: May 23, 1995 -Place of Birth: Tân Tiến Commune, Văn Giang District, Hưng Yên Province -Permanent Address: Tân Tiến Commune, Văn Giang District, Hưng Yên Province -Professional Qualification: Bachelor of Accounting -Position: Chief Accountant

2.2. Policies for Employees in the Company

2.2.1. Workforce Structure in the Company:

Total number of employees	Education level				Gender	
	Postgraduate	University	Intermediate	Technical worker	Male	Female
154	01	46	8	99	99	55

2.2.2. Human Resources and Salary Policies:

- Review, adjust, and supplement the organizational and personnel regulations to comply with legal requirements and meet the company's development needs. Develop a workforce that ensures sustainable growth in the future. Create a dynamic, creative, and proactive working environment for each individual and department. Implement

appropriate salary, bonus, and benefits policies to encourage increased labor productivity.

- Take care of employees' material and spiritual well-being. Additionally, the company also supports its retirees' association to instill the traditional value of "gratitude for those who came before."

- Continue promoting initiatives to save materials and costs.

- To encourage employees to propose technical innovations, the company offers rewards for improvements and achievements. Organize cultural and sports activities to enhance employees' cultural and spiritual lives while promoting physical fitness.

3. Financial Situation:

3.1. Financial Indicators: Unit: Million VND

Indicators	2023	2024	Comparison 2024/2023
Total Asset Value	108.919	116.567	107,02%
Net Revenue	157.547	182.054	115,56%
Profit from Business Operations	5.297	6.548	123,62%
Profit Before Tax	5.319	6.544	123,03%
Profit After Tax	4.232	5.215	123,23%
Basic Earnings Per Share	627	773	123,23%

3.2. Key Financial Ratios:

Indicators	Unit	Năm 2023	Năm 2024
Liquidity Ratios			
Current Ratio (Short-term liquidity)	Lần	2,92	2,68
Quick Ratio	Lần	1,24	1,43
Capital Structure Ratios			
Debt to Total Assets Ratio	%	27,13	31,02
Debt to Equity Ratio	%	37,23	44,97
Efficiency Ratios			
Average Inventory Turnover	Vòng	3,18	3,6
Total Asset Turnover (Efficiency of Asset Utilization)	Vòng	1,45	1,56
Profitability Ratios:			
Net Profit Margin / Net Revenue	%	2,69	2,86
Net Profit Margin / Average Equity	%	5,35	6,53
Net Profit Margin / Average Total Assets	%	4,00	4,63

Profit from Business Operations / Net Revenue	%	3,36	3,60
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4. Shareholder Structure and Changes in Owner's Investment:

4.1. Shares:

- Share Name : Tia Sang Battery Joint Stock Company Shares
- Share Type : Common Shares
- Stock Code : TSB
- Share Par Value : 10,000 VND/share
- Total Shares Outstanding : 6,745,480 shares
- Number of Freely Transferable Shares : 6,745,480 shares
- Number of Shares with Transfer Restrictions : 0 shares

4.2. Shareholder Structure: (Data as of February 6, 2025)

No	Contents	Number of shares	Percentage
1	State Shareholders	0	0
2	Internal Shareholders	4.115.077	61,00
	Board of Directors, Supervisory Board, General Director, Chief Accountant	341.906	5,07
	Related Persons	3.751.652	55,62
	Employees	21.519	0,32
3	Other Shareholders	2.630.403	39,00
	Domestic Shareholders		
	Individuals	2.403.903	35,64
	Organizations	39.000	0,58
	Foreign Shareholders		
	Individuals	183.100	2,71
	Organizations	4.400	0,07
	Total	6.745.480	100,00

4.3. Ownership Structure by Percentage:

No	Contents	Number of shares	Percentage
1	Shareholders owning more than 5%	3.440.252	51,00%
2	Shareholders owning from 1% to 5%	1.140.540	16,91%
3	Shareholders owning less than 1%	2.164.688	32,09%
	Tổng	6.745.480	100,00%

4.4. Changes in Owner's Equity:

In 2024, the company's owner's equity increased by 1.04 billion VND compared to 2023.

5. Improvements in Organizational Structure and Management Policies in 2024

- Flexibly adjust sales policies to enhance product competitiveness, maximizing opportunities to maintain and boost sales.
- Adjust salary levels appropriately based on actual conditions to stabilize the existing workforce.
- Increase the frequency of daily technological parameter monitoring at all production stages.
- Strengthen debt recovery efforts and optimize inventory management to reduce loan capital and improve working capital turnover.

6. Report on the Company's Environmental and Social Impact

6.1. Environmental Impact:

- Environmental pollution is a pressing global issue. Currently, the global environment is under severe threat due to increasing industrialization, with factories and construction sites releasing significant amounts of waste, including emissions, hazardous waste, and wastewater, leading to severe pollution. Therefore, environmental protection is an urgent task.

- Additionally, the company's primary production material is lead, a known pollutant. Acknowledging this, the company has implemented various environmental management measures, such as obtaining ISO 14001:2015 environmental management certification, conducting environmental impact assessments, and obtaining approval from regulatory authorities before implementing projects. The company operates dust and gas treatment systems that comply with the National Technical Regulation on Industrial Emissions (QCVN 19:2009) and utilizes advanced wastewater treatment systems that meet the National Technical Regulation on Industrial Wastewater (QCVN 40:2011).

- Regarding solid and hazardous waste management, the company has implemented waste segregation at the source and established separate storage areas for different types of waste, including domestic waste, general industrial waste, and hazardous waste. The company has signed contracts with licensed waste treatment companies for disposal and ensures compliance with environmental monitoring and reporting obligations as per the approved environmental impact assessment commitments.

6.2. Management of Raw Materials:

For any manufacturing enterprise, raw materials are a key factor determining revenue and profit. Additionally, in today's competitive market, the company frequently

updates product designs and enhances quality while maintaining competitive pricing. Therefore, efficient management and utilization of raw materials are essential.

The company has implemented policies to optimize raw material usage in production, aiming to reduce product costs. Waste management and disposal are carried out in strict compliance with regulations.

6.3. Energy Consumption:

Energy plays a crucial role in the era of industrialization and modernization. As economic and social development progresses, energy demand continues to rise. However, inefficient energy use has led to the depletion of fossil fuel resources, causing significant negative impacts on ecosystems. Additionally, the increasing scarcity of these resources has contributed to rising energy prices in recent years.

Moreover, fossil fuel-based energy production has resulted in substantial carbon emissions, contributing to the greenhouse effect, climate change, and environmental degradation. These challenges significantly affect economic growth and sustainable development both domestically and globally. Recognizing the importance of energy efficiency, the Vietnamese government has introduced various policies aimed at maximizing energy conservation and promoting the most efficient use of energy.

The company has implemented multiple measures to optimize energy consumption in its production and business operations.

6.4. Water Consumption:

Water is an essential resource for human life and plays a crucial role in economic operations. However, in many areas, water is being consumed wastefully, and untreated wastewater is being discharged directly into the environment, which has become a significant concern for the government.

Recognizing the importance of water conservation, the company has prioritized the efficient and responsible use of water resources. It has invested in an automatic wastewater treatment system with a capacity of 6m³ per hour and a domestic wastewater treatment system with a capacity of 25m³ per day. The treated water meets Column B standards and is partially recycled for production processes, including cooling equipment and floor cleaning.

Additionally, the company actively promotes awareness among employees, encouraging them to recognize the importance of water conservation and use water efficiently to protect the environment and sustain their own well-being.

- In 2024, the company's water consumption is as follows:

Water Supply	Unit	Water Usage (m ³)	
		2023	2024
Hai Phong Water Supply Company	m ³	17.914	16.818

+ Total Recycled and Reused Water:

Content	Unit	Water Usage (m ³)	
		Năm 2023	Năm 2023
Using treated wastewater for cooling equipment and washing the floor in the Hóa Thành area	m ³	10.128	9.836

6.5. Compliance with Environmental Protection Laws:

The company strictly adheres to all regulations on environmental protection. It effectively implements an environmental management system in accordance with ISO 14001:2015 standards and has not been penalized for any violations of environmental protection laws.

Tia Sáng Battery Joint Stock Company is committed to:

- Complying with all applicable environmental laws, regulations, and related requirements.
- Establishing, maintaining, and continuously improving its environmental management system to prevent pollution and protect the environment.
- Communicating its environmental policy to all employees, suppliers, and stakeholders to ensure broad participation.

6.6. Environmental Protection Policy and Social Responsibility

6.6.1. Environmental Protection Policy

The company regularly inspects and supervises the implementation of environmental protection measures.

- It strictly complies with all regulations on environmental protection and effectively operates the ISO 14001:2015 environmental management system.

- Furthermore, the company adheres to the regulations set forth by the Government and relevant agencies to minimize negative environmental impacts from its business operations. Additionally, the company continuously invests in and upgrades waste gas and wastewater treatment facilities to maintain a clean working environment and protect employees' health.

- Environmental control has been strengthened by minimizing waste generation at the source, sorting, collecting, and storing waste following the Ministry of Natural Resources and Environment's regulations. The company ensures that all waste is transferred exclusively to legally authorized collection, transportation, and disposal companies. Moreover, regular training and awareness campaigns are conducted to enhance environmental consciousness among all employees.

- Periodic assessments are conducted to evaluate the achievement of environmental goals, with higher targets set to further improve environmental protection efforts.

6.6.2. Environmental Indicators

- Wastewater Management: The company has invested in a 24/7 wastewater treatment system, ensuring all wastewater is collected and treated according to legal standards. The treated water is reused, contributing to water conservation and reducing environmental impact.

- Dust and Air Emissions: All areas generating dust and toxic gas emissions are equipped with treatment systems that comply with the National Technical Regulation on Industrial Emissions (QCVN 19:2009).

- Solid and Hazardous Waste: Hazardous waste is stored in designated temporary storage facilities in compliance with the Ministry of Natural Resources and Environment's regulations. The company has agreements with certified waste management companies for collection and disposal.

- Domestic Waste: The company collaborates with authorized service providers for the collection, transportation, and disposal of domestic waste.

- The company prioritizes environmental protection in pursuit of sustainable development through eco-friendly business practices.

6.6.3. Labor Policies

- As of December 31, 2024, the company employs 154 workers.

- The company has established a Workplace Safety and Hygiene Council and a Network of Occupational Safety and Hygiene Officers to oversee compliance with occupational safety and hygiene regulations.

- A Collective Labor Agreement has been implemented, offering various benefits to employees, including hazardous duty allowances, periodic health check-ups, and occupational disease examinations, as mandated by law. Additionally, the company organizes annual vacation trips to enhance employee well-being and regularly hosts cultural and sports events to support both the physical and mental health of its workforce.

6.6.4. Training Policy.

Indicator	Unit	Value
Indirect Training		
Total number of people trained indirectly	person	36
Total number of training hours	hours	198
Average	hours/person/year	5,5
Direct Training		
Total number of people trained directly	person	105
Total number of training hours	hours	735
Average	hours/person/year	7
Management Level		
Total number of management staff	person	9
Total number of training hours	hours	54
Average	hours/person/year	6
Average Overall	hours/person/year	6,58

6.6.5. Social Responsibility:

- In addition to its business operations, Tia Sang Battery Joint Stock Company is deeply committed to the well-being of its employees. The company provides financial assistance to workers facing prolonged hospitalization or difficult circumstances. It also offers gifts to employees' children on International Children's Day and rewards those with outstanding academic achievements or university admissions each year. Additionally, all employees receive gifts during the Mid-Autumn Festival.

- The company also upholds its social responsibility by supporting disaster relief efforts, donating to organizations for people with disabilities, and contributing to local funds for the elderly. Furthermore, it actively participates in charitable initiatives, such as visiting and giving gifts to war veterans and martyrs' families on July 27 – the National War Invalids and Martyrs' Day.

II. REPORT AND ASSESSMENT BY THE BOARD OF DIRECTORS

1. Evaluation of Business Performance:

1.1. General Overview:

The year 2024 posed numerous challenges due to political instability in certain countries, the prolonged military conflict between Russia and Ukraine, persistently high inflation—especially in Europe and the United States—as well as rising interest rates and tighter monetary and fiscal policies in many nations. Additionally, the increase in input material costs led to higher production and business expenses, significantly impacting domestic enterprises.

The battery market faced intense competition in both domestic and export pricing, which heavily affected production and sales. Achieving revenue and profit targets in such conditions required relentless efforts and flexible management from the Board of Directors in business operations while also maximizing favorable conditions, including:

Advantages:

- A unified and dedicated workforce, working hand in hand with the management team to successfully fulfill assigned tasks.
- Improved living standards—both materially and spiritually—of employees, strengthening their trust and commitment to the company.
- A reinforced team of highly skilled, dynamic, and dedicated engineers who are willing to innovate and take initiative.
- Increased focus on infrastructure repairs and equipment upgrades, ensuring stable production operations and an improved working environment.

Challenges:

- The domestic market faced significant difficulties due to fierce price competition, while export channels were affected by political instability and rising sea freight costs.
- Although efforts to control trade fraud have improved, progress remains limited.
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1.2. Business Performance Results:

No	Target	Unit	Implementation in 2023	2024		Percentage	
				Plan	Perform	Same period	So KH
1	Total Production Capacity	Kwh	102.449	130.000	115.398	112,64	88,77
2	Total Net Sales Revenue	Million dong	157.570	216.000	182.053	115,54	84,28
	Including: Export Revenue	Million dong	54.099	60.000	45.900	84,84	76,50
3	Total Accounting Profit After Tax	Million dong	4.232	8.000	5.214	123,20	65,18
4	Average Labor	People	157	180	155	98,73	86,11
5	Average Income	(Million/person/month)	13	14	14,5	111,54	103,57

2- Business Performance by Sector:

2.1. Product Sales:

Total revenue declined due to the following reasons:

- The economic downturn had a widespread impact on the Vietnamese market, leading to reduced consumer and business spending, decreased product circulation, and weakened purchasing power.
- Intense competition with well-established brands and imported products.

2.2. Technical Production and Research:

In 2024, the company's technical production efforts were focused on key objectives, including. Strengthening control over technological parameters, optimizing operational processes, and monitoring production equipment to ensure stability and improve product quality

- Researching and launching new industrial Gel full-sealed batteries
- Upgrading the quality of maintenance-free starter batteries and motorcycle batteries.

2.3. Occupational Safety and Hygiene.

All company departments and production workshops have strictly complied with regulations on occupational safety, fire prevention, and environmental protection. Specifically:

- Providing personal protective equipment in accordance with regulations.
- Maintaining cleanliness in workshops and production facilities, ensuring materials, semi-finished, and finished products are well-organized.
- Conducting training sessions for employees on occupational safety, fire prevention, and control.

- Encouraging a company-wide initiative to plant trees and beautify the workplace, which has contributed to an increased green space within the company.

2.4 - Trade Union Activities and Competitive Movement:

The Trade Union has organized various sports and cultural exchange events, as well as company retreats, to promote physical well-being and strengthen the sense of unity among employees.

Additionally, the company has actively supported employees by:

- Providing timely assistance to employees in cases of illness.
- Offering gifts and celebrating employees' weddings.
- Extending condolences and support to employees who have lost loved ones.
- Organizing and sponsoring company trips for employees.
- Gifting employees' children on International Children's Day (June 1st) and hosting Mid-Autumn Festival celebrations to bring joy to them

4. Business and Production Plan for 2025:

*** Production and Business Targets:**

No	Target	Unit	Implementation in 2024	Plan 2025	Compare 2025 with 2024 (%)
1	Total Production Capacity	Kwh	115.398	145.000	125,65
2	Total Net Sales Revenue	Million dong	182.053	225.000	123,59
	<i>In which: Export Revenue</i>	Million dong	45.900	45.000	98,04

*** Implementation Solutions:**

- Strengthen domestic and export sales efforts, striving to achieve and surpass revenue targets. Expand the nationwide distribution network.

- Ensure product stability and continue upgrading product quality. Strictly control adherence to technological processes, promptly detect and address any deviations to prevent defective products from reaching the market.

- Promote a culture of innovation, encouraging cost-saving initiatives and process improvements.

- Invest in replacing outdated equipment to enhance product quality and increase production capacity.

- Continue research and development (R&D) to upgrade product quality and introduce new products,...

III. BOARD OF DIRECTORS' ASSESSMENT OF THE COMPANY'S OPERATIONS:

1. Business and Production Plan for 2024:

In implementing the 2024 General Meeting of Shareholders' Resolution, the company has faced significant challenges due to domestic and international economic

uncertainties. These include political instability from the Russia-Ukraine conflict, rising inflation, and the ongoing U.S.-China trade war, which have made both domestic consumption and exports more difficult.

However, thanks to the Vietnamese government's macroeconomic policies, the economy has gradually recovered and maintained its growth trajectory.

For the battery industry, rising production costs have posed significant difficulties for domestic businesses, including **Tia Sáng Battery Joint Stock Company**.

Recognizing these challenges, the Board of Directors (BOD) has proactively led and supervised business operations on a monthly and quarterly basis. Alongside the efforts of the Executive Board and the collective dedication of employees, the company has implemented various measures to overcome difficulties.

Although the revenue and profit targets for 2024 did not fully meet the General Meeting of Shareholders' expectations, the company successfully stabilized employees' income and job security, laying the groundwork for achieving the 2025 plan and future goals.

2. Board of Directors' Assessment of the Executive Board's Performance:

During the implementation of the 2024 Shareholders' Resolution and the Board of Directors' directives, the Executive Board actively developed and executed business plans to fulfill assigned responsibilities. The Board of Directors acknowledges that the Executive Board made significant efforts in the following areas::

- Strictly implementing the resolutions of the General Meeting of Shareholders and the Board of Directors, ensuring all company activities aligned with the strategic direction set forth.
 - Demonstrating strong commitment to achieving business goals despite operational difficulties.
 - Maintaining product quality, optimizing material and energy usage, and effectively utilizing existing equipment, leading to increased customer trust and satisfaction.
 - Efficiently organizing production to maximize capacity, promptly meet market demands, and ensure profitability.
 - Enhancing business and production management to improve operational efficiency.
 - Selecting reputable financial institutions to secure sufficient working capital at reasonable interest rates.
 - Sustaining exports to Southeast Asia, Europe, and West Asia.
 - Ensuring workplace safety, fire prevention, and environmental protection.
 - Fostering employee well-being by organizing motivational programs and promptly recognizing and rewarding outstanding individuals and teams.
- Despite these achievements, the Executive Board should focus on the following improvements:
- Closely monitoring fluctuations in raw material prices and expanding the supplier network to ensure competitive pricing and improve production efficiency.
 - Enhancing process control to maintain high product quality standards.

- Accelerating research and development of new products to meet evolving market demands.
- Expanding distribution networks, particularly in the retail sector.

3. Board of Directors' Plans and Orientation for 2025:

The year 2025 is expected to bring continued global and regional uncertainties. The ongoing military conflict between Russia and Ukraine remains complex, causing instability in global security, politics, and socio-economic conditions, which will continue to have a significant impact on the world economy.

Therefore, businesses in general, and **Tia Sng Battery Joint Stock Company** in particular, must explore all possible solutions to ensure stable business and production operations, secure jobs and incomes for employees, and continuously seek and seize opportunities to foster sustainable company growth

3.1. Objectives:

Successfully achieve the 2025 Business and Production Plan assigned by the Annual General Meeting of Shareholders.

Conduct research, innovation, and upgrades to improve product quality and develop new products.

3.2. Action Plan:

- Continuously enhance the Board of Directors' (BOD) operational efficiency, strictly adhering to legal regulations, the company's charter, and fulfilling the oversight function over the Executive Board, management staff, and all company activities.
- The BOD and the Executive Board will focus all resources on ensuring efficient business and production operations.
- Strengthen supervision of the Executive Board in the following areas:
 - Implementation of monthly, quarterly, and annual business and production plans.
 - Production and technical management.
 - Establishing and implementing technical material norms.
 - Inventory limit management, debt management, and product distribution.
 - Regularly reviewing and enhancing machinery and equipment management, timely proposing investment plans for new equipment to the BOD for consideration. These proposals will be presented to the General Meeting of Shareholders for annual investment approvals to increase productivity and product quality.
- Regularly update legal regulations, review and promptly revise internal corporate governance policies to ensure compliance with legal requirements, strengthen the oversight of the Executive Board and company operations, and contribute to achieving the 2025 business and production plan and future goals;

IV. CORPORATE GOVERNANCE:

1. Board of Directors:

a. Members and Structure of the Board of Directors:

No	Full name	Position	Share Ownership Ratio
1	Mr Đào Hữu Huyền	Chairman of the board of directors	2,96%
2	Mr Đào Hữu Duy Anh	Board member	1,48%
3	Mr Phùng Trọng Tú	Board member	0,06%
4	Ms Phạm Thị Thu Hà	Board member	0%
5	Mr Lương Văn Tuyền	Board member	0,15%
	Total		4,65%

b. Information about the members of the Board of Directors (BOD):

No	Board Member	Position	Date of starting/cease being a member of the Board of Directors/Independent Board of Directors	
			Appointment Date	Dismissal Date
1	Mr Đào Hữu Huyền	Chairman of the board of directors	9/3/2023	
2	Mr Đào Hữu Duy Anh	Board member	9/3/2023	
3	Mr Phùng Trọng Tú	Board member	9/3/2023	
4	Ms Phạm Thị Thu Hà	Board member	9/3/2023	
5	Mr Lương Văn Tuyền	Board member	15/3/2024	
6	Ms Nguyễn Thị Thanh Hà	Board member	9/3/2023	15/3/2024

c. Activities of the Board of Directors

- Performed its functions, duties, and authority in supervising, directing, and issuing Resolutions and Decisions in accordance with the Resolutions of the General Meeting of Shareholders, the Company's Charter, the Enterprise Law, and other legal regulations.

- Closely supervised and promptly directed the Executive Board in managing business operations.

- Directed the amendment, supplementation, and issuance of new regulations and policies in line with the company's business situation and state laws.

- Held regular quarterly meetings and extraordinary meetings as required to oversee and guide the company's business activities. The meeting procedures, contents,

minutes, resolutions, decisions, and documents issued by the Board of Directors complied with the Enterprise Law and the Company's Charter..

** Resolutions of the Board of Directors:*

No	Resolution/Decision Number	Date	Content	Approval Rate
1	01/2024/ NQ-HĐQT	16/01/2024	Approval of the plan to organize the 2024 Annual General Meeting of Shareholders (March 15, 2024)	100%
2	02/2024/ NQ-HĐQT	16/01/2024	- Approval of the policy to sign contracts and transactions between Tia Sáng Battery Joint Stock Company and related companies, including: Đức Giang Chemical Group Joint Stock Company; Văn Minh Co., Ltd.; Đức Giang Lào Cai Chemical One Member Co., Ltd.; Đức Giang Nghi Sơn Chemical One Member Co., Ltd.; Đức Giang Đắk Nông Chemical One Member Co., Ltd.; Vietnam Apatit Phosphorus Joint Stock Company; Đức Giang Đình Vũ Chemical One Member Co., Ltd.; Đức Giang Chemical Sports One Member Co., Ltd.; Đức Giang Real Estate One Member Co., Ltd.; Phosphorus 6 One Member Co., Ltd.; and other related parties as stipulated by the Enterprise Law and the Company Charter. - Scope of the contract and transactions: Within the scope of the production and business activities of Tia Sáng Battery Joint Stock Company Value of each contract/transaction: Less than or equal to 35% of the total asset value recorded in the latest financial statement of Tia Sáng Battery Joint Stock Company.	100%
3	03/2024/ NQ-HĐQT	18/01/2024	Approval of Q4/2023 business results and Q1/2024 business plan	100%

4	04/2024/ NQ-HĐQT	15/02/2024	Approval of the resignation letter of Ms. Nguyễn Thị Thanh Hà from the position of Board Member for the 2023–2028 term and dismissal from the position of Chief Accountant of Tia Sáng Battery Joint Stock Company, effective from February 15, 2024..	100%
5	05/2024/ NQ-HĐQT	15/02/2024	Approval of the appointment of Mr. Nguyễn Văn Thỏa as Chief Accountant of Tia Sáng Battery Joint Stock Company, effective from February 15, 2024.	100%
6	06/2024/ NQ-HĐQT	21/02/2024	Approval of the Annual General Meeting of Shareholders (AGM) 2024 documents for distribution to shareholders.	100%
7	07/2024/ NQ-HĐQT	02/04/2024	Approval of the 2023 dividend payment in cash at a rate of 5.56% per share.	100%
8	08/2024/ NQ-HĐQT	19/04/2024	- Approval of Q1/2024 business results and Q2/2024 business plan	100%
9	09/2024/ NQ-HĐQT	03/05/2024	Authorization of Mr. Phùng Trọng Tú, the Company's General Director, as the legal representative of the Company to conduct credit transactions related to business loans with Vietnam Investment and Development Commercial Joint Stock Bank (BIDV) – Đông Hải Phòng Branch, in accordance with the Company Charter and legal regulations.	100%
10	10/2024/ NQ-HĐQT	18/06/2024	Approval of AASC Auditing Firm Co., Ltd. as the entity to review the Company's semi-annual financial statements for 2024 and audit the annual financial statements for 2024	100%
11	11/2024/ NQ-HĐQT	19/07/2024	Approval of Q2/2024 business results and Q3/2024 business plan	100%

12	12/2024/ NQ-HĐQT	28/10/2024	Approval of Business Results for Quarter 3/2024 and Business Plan for Quarter 4, 2024	100%
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2. Supervisory Board:

a. Information on Supervisory Board (SB) Members:

No	Supervisory Board Member	Position	Membership start/end date		Professional Qualifications
			Appointment Date	Dismissal Date	
1	Ms Hoang Thuy Ha	Head of control board	09/03/2023		Bachelor
2	Mr Nguyen Dinh Trung	Member	09/03/2023		Engineer
3	Ms Vu Thu Hien	Member	09/03/2023		Bachelor

b. Activities of the Supervisory Board:

In 2024, the Supervisory Board held meetings, communicated, exchanged information and documents, and assigned tasks to its members to oversee the Company's activities, including:

- Monitoring the implementation of the resolutions approved at the Annual General Meeting of Shareholders on March 15, 2024.

- Proposing the selection of an independent auditing firm to conduct the audit of the 2024 Financial Statements.

- Reviewing, examining, and evaluating the Financial Statements and the Company's 2024 business performance reports.

- Supervising compliance with legal regulations and the Company's charter by the Board of Directors (BOD) and Executive Board in managing and operating the Company.

- Attending meetings of the BOD and the Company regarding business plans and reporting on the implementation of the 2024 plan. Monitoring and verifying the legality, procedures, and issuance of resolutions and decisions by the BOD and Executive Board.

- Collaborating with the BOD and Executive Board to review, provide feedback, and update internal governance regulations, management regulations, and company policies applicable from 2024 in accordance with current legal regulations.

1. Board of Directors.

- Regular quarterly and ad-hoc meetings were held as required to oversee and guide the company's business operations. The meeting procedures, content, minutes, resolutions, and documents issued by the Board complied with the Enterprise Law and the Company's Charter. Specifically, in 2024, the Board of Directors issued 12 resolutions related to business operations, organizational structure, policies, and asset investments.

- The Board fulfilled its functions, duties, and authority in supervising, directing, and issuing resolutions and decisions in line with the General Meeting of Shareholders' resolutions, the Company's Charter, the Enterprise Law, and other applicable legal regulations.

- Closely monitored and provided timely guidance to the Executive Board in managing business operations.

- Directed the amendment, supplementation, and issuance of new regulations and policies to align with the company's business activities and legal requirements.

After reviewing the resolutions of the General Meeting of Shareholders and the Board of Directors' meeting minutes, the Supervisory Board agrees with the assessment report on the 2024 performance of the Board of Directors.

2. Executive Board Activities.

- In 2024, the Executive Board actively implemented the business and production plan in accordance with the resolutions of the General Meeting of Shareholders and the Board of Directors.

-The Executive Board developed and enforced regulations and policies aligned with the company's actual business conditions as well as the State's policies and legal framework.

After reviewing the execution of the 2024 business and production plan, the Supervisory Board highly appreciates the efforts and dedication of the Executive Board in managing operations, swiftly adapting to market fluctuations, and overcoming challenges to achieve the highest possible efficiency, despite not meeting the targeted profit plan

3. Oversight of Compliance with Regulations on Capital Construction Investment (ĐTXDCB)

Strict supervision of the company's capital construction investment activities.

4. Oversight of Compliance with Regulations on Procurement and Asset Transactions

The procurement of materials adheres to the established limits and the competitive bidding process as stipulated in the company's Procurement Regulations.

For material purchase contracts, the Supervisory Board conducted random sample checks, confirming compliance with the regulations.

5. Oversight of Compliance with Material Consumption Standards

The production department strictly followed material consumption standards under the supervision of the Technical Department and relevant units.

The reconciliation of material usage was conducted regularly on a monthly and quarterly basis.

6. Oversight of Compliance with Pricing Regulations

In 2024, all business units complied with the company's established pricing policies.

7. Oversight of Compliance with Financial and Accounting Regulations

The company's accounting activities in 2024 strictly adhered to corporate policies, Vietnamese accounting standards, and financial regulations.

The recording, storage of documents, bookkeeping, and preparation of financial reports were conducted with accuracy and in compliance with state financial and accounting regulations, meeting management requirements.

8. Asset Management and Utilization

Asset Management: The company conducted a comprehensive inventory of fixed assets, materials, and finished products, along with debt reconciliation as of December 31, 2024. No asset losses were reported.

Debt Management: Throughout 2024, the company maintained regular monitoring and collection of receivables on a monthly basis. Every three months, debt reconciliation was conducted for each customer. The company also issued official notices for overdue payments, frequently dispatched personnel for direct follow-ups, and sought legal intervention when necessary to recover long-standing debts.

9. Business Performance Report for 2024

The auditor's conclusion on the company's 2024 financial statements states:

"In our opinion, the financial statements fairly and accurately reflect, in all material aspects, the financial position of Tia Sang Battery Joint Stock Company as of December 31, 2024, as well as its business performance and cash flows for the fiscal year ending on the same date, in compliance with Vietnamese Accounting Standards, the Corporate Accounting System, and relevant legal regulations governing financial statement preparation and presentation."

-The company has complied with all regulatory requirements regarding periodic reporting and information disclosure as a listed company.

-The financial statements for the fiscal year ending December 31, 2024, were audited by ASCO Auditing and Valuation Co., Ltd. The Supervisory Board has reviewed and agreed with the figures presented in the 2024 financial statements.

10. Evaluation of Coordination Between the Supervisory Board, the Board of Directors, and the Executive Board

With a strong sense of responsibility, cooperation, and commitment to fulfilling shareholder-mandated duties, the Supervisory Board has actively coordinated, exchanged information, and provided objective and honest feedback to the Board of Directors. This includes contributions to the development of regulations, meeting agendas, resolutions, and decisions, as well as support for business operations.

The Supervisory Board has been granted full access to necessary information by the Board of Directors and the Executive Board, ensuring the effective execution of its duties.

11. Shareholder Feedback

In 2024, the Supervisory Board did not receive any written complaints or accusations from shareholders regarding violations by the Board of Directors, the Executive Board, or the Supervisory Board in the execution of their assigned responsibilities.

12. Supervisory Board's Work Plan for 2025

In 2025, the Supervisory Board will continue to perform the following key tasks:

- Oversee the activities of the Board of Directors and the Executive Board in managing and operating the company's business in accordance with the resolutions of the General

Meeting of Shareholders and other relevant provisions of corporate law and state regulations.

- Assess the company's semi-annual and annual performance reports in line with the Supervisory Board's functions and responsibilities.
- Conduct periodic or ad-hoc inspections upon the request of shareholders or the Board of Directors to mitigate risks and ensure the company's operations comply with legal regulations and corporate bylaws.

c. Evaluation and Recommendations:

**** Evaluation:***

- The Supervisory Board acknowledges that there were no unusual occurrences in the company's business operations. All activities have been carried out in compliance with the Law on Enterprises, the Securities Law, the company's charter, and relevant legal regulations.

- The company's business performance in 2024 did not meet the expectations set by the General Meeting of Shareholders, as both revenue and profit targets were not fully achieved. However, the Supervisory Board recognizes the determination and efforts of the company's leadership and employees in managing operations, implementing solutions to overcome challenges, and optimizing cost savings to achieve the best possible results.

**** Recommendations:***

To successfully implement the 2025 business plan, the Supervisory Board recommends that the Board of Directors and Executive Management of the Company:

- Quickly address the existing limitations mentioned in the 2024 Business Performance Report of the Executive Board.

- Continue to enhance the company's business efficiency through measures such as reducing material consumption in production, saving on financial, administrative, and selling expenses, strictly controlling inventory, strengthening debt recovery efforts to accelerate capital turnover and reduce financial risks, and improving sales efficiency.

- Continue implementing measures to enhance the effectiveness of internal control (IC) activities, including:

+ Regularly reviewing, amending, and supplementing the company's internal governance regulations to align with actual conditions and current Enterprise Law.

+ Focusing on identifying, analyzing, assessing, and effectively managing risks

3. Transactions, Remuneration, and Benefits of the Board of Directors, Executive Board, and Supervisory Board

a. Remuneration of the Board of Directors (BOD) and Supervisory Board (SB):

- 1- Chairman of the Board of Directors: 5,000,000 VND/month
- 2- Member of the Board of Directors: 3,000,000 VND/month
- 3- Member of the Supervisory Board: 1,000,000 VND/month
- 4- Full-time Head of the Supervisory Board: Receives salary according to the company's regulations and does not receive remuneration

b. Implementation of Corporate Governance Regulations:

- The company has issued the Corporate Governance Regulations and the Board of Directors' Operating Regulations, under which the Board of Directors, Executive Board, and functional departments strictly adhere to these regulations to ensure the company is effectively guided and controlled in accordance with legal provisions, for the benefit of shareholders and other stakeholders. The corporate governance principles include:

- Ensuring an effective governance structure;
- Protecting the rights of shareholders;
- Fair treatment of shareholders;
- Safeguarding the interests of stakeholders related to the company;
- Transparency in the company's operations;
- The Board of Directors and the Supervisory Board lead and control the company effectively.

V. FINANCIAL REPORT

(Published)

This is the full text of the 2024 Annual Report of Tia Sang Battery Joint Stock Company.

Sincerely thank you./.

Sent to:

- Listing Management Department, Hanoi Stock Exchange
- State Securities Commission.
- Office Archive..



LEGAL REPRESENTATIVE

Phùng Trọng Tú

