



TNH HOSPITAL GROUP JOINT STOCK COMPANY

STOCK CODE : TNH - (HOSE)



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CHAPTER 01

General information

I. GENERAL INFORMATION

II. TNH Hospital Group Joint Stock Company's general information

III. Company Name **TNH HOSPITAL GROUP JOINT STOCK COMPANY**

Stock Code TNH

Logo



Authorized capital 1.101.745.800.000 VNĐ

Market capitalization on June 21, 2024 2.919.626.000.000 VNĐ

Headquarters No. 328, Luong Ngoc Quyen Street, Dong Quang Ward, Thai

Website Nguyen City, Thai Nguyen Province, Vietnam
tnh.com.vn

Listing registration floor Company listed on Hose from 06/01/2021

I. General information

Business line

The company's primary focus is on operating hospitals and medical stations. The Company has just incorporated dental and medical examination services, as well as vaccination activities, to align with the strategy and business goals in the upcoming period.

8601 (Main)
Activities of hospitals and health stations
- Hospital services (CPC 9311)
- Dental and medical examination services (CPC 9312)

5510
Short Stay Services Hotel accommodation services (CPC 64110)

5610
Restaurants and mobile food services
Food catering services (CPC 642) and drinks (CPC 643)

8612
The activities of clinics in general, specialists, and dentistry.
- Hospital services (CPC 9311)
- Dental and medical services (CPC 9312)

8691
Preventive health activities
Vaccination activities;
Vaccination Services

Vision

Become a healthcare group with wide coverage in many regions across the country, providing high-quality healthcare services at prices suitable for many customers, ensuring access to the best healthcare services. At the same time, become a diverse and flexible healthcare system, including general and specialized hospitals, and healthcare centers for the elderly, combining the group's hospitals in some localities where TNH Hospital Group Joint Stock Company (TNH) has a pioneering advantage, with a specialized healthcare training school, with the group's main operating and operating center in Hanoi.

The group's guiding principle is always to prioritize customer satisfaction. Having a hospital system that creates outstanding differences with local medical facilities through methods of recruiting and training high-quality human resources, and fostering a good service attitude. Investing in modern facilities, advanced medical equipment, applying information technology in medical health care, maintaining transparency in medical examination and treatment activities and finance.

The Group has its own cultural identity with a team of employees with good professional ethics, high expertise, dynamic creativity and breakthrough in work. The work environment is one of professionalism, unity, and honesty.

Mission

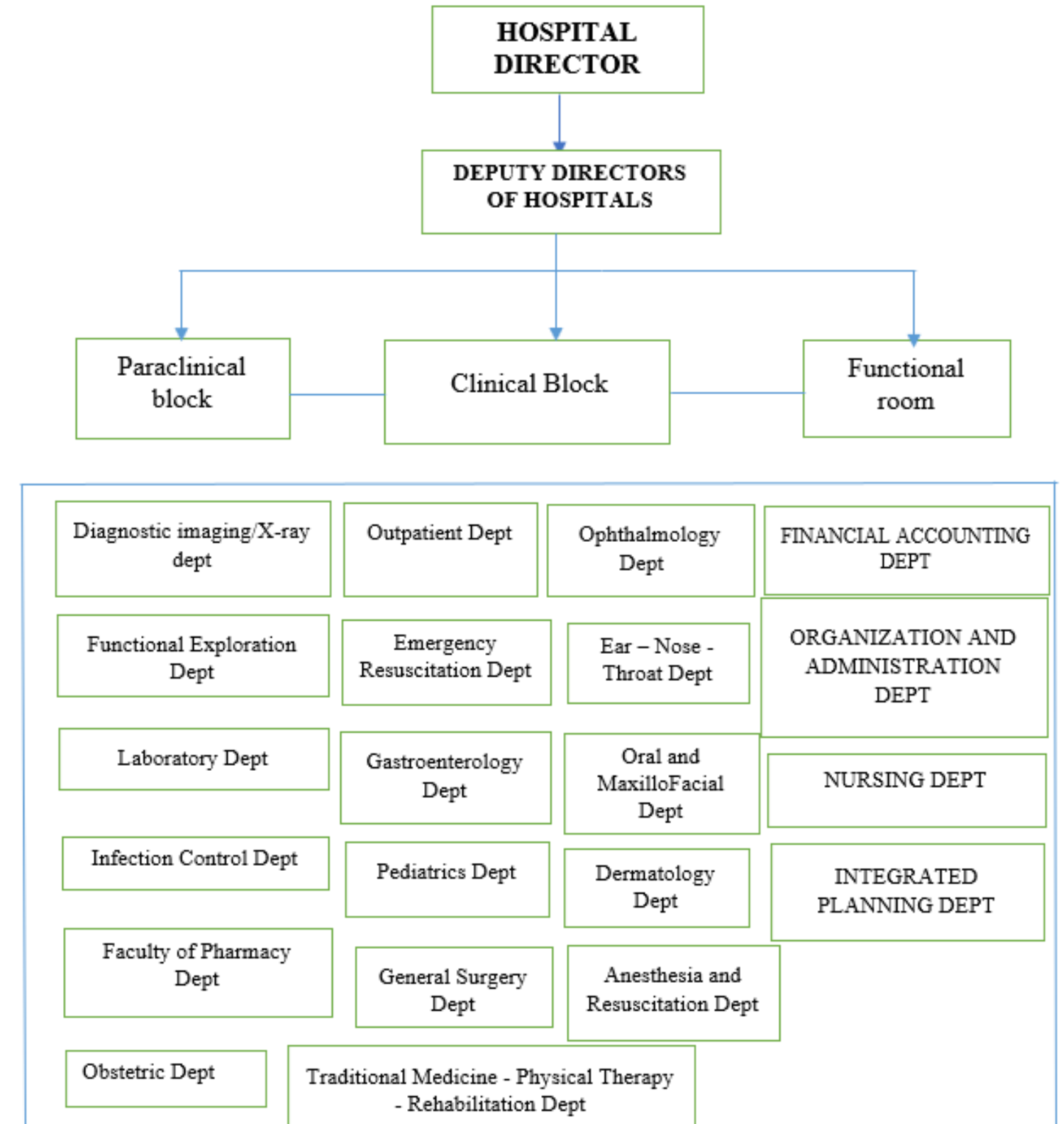
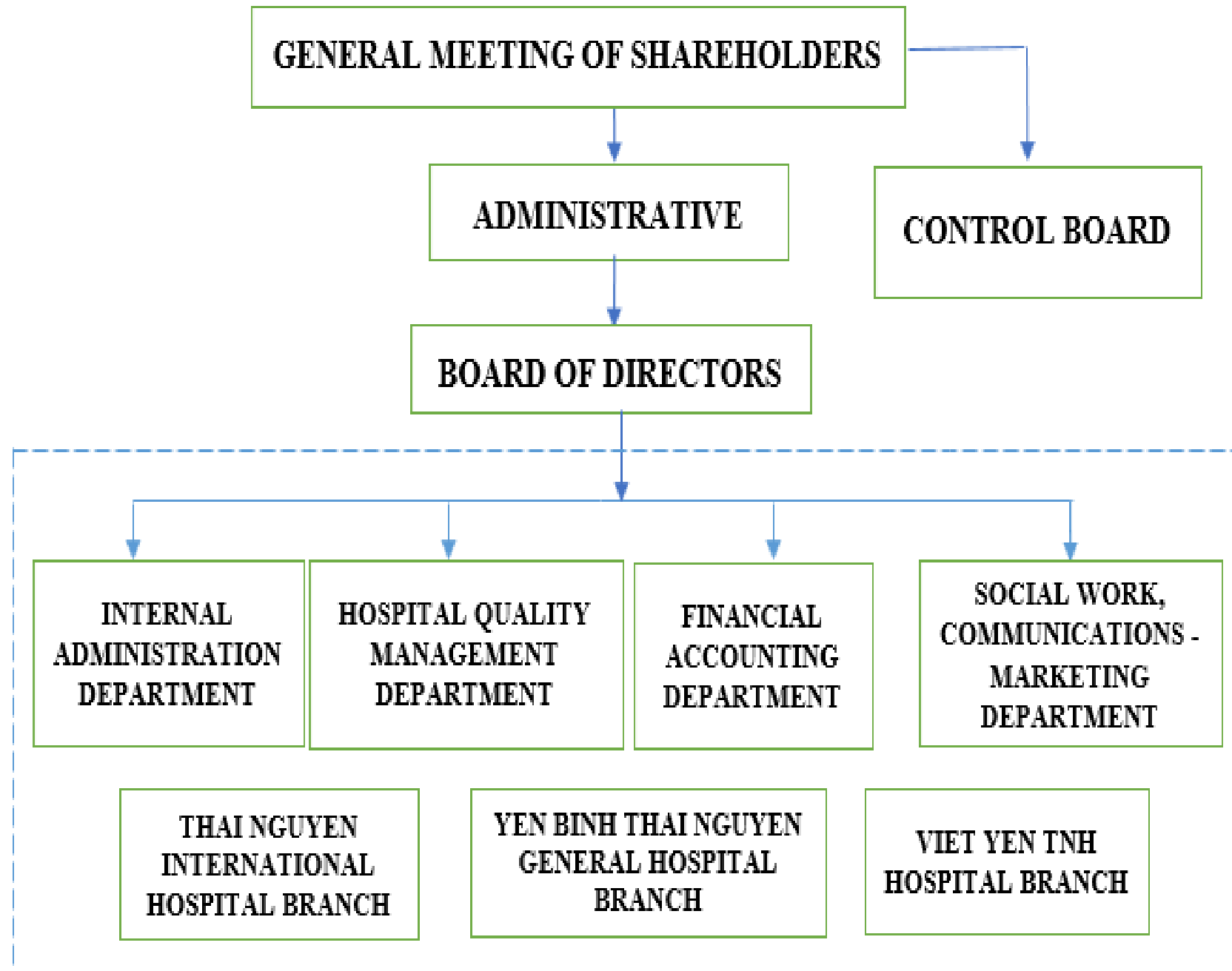
Ensuring the health of individuals with professional qualifications, medical ethics, listening, and empathy.



ORGANIZATIONAL STRUCTURE

Hospital Organizational Chart

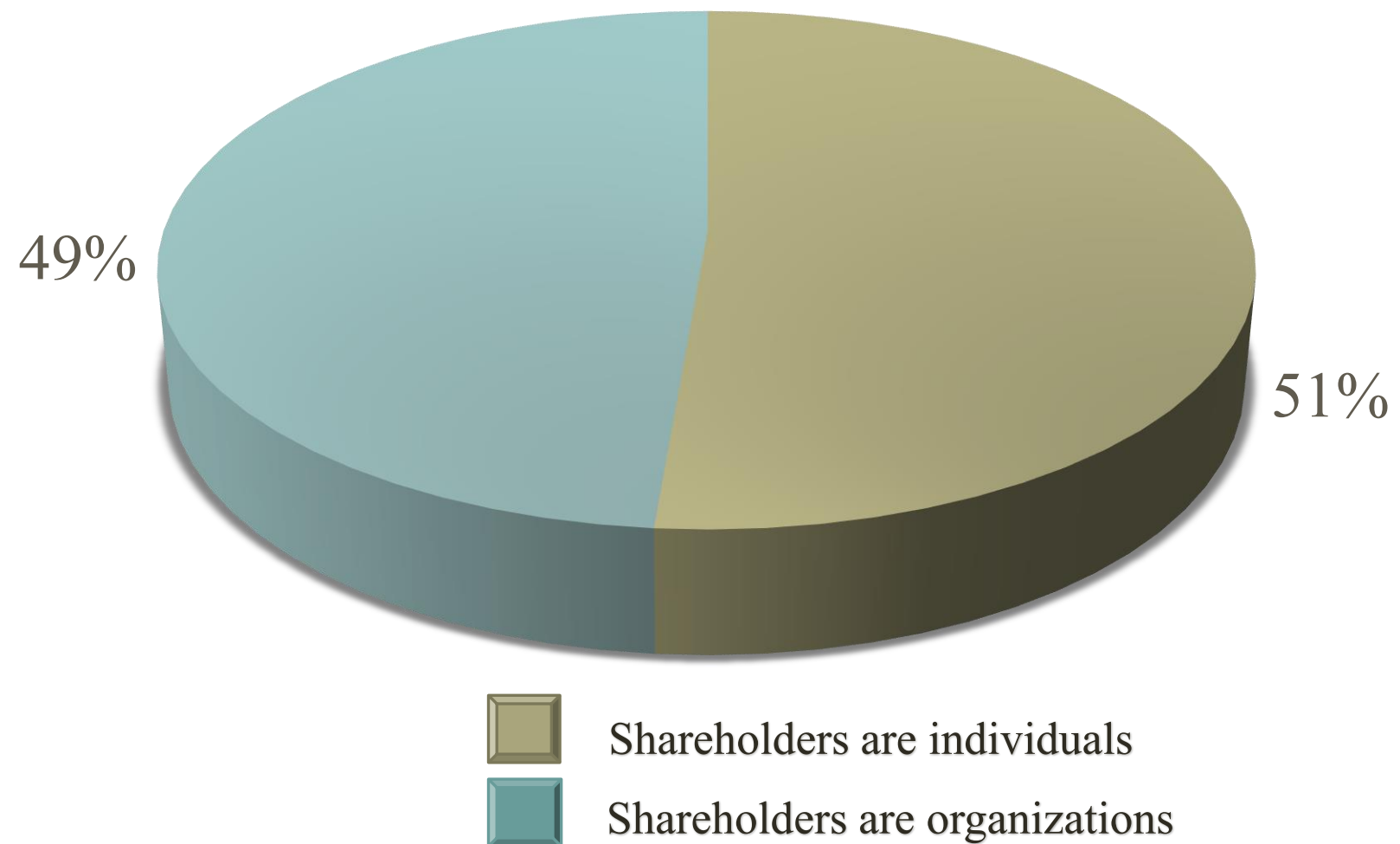
GOVERNANCE MODEL



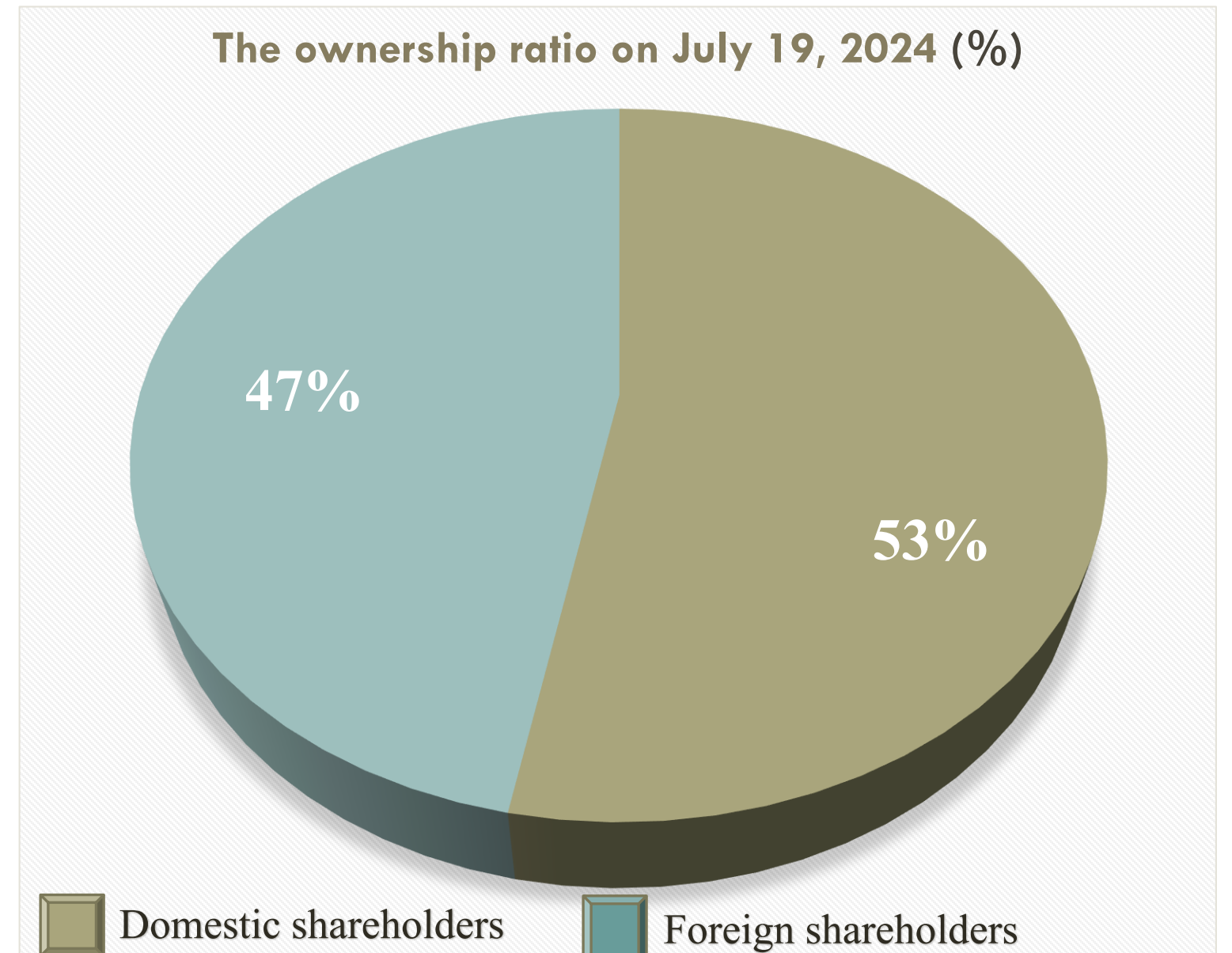
SHAREHOLDER STRUCTURE

The company has experienced 11 capital increases, and its current total charter capital is 1,101 billion VND, owned by over 4 thousand shareholders.

The ownership ratio on July 19, 2024 (%)



The ownership ratio on July 19, 2024 (%)





CHAPTER 02

OVERVIEW OF THE
HEALTHCARE INDUSTRY













Overview of the healthcare industry in Vietnam

- The demand for health care and spending ability among Vietnamese people are increasing rapidly.
- The industry's new regulations are encouraging healthier competition between public and private hospitals.
- The trend is shifting from public to private hospitals for medical examinations and treatments.



- Vietnam's private healthcare industry has significant room for improvement.
 - Vietnam will continue to invest in its health system, especially primary health care; it is committed to achieving universal health coverage by 2030 and is on track to achieve this goal.
- => Private hospital business in Vietnam is driven by economic and social factors - positive outlook in both volume and price**

Drivers of the Private Hospital Market

Trend	Trend Description	Impact	
		Quantity	Price
1 Population aging	<ul style="list-style-type: none"> • Vietnam's aging population will significantly increase healthcare demand • Vietnam's aging population is increasing, with the population >65 years old expected to grow at a high compound annual growth rate of 4.7%, reaching 11% by 2028; the population aged 40-64 is also expected to grow positively, reaching 32% by 2028 		
2 Economic growth and disposable income	<ul style="list-style-type: none"> • Vietnam is one of the fastest growing economies in Asia with a 2023-2028 CAGR forecast of 9% • Strong economic growth and disposable incomes are allowing many Vietnamese to upgrade their healthcare from cheaper public providers to private hospitals 		
3 Increase in non-communicable diseases	<ul style="list-style-type: none"> • Non-communicable diseases are forecast to increase rapidly during the 20-30s; Cancer and Cardiovascular are considered to be the largest contributors during this period. 		
4 Raising health awareness	<ul style="list-style-type: none"> • Increased hospital visits due to pent-up demand during COVID-19 (short-term) • Growth in '23-28 expected to be higher than pre-COVID levels due to higher health awareness (long-term) 		
5 Changing with the trend of private health care	<ul style="list-style-type: none"> • With a growing middle-class population, patients will shift from public to private health care facilities for convenience, better services, and availability of skilled doctors • Other drivers of the shift to private health care include overcrowded public hospitals and government initiatives to reduce the health burden in major cities and increase decentralization of the hospital network • Private health insurance in Vietnam is expected to reach ~12.5 million members by 2025 due to rising incomes, increased awareness, and relatively limited health insurance coverage 		
6 Fragmentation of the hospital market	<ul style="list-style-type: none"> • Government plans for new facilities outside major cities and growing public hospitals outside major urban areas aim to reduce overcrowding and decentralize care • Expected 6.8% annual growth in private hospitals (281 to 510 private hospitals) driving decentralization and increased competition • Private hospitals will face greater competition to attract doctors/surgeons 		

 Increase  Neutral  Decrease

Trends in development at the present stage of TNH



- + Develop a chain of hospital systems in many localities with modern and synchronous facilities and equipment.
- + Strengthen training and attract domestic and foreign resources.
- + Strengthen links and cooperation with leading domestic and international medical units.
- + Promote periodic health check-ups and occupational health check-ups.

+ Develop high-tech, specialized services, arrange clinics and treatment rooms as required.

+ Digitize administrative procedures to create conditions for people to use high-quality medical services right in their localities without having to go to provincial and central hospitals, thereby saving maximum costs and time for patients, creating a difference between public and private hospitals.





CHAPTER 03

The second quarter of 2024's
business performance

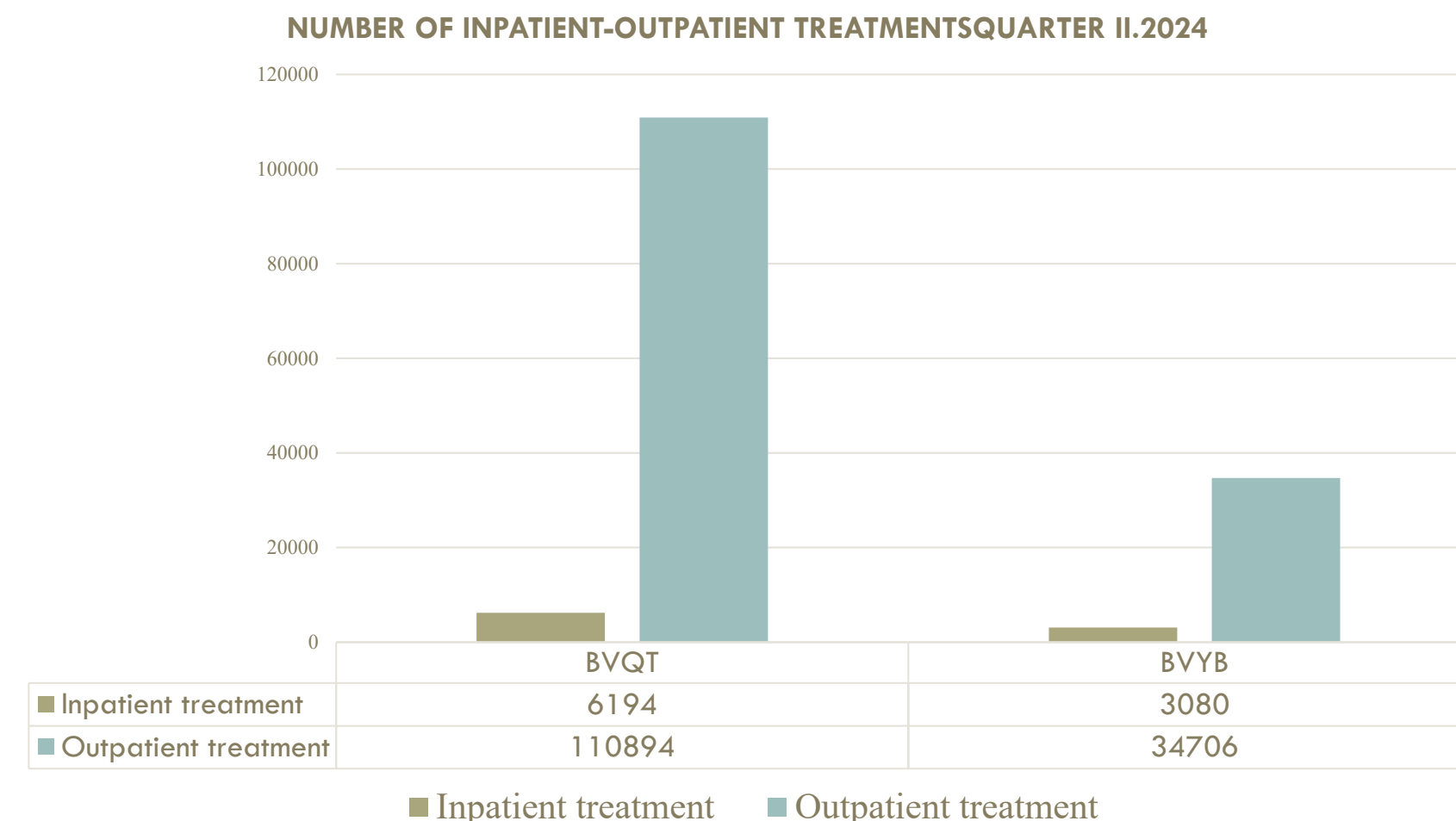
Medical examination and treatment situation in the second quarter of 2024

Outpatient medical examination situation

The number of outpatient visits in the second quarter of 2024 increased compared to the same period and the first quarter of 2024, due to:

- The number of health insurance cards increased, the reputation of hospitals in the Group was affirmed, patients trusted the quality of medical examination and treatment at the hospitals
- The company conducted health examinations for recruitment of Samsung Thai Nguyen Company Limited with nearly 4,000 visits.
- In addition, thanks to the implementation of on-line programs and free medical examination and treatment consultation, many patients have been attracted to come for regular and general check-ups.
- The disease structure changes with the seasons (prolonged heat, heavy rain), more people come for medical examination and treatment than in the first quarter of 2024.
- The second quarter of each year is the time when agencies, businesses, and units organize periodic health examinations for employees. With a well-developed and effectively implemented Communication-Marketing strategy, we have attracted many foreign health examination groups.

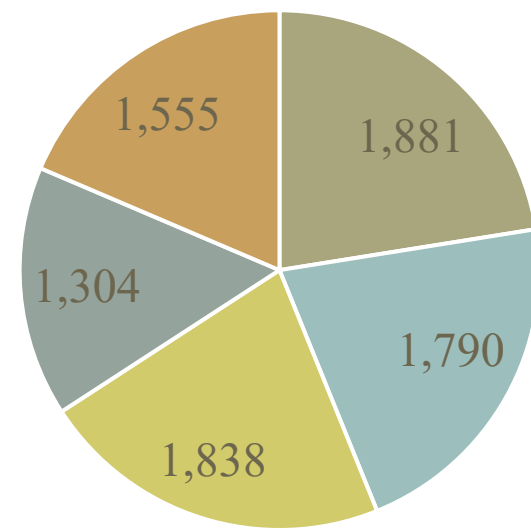
Targets	Quarter 2/2023	Quarter 1/2024	Quarter 2/2024	Comparison of Quarter 2/2024		
				Q 2/2023	Q1/2024	Plan
Numbers of views	123.537	77.734	145.578	118%	187%	109%



Medical examination and treatment situation in the second quarter of 2024

Inpatient treatment situation

Key Treatment Departments (Number of patients treated in Quarter 2/2024)



- Surgery
- Pediatrics
- Other departments
- Internal medicine
- Department of Intensive Care



- The number of inpatients remains relatively stable compared to the same period and has increased compared to the first quarter of 2024. Many internal medicine patients with severe progression were promptly and effectively treated. There were no complications or errors in treatment. Professional regimes were well implemented, and comprehensive patient care was provided according to the team model. This is due to:
- Investment in new, modern and synchronous medical equipment; development of high-tech services. The professional qualifications of the medical team are increasingly standardized, and are regularly trained to improve their professional skills. From there, they received the trust of patients, many patients came to visit and receive inpatient treatment, including many complicated cases, cases that crossed the line, and were still successfully treated by doctors.
- At Thai Nguyen International Hospital, free medical examination and treatment consultation programs have been implemented for the elderly and those with eye diseases. During the period, the Hospital organized over 20 free examinations and consultations for eye diseases around Thai Nguyen City. Thereby attracting a relatively large number of patients to have Phaco eye surgery and treatment of other eye diseases.
- New technical services are focused on development. Packaged services are registered by more patients than in the same period last year.

Organizational structure

As of June 30, 2024, TNH's total number of employees was 733, an increase of 71 people compared to the same period in 2023. Of which, university and post-university level employees increased by 3.23%, college and intermediate vocational level employees decreased by 3.1% due to the number of employees studying from intermediate and college to university. General labor decreased by 0.27% due to the termination of labor contracts. This is a signal that the quality of labor at TNH is increasingly improved, human resources are one of the top concerns, a key factor for the development of the Company along with the pace of economic development.

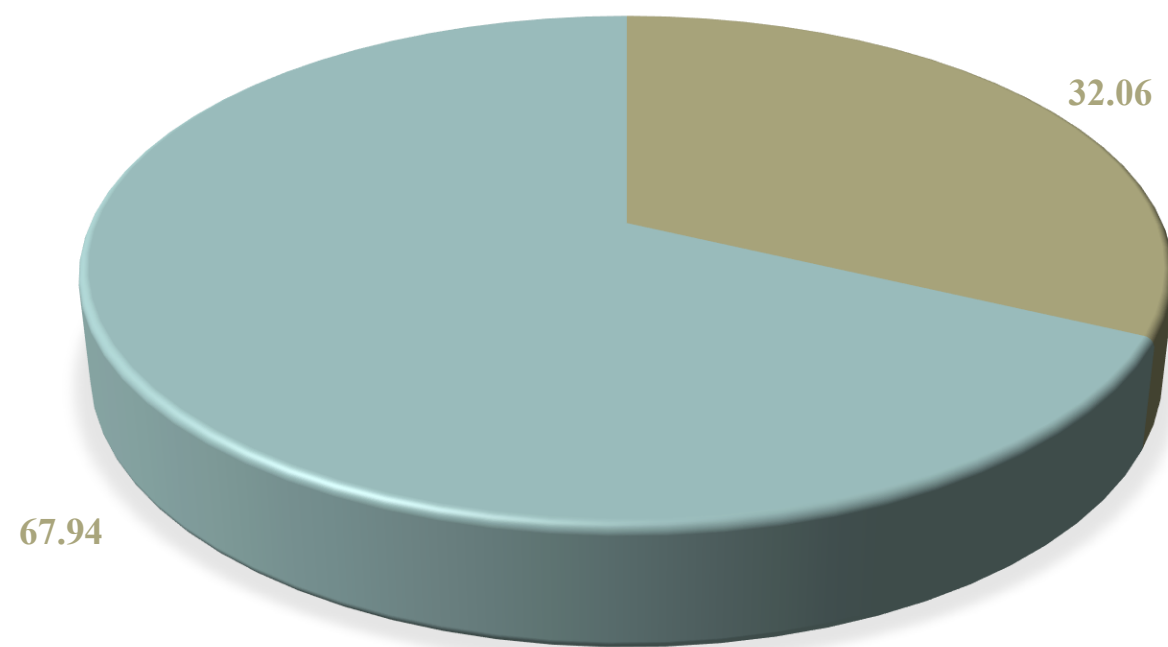
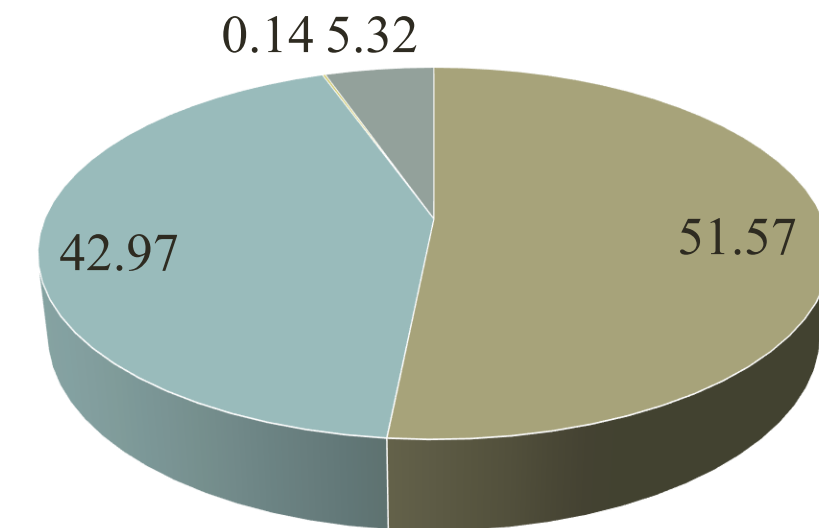


Chart of Labor Structure by Gender (%) (as of June 30, 2024)

Chart of labor structure by level of TNH (%) as of June 30, 2024



- University and post-graduate level
- College, Vocational level
- Primary and Technical Workers
- General labor

The second quarter of 2024's business results

Compared to the second quarter of 2023: The Company's sales and service revenue increased by 5% over the same period. During the period, the Company received a settlement from the Health Insurance Agency of more than VND 9 billion for the health insurance medical examination and treatment costs exceeding the total payment of 2020. According to the auditor's opinion, the Company has included it in the revenue of the second quarter of 2024. If this amount is excluded, the revenue will decrease by 2% over the same period. In the second quarter of 2024, the hospital fee adjustment will be implemented at both hospitals under the Company. This will more or less affect the psychology of choosing and using TNH's medical services, especially high-tech, package services. Profit after corporate income tax in the second quarter of 2024 increased by 3% over the same period last year. If the above amount of VND 9 billion is excluded, the profit will decrease by 21% over the same period due to the following main reasons:

The increase in expenses during the period is due to:

- + In the second quarter of this year, the Company focused most of its resources on completing the Viet Yen General Hospital project, so the costs of capital, interest expenses, and sales expenses also increased. Especially the costs of attracting and recruiting new staff for the Hospital.
- + The increase in corporate income tax is mainly due to the Company's tax exemption period at Yen Binh Thai Nguyen General Hospital and the tax incentive period at Thai Nguyen International Hospital, leading to an increase in the amount of tax payable.



Business results for the second quarter of 2024.

(Unit: million VND)

Targets	Quarter II/2024	Quarter II/2023	(%) Up and down
Net revenue from sales and service provision	130.002	123.464	5%
Cost of goods sold	76.408	65.480	17%
Gross profit from sales and service provision	53.594	57.984	-8%
Total accounting profit before tax	41.914	40.765	3%
Profit after corporate income tax	38.825	37.495	3%

- + During the period, the Company adjusted the income level for employees to ensure compliance with the basic salary of the State after the State adjusted the basic salary increase from July 1, 2024.
- + The number of employees increased sharply, especially the cost for Hanoi experts to visit every Saturday and Sunday.
- + Some bid drugs were scarce, forcing the Company to look for other suppliers with higher unit prices than the winning bid drugs.

Project implementation status

VIET YEN TNH HOSPITAL

The Viet Yen TNH Hospital project started construction in February 2023. Currently, the project has completed the entire construction and submitted an application for a license to operate 150 beds to the Ministry of Health. TNH expects that Viet Yen TNH Hospital will soon be put into operation in the third quarter of 2024, contributing to increasing revenue for the Group in the last 6 months of the year.



Address: Medical land in Nguyen The Nho residential area, Bich Dong ward, Viet Yen town, Bac Giang province

LANG SON TNH HOSPITAL

Address: Block 10, Nhi Thanh Street, Tam Thanh Ward, Lang Son City, Lang Son Province



Construction images at Lang Son TNH Hospital

On March 27, 2024, TNH increased its ownership ratio in its subsidiary TNH Lang Son from 62.5% to 84.5%. The TNH Lang Son Hospital project started construction in February 2024. The hospital is expected to have a scale of 10 floors with 300 beds divided into 2 phases and is designed according to the model of a General Hospital. Due to the fact that the weather was sometimes rainy during construction, the construction site was limited, and the transportation of materials to the construction site was sometimes difficult, but the construction progress of the basic packages was basically in line with the approved schedule. Currently, the concrete columns and beams of the 3rd floor and the columns and walls of the 4th floor have been poured, and the formwork for the 4th floor beams is being assembled, and the concrete is expected to be poured on 5/8.

Some construction images at Lang Son TNH Hospital



HANOI TNH HOSPITAL

Project location: Ciputra Urban Area, Hanoi City

TNH Hospital Group Joint Stock Company has contributed capital to establish an associated legal entity, TNH Hanoi Hospital Joint Stock Company, to invest in implementing the project in the Nam Thang Long Urban Area (Ciputra) Hanoi. The project scale is about 500 beds to meet the healthcare needs of the urban residents in particular and neighboring areas as well as to continue to attract and train high-quality human resources to develop satellite hospitals of TNH.



AERIAL VIEW

CIPUTRA GENERAL HOSPITAL

THAI NGUYEN INTERNATIONAL HOSPITAL PHASE 3

The two phases of the Thai Nguyen International Hospital Project have been completed and put into stable operation, bringing high socio-economic efficiency. Recently, the Company's Shareholders' Meeting approved the continued investment in the construction of Thai Nguyen International Hospital Phase 3, to deploy a high-quality reproductive support and treatment center with a total estimated investment of about 145 billion VND.



The project has been approved by the Fire Prevention and Fighting Department and is in the process of applying for a Construction Permit with a scale of 50 beds. The project is expected to be completed in the second quarter of 2025.

TNH stock investment highlights

Pioneering Enterprise

TNH – TNH Hospital Group Corporation is the first hospital stock listed on the Ho Chi Minh City Stock Exchange (HOSE).

Top professional competence

TNH has a team of highly qualified and experienced doctors and is regularly supported by more than 60 experts and leading doctors from secondary hospitals. TNH is provided with a workforce, regular training, and advanced training at major medical training centers across the country. In particular, right in Thai Nguyen Province, there is a training facility Thai Nguyen University of Medicine and Pharmacy.

Modern machinery and equipment

TNH is invested with the most modern infrastructure and machinery in Thai Nguyen province and neighboring areas.

Long-term development strategy

In 2023-2024, TNH will invest in:

- Viet Yen TNH Hospital in Bac Giang, expected to be operational in the third quarter of 2024.
- Lang Son TNH Hospital started construction on February 29, 2024, expected to be operational in the fourth quarter of 2025.
- TNH contributes capital to jointly build an international standard hospital project in Ciputra urban area (Hanoi).
- Research and invest in a specialized general hospital project for oncology in Da Nang.

Large market demand and potential

There is a large room for development because in addition to serving people in Thai Nguyen province, TNH can also expand its scale to serve the medical examination and treatment needs of people in the midland and mountainous provinces of the Northeast. In particular, TNH's hospitals have advantageous locations, located near large industrial parks, densely populated areas, with an abundant labor force of up to hundreds of thousands of people, which will contribute to creating a large source of revenue for the hospital.



Thank you

