**HDM: Annual Corporate Governance Report 2023**

On January 30, 2024, Hue Textile Garment Joint Stock Company announced Report No. 169/BC-HDQT on the corporate governance in 2023 as follows:

Company's name: Hue Textile Garment Joint Stock Company

Address of Head office: 122 Duong Thieu Tuoc Street, Thuy Duong Ward, Huong Thuy Town, Thua Thien Hue Province.

Tel: 0234.3864.337 Fax: 0234.364.338 Email: contact@huegatex.com.vn Charter capital: VND 200,962,590,000;

Securities code: HDM

Corporate Governance Model: The General Meeting, the Board of Directors, the Supervisory Board, and the Managing Director

Internal audit: Not executed

1. Activities of the General Meeting

Information about meetings and General Mandates/Decisions of the General Meeting (including General Mandates approved by collecting ballots)

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| --- | --- | --- | --- |
| No. | General Mandate/Decision of the General Meeting | Date | Contents |
| 01 | 467/NQ-DHCD | April 26, 2023 | * Approval of the production and business results in 2022 and the plan for 2023. * Profit distribution plan of 2022. * Approval of dividend payment of 72%, of which 40% is in cash and 32% is in shares. Time of dividend payment is before June 30, 2022. * Salary and remuneration for the Board of Directors and the Supervisory Board of the Company. * Report of the Company’s Board of Directors. * Approval of list of audit companies to audit the Company's Financial Statements 2023 and authorization of the Supervisory Board to select the appropriate company. * Report of the Company’s Supervisory Board. * Approval of the result of the election of the Board of Directors and the Supervisory Board for the term 2023 - 2028. |

1. Board of Directors (Report of 2023):
2. Information about members of the Board of Directors:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No. | Member of the Board of Directors | Position (independent member of the Board of Directors, non-executive member of the Board of Directors) | Date of appointment/dismissal as members/independent member of the Board of Directors | |
| Date of appointment | Date of dismissal |
| 1 | Mr. Nguyen Duc Tri | Non-executive member of the Board of Directors | May 2020 |  |
| 2 | Mr. Nguyen Ba Quang | Non-executive member of the Board of Directors |  | April 2023 |
| 3 | Mr. Nguyen Van Phong | Member of the Board of Directors cum Managing Director | November 2017 |  |
| 4 | Mr. Ho Ngoc Lan | Member of the Board of Directors cum Deputy Managing Director |  | April 2023 |
| 5 | Ms. Nguyen Hong Lien | Member of the Board of Directors cum Deputy Managing Director | May 2020 |  |
| 6 | Mr. Le Hong Quan | Member of the Board of Directors cum Deputy Managing Director | April 2023 |  |
| 7 | Mr. Nguyen Ngoc Binh | Non-executive member of the Board of Directors | April 2023 |  |

1. Board Resolutions/Board Decisions in 2023

|  |  |  |  |
| --- | --- | --- | --- |
| No. | Resolution/Decision | Date | Contents |
| 1 | Decision No. 25/QD-HDQT | January 06, 2023 | Approve the extension of the construction progress of the Garment 4 raw material warehouse |
| 2 | Resolution No. 50/NQ-HDQT | January 11, 2023 | Approve the production and business plan for 2022 and the plan for 2023 |
| 3 | Decision No. 51/QD-HDQT | January 11, 2023 | Approve the salary of the Managing Director in 2023. |
| 4 | Decision No. 57/QD-HDQT | January 12, 2023 | Approve the contractor selection results for the Garment 4 raw material warehouse construction project. |
| 5 | Decision No. 216/QD-HDQT | February 13, 2023 | Approve the implementation of the 3-storey Garment factory investment project |
| 6 | Decision No. 275/QD-HĐQT | March 01, 2023 | Approve the record date to finalize the list of shareholders attending the General Meeting |
| 7 | Resolution No. 346/NQ-HDQT | March 30, 2023 | Approve the contents to submit to the General Meeting 2023 |
| 8 | Resolution No. 363/NQ-HDQT | April 06, 2023 | Approve credit for the investment project to build a 3-storey Garment factory at BIDV Commercial Joint Stock Bank |
| 9 | Resolution No. 397/NQ-HDQT | April 12, 2023 | Approve the production and business results of Q1/2023 and the plan FOR Q2/2023 |
| 10 | Resolution No. 398/NQ-HDQT | April 12, 2023 | Approve rewarding members of the Board of Directors, the Executive Board, and the Supervisory Board of the Company |
| 11 | Resolution No. 489/NQ-HDQT | May 06, 2022 | Approve the exercise of the right to buy shares at Phu Bai Spinning Mill Joint Stock Company |
| 12 | Resolution No. 501/NQ-HDQT | May 15, 2023 | Approve carrying out the plan on share issuance for dividend payment of 2022 |
| 13 | Resolution No. 530/NQ-HDQT | May 29, 2023 | Approve the record date of the list of shareholders to pay dividend in 2022 |
| 14 | Resolution No. 535/NQ-HDQT | May 30, 2023 | Approve the policy of researching to establish the Garment Technology Department |
| 15 | Resolution No. 536/QD-HDQT | May 30, 2023 | Assign duties to members of the Board of Directors in the term 2023-2028 |
| 16 | Resolution No. 626/NQ-HDQT | June 26, 2023 | Approve ajustments to the Charter and Certificate of Business Registration, additional securities registrations and additional transactions registrations |
| 17 | Decision No. 665/QD-HĐQT | July 01, 2023 | Approve carrying out the investment project to supplement equipments to the fiber factory in 2023 |
| 18 | Decision No. 684/QD-HDQT | July 06, 2023 | Approve investing in boiler system and thermal oil furnace projects in 2023 |
| 19 | Resolution No. 700/NQ-HDQT | July 10, 2023 | Evaluate the production and business results in the first 6 months of the year and carry out plans for the last 6 months of 2023 |
| 20 | Resolution No. 746/NQ-HDQT | July 17, 2023 | Approve the loan at Joint Stock Commercial Bank for Foreign Trade of Vietnam - Hue Branch. |
| 21 | Resolution No. 839/NQ-HDQT | August 14, 2023 | Approve the establishment of the Research and Development department and the change of the name of the Medical Station to the Medical Department |
| 22 | Decision No. 840/QD-HDQT | August 14, 2023 | Establish the Research and Development department |
| 23 | Decision No. 848/QD-HDQT | August 15, 2023 | Change the name of the Medical Station to the Medical Department |
| 24 | Resolution No. 863/NQ-HDQT | August 17, 2023 | Approve the loan at Joint Stock Commercial Bank for Foreign Trade of Vietnam - Hue Branch. |
| 25 | Decision No. 910/QD-HDQT | September 04, 2023 | Approve adjustments and supplements to cost items for the Garment Factory 3 construction investment project |
| 26 | Decision No. 912/QD-HDQT | September 04, 2023 | Approve adjustments to bidding documents for the package of Supply, installation, and technology transfer of thermal oil boiler system |
| 27 | Decision No. 914/QD-HDQT | September 04, 2023 | Approve the termination of land lease contract in Phu Bai Industrial Park |
| 28 | Decision No. 939/QD-HDQT | September 12, 2023 | Approve the final settlement of construction investment capital to complete the project of building an environmental biological indicator lake |
| 29 | Decision No. 987/QD-HDQT | September 21, 2023 | Approve the final settlement of investment capital in machinery and equipment to complete the in-depth investment project in sewing equipment in 2023 |
| 30 | Resolution No. 1088/NQ-HDQT | October 20, 2023 | Evaluate the production and business results of the first 9 months of the year and plans for the last 3 months of 2023 |
| 31 | Decision No. 1089/QD-HDQT | October 20, 2023 | Appoint Ms. Nguyen Hong Lien to hold the position of Deputy Managing Director. |
| 32 | Decision No. 1090/QD-HDQT | October 20, 2023 | Appoint Mr. Le Hong Quan - Member of the Board of Directors-cum-Deputy Managing Director of the Company to be the capital representative at companies with capital contributions |
| 33 | Decision No. 1091/QD-HDQT | October 20, 2023 | Appoint Mr. Nguyen Van Phong - Member of the Board of Directors-cum-Managing Director of the Company to be the capital representative at companies with capital contributions |
| 34 | Decision No. 1092/QD-HDQT | October 20, 2023 | Appoint Mr. Ho Ngoc Lan - Deputy Managing Director of the Company to be the capital representative at companies with capital contributions |
| 35 | Resolution No. 1120/NQ-HDQT | October 31, 2023 | Approve borrowing capital at Joint Stock Commercial Bank for Investment and Development - Hue Branch |
| 36 | Resolution No. 1234/NQ-HDQT | December 04, 2023 | Prepay dividend in 2023 |
| 37 | Decision No. 1381/QD-HDQT | December 30, 2023 | Approve the final settlement of investment in machinery and equipment to complete the in-depth investment project in fiber equipment in 2021 - 2023 |
| 38 | Decision No. 1410/QD-HDQT | December 30, 2023 | Approve the settlement of investment in construction works, equipment and machinery to complete the project to build a raw material warehouse for Garment Factory 4 |

1. Supervisory Board (2023):

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| --- | --- | --- | --- | --- |
| No. | Member of the Supervisory Board/Audit Committee | Position | Qualification | Date of appointment/dismissal as member of the Supervisory/the Audit Committee |
| 1 | Ms. Phan Nu Quynh Anh | Chief | Bachelor | May 2020 |
| 2 | Mr. Ho Nam Phong | Member | Master | March 2015 |
| 3 | Mr. Pham Thi Van Ha | Member | Master | March 2018 |

1. Executive Board

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No. | Member of the Executive Board | Date of birth | Qualification | Date of appointment/dismissal as the member of the Executive Board |
| 01 | Mr. Nguyen Van Phong - Managing Director | June 11, 1961 | Bachelor | March 2018 |
| 02 | Mr. Ho Ngoc Lan - Deputy Managing Director | August 14, 1963 | Engineer | December 2005 |
| 03 | Mr. Le Hong Quan Deputy Managing Director | July 02, 1974 | Engineer | July 2022 |
| 04 | Mr. Nguyen Tien Hau - Deputy Managing Director | September 20, 1965 | Bachelor | June 2023 |
| 05 | Ms. Nguyen Hong Lien - Deputy Managing Director | November 08, 1978 | Master | November 2023 |
| 06 | Mr. Dao Van Tu Executive Manager | October 20, 1970 | Bachelor | October 2021 |
| 07 | Ms. Tran Thi Thuan Executive Manager | October 10, 1972 | Bachelor | July 2022 |
| 08 | Nguyen Ba Khanh Tung Executive Manager | September 30, 1986 | Bachelor | July 2022 |

1. Chief Accountant

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No. | Full name | Date of birth | Qualification | Appointment date |
| 01 | Ms. Nguyen Khanh Chi | December 16, 1982 | Bachelor | January 2020 |

1. Training on corporate governance None.
2. List of related persons of the public company and transactions between related persons of the Company with the Company itself:
3. Transactions between the Company and related persons of the Company, or between the Company and principal shareholders, PDMR, or related persons of PDMR None
4. Transactions between PDMR of the Company, related persons of PDMR and subsidiaries, companies controlled by the Company: None
5. Transactions between the Company and other entities
6. Transactions between the Company and the companies where members of the Board of Directors, members of the Supervisory Board, Managing Director and other managers have been founding members or members of the Board of Directors or Managing Director for the past three (03) years (as at the date of reporting)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| No. | Name of organization/individual | Relations with the Company | ID Card/Business Registration Certificate No., Date of issue, Place of issue | Head office address/Contact address | Time of transaction with the Company | Transaction content | Total value of transaction (VNĐ) |
| 1 | Vietnam National Textile & Garment Group | Related organization of Mr. Nguyen Duc Tri - Chair of the Board of Directors | 100100008  December 30, 2021 Thua Thien Hue Province Authority for Planning and Investment | No. 41A Ly Thai To Street, Hoan Kiem District, Hanoi | From January 2023 to December 2023 | Loan interest | 9,756,742,807 |
| From January 2023 to December 2023 | Good and service sale | 146,155,828 |
| 2 | Hoa Tho Textile & Garment Joint Stock Corporation | Related organization of Mr. Nguyen Duc Tri - Chair of the Board of Directors | 400101556  June 28, 2022  Da Nang Authority for Planning and Investment | No. 36 Ong Ich Duong Street, Hoa Tho Dong Ward, Cam Le District, Da Nang City | From January 2023 to December 2023 | Good and service purchase | 71,610,515 |
| From January 2023 to December 2023 | Good and service sale | 62,721,064 |

1. Transactions between the Company and the companies where related persons of members of the Board of Directors, members of the Supervisory Board, Managing Director and other managers who are members of the Board of Directors or Executive Manager: None.
2. Other transactions of the Company (if any) that can bring about material or non-material benefits to members of the Board of Directors, members of the Supervisory Board, Managing Director and other managers: None
3. Share transactions of PDMR and related persons of PDMR
4. Transaction of PDMR and related persons related to the Company’s shares (as of December 28, 2023):

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| No. | Transaction conductor | Relations with PMDR | Number of shares owned at the beginning of the period | | Number of shares owned at the end of the period | | Reasons for increase or decrease (buy, sell, convert, reward, ...) |
| Number of shares | Rate | Number of shares | Rate |
| 1 | Mr. Nguyen Duc Tri |  | 36,250 | 0.24 | 47,850 | 0.24 | Receive dividend in 2022 |
| 2 | Mr. Nguyen Van Phong |  | 63,162 | 0.41 | 83,373 | 0.41 | “ |
| 2.1 | Ms. Nguyen Thi Huyen Chau | Daughter | 7,975 | 0.05 | 5,660 | 0.03 | Receive dividend and record order matched transactions |
| 2.2 | Ms. Huynh Thi Ngoc Huyen | Wife | 2,354 | 0.02 | 3,107 | 0.02 | “ |
| 3 | Mr. Ho Ngoc Lan |  | 58,874 | 0.39 | 77,713 | 0.39 | “ |
| 3.1 | Ms. Pham Thi Xuan | Wife | 6,123 | 0.04 | 8,082 | 0.04 | “ |
| 4 | Ms. Nguyen Hong Lien |  | 37,263 | 0.24 | 49,187 | 0.24 | “ |
| 5 | Mr. Nguyen Tien Hau |  | 43,017 | 0.28 | 56,782 | 0.28 | “ |
| 6 | Mr. Dao Van Tu |  | 31,031 | 0.20 | 39,960 | 0.20 | Receive dividend and record order matched transactions |
| 7 | Ms. Tran Thi Thuan |  | 17,768 | 0.12 | 23,453 | 0.12 | Receive dividend in 2022 |
| 8 | Mr. Nguyen Ba Khanh Tung |  | 16,588 | 0.11 | 21,896 | 0.11 | Receive dividend in 2022 |
| 9 | Ms. Nguyen Khanh Chi |  | 29,526 | 0.19 | 33,566 | 0.17 | Receive dividend in 2022 and record order matched transactions |
| 10 | Ms. Phan Nu Quynh Anh |  | 7,975 | 0.05 | 7,359 | 0.04 | Receive dividend in 2022 and record order matched transactions |
| 11 | Mr. Ho Nam Phong |  | 17,768 | 0.12 | 23,453 | 0.12 | Receive dividend in 2022 |
| 12 | Ms. Pham Thi Van Ha |  | 5,800 | 0.04 | 5,800 | 0.03 | Receive dividend in 2022 and record order matched transactions |
| 13 | Mr. Huynh Quang Nhat |  | 5,800 | 0.04 | 7,656 | 0.04 | “ |
| 13.1 | Mr. Huynh Van Hoa | Father | 1,574 | 0.01 | 2,077 | 0.01 | “ |

1. Other significant issues: None.