

HUNG YEN GARMENT CORPORATION-JSC
SO 8 – BACH DANG - P. MINH KHAI - TP. HUNG YEN



ANNUAL REPORT 2024

HUNG YEN GARMENT CORPORATION

Hung Yen, April 2025

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ANNUAL REPORT

HUNG YEN GARMENT CORPORATION – JOINT STOCK COMPANY

2024

I. General information

1. General information

- Trading name: **Hung Yen Garment Corporation – Joint Stock Company**
- Business registration certificate No.: 0900108038, first issued on January 4, 2005, 13th change on May 24, 2023.
- Charter capital: VND 195,113,890,000
- Owner's investment capital: VND 195,113,890,000
- Address: No. 8 Bach Dang Street, Minh Khai Ward, Hung Yen City, Hung Yen Province, Vietnam.
- Phone number: 0221 862314 - Website: hugaco.vn
- Stock code: HUG

Formation and development process

The predecessor of the Corporation was Hai Hung Export Garment Enterprise, under TOCONTAP - Ministry of Foreign Trade, established in 1966.

Pre-2000 period

Because it was established in a country at war, for 10 years (from 1966 to 1975), the enterprise had to organize production in evacuation conditions, facing many difficulties. There was a time when the enterprise's workers had to work at night and rest during the day to avoid sabotage.

In 1976, after leaving the evacuation location, the Company was moved to Trung Trac Street, Minh Khai, Hung Yen Town to build a new facility. During this period, organizing production and taking care of workers' lives still faced many difficulties due to outdated equipment and technology; the State's management mechanism was in the process of finding a suitable direction. However, the Company still maintained production, boldly participating with textile and garment enterprises in the production of processed goods for the Soviet Union through the May 19 Agreement in exchange for goods, in order to improve the lives of workers. Despite many difficulties, the Company still completed its business plan goals. Since 1990, in response to the Party's economic reform and development policy and the political crisis in Eastern Europe that caused the loss of the garment export market, Hung Yen Garment Company opened an additional production facility on Highway 5 in My Hao District, Hung Yen to expand the market to Western Europe and Japan. With the help of domestic and foreign friends, in the period from 1990 to 2000, the Company overcame difficulties, consolidated production and opened 2 new factories, increasing the value of industrial production by 2.5 times, creating jobs for nearly 3,000 workers. The income of workers during this period has stabilized and developed.

Period 2000 - 2010

During the period 2000 - 2010, the Company expanded production in Hung Yen and participated in the construction of 4 more factories, increasing the annual revenue value to over 1,000 billion VND, creating jobs for nearly 5,000 workers, bringing the number of workers in the entire system to over 10,000 people. During this period, the Company continuously improved its management methods, applied science and technology; invested in equipment innovation and factory renovation; applied many technical innovation initiatives in management and production, thereby improving labor productivity and income for workers. In 2004, the Company was equitized and operated under the model of a joint stock company. In 2005, the Company officially operated under the form of a joint stock company under the name of Hung Yen Garment Joint Stock Company. The company was granted the first Certificate of Business Registration as a joint stock company on January 4, 2005 with an initial charter capital of VND 13,500,000,000. To date, the company's charter capital is VND 195,113,890,000.

Period 2010 – present

Since July 2011, Hung Yen Garment Joint Stock Company has changed its name to Hung Yen Garment Corporation - Joint Stock Company. During this period, the Company has always applied the most advanced scientific and technological achievements in production; at the same time, it has selectively trained human resources to prepare the next generation in the process of expanding production. With the accumulated experience in expanding production and the desire to create more jobs for rural workers, the Corporation continues to build a new factory with a total investment of 122 billion VND, creating more jobs for 2,000 workers, bringing the total number of workers in the whole system to 15,000 people.

In the following years, based on the development orientation of the Vietnamese Textile and Garment industry until 2030, Hung Yen Garment Corporation will continue to focus resources, maintain and develop the company, build a roadmap and production plan in the direction of FOB, ODM.

On November 29, 2017, Hung Yen Garment Corporation - JSC was granted Securities Registration Certificate No. 218/2017/GCNCP-VSD by Vietnam Securities Depository and assigned the stock code HUG. On December 18, 2017, Hung Yen Garment Corporation officially traded on the Upcom floor.

2. Industry and business location:

- Business lines: Manufacturing and processing garment products...
- Business locations: Domestic and export, main export markets: USA 60%, EU 25%, China 10%, Korea 5%.

3. Information on governance model, business organization and management apparatus

3.1 Management model of the Corporation:

General Meeting of Shareholders

Board of Directors

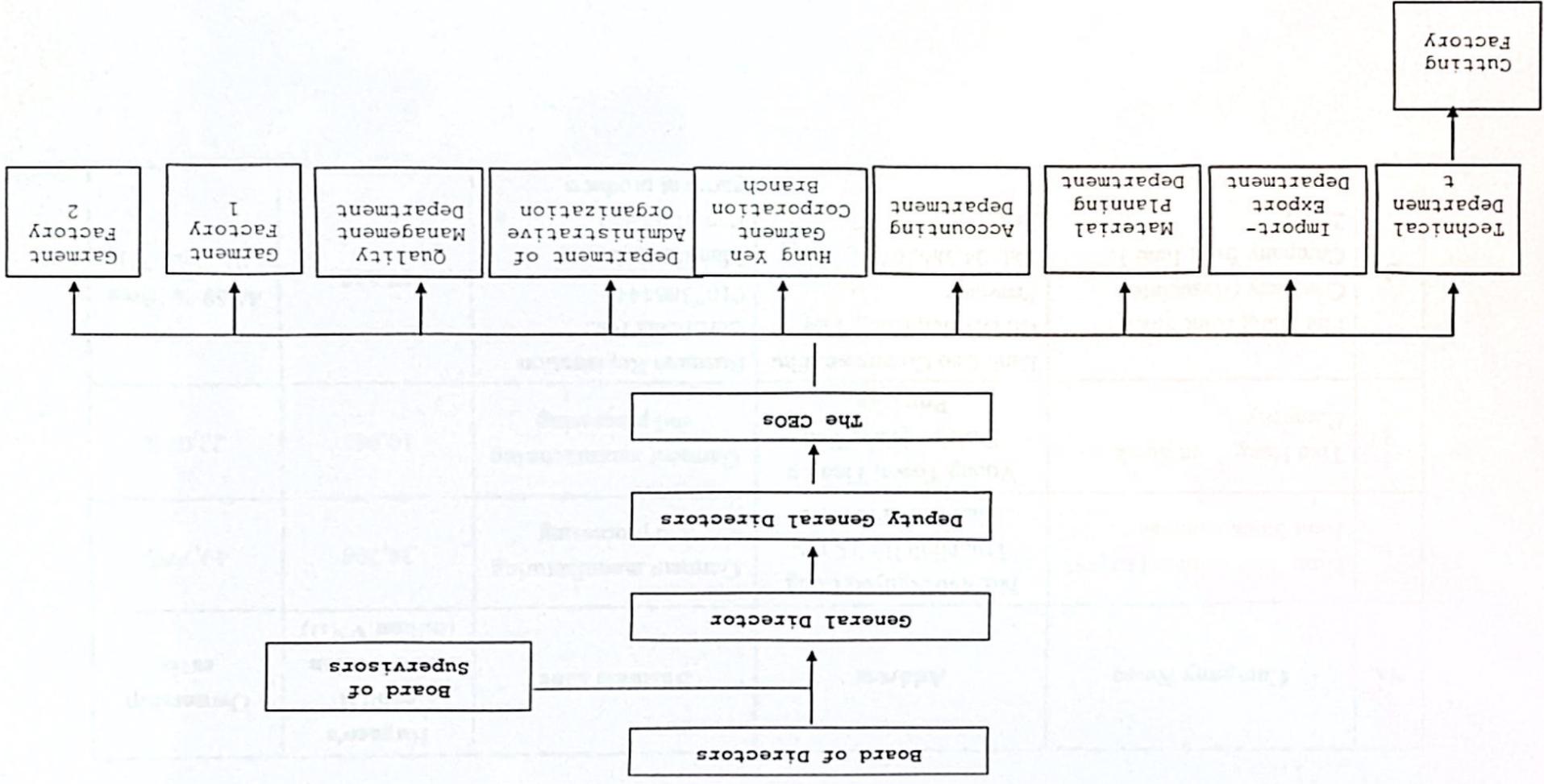
Board of Supervisors

Executive Board (General Director, Deputy General Director, Executive Director)

Staff departments, production enterprises, cutting enterprises.

3.1 Management Model of the Corporation





3.2 Management structure of the Corporation:

3.3 Affiliated companies of the Corporation:

No.	Company Name	Address	Business Line	Hugaco's capital contribution (billion VND)	Ownership ratio
1	Ninh Binh Garment Export Joint Stock Company	No. 490 Nguyen Cong Tru, Ninh Binh City, Ninh Binh Province	Garment manufacturing and processing	34,706	49,79%
2	Tien Hung Joint Stock Company	Vuong Town, Tien Lu District, Hung Yen Province	Garment manufacturing and processing	10,965	22,09%
3	Phu Hung Joint Stock Company (Associated Company from June 1, 2023)	Dinh Cao Commune, Phu Cu District, Hung Yen Province Tel: 04.38626796 Fax: 04.38626767	Business Registration Certificate No.: 0107386444 Manufacturing, importing and exporting garment products	17,830	44,69 % (from 01/06/2023)

4. Development orientation

The Company's main goals and solutions

*** / Emergency response and marketing work**

In the immediate future, mobilize workers to focus on completing signed orders with customers exporting to the US to deliver goods to customers before the US reciprocal tax deadline is applied.

Closely monitor the trade dispute between China and the US and the results of tariff negotiations between Vietnam and the US to prepare a negotiation plan with US customers and other markets on increased tariffs (compared to other countries) to share with customers to maintain market share and stabilize jobs for workers.

Continue to maintain and expand markets and old customers such as Japan, Europe, Korea, etc. Develop new markets such as Russia, the Middle East, South Asia, etc.

Actively seek customers using raw materials in Vietnam and countries that are "friendly" to the US (other than China) to minimize risks when the US imposes discriminatory tariffs when using raw materials from China (if any).

*** / Innovation to improve business competitiveness**

Training and improving the skills and qualifications of staff, arranging and assigning personnel in accordance with their capacity and job requirements to meet business requirements in the new period, expanding business in the form of FOB; training mid-level human resources, improving professional qualifications, management skills, foreign languages, especially senior staff to replace.

Increase investment in equipment and technology innovation. Apply digital technology, artificial intelligence in management and production to increase labor productivity and product quality

Invest in equipment and facilities in the direction of reducing greenhouse gas emissions, saving raw materials, energy, and using environmentally friendly materials.

Adjust the profit margin of the enterprise in accordance with the market situation to prioritize financial resources for training and equipment innovation to increase productivity and stabilize the lives of workers.

*** / Streamlining systems, education, and human resource development**

Arrange a minimalist and efficient production and business system; on the basis of a trained and selected workforce that meets the requirements of digital technology management; advanced equipment and technology

Pay attention to building organizations, unions, Youth Unions, Women's Unions to combine and strengthen propaganda and education for workers in enterprises to understand and share with enterprises in difficult times when the

import market to the US is reduced due to the increase in reciprocal tariffs with Vietnam.

Strengthen education on patriotism, sense of civic responsibility, sense of ownership, industrial style, discipline, and compliance with the law for workers; Build corporate culture, spirit of helping the community to contribute to building a team of workers to meet the requirements of industrialization and modernization of the country.

Continue to innovate emulation and reward work; encourage and motivate workers to work enthusiastically in production, constantly promote initiatives and creativity to increase labor productivity and work efficiency.

Effectively apply innovations through a team of technology engineers with a database of innovations and specify the application of existing innovations right from the research, sample sewing and application into the production process.

Medium and long term development strategy

Continue to implement FOB production, train human resources, search and diversify customers and products.

Sustainable development goals (environmental, social and community)

Comply with the Law on Natural Resources and Environment, implement social policies well through compliance with labor laws, social insurance laws and other relevant laws, contribute and share social and community activities (subsidizing students in difficult circumstances, supporting training centers for disabled children, supporting people in disaster areas, remote areas...).

5. The risks

- Human resource risks: The labor market is constantly fluctuating, especially for workers in the textile and garment industry when FDI enterprises continuously invest in Vietnam, so the retention of employees and human resource management at Hung Yen Garment Corporation are of particular concern. Over the years, the Corporation has continuously researched and improved care and treatment policies to ensure the best benefits for employees.

- Market risks; exchange rate risks; interest rate and insurance risks; risks of the 4.0 scientific and technological revolution will significantly affect the Company's annual production and business results. Especially since the US President imposed reciprocal import taxes on countries around the world, of which Vietnam is subject to an expected rate of 46%, exporting goods to the US market is extremely difficult.

II. Operating situation in 2024.

1. General situation

In early 2024, the garment industry faced difficulties, lack of orders, low processing prices due to the impact of the prolonged Russia-Ukraine conflict and political conflicts in the region, causing the world economy to have low growth due

to declining aggregate demand, consumers continued to reduce spending on non-essential items, including textiles.

- Enterprises currently have few opportunities to access large orders, mainly having to accept small orders, fast delivery times and increasingly high requirements for product quality.

- Processing prices decreased, logistics costs continued to increase, electricity prices increased and new costs arose, leading to high input costs for enterprises, reducing the competitiveness of Vietnamese enterprises with textile and garment exporting countries in the region.

- The increase in regional minimum wages, the impact of storm No. 3, and increased food and food prices have also affected the operations of enterprises and workers.

However, after nearly 59 years of construction and development, Hung Yen Garment Corporation has become a brand, creating trust with customers, building good harmonious labor relations; and having prestige with local authorities. With the spirit of initiative, creativity, solidarity and flexibility, along with the close direction of the Board of Directors and the Board of Management, the Corporation has overcome difficulties in 2024, stabilized production and business activities, performed well in all aspects of work and achieved the expected results at the beginning of the year.

PRODUCTION AND BUSINESS RESULTS AT HUNG YEN GARMENT CORPORATION

No.	Intent	Unit	Implementation 2023	Plan 2024	Implementation 2024	Compare percentages	
						5=4/3	6=4/2
		1	2	3	4		
1	Revenue	USD	19,080,253	17,500,000	20,144,088	115%	105,6%
2	Sales revenue	Million VND	690,525	550,000	678,363	123,3%	98%
3	Profit before tax	Million VND	84,639	55,000	73,238	133,2%	86,5%
4	Average monthly income per person	VND	11,100,000	11,500,000	12,000,000	104,4%	108,1%
5	Submit budget	Million VND	17,883	12,000	20,388	149%	114%
6	Đầu tư thiết bị, sửa chữa nhà xưởng...	Million VND	25,840	30,000	27,143	90,5%	105%
7	Average labor	Person	2,000	1,850	1,850	100%	92,5%

2. Organization and personnel

- List of Executive Board:

No.	Full name	Position	Year of birth	Permanent residence	ID number
1	Pham Thi Phuong Hoa	General director	26/4/1967	No. 54 Vu Trong Phung, Le Loi Ward, Hung Yen City, Hung Yen Province	Citizen ID number: 033167001203 Date of issue: 14/4/2021 Place of issue: Department of Administrative Police for Social Order
2	Nguyen Van Trung	Deputy General director	11/8/1966	No. 56 Dong Thanh, Quang Trung Ward, Hung Yen City, Hung Yen Province	Citizen ID number: 001066011369 Date of issue: 20/01/2023 Place of issue: Department of Police for Registration and Management of Residence and National Population Data
3	Chu Huu Nghi	Deputy General director	31/10/1971	Bac Thanh Collective, Quang Trung Ward, Hung Yen City, Hung Yen Province	Citizen ID number: 033071001998 Date of issue: 17/04/2023 Place of issue: Department of Administrative Police for Social Order
4	Bui Thi Ly	Deputy General director	20/10/1966	No. 24, Trung Nhi, Hung Yen City, Hung Yen	Citizen ID number: 033166003136 Date of issue: 19/4/2021 Place of issue: Department of Administrative Police for Social Order
5	Nguyen Van Hoa	CEO	14/03/1980	Yen My town, Yen My district, Hung Yen province	Citizen ID number: 033080011611 Date of issue: 09/8/2022 Place of issue: Department of Administrative Police for Social Order
6	Tran Thi Huong	Chief Accountant	21/1/1981	Bo De commune, Binh Luc district, Ha Nam province	Citizen ID number: 0351381000511 Date of issue: 25/4/2021 Place of issue: Department of Administrative Police for Social Order

- Voting Share Ownership Ratio of the Executive Board and Management in 2024:

No.	Full name	Number of shares	Total amount	Rate
1	Pham Thi Phuong Hoa	188,592	1,885,920,000	0.97%
2	Nguyen Van Trung	224,893	2,248,932,000	1.15%
3	Chu Huu Nghi	47,444	474,444,000	0.24%
4	Bui Thi Ly	83,154	831,540,000	0.43%
5	Nguyen Van Hoa	17,826	178,260,000	0.09%
6	Tran Thi Huong	9,872	98,724,000	0.05%
7	Hoang Thi Huong	11,335	113,350,000	0.06%
8	Hoang Xuan Nam	43,200	432,000,000	0.22%
9	Vu Thi Giang Huong	27,360	273,600,000	0.14%
10	Nguyen Thuy Hien	1,382	13,824,000	0.01%
11	Dinh Thi Thu Huong	27,653	276,530,000	0.14%
12	Nguyen Van Dai	21,225	212,250,000	0.11%
13	Doan Van Hoc	16,972	169,716,000	0.09%
14	Cao Manh Son	28,897	288,970,000	0.15%
15	Nguyen Thi Ha	40,642	406,416,000	0.21%
16	Tran Thi Thanh Binh	12,412	124,120,000	0.06%
17	Pham Ngoc Hoan	4,582	45,820,000	0.02%
18	Dang Thi Nhung	10,321	103,212,000	0.05%
19	Vu Thi Yen	16,000	159,996,000	0.08%
20	Nguyen Thi Nam Hai	17,232	172,320,000	0.09%
21	Truong Thi Phuong	28,867	288,672,000	0.15%
22	Nguyen Van Viet	12,976	129,760,000	0.07%
23	Nguyen Thi Siu	11,514	115,140,000	0.06%
Total:		904,352	9,043,516,000	4.63%

- Changes in the Board of Directors: In 2024, the Board of Directors of Hung Yen Garment Corporation will have the following changes: Appointing Mr. Nguyen Van Hoa as CEO from December 18, 2024.

- Number of staff: 1,839 workers.

3. Investment situation, project implementation situation

3.1) Investment situation in 2024:

*/ Summary of financial position of associated companies:

Unit: VND

No.	Company Name	Revenue	Profit after tax	Note
1	Phu Hung Joint Stock Company	158.856.242.983	7.362.985.283	
2	Ninh Binh Garment Export Joint Stock Company	108.728.653.744	3.751.867.449	
3	Tien Hung Joint Stock Company	1.234.608.680.395	138.026.165.869	

4. Financial situation in 2024

4.1 Financial situation:

According to the Company's audited financial statements:

Unit: VND

Intent	2024	2023	Percentage
Total asset value	607,907,632,393	599,551,081,422	101%
Net revenue	678,363,642,180	690,525,695,082	98%
Profit from business activities	72,966,106,401	84,191,346,478	87%
Other profits	305,349,804	447,929,246	68%
Profit before tax	73,271,456,205	84,639,275,724	87%
Profit after tax	64,230,028,467	76,594,248,327	84%

4.2 Key financial indicators:

Intent	Unit	2024	2023
<i>1. Solvency ratio</i>			
+ Current ratio	Time	1.23	1.21
+ Quick ratio	Time	1.07	1.03
<i>2. Capital structure indicators</i>			
+ Debt/Total Assets Ratio	%	54.4	54.9
+ Debt/Equity Ratio	%	119.2	121.7
<i>3. Performance indicators</i>			
+ Inventory Turnover	Round	2.37	2.45
+ Net Revenue/Total Assets	Time	1.12	1.15
<i>4. Profitability ratio</i>			

+ Profit after tax/Net revenue ratio	%	9.5	11.1
+ Profit after tax/Equity ratio	%	23.2	28.3
+ Profit after tax/Total assets ratio	%	10.6	12.8
+ Operating Profit/Net Sales Ratio	%	10.8	12.2

5. Shareholder structure, change in owner's equity

5.1 Share:

Total shares	Type of shares	Number of shares outstanding	Number of freely transferable shares	Number of shares restricted from transfer
19.511.389	Common stock	19.511.389	19.511.389	0

5.2 Shareholder structure (according to the list of shareholders on December 25, 2024)

No.	Shareholder structure	Number of shareholders	Number of shares owned	Ownership ratio
I.	Structure by ownership ratio	867	19,511,389	100%
1	Major shareholder	2	8,391,083	43,01%
	‘-Vietnam Textile and Garment Group	1	6,830,562	35,01%
	‘- Mr Pham Tuan Anh	1	1,560,521	8,00%
2	Minority shareholder	865	11,120,306	56,99%
II.	Structure by individual/organization	867	19,511,389	100%
1	Institutional shareholders	3	6,867,162	35,19%
2	Individual shareholders	864	12,644,227	64,8%
III.	State shareholder/other shareholders structure	867	19,511,389	100%

1	State shareholder	1	6,830,562	35,01%
2	Other shareholders	866	12,680,827	64,99%
IV	Domestic/foreign shareholder structure	868	19,511,389	100%
1	Domestic shareholders	867	19,510,789	99,997%
2	Foreign shareholders	1	600	0,003%

5.3 Owner's equity change situation: *Constant*

5.4 Treasury stock trading: *No*

5.5 Other securities: *No*

6. Report on the company's environmental and social impact

6.1. Raw material management:

In 2024, the Company used raw materials and accessories of all kinds with a total value of: 42,125,748 USD.

6.2 Energy consumption

a) Direct and indirect energy consumption.

Fuel type	Mass		Fuel prices		Intended use
Diesel oil	2.436	Liter	17.743	VND/liter	Generator backup
Petrol	14.137	Liter	20.652	VND/liter	Drive a car
Electricity	7.228.584	Kw	2.109	vnd/Kw	Lighting, running machinery and equipment

b) Energy saved through energy efficiency initiatives

c) Energy saving initiative reports: No

6.3. Water consumption:

a) Water supply and water usage

Water supply: from Hung Yen clean water trading joint stock company

Amount of water used in the year: 42,267 m³, value: 621,102,625 VND

b) Percentage and total amount of recycled and reused water: Unknown

6.4. Comply with environmental protection laws

a) Number of times fined for non-compliance with environmental laws and regulations: 01 time.

b) Total amount of fines for non-compliance with environmental laws and regulations: VND 39,000,000.

6.5. Employee related policies

a) Number of employees, average salary for employees:

Number of employees: 1,839 employees, average income is about 11 VND/person/month

b) Labor policy to ensure the health, safety and welfare of workers

The Board of Directors of the Corporation always cares about and looks after the lives and income of employees, specifically as follows:

- Maintain the workers' meal allowance at 13,000 VND/meal (excluding gas)
- Average income of about 11 million VND/person/month.
- Free 3-month accommodation for new workers.
- Gasoline allowance for each worker is 8,000 VND/person/day.
- Participate in health insurance, social insurance, unemployment insurance; buy 24/24h body insurance for 100% of employees.
- Periodic health check-ups for all employees of the Corporation twice a year. Thanks to that, employees have been detected and treated promptly.
- Provide full labor protection and uniforms for employees.
- Pay attention to the health of employees at the workplace, create a cool and clean working environment.
- Organize giving flowers and birthday gifts to each employee every day.
- Every year, the Company organizes tours and trips for employees. In case of not being able to organize a trip, the Company will support a part of the money for the employees.
- Caring for and taking care of the company's preschool generation, fully equipped with facilities that meet the standards of the preschool industry to teach and care for children from 12 months old and up. Children of employees sent to the nursery are supported with food and exempted from tuition fees.
- In 2024, the Corporation will reward 686 children of employees who have achieved high academic achievements and organize gifts for the Mid-Autumn Festival and Children's Day for the children, worth 350 million VND.

c) Employee training activities:

The company is interested in training resources, from team leaders, team leaders and middle and senior managers to supplement and replace.

In 2024, the company reduced the number of indirect workers and rearranged the personnel in departments and factories.

In 2024, the company appointed 01 Executive Director.

6.6. Report on responsibility to local communities

In 2024, the Corporation's self-defense company will maintain the title of "Determined to Win". Always ensure internal security, protect the assets of the

enterprise and employees. Coordinate and cooperate with the City Police and local ward police to maintain and ensure security in the company and the area.

The Corporation always implements the military rear policy well, participates in building houses for the poor, people with meritorious services, supports the poverty reduction fund, supports the fund for the poor, supports flood victims, godmothers for orphans... the total amount of support is up to 1.5 billion VND, especially during the Lunar New Year, the Corporation cooperates with the city to give 400 gifts to the elderly, poor families in the city, continues to subsidize 118 children in especially difficult circumstances in the province until they finish high school, and subsidizes orphans.

6.7. Reports on green capital market activities under the guidance of the State Securities Commission

III. Board of Directors' Report and Evaluation

1. Evaluation of production and business performance

In 2024, although production and business activities faced many difficulties and challenges, the Corporation's leaders thoroughly implemented a series of solutions to boost production and business, along with outstanding efforts and determination of all employees to enthusiastically compete in labor production, practice thrift, and maximize resources to successfully complete the targets set by the General Meeting of Shareholders.

Production and business results in 2024

Unit: VND

Intent	Implementation 2024	Implementation 2023	Implementation 2024/ Implementation 2023
Net revenue	678.363.642.180	690.525.695.082	98%
Profit before tax	73.271.456.205	84.639.275.724	86,6%
Profit after tax	64.230.028.467	76.594.248.327	83,8%

2. Financial situation

2.1 Asset situation

Total assets in 2024:

- Beginning of year: 559,551,081,422 VND, end of year: 607,907,632,393 VND

Thus, in 2024, the company's total assets will increase by about 48,356 million VND.

2.2 Debt situation in 2024

- Company: Beginning balance of 2024: VND 329,172,913,128, ending balance of the year: VND 330,561,063,299, an increase of about VND 1,389 billion.

In the debt structure of the Corporation, there is mainly short-term debt, no amount is considered bad debt.

3. Improvements in organizational structure, policy, management

4. Future development plans

Intent	2025
Revenue (VND)	616.000.000.000
Profit before tax (VND)	50.000.000.000
Average income (VND/person/month)	Over 12.000.000
Dividend (%)	15%-25%

5. Board of Directors' explanation for audit opinion: None

6. Assessment report related to the company's environmental and social responsibility

a. Assessment related to environmental indicators (water consumption, energy, emissions...)

* Average monthly energy consumption in 2024

Fuel type	Mass		Fuel prices		Intended use
Diesel oil	2.436	Liter	17.743	vnd/Liter	Generator backup
Petrol	14.137	Liter	20.652	vnd/Liter	Drive a car
Electricity	7.228.584	Kw	2.109	vnd/Kw	Lighting, running machinery and equipment

* Emissions:

+ Domestic solid waste: Including waste from the processing of the Canteen and toilet paper, leaves. The generated volume is 4,512 kg/month.

+ Production waste:

+ General solid waste: Including scraps of fabric, scraps of cotton, cardboard... the generated volume is about 20,000 kg/month.

+ Hazardous waste: Including fluorescent lamps, printer cartridges, waste lubricants, oily rags and medical waste. The generated volume/month is:

No.	Name of hazardous waste	Status	Hazardous waste code	Quantity kg/month	Note
1	Fluorescent lamp	Solid	160106	11	
2	Oily rag	Solid	180201	7	
3	Medical waste	Solid	130101	3	
4	Waste oil	Liquid	170203	10,5	
Total:				31,5	

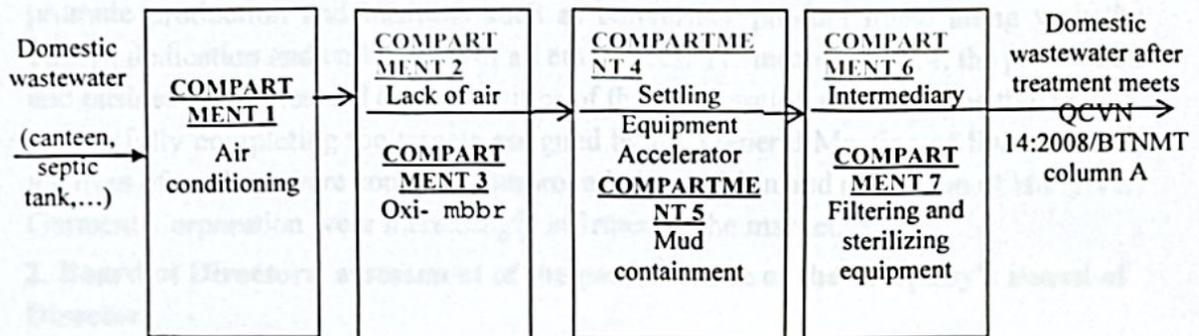
* Construction of environmental and resource protection works:

The Company has prepared a dossier to request permission to discharge

wastewater into the receiving source and has been granted a Waste Discharge License No. 268/GP-STNMT by the Director of the Department of Natural Resources and Environment on July 15, 2015.

The Corporation has built a wastewater treatment system according to the requirements of environmental laws and regulations of the People's Committee of Hung Yen Province, ensuring that the treated wastewater meets QCVN 14: 2008/BTNMT (column A) before discharging into the environment and notifying in writing to the Department of Natural Resources and Environment.

Wastewater collection and treatment works:



Dust and exhaust gas treatment project:

+ Dust generated during the production process is treated by the Company using a filter method located in the production workshop area for treatment.

* Save energy and resources to protect the environment:

Educate employees on saving, rationally and effectively using natural resources such as electricity and water by promoting and posting slogans where necessary.

Educate employees on how to classify waste: household waste, recyclable solid waste, hazardous waste.

Strive to save energy and resources to effectively protect the environment, reducing costs for businesses and improving competitiveness in the market.

b. Assessment related to labor issues

As of December 31, 2024, Hung Yen Garment Corporation has 1,839 employees, of which: 1,839 employees participate in insurance.

c. Assessment related to corporate responsibility towards local communities

In 2024, the Corporation's self-defense company will maintain the title of "Determined to Win". Always ensure internal security, protect the assets of the enterprise and employees. Coordinate and cooperate with the City Police and local ward police to maintain and ensure security in the company and the area.

The Corporation always implements the military rear policy well, participates in building houses for the poor, people with meritorious services, supports the poverty reduction fund, supports flood victims, ... The total amount of support is up to nearly 2 billion VND, especially during the Lunar New Year, the Corporation cooperates with the city to give 400 gifts to poor families in the province, continues to subsidize 118 children in especially difficult circumstances in the province until they finish high school, supports orphans, etc.

IV. Board of Directors' assessment of the Company's performance

1/ Board of Directors' assessment of the Company's operations

In 2024, although production and business activities faced many difficulties and challenges, the Corporation's leaders thoroughly implemented a series of solutions to promote production and business such as converting product lines; along with the efforts, dedication and enthusiasm of all employees. Therefore, in 2024, the production and business activities and other activities of the Corporation achieved positive results, successfully completing the targets assigned by the General Meeting of Shareholders, the lives of workers were constantly improved, the position and reputation of Hung Yen Garment Corporation were increasingly affirmed in the market.

2. Board of Directors' assessment of the performance of the company's Board of Directors

The Board of Directors highly appreciates the spirit of solidarity, responsibility, scientific working spirit and high determination of the Board of Directors of the Corporation; The Board of Directors of the Company has been flexible and closely directed the production and business activities of the Company, successfully completed all targets for 2024, and well and fully implemented the strategic tasks of the Resolution of the 2024 Annual General Meeting of Shareholders.

3. Plans and directions of the Board of Directors

The goals and solutions of the Corporation in the coming time:

***/ Emergency response and marketing work**

In the immediate future, mobilize workers to focus on completing signed orders with customers exporting to the US to deliver goods to customers before the US reciprocal tax deadline is applied.

Closely monitor the trade dispute between China and the US and the results of tariff negotiations between Vietnam and the US to prepare a negotiation plan with US customers and other markets on increased tariffs (compared to other countries) to share with customers to maintain market share and stabilize jobs for workers.

Continue to maintain and expand markets and old customers such as Japan, Europe, Korea, etc. Develop new markets such as Russia, the Middle East, South Asia, etc.

Actively seek customers using raw materials in Vietnam and countries that

are "friendly" to the US (other than China) to minimize risks when the US imposes discriminatory tariffs when using raw materials from China (if any)

***/ Innovation to improve business competitiveness**

Training and improving the skills and qualifications of staff, arranging and assigning personnel in accordance with their capacity and job requirements to meet business requirements in the new period, expanding business in the form of FOB; training mid-level human resources, improving professional qualifications, management skills, foreign languages, especially senior staff to replace.

Increase investment in equipment and technology innovation. Apply digital technology, artificial intelligence in management and production to increase labor productivity and product quality

Invest in equipment and facilities in the direction of reducing greenhouse gas emissions, saving raw materials, energy, and using environmentally friendly materials.

Adjust the profit margin of the enterprise in accordance with the market situation to prioritize financial resources for training and equipment innovation to increase productivity and stabilize the lives of workers

***/ Streamlining systems, education, and human resource development**

Arrange a minimalist and efficient production and business system; on the basis of a trained and selected workforce that meets the requirements of digital technology management; advanced equipment and technology

Pay attention to building organizations, unions, Youth Unions, Women's Unions to combine and strengthen propaganda and education for workers in enterprises to understand and share with enterprises in difficult times when the import market to the US is reduced due to the increase in reciprocal tariffs with Vietnam.

Strengthen education on patriotism, sense of civic responsibility, sense of ownership, industrial style, discipline, and compliance with the law for workers; Build corporate culture, spirit of helping the community to contribute to building a team of workers to meet the requirements of industrialization and modernization of the country.

Continue to innovate emulation and reward work; encourage and motivate workers to work enthusiastically in production, constantly promote initiatives and creativity to increase labor productivity and work efficiency.

Effectively apply innovations through a team of technology engineers with a database of innovations and specify the application of existing innovations right from the research, sample sewing and application into the production process.

V. Corporate Governance

1. Board of Directors:

1.1 Members and structure of the Board of Directors

The Board of Directors consists of 05 members, including 01 independent member of the Board of Directors and 01 member of the Board of Directors who is also the General Director of the company.

No	Board of Directors' members	Position (independent member of the Board of Directors, non-executive member of the Board of Directors)	Date of starting/cease being a member of the Board of Directors/Independent Board of Directors	
			Date of appointment	Dismissal Date
1	Mr. Nguyen Xuan Duong	Non-Executive Board Member	04/05/2020	
2	Ms. Pham Thi Phuong Hoa	Directly managing board member	04/05/2020	
3	Mr. Nguyen Van Trung	Non-Executive Board Member	04/05/2020	
4	Ms. Bui Thi Ly	Directly managing board member	04/05/2020	
5	Mr. Vuong Duc Anh	Non-Executive Board Member	15/4/2022	

1.2 Board of Directors' activities in 2024

In 2024, the Board of Directors was very active, held 06 direct meetings and discussed, reviewed and approved important issues, including:

- Approval of the 2023 business results; the 2024 business plan and contents to be submitted to the 2024 Annual General Meeting of Shareholders;
- Approval of the quarterly business results and the business plan for the following quarters;
- Approval of the implementation of interim dividend payments and final dividend payments for 2023;
- Approval of investment and purchase of machinery and equipment for sewing lines.

In addition to the role of direction and orientation, the Chairman of the Board of Directors also directly participates in a number of tasks:

+ Directly carry out high-level foreign affairs to support the Board of Directors in the production management process.

+ Participate in weekly meetings with the Board of Directors to listen to reports on production and business activities and provide timely solutions and instructions.

1.3 Activities of independent board members and evaluation results of independent

board members on the activities of the board:

+ Independent members of the Board of Directors fully attended all meetings of the Board of Directors and contributed many objective and practical opinions in the Company's governance as well as the Board's decision-making.

+ Evaluation of independent members of the Board of Directors: The Board of Directors has promptly directed and closely supervised the activities of the Board of Directors in implementing the set goals, strategies and business plans; complied with current regulations related to corporate governance and information disclosure.

1.4 Subcommittee under the Board of Directors: none

2. Board of Supervisors:

2.1 Members and structure of the Board of Supervisors:

The Board of Supervisors consists of 03 members, including 01 Head of the Board of Supervisors and 02 members.

No.	Members of the Board of Supervisors	Position	Date of starting/no longer being a member of the Board of Supervisors	Professional qualifications
1	Dinh Thi Thu Huong	Head of Engineering	From 04/05/2020	University
2	Hoang Xuan Nam	Head of administrative organization department	From 04/05/2020	University
3	Nguyen Van Hai	Chief Accountant of Phu Hung Corporation	From 04/05/2020	University

2.2 Board of Control Activities:

In 2024, the Board of Supervisors actively operated, organized 02 meetings to review the company's audited financial statements, approved the report of the Board of Supervisors to submit to the 2023 Annual General Meeting of Shareholders, and reviewed the company's semi-annual financial statements audited by An Viet Auditing Company Limited.

- Supervise the implementation of the contents approved at the 2024 Annual General Meeting of Shareholders, the completion of the production and business plan and compliance with the provisions of the Law and the Company's Charter;

- Attend a number of meetings of the Board of Directors and meetings with the Executive Board to grasp the business situation and give opinions to the Board of Directors and the Executive Board within the scope of responsibilities and powers of the Supervisory Board;

- Propose the selection of an independent auditing company; Appraise the mid-year and full-year financial reports;

- Participate in giving opinions on the promulgation and amendment of a number of regulations and rules on corporate governance of the Company. Supervise the implementation of dividend payment in 2023 according to the Resolution approved by the Annual General Meeting of Shareholders;

- Supervise the timely implementation of information disclosure and resolve shareholders' requests.

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

3.1 Remuneration and other benefits: (shown in the audited 2024 financial statements)

3.2 Stock transactions of internal shareholders, related parties and major shareholders in 2024: Presented in the 2024 Corporate Governance Report

3.3 Contracts, transactions with related parties, internal shareholders

- Contracts and transactions between Hung Yen Garment Corporation - Joint Stock Company and its Subsidiaries and Affiliates related to and serving the Company's production and business activities.

- Transactions have been announced in the Audited Financial Statements for 2024.

3.4 Implement corporate governance regulations

The Company always aims to comply with corporate governance regulations appropriate to the new stage.

VI. Financial statements

1. Audit opinion: Unqualified opinion

“In our opinion, the financial statements have reflected fairly, in all material respects, the financial position of Hung Yen Garment Corporation - Joint Stock Company as at December 31, 2024, as well as the results of business operations and cash flows for the fiscal year then ended, in accordance with Vietnamese accounting standards, accounting regime for enterprises and legal regulations related to the preparation and presentation of financial statements.”

2. Audited financial statements

The audited 2024 financial statements include: Balance sheet; Income statement; Cash flow statement; Notes to the financial statements posted on the website: hugaco.vn.

GENERAL DIRECTOR

Phạm Thị Phương Hoa