

THANH CONG TEXTILE GARMENT INVESTMENT TRADING JSC

ANNUAL REPORT

TRANSFORMING FOR A BETTER PROFESSIONAL

20
24



NEARLY 50 YEARS OF COMPANIONSHIP AND DEVELOPMENT



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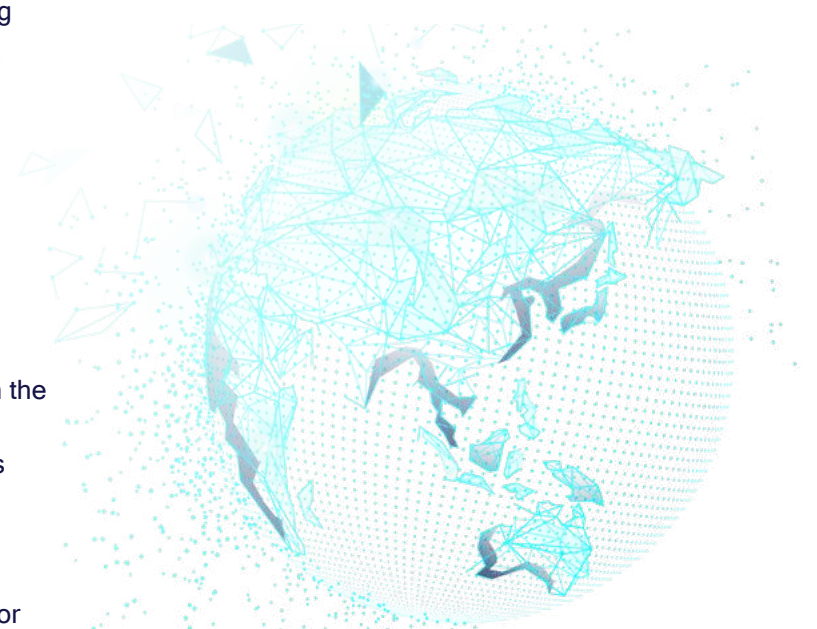
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In the challenging year of 2023, Thanh Cong flexibly adapted, diversified its markets, and invested in digitalization. In 2024, the Company continues to expand, enhance its competitiveness, and strive for sustainable development while remaining committed to accompanying Shareholders, Customers, and Partners.

TRAN NHU TUNG

Chairman of the Board of Directors



MESSAGE FROM THE CHAIRMAN OF BOARD OF DIRECTORS

Dear our valued Shareholders,

First of all, on behalf of the Board of Directors, I would like to extend my warmest wishes of health, happiness, and prosperity to our esteemed shareholders and your families. The year 2024 marked the 48th anniversary of Thanh Cong's establishment and development. Throughout this journey, we have remained steadfast in our core values, earning the trust of our partners as a reputable manufacturer in the textile and garment industry. While the global and domestic economies showed some positive signs in the past year, they were still confronted with various challenges and uncertainties. Manufacturing and trading enterprises in general, especially those in the textile and garment sector, faced considerable difficulties due to rising input material costs, logistics expenses, and labor costs, while the selling prices remained stagnant. These challenges were further intensified by a shift in consumer behavior toward reduced spending on non-essential items, including apparel.

Nevertheless, 2024 was also the year of innovation and relentless efforts for Vietnamese textile and garment enterprises in general, and Thanh Cong in particular. Vietnam's textile and garment export turnover reached USD 44 billion, a 10.3% increase compared to 2023. At Thanh Cong, through our efforts in securing new orders, our flexibility in corporate governance, and our adaptability in business transformation and operations, we achieved encouraging results. The Company recorded VND 3,801.5 billion in revenue, a nearly 15% increase year-on-year, achieving 103% of the 2024 target. Profit after tax reached VND 278 billion, up 108% from the same period in 2023, achieving 172% of the 2024 plan. Our growth in revenue and profit exceeded the industry average. Notably, in 2024, Thanh Cong was recognized among the top listed textile and garment enterprises with high stock liquidity, garnering attention and appreciation from shareholders and investors alike.

Transformation for Growth

In 2024, Thanh Cong embarked on a strategic transformation by redefining its Vision - Mission - and Core Values. The Company focused on strengthening R&D activities, diversifying its product portfolio, manufacturing and exporting high-value, eco-friendly products, and deepening its integration into the global textile value chain while expanding its customer base and export markets. Simultaneously, the Company accelerated its digital transformation, green

transformation, and sustainable development (ESG) efforts, gradually and effectively integrating these into its operations. Emphasis was also placed on minimizing waste, fostering innovation, enhancing production processes, improving delivery performance, and strengthening quality control, risk management, operational flexibility, and cost optimization. The Company also worked to improve financial performance, including more efficient use of capital and better control over interest expenses.

Alongside its business endeavors, the leadership remained committed to stabilizing employment and increasing income for workers while investing in sustainability initiatives to align with global trends. We continued to uphold our community and social responsibility programs, enhancing our corporate image, brand reputation, and above all, reinforcing the trust and engagement of our employees.

Creating Sustainable Value for Stakeholders

To achieve favorable business results and positive aspects in the year, it is thanks to the trust and attachment of our esteemed Customers, Shareholders, and Investors, who have always placed their trust and accompanied the Company during difficult period. In addition, the partners and media agencies have always cared for and supported the Company throughout this period, especially the continuous effort and unwavering support of the Leadership, Staff, and Employees of the Company.

We take pride in our continuous efforts toward excellence in corporate governance, business performance, and product quality. These achievements are reflected in the many prestigious awards we received throughout the year. In 2025, the Board of Directors will place priority on further enhancing corporate governance, with a particular focus on effective risk management. We will also carefully consider an appropriate dividend policy to ensure a harmonious balance between shareholder returns and the reinvestment of profits for expansion, aiming to maximize shareholder value and enhance operational efficiency.

Commitment to Sustainable Development

The year 2024 marked another milestone in Thanh Cong's sustainable development journey through practical actions. These included increased investment in sustainable product and material research and the implementation of measures to reduce environmental emissions. We improved energy efficiency through solar power systems at our factories,

TC MESSAGE FROM THE CHAIRMAN OF BOARD OF DIRECTORS

optimized electricity and water usage, gradually replaced coal with biomass, and ensured strict compliance with wastewater treatment standards. Waste was sorted and treated at the source, and outdated, fuel-intensive machinery was gradually replaced with modern equipment to improve efficiency and reduce costs and emissions. These efforts exemplify a “dual action” strategy, combining environmental responsibility with improved productivity. Step by step, we are moving toward a green and clean textile industry and working together to help realize the carbon neutrality commitment by 2050, which the Vietnam Government pledged at COP26.

Words of Appreciation & Outlook

Looking ahead, 2025 is expected to remain challenging with continued economic uncertainties and low consumption indicators in key export markets such as the U.S., EU, Japan, South Korea, and China. Input material costs, logistics, and labor costs are forecasted to rise faster than selling prices. Increasing customer demand for green and sustainable production, along with stricter requirements for traceability and the potential for higher import tariffs on Vietnamese textile and garment exports to the U.S., present additional challenges. These issues require Vietnamese textile enterprises, including Thanh Cong, to develop flexible strategies and proactive solutions to sustain and expand export markets while maintaining long-term growth.

However, the export outlook for 2025 remains promising. Vietnam’s textile and garment export turnover is projected to reach USD 47-48 billion, up about 10% from 2024. This growth is supported by a shift in orders from China - the world’s largest textile exporter - to other production hubs including Vietnam, due to anticipated U.S. tariff increases on Chinese, Mexican, and other markets. This shift presents an opportunity for Vietnamese enterprises, including Thanh Cong, to increase exports to the U.S. and other markets. Additionally, political and labor instability in Bangladesh, along with the positive impact of Vietnam’s free trade agreements, create favorable conditions for Vietnam’s textile industry to accelerate and gain market share in 2025 and beyond.

To seize these opportunities and leverage our fully integrated textile supply chain, Thanh Cong has developed strategic solutions to realize its vision through focused action plans for 2025, including: Revenue growth - Strengthening R&D - Accelerating all production and business activities. Special attention will be given to improving response time to orders, which is a key survival factor for businesses aiming to go

further and faster. The Company also aims to implement a comprehensive digital transformation, gradually putting a new ERP system into operation to synchronize data and optimize business efficiency. We are expanding the implementation of hanging conveyor lines in our garment factories to enhance productivity and product quality. We will continue to focus on risk management, waste reduction, efficient organizational restructuring, and the development of high-quality human resources and corporate governance capabilities. At the same time, we will cultivate a distinct corporate culture and implement effective measures across all departments to ensure the successful fulfillment of our 2025 business objectives and beyond.

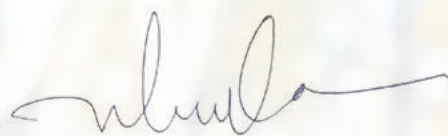
On behalf of the Board of Directors, I would like to express my sincere gratitude to the Board of Management, the management team, and all employees for their unwavering efforts throughout the year. I would also like to extend my heartfelt thanks to our valued Shareholders, Customers, and Partners for your continued trust and support of Thanh Cong. We look forward to your ongoing partnership and collaboration in 2025 and in the years ahead.

The Board of Directors remains committed to working closely with the Board of Management and all employees to successfully accomplish the 2025 targets set by the General Meeting of Shareholders.

Wishing our esteemed Shareholders

HEALTH - HAPPINESS - PROSPERITY.

Sincerely thank you!



Chairman of the Board of Directors
TRAN NHU TUNG

MARK OF ACTIVITIES IN 2024

Consolidated Net Revenue for 2024

3,810.45 billion VND

Net Revenue Growth

14.61 %

Consolidated Net Profit After Tax

278.07 billion VND

Net Profit After Tax Growth

107.82 %

Revenue from Export Markets

3,402.34 billion VND

Emission Reduction

9,741 tons of CO₂

Revenue from Domestic Market

408.12 billion VND

Energy Savings

Above 2,000,000 kJ

Total Assets of the Company

3,895.53 billion VND

Company Market Capitalization

4,200.57 billion VND

OVERVIEW OF THANH CONG TEXTILE GARMENT INVESTMENT TRADING JOINT STOCK COMPANY

Thanh Cong Textile Garment Investment Trading Joint Stock Company (TCM) is one of the leading textile enterprises in Vietnam, operating in the production and trading of yarn, fabric, and garments through a vertical production process. Established in 1976 and currently listed on HOSE, the Company has expanded its export markets to Asia, America, and Europe, with 2024 revenue reaching VND 3,810 billion, a nearly 15% increase compared to the previous year. Thanks to its sustainable development strategy, technological innovation, and optimized production, Thanh Cong continues to assert its position in the Vietnamese and international textile industry.



2024

SUSTAINABLE DEVELOPMENT ACHIEVEMENTS

In 2024, Thanh Cong continued to be honored with numerous awards related to sustainable development, such as the Exemplary Enterprise for Workers, Top 10 MID CAP Companies with the Best IR Activities, and Top 20 Best Annual Reports. However, the most notable award was:



ESG Award – Circular Economy Category:

Thanh Cong Textile Garment Investment Trading Joint Stock Company (TCM) is proud to be recognized for the second consecutive year in the Top 50 Sustainable Development Enterprises (Top 50 CSA) 2024 in the Circular Economy category. With the goal of Net Zero Carbon by 2050, we integrate ESG principles across the entire supply chain, ensuring harmony between Profit, People, and Planet. Committed to sustainable development, Thanh Cong applies the 3R principle: Reduce, Reuse, Recycle, optimizing resources and minimizing environmental impact, reinforcing its position as a leading textile company in Vietnam and internationally.



Green Enterprises of Ho Chi Minh City:

Thanh Cong Textile Garment Investment Trading Joint Stock Company (TCM) is honored to be awarded the "Green Business of Ho Chi Minh City 2024" for the second consecutive year, reaffirming its strong commitment to sustainable development. In line with the inevitable green transformation trend in the textile industry, Thanh Cong continuously innovates, utilizes renewable energy, implements ESG criteria, and develops green initiatives. This award is a testament to the Company's sustainable business strategy and contributes to the goal of Net Zero Carbon by 2050, promoting green growth and the sustainable development of Ho Chi Minh City.

2024 revenue reached **3,810.45** billion VND

2024 net profit after tax reached **278.07** billion VND

Number of employees in 2024 reached **5,798** people



The number of plastic bottles recycled in 2024 reached **40.644** million bottles, equivalent to **5.806** million shirts.

The use of solar energy helped reduce emissions by **9741** tons of CO₂, equivalent to planting **409** thousand trees.

The total amount spent on CSR activities during the year reached **1,219,755,185** VND.

The amount of water recycled in 2024 reached **122,879** liters.

The total energy saved during the year reached nearly **2,000,000** Kjun.



LIST OF ABBREVIATIONS

AGTEK	Ho Chi Minh City Association of Garment, Embroidery, and Knitting
BOD	Board of Directors
BOM	Board of Management
BOS	Board of Supervisors
COP29	29th United Nations Climate Change Conference
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership
CSR	Corporate Social Responsibility
DXY	US Dollar Index
ECB	European Central Bank
ERP	Enterprise Resource Planning System
ESG	Environmental, Social, and Governance
EVFTA	EU-Vietnam Free Trade Agreement
FED	Federal Reserve System (U.S. Central Bank)
FOB	Free on Board (Seller's Responsibility Ends at Shipment)
FTA	Free Trade Agreement
FY	For year
GDP	Gross Domestic Product
HOSE	Ho Chi Minh Stock Exchange
IDS	Institute for Development Studies
IFC	International Finance Corporation

IMF	International Monetary Fund
ISO	International Organization for Standardization
JSC	Joint Stock Company
LEED	Leadership in Energy and Environmental Design (Green Building Certification)
M&A	Mergers and Acquisitions
MID CAP	Medium Capitalization Companies
OBM	Own Brand Manufacturing
ODM	Original Design Manufacturing
OECD	Organization for Economic Cooperation and Development
Q	Quarter
R&BD	Research and Business Development
R&D	Research and Development
RCEP	Regional Comprehensive Economic Partnership
ROA	Return on Assets (Profitability Ratio)
ROE	Return on Equity (Profitability Ratio)
ROS	Return on Sales (Profitability Ratio)
SSC	State Securities Commission of Vietnam
TCM	Thanh Cong Textile Garment Investment Trading Joint Stock Company
VITAS	Vietnam Textile and Apparel Association
VND	Vietnamese Dong (Currency)

Chapter 01

GENERAL INFORMATION

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COMPANY OVERVIEW

TRADE NAME

Vietnamese	CÔNG TY CỔ PHẦN DỆT MAY - ĐẦU TƯ - THƯƠNG MẠI THÀNH CÔNG
English	THANH CONG TEXTILE GARMENT INVESTMENT TRADING JOINT STOCK COMPANY

BUSINESS REGISTRATION CERTIFICATE NO. 0301446221

First Registration	on June 23, 2006
Amendment No:	26th on July 5, 2024

CHARTER CAPITAL

Charter Capital	1,019,554,820,000 VND
Owners' Capital	1,019,554,820,000 VND

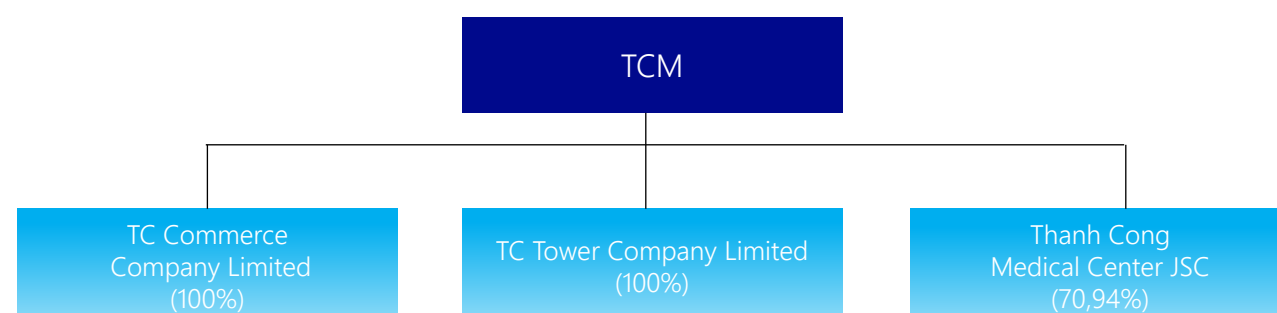
In words	VND One thousand nineteen billion five hundred fifty-four million eight hundred twenty thousand
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GENERAL INFORMATION

Address	36 Tay Thanh, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City, Vietnam
Telephone	(028) 38 153 962
Fax	(028) 38 152 757
Website	www.thanhcong.com.vn
Stock code	TCM
Sàn giao dịch	HOSE

TCM'S OWNERSHIP STRUCTURE AND OWNERSHIP RATIO IN SUBSIDIARIES

As of December 31, 2024



VISION - MISSION - CORE VALUES



VISION

By 2030, Thanh Cong aims to become the leading ODM manufacturer in Vietnam, integrating digital transformation.

MISSION

To create exceptional value, foster a development environment for employees, increase value for investors, and be a trusted partner for suppliers, collectively contributing value to society.

CORE VALUES

Why We Work...

Growth :

Providing high-quality textile products.
Meeting diverse needs of various customer segments.
Developing business in domestic market.

Waste elimination:

Simplifying processes, saving time and money, and enhancing work efficiency.
Business processes re-engineering, and eliminating non-value-adding processes.

Customer satisfaction:

Our customers include consumers, partners, suppliers, investors, and our employees.
For consumers and partners: Providing fast delivery, competitive prices, reliable quality, and innovative products.
For suppliers and investors: Increasing profit value.
For employees: Ensuring respect, providing a conducive and ideal working environment.



INCORPORATION AND DEVELOPMENT PROCESS



1982 - 1986: Pioneer in innovation

1985: The factory exported 8.3 million meters of fabric, generating sales of VND83.6 million (equivalent to USD 21 million).

Thanh Cong Textile Factory was one of the first units to test the production and business model associated with the market. The factory made important contributions to the renovation process of the enterprise management and the Country's economy management mechanism.

1986: Creating a breakthrough in production and investment mechanism through self-equipping modern machines and production lines by self-borrowing - self-repaying method.



1967 - 1975: Incorporation stage

"Tai Thanh Ky Nghe Det" - a small-scale private textile enterprise was formed with a scale of 500 employees, engaged in two main areas of weaving and dyeing. Its products were mainly sold in two main markets including in the Southern area and Cambodia.

1976 - 1982: Endeavor to survive

The Government took over and renamed Thanh Cong Textile Factory, which belonged to Textile Union - Ministry of Light Industry. Going through a difficult time in taking over the factory and maintaining production and business activities.



1986 - 2006: Investing for development

1986 - 1996: The total investment that the Company spent was roughly over USD 55 million, higher labor productivity and improved product quality. The Company began a new trend in internationalization by increasing export activities to many big countries all over the world, especially the European market. As an outstanding mark in this stage, the Company received Khanh Hoi spinning factory in 1992; and invested approximately USD 4 million to replace all obsolete old equipment with a new modern production line with a capacity of 2,000 tons/year.

1997-1999: Carrying out comprehensive reformation such as innovation of human resources, innovation of working style and methods, innovation of sales and marketing activities as well as focusing on cost management.

2000 - 2005: Honored to be awarded the title "Hero of Labor in the renovation period".

2006 - 2009: Equitize to integrate

2006: The Company was equitized, changed its name to Thanh Cong Textile and Garment Joint Stock Company, then Thanh Cong Textile Garment Investment Trading. Joint Stock Company and listed its shares on the Ho Chi Minh City Stock Exchange (HOSE) with the stock ticker of TCM.

2009: The Company issued shares to a foreign strategic shareholder - E-land Asia Holdings Pte. Ltd (Singapore) under Korea E-land Group. What was next, E-land Group then participated in the management of the Company.

2010 - 2024: Expanding Globally

2010: Deploying advanced and modern management tools such as Lean system in production, ERP system, BSC in enterprise management activities.

2011: Equipping spinning factory no.4, knitting factory with more equipment to increase production capacity; expanded export markets to Korea and increased FOB order rates; obtained land use right certificate for TC1 project.

2012: Implementing the second phase of ERP for the production segment; Control led product quality, production costs and performance improvement through TFTs (Task Force Teams).

2013: Building a new knitting factory at Nhi Xuan Industrial Park.

2014: Obtaining Investment Registration Certificate and establishment of TC Tower Company Limited; honored for the second time to be awarded the Social Responsibility (CSR) by the Government of Vietnam and Korea; Top 5 of "Typical Textile Enterprises" awarded by Vietnam Textile and Apparel Association; The award of "Excellent business performance" awarded by the Ministry of Industry and Trade; Top 50 listed companies with the best annual reports.

2015: Building Thanh Cong - Vinh Long factory and established Thanh Cong - Vinh Long Company Limited; established TC E.Land Company Limited; Top 10 most trusted enterprises in Vietnam along with the economic system; Awarded Top 50 best-listed





INCORPORATION AND DEVELOPMENT PROCESS



companies in Vietnam by Forbes Vietnam; Typical Enterprise Award of Ho Chi Minh City and many other awards.

2016: Operated the Knitting Factory 4, mainly produced orders with Single Spandex and Double installed Spandex, the quality of elastic fabric was better than regular fabric. In August, 2016, the Company celebrated its 40th anniversary; in October, it further invested by procuring additional 55 new weaving machines to increase its output by 6.6 million meters of woven fabric/year.

2017: In August, 2017, the Company's charter capital was increased to VND 516,538,290,000. The Company established a Knit Fabric Sales Department to seek for opportunities to put newly researched products into commercial use; Besides, the Company established a business unit focusing on exploiting customers from the US market and obtained some initially positive signals.

2018: In May, 2018, the Company merged its Thanh Cong - Vinh Long Company Limited. In June, 2018, the Company's charter capital was increased to VND 542,300,550,000, and acquired the Trang Bang Sewing Factory project in Trang Bang Industrial Park, Tay Ninh Province from E.Land Vietnam Co., Ltd. in October 2018 to improve its efficiency of production management and increased garment product capacity;

the Company converted a specialized spinning factory to concentrate on producing new yarn items, which was tested and developed by the Research & Business Development Department to diversify products's portfolio and develop new items so as to increase product value, and expand customers.

2019: In May, 2019, the Company opened Weaving factory no.2 with a capacity of 2,400,000 meters of fabric/year, bringing the total woven fabric capacity to 15,000,000 meters/year. In July, 2019, the Company's charter capital was increased to VND 580,169,180,000. The Company signed a Memorandum with Juki Singapore Group to implement a smart factory project at the Company.

2020: The Company's earnings were equal to 146% target and 127% higher than in 2019, which was a superb achievement in a tough year for the whole world economy and Vietnam in particular due to the adverse consequences of Covid-19.

The pilot Smart Factory project in the Sewing Factory which started from October 2020, has had 03 sewing lines, including 02 sewing lines in Ho Chi Minh City and 1 sewing line in Trang Bang, contributing to



increase productivity through operational analysis from Juki software to remove redundant operations and speed up finishing products on the sewing line. In fact, on average production capacity of each sewing line increased by roughly 10%.

In October 2020, the Company's charter capital was increased to VND 620,683,490,000.

Honored with the Typical Ho Chi Minh City Enterprise; Certificate of merit for an example overcoming difficulties, recovering from the Covid epidemic; Typical industrial and supporting products by Ho Chi Minh People's Committee.

Top 500 largest companies in Vietnam; Top 500 most excellent growing companies in Vietnam; Top 500 most profitable companies in Vietnam announced by VNReport & Vietnamnet.

2021: In June, 2021, the Company's Charter capital was increased to VND 713,608,080,000. In April, 2021, TC Commerce Company Limited was established with an initial charter capital of VND 12,000,000,000 to provide fashion e-commerce services.

In May, 2021, the Company started the second-phase construction of the factory in Hoa Phu Industrial Park - Vinh Long province. In December 2021, the Company cooperated with Ree Solar Joint Stock Company to install a solar power system at Sewing Factory No.2 at Hoa Phu Industrial Park, Vinh Long province. The solar power system at Sewing Factory No.1 was put into operation with an operating capacity of 825,517 kw in 2021.



INCORPORATION AND DEVELOPMENT PROCESS

2022: In June, 2022, the Company's charter capital was increased by the owner's equity to VND 820,471,270,000.

In March 2022, the construction of Sewing factory No. 2 in Hoa Phu Industrial Park - Vinh Long province was completed and put into operation with a designed capacity of 1,500 workers, and 9 million products per year.

In September 2022, in order to standardize production and business processes to optimize operational efficiency in the digital transformation trends, the Company signed a contract with the World Fashion Exchange Company to deploy an ERP system with outstanding solutions to take the Company to new heights. The project officially entered the implementation phase in October 2022 and was expected to be completed and put into use by February 2024.

2023: In April 2023, the Company introduced and launched fashion products under the "noname" brand. This is seen as one of the restart steps of Thanh Cong in returning to the domestic retail market.

In November 2023, issued 10,653,068 shares to increase capital from owner's equity and the Company's charter capital was increased to VND 926,977,140,000. Received the Top 500 Largest Companies in Vietnam award from Vietnam Report & Vietnamnet.

2024: In July 2024, Thanh Cong increased its charter capital to VND 1,019,554,820,000.

In March 2024, Winning Lounge was officially inaugurated. It is an integrated space featuring meeting rooms, a pantry, a guest reception area, and a relaxation zone, located on the ground floor of the office building.

In July 2024, the new ERP system was officially launched at Thanh Cong. This marks a significant technological milestone and serves as the starting point for the Company's comprehensive digital transformation process.

In October 2024, the Company was one of the 20 export enterprises representing various industries in Ho Chi Minh City to sign a credit loan agreement with Vietcombank under the export business support program.

In November 2024, the Company held an online Extraordinary General Meeting of Shareholders for approval on adjustments to the total investment capital for the TC Tower real estate project, which combines residential apartments with commercial and service areas. This approval was necessary to continue the project and capitalize on the predicted potential of the real estate market to support the Company's growth strategy.





OUTSTANDING AWARDS OF THE YEAR

- 1 **“High Quality Vietnamese Goods voted by Consumers”**
Vietnam High-Quality Goods Association
- 2 **“Outstanding Enterprise for Workers ”**
Vietnam General Confederation of Labor
- 3 **“ESG Award – Circular Economy Category ”**
Nhip Cau Dau Tu Newspaper
- 4 **“Top 500 Leading Value-Creating Enterprises in Vietnam ”**
Viet Research & Investment Newspaper
- 5 **“Top 500 Most Profitable Enterprises in Vietnam ”**
Viet Research & Investment Newspaper
- 6 **“Top 10 Companies with the Best IR Activities”**
Vietstock
- 7 **“Green Enterprises of Ho Chi Minh City”**
Ho Chi Minh City People's Committee
- 8 **“Certificate of Merit from the People's Committee – for making positive contributions to participating in the activities of the City Business Association and social charity work from 2004 to 2024”**
Chairman of Ho Chi Minh City People's Committee
- 9 **“Ho Chi Minh City Golden Brand”**
Ho Chi Minh City People's Committee
- 10 **“Outstanding Enterprises of Ho Chi Minh City”**
Ho Chi Minh City People's Committee - Ho Chi Minh City Business Association
- 11 **“Textile Garment Enterprises for Workers ”**
Vietnam Textile and Garment Trade Union
- 12 **“Certificate of Merit for Good Compliance with Tax Policies and Laws in 2023 ”**
Vinh Long Provincial Tax Department
- 13 **“Top 20 Best Annual Reports ”**
Ho Chi Minh Stock Exchange & Investment Newspaper
- 14 **“Top 50 Pioneering Enterprises and Committed to Improving Corporate Governance in Vietnam – VNCG50”**
Vietnam Institute of Directors (VIOD)
- 15 **“Top 500 Largest Enterprises in Vietnam – 2024”**
Viet Research & Investment Newspaper
- 16 **“Top 50 Most Effective Enterprises in Vietnam”**
Nhip Cau Dau Tu Newspaper
- 17 **“Typical Industrial and Supporting Industry Products”**
Ho Chi Minh City People's Committee - Department of Industry and Trade



BUSINESS LINES

MAIN BUSINESS ACTIVITIES

Thanh Cong Textile operates primarily in the production and trading of yarn, fabric, and garments. The company supplies products to both domestic and export markets, focusing on market diversification, digital transformation, and the development of sustainable products



BUSINESS LINES

<p>Manufacturing, Trading, Importing and Exporting</p>	<p>Manufacturing, trading, importing and exporting all kinds of cotton, fiber, yarn, fabric, garments (except fur clothing), shoes and machinery, equipment, spare parts, raw materials, materials and chemicals except highly toxic chemicals), dyes, packaging;</p>
<p>Real Estate Trading</p>	<p>Real estate trading; leasing offices, factories and warehouses;</p>
<p>Retail in Supermarkets and Shopping Malls</p>	<p>Retail in supermarkets, trade centers: garments, shoes, meat and meat products; aquatic products; Vegetables; milk and dairy products, cakes, jams, candies and products made from cereals, flour, starch; drinks; other food; commercial brokerage agent; entrusting the purchase and sale of goods; agent of buying and selling, consigning goods;</p>
<p>Investment, Construction, Business, Installation, Repair, and Cost Estimation</p>	<p>Investment, construction, business, installation, repair, preparing total cost estimates of civil, industrial and industrial park infrastructure projects, resorts; supervising construction and completion of civil and industrial projects; construction consultancy (not including: construction survey, construction design, construction engineers, construction architects);</p>
<p>Hotels, Villas, or Apartments Providing Accommodation Services</p>	<p>Hotels, villas or apartments providing short-term accommodation services; guest houses and motels providing short-term accommodation services; inns, and similar accommodation facilities; restaurants, food stalls, food and drink.</p>
<p>E-Commerce Services</p>	<p>E-commerce: establishing and operating e-commerce website (excluding website that is directly involved in securities trading) or application to provide e-commerce service, Computer consulting and computer system management.</p>



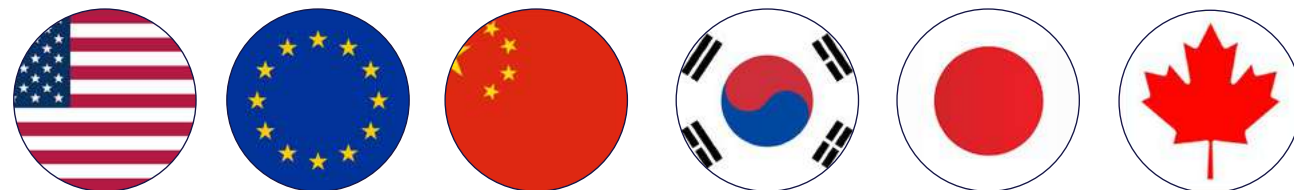


BUSINESS LOCATION

Export revenue accounts for a high proportion of Thanh Cong's total revenue. In 2024, revenue from exports to foreign markets made up 89.29% of total revenue, equivalent to over VND 3,400 billion. For international markets, South Korea had the highest share of Thanh Cong's total revenue (28.27%), followed by the United States (18.74%), Japan (12.93%), Europe (8.29%), China (5.93%), with the remaining share coming from other countries and regions



MAIN EXPORT MARKETS



<p>Thanh Cong Textile Garment - Investment - Trading JSC Business Activities Wholesale and Retail</p>	<p>Thanh Cong Textile Garment - Investment - Trading JSC Distribution Market Share Domestic and Abroad</p>	<p>5 branches and business locations</p>
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In addition to distribution through direct sales channels, Thanh Cong also utilizes other channels such as the trade channel. In the 2024 year-end summary, revenue from traditional sales channels reached VND 3,809.94 billion, accounting for 99.99%. Revenue from the trade channel reached VND 514 million, accounting for 0.01%.

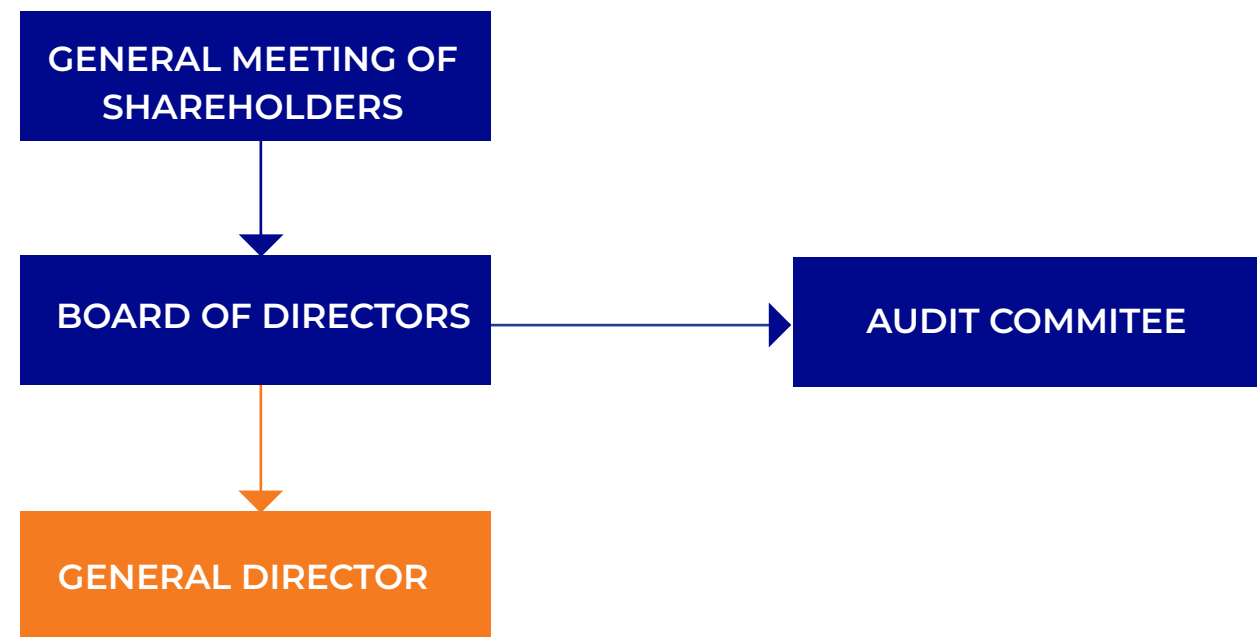
Offline
Customers who conduct direct transactions with the Company

Online
Through the e-commerce channel operated by the subsidiary - TC Commerce





GOVERNANCE MODEL




Thanh Cong Textile Garment - Investment - Trading Joint Stock Company operates under a management model built and organized according to the current Law on Enterprises, which includes:

<p>General Meeting of Shareholders</p>	<p>Including all shareholders with voting rights. This is the supreme regulatory body of the Company.</p>
<p>Board of Directors</p>	<p>Is the decision-making body of the Company with the right to be on behalf of the Company to decide all issues related to the Company's operation except the issues under the power of the General Meeting of Shareholders. The number of the BoD members of the Company are 09 members, of which 03 persons are independent members and 03 members are non-executive</p>
<p>Audit Committee</p>	<p>Is an Internal Auditing Board under the Board of Directors of which the name was changed according to the Resolution no. 01/2019/NQ-DHCD dated April 12, 2019 of the Annual General Meeting of Shareholders 2019. The AC's tasks are to support the Board of Directors in oversight the financial reporting process, internal control system, auditing process and Company's processes in its compliance with the regulations of laws and business ethical rules. Number of the members of the AC are 03 persons, all of whom are independent members of the Board of Directors.</p>
<p>Board of Management</p>	<p>Is the managing body of the Company and responsible for implementing all given rights and tasks under decisions of the Board of Directors. Number of the BoM members includes 03 members, including 01 General Director, and 01 Deputy General Director and 01 Chief Finance Officer.</p>



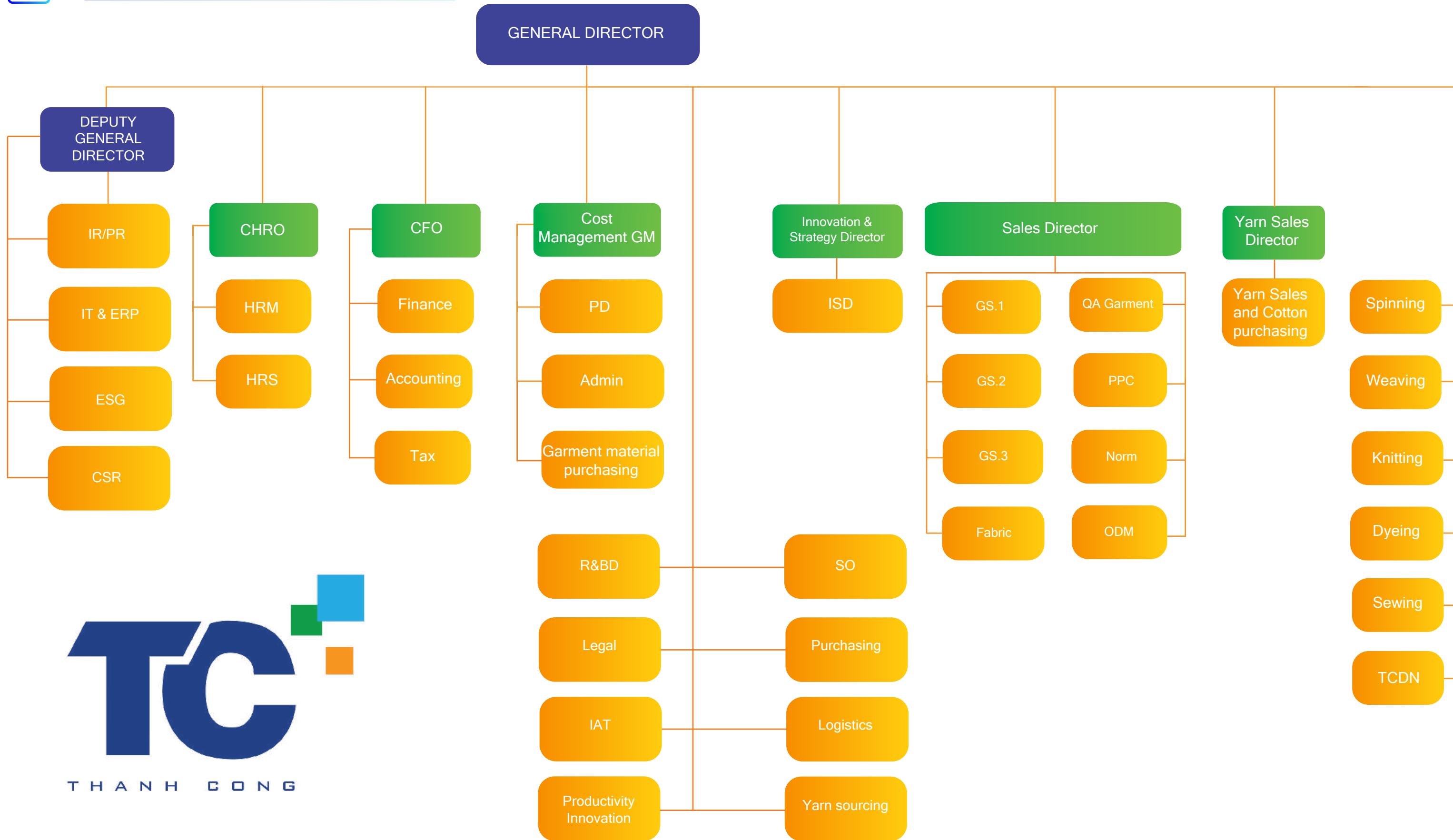
HEAD OFFICE
 36 Tay Thanh, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City, Vietnam


03
 Subsidiaries


02
 Affiliated Company



MANAGEMENT STRUCTURE





SUBSIDIARY, AFFILIATE COMPANY



TC Tower Company Limited

TC 1 PROJECT



TC Commerce Company Limited



Thanh Cong Medical Center JSC



Thanh Phuc Investment Construction Corporation



Vung Tau Golf Tourism JSC

SUBSIDIARY

TC Tower Company Limited

Address	37 Tay Thanh, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City, Vietnam
Main Business Activities	Real estate business
Charter Capital (VND)	372,320,000,000*
Ownership	100%

TC Commerce Company Limited

Address	911 Truong Chinh, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City
Main Business Activities	E-commerce trading platform services
Charter Capital (VND)	12,000,000,000
Ownership	100%

Thanh Cong Medical Center JSC

Address	36 Tay Thanh, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City
Main Business Activities	Providing medical checking and outpatient treatment (general medical clinic), pharmaceuticals, and medical equipment trading
Charter Capital (VND)	21,700,000,000
Ownership	70.94%

*Data updated as of March 2025

AFFILIATE COMPANY

Thanh Phuc Investment Construction Corporation

Address	36 Tay Thanh, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City
Main Business Activities	Construction and project management
Charter Capital (VND)	7,000,000,000
Ownership	23.79%

Vung Tau Golf Tourism JSC

Address	536/19 Nguyen An Ninh, Nguyen An Ninh Ward, Vung Tau City, Ba Ria - Vung Tau Province
Main Business Activities	Providing tourism and entertainment services
Charter Capital (VND)	29,384,234,785
Ownership	29.61%

DEVELOPMENT ORIENTATION

THE COMPANY'S MAIN OBJECTIVES

With nearly 50 years of experience in the market, Thanh Cong Textile Garment - Investment - Trading Joint Stock Company has achieved many proud milestones and significant development achievements thanks to its continuous creative transformation efforts. Throughout its development journey, Thanh Cong has constantly innovated, adapted to challenges, and received strong commitment and contributions from the leadership team and all employees. These factors have built a sustainable development foundation, helping the Company maintain and affirm its position as one of the leading enterprises in the textile and garment industry, making an important contribution to Vietnam's economic growth. To continue expanding in both domestic and international markets, Thanh Cong has set specific goals for 2025 as follows:

01

Continue to accelerate product research and development through Research & Business Development (R&BD) activities. Thanh Cong is pursuing a strategy of faster production at lower costs, aiming for sustainable products based on customer demand and global fashion trends.

02

Strengthen research on recycled products and those derived from natural, eco-friendly sources, while also striving to find solutions to reduce negative environmental impacts and use resources and energy efficiently, balancing business objectives with social responsibility and promoting sustainable development.

03

Focus on transforming the management approach, optimizing the application of digitalization in production and business activities to improve efficiency, competitiveness, and enhance product value within the value chain.

04

Continue to diversify and expand export markets, seeking and tapping into new markets and customer segments. Leverage the advantages of free trade agreements to quickly access markets like the UK, Canada, Australia, and the EU,...

05

Implement retail fashion activities in the domestic market through the online sales channel of the subsidiary - TC Commerce, starting with the WHO.A.U brand - a popular fashion brand in the South Korean market owned by E-Land Group, with plans to expand to other brands.





MEDIUM AND LONG-TERM DEVELOPMENT STRATEGIES

MEDIUM-TERM STRATEGIES

Thanh Cong has set a strategic goal to become the leading ODM (Original Design Manufacturing) manufacturer in Vietnam by 2030, integrating digital transformation. To achieve this, the Company is focusing on strengthening its brand research and development efforts through the R&BD department, with the goal of creating products with a unique identity and high quality that meet customers' desire for "beautiful clothing." In addition, in line with the trend toward sustainable development, Thanh Cong is intensifying its research into recycled products and those derived from natural, eco-friendly sources. At the same time, taking advantage of trade agreements and the existing closed-loop production process, Thanh Cong has the opportunity to expand more strongly in the international market. To support this, the Company has partnered with the Korea Textile and Apparel Testing Institute (KOTITI Global) as its product quality testing partner. To date, Thanh Cong has developed three types of recycled materials—Polyester, Viscose, and Cotton—and received environmental certifications (EU ECOLABEL) and sustainable development certifications (Sustainable Apparel Coalition).

Regarding operations, the Company is committed to redesigning its business processes (BPR - Business Process Re-engineering) across the entire value chain, aiming to improve the average productivity per employee, simplify internal communication processes, and reduce overall Company costs. Additionally, the Company is actively seeking quality raw materials at competitive prices, closely monitoring raw material consumption at the factory, reducing the rate of production for replacement orders, and developing a production model with the ability to forecast cotton market trends to devise appropriate cotton procurement strategies. Thanh Cong is also focused on improving production efficiency by applying digital technology in management: the new ERP system (Enterprise Resource Planning) has been built and developed with the aim of connecting with the production management system - customer order system, which helps accelerate the exchange and receipt of information between the Company and its customers. At the same time, the Company is investing in upgrading the ERP

system to standardize technical requirements and customer specifications for each market and specific customer. This system will promptly provide alerts during production, allowing the Company to quickly address issues, reduce processing time, and minimize the need for corrective actions on defective orders after delivery, thereby saving costs and maximizing profits.

In terms of human resources, the Company is restructuring its workforce, particularly in indirect departments, with the principle of "right person - right job" to speed up work processes, improve work efficiency, and simplify unnecessary procedures to better satisfy customers' increasing demands.

In the real estate sector, Thanh Cong has made significant progress with the TC Tower project at 37 Tay Thanh, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City. The subsidiary - TC Tower - responsible for the project has officially signed a partnership with DBFS for legal procedures and design services to request investment approval for the project. The next step will be to proceed with signing contracts to obtain building permits and begin construction and distribution. The Company has also actively prepared funding and completed internal procedures, including approval from the General Meeting of Shareholders for the large-scale investment project in accordance with the regulations of the Charter and the law.

LONG-TERM STRATEGIES

On the international market, from the proposed Carbon Tax by the European Union to regulations on the recycled content of goods, the trend towards a circular economy and the lifewear philosophy in fashion show that the world is actively working towards the goal of sustainable development. In line with this trend, Thanh Cong is focused on comprehensive sustainable development across many aspects, such as: continuing to increase resources in the sewing sector combined with distribution and retail, striving to develop policies that retain current workers while attracting new labor, and ensuring that there is always enough manpower to serve the entire factory.

In addition, the Company collaborates with VITAS and international organizations such as the World Wide Fund for Nature (WWF), International Finance Corporation (IFC), and the Institute for Development Studies (IDS) on sustainable development and the responsible commitment to compliance, transparency, and fairness in all transactions with stakeholders.

On the other hand, the Company continues to invest in R&BD to take advantage of tax incentives from free trade agreements, thanks to the trend of "localizing raw materials" and "greening" products, while developing new products to enhance its brand presence in international markets.

Regarding orders and products, currently, 95% of Thanh Cong's orders are self-sourced, indicating that the Company has progressed from being a simple contract manufacturer with CMPT orders to becoming more independent in providing textile and garment products. In the future, the Company strives to add value to each order, exploring higher-level methods such as ODM (Original Design Manufacturing) or OBM (Own Brand Manufacturing). In terms of quality, Thanh Cong collaborates with KOTITI Global to conduct quality checks for high-demand orders, such as orders for Japan, with a zero-tolerance quality standard. At the same time, the Company is improving its internal quality assessment process by specializing personnel for each customer and market, as well as regularly providing training to enhance skills, professionalism, and expertise for quality evaluators.

In addition to focusing investments on the core sector of garment manufacturing, Thanh Cong is also continuing to invest in and expand production and research for the textile and dyeing sectors. The goal of this investment is to meet the Company's fabric needs while also catering to the needs of domestic customers after the CPTPP and EVFTA agreements are signed. Furthermore, the Company is focusing on replacing dyeing plant machinery with advanced, eco-friendly technology that helps minimize wastewater discharge, contributing to Thanh Cong's sustainable development goals.



SUSTAINABLE DEVELOPMENT GOALS

For Thanh Cong, with the motto "Serve to Lead" in addition to business activities aimed at optimizing efficiency and ensuring benefits for stakeholders, the Company's leadership always emphasizes sustainable development policies to protect the environment and contribute positive value to the community and society. Specifically, the Company has identified:

- 01 ❖ **Towards a Circular Economy and Sustainable Development in the Textile Industry:** Thanh Cong has been gradually concretizing its action goals in its production and business activities based on the 3R principles: Reduce, Reuse, and Recycle. Through two strategies: the product strategy and the strategy to minimize environmental impact:
 - o Product Strategy:* Focus on investing in and developing the Research & Business Development (R&BD) Center, researching eco-friendly product lines made from recycled materials (plastic bottle shells, old clothes) and bio-based materials (derived from sugarcane, corn, natural wood, and seaweed, etc.).
 - o Environmental Impact Reduction Strategy:* Efforts to find solutions for the efficient use of input resources (materials, energy, water) and control of output factors (wastewater, waste, emissions). The Company ensures strict compliance with legal regulations related to environmental protection during its operations. It also ensures that the discharge process is in accordance with regulations, without causing pollution or affecting the surrounding community near Thanh Cong's factories.
- 02 ❖ **"Employees as the foundation"** Thanh Cong recognizes the importance and value of its employees, always focusing on building policies to care for the physical and spiritual life of all employees through four main policies: fair recruitment, professional training, transparent compensation and benefits, and a friendly working environment. From there, the Company strives to retain the current workforce and attract new labor.
- 03 ❖ **Corporate Social Responsibility (CSR)** CSR is a program that Thanh Cong has maintained over many years, even during challenging periods due to the Covid-19 pandemic, with many activities implemented and organized periodically. In recent years, in addition to actively participating in activities called for by local authorities and associations to support the community, the Company also organizes its own programs and activities to demonstrate care and share responsibility with local areas where the Company's headquarters and factories are located. The Company's CSR activities provide practical funding and support to local communities and people in need, with the hope of promoting the development of social life in the areas where the Company operates. The Company's CSR activities aim for the following objectives:
 - o Long-term social responsibility commitment:* Aiming for sustainable development, balancing business interests with contributions to the community.
 - o Support for vulnerable groups:* Maintaining programs to help orphaned children, people with disabilities, and disadvantaged families.
 - o Enhancing education and training:* Continuing to implement scholarship programs and providing means of transportation for education.

SUSTAINABLE
DEVELOPMENT GOAL
OF THE COMPANY



RISK FACTORS

RISK MANAGEMENT PROCESS



KEY RISKS

- 01 Economic Risk
- 02 Exchange rate Risk
- 03 Interest rate Risk
- 04 Competitive Risk
- 05 Labor Supply Risk
- 06 Legal Risk

With a global network of operations and serving millions of consumers both domestically and internationally, Thanh Cong has been facing not only opportunities but also risks and challenges from macroeconomic conditions both within the country and abroad, along with fluctuations in raw material prices, changes in international trade policies, competitive pressure from global rivals, and geopolitical instability. To minimize the negative impact on business results and production activities, the Company always proactively updates and implements risk management policies to anticipate fluctuations and develop appropriate strategies. Currently, the leadership has implemented a 6-step risk management process, which helps identify, assess, and propose effective solutions for each type of risk. This process includes:

1. Identifying risks:

Determining the origin and influence of various types of risks on the Company's production and business performance through analysis and market research conducted in each segment of its business.

2. Analyzing risks:

Analyzing the degree of influence and frequency of risk occurrence on both quantitative and qualitative perspectives.

3. Considering the priorities of risks:

Ranking and prioritizing risks based on risk assessment criteria established on many aspects, including quantitative and qualitative perspectives.

4. Handling risks:

Defining plans to handle risk, assessing, and picking the optimal solution for each respective type of risk. Simultaneously seeking and seizing opportunities, turning threats into opportunities to develop.

5. Monitoring risks:

Conducting continuous reviews to ensure the appropriateness and effectiveness of risk management plans.

6. Communicating and consulting risks:

Organizing communication activities, training sessions to raise awareness and enhance experience among the employees about the types of risks having been exposed; soliciting and consulting risk management opinions from the stakeholders to ensure that no initiatives are left out.



RISK FACTORS

ECONOMIC RISK

The rise in armed conflicts, particularly in the Middle East and Ukraine, continues to create major shocks to energy markets and global supply chains. Tensions in the Middle East, a hub for crucial oil transport routes, increase the risk of supply disruptions, driving up energy prices and directly impacting production costs and global inflation. In Europe, the Russia-Ukraine conflict continues to weaken energy and food flows. Simultaneously, geopolitical fragmentation is becoming more pronounced, with countries strengthening trade protection measures and restricting investment to protect economic interests amid escalating tensions. This trend reduces the effectiveness of the free trade system, stagnates capital and technology flows, and hinders economic growth, especially in countries dependent on exports and foreign investment. As a result, the world economy continues to recover slowly with global growth estimated at 3.2%, and core inflation remains high at 4.2%. In the United States, despite economic growth reaching 2.8% thanks to strong consumer demand and a stable labor market, inflation has shown signs of returning in recent months, slowing the Federal Reserve's rate cuts. Conversely, the Eurozone grew by only 0.8%, with Germany experiencing zero growth due to declines in manufacturing and real estate. China's economy also saw slower growth due to a weakening real estate market and declining consumer confidence. The International Monetary Fund (IMF) warns that medium-term growth is projected to decline to an average of 3.1% over the next five years, much lower than the pre-COVID-19 trend due to escalating trade wars, rising geopolitical tensions, and climate change. In the context of slowing global economic growth, Vietnam's key export markets such as the US, EU, and China have all recorded declines in import demand, directly affecting Vietnam's trade activities. This puts great pressure on export-dependent industries, while posing challenges in maintaining trade surpluses and economic growth.

In 2024, Vietnam overcame challenges and achieved



many remarkable accomplishments. According to the Ministry of Planning and Investment, macroeconomic stability was maintained, inflation was controlled below 4%, and Vietnam's economy had the highest growth rate in ASEAN, with GDP growth reaching 7.09%, exceeding the target of 6% - 6.5% GDP. According to the General Statistics Office, the agriculture, forestry, and fishery sector grew by 3.27%, contributing 5.37%; the industry and construction sector grew by 8.24%, contributing 45.17%, in which manufacturing was a bright spot of the economy with a growth rate of 9.83%; and the service sector grew by 8.21%, contributing 51.11%. Besides, FDI was a highlight of Vietnam's economy in 2024. Vietnam is among the 15 developing countries attracting the largest FDI in the world; FDI attraction in 2024 reached 38.23 billion USD, realized FDI reached 25.35 billion USD, an increase of 9.4%. Vietnam has many free trade agreements, including new-generation free trade agreements, attracting FDI with labor, better electricity connections, and logistics infrastructure.

For Vietnam's textile and garment industry, in 2024, export turnover reached 44 billion USD, an increase of 11.26% compared to 2023, despite the complex and unpredictable global situation. According to the General Department of Customs and the Vietnam Textile and Apparel Association (VITAS), the US remained the largest market with estimated export turnover of 16.71 billion USD, up 12.33% compared to 2023 and accounting for 37.98% of total export

turnover; Japan estimated at 4.57 billion USD, up 6.18%, accounting for 10.39%; the EU estimated at 4.3 billion USD, up 7.66%, accounting for 9.77%; South Korea estimated at 3.93 billion USD, up 10.36%, accounting for 8.93%. Although the results in 2024 remained positive with a high growth rate due to many orders placed, the unit price did not improve or even decreased for some items compared to 2023, according to Vietnam National Textile and Garment Group (Vinatex), which will be a difficulty for businesses in the long term. Besides, the dependence on imported raw materials still makes the textile and garment industry in Vietnam vulnerable to macroeconomic fluctuations. According to Chris Walker, a supply chain expert from the Vietnam Factory Tours program, Vietnam only produces 1% of its cotton fiber, while having to import about 3 billion USD of this material due to climatic conditions and low cultivated area. With input and output significantly affected by the global economic situation, Thanh Cong in particular and the textile and garment industry in general are significantly impacted, such as reduced consumer demand or supply chain disruptions.

SOLUTION:

Therefore, to minimize the impact of the macroeconomic environment on production and business activities, the Company is promoting production capacity enhancement and transitioning from the FOB model to ODM, helping to increase added value. At the same time, Thanh Cong is actively building and strengthening relationships with suppliers and strategic shareholder Eland, enabling access to low-cost goods and large export orders. The Company is also actively undergoing digital transformation and optimizing production processes to improve efficiency and reduce costs. In addition, Thanh Cong closely monitors raw material price fluctuations and adjusts inventory plans appropriately to control input costs. With these synchronized measures, Thanh Cong maintains and continuously enhances its solid position in the face of global economic challenges.

EXCHANGE RATE RISK

In 2024, the VND continued to face devaluation pressure due to the interest rate differential with the USD, and the policy moves of the US Federal Reserve (Fed) remained a key factor affecting the exchange rate. Although the Fed decided to lower interest rates three times from 5% to 4.5% to ease monetary policy during the year, the pace of interest rate cuts tended to slow down as inflation remained high. As a result, the US Dollar Index (DXY) increased sharply, rising from 102 points at the beginning of the year to 108.49 points on 31/12/2024, a 6.36% increase, reaching its highest level in two years, putting significant pressure on exchange rates in many countries, including Vietnam. In fact, the central exchange rate announced by the State Bank of Vietnam on 31/12/2024 reached 24,335 VND/USD, up 1.97% compared to the beginning of the year and the highest level since the central exchange rate mechanism was adopted in 2016. In the interbank market, the closing exchange rate on 31/12/2024 reached 25,485 VND/USD, up 4.31% compared to the beginning of the year. The Fed's monetary policy adjustments have put great pressure on currencies in emerging markets; if the Fed delays interest rate cuts, capital flows may continue to leave the market, putting pressure on the exchange rate. Exchange rate fluctuations not only increase the cost of imported raw materials and production costs when supply still





RISK FACTORS

depends on imports from other countries, but also put great pressure on product price adjustments. This requires the Company to apply flexible business strategies and effectively implement risk management measures to minimize negative impacts from the market and ensure stability in business operations.

SOLUTION:

In 2024, Thanh Cong proactively converted loans from USD to VND, which is an effective exchange rate risk management measure, helping the Company minimize the negative impact of the domestic currency's depreciation. In the context of the VND weakening by more than 4% against the USD, maintaining foreign currency loans could significantly increase financial costs. By converting to VND, the Company not only avoided an exchange rate difference loss equivalent to 1.5 million USD but also took advantage of the lower domestic interest rates in the current period.

Analysis of the Company's foreign exchange sensitivity in the case of a 2% increase/decrease in the Vietnamese Dong exchange rate against the USD. The 2% change percentage is used by the Board of Management when analyzing exchange rate risk and represents the Board of Management' assessment of the possible change in the exchange rate. Foreign exchange sensitivity analysis only applies to the balances of foreign currency monetary items at the end of the period and adjusts the revaluation of these items when there is a 2% change in the exchange rate. If the exchange rate of USD against Vietnamese Dong increases/decreases by 2%, the Company's profit before tax in the period will decrease/increase by 11,618,261,500 VND, respectively (same period in 2023: 2,428,169,833 VND).

INTEREST RATE RISK

According to statistics from the State Bank of Vietnam (SBV), during the first 6 months, both lending and deposit interest rates decreased, with the average lending rate falling to 8.3%/year (down 0.96% compared to the end of 2023) and the average deposit interest

rate falling to 3.59%/year (down 1.08%). However, entering the year-end period, interest rates for various terms increased again due to higher capital demand. In summary for 2024, the deposit interest rate level increased by 0.71%, however, the lending rate still decreased by 0.59% compared to the same period last year. In this context, the Textile and Garment industry aims for an export turnover of about 47-48 billion USD, increasing capital demand from businesses to expand production and upgrade factories to meet the trend of green and sustainable development. However, high interest rates are making it difficult for many businesses to raise capital, forcing them to postpone or cancel investment projects, including expanding production scale, improving facilities, upgrading machinery, and increasing pressure on cash flow. This not only slows down the progress of transitioning to a sustainable development model but also negatively impacts international competitiveness and reduces long-term growth opportunities for businesses.

Interest rate sensitivity

The sensitivity of borrowings to changes in interest rates is reasonably possible within the interest rate range. Assuming other variables remain constant, if the interest rate on floating-rate loans increases/decreases by 200 basis points, the Company's profit before tax for the 12-month period ending on 31/12/2024 will decrease/increase: 15,425,078,211 VND (12-month period ending on 31/12/2023: 13,547,903,768 VND).

SOLUTION:

In 2024, with a debt ratio of 19.80% of total assets, of which short-term debt accounted for 92.27% and long-term debt accounted for 7.73% of total debt, Thanh Cong used mobilized capital to finance production and business activities. Although lending rates remained low, the Company continued to analyze market competition to optimize capital costs through preferential interest rate loans. In fact, in

2024, Thanh Cong became one of 20 representative export enterprises in Ho Chi Minh City to sign a credit contract with Vietcombank under the export support program, taking advantage of flexible USD and VND loan policies. At the same time, the Company developed an appropriate capital financing plan, ensuring a balance of resources for ongoing projects, along with strict financial management to maintain stable working capital to respond to fluctuation risks. The Company is exposed to interest rate risk arising from signed interest-bearing loans. This risk will be managed by the Company by maintaining a reasonable level of borrowing and analyzing market competition to obtain favorable interest rates from appropriate lending sources.

RAW MATERIAL RISK

Cotton is an important input material for the spinning and textile industry in Vietnam. According to 2024 data from the General Statistics Office, Vietnam imports about 1.5 million tons annually, equivalent to about 2.88 billion USD. As the world's third-largest cotton importer, international cotton and yarn prices have a significant impact on businesses in the industry. In 2024, the significant increase in the global cotton supply while demand has not yet improved created much instability, especially causing strong fluctuations in raw material prices. In fact, cotton is a raw material produced only in a few major countries, mainly in the US, Brazil, China, and India, accounting for 70% of global cotton production. In the first half of 2024, international cotton prices fluctuated sharply: after fluctuating around 80-85 cents/lb for a long time, the price soared to over 100 cents/lb in March 2024 due to concerns about supply shortages. However, the price quickly dropped to a low of about 68 cents/lb on 31/12/2024 and is currently stable around this level as countries like the US, Brazil expand production capacity and global cotton demand remains weak in

2024. In addition, due to the specific nature of domestic fabric sources meeting only 50% of demand, most Vietnamese enterprises depend on fabric sources from China. In the first 9 months of 2024, Vietnam imported 7.33 billion USD, up 20.4% over the same period in 2023. Next is the Taiwan market, Vietnam imported about 1.14 billion USD in the first 9 months of 2024, up 11.6% over the same period.

Dependence on supply sources from a few countries makes Vietnamese textile enterprises vulnerable to price fluctuations. This risk not only increases production costs, putting pressure on profits, but also limits the ability to plan long-term production. Moreover, price volatility can lead to supply chain disruptions, affecting the fulfillment of international orders and weakening competitiveness in the global market. Therefore, businesses need to develop raw material risk management strategies to minimize the negative impact of raw material price fluctuations. Despite possessing a closed production process and self-sufficiency in many raw materials such as textile, fibers and fabrics, Thanh Cong still has to import cotton as input, making revenue directly affected by fluctuations in global cotton prices.

SOLUTION:

To cope with these risks, the Company has restructured its production strategy, focusing on the final stages of the value chain. Specifically, Thanh Cong proactively reduced production capacity in the yarn segment, which is heavily impacted by cotton prices, while increasing production capacity in the fabric and garment segments, significantly improving gross profit margins. Concurrently, the Company invests heavily in Research and Business Development (R&BD) to create products with environmentally friendly materials, including recycled products and bio-materials. This not only reduces dependence on imported raw materials but also meets the trend of sustainable consumption, enhancing brand value and competitiveness in the international market.



RISK FACTORS

COMPETITION RISKS

In 2024, Vietnam's textile and garment industry is the third largest textile and garment exporting power in the world, behind only China and Bangladesh. The domestic market in the past 25 years has also increased from over 300 million USD to about 4.5 billion USD. The trade surplus in 2024 reached 23.5 billion USD, a 134-fold increase compared to 175 million USD in 1999. In 2024, the United States remained the largest export market for Vietnam's textile and garment industry with an estimated export turnover of over 16.71 billion USD, an increase of 12.33% and accounting for 37.98% of total export turnover. The next largest import markets are Japan, the EU, South Korea, China, and ASEAN. In recent years, thanks to the Vietnamese government's international integration process, the shift in the supply chain has created growth potential for Vietnam's textile and garment industry. However, this also poses higher requirements for quality and cost optimization for domestic enterprises.

In terms of cost, Vietnam has to compete with countries like Bangladesh, India, and Cambodia, and in terms of quality, Vietnam has to compete with China. Specifically, domestic enterprises are under pressure to optimize costs due to the average salary of textile workers being around 400 USD, higher than the global average of 200 USD, and many times higher than the wages in India and Bangladesh. Moreover, from 01/07/2024, the regional minimum wage for workers was adjusted to increase by about 6%, increasing the pressure of price competition for Vietnamese textile and garment enterprises. In terms of quality, Vietnam's textile and garment industry has not yet reached a higher level in the value chain as the proportion of garment exports under the CMT method still accounts for the majority, about 65%. Meanwhile, the net profit margins of CMT, OEM/FOB, ODM, and OBM (Original Brand Manufacturing) are only 1-3%, 3-5%, 5-7%, and over 10%, respectively. Compared to countries like China, which have long been ODM and OBM manufacturers. In addition, the textile and garment industry in general and

Thanh Cong in particular must improve environmental protection standards. Specifically, Vietnam's textile and garment industry lacks competitiveness with other textile and garment industries because customers from Europe highly value environmental protection, while other countries such as Bangladesh do very well in this criterion, so they are prioritized by customers. For Vietnam, although in recent years, factories have become more aware of "greening" the factory, the slow pace has led to many missed opportunities with European orders. As of November 2024, Bangladesh has 230 LEED-certified factories, a 50% increase compared to last year. In addition, Bangladesh owns more than 60 of the top 100 LEED-certified factories globally and more than 550 factories are in the process of LEED certification compared to 500 factories in 2023. Compared to Vietnam, only about 62 factories have been LEED certified, mainly FDI enterprises and leading domestic enterprises. Besides, the emergence of e-commerce has led to the participation of many famous international fashion



brands and changes in consumer behavior, making the competition in the industry increasingly fierce. This puts pressure on traditional textile and garment enterprises to digitally transform, optimize direct sales channels, improve product quality, enhance operational capacity, and build brands.

SOLUTION:

As a leading enterprise in the textile and garment industry, Thanh Cong specializes in comprehensive manufacturing and processing from fiber, yarn, and fabric to garments, knitting, and dyeing, aiming to become an ODM manufacturer in the near future. The Company also builds strong relationships with major international fashion brands such as Adidas, Columbia, New Balance, Eddie Bauer, Sanmar, and strategic shareholder Eland to gain numerous advantages. With extensive experience in the industry, the Company always ensures to meet diverse customer needs with a wide range of designs, while continuously improving product quality and expanding export markets. The Company also regularly organizes training sessions to enhance employee capacity and awards for outstanding employees, thereby strengthening operational capacity and encouraging employee morale. Thanh Cong also continues to exploit tariff advantages from Free Trade Agreements to mitigate tariff impacts. In addition, the Company continuously monitors, updates, and invests heavily in the R&D department to research and develop green products, using recycled materials such as Polyester, Viscose, and Cotton in the production process.

ENVIRONMENT RISKS

As a leading enterprise in the textile and garment industry with a complete value chain from yarn and fabric to garments, the Company is well aware of the environmental impacts that production activities can cause and considers this one of the major challenges requiring strict management. The textile industry consumes a large amount of water, especially in the dyeing and fabric processing stages. If not



well controlled, wastewater can cause pollution, affecting the surrounding ecosystem and community. Therefore, the Company prioritizes investment in advanced wastewater treatment systems, enhances water reuse, and applies less resource-intensive production technologies.

Chemicals used in dyeing and fabric finishing are also a major concern. If not strictly controlled, these chemicals can pollute water sources or cause air pollution through evaporation, affecting human health. Recognizing this, the Company proactively switches to using less polluting dyes and gradually replaces toxic chemicals with safer, more environmentally and human-friendly dyes and chemicals.

Another issue is the amount of solid waste from fabric scraps, excess threads, defective products, and plastic packaging. To limit waste, the Company implements recycling initiatives and improves production processes to optimize input materials. At the same time, the Company also promotes the use of environmentally friendly fabrics such as organic fibers and recycled fibers, reducing dependence on traditional materials that negatively impact the ecosystem.

In addition, energy consumption is also a significant challenge. Textile, dyeing, and garment factories



RISK FACTORS

require large amounts of electricity, leading to significant CO2 emissions. To mitigate this impact, the Company promotes the application of advanced technologies and energy-saving programs. This effort not only helps reduce operating costs but also meets the green standards of the international market, increasing product competitiveness.

RISKS FROM CLIMATE CHANGE

Climate change is posing challenges to the production and business activities of the textile and garment industry - a sector with a complex supply chain and strongly impacted by environmental factors. Climate change can disrupt the supply of raw materials due to extreme weather events such as droughts and floods, directly affecting the production of cotton, fabric, and other materials. This not only leads to supply scarcity but also increases costs due to fierce competition among businesses in the industry. Simultaneously, climate change also affects transportation routes, disrupting shipping lanes and increasing logistics costs.

Operationally, rising ambient temperatures increase energy demands for factory cooling systems, leading to higher production costs. Furthermore, the increasing frequency of natural disasters like storms and floods can damage factories and production equipment, increasing maintenance, repair, and property insurance costs. Moreover, working in high-temperature environments can severely impact worker health, increasing the risk

of workplace accidents due to fatigue and prolonged stress.

Besides the direct impacts on production and business activities, businesses also face increasing pressure from changes in environmental regulations, especially stringent standards related to carbon and wastewater emissions. To comply with these requirements, businesses are forced to increase investment in green production technologies and sustainable development, leading to a significant increase in operating costs. Simultaneously, consumers are increasingly focused on sustainability, environmentally friendly, and human-friendly products, pressuring businesses to adjust their production models to meet green consumption trends. Without appropriate adaptation strategies, businesses risk reduced competitiveness and loss of market share to competitors pioneering green technology innovation. Financially, climate change also causes fluctuations in raw material and energy prices, making it difficult to develop business plans and strategies. In addition, a Company's brand reputation can be negatively affected if it fails to meet environmental standards, even risking export restrictions or losing access to key markets.

SOLUTION:

To mitigate climate change risks, Thanh Cong proactively builds a comprehensive climate

change adaptation strategy, including applying modern production technologies to optimize energy consumption and reduce emissions, enhancing supply chain management capacity to limit disruption risks from natural disasters, and investing in renewable energy sources to reduce reliance on fossil fuels. Furthermore, establishing partnerships with research organizations, regulatory agencies, and supply chain partners will contribute to promoting sustainable development initiatives, ensuring the Company's long-term competitiveness. In the context of a global economy increasingly oriented towards a green development model, proactively adapting to climate change is not only an urgent requirement to mitigate risks but also creates opportunities for businesses to enhance their position, create sustainable competitive advantages, and affirm their pioneering role in the industry.

WORKFORCE RISKS

Entering a period of strong economic recovery after global fluctuations, the textile and garment industry is witnessing an increase in labor demand to meet new orders. However, for many businesses in the industry, recruiting skilled workers remains a major challenge. This stems from various objective and subjective reasons.

The increasing number of factories and industrial zones, especially from FDI inflows, creates fierce competition for recruiting and retaining workers. Foreign enterprises, with abundant financial resources, not only compete for labor but also offer more attractive compensation packages to attract skilled workers. This makes it more difficult for domestic companies like Thanh Cong to retain employees, especially when the disparity in income, benefits, and working environment is increasingly evident. The rapid increase in the number of factories leads to a high recruitment demand; however, the labor supply is insufficient to meet this demand.

Young workers increasingly seek employment in commerce, services, technology, or even freelance



and small business ventures rather than factory jobs. This stems from a desire for more flexible work environments, less time commitment, and higher earning potential. Meanwhile, the textile industry's demanding work conditions and rigorous environment deter many young workers.

Wage growth in textile manufacturing lags behind the rapid increase in living costs. Prices of goods, housing, healthcare, and education continue to rise while worker wages fail to keep pace, creating difficulties for workers. This makes the textile industry less attractive compared to other sectors, accelerating labor migration to industries with stable incomes and better working conditions.

Additionally, Vietnam faces an aging population, leading to a growing scarcity of young workers. According to the General Statistics Office, Vietnam's population will peak at 107 million in 2044 but decline





RISK FACTORS

to 72 million by 2100, resulting in a shrinking young workforce. This puts pressure on businesses as the market demands a flexible, modern, and integrated workforce.

SOLUTION:

In this context, Thanh Cong has implemented various solutions to manage risks and ensure a quality workforce. The Company strengthens its recruitment process, strictly adheres to labor laws, and establishes reasonable welfare policies to attract and retain talent. Besides attractive compensation packages, the Company focuses on training and development through regular training programs and internal competitions, enhancing professional skills by department. Thanh Cong also promotes two-way communication and fosters a positive work environment, motivating and engaging employees. These solutions not only help maintain a quality workforce but also strengthen Thanh Cong's position in adapting to the textile industry's human resource challenges during recovery and sustainable development.

Faced with increasing labor shortages due to production expansion demands, labor migration to the service sector, and slow wage growth in manufacturing, Thanh Cong proactively implements comprehensive solutions to attract and retain employees. Firstly, the Company improves employee benefits. Specifically, Thanh Cong ensures competitive wages and establishes a bonus system based on productivity, seniority, contributions, and business initiatives. Additionally, benefits like extended health insurance, travel expenses, high-quality meals, and childcare allowances enhance employee loyalty. Simultaneously, the Company expands recruitment channels to find talented individuals. Thanh Cong actively collaborates with job centers, vocational schools, training organizations, and promotes online recruitment, utilizing social media and technology platforms for faster and more effective candidate outreach.

Furthermore, Thanh Cong prioritizes building a professional, safe, and friendly work environment. The Company ensures good working conditions, modern factories, adequate protective equipment, and regular healthcare, combined with a transparent corporate culture. Facilitating employee input in work-related decisions also increases satisfaction and long-term commitment.

The Company identifies internal human resource development as a crucial strategy to reduce external recruitment pressure. Therefore, Thanh Cong proactively develops training programs to enhance employee skills and creates promotion opportunities to motivate long-term commitment, such as the annual "Next HODs" training course aimed at building future management teams. Implementing on-site training models and job rotation to broaden worker skills also optimizes human resources and mitigates future labor shortage risks. Overall, by comprehensively implementing these solutions, the Company can limit labor risks, ensuring stability and sustainable development in an increasingly competitive market.

LEGAL RISKS

Amidst increasing export orders, textile and garment enterprises in Vietnam face significant challenges, not only struggling with capital due to delayed payments from international partners, but also confronting trade and legal risks from the rise in disputes. Markets like the US, India, and Australia frequently apply anti-dumping and anti-circumvention measures, especially for products like steel, aluminum, yarn, and wood. In the US alone, there have been 38 anti-circumvention investigations against Vietnam. Furthermore, stringent requirements from major partners like the US and EU are putting significant pressure on export businesses. Green and sustainable development standards are increasingly formalized through policies like the European Green Deal and the Circular Economy Action Plan (CEAP). These regulations aim for net-zero emissions by 2050 and directly impact Vietnam's key export industries, including textiles, garments, and

footwear. The EU's ISPR (Innovative Sustainability and Production Regulations) requires products to have Digital Product Passports (DPP) and restricts the destruction of substandard textile products. This not only risks businesses losing market share but also forfeiting benefits from free trade agreements.

SOLUTION:

Facing these challenges, Thanh Cong has implemented various comprehensive solutions to comply with regulations and adapt to international trends. The Company ensures all business activities strictly adhere to Vietnamese laws, including the Enterprise Law, the Securities Law, and regulations related to the textile and garment industry. Simultaneously, Thanh Cong continuously updates international trade policies and tariffs for each market, especially demanding markets like the EU and the US, to meet import-export requirements. With a spirit of upholding the law, the Company's Legal Department proactively researches and advises on relevant legal regulations, while also establishing internal communication channels to help employees understand and apply the law in their daily work. This not only minimizes legal risks but also enhances legal awareness throughout the enterprise.



ESG RISKS

In a global context increasingly focused on Environmental, Social, and Governance (ESG) factors, complying with international standards and implementing sustainable measures is not only a mandatory requirement but also a crucial strategy for maintaining competitiveness and attracting investment. Particularly for businesses operating in the textile industry, which consumes significant resources and has a considerable environmental impact, effective ESG implementation is key to meeting market demands and ensuring long-term development. Thanh Cong recognizes its responsibility and proactively implements ESG risk management measures to ensure regulatory compliance, enhance operational efficiency, and contribute to sustainable development goals.

ENVIRONMENTAL:

One of the most significant ESG risks for Thanh Cong is water pollution and emissions during production. The textile industry, especially dyeing, consumes large amounts of water and chemicals, putting significant pressure on the environment. Recognizing this, Thanh Cong has invested heavily in a wastewater treatment system with a total investment of 30 billion VND, ensuring that the output wastewater meets QCVN 40:2011/BTNMT and ZDHC standards. The Company also applies water circulation technology to reuse water in the production process, minimizing wastewater discharge into the environment. In addition, Thanh Cong strictly monitors emission indicators and manages chemicals in accordance with legal regulations and customer requirements, ensuring that Thanh Cong's production activities have the least impact on the environment and always comply with environmental protection standards.

SOCIAL:

Socially, the textile industry employs a large number of unskilled workers, but most have low average wages and working conditions that still need improvement. Issues such as overtime work, wages not meeting the minimum living standards, or unsafe working



RISK FACTORS

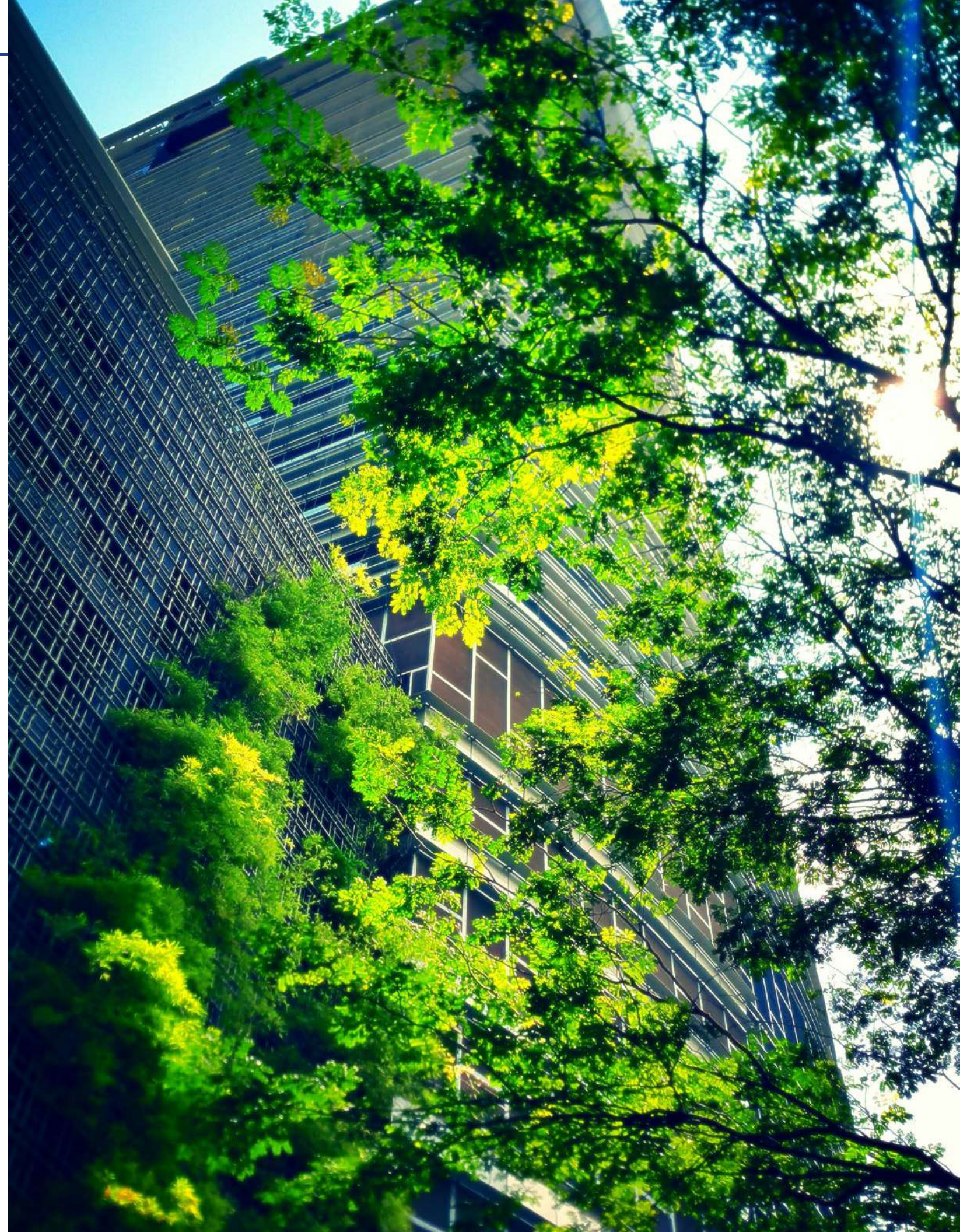
environments still exist in some businesses in the industry. In addition, the trend of labor shifting to higher-income service or industrial sectors makes it difficult for textile enterprises to recruit and retain employees, leading to production disruptions. Besides, the textile industry also faces increasingly stringent requirements from global brands regarding supply chain transparency and compliance with international labor standards. For Thanh Cong, the Company focuses on measures to improve the working environment, enhance employee benefits, and ensure compliance with international standards. Firstly, the Company is committed to improving remuneration by adjusting wages according to the regional minimum living wage, ensuring competitive income to retain employees and attract new personnel. At the same time, the Company applies supporting policies such as insurance, health benefits, and training programs to improve skills and create career development opportunities for workers. In addition, Thanh Cong proactively improves working conditions by investing in modern machinery and applying technology to reduce labor intensity, limit excessive working hours, and ensure a safe working environment. The Company also enhances transparency in the supply chain, strictly adheres to international standards, and always seeks, updates, and improves changes in benefit policies to ensure that working conditions meet standards. This not only helps minimize labor risks but also enhances the Company's reputation in the eyes of customers and global partners, thereby consolidating the Company's position in the textile industry.

GOVERNANCE:

Regarding corporate governance, a poor governance system can erode investor confidence, affecting business value and capital mobilization capacity. Conversely, by committing the Board of Directors and the General Management Board to enhance governance standards, apply best practices, and strengthen internal supervision, Thanh Cong not only increases shareholder value but also creates a solid

foundation for sustainable development in the future. With a commitment to continuous improvement and innovation, Thanh Cong will certainly go further, meeting the expectations of stakeholders and affirming its position in the international market. Specifically, Thanh Cong always ensures that it meets the criteria of transparency and business ethics. The Company is committed to disclosing financial and non-financial information in a clear, honest manner, fully complying with the requirements of regulatory agencies as well as international standards and practices. Managing fraud risks in the supply chain and controlling conflicts of interest are priority tasks to ensure trust from partners, customers, and investors. A transparent governance system not only helps businesses operate more efficiently but also creates a competitive advantage in the global market. In addition, compliance with laws and regulations is always an immutable principle in all of Thanh Cong's activities. The textile industry is subject to strict control over standards in the use of labor, environmental impact, and tax declaration. Maintaining the standards of local and international regulations such as ISO 14001, ZDHC, Higg, WRAP, Smeta, or customer codes of conduct not only helps the Company maintain operational stability but also protects the business's position against legal and financial risks.

With a methodical ESG strategy, Thanh Cong commits to continuously improving environmental, social, and governance performance for sustainable development, enhancing competitiveness, and affirming its position in the textile industry. The Company believes that only by closely linking business interests with the interests of the community and the environment can Thanh Cong achieve sustainable development and create long-term value for future generations.



Chapter 02

OPERATING STATUS FOR THE YEAR

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PRODUCTION AND BUSINESS ACTIVITIES

PRODUCTION AND BUSINESS PERFORMANCE RESULTS FOR THE YEAR Unit: VND Million

No.	Indicator	Year 2023	Year 2024	% Increase/Decrease
1	Net revenue	3,324,825	3,810,451	14.61%
2	Cost of goods sold	2,826,140	3,193,788	13.01%
3	Financial income	82,089	91,514	11.48%
4	Share of profit in associates	987	-	-100.00%
5	Financial Expenses	113.37	64.67	-42.96%
6	Selling Expenses	146.91	154.26	5.00%
7	General and Administrative Expenses	136.94	149.83	9.42%
8	Profit from operating activities	184,550	339,420	83.92%
9	Other profit	4,270	11,008	157.81%
10	Profit before tax	188,819	350,428	85.59%
11	Profit after tax	133,804	278,069	107.46%
12	Earnings per share (VND)	1,211	2,548	110.40%

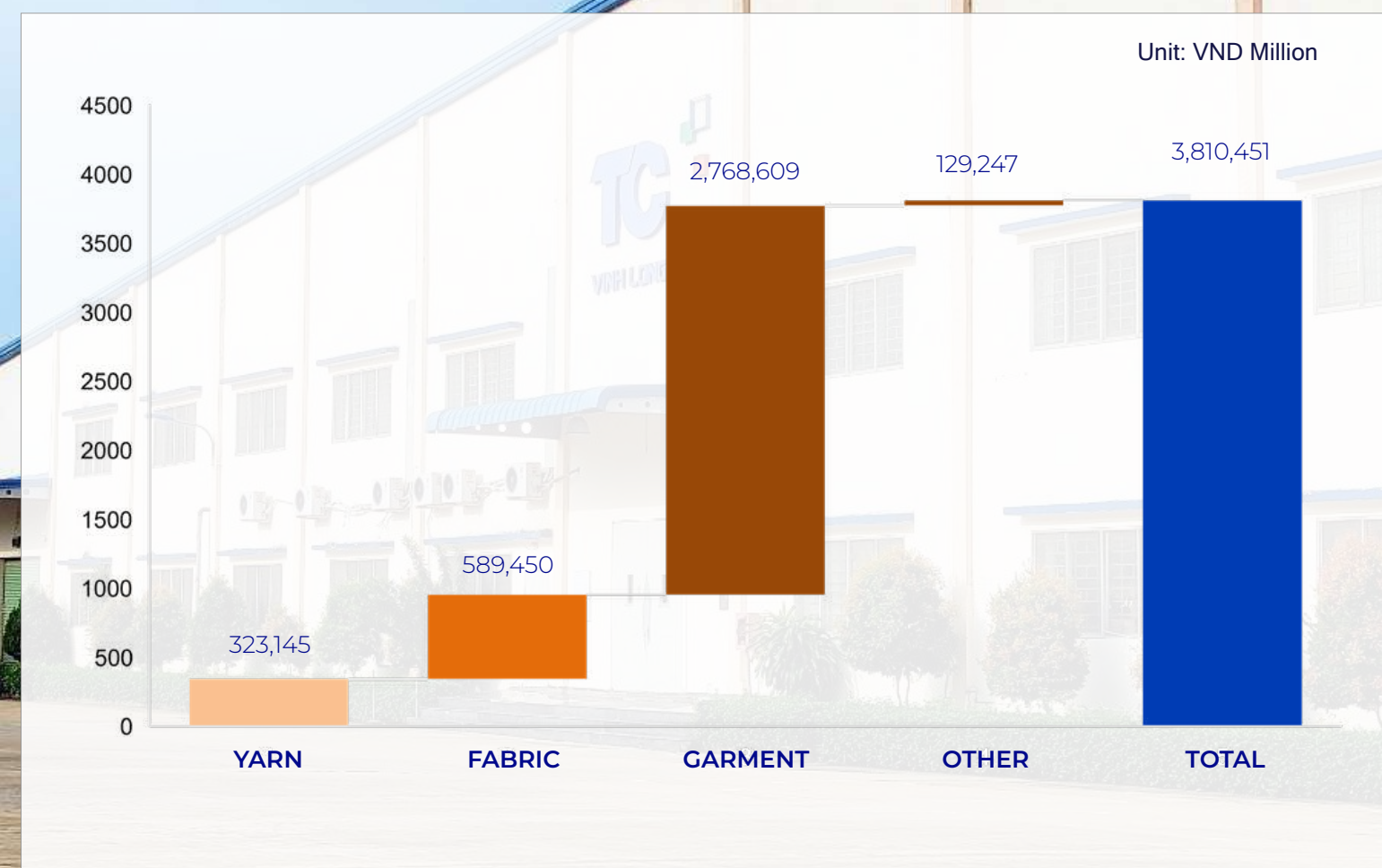
Thanh Cong achieved strong progress in 2024, demonstrated by outstanding business results growth compared to the same period in 2023. This achievement is due to the stability of the management strategy and the ability to adapt flexibly to the market. Specifically, the Company continued to optimize its supply chain and improve cost management efficiency by officially deploying the ERP system after many years of

research. In addition, Thanh Cong also seized export opportunities from international markets. Besides, thanks to its capacity and prestige, the Company also received many incentives from partners' sales policies and many large international orders. Better cash flow and financial management enable Thanh Cong to maintain stability and continue its growth process.

REVENUE STRUCTURE BY PRODUCT Unit: VND Million

Product	2023 Revenue	2024 Revenue	% Increase/Decrease compared to the same period	2023 Revenue Proportion	2024 Revenue Proportion
Yarn	265,225	323,145	21.84%	7.98%	8.48%
Fabric	501,961	589,450	17.43%	15.1%	15.47%
Garment	2,444,106	2,768,609	13.28%	73.51%	72.66%
Other	113,532	129,247	13.84%	3.41%	3.39%
Total	3,324,825	3,810,451	14.61%	100%	100.00%

“ In 2024, Thanh Cong's net profit reached VND 278.07 billion, marking a 14.61% growth



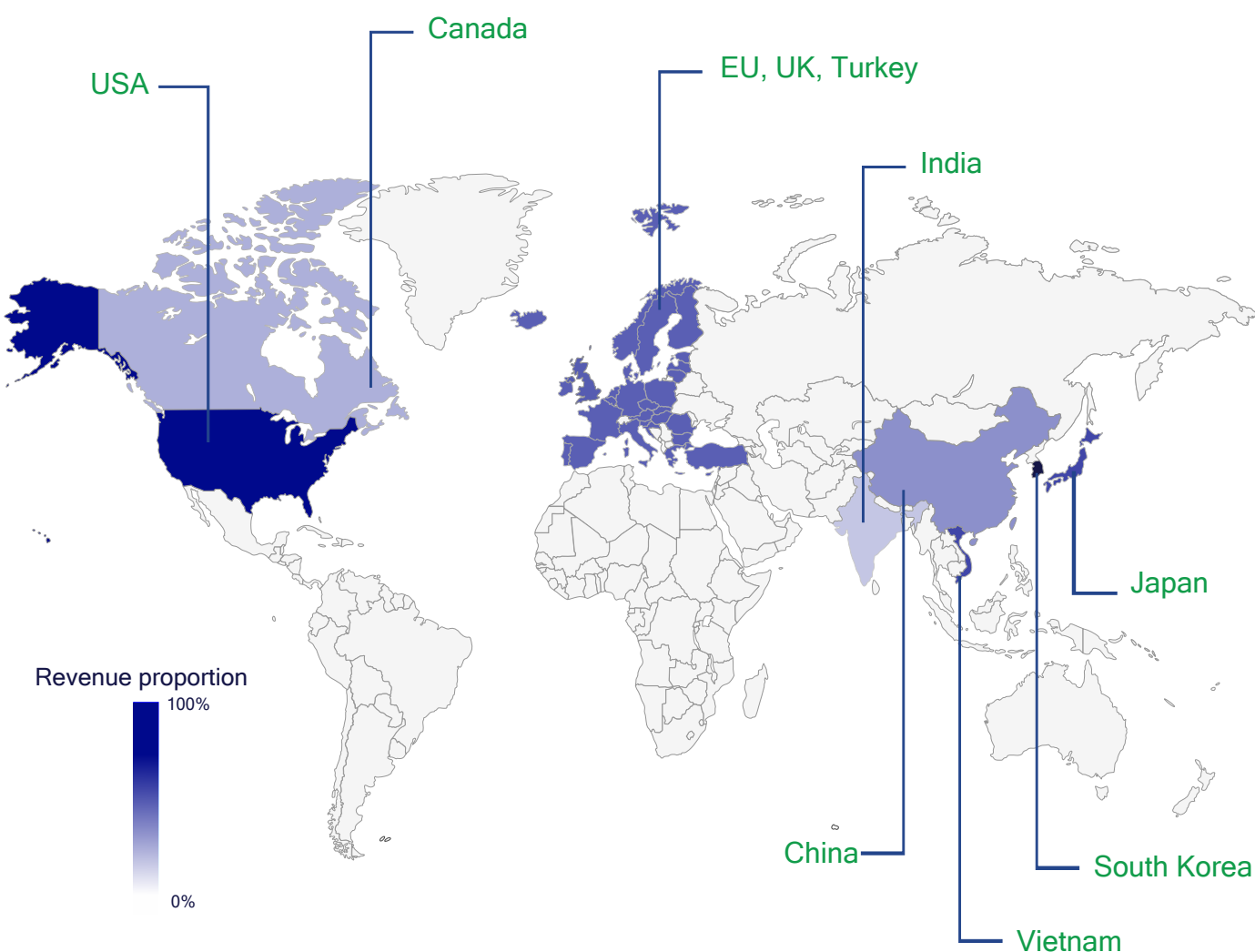


PRODUCTION AND BUSINESS ACTIVITIES

REVENUE STRUCTURE BY MARKET

Unit: VND Million

Markets	2023 Revenue	2024 Revenue	% Increase/Decrease	2023 Proportion (%)	2024 Proportion (%)
Domestic:	386,008	408,116	5.73%	11.61%	10.71%
Overseas:	2,938,816	3,402,335	15.77%	88.39%	89.29%
1. USA	806,069	714,221	-11.39%	24.24%	18.74%
2. Japan	451,233	492,861	9.23%	13.57%	12.93%
3. South Korea	674,284	1,077,101	59.74%	20.28%	28.27%
4. China	196,771	225,843	14.77%	5.92%	5.93%
5. Europe	242,789	315,851	30.09%	7.30%	8.29%
6. Other countries	567,670	576,458	1.55%	17.07%	15.13%
Total	3,324,825	3,810,451	14.61%	100%	100%

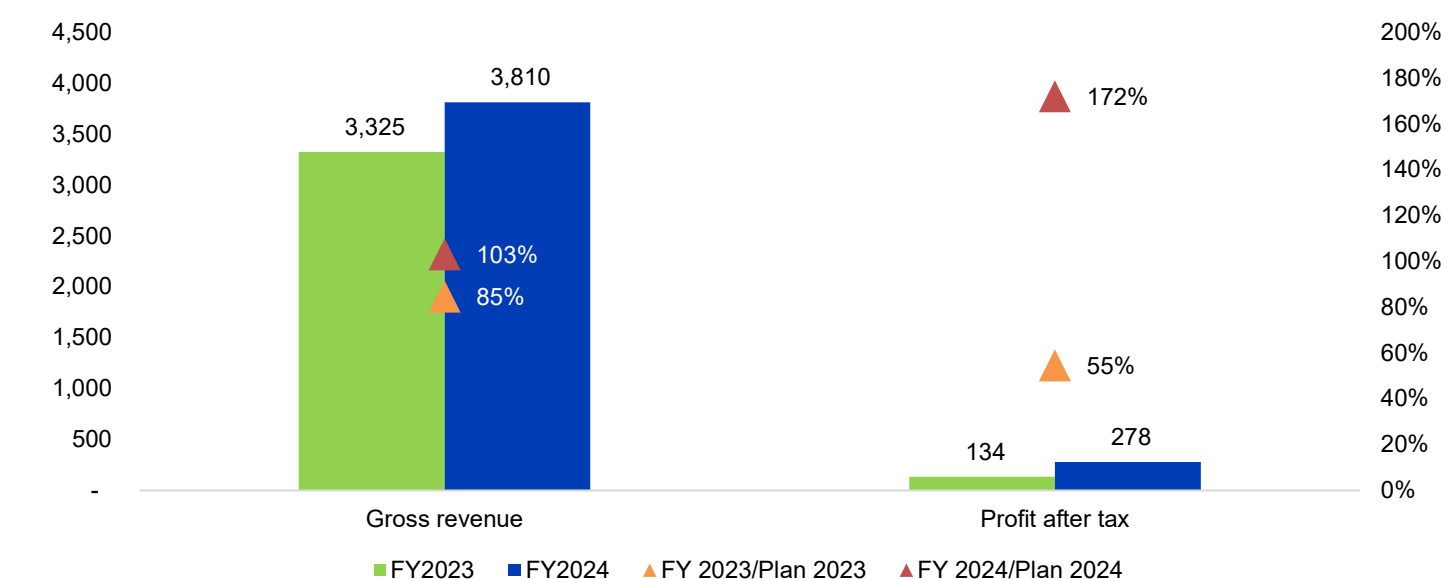


IMPLEMENTATION STATUS COMPARED TO THE PLAN

Unit: VND Million

No.	Indicator	Actual 2023	Actual 2024	Plan 2024	Actual 2024/Plan 2024
1	Net revenue	3,324,825	3,810,451	3,707,428	102.78%
2	Profit after tax	133,804	278,069	161,234	172.46%

Unit: VND Billion



The export market in 2024 experienced impressive growth, with textile and garment export turnover reaching 44 billion USD, an 11% increase compared to 2023, thanks to the global economic recovery. OECD inflation decreased from 5.7% to 5.2%, and the interest rate reduction process from many large economies such as the US, UK, and EU is helping consumer demand recover. In the same year, thanks to positive economic growth results, credit reached a growth milestone of 15%, interest rates were maintained at a low level, and exchange rates were controlled, helping import-export businesses have opportunities to recover and grow.

For Thanh Cong, besides the macroeconomic factors that have become less negative, thanks to appropriate business plans and strategies, the Company has excellently completed its 2024 business objectives. In 2024, the Company's revenue reached 3,810.5 billion VND, a 14.61% increase compared to the same period last year, exceeding the plan by nearly 3%. This is mainly due to the impressive

growth in garment and fabric segments, reaching 15.37% and 21.46% compared to other segments such as yarn and thread, which grew by 9%. Specifically, garment and fabric revenue increased by 376 billion and 108 billion during the year, respectively, contributing about 77.35% and 22.18% to the structure of the increased revenue.

Regarding revenue by market, although the export market in Europe declined somewhat due to weak consumer demand in these two markets, thanks to large orders from South Korean customers such as Parent Company Eland, the Company continued to grow, even during difficult economic times. In addition to impressive revenue growth, the Company operated more efficiently in 2024 in terms of costs. Costs related to business activities, such as financial expenses, selling expenses, and business operating expenses, continued their downward trend, helping the Company's after-tax profit to be higher, reaching 278 billion, a 107.82% increase compared to the same period last year and achieving 172% of the plan.

Mr. Song Jae Ho

General Director
Member of the Board of Director

Gender	Male
Year of Birth	1977
Nationality	Korean

Qualifications:

Bachelor of Textile Engineering



❖ WORKING EXPERIENCE:

- 05/3/2024 to present: CEO of Thanh Cong Textile Investment Trading Joint Stock Company;
 - 01/12/2023 – 04/3/2024: Chief Executive Officer of Thanh Cong Textile Investment Trading Joint Stock Company;
 - 01/01/2023 – 30/11/2023 Supply Chain Manager at Eland Global LLC;
 - 01/04/2017 – 31/12/2022: Production Manager at Eland Fashion India LLC;
 - 01/12/2014 – 31/3/2017: Production Manager at Eland Fashion India LLC;
 - 01/01/2013 – 30/11/2014: May Sector Director at Thanh Cong Textile Investment Trading Joint Stock Company.
- ❖ Individual holding: 1 share
 - ❖ Representative holding: 0 share
 - ❖ Position in other organizations: Member of the Board of Directors of Savimex Corporation.

Mr. Tran Nhu Tung

Chairman of the Board of Director
Deputy General Director

Gender	Male
Year of Birth	1973
Nationality	Vietnamese

Qualifications:

Master of Business Administration
Bachelor of Information technology



❖ WORKING EXPERIENCE:

- 11/2019 - Present: Deputy General Director, Chairman of the Board of Directors of Thanh Cong Textile Garment Investment Trading. Joint Stock Company;
 - 06/2018 - 10/2019: Real estate and Investment Director of Thanh Cong Textile Garment Investment Trading. Joint Stock Company;
 - 09/2014 - 05/2018: Investment and Investor Relations Director of Thanh Cong Textile Garment Investment Trading. Joint Stock Company;
 - 2012 - 08/2014: Investment and Investor Relations Head of Thanh Cong Textile Garment Investment Trading. Joint Stock Company;
 - 2010 - 2012: Head of Strategy Division of Thanh Cong Textile Garment Investment Trading. Joint Stock Company;
 - 2008 - 2009: Head of IT Division of Thanh Cong Textile Garment Investment Trading. Joint Stock Company.
- ❖ Individual holding: 93,276 shares, accounts 0.09% of charter capital
 - ❖ Representative holding: 0 share
 - ❖ Position in other organizations:
 - General Director cum President of the Member Council of TC Tower Company Limited;
 - President of the Member Council of TC Commerce Company Limited.

Mrs. Nguyen Minh Hao

Chief Financial Officer
Member of the Board of Director
Authorized Disclosure Representative

Gender	Female
Year of Birth	1973
Nationality	Vietnamese

Qualifications:

Master of Business Administration in Finance - Columbia Southern University - the United States
Bachelor of English - Quy Nhon University
Bachelor of Credit and Accounting - Banking University of Ho Chi Minh City



Mrs. Pham Thi Thanh Thuy

Chief Accountant

Gender	Female
Year of Birth	1976
Nationality	Vietnamese

Qualifications:

Bachelor of Economics



❖ WORKING EXPERIENCE:

- 07/2021 - present: Chief Financial Officer of Thanh Cong Textile Garment Investment Trading. Joint Stock Company;
- 04/2010 - present: BoD member of Thanh Cong Textile Garment Investment Trading. Joint Stock Company;
- 02/2010 - 03/2022: Chief Accountant of Thanh Cong Textile Garment Investment Trading. Joint Stock Company;
- 2009 - 2010: Head of Investment and Development Department of Thanh Cong Textile Garment Investment Trading. Joint Stock Company;
- 1995 - 2009: Quy Nhon Forest Planting Company Limited.
- ❖ Individual holding: 0 share
- ❖ Representative holding: 0 share
- ❖ Position in other organizations:
 - Member of the Board of Members of TC Commerce Company Limited;
 - Chief Financial Officer of TC Tower Limited Company.

❖ WORKING EXPERIENCE:

- 03/2022 - present: Chief Accountant of Thanh Cong Textile Garment Investment Trading. Joint Stock Company;
- 2008 - 03/2022: Deputy head of Accounting Department of Thanh Cong Textile Garment Investment Trading. Joint Stock Company;
- 1996 - 2008: Thanh Cong Textile Garment Investment Trading Joint Stock Company .
- ❖ Individual holding: 0 share
- ❖ Representative holding: 0 share
- ❖ Position in other organizations: Head of the Inspection Committee, Thanh Cong Medical Center Joint Stock Company.



ORGANIZATION AND HUMAN RESOURCES

CHANGES IN THE BOARD OF MANAGEMENT IN 2024

On Jan 11th, 2024, the Board of Directors approved the resignation letter of Deputy General Director Mr. Song Jae Ung. On Mar 5th, 2024, the Board of Directors approved the resignation letter of the General Director, the legal representative of the Company - Mr. Jung Sung Kwan. At the same time, Mr. Song Jae Ho was appointed as General Director, and legal representative of the Company from this date.

NUMBER OF EMPLOYEES

As of Date 31/12/2024, the number of employees:

No.	Criteria	Quantity in 2023	Proportion in 2023	Quantity in 2024	Proportion in 2024
I.	By qualification	5,552	100.00%	5,798	100.00%
1.	Bachelor's degree and above	356	6.41%	396	6.83%
2.	College, professional secondary level	313	5.64%	323	5.57%
3.	Elementary and Technical Workers	4,651	83.77%	4,580	78.99%
4.	Unskilled Labor	232	4.18%	499	8.61%
II.	By Gender	5,552	100.00%	5,798	100.00%
1.	Male	1,951	35.14%	2,124	36.63%
2.	Female	3,601	64.86%	3,674	63.37%
III.	By Labor Contract Term	5,552	100.00%	5,798	100.00%
1.	Short-term contract under 1 year	62	1.12%	76	1.31%
2.	Fixed-term contract from 1 to 3 years	1,364	24.57%	1,650	28.46%
3.	Indefinite-term contract	4,126	74.32%	4,072	70.23%
Total		5,552	100.00%	5,798	100.00%

Target	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024
Total number of employees (people)	7,002	6,720	6,625	5,552	5,798
Average income (VND/person/month)	11,400,000	11,085,449	11,513,000	11,444,000	11,930,000

Human resources policies

For Thanh Cong, the most important and valuable resource contributing to the sustainable and long-term development of the Company is the workforce. Therefore, the Company always respects and cherishes all employees for their great contributions to the formation and development of Thanh Cong.

Working environment

At Thanh Cong, employees work in a safe and healthy environment. The Company always provides adequate protective equipment for employees, regularly checks the dust level in the air, the elevator system, and the fire protection system at the factories are also periodically maintained to detect and repair promptly, avoiding dangerous technical incidents that may occur causing damage to people and property. In addition, the Company also invests in and equips additional sports rooms, Gym, Yoga, outdoor playgrounds, cafes (Way Coffee), canteens, medical rooms, breakfast areas (Way Garden)... ensuring to meet the living needs and a dynamic working environment for the workforce, helping employees always feel comfortable when going to work, thereby promoting their full potential, contributing to the overall development of the Company. In addition, in 2024, the Company implemented the Winning Lounge project. Conceived at the end of 2023 and completed on Date 13/03/2024 Winning Lounge is a multifunctional complex including a meeting room, pantry and open space to welcome guests. With a modern design and lots of greenery, this is not only a workplace but also a "spiritual gift" to encourage the team after a challenging 2023.

Salary, bonus and benefit policies

In 2024, the Company continued to implement salary, bonus and benefit policies to improve employee lives, create work motivation and retain talent. The Company constantly evaluates, adjusts and optimizes the compensation system to ensure competitiveness and suitability with labor market trends. The salary and bonus policy is built transparently, linked to productivity and work efficiency, helping to accurately assess capacity and encourage employee dedication. In addition, the Company is committed to ensuring fairness in the benefit regime, non-discrimination, supporting employees in difficult circumstances and building a clear income roadmap. Besides salary and bonus policies, the Company also pays special attention to the spiritual life of employees. Internal activities such as anniversaries and bonding events are held regularly, creating a space for exchange and enhancing team spirit. In addition, the regime of visiting employees when they are sick, giving birth, or bereaved is also implemented by the Company to show concern for the personal lives of employees. This support not only helps reduce the financial burden but also strengthens the bond between the Company and its employees.





INVESTMENT STATUS AND PROJECT IMPLEMENTATION PROGRESS

MAJOR INVESTMENTS

Investment sectors the Company has engaged in during 2024:

Unit: Dong

Unit	2024 Investment Value (VND)
Spinning	5,136,694,320
Weaving	8,743,224,079
Knitting	950,130,160
Dyeing	10,610,720
Sewing (Including Vinh Long factory, Trang Bang factory)	13,771,927,072
Company Office	20,283,616,915
Company Office (Thanh Cong - Dong Nai)	5,436,907,294
Dyeing (Thanh Cong - Dong Nai)	127,907,494,228
Sewing (Thanh Cong - Dong Nai)	815,813,021
Weaving (Thanh Cong - Dong Nai)	59,673,648,112
Total	242,730,065,921

OTHER LONG-TERM INVESTMENTS

As of 31/12/2024, the status of the Company's other long-term investments is as follows:

Unit: Dong

Other Investment and Capital Contribution Units	Book Value of Investment	Fair Value (31/12/2024)
Viet Thang Corporation	125,000,000	172,725,000
Thang Loi Textile Garment JSC	1,576,000,000	(*)
Hue Textile Garment JSC	793,000,000	4,608,825,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam	2,449,600,000	5,880,120,000

(*) As of 31/12/2024, the Company has not yet determined the fair value of these financial investments because the businesses are not listed on the market. The fair value of these financial investments may differ from the book value

INVESTMENT STATUS AND PROJECT IMPLEMENTATION PROGRESS



COMPANY'S SUBSIDIARIES AND AFFILIATED COMPANIES

Unit: VND Million

COMPANY'S SUBSIDIARIES

Unit: VND Million

Thanh Cong Medical Center Joint Stock Company

Indicator	Year 2023	Year 2024	% 2024/2023
Total Assets	49,281	54,219	110%
Net Revenue	66,022	72,205	109%
Cost of Goods Sold	45,689	49,982	109%
Financial Activities Revenue	1,729	1,489	86%
Selling, General and Administrative, and Financial Expenses	14,443	15,547	108%
Profit from Operating Activities	7,619	8,165	107%
Other Profit	311	372	120%
Profit Before Tax	7,930	8,537	108%
Profit After Tax	6,344	6,830	108%

Unit: VND Million

TC Tower Company Limited

Indicator	Year 2023	Year 2024	% Increase/Decrease
Total Assets	137,111	148,766	109%
Selling, General and Administrative, and Financial Expenses	20	104	520%
Profit from Operating Activities	-20	-102	510%
Other Profit	0	0	0%
Profit Before Tax	-20	-102	510%
Profit After Tax	-20	-102	510%

TC Commerce Company Limited

Indicator	Year 2023	Year 2024	% Increase/Decrease
Total Assets	12,487	11,669	93%
Net Revenue	362	4,477	1,237%
Cost of Goods Sold	91	1,466	1,611%
Financial Activities Revenue	23	22	96%
Selling, General and Administrative, and Financial Expenses	5,116	7,518	147%
Profit from Operating Activities	-4,822	-4,485	93%
Other Profit	98	-2	-2%
Profit Before Tax	-4,724	-4,487	95%
Profit After Tax	-4,724	-4,487	95%



FINANCIAL STATUS

Unit: VND Million

No.	Indicator	Year 2023	Year 2024	% Increase/Decrease
1	Total Asset Value	3,279,364	3,895,534	18.79%
2	Net Revenue	3,324,825	3,810,451	14.61%
4	Profit from Business Activities	184,550	339,420	83.92%
5	Other Profit	4,270	11,008	157.81%
6	Profit Before Tax	188,819	350,428	85.59%
7	Profit After Tax	133,804	278,069	107.82%

At the end of 2024, the Company's total assets increased by 18.79%, mainly due to a significant increase in accounts receivable and short-term investments. Thanh Cong has loosened trade policy criteria to attract new customers and retain existing ones amidst ongoing industry challenges, leading to a 68.88% increase in short-term receivables. Additionally, the Company is increasing liquid assets such as cash and short-term financial investments to hedge against exchange rate fluctuations, meet debt obligations, and prepare for investment activities.

Recovering consumer demand in Asian markets like South Korea, Japan, and China is driving revenue growth for the Company. Export revenue to these three markets grew by 59.74%, 9.23%, and 14.77% respectively in 2024. This is the main reason for the Company's impressive revenue growth during the year. In 2024, the cost of goods sold increased by 13.01% due to a sharp rise in the cost of finished goods sold, as the Company had to purchase more goods to meet production demands. However, the faster pace of revenue

growth compared to the increase in cost of goods sold resulted in an impressive gross profit growth rate, exceeding 23.66% compared to the same period last year.

Furthermore, finance expenses decreased by 42.96% thanks to Thanh Cong's significantly improved financial management capabilities. Specifically, the Company reversed provisions and optimized other expenses such as interest expenses, exchange rate losses, and other costs, leading to respective decreases of 34.25%, 16.40%, and 100%. The sharp decline in finance expenses, coupled with rapid growth in financial income and a negligible increase in selling and administrative expenses, resulted in an 83.92% increase in operating profit, reaching 340 billion.

Profit from the disposal of certain fixed assets helped Thanh Cong's pre-tax and post-tax profit increase by 85.59% and 107.82%, reaching 350 billion and 278 billion, respectively

KEY FINANCIAL INDICATORS

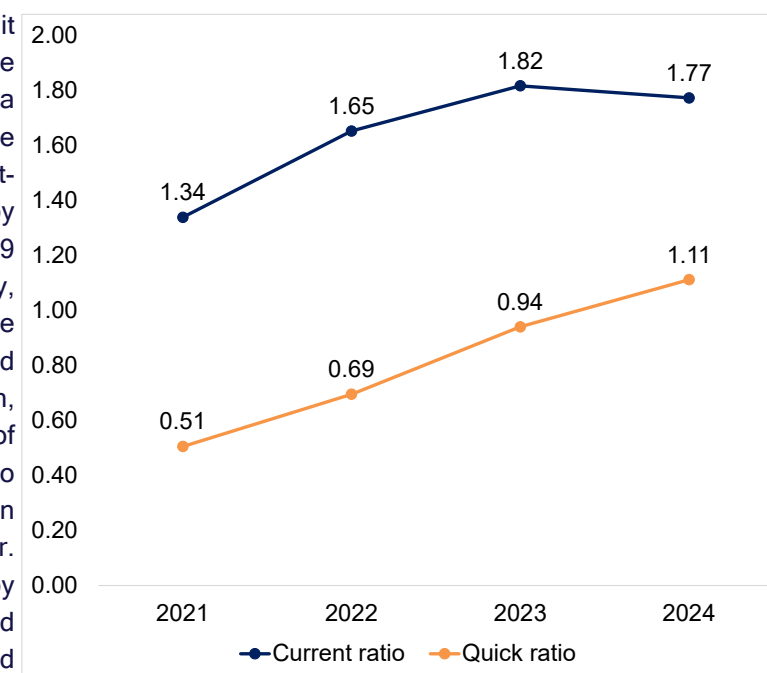
No.	Indicator	Unit	Year 2023	Year 2024	2023/2024
I. Liquidity Ratios					
1.	Current Ratio	Times	1.82	1.77	-2.43%
2.	Quick Ratio	Times	0.94	1.11	18.25%
II. Capital Structure Ratios					
1.	Debt/Total Assets Ratio	%	38.70%	41.68%	7.70%
2.	Debt/Equity Ratio	%	63.14%	71.81%	13.20%

No.	Indicator	Unit	Year 2023	Year 2024	2023/2024
III. Activity Ratios					
1.	Accounts Payable Turnover	Times	11.77	8.52	-27.60%
2.	Accounts Receivable Turnover	Times	9.20	8.23	-10.57%
3.	Inventory Turnover	Times	2.48	3.15	27.05%
4.	Total Asset Turnover	Times	0.98	1.06	7.92%
5.	Cash Conversion Cycle	Days	156.09	117.57	-24.68%
IV. Profitability Ratios					
1.	Profit After Tax/Net Revenue Ratio (ROS)	%	4.02%	7.30%	81.33%
2.	Profit After Tax/Average Equity Ratio (ROE)	%	6.71%	12.99%	93.60%
3.	Profit After Tax/Average Total Assets Ratio (ROA)	%	3.96%	7.75%	95.70%
4.	Profit from Production and Business Activities/Net Revenue Ratio	%	5.55%	8.91%	60.48%

Liquidity Ratios

In 2024, the quick ratio increased by 18.25% year-over-year, while the current ratio decreased by 2.43%, but remained high compared to the 3-year average from 2021 to 2023. At the end of 2024, although other current asset items still experienced double-digit growth, inventory value decreased by 2.45% while short-term debt increased by 29.39%, leading to a significant difference in the fluctuations between the two liquidity ratios during the year. Specifically, short-term borrowings and accounts payable increased by 15.5% and 80.37%, equivalent to an increase of 79 billion and 213 billion year-over-year, respectively, while inventory value decreased by 2.45% due to the Company recording a decrease in work-in-progress and selling a large quantity of finished goods. In addition, recognizing the challenging economic context of 2024, the Company loosened some credit policies to boost sales, which also led to a significant increase in accounts receivable, reaching 45.37% year-over-year. However, most receivables are regularly monitored by the Company, and the Company has also demonstrated its ability to collect debts with the increase in cash and cash equivalents, up 29.52%.

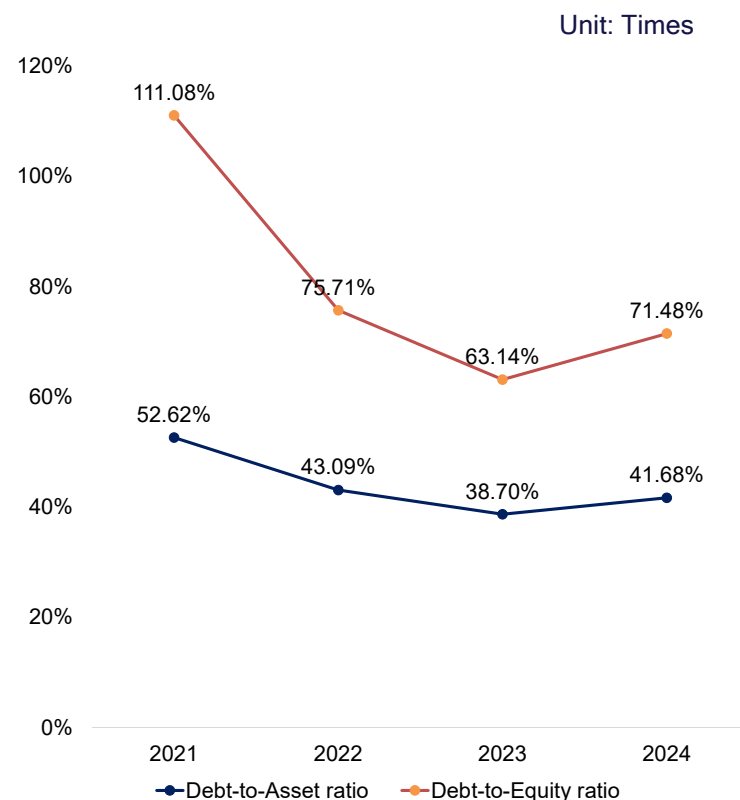
Unit: Times



KEY FINANCIAL INDICATORS

Capital Structure Ratios

The debt-to-asset ratio in 2024 reached 41.68%, and the debt-to-equity ratio reached 71.81%, increasing by 7.70% and 13.78% year-over-year, respectively. The main reason is that the Company's payables increased by 27.94% during the year, faster than the growth rate of equity, which only reached 13.01%. The main reason for the rapid increase in payables during the year was that the Company took advantage of credit policies from suppliers and low-cost capital from banks to finance business activities and also helped the Company limit cash flow pressure from the loosening of credit policies. However, this also caused accounts payable and short-term borrowings to increase significantly, by 80.37% and 12.52%, respectively. However, financing business activities with short-term capital also comes with risks, so the Board of Management always closely monitors and only chooses to increase leverage at a moderate level compared to the 3-year average from 2021 to 2023.

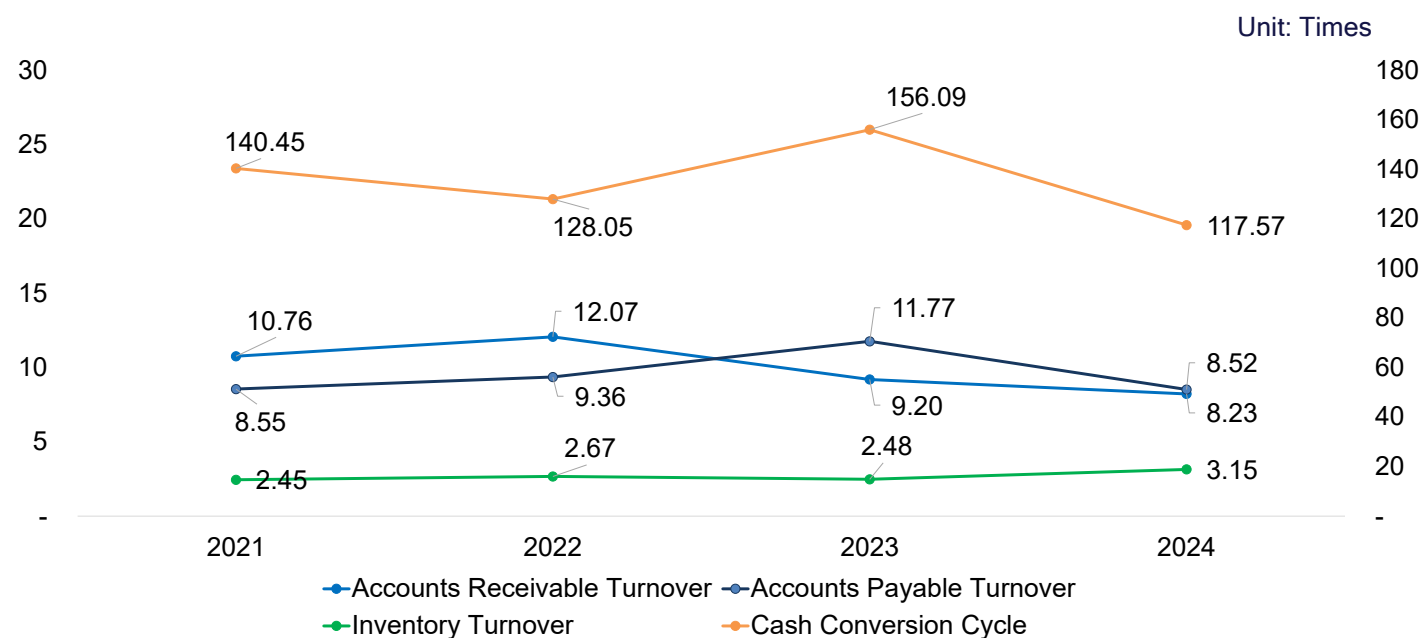


In 2024, receivables turnover and payables turnover decreased by 10.57% and 27.60%, reaching 8.23 and 8.52, respectively. Regarding receivables turnover, the Company's loosening of trade credit to increase sales caused the average accounts receivable to increase by 28.15% during the year, significantly faster than the growth rate of the cost of goods sold, which only increased by 13.01%, making receivables turnover slower. Although the decrease in receivables turnover indicates that the Company took longer to collect debts, Thanh Cong has taken advantage of its business reputation and incentives in the supplier's credit policy to extend the payment period, helping the Company rebalance its cash flow, although it also increased accounts payable.

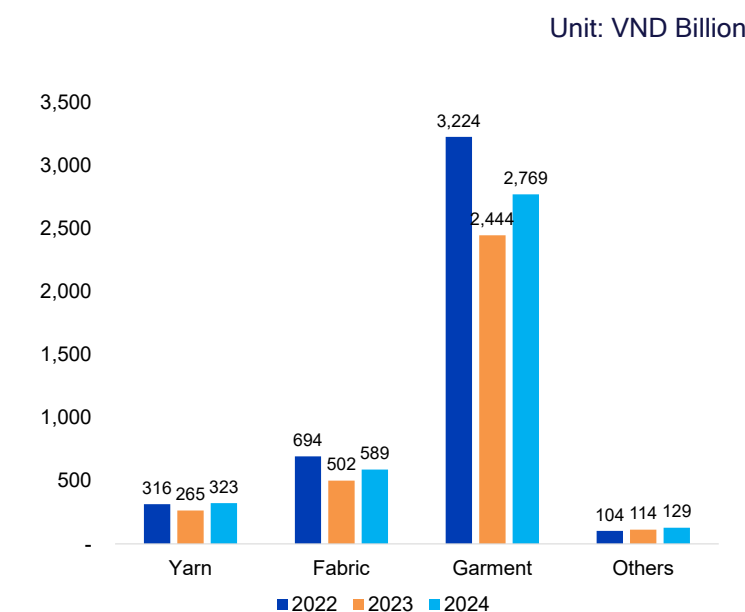
Inventory turnover and asset turnover continued to improve compared to the previous year's business performance, reaching 3.15 and 1.06, respectively. Although average total assets increased significantly during the year, reaching 6.19%, the higher growth rate from net revenue still shows

that the Company is operating better, with asset turnover in 2024 reaching 1.06, an increase of 8.16%. Average inventory in 2024 decreased by 11.05% year-over-year because the Company found more outlets for large orders thanks to the trade credit policy and leveraged the strategic partnership with Eland, helping Thanh Cong limit inventory backlog. Besides, the successful implementation of the ERP system also helped the Company limit excess inventory and optimize inventory levels. In summary, although the Company's receivables increased significantly during the year, it remained under the control of the Management Board and did not significantly affect the Company's cash flow because the Company controlled payables and inventory better. Evidence of this is the Company's cash cycle reaching 117.57 days, a decrease of 24.68%, showing that the Company is operating more efficiently and with better cash flow compared to the 3-year period from 2021 to 2023.

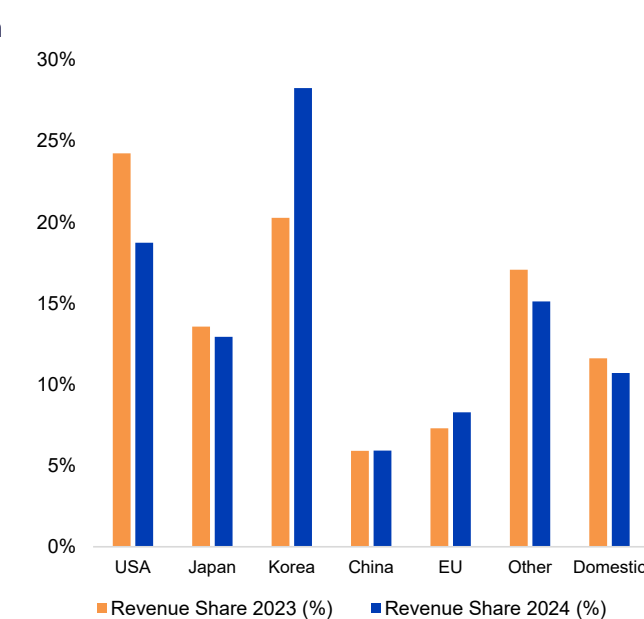
Operating Ratios



Profitability Ratios



Revenue structure by main business segments for the period 2022 - 2024

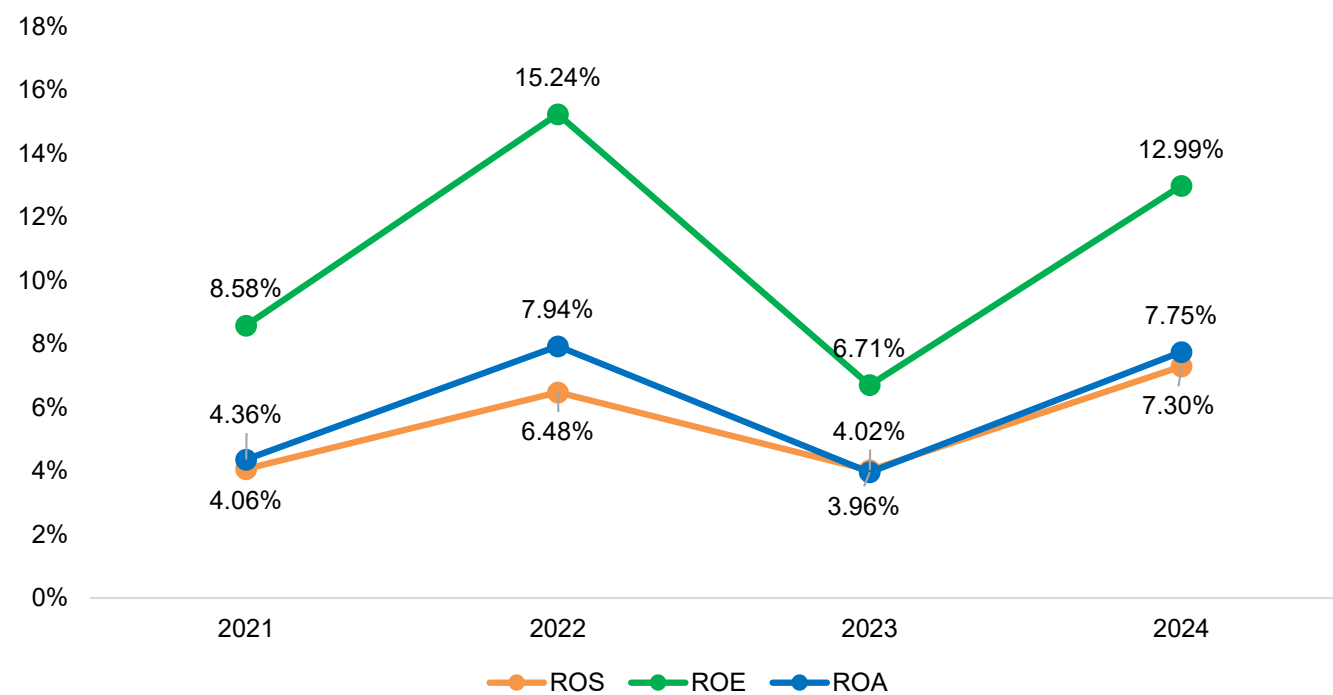


Revenue structure by market for the period 2022 - 2024

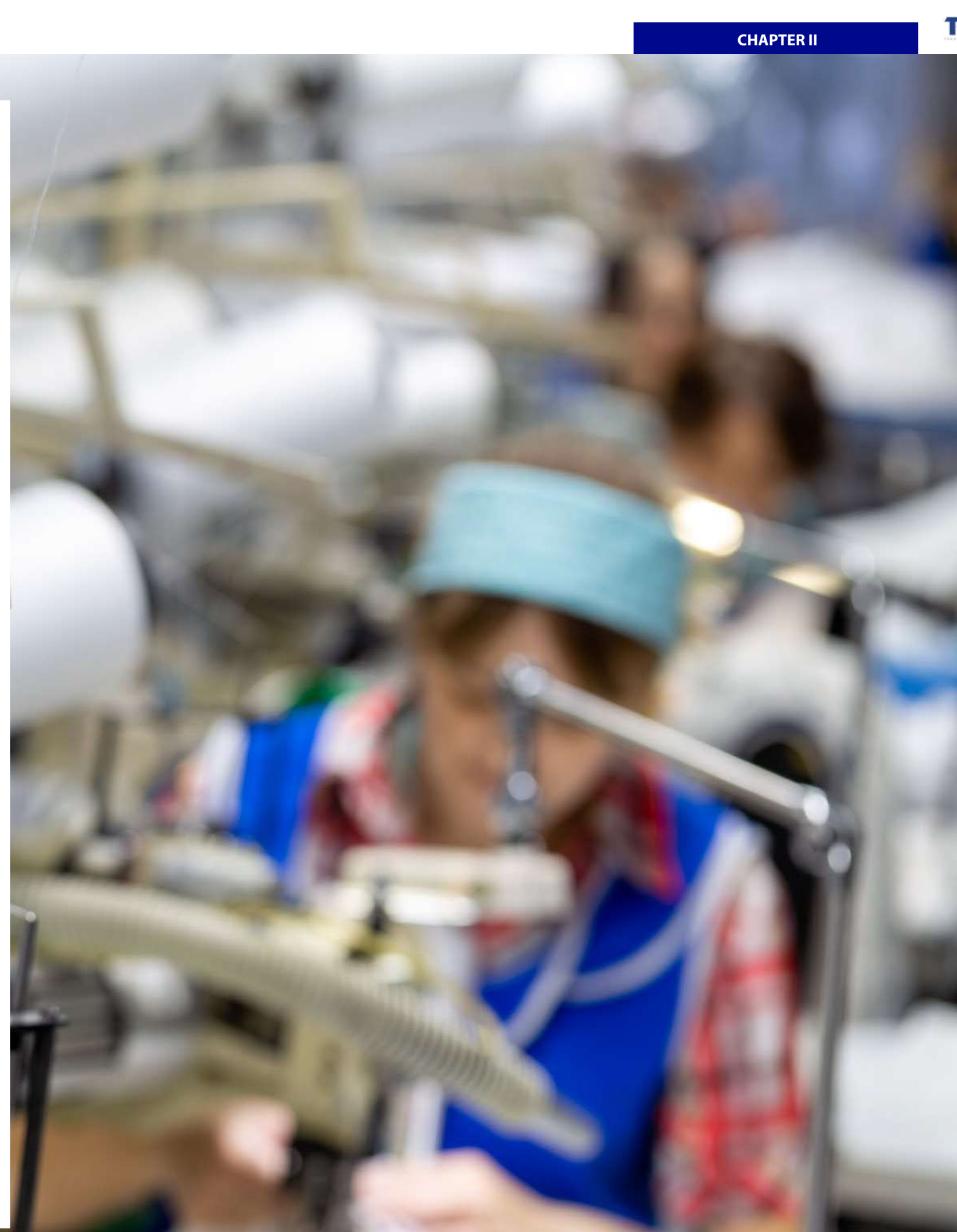
KEY FINANCIAL INDICATORS

In 2024, thanks to appropriate business strategies and plans, and an improved economic situation, Thanh Cong achieved impressive business results. The operating profit margin on net revenue increased 60.48% over the same period, reaching 8.91%. The main reason for this year's breakthrough in this ratio is due to the faster growth rate of revenue than the growth rate of cost of goods sold. Specifically, taking advantage of the high-profit margin of the fabric and garment segment, the Company proactively expanded capacity and actively sought new orders

from international markets. In addition, the Company has leveraged its strategic partnership with strategic shareholder Eland, helping the Company gain more new orders in South Korea. Besides, as selling expenses, general & administration expenses, and interest expenses continued to be rosed, the Company's operating profit and profit after tax increased 83.92% and 107.82% over the same period, leading to ROS, ROA, and ROE increasing 81.33%, 93.60%, and 95.70% compared to 2023, reaching 7.30%; 7.75% and 12.99%.



In 2024, Thanh Cong continued to solidify its leading position in the industry with improvements and stability in most financial indicators, affirming the talent and vision of the Board of Management, enabling the Company to continue its development journey and expand internationally.





SHAREHOLDER STRUCTURE, CHANGES IN OWNER'S INVESTMENT CAPITAL

SHARE INFORMATION

Share Name THANH CONG TEXTILE INVESTMENT TRADING JOINT STOCK COMPANY SHARES	Share Type ORDINARY SHARES	Stock Code TCM
Par Value of Shares 10,000 VND/SHARE	Date of Initial Trading 05/10/2007	Total Number of Outstanding Shares 101,855,032 SHARES
Treasury Shares 100,450 SHARES	Freely Transferable Shares 101,855,032 SHARES	Number of Restricted Shares 0 SHARE

Total number of shares issued: **101,955,482 shares**

SHAREHOLDER STRUCTURE

(As of Date 20/03/2025)

No.	Shareholder Type	Number of Shares	Ownership Percentage (%)
1	State Shareholders	-	-
	Major shareholders	58,079,287	56.97
2	- Domestic	10,190,308	9.99
	- Foreign	47,888,979	46.97
3	Treasury Shares	100,450	0.1
	Other Shareholders	43,775,745	42.93
4	- Domestic	40,885,837	40.10
	- Foreign	2,889,908	2.83
TOTAL		101,955,482	100.00
	- Domestic	51,176,595	50.20
	- Foreign	50,778,887	49.80

Foreign ownership percentage

"The maximum foreign ownership ratio in the Company as per legal regulations, the decision of the General Meeting of Shareholders, and the provisions of the Company's Charter: **50%**."

List of major shareholders

Based on the latest shareholder list as of Date 20/03/2025:

No.	Full Name	Address	Number of Shares Owned	Ownership Percentage of Shares
1	Eland Asia Holding Pte.ltd	1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore (098632)	47,888,797	46.97%
2	Mr. Nguyen Van Nghia	Nong Trang Ward, Viet Tri City, Phu Tho Province	10,190,308	9.99%

CHANGES IN OWNER'S INVESTMENT CAPITAL

On Jul 12th, 2024, the Company issued shares to increase share capital from owner's equity with a rate of 100:10, increasing the total charter capital to VND 1,019,554,820,000.

TREASURY SHARE TRANSACTIONS

None

OTHER SECURITIES

None

SECURITIES TRADED ABROAD

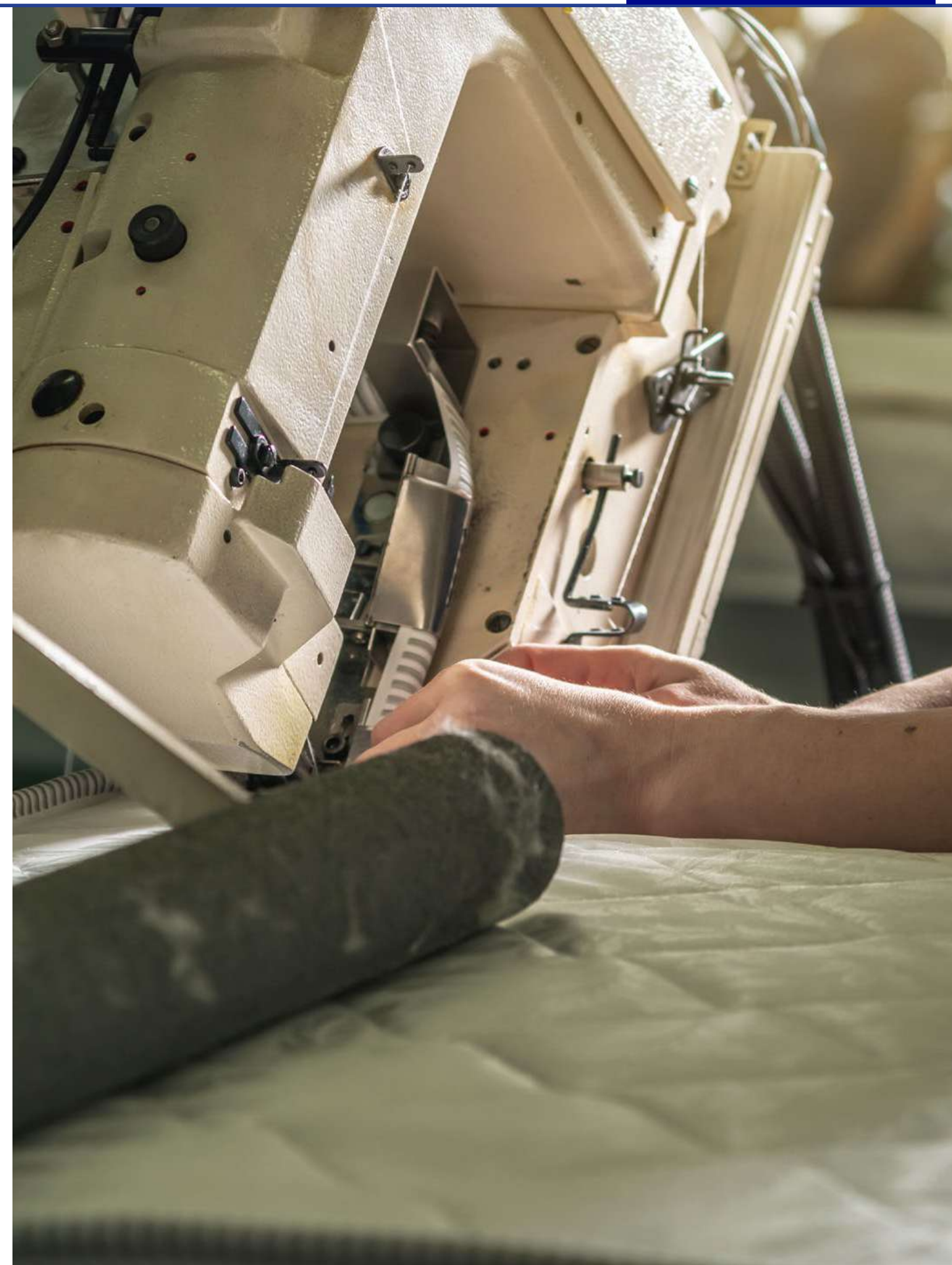
None



Chapter 03

REPORT AND ASSESSMENT OF THE BOARD OF MANAGEMENT

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BUSINESS ENVIRONMENT IN 2024

Overview of the business environment

In contrast to the bleak context of 2023, the textile and garment industry recovered impressively this year. Thanks to the general recovery of the global economy, free trade agreements, and efforts to promote and strengthen international integration, helping Vietnam expand its export market and reduce tariffs, the entire textile and garment industry achieved a 10.3% increase, with total textile and garment export turnover estimated at about 44 billion USD. In addition, supply chain shifting trends continue to create favorable conditions for Vietnamese textile and garment enterprises. Specifically, geopolitical instability in Bangladesh have helped Vietnamese businesses gain more orders from partners such as H&M, Zara, and Nike. Besides, the application of digital technology and artificial intelligence to the production system is showing much potential as it can help businesses save production costs, limit the occurrence of defective products, and increase production efficiency by 30-50%.

Regarding the export market

In 2024, the US continued to be the largest export market for the textile and garment industry, with total export turnover estimated at 16.71 billion USD, up 12.33% compared to 2023, accounting for nearly 38% of export Percentage, followed by other countries such as Japan, EU, South Korea, China, and the ASEAN market. Garment products continue to be the key export products, with export turnover in the first 9 months reaching 27.34 billion USD, up 8.9% over the same period, fiber and fabric products reached 3.2 billion USD in the first 3 quarters, up 12.5%. Despite bringing many growth opportunities, international integration also comes with many challenges for the textile and garment industry, especially for major export markets such as the US and EU, which have strict standards on environmental protection and sustainable production. According to Vogue, 69% of the magazine's readers said that sustainable factors are one of the important factors in making purchasing decisions. Similarly, according to Roundup, 73% of men aged 25-34 are willing to spend more money on sustainable fashion products.

These stringent standards require many businesses to adapt and transform both their production systems and skilled human resources. In addition to the pressure from the transition to a sustainable production model, Vietnamese textile and garment enterprises in general have to compete with rivals from countries such as Cambodia, Myanmar, and Ethiopia in terms of labor costs and investment incentive policies.

Company's assessment and strategy

Although the textile and garment industry has had an impressive recovery this year thanks to the return of consumer demand. However, consumer demand is still fragmented due to the impact of inflation and many other factors, making the recovery rate uneven in regions around the world. Causing many businesses that depend on a few large markets such as the EU to be significantly affected. Thanks to proactively building a more diverse customer base with partners from many places in the US, EU, South Korea, and Japan, Thanh Cong has continued to grow. Besides, Thanh Cong continues to affirm its leading position thanks to its sustainable development strategy and superior production capacity. Not only taking advantage of the closed supply chain, the Company is also a pioneer in applying recycled materials and green technology, helping to meet the strict standards of the US and EU markets. Compared to other businesses in the same industry, Thanh Cong stands out with its proactive production model, minimizing dependence on imported materials, optimizing costs, and improving profit margins. In addition, the Company is also one of the first enterprises in the industry to deploy an ERP system for the entire closed production process, improving management efficiency and production automation, creating a long-term competitive advantage. In particular, the expansion into the real estate sector with the TC Tower project in cooperation with partner DBFS marks a strategic step to help the Company diversify its revenue sources and consolidate its position in the industry. With the orientation of innovation, flexible adaptation, and a solid foundation, the Company not only maintains a strong growth rate but also lays the

foundation for sustainable development in the future.

FACTORS INFLUENCING THE COMPANY'S PRODUCTION AND BUSINESS ACTIVITIES

Over the past year, the Company's production and business activities have been impacted by numerous factors, requiring proactive and flexible management and development strategies. Regarding internal factors, Thanh Cong continues to affirm its strong financial capacity, maintaining a suitable financial structure to ensure resources for investment in production expansion projects, technology upgrades, and operational process improvements. Thanks to prudent financial management policies and stable cash flow, the Company has sufficient potential to adapt to market fluctuations and continue its sustainable development process. In terms of business and production management strategies, the Company continues to adhere to its closed production model, thereby optimizing costs, enhancing autonomy in the supply chain, and minimizing dependence on imported raw materials. The Company focuses on applying modern technology and digital transformation to improve productivity, while implementing an ERP system to automate management processes, enhance operational efficiency, and strictly control costs. Human resources continue to be identified as one of the key pillars in the long-term development strategy, with competitive remuneration policies and structured training programs to enhance professional qualifications, ensuring a high-quality workforce that meets the Company's development needs. However, besides these solid foundations, the Company still faces some challenges from the macroeconomic environment. The US Federal Reserve (FED)'s maintenance of high interest rates has significantly affected consumer demand in key export markets such as the US and EU, causing customers to tighten spending and leading to a decline in orders. At the same time, fluctuations in input material prices, especially cotton and yarn, put great pressure on profit margins, requiring the Company to have flexible solutions in cost management and supply chain optimization.



PRODUCTION AND BUSINESS RESULTS



In 2024, Thanh Cong achieved impressive business results thanks to an effective business strategy, excellent financial management in expanding the export market through relationships with strategic partners, free trade agreements, advantages from trade policies of partners, and the results of the Company's efforts in digital transformation.

2024 marks a year of outstanding success for Thanh Cong, as the Company not only achieved but also exceeded all planned targets. This is the result of close coordination between departments, decisive leadership strategies from the Board of Directors, and the dedicated work ethic and tireless efforts of all officers and employees. With net revenue reaching 3,810.45 billion VND, a 14.61% increase compared to the same period, and profit after tax reaching 278 billion VND, a 107.82% increase compared to the previous year, Thanh Cong has demonstrated outstanding management capacity and flexible adaptability in a volatile economic context. One of the key factors contributing to this success is the sound financial and cash flow management strategy. The Company has effectively utilized trade credit incentives from suppliers, increasing short-term capital and reducing financial pressure. This not only helps Thanh Cong maintain stable cash flow but also creates a premise for implementing flexible credit policies, both retaining existing customers and attracting new ones. As a result, the Company not only increased revenue but also maintained high profits, reflecting the effectiveness of the financial strategy in optimizing resources and enhancing competitiveness.

In addition, proactively taking advantage of opportunities from international economic integration also plays an important role in expanding Thanh Cong's scale of operations. The Free Trade Agreements (FTAs) that Vietnam participates in have helped the Company reduce tariff pressure and gain better access to many international markets. In particular, thanks to the strategic relationship with Eland, Thanh Cong has the

opportunity to access many large-scale orders. This not only helps the Company increase revenue from the export market but also strengthens its brand position in the global market, creating a solid foundation for long-term development.

A notable highlight in 2024 was the significant progress in digital transformation when the Company officially implemented the ERP system (integrated version) after years of preparation. This is a crucial milestone in the strategy of modernization and optimization of operations. The ERP system helps the Company optimize many production and management processes, from material control, production operation, to financial and human resource management. It helps the Company reduce operating costs, increase work efficiency, and improve management. The application of digital technology to business operations helps Thanh Cong significantly improve productivity, ensure flexible operation processes, and quickly respond to market demands.

Despite achieving impressive results, the textile and garment industry still faced many challenges in 2024. Consumer demand in major markets such as the US and Europe declined due to prolonged inflationary pressure, causing consumers to tighten spending and reduce export orders. In addition, factors such as exchange rate fluctuations, high logistics costs, and increasingly fierce competition in the industry also pose many challenges for export businesses. However, Thanh Cong, with its sustainable development strategy, closed value chain, and appropriate business strategies, has helped the Company reduce its dependence on external markets and maintain its competitive advantage in a volatile environment.

Looking ahead, Thanh Cong will continue to consolidate its solid financial foundation, invest in technology, and enhance production capacity to better meet market demands. The Company will also continuously improve its digital transformation strategy, expand relationships with strategic partners, and optimize its supply chain to ensure sustainable development in the coming years. With the achievements gained, Thanh Cong is gradually affirming its position in the textile and garment industry and aiming to become one of the leading enterprises in the region.

PRODUCTION AND BUSINESS RESULTS IN 2024

Indicator	Unit	FY 2023	Plan 2024	FY 2024	FY 2024/ Plan 2024	% Increase/ Decrease
Net Revenue	VND Billion	3,324.82	3,707.43	3,810.45	102.78%	14.61%
<i>Garment Sales</i>	VND Billion	2,444.11		2,768.61		13.28%
<i>Fabric Salest</i>	VND Billion	501.96		589,450		17.43%
<i>Yarn Sales</i>	VND Billion	265.23		323,145		21.84%
<i>Other</i>	VND Billion	113.53		129,247		13.84%
Gross Profit	VND Billion	498.68		616.66		23.66%
<i>Gross Profit/Net Revenue</i>	%	15.00%		16.18%		
Profit Before Tax	VND Billion	188.82		350.43		85.59%
Profit After Tax	VND Billion	133.80	161,23	278.07	172.46%	107.82%
<i>Profit After Tax/Net Revenue</i>	%	4.02%		7.30%		81.33%
<i>Return on Equity (ROE)</i>	%	6,71%		12,99%		93,60%
Dividend/Charter Capital	%	10%	12%			



REGARDING OPERATING EXPENSES

Unit: VND Million

No.	Indicator	Year 2023	Percentage 2023	Year 2024	Percentage 2024	% Increase/ Decrease
1	Cost of Goods Sold	2,826,140	87.66%	3,193,788	89.47%	13.01%
2	Selling Expenses	146,908	4.56%	154,258	4.32%	5.00%
3	Administrative Expenses	136,936	4.25%	149,831	4.20%	9.42%
4	Financial Expenses	113,367	3.52%	64,667	1.81%	-42.96%
5	Other Expenses	734	0.02%	7,027	0.20%	857.19%
Total		3,224,085	100.00%	3,569,571	100.00%	10.72%

No.	Indicator	Year 2023	Year 2024	Percentage 2023
1	Interest Expense	37.85	24.88	-34.25%
2	Exchange Rate Loss	47.59	39.74	-16.50%

In the total cost structure of 2024, the cost of goods sold accounted for the highest Percentage at 89.47%, and increased 13.01% compared to the same period in 2023. The reason is due to the sharp increase in the number of orders, leading to an increase in production and revenue sources, which in turn led to an increase in the cost of goods sold compared to the same period. In terms of the structure of production and business costs by factor, the costs of materials and labor accounted for the highest Percentage, at 46.6% and 29.6% respectively, of the total cost, also increasing by 17.45% and 14.17% respectively compared to 2023. For selling expenses, business management expenses, financial expenses, and other expenses, which account for a small Percentage of the operating cost structure, in the year, thanks to efforts to restructure the operating apparatus for streamlined efficiency, technology investment gradually shifting to digitization, business process redesign, and management through the ERP system to improve cost control and optimize resource utilization, along with the proactive settlement of financial loans to reduce interest expenses. Therefore, selling expenses, business management expenses, and financial expenses decreased respectively, although they increased compared to the same period, but the Percentage of revenue decreased compared

to 2023, reaching only 4.05%, 3.93%, and 1.70% in 2024.

Although the exchange rate continued to fluctuate sharply from the beginning of 2024 due to the contrast between the domestic and foreign economic situations, and increased by about 4.6% compared to the beginning of the year. However, due to experience from the previous two years, the Company's exchange rate-related expenses in 2024 were insignificant. In 2024, Thanh Cong only recorded about 40 billion VND from exchange rate losses, equivalent to 1.04% of total revenue. This Percentage is much lower than the 1.43% in 2023 and 2.28% in 2024 because the Company has improved measures to prevent exchange rate risks. Regarding interest expenses, despite the interest rate hikes from mid-year onwards, the Company's interest expenses this year are approximately 24.89 billion, a decrease of 34.25% compared to the same period, accounting for 0.65% of total revenue. This percentage is lower than the 1.14% of total revenue in 2023, as Thanh Cong leveraged cheaper capital sources from suppliers and customers, reducing reliance on bank loans. Besides, improved cash flow management and optimized debt collection reduced the need for short-term borrowing, thereby cutting interest expenses.

ASSET UTILIZATION EFFICIENCY

As of 31/12/2024, Thanh Cong's total assets reached 3,896 billion VND, an increase of 18.79% compared to the same period in 2023. Current assets continued to hold a larger proportion than non-current assets, with 69.1% of total assets. Current assets increased by 26.25%

in value compared to the beginning of the year, while non-current assets increased by 4.95%, reaching 1,205 billion VND. The structure of each asset group of Thanh Cong is specifically as follows:

Unit: VND Million

Indicator	31/12/2023	31/12/2024	% Increase/Decrease
TOTAL ASSETS	3,279,364	3,895,534	18.79%
LONG-TERM ASSETS	2,130,754	2,690,037	26.25%
Cash and Cash Equivalents	434,896	563,280	29.52%
Short-term Financial Investments	312,811	533,141	70.44%
Short-term Receivables	329,026	555,647	68.88%
Inventory	1,027,930	1,002,737	-2.45%
Other Current Assets	26,091	35,231	35.03%
ROA (%)	3.96%	7.75%	95.70%

Current Assets

Within the current asset structure, inventory remains the largest item, although the inventory percentage of total assets decreased by 5.6% compared to the same period last year. In 2024, thanks to a suitable business strategy, the Company secured sales channels for many large orders, helping to reduce inventory stagnation. Besides, the implementation of the ERP system helped the Company limit excess inventory. Similar to 2023, the Company continued to loosen its credit policy to boost sales, causing short-term receivables to increase by 69% over

the same period, accounting for 20.7% of current assets.

At the end of 2024, the Company held a high amount of cash and short-term financial investments. Specifically, the Company's cash and cash equivalents accounted for 20.9%, an increase of 29.52%, and short-term financial investments accounted for 19.8%, an increase of 70.44%. This was due to the Company preparing liquidity to hedge against exchange rate fluctuations, maintaining funds to pay payables, and investing in new projects.

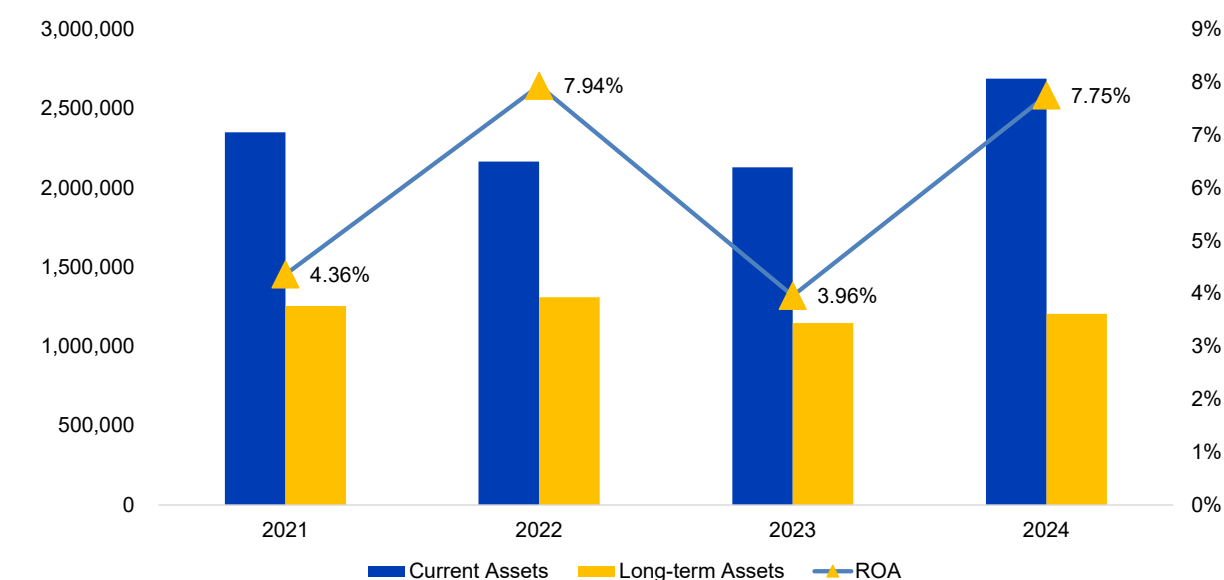
Long-term Assets

As a manufacturing and trading enterprise, fixed assets account for 90.48% of the Company's non-current asset structure. Currently, Thanh Cong owns eight factories, including two spinning factories, two garment factories (in Ho Chi Minh City and Vinh Long), one knitting factory, one weaving factory, one dyeing factory in Ho Chi Minh City, and one

newly acquired factory from SY Vina. During the year, the Company restructured its production system by transferring the Trang Bang garment factory and expanding production capacity through the acquisition of SY Vina's factory, thereby optimizing operational efficiency and enhancing competitiveness in the industry.

Unit: VND Million

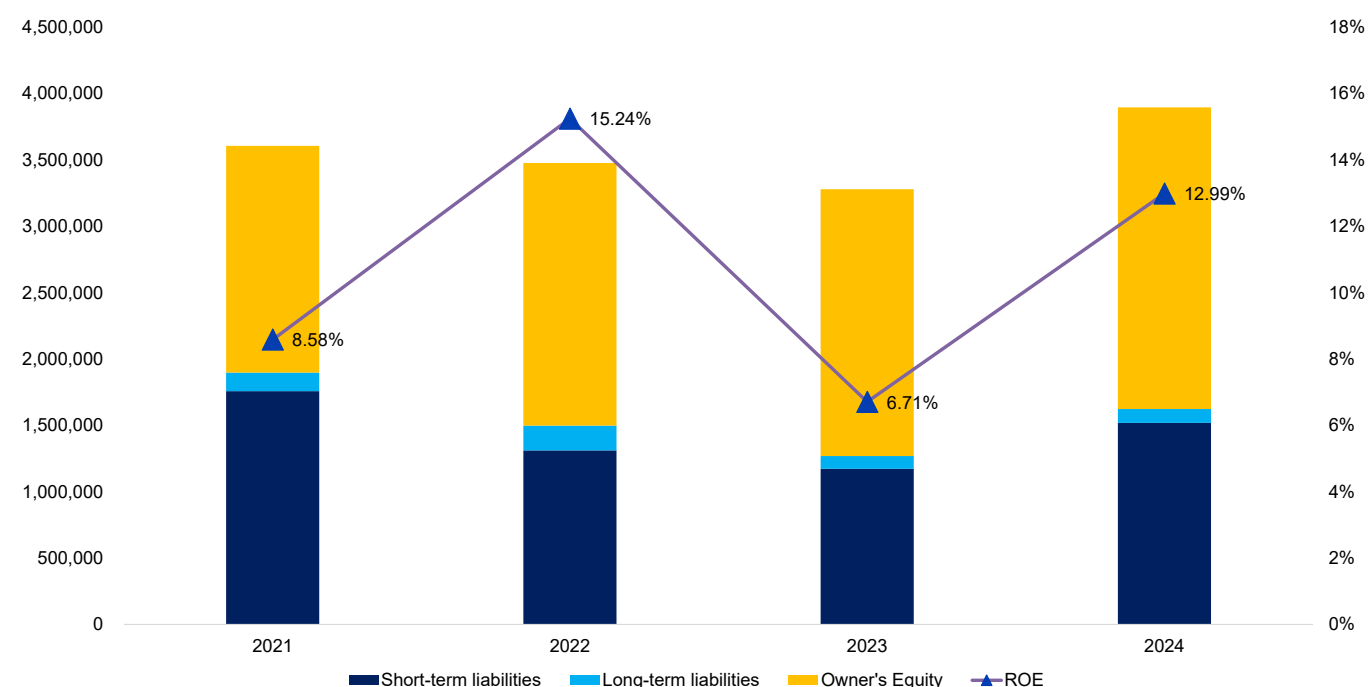
Indicator	31/12/2023	31/12/2024	% Increase/Decrease
TOTAL ASSETS	3,279,364	3,895,534	18.79%
LONG-TERM ASSETS	1,148,610	1,205,497	4.95%
Long-term Receivables	440	361	-18.06%
Fixed Assets	960,921	1,024,775	6.65%
Construction in Progress	40,982	65,949	60.92%
Investment Property	2,383	2,313	-2.93%
Long-term Financial Investments	4,803	4,805	0.04%
Other Non-current Assets	139,080	107,294	-22.85%
ROA (%)	3.96%	7.75%	95.70%



Liabilities Status

Unit: VND Million

Indicator	31/12/2023	31/12/2024	% Increase/Decrease
TOTAL LIABILITIES	1,269,228	1,623,795	27.94%
CURRENT LIABILITIES	1,173,415	1,518,279	29.39%
Short-term Borrowings	632,445	711,645	12.52%
Accounts Payable	265,311	478,546	80.37%
Customer Advances	46,790	48,647	3.97%
Accrued Salaries and Wages	80,196	119,771	49.35%
Other Current Liabilities	22,187	24,705	11.35%
Current Ratio	1.82	1.77	-2.43%
Quick Ratio	0.94	1.11	18.25%
Debt-to-Asset Ratio	38.70%	41.68%	7.70%
ROE (%)	6.71%	12.99%	93.60%



Current liabilities

With the operational characteristics of a manufacturing enterprise, most of the Company's working capital is financed by short-term debt. In 2024, the Company's short-term debt continued to account for a high proportion, at 93.5%, higher than the 92.45% in the previous year. This was due to short-term debt increasing by 29.39% compared to the same period in 2023, from 1,173,415 million VND to 1,518,279 million VND, faster than the 10.13% increase in long-term debt during the year.

Although still the largest item in the liability structure, the percentage of short-term borrowings in total payables in 2024 decreased to 43.8% compared to 49.8% in 2023. Although the Company still incurred new debt during the year, the 80.37% increase in payables to sellers made the growth rate of short-term borrowings less significant, causing the percentage of

borrowings to decrease and the percentage of payables to increase significantly, from 20.9% to 29.5%.

In 2024, due to its good reputation in the market, Thanh Cong benefited from trade credit policies and post-paid purchases, helping the Company balance its cash flow when trade credit was loosened. As a result, accounts payable increased from 265 billion to 479 billion during the year.

Although the proportion of short-term debt is currently increasing rapidly and is the main source of funding for the Company's business activities, with good cash flow management, high capital turnover, and holding many highly liquid assets, the Company can limit the risk from short-term payment pressure while benefiting from lower costs compared to using long-term capital.

Long-term liabilities

Unit: VND Million

Indicator	31/12/2023	31/12/2024	% Increase/Decrease
TOTAL LIABILITIES	1,269,228	1,623,795	27.94%
LONG-TERM LIABILITIES	95,813	105,515	10.13%
Long-term Borrowings	48,044	59,608	24.07%
Long-term Provisions	27,296	26,673	-2.28%
Other Non-current Liabilities	17,974	16,735	-6.89%
Deferred Tax Liabilities	2,499	2,499	0.00%

Despite increasing 10.13% compared to the same period last year, long-term debt still decreased from 7.5% to 6.5% due to slower growth than short-term debt. While other long-term debt items had insignificant fluctuations during the year, long-term loans continued to increase to

56.5%, higher than the 50.1% in 2023. This is because the Company took out new loans at the Industrial and Commercial Bank of Vietnam, Ho Chi Minh City branch, causing long-term loans to increase by 24.07%.

IMPROVEMENTS IN ORGANIZATIONAL STRUCTURE, POLICIES, AND MANAGEMENT

In 2024, Thanh Cong enhanced its recruitment standards and improved its evaluation processes. Specifically, the company continued to optimize its workforce and expand recruitment channels through extended training policies, including succession development programs, specialized training, and the innoSync initiative to foster creative thinking.

Additionally, the company further improved performance management by optimizing KPIs, building a culture of positive feedback, and implementing a reward system aligned with business performance.

Policy	Content
Recruitment policy	<p>The Company continued to improve recruitment standards with many significant improvements and a more rigorous evaluation process. All management positions have the participation of the General Director and Deputy General Director in evaluating the quality of input, ensuring the selection of suitable and quality personnel, and demonstrating the close attention of the Board of Directors.</p> <p>Personnel allocation is optimized by maximizing internal resources (transfer, personnel development, etc.) instead of new recruitment, creating equal promotion opportunities in implementing the Internal Referral Policy to take advantage of available human resources.</p> <p>At the same time, the Company has improved the career milestone for the young team in the Management Trainee program, helping employees have a clear orientation and greater engagement.</p> <p>The ODM department has also been completed with sufficient personnel, improving quality and going along with the direction of expanding the diversified service model of the Company. Recruitment channels have expanded strongly with the launch of the TikTok channel, increasing employer brand coverage in the labor market.</p> <p>These improvements help Thanh Cong attract talent, increase employee engagement, and prepare for sustainable development.</p>
Training Policy	<p>In 2024, Thanh Cong continues its commitment to building a strong learning culture, considering it the foundation for the Company's sustainable development.</p> <p>Comprehensive training programs are implemented, from enhancing professional knowledge to developing soft skills and leadership capacity, covering all personnel from Business, Production to Support Divisions. The goal is to help employees not only meet competency standards but also increase motivation and long-term commitment to the Company.</p> <p>One of our key objectives is to build a strong succession team through training programs such as Next HODs, Management Trainees (MT), and creating opportunities for members to participate in key projects, helping potential employees develop quickly and effectively.</p> <p>In addition, the InnoSync program has become a key highlight in discovering and developing young human resources. The program not only enhances critical thinking and creative skills but also provides valuable opportunities for employees to interact, learn, and discuss directly with the General Director on strategic topics, trends, and issues affecting the Company as well as the textile and garment industry. The program has contributed many creative solutions to help the Company overcome current challenges, especially in the context of the constantly changing textile and garment industry.</p>
Employee Performance Management	<p>In 2025, the Company will focus on three main priorities to enhance performance, boost work motivation, and ensure sustainable growth:</p> <p>Optimizing KPIs of key personnel: Establishing and closely monitoring KPIs for key and young potential personnel, linked to key projects to maximize capacity and contribute to overall growth.</p> <p>Promoting a positive feedback culture: Developing a constructive feedback culture to maintain employee motivation, guide career development, and enhance skills.</p> <p>Building a specialized evaluation and reward system for the business unit: Implementing a ranking and reward system based on key customer group results, not only evaluating completion results but also focusing on growth rate. This system helps recognize efforts, encourages the spirit of conquering challenging goals, and promotes sustainable development.</p>



FUTURE DEVELOPMENT PLAN

2025 Business Operation Plan:

No.	Item	Unit	Plan 2025
1	Net Revenue	VND	4,525,400,000,000
2	Profit Before Tax	VND	348,421,758,599
3	Profit After Tax	VND	278,737,406,879
4	Percentage of Profit After Tax/Net Revenue	%	7.7%
5	Percentage of Profit Before Tax/Equity	%	15.3%

Projected Profit Distribution for 2025

No.	Item	Unit	Plan 2025
1	Allocation to Development Investment Fund	%	30%
2	Allocation to Reward Fund	%	5%
3	Allocation to Welfare Fund	%	5%
4	Dividends/Charter Capital	%	15%



EXPLANATION OF THE BOARD OF MANAGEMENT REGARDING AUDIT OPINIONS

None

ASSESSMENT REPORT RELATED TO THE COMPANY'S ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES



In 2024, the Company continues to affirm its leading position in the Textile and Garment industry, through numerous international integration efforts accompanied by sustainable development strategies. With a strategy focused on customer segments in developed economies such as the US, EU, South Korea, Japan, etc., and in the context of increasing free trade agreements like EVFTA and CPTPP, along with stringent commitments to the environment and society, the Company is required to have high-quality products with stringent sustainable development standards. The Company continuously improves and upgrades its vertical production from spinning - knitting/weaving - dyeing - sewing, allowing the Company to optimize both product quality and environmental regulations. At the same time, it continues to invest in research and development (R&D) to innovate and improve product quality, helping to meet environmental and social standards.

With a pioneering role in the textile and garment industry, the Company continues its efforts to integrate ESG (Environmental - Social - Governance) criteria into its production stages and business activities. Following 2023, Thanh Cong continues to maintain its ESG achievements in 2024 and continuously expands in depth. As evidenced by the Company being honored in the Top 50 CSA category for Circular Economy, Green Enterprise of Ho Chi Minh City, etc. Recognizing the importance of environmental protection, in parallel with business activities, Thanh Cong always strives to be one of the pioneers in the domestic Textile and Garment industry towards

a circular economy and sustainable development. Accordingly, the Board of Directors focuses on building "green plans" to serve the "green production" strategy. Specifically, Thanh Cong continues to promote the Research and Business Development Center (R&BD) to launch recycled and sustainable products of biological origin, on the one hand meeting the world's strict traceability requirements, on the other hand contributing to environmental activities. To minimize factors affecting the environment, Thanh Cong optimizes the use of energy and domestic water, strongly transitioning to green energy such as solar energy; with a specific industry, Thanh Cong is careful in waste and wastewater treatment, building a standard industrial treatment system.

Thanks to efforts to comply with and commit to strictly controlling the production process, in the past time, the Company has received and updated the validity of environmental certificates (ISO 14001, Higg FEM, ZDHC), chemicals (Oeko-Tex 100, ZDHC), product materials (GOTS, OCS, GRS), social responsibility (WRAP SMETA, Better Work), etc., meeting customer criteria. Not stopping at the enterprise, Thanh Cong proactively builds a well-ventilated working environment that meets occupational safety and hygiene standards at the factory for workers, while propagating and encouraging employees to implement a green, clean, and beautiful internal culture, which is the identity of Thanh Cong. In 2024, the Board of Directors is proud to have achieved environmental goals as well as excellently completed the "green production" strategies.

ASSESSMENT RELATED TO LABOR ISSUES

Regarding labor-related matters, Thanh Cong Textile Garment - Investment - Trading Joint Stock Company always implements guidelines and policies that prioritize its employees, based on the principle that each employee plays a key role in the Company's success and sustainable development. The Company focuses on building and training a team of qualified, professional, and dedicated employees through a comprehensive training system and welfare policies aimed at creating opportunities and an environment for each individual to develop and strive.

For recruitment, the recruitment process is based on 3 principles: Transparency, Fairness, and Equality. Regarding the working environment, Thanh Cong is one of the companies that creates a good working environment with a professional style, respects differences, and does not discriminate, certified by the Quality Management System according to ISO 9001:2000 and the Social Accountability System according to SA 8000:2001. In addition, Thanh Cong ensures the fulfillment of obligations to pay fully and on time social insurance, health insurance, and unemployment insurance for employees, and builds labor policies in accordance with the Labor Code. Training at Thanh Cong is designed to correspond to the capacity and professional skills of each employee, from office staff to factory workers. The Company always tries to build and continuously innovate but still retains Thanh Cong's cultural identity with the goal of building loyalty, dedication, commitment, acceptance, and adaptability to change. To retain skilled and dedicated employees, Thanh Cong also pays close attention to salary, bonus, and social welfare policies. We ensure that Thanh Cong's salaries are very competitive with other companies in the same industry, and policies are constantly improved and changed to serve the

material needs of employees. In parallel, Thanh Cong owns a subsidiary - Thanh Cong Medical Center Joint Stock Company, equipped with a modern general clinic system including nearly 60 doctors and 50 medical staff serving the healthcare needs of more than 4,600 employees. In the working environment, Thanh Cong invests in additional sports rooms, gyms, yoga rooms, outdoor playgrounds, cafes, canteens, and the airy Way Garden breakfast area with many trees to enhance the spiritual life of the workforce, thereby promoting their capacity for overall development.

In 2024, the labor shortage at Vinh Long 2 factory remains a significant challenge in the Company's production expansion process. Despite actively promoting recruitment, the local labor market has not been able to meet the demand, especially for skilled labor. The main reason stems from the shift of labor to industries with higher incomes and better working conditions. In addition, the strong development of neighboring industrial zones has created increasingly fierce competition for labor recruitment, causing Thanh Cong to face pressure to attract and retain personnel. In 2024, the Company implemented new human resource strategies to accelerate the recruitment process, including expanding the recruitment network, cooperating with local vocational schools to train skilled workers, and improving compensation policies to increase competitiveness. In addition, Thanh Cong focuses on building a better working environment, investing in welfare systems and facilities to enhance the employee experience. With these synchronous solutions, the Company believes that it will soon stabilize the workforce, put Vinh Long 2 factory into effective operation, contributing to improving production capacity and meeting market demand promptly.



CORPORATE SOCIAL RESPONSIBILITY ASSESSMENT CONCERNING THE LOCAL COMMUNITY

Since 2009, the Company has begun realizing the value of earning to share - one of its four core values - through several community-oriented activities, collaborating with the local community where its factories are located, with the motto "serve to lead", supporting disadvantaged people, and contributing to local government social welfare programs. Concurrently, the Company coordinates with the Trade Union to care for the material and spiritual lives of its employees.

In 2024, the Company continued to implement many CSR activities to support the localities where the Company's operating locations are situated, typically:

- The Company has repeatedly organized Eland Vision scholarship award ceremonies to promote the efforts of outstanding individuals. For example, in November 2024, to encourage and support 32 excellent students who overcame difficulties in their studies, the Company awarded scholarships worth over 99 million VND.

- On Aug 18th, 2024, the Company collaborated with Tay Thanh ward leaders to visit and provide support gifts to 6 poor households and lonely elderly people in the area, aiming to alleviate their daily hardships.

- In addition, with the spirit of mutual love and support, the Company responded to the call of the Presidium of the Vietnam Fatherland Front Central Committee

to support compatriots in the North to overcome the consequences of the storm. The entire Company joined hands to contribute and support compatriots in the affected areas. The Company supported Northern compatriots to overcome the consequences of storm number 3 with 50 million VND through the Vietnam Fatherland Front, and 310 million VND through Ho Chi Minh City Television.

- Thanh Cong continues to maintain monthly support activities for shelters and social protection centers in the city for many years. The goal is to support orphans, the visually impaired, the homeless, and other difficult circumstances. Through these visits, the Company not only wants to provide support through action but also spread love and a sense of responsibility for the community.

Over the years, with persistent efforts and enthusiasm, Thanh Cong is proud to contribute value to each locality where it operates. As the Company's management team, the Board of Directors always strives to place business and production activities in line with sustainable development, for a healthy and prosperous Vietnam.



Chapter 4

BOARD OF DIRECTORS' ASSESSMENT OF THE COMPANY'S ACTIVITIES

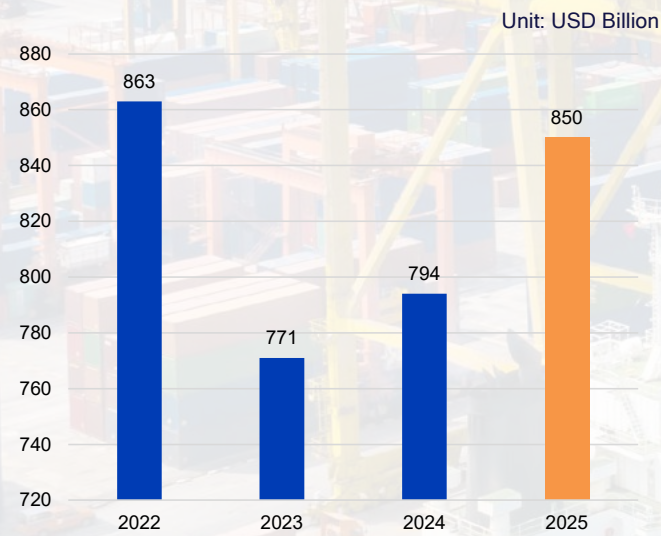
General Assessment of the Board of Directors on the Economic and Industry Situation	103	Board of Directors' assessment of the Board of Management's activities	110
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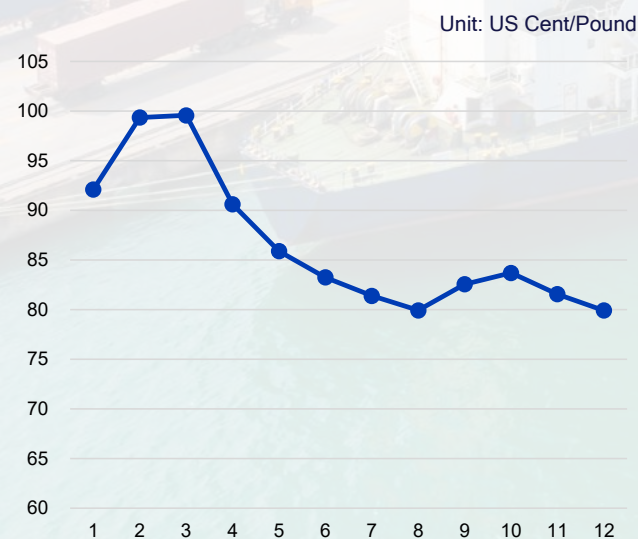
Economic situation and the textile industry

In 2024, the global economy remained under pressure due to ongoing geopolitical conflicts. However, efforts to cut interest rates helped ease the negative outlook and provided momentum for the textile and garment market to recover. Despite facing numerous challenges in the first half of the year, Vietnam's textile and garment industry saw a strong rebound thanks to the shift of supply chains from Bangladesh, which significantly boosted order volumes. Export turnover reached USD 44 billion, positioning Vietnam with the potential to surpass Bangladesh and become the world's second-largest exporter. Although 2025 may bring higher tariffs from the U.S., if consumer demand continues to improve, Vietnam's export turnover could reach USD 48 billion.

Global textile and garment demand from 2022 to 2025



Fluctuations in Cotton Prices in 2024



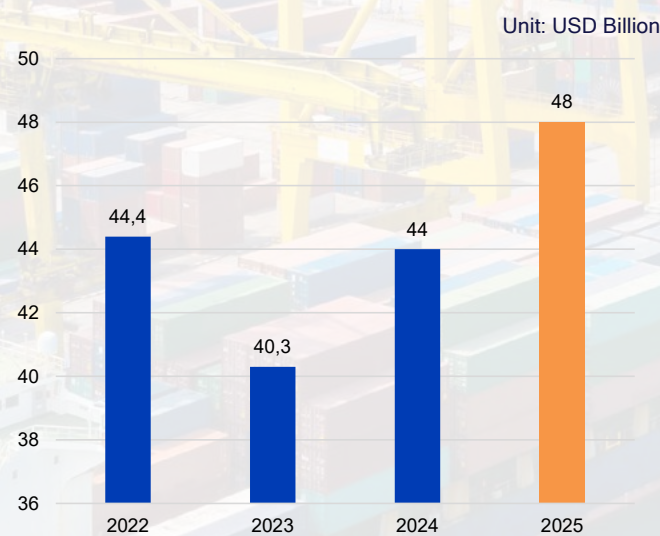
Global textile and garment demand forecast for 2025

850 USD Billion

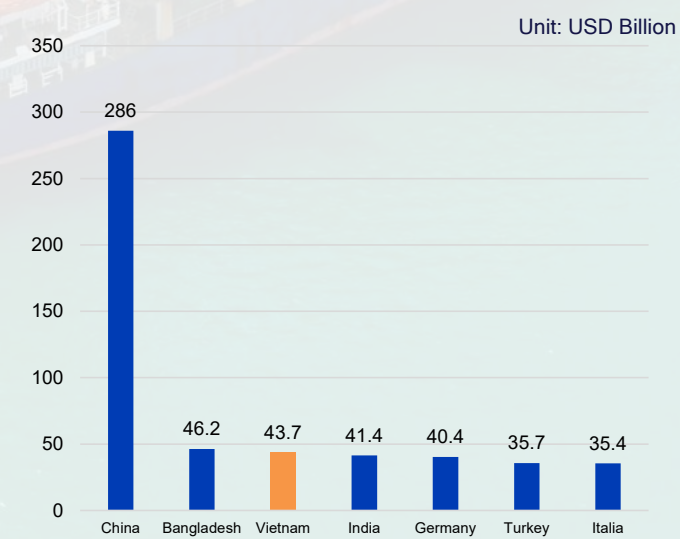
Forecast of Vietnam's textile and garment export turnover in 2025

48 USD Billion

Vietnam's textile and garment export turnover from 2022 to 2025



The export turnover of textiles and garments in 2024



Overall assessment of the Board of Directors

Economic volatility and global challenges



In 2024, the global context continued to fluctuate unpredictably, with escalating conflicts in many regions; fluctuating gasoline prices and freight rates; slow recovery of trade and economy; labor shortages and competition in major production centers and industrial parks caused many difficulties for businesses in production organization. The world textile and garment market began to show signs of recovery from the middle of the year when major central banks such as the FED and ECB made cuts in operating interest rates, and employment and people's income improved. It is estimated that for the whole year of 2024, the total world demand for textiles and garments reached about 794 billion USD, an increase of nearly 3% compared to 2023, but still 8% lower than 2022.

The situation of Vietnam's textile industry in 2024



The Vietnamese Textile and Garment industry faced significant challenges in the first half of 2024, with a combination of the global economic downturn, rising inflation, and political instability influencing demand. Orders remained small and fragmented, accompanied by strict quality requirements and fast delivery expectations, leading to lower unit prices in the garment sector compared to 2023. The yarn sector struggled, with prices falling below production costs, resulting in continued losses despite slight improvements. However, the second half of the year showed signs of recovery, as political instability in key competitor markets like Bangladesh prompted customers to shift orders to Vietnam, positioning the country as a more attractive sourcing destination.

Growth results and Vietnam's position



In 2024, despite difficulties due to global economic fluctuations, thanks to the continuous efforts of textile and garment enterprises in finding new directions, proactively seeking orders, expanding markets, diversifying products, and demonstrating flexibility in management, Vietnam's textile and garment industry achieved an export turnover of 44 billion USD, an increase of approximately 11% compared to 2023. Vietnam has the potential to surpass Bangladesh, ranking second globally in textile and garment exports, behind only China.

Outlook for the textile industry in 2025



In 2025, despite ongoing global economic fluctuations, Vietnam's textile and garment industry is expected to see positive growth, driven by recovery in key export markets such as the US, EU, and Japan. Improved consumer spending and economic outlooks in these regions support an optimistic export forecast for the first half of the year. The industry targets an export turnover of approximately USD 48 billion, up 10% from 2024. Additionally, rising US tariffs on Chinese goods, including textiles, create opportunities for Vietnam to capture greater market share. However, the risk of Vietnam being subjected to "reciprocal tariffs" by the US remains a concern. As such, Vietnam must proactively review trade policies and adjust strategies to maintain competitiveness and ensure sustainable export growth.

BOARD OF DIRECTORS' ASSESSMENT OF THE COMPANY'S OPERATIONS

REGARDING PRODUCTION AND BUSINESS ACTIVITIES

Admst the complicated development of the global economy in 2024, the Board of Directors acknowledges the Board of Management continuous efforts in maintaining stable production, improving operational efficiency, and ensuring timely delivery according to customer requirements. Thanh Cong has leveraged the advantages of its vertical supply chain model while proactively researching and developing material lines in line with market trends, aiming for sustainable products to meet increasingly stringent export market standards. In addition, Thanh Cong continues to invest in modern technologies such as ERP systems, alongside improving product quality and developing human resources. Thanks to the Management Board's efforts, the Company continues to achieve sustainable development goals while meeting growth targets. Revenue and profit in 2024 reached 103% and 172% of the plan, respectively, thanks to appropriate and flexible strategies in response to complex macroeconomic fluctuations. The specific results achieved are as follows:

FY/PLAN OF 2024

Consolidated net revenue **3810/3707 VND Billion**

Net profit margin.

7.30%/4.35%

Consolidated net profit

278/161 VND Billion

PROJECTED PROFIT DISTRIBUTION FOR 2024

Allocation to the development investment fund **30%**

Allocation to the Bonus fund

10%

Allocation to the welfare fund

5%

Dividends/Charter capital

15%

REGARDING INVESTMENT ACTIVITIES:

In 2024, Thanh Cong implemented a significant investment plan to enhance production capacity, optimize the supply chain, and expand infrastructure. The investments focused on several key areas, including spinning, weaving, knitting, dyeing, sewing, and corporate offices, with the goal of modernizing production lines, increasing operational efficiency, and ensuring product quality meets international standards. In particular, Thanh Cong boosted investment in factories in Dong Nai to increase capacity and meet stringent environmental and sustainable development requirements.

In 2024, the Company invested in the following items:

INVESTMENT ACTIVITIES IN 2024:

Unit: VND

Unit	2024 Investment Value (VND)
Spinning	5,136,694,320
Weaving	8,743,224,079
Knitting	950,130,160
Dyeing	10,610,720
Sewing (Including Vinh Long factory, Trang Bang factory)	13,771,927,072
Company Office	20,283,616,915
Company Office (Thanh Cong - Dong Nai)	5,436,907,294
Dyeing (Thanh Cong - Dong Nai)	127,907,494,228
Sewing (Thanh Cong - Dong Nai)	815,813,021
Weaving (Thanh Cong - Dong Nai)	59,673,648,112
Total	242,730,065,921

ACTIVITIES RELATED TO THE ENVIRONMENT, COMMUNITY, AND SOCIETY

- ❖ Fully comply with legal and customer requirements regarding the environment. No environmental violations.
- ❖ Completed construction and trial operation of the 250 m3/day wastewater treatment system at Vinh Long factory.
- ❖ Maintain ISO 14001:2015 certification.
- ❖ Obtain environmental permits and register for environmental compliance for branches.
- ❖ Implement solutions to minimize waste costs:

Type	Percentage of 2024 compared to 2023
Energy	Electricity : 111% Diesel Oil: 103% Gasoline: 55% Steam: 94% Heat: 109% Gaz : 60%
Clean Water	109%
Waste	110%

- ❖ Biomass conversion: Currently burning 10% rice husk for boilers and 30% wood chips in thermal boilers at the Dong Nai branch.

Corporate Social Responsibility (CSR) plays a vital role in building a harmonious and sustainable society. CSR is not just about charitable activities, but also the Company's commitment to social and environmental issues.

Several businesses are now focusing on CSR as an integral part of their business strategy. Through community support projects and activities, businesses not only create value for society but also enhance the Company's reputation and image in the eyes of the community and customers.

Understanding this, by implementing CSR responsibly and consistently, Thanh Cong carries out activities and programs to support the community with the desire to create value not only for the Company but also for the community and the social environment.

Specifically, the typical CSR activities that Thanh Cong carries out periodically, annually, are as follows:

ACTIVITIES RELATED TO THE ENVIRONMENT, COMMUNITY, AND SOCIETY (CONT.)

THANH CONG - SPREADING LOVE, SUPPORTING THIEN AN, SON KY, AND HUYNH DE NHU NGHIA ORPHANAGES

Sponsorship of Thien An, Son Ky, Huynh De Nhu Nghia Orphanages: Thanh Cong has continued to accompany, share, and provide monthly support to improve the quality of life for orphaned and disabled children in Tan Phu District. The average annual support value for the orphanages is 227,200,901 VND.



THANH CONG - COLLABORATING TO PROMOTE AND IMPROVE COMMUNITY HEALTHCARE SERVICES

Healthcare and Medical Activities: This is an important part of the Company's social strategy, regularly carried out each year to support orphaned, visually impaired children, and other individuals in accessing essential medical services, including providing health insurance cards and regular health check-ups. Thanh Cong has contributed a value of 124,247,648 VND.



THANH CONG - STEPPING INTO THE FUTURE, ACCOMPANYING THE YOUTH GENERATION

Scholarship Donations: An annual scholarship program is organized at the start of each school year for the children of the Company's employees who are in difficult circumstances and have good academic performance. These scholarships serve not only as encouragement for students in their learning and personal development but also as the Company's support for employees, fostering greater cohesion and effort towards the Company's development goals. In addition, Thanh Cong cares for children in the local area, coordinating with the Fatherland Front of Tan Phu District to donate bicycles and scholarships for students ranging from elementary school to university and college levels. This is an annual activity of the Company in collaboration with the Fatherland Front of Tan Phu District. The total value of donations from Thanh Cong is 227,602,680 VND.



THANH CONG - SPREADING LOVE, CONNECTING THE COMMUNITY

The 10,000 Miracles Program: This program was established with the purpose of promoting solidarity and support, as well as unity within the employee community. Its goal is to assist workers who are facing sudden difficulties, accidents, or risks, especially those diagnosed with serious illnesses while working at the Company. In 2024, the Company provided support of 105,000,000 VND.



THANH CONG - GRATITUDE TO WORKERS, ACCOMPANYING LIFE

Happy Mart - Non-profit Sales Program: This is a monthly subsidized sales activity mainly aimed at production workers, in appreciation and accompaniment with them as they continue to contribute to the Company's operations. The program was created to help production workers purchase goods at discounted prices, making it more convenient and saving time and costs for employees in their shopping. The total financial support in 2024 was 179,125,097 VND.

THANH CONG - SPREADING LOVE, JOINING HANDS FOR THE COMMUNITY

Community Support Activities: Thanh Cong continuously shares and supports the community during holidays and Tet. The Company not only provides essential goods and its own products but also pays special attention to disadvantaged groups such as the elderly, victims of Agent Orange, orphaned children, and poor households. The total value of the Company's support activities reached 180,522,000 VND.



THANH CONG - JOINING HANDS TO BUILD AND DEVELOP RURAL AREAS

Contribution to the New Rural Construction Fund: Thanh Cong has implemented the Happy House program to support the donation of houses, providing special assistance to people in extremely difficult circumstances, helping them have a solid home, stable living conditions, and peace of mind for their work. The total contribution to the new rural construction fund is 110,000,000 VND.

OTHER ACTIVITIES

In addition, the Company also provides support by donating products made by the Company to the poor and various organizations, with a total support value of 66,056,859 VND.

Assessment of the Board of Directors

PLANS AND ORIENTATIONS OF THE BOARD OF DIRECTORS FOR 2025 AND THE FUTURE



BOARD OF DIRECTORS' ASSESSMENT OF THE BOARD OF MANAGEMENT'S ACTIVITIES

Achievements

The Board of Management has demonstrated a strong commitment to improving the Company's operational efficiency in all aspects, from production and business to management and human resource development. Measures to improve production processes, invest in modern technology, and optimize operations have helped the Company increase productivity, reduce costs, and improve product quality. The application of advanced management models has created transparency, professionalism, and efficiency in business administration, ensuring the Company's sustainable development in a competitive business environment.

Closely following the growth targets set by the Board of Directors, the Management Board has synchronously implemented many breakthrough solutions to improve business efficiency. Investing in modern technology, digitizing production processes, and applying advanced management models has helped the Company optimize its supply chain, improve product quality, and enhance order fulfillment capabilities. The implemented strategies have helped Thanh Cong achieve revenue and profit targets while creating a foundation for sustainable development.

Beyond focusing on business performance, the Management Board prioritizes enhancing customer value. Through international business trips and market research, the Board proactively grasps consumer trends, expands cooperation opportunities with strategic partners, and elevates service quality to meet customer needs optimally. This flexible, customer-centric approach has enabled the Company to maintain a strong position and increase trust from both partners

and international clients.

Training and developing human resources are also a top priority for the Management Board. Efforts to build a succession plan through specialized training programs, management skills development, and employee professional capacity building have significantly contributed to the Company's growth. Furthermore, listening to employee feedback and fostering a professional, dynamic work environment have enhanced internal cohesion, promoted creativity, and driven continuous improvement throughout the system.

Alongside the business development strategy, the Management Board is committed to transparent governance, enhancing internal control quality, and optimizing financial efficiency. Strict cost control amidst economic fluctuations not only maintains the Company's stability but also generates resources for reinvestment in potential projects, strengthening its market position. The Board of Directors commends the Management Board's financial discipline in balancing growth and risk management, ensuring sustainable long-term development.

Besides business objectives, the Company prioritizes employee well-being. Compensation policies, benefits, and working conditions are continuously improved to ensure a safe, stable work environment and motivate long-term employee commitment. The Management Board's close attention to human resources demonstrates responsibility towards employees and is crucial for maintaining stability and sustainable business development

Shortcomings & Causes

- Limited coordination and cohesion among internal departments, and units within the Company.
- Failure to exploit the capacity of Sewing Factory No. 2 in Vinh Long province.

PLANS AND ORIENTATIONS OF THE BOARD OF DIRECTORS FOR 2025 AND THE FUTURE

Although last year's business results showed significant growth compared to the previous year, this growth does not fully reflect the Company's potential. With advantages in production capacity, a modern management system, and a diverse customer base, the Company has the potential to achieve even more outstanding results.

Additionally, the internal process system still has areas for improvement: complex internal procedures, lengthy approval times, and inconsistent coordination between departments are hindering the Company's operations. The TC Tower project will be a major growth driver for Thanh Cong in the future. Therefore, close collaboration with the partner to finalize investment approval applications and construction permits for the TC Tower project is urgent. To expedite progress, the

Company and partner DBFS are actively working with authorities, ensuring full legal compliance while seeking optimal solutions to shorten approval times. The successful implementation of TC Tower will unlock new development opportunities, generate stable revenue, and enhance the Company's long-term financial capacity.

With existing advantages and the determination of the entire Board of Management and employees of Thanh Cong, the Board of Directors expects the Company to achieve stronger growth in 2025 and the following years to meet shareholders' expectations. To realize this goal, Thanh Cong will focus on implementing the following specific tasks:

Internal

- Focus on and closely follow the revenue and profit targets approved by the 2025 Annual General Meeting of Shareholders.
- Coordinate with partners to complete legal procedures for the TC Tower project to commence construction soon.
- Develop new customers in markets where Vietnam has signed trade agreements such as CPTPP, EVFTA, RCEP...
- Seek partners to transfer the vacant land area of the investment project at Hoa Phu Industrial Park - Vinh Long.
- Continue to increase the capacity of woven fabrics through cooperation with partners or acquisitions.
- Continue to invest and focus on research and development of high-value products, personnel training, continuous improvement, cost reduction, and completion of the ERP system to increase efficiency in material management, production operation, and corporate governance.
- Sustainable development, digital transformation, and increasing customer satisfaction, including more competitive prices, faster delivery times, and better quality, are crucial goals for the Company's growth in the coming years.

External

- Proactively coordinate with domestic and international organizations, government agencies, and associations such as VITAS, AGTEK, HUBA... to strengthen connections and linkages to create a better image and higher value for the Company.
- Actively and responsibly participate in activities related to sustainable development ESG in the textile and garment industry.
- Cooperate with peers in the industry to exchange, learn, and expand capacity when orders increase.
- Provide accurate, transparent, and timely information updates to investors and shareholders regarding the Company's operating situation.

Chapter 05

AUDIT COMMITTEE REPORT

Summary of Audit Committee
Activities in 2024

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Recommendations and Directions
of the Audit Committee for 2025

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SUMMARY OF AUDIT COMMITTEE ACTIVITIES IN 2024

RECOMMENDATIONS AND DIRECTIONS OF THE AUDIT COMMITTEE FOR 2025

Continue to maintain and improve the function of oversight risk management and internal control activities according to international best practice frameworks to support and promote the Company's achievement of its objectives.

Continue to maintain coordination between the Audit Committee and the Executive Board to promote the effective role of Internal Audit within the Company.

Propose reputable independent audit firms, such as the Big 4, for the Board of Directors' approval before submitting to the Annual General Meeting of Shareholders for approval.

Continue to maintain and increase monitoring activities of Internal Audit to raise employee awareness in fraud prevention and compliance within the Company.

Activity	Content
Activities of the Audit Committee in 2024	<p>Issue the Audit Committee's working plan for approval by the Board of Directors.</p> <p>Organize meetings with the full participation of members, complying with the Audit Committee Regulations. In addition, there were many other meetings and work coordination, with the participation of relevant parties.</p> <p>Fully report the Audit Committee's activities to the Board of Directors.</p>
Oversight of Financial Statement	<p>Semi-annual and annual financial statements are prepared and published in accordance with applicable accounting standards and legal regulations.</p> <p>During the year, there were no changes in accounting policies, accounting standards, or tax policies that had a significant impact on the financial situation and published financial statements.</p> <p>No material errors or inconsistencies related to accounting estimates were detected.</p> <p>No irregularities related to transactions with related parties were recorded.</p>
Oversight of Risk Management and Internal Control System	<p>The Company currently maintains an effective internal control framework.</p> <p>The portfolio of key risks is controlled and does not fluctuate significantly.</p> <p>Risk assessment activities are carried out periodically, monitored, and supervised continuously to promptly respond to newly arising risks.</p> <p>Risk management measures are applied promptly, appropriately, and consistently with the Company's governance perspective.</p> <p>Business processes are issued, updated, instructed, and managed by a specialized unit. Adherence to these processes is well-implemented and shows a positive trend over time.</p>
Internal Audit Activity Oversight	<p>Internal Audit operates based on international best practices and standards, and complies with guidelines issued by the Ministry of Finance.</p> <p>The coordination between the General Director and the Audit Committee in management has helped Internal Audit effectively fulfill its role.</p> <p>Internal Audit proactively engages in coordination and consultation activities in risk management and internal control, rather than solely conducting audits and assessments.</p> <p>The 2024 internal audit plan was successfully completed within the available resources.</p> <p>Internal Audit's recommendations are agreed upon, accepted, and seriously implemented by the units through remediation plans, which are closely monitored by Internal Audit.</p> <p>Internal Audit has completed its assigned tasks and audit plan, contributing to improved management processes, enhanced production and business efficiency, and improved operational effectiveness.</p>
Oversight of Compliance and Anti-Fraud	<p>Compliance assessment and fraud investigation programs are integrated into Internal Audit's audit plan.</p> <p>The Company has developed various programs to disseminate and promote the Code of Business Conduct and legal regulations to employees to raise individual awareness in fraud prevention and deter violations.</p>
Independent Audit Service Oversight	<p>The 2024 audit plan and implementation of the independent audit firm are consistent with the Company's requirements, meeting the requirements for quality assurance, independence, and no conflict of interest of the independent audit.</p> <p>The audit firm has completed its tasks, met the expectations of the Audit Committee, and ensured the reliability and integrity of the financial statements provided by the Company.</p>

Chapter

REPORT ON THE COMPANY'S ENVIRONMENTAL AND SOCIAL IMPACT

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SUSTAINABLE DEVELOPMENT INDICATORS 2024



REPORT ON THE COMPANY'S ENVIRONMENTAL AND SOCIAL IMPACT

Total Greenhouse Gas (GHG) Emissions

In recent years, faced with global climate change, governments worldwide, especially in developed countries, have developed specific plans to achieve the goal of carbon neutrality by 2050.

At the COP29 conference held in November 2024, the Vietnamese delegation led by Deputy Minister of Natural Resources and Environment Le Cong Thanh made three main proposals: (1) Developed countries should take the lead in reducing net emissions to "0" before 2040 and commit to contributing 1,000 billion USD annually in climate finance by 2030; (2) Countries need to seriously implement their current Nationally Determined Contributions (NDCs) and quickly develop NDC3.0 for the next phase; (3) Promote international cooperation, especially in implementing the Early Warnings for All initiative, to support developing countries in completing early warning systems and responding to natural disasters.

Domestically, the Government has approved the updated National Adaptation Plan (NAP) for climate change for the 2021-2030 period, with a vision to 2050. This plan identifies 162 priority tasks and solutions, focusing on three

main objectives: (1) Enhancing the resilience and adaptive capacity of natural, economic, and social systems, ensuring sustainable livelihoods; (2) Mitigating natural disaster risks and damages caused by extreme weather, contributing to minimizing losses due to climate change; (3) Completing institutions and promoting resources for effective climate change adaptation.

Regarding energy, Vietnam is committed to reducing its dependence on coal-fired thermal power, promoting the development of renewable energy such as solar and wind power, and accelerating the development of smart grids to optimize operational efficiency and reduce power losses, in accordance with Power Plan VIII.

Additionally, starting in 2024, Vietnam will begin implementing a roadmap to phase out hydrofluorocarbons (HFCs) with the goal of maintaining consumption of these substances at baseline levels over the next four years, equivalent to approximately 8,000 tons (emitting about 14 million tons of CO₂). This is a significant step towards protecting the ozone layer and mitigating the greenhouse effect.



REPORT ON THE COMPANY'S ENVIRONMENTAL AND SOCIAL IMPACT

Responding to the national spirit, Thanh Cong, represented by Mr. Tran Nhu Tung, who is in charge of overseeing sustainable development activities, has ignited, maintained, and spread the flame, implementing "green production" in line with the global trend of circular economy development. For the Industrial Processes and Product Use (IPPU) process that Thanh Cong is operating, the main emissions are gases such as: CO₂, SO₂, NO_x,... To minimize emissions, Thanh Cong implements:

FOR EMISSIONS FROM GENERATORS:

With the specific characteristics of a manufacturing enterprise, the Company is prioritized for electricity supply. Thanh Cong uses generators rationally and for the right purpose, only in emergencies such as power failures or outages. Power outage schedules are announced in advance, so the Company arranges production schedules effectively to avoid excessive use

of generators, which is both costly and environmentally impactful. In parallel, to avoid localized pollution, the Company has conducted regular maintenance of the power system and installed high chimneys to prevent gas accumulation and enhance gas diffusion. Therefore, the amount of emissions generated from generators is negligible in practice.

FOR EMISSIONS FROM AIR CONDITIONING SYSTEMS:

To minimize this source, Thanh Cong has established regulations for turning on and off air conditioners in office buildings, making it easy to regulate and use,

saving electricity, and gradually phasing out outdated air conditioners, replacing those using R22 gas with those using R410a and R32 gas.

DUST AND EMISSIONS FROM MACHINERY IN THE PRODUCTION PROCESS:

Thanh Cong focuses on inspection, maintenance, repair, and replacement of machinery and equipment, avoiding cases where old machinery operates inefficiently, generating poor quality emissions, excessive noise, and consuming a lot of energy. In

addition, Thanh Cong has planned and is planning to switch boiler fuel from coal to Bio-mass or use electric boilers to replace low-capacity boilers to reduce CO₂ emissions into the environment for some factories.

FOR TRANSPORTATION:

Thanh Cong complies with technical requirements such as not carrying goods exceeding the vehicle's load capacity, maintaining vehicles, using the correct fuel, etc. Gradually transitioning from fossil fuel-powered forklifts to electric forklifts. Trucks transporting materials are regularly inspected for safety and environmental

hygiene. Collaborating with electric taxi companies to gradually replace traditional taxis. Regarding entry and exit to the factory area, Thanh Cong has issued clear regulations and arranged the vehicles carrying raw materials and finished products appropriately.

In 2024, Thanh Cong recorded total direct and indirect greenhouse gas emissions of 966.62 tons of CO₂ and 22,050.17 tons of CO₂, respectively. To minimize emissions, the Company consistently monitors and updates environmental regulations, implementing compliant measures. Environmental protection is an urgent task. Thanks to the efforts of the Board of Directors and all employees, Thanh Cong has not violated any environmental issues related to gas emissions.

MILESTONES OF 2024

40,644 million bottle recycled equivalent to 5,806 million shirts

Using 3,806 billion WH renewable energy helps reduce 9741 tons of CO₂

Equivalent to planting 405,874 thousand trees over 369 hectares



ENVIRONMENTAL IMPACT

Total Greenhouse Gas (GHG) Emissions

Direct

LPG

Month	Consumption (KG)	Density (Tons/m3)	Calorific Value (GJ/Ton)	CO2 (t CO2-e)	CH4 (t CO2-e)	N2O (t N2O-e)	Output (Products)	Percentage (Tons/Tons Of Product)
1				0.00	0.0000	0.0000	2,023,836	0.000
2				0.00	0.0000	0.0000	1,174,468	0.000
3				0.00	0.0000	0.0000	1,923,484	0.000
4				0.00	0.0000	0.0000	1,634,726	0.000
5	450	0.55	49.491	2.23	0.0007	0.0001	1,851,896	0.000
6				0.00	0.0000	0.0000	1,591,411	0.000
7				0.00	0.0000	0.0000	1,634,393	0.000
8				0.00	0.0000	0.0000	1,579,942	0.000
9				0.00	0.0000	0.0000	1,466,555	0.000
10				0.00	0.0000	0.0000	1,783,795	0.000
11				0.00	0.0000	0.0000	1,758,677	0.000
12				0.00	0.0000	0.0000	1,834,068	0.000
AVERAGE	450			0.19	0.0001	0.0000	1,688,104	0.000
TOTAL	450			2.23	0.0007	0.0001	20,257,251	0.000

Direct

Diesel Oil

Month	Consumption (KG)	Density (Tons/m3)	Heating Value (GJ/TON)	CO2 (t CO2-e)	CH4 (t CO2-e)	N2O (t N2O-e)	OUTPUT (Products)	Percentage (Tons/Tons Of Product)
1	21,976	0.862	37.217	81.79	0.0245	0.0033	2,023,836	0.000
2	14,493	0.862	37.217	53.94	0.0162	0.0022	1,174,468	0.000
3	21,813	0.862	37.217	81.18	0.0244	0.0032	1,923,484	0.000
4	19,594	0.862	37.217	72.92	0.0219	0.0029	1,634,726	0.000
5	22,384	0.862	37.217	83.31	0.0250	0.0033	1,851,896	0.000
6	20,954	0.862	37.217	77.98	0.0234	0.0031	1,591,411	0.000
7	22,574	0.862	37.217	84.01	0.0252	0.0034	1,634,393	0.000
8	23,248	0.862	37.217	86.52	0.0260	0.0035	1,579,942	0.000
9	18,294	0.862	37.217	68.08	0.0204	0.0027	1,466,555	0.000
10	23,803	0.862	37.217	88.59	0.0266	0.0035	1,783,795	0.000
11	23,058	0.862	37.217	85.81	0.0257	0.0034	1,758,677	0.000
12	26,936	0.862	37.217	100.25	0.0301	0.0040	1,834,068	0.000
AVERAGE	21,593.917			80.37	0.0241	0.0032	1,688,104	0.000
TOTAL	259,127.000			964.39	0.2893	0.0386	20,257,251	0.001

Direct	CO2 (t CO2-e)	CH4 (t CO2 -e)	N2O (t N2O-e)
TOTAL	966,62	0,2900	0,0387





ENVIRONMENTAL IMPACT

Total Greenhouse Gas (GHG) Emissions

Indirect

Electricity

Month	Consumption (kWh)	CO2 emissions (t CO ₂ -eq)	Output (tons of product)	Percentage (Tons/ton)
1	2,895,618	1908.79	2,023,836	0.00
2	1,461,771	963.60	1,174,468	0.00
3	2,895,460	1908.69	1,923,484	0.00
4	2,690,125	1773.33	1,634,726	0.00
5	2,969,631	1957.58	1,851,896	0.00
6	3,025,284	1994.27	1,591,411	0.00
7	3,049,182	2010.02	1,634,393	0.00
8	2,910,111	1918.35	1,579,942	0.00
9	2,673,735	1762.53	1,466,555	0.00
10	3,108,304	2048.99	1,783,795	0.00
11	3,028,642	1996.48	1,758,677	0.00
12	2,724,262	1795.83	1,834,068	0.00
AVERAGE	2,786,010.42	1,836.54	1,688,104	0.00
TOTAL	33,432,125.00	22,038.46	20,257,251	0.01

Indirect

Wastewater

Month	Processing (m ³)	CH4 Emissions (t CO ₂ -eq)	Productivity (tons of product)	Percentage (Tons/ton)
1	98,613	1.06	2,023,836	0.00
2	46,522	0.50	1,174,468	0.00
3	93,785	1.00	1,923,484	0.00
4	85,735	0.92	1,634,726	0.00
5	88,220	0.95	1,851,896	0.00
6	99,711	1.07	1,591,411	0.00
7	104,925	1.12	1,634,393	0.00
8	92,935	1.00	1,579,942	0.00
9	93,165	1.00	1,466,555	0.00
10	104,840	1.12	1,783,795	0.00
11	94,750	1.02	1,758,677	0.00
12	90,075	0.97	1,834,068	0.00
AVERAGE	91,106.33	0.98	1,688,104	0.00
TOTAL	1,093,276.00	11.71	20,257,251	0.00

Indirect	CO ₂ (t CO ₂ -eq)	CH ₄ (t CO ₂ -eq)
TOTAL	22,038,46	11,71



ENVIRONMENTAL IMPACT

Raw material management

Throughout 48 years of establishment and development, Thanh Cong has always focused on building an optimal raw material management system, from the input stage to product packaging and distribution. This system not only meets the stringent standards of demanding markets such as the US and EU but also ensures sustainability, cost-effectiveness, and enhances the Company's competitive advantage.

From the very first stage, Thanh Cong establishes strict criteria for evaluating and selecting suppliers. Choosing the right supply partners not only helps the Company ensure high-quality output products, on-time delivery, and reasonable prices but also enhances inventory management capabilities. Thanh Cong's suppliers must meet criteria regarding quality management systems, commit to supplying internationally certified raw materials, and comply with environmental and labor regulations, such as labor age and safe working environments. This principle helps the Company mitigate risks in the supply chain and ensures sustainable development in the long term.

After raw materials are imported into the warehouse, the Company applies scientific storage procedures, meeting temperature and humidity standards to ensure quality throughout the preservation process. The internal control system is strictly implemented to

(1) Total weight, volume of raw materials used

No.	Product/Service	Raw materials used in Product/Service	Total mass/weight (Unit: Tons)	Supplier		Recyclability	
				External	Internal	Recyclable	Non-recyclable
1	Yarn	Cotton, Fiber	9,693	9,693			x
2	Knitted Greige Fabric	Yarn	8,861	5,960	2,901		x
3	Woven Greige Fabric	Yarn	5,446	5,004	442		x
4	Finished Fabric	Greige Fabric	11,088	589	10,499		x
5	Shirt	Finished Fabric	7,672	978	6,694		x

closely monitor each batch of goods before putting them into production. During the production process, Thanh Cong uses modern technology to optimize raw material usage efficiency, minimize losses, and limit waste. Thanks to advanced production management systems, the Company can closely monitor each stage of the process, ensuring that products meet the highest quality standards before leaving the factory.

Packaging and transportation are also prioritized by Thanh Cong to ensure that products not only maintain both optimal quality and meet sustainability criteria. Before leaving the factory, finished products are comprehensively inspected to ensure no technical errors or quality defects. The Company also strives to reuse and recycle packaging to minimize waste, protect the environment, and optimize costs.

With a comprehensive approach to raw material management in addition to ensure the stability of the supply chain Thanh Cong enhances its competitiveness in the international market. In the future, the Company will continue to invest in smart supply chain management technology, expand cooperation with reputable suppliers, and promote sustainable initiatives to achieve green development goals and enhance brand value.

(2) Report on the percentage of recycled materials used

No.	Raw Material Type	Total Usage Amount (Unit: Tons)	Recycled Usage Amount (Unit: Tons)	Percentage of Recycled Mass/Total Usage Amount (%)
1	Cotton, Fiber	9,693	66.66	0.7%

Energy Consumption

The Vietnamese government has implemented a series of commitments and solutions to enhance energy conservation, especially in the electricity sector, to ensure energy security and sustainable development. Specifically, in 2024, the Prime Minister issued Directive No. 1/CT-TTg to ensure sufficient electricity supply for production, business, and daily life during peak periods in 2025 and the 2026-2030 period, emphasizing the crucial role of efficient and economical energy use.

According to 2023 data from the Vietnam Textile and Apparel Association (VITAS), Vietnam's textile and garment industry emits about 5 million tons of CO₂ annually and spends 3 billion USD per year on energy

needs, equivalent to about 6.8% of GDP. Speaking at a seminar, Deputy Director of the Department of Climate Change, Mr. Nguyen Tuan Quang, stated that the textile and garment industry aims to become a key export sector of Vietnam. He also emphasized the need for businesses to promptly conduct greenhouse gas inventories and reduce emissions to avoid impacts on production and business. Electricity is a crucial energy source for factory and office operations. Every simple action contributes to the larger goal of protecting our living environment.

To continue the national spirit, Thanh Cong has implemented:

- Closely monitor monthly electricity consumption to promptly implement energy-saving programs.
- Build an internal culture of environmental protection by raising awareness among each of employee about the negative impacts of wasteful usage, thereby enhancing the common awareness of "turning off when not in use."
- Equip energy-saving electrical devices such as energy-saving light bulbs, ensuring lighting capacity with a long lifespan, and installing timers for water dispensers. Simultaneously, establish mechanisms for inspecting, maintaining, repairing, and replacing machinery and equipment, and regularly cleaning air conditioners to avoid energy consumption.
- Encourage employees to continuously brainstorm and seek improvement initiatives to minimize energy consumption at each factory and department in the office by establishing and applying regulations for recognizing and rewarding inventions.
- Appoint a team responsible for energy management with the task of planning and reporting on energy management monthly/annually. This unit is also responsible for implementing and evaluating the effectiveness of energy-saving solutions.

(1) Indirect Energy Consumption Status

No.	Activity Type	Total energy consumption (Unit: Kjun)	Reduction method (If any)	Estimated reduction amount (If any)
1	Transportation	10,197,506,581	No	
2	Office	4,393,904,400	Energy-saving lamps installation	31,536,000



ENVIRONMENTAL IMPACT

Energy Consumption (Cont.)

(2) Direct Energy Consumption Status

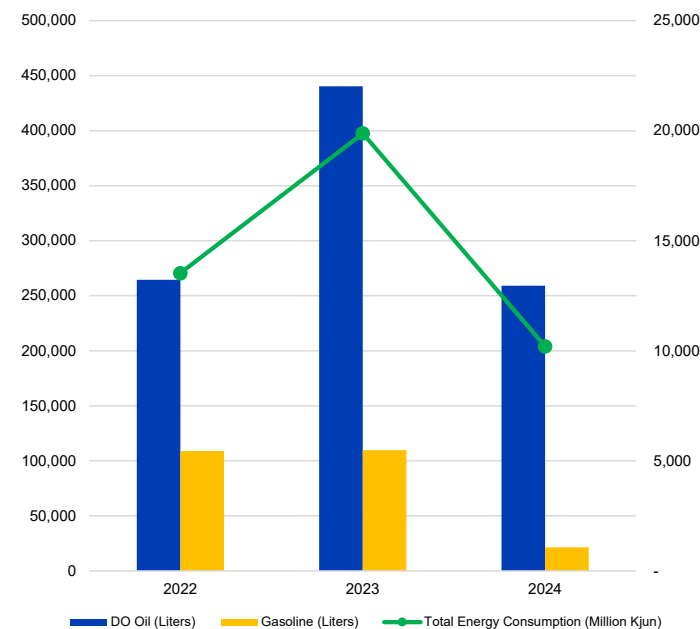
No.	Total Energy Consumption Categorized by Source	Unit	Conversion system	2024
1	Diesel Oil	Lít		259,217
	Total Energy Consumption	Kjun	36,845 KJ/L	9,457,532,245
2	Gasoline	Lít		21,293
	Total Energy Consumption	Kjun	34,752 KJ/L	739,974,336
3	Coal	Kg	4,000 Kcal/kg (1	20,623,280
	Total Energy Consumption	Kjun	Kcal = 4.186 KJ)	345,316,200,320
4	Gas	Kg		450
	Total energy consumption	Kjun	46,000 KJ/kg	20,700,000
5	Electricity	Kwh		33,432,125
	Total energy consumption	Kjun	3,600 KJ/kWh	120,355,650,000

(3) Indirect Energy Consumption Status

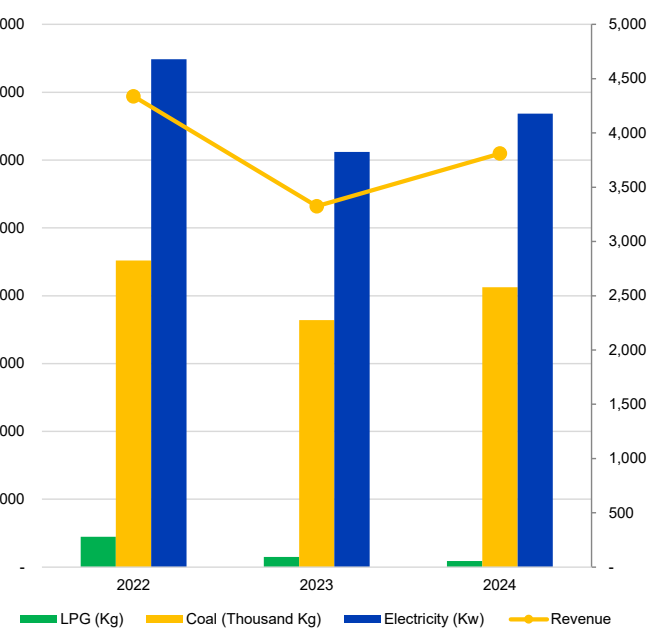
No.	Energy-saving initiatives	Operation location	Energy saved (Unit: Kjun)
1	Toyota & Tsudakoma Loom Wind Saving	OFF stretch nozzle on loom for non-twisted yarn	29,172,442
Total			29,172,442

No.	Efficient energy use initiatives	Operation location	Energy saved (Unit: Kjun)
1	Automation of PAA chemical mixing stage	Wastewater treatment	13,824,000
Total			13,824,000

Fuel Consumption Situation of the Company from 2022 to 2024



Energy Consumption Situation for the Period 2022 - 2024





ENVIRONMENTAL IMPACT

Water Consumption

Under the impact of global climate change, the risk of water scarcity and pollution is increasingly becoming a serious challenge. Recognizing the importance of water resources for sustainable development, especially in the textile and garment industry - which consumes a lot of water, Thanh Cong has implemented a series of measures to optimize water use, control input quality, reuse, and treat wastewater according to strict standards. From the input stage, the Company applies a strict water quality control system, ensuring that the water used meets all necessary standards for production. Especially in the dyeing process - a process that consumes a lot of water and generates a large amount of wastewater, Thanh Cong has invested heavily in a water circulation system, helping to minimize water consumption and limit environmental impact. In addition, the Company continuously upgrades its wastewater treatment system with advanced technology, ensuring that treated wastewater meets QCVN 40:2011/ BTNMT standards before being discharged into the environment. A typical example is the wastewater treatment system project with a total investment of

30 billion VND, approved by the Ministry of Industry, designed and installed by Seen Company. This system helps the Company comply with legal regulations as well as contributes significantly to protecting the common water resources of the region. To maintain transparency and accountability in water management activities, Thanh Cong periodically conducts reports on monitoring the quality of treated water in accordance with regulations of the competent authorities. At the same time, the Company strictly complies with its obligations to pay fees for groundwater exploitation as prescribed, demonstrating a strong commitment to using water resources rationally and responsibly. Regarding the long-term strategy, to limit the impact on water resources in neighboring residential areas, the Company is gradually implementing a plan to relocate some factories to specialized industrial zones, planned specifically for the textile and garment industry. This is a strategic step to ensure that the Company's production activities are aligned with sustainable development orientations, contributing to environmental protection and improving the efficiency of water resource use in the future.

(1) Water sources used

No.	Water sources	Total water collected/obtained (Unit: liters)
1	Well water	1,127,354,000
2	Tap water	79,658,000
	Total	1,207,012,000

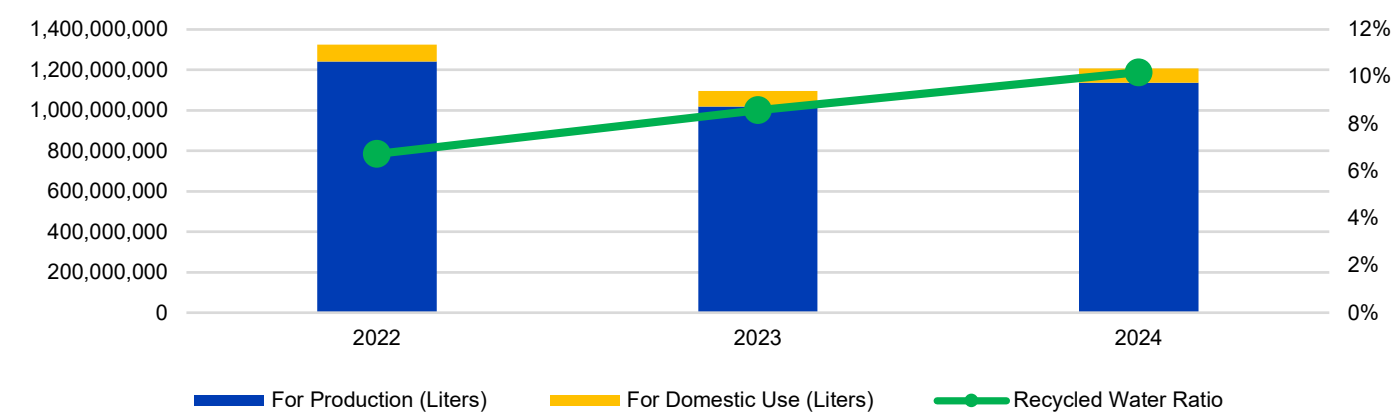
(2) Water consumption

No.	Activity Type	Total water usage (Unit: liters)
1	Production	1,136,380,000
2	Domestic	70,632,000
	Total	1,207,012,000

(3) Recycled water usage

No.	Water sources	Total reused/recycled water (Unit: liters)
1	Wastewater for machine cleaning	52,244,000
2	Recycled wastewater for dyeing production	70,635,000
	Total	122,879,000

Water Usage Situation at the Company during the Period 2022 - 2024



Solid waste treatment

The Company classifies solid waste into regular solid waste and hazardous solid waste. 100% of regular solid waste is recycled; 100% of hazardous solid waste is treated in accordance with regulations.

The Company classifies domestic waste into difficult-to-decompose domestic waste and regular domestic waste. Difficult-to-decompose domestic waste (plastic) is 100% recycled; regular domestic waste is treated according to regulations.



RESPONSIBILITY TO THE ENVIRONMENT

that production activities can have on the environment. The textile and garment industry is inherently one of the largest resource-consuming industries, especially water and energy, while also generating a lot of waste and emissions. The yarn production process requires large amounts of water to process and clean raw materials, along with high power consumption for machinery and equipment. In the weaving and dyeing stage, the environmental challenge is even greater when wastewater containing chemicals, dyes, and organic compounds needs to be strictly treated to avoid polluting water sources. Meanwhile, the garment

manufacturing stage generates a large amount of solid waste from fabric scraps and defective products, along with emissions from energy use in factory operations. With the motto of constantly innovating and developing to keep up with market demands and the world's "green production" trend, Thanh Cong aims for a sustainable circular economy. Towards the image of an environmentally friendly Company, Thanh Cong respects, implements, and commits to strictly controlling the production process to avoid violating standards. Specifically:

Regarding products

Green materials - a sustainable step

The process of "greening" the Vietnamese textile and garment industry, following the global trend, has been and is creating momentum to encourage domestic material suppliers to research and launch new products suitable for consumer tastes. Thanh Cong grasped this opportunity very early on when it focused on investing in research and development (R&BD) since 2017, focusing on researching and developing environmentally friendly product lines based on world fashion trends and essential life needs. Up to now, many product lines have been researched and developed through the use of recycled materials

Regarding communication

A clean living environment is the goal of the whole society, and to achieve this, the cooperation of everyone is needed. Thanh Cong recognizes the importance of environmental protection and is making efforts to raise awareness among all employees. This is implemented through knowledge training programs and specific action programs. One of the notable



RESPONSIBILITY TO THE ENVIRONMENT

Regarding environmental standards in production

Thanh Cong is committed to maintaining and developing sustainable production activities, complying with stringent environmental standards. The Company applies an environmental management system according to ISO 14001:2015, to monitor and comprehensively assess the impact of the production process on the environment, from waste management, energy saving to resource optimization. Since 2023, Thanh Cong has updated the validity of this certificate, and gradually improved Higg FEM (Higg Facility Environmental Module) - a comprehensive environmental assessment standard in the textile and garment industry. Applying Higg FEM helps the Company accurately measure environmental performance, thereby improving operational processes in an environmentally friendly direction, ensuring compliance with international standards and meeting stringent requirements from partners and global

from Polyester, Viscose, Cotton from plastic bottles and old clothes and the use of sustainable materials extracted from sugarcane, corn, natural wood, and seaweed, naturally colored cotton without dyeing,... with energy-saving features, reduced emissions, rapid decomposition, and environmental friendliness. As a result, Thanh Cong has received environmental certifications (EU ECOLABEL), sustainable apparel products (Sustainable Apparel Coalition/Higg Index), Organic Content Standard (OCS), Global Organic Textile Standard (GOTS), Global Recycled Standard (GRS),...

activities is the "Used Battery Collection Program" at Thanh Cong, which has been positively received by employees and is part of the Company's sustainable development strategy. We believe that only when we act together to protect the environment can we create a sustainable future for future generations.

customers.

Enhancing its commitment to sustainable development, Thanh Cong strongly focuses on "greening" its products and manufacturing processes, meeting stringent international standards. All products at the manufacturing facility undergo rigorous testing for harmful substances in the laboratory, achieving Confidence in Textiles certification and complying with the OEKO-TEX 100 standard, ensuring user safety. With over 90% of revenue coming from export markets, Thanh Cong implements a quality management system according to SQP (Supplier Qualification Program) to strictly control production and distribution processes, mitigating operational risks in the supply chain.

Not only ensuring product quality, Thanh Cong also pays special attention to social responsibility and working conditions. The Company is committed to building a fair and transparent working environment,

in accordance with Vietnamese law and international conventions. Thanh Cong is honored to achieve WRAP (Worldwide Responsible Accredited Production) certification - the largest independent certification for social responsibility in the textile and garment industry, ensuring compliance with 12 ethical principles and fair treatment of workers. In addition, the Company also complies with SMETA (Sedex Members Ethical Trade Audit) standards for business ethics and social



COMPLIANCE WITH ENVIRONMENTAL PROTECTION LAWS

Thanh Cong Textile Garment - Investment - Trading Joint Stock Company strictly and fully complies with environmental regulations in the Law on Environmental Protection 2020 number 72/2020/QH14, Decree number 08/2022/ND-CP detailing a number of articles of the Law on Environmental Protection, Decree number: 05/2025/ND-CP amending and supplementing a number of articles of Decree number 08/2022/ND-CP detailing a number of articles of the Law on Environmental Protection, ensuring no environmental

responsibility, and participates in the Better Work program, a joint initiative between the International Labor Organization (ILO) and the International Finance Corporation (IFC) to ensure compliance and improve working conditions for workers. These commitments help Thanh Cong enhance its position in the industry also create a sustainable working environment, harmonizing the interests of the business and its employees.

violations.

Periodically conducts air emission monitoring and surveillance, fully pays environmental taxes and fees; Has prepared an energy audit report for the previous fiscal year, with the next energy audit report due in 2025;

Is fully equipped with equipment and tools for environmental incident prevention and response Fully implements wastewater environmental monitoring.



ENVIRONMENTAL PROTECTION, CLIMATE CHANGE RESPONSE, AND CIRCULAR ECONOMY PROMOTION ACTIVITIES

The Company implements solutions to replace fossil fuels, using clean energy and renewable energy (Biomass and solar power) in production and business to reduce greenhouse gas emissions and respond to climate change.

Efficient use of materials, utilizing environmentally friendly materials, and minimizing waste.

Wastewater recycling (operation and testing of the RO system).

Issuance and regular implementation of regulations on energy-saving behaviors and practices: measures to save electricity, changing electricity usage habits, and economical use of fuels.

Replacement and upgrade of modern equipment with lower energy and fuel consumption, reducing greenhouse gas emissions and ozone-depleting substances, primarily focusing on energy-saving projects.



REPORTING RELATED TO GREEN CAPITAL MARKET ACTIVITIES AS GUIDED BY THE STATE SECURITIES COMMISSION

In the context of the global shift towards sustainable development, the green capital market is increasingly becoming a crucial trend, encouraging businesses to implement ESG (Environmental, Social, and Governance) practices. The State Securities Commission has been implementing numerous policies to promote listed companies' participation in this trend, not only to enhance transparency but also to facilitate

access to green investment capital. Publishing ESG reports helps businesses systematize and standardize regulations related to sustainable development, identifying opportunities and challenges in optimizing production activities in an environmentally friendly manner. However, for effective and substantial ESG implementation, companies need to deploy various synchronized solutions, including enhancing internal

monitoring and evaluation capacity, training personnel to understand ESG criteria, and defining specific metrics to assess the effectiveness of sustainable development activities. Adopting green production and management models not only helps businesses comply with regulations but also provides competitive advantages, enhances brand value, and expands cooperation opportunities with investors who have stringent ESG project selection criteria. Recognizing the importance of this trend, Thanh Cong proactively monitors and regularly updates new policies from the

State Securities Commission and the Ho Chi Minh City Stock Exchange. The Company has been adjusting and supplementing internal management processes to meet ESG standards, while actively orienting towards a "green production" model for comprehensive sustainable development. Thanh Cong is committed to continuous innovation, technological advancement, and resource optimization to ensure business operations are linked with social and environmental responsibility, contributing to the development of a green economy.



HUMAN RESOURCES POLICY

2024 marked a period of strong recovery after the fluctuations caused by the pandemic and the global economic downturn. Throughout the journey of overcoming challenges, Thanh Cong's leadership and all employees have united and persevered to maintain production and business activities. Looking back on the past journey, we further affirm the philosophy of "putting employees first" - because the sustainable development of the enterprise can only be achieved when each individual in the organization has their rights guaranteed, a good working environment, and deserving development opportunities.

a comprehensive human resources policy, aiming for harmony between the interests of the enterprise and its employees. The Company constantly improves welfare regimes, adjusts income levels in line with market conditions, ensures stable income, and creates motivation for long-term employment. In-depth training programs and skills enhancement are continuously implemented to develop a high-quality workforce, ready to adapt to industry innovations. Simultaneously, the Company continuously improves the working environment, creating conditions for employees to maximize their potential, building a cohesive, professional, and effective team.

In 2024, Thanh Cong continued to build and implement

Human Resources Policy	Content
Recruitment Policy	<p>At Thanh Cong, the leadership considers human resources as the most important asset, a solid foundation for the Company's sustainable development. Therefore, recruitment not only meets immediate human resource needs but also focuses on a long-term strategy, seeking outstanding individuals to build future value with the Company. The Company constantly improves recruitment standards, builds rigorous and scientific processes to attract, screen, and select the best candidates - those with competence, innovative thinking, and commitment.</p> <p>To ensure access to a wide range of human resources, recruitment is always transparent and publicized on the Company's official website, reputable recruitment platforms, and social networks. This not only expands the reach to candidates but also enhances Thanh Cong's recruitment brand in the labor market. In addition, the Company is committed to building a clear and transparent compensation policy, commensurate with competence and job position, ensuring fairness and attracting talent.</p> <p>Thanh Cong's recruitment process is designed to be flexible yet professional, transparent, and objective. The Company upholds the principle of fairness, creating conditions for all candidates to demonstrate their abilities, while building a work environment where each individual can maximize their potential. As of 2024, Thanh Cong is proud to be working with 5,798 employees - dedicated and talented individuals, together building a strong enterprise, a pioneer in the industry.</p>

Human Resources Policy	Content
Training Policy	<p>From a sustainable development perspective, Thanh Cong identifies people as the most valuable asset, the center of all resources, and the determinant of the organization's success. Therefore, the Company always prioritizes training and human resource development, aiming to help employees develop comprehensively in expertise, skills, and management thinking.</p> <p>Thanh Cong implements in-depth and systematic training programs, focusing on enhancing professional competence for the business, technical, and management teams. In particular, the Company focuses on developing young potential personnel and successors, helping to form a management force with sufficient knowledge and experience to take on important roles in the future. In addition to equipping professional skills, these training courses could help employees improve strategic thinking and adaptability to the constantly changing business environment.</p> <p>Besides professional training, Thanh Cong implements additional training programs related to change management, helping employees adapt to new development trends in the industry. With strong investment in technology and modern machinery, the Company regularly organizes training courses to guide workers on equipment operation, ensuring optimal production efficiency and occupational safety.</p> <p>In the context of increasing competition, Thanh Cong believes that investing in training not only improves productivity and product quality but also creates a professional and sustainable work environment. The Company is committed to continuing to expand and improve training programs, accompanying employees in their career development, thereby creating a solid foundation for Thanh Cong to maintain its leading position in the market.</p>
Employment Policy	<p>Because the textile and garment industry is a labor-intensive industry, the Company establishes specific criteria for working hours and working regimes that fully guarantee the rights of employees. Specifically:</p> <ul style="list-style-type: none"> - Ensure full and strict implementation of employee policies as prescribed in the Labor Code and Social Insurance Law: Signing labor contracts; paying 100% of social insurance, health insurance, and unemployment insurance for employees; establishing policies for female workers; ensuring occupational safety and health. - Establish a clear salary roadmap to motivate employee development; provide lunches and snacks during work shifts, ensuring adequate health for employees to work effectively. - Balance working time, ensure good payment for overtime workers, and night shift allowances. - Always aim for a high-quality workforce by proactively proposing training plans, improving employee skills, and fostering senior management personnel.
Occupational safety and health policy:	<p>With the motto "Occupational safety is paramount," Thanh Cong always prioritizes the safety and health of its employees. The Company constantly improves the working environment, ensures safety standards according to regulations, and invests in upgrading personal protective equipment to minimize risks during work. Regular training programs on occupational safety are implemented rigorously, helping to raise awareness and accident prevention skills for employees. In addition, the Company also implements strict inspection and supervision measures for equipment at the production site to ensure compliance with safety procedures in each department.</p>
Working conditions	<p>Thanh Cong outlines 3 factors that need to be ensured: "Occupational safety - Working tools - Working environment". Firstly, always ensure adequate provision of occupational safety equipment, prioritizing employee health and safety. Secondly, ensure that employees have the necessary working tools and equipment with guaranteed quality according to regulations. Thirdly, the hygienic conditions around the working area must be safe for health, meeting the working environment regulations according to current state regulations.</p>



HUMAN RESOURCES POLICY (CONT.)

Human Resources Policy	Content
Salary, Bonus, and Benefit Policies	Improve the salary and bonus policy towards evaluating work performance results, using it as a basis for distributing salaries and bonuses, limiting the problem of working much but with low productivity, motivating employees to increase productivity. According to statistics, in 2024, the Company had 5,798 official employees and the average income of an employee in 2024 was 11.93 million VND/month, an increase of 4.25% over the same period.
	Focus on annual periodic health check-ups for employees. For managers, the Company conducts health check-ups according to business standards, ensuring that the subjects enjoy health benefits according to their job positions. On the other hand, occupational disease issues are also supported by the Company. Support employees in difficult circumstances, funeral allowances, childcare allowances, petrol allowances, business trip regimes, prepare vehicles to transport employees to work, etc.
	Create conditions for employees to participate in recreational activities such as organizing internal sports, cultural activities and other spiritual activities organized by the Trade Union and Youth Union on holidays and anniversaries during the year.

No.	Classification	Number of employees participating in training	Average training hours (Unit: Hours/ Person)
I By labor qualification			
1	Bachelor's degree and above	846	0.9
2	College, professional secondary level	128	0.7
3	Elementary and technical workers	982	0.2
4	Unskilled labor	1,226	0.4
II By labor contract			
1	Full-time	3,182	0.6
III By gender			
1	Male	1,162	0.6
2	Female	1,999	0.6
TOTAL		3,161	0,6

Training programs	Content
Next HODs Training program	This program equips future successor management personnel from various units with essential knowledge and skills, aiming to develop Thanh Cong's future leadership with necessary competencies and qualities. Simultaneously, the Company aims to create a positive learning environment where each learner is encouraged and supported in their self-development.
MT – ESI Onboarding Training program	This Management Trainee program is part of a plan to build a pool of young future talents by recruiting final-year students or recent graduates with excellent academic records and a desire for practical business knowledge.
Merchandise Class Training program	This program aims to enhance the capabilities of the Company's sales team. Designed based on the actual needs of Merchandiser roles at the Company, it provides an opportunity to improve knowledge, enabling the sales team to collaborate more effectively with related departments, contributing to enhanced business performance and sustainable development.
ERP Training activity	This program trains employees on the new ERP system, optimizing its benefits. It also allows the Company to gather employee feedback to improve the ERP system, making it more beneficial, aligned with Company processes, and user-friendly.





RESPONSIBILITY TO THE SOCIAL COMMUNITY

Corporate Social Responsibility (CSR) plays a vital role in building a harmonious and sustainable society. CSR is not just about charitable activities but also about the Company's commitment to social and environmental issues. Several businesses now prioritize CSR as an integral part of their business strategy. Through community support projects and activities, businesses not only create value for society but also enhance their reputation and image among the community and customers. Understanding this, by implementing CSR responsibly and consistently, Thanh Cong carries out community support activities and programs with the desire to create value not only for the Company but also for the community and the social environment. Specifically, CSR activities at Thanh Cong include healthcare, educational support, and providing essential resources for daily life. These programs provide timely and necessary support for Company employees in difficult circumstances, as well as disadvantaged groups in the community.

•10,000 Miracles Program: Established to promote solidarity, support, and unity among employees. The program aims to support workers facing sudden difficulties, accidents, or risks, especially those diagnosed with critical illnesses while working at the Company. In 2024, the Company provided 105,000,000 VND in support.

•Happy Mart - Non-profit Sales Program: This monthly subsidized sales activity primarily targets production workers to show appreciation and support for their continuous contributions to the Company's operations. The program aims to help production workers purchase goods at preferential prices quickly and conveniently, saving time and costs for employees on shopping. The total support budget in 2024 was 179,125,097 VND.

•Scholarships are awarded annually at the start of the new school year to children of Thanh Cong Textile Garment - Investment - Trading JSC (Thanh Cong) employees facing financial difficulties and demonstrating excellent academic performance. These scholarships serve both as encouragement for students in their personal and academic development and as a way for the Company to foster employee engagement

and dedication to Thanh Cong's growth. In addition, Thanh Cong also cares for children in the local community, collaborating with the Fatherland Front of Tan Phu District to donate bicycles and scholarships from primary school to university and college levels. This is an annual activity of Thanh Cong in conjunction with the Fatherland Front of Tan Phu District. The total value of Thanh Cong's donations was 227,602,680 VND.

•Sponsorship of Thien An, Son Ky, and Huynh De Nhu Nghia orphanages: Thanh Cong has continued its ongoing support, sharing, and monthly assistance to improve the quality of life for orphans and children with disabilities in Tan Phu District. The average annual support value for these orphanages is 227,200,901 VND.

•Healthcare activities: A crucial part of Thanh Cong's social strategy, implemented annually to support orphans, the visually impaired, and others in accessing necessary medical services easily through health insurance cards and regular health check-ups. Thanh Cong contributed 124,247.64 VND.

•Community support activities: Thanh Cong continuously shares and supports the community during holidays and Tet. The Company not only provides essential necessities and its own products but also pays special attention to vulnerable groups such as lonely elderly individuals, Agent Orange victims, orphans, and impoverished households. The total value of the Company's support activities reached 180,522,000 VND.

•Contribution to the new rural development fund: Thanh Cong implemented the Happy House program to provide those in extremely difficult circumstances with stable, solid housing, allowing them to focus on work. The total contribution to the new rural development fund was 110,000,000 VND.

•In addition, the Company also provided clothing products manufactured by the Company to the poor and organizations, with a total support value of 66,056,859 VND.

By the end of 2024, Thanh Cong's total CSR expenditure was **1,219,755,185 VND.**



Chapter 7

CORPORATE GOVERNANCE

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BOARD OF DIRECTORS

MEMBER AND COMPOSITION OF BOARD OF DIRECTORS

As of 31/12/2024

No.	Member	Position	Number of shares held	Percentage of holding	First Appointment Date	The latest appointment date
1	Mr. Tran Nhu Tung	Chairman - Executive member	93,276	0.09%	29/04/2011	06/04/2021
2	Mr. Park Heung Su	Vice Chairman - Independent member	0	0%	06/04/2021	06/04/2021
3	Mr. Lee Eun Hong	Non-executive member	11	0%	25/04/2009	06/04/2021
4	Mr. Song Jae Ho	Member - Executive member	1	0%	05/04/2024	05/04/2024
5	Mrs. Nguyen Minh Hao	Executive member	0	0%	17/04/2010	06/04/2021
6	Mr. Nguyen Van Nghia	Non-executive member	10,190,308	9.99%	06/04/2021	06/04/2021
7	Mr. Kim Soung Gyu	Non-executive member	0	0%	30/06/2023	30/06/2023
8	Mr. Kim Jong Gak	Independent Member	0	0%	06/04/2021	06/04/2021
9	Mr. Dinh Tan Tuong	Independent Member	0	0%	06/04/2021	06/04/2021

LIST OF BOARD OF DIRECTORS MEMBERS HOLDING POSITIONS AT OTHER COMPANIES

Member	Position held at another organization
Mr. Tran Nhu Tung Chairman - Executive member	- Number of BOD's member positions in listed companies: None - Number of BOD's member positions in other companies: None - Management positions in other companies: 02 + Chairman of the Board of Members of TC Tower Co., Ltd. + Chairman of the Board of Members of TC Commerce Co., Ltd.
Mr. Park Heung Su Vice-chairman - Independent Member	- Number of BOD's member positions in listed companies: None - Number of BOD's member positions in other companies: None - Management positions in other companies: 01 + Director of Kotiti Vietnam Co., Ltd.
Mr. Lee Eun Hong Non-Executive Member	- Number of BOD's member positions in listed companies: 01 + Chairman of the Board of Directors of SAVIMEX Corporation - Number of BOD's member positions in other companies: None - Management positions in other companies: 01 + Director of E-Land Asia Holdings, Pte., Ltd.
Mr. Song Jae Ho Executive Member	- Number of BOD's member positions in listed companies: 01 + Member of the Board of Directors of SAVIMEX Corporation - Number of BOD's member positions in other companies: None - Management positions in other companies: 01
Mrs. Nguyen Minh Hao Executive Member	- Number of board member positions in listed companies: None - Number of board member positions in other companies: None - Management positions in other companies: 02 + Member of the Board of Members of TC Commerce Company Limited + Chief Financial Officer of TC Tower Company Limited
Mr. Nguyen Van Nghia Non-Executive Member	- Number of BOD's member positions in listed companies: 02 + Member of the Board of Directors of LIZEN Joint Stock Company; + Member of the Board of Directors of SAVIMEX Corporation. - Number of BOD's member positions in other companies: 02 + Chairman of the Board of Directors of TASA Group Joint Stock Company; + Chairman of the Board of Directors of Amecc Mechanical Construction Joint Stock Company. - Management positions in other companies: 01 + Chairman of the Board of Members of Thanh Long Construction and Transport Trading Limited Liability Company.



BOARD OF DIRECTORS

LIST OF BOARD OF DIRECTORS MEMBERS HOLDING POSITIONS AT OTHER COMPANIES

Member	Position held at another organization
Mr Kim Soung Gyu Non-Executive Member	- Number of BOD's member positions in listed companies: None - Number of BOD's member positions in other companies: 01 + Member of the Board of Directors of Thanh Cong Medical Center Joint Stock Company. - Management positions in other companies: 02 + Director, Legal Representative of Noel Vina Limited Liability Company; + General Director, Legal Representative of EL Vina Company.
Mr. Kim Jong Gak Independent member:	- Number of BOD's member positions in listed companies: None - Number of BOD's member positions in other companies: None - Management positions in other companies: 02 + Chief Executive Officer of Viet Han Thoi Diem Limited Liability Company; + Chief Executive Officer of Seedon Partners Limited Liability Company.
Mr. Dinh Tan Tuong Independent member	- Number of board member positions in listed companies: None - Number of board member positions in other companies: None - Management positions in other companies: 01 + Deputy General Director of Viet Sao Audit Limited Liability Company.

SUB-COMMITTEES UNDER THE BOARD OF DIRECTORS

Reporting to the Board of Directors is the Audit Committee, whose main activities during the year are as follows:

- Focused on reviewing and monitoring the internal audit plan for the year 2024.
- Oversight of the independent audit process, reviewing the financial reports for the 6-month period and the full-year 2024 in preparation for the Annual General Meeting in 2025.

ACTIVITIES OF THE BOARD OF DIRECTORS

In 2024, the members of the Board of Directors attended the Board meetings and two General Meeting of Shareholders (annual and online extraordinary) as follows:

No.	Board of Directors' members	Position	Number of meetings attended by Board of Directors	Attendance rate	Reasons for absence	GSM attendance
1	Mr. Tran Nhu Tung	Chairman -Executive member	14/14	100%		2/2
2	Mr. Park Heung Su	Vice Chairman - Independent member	14/14	100%		0/2
3	Mr. Lee Eun Hong	Non-executive member	14/14	100%		2/2
4	Mr. Jung Sung Kwan	Executive member	7/7	100%	Resigned on March 1, 2024, and the resignation was approved by the General Meeting of Shareholders on April 5, 2024	1/1
5	Mrs. Nguyen Minh Hao	Member - Executive member	14/14	100%		2/2
6	Mr. Nguyen Van Nghia	Non-executive member	14/14	100%		2/2
7	Mr. Song Jae Ho	Executive member	7/7	100%	Appointed on April 5, 2024, so the number of meetings attended is calculated from the date of election.	2/2
8	Mr. Kim Jong Gak	Independent Member	14/14	100%		1/2
9	Mr. Dinh Tan Tuong	Independent Member	14/14	100%		1/2
10	Mr. Kim Soung Gyu	Non-executive member	12/14	86%	Due to being on a business trip and provided POA to another BOD to join and vote instead	0/2



BOARD OF DIRECTORS

ACTIVITIES OF THE BOARD OF DIRECTORS (CONT.)

In 2024, the Board of Directors held 14 meetings. The specific contents of the meetings and the corresponding resolutions issued are as follows:

No.	Resolution/ Decision No.	Date	Content	Approval rate
1	01/2024/NQ-HĐQT	10/01/2024	Adoption on the principle for and list of related parties to conduct transactions with the Company in the fiscal year 2024.	100%*
2	1A/2024/QĐ-HĐQT	10/01/2024	Decision of BOD for the purpose of public announcement on the principle for and list of related parties to conduct transactions with the Company in the fiscal year 2024	100%
3	02/2024/NQ-HĐQT	10/01/2024	Renewal credit limitation in 2024	100%
4	03/2024/NQ-HĐQT	05/02/2024	Approval on the final registration date (closing date) on March 5th, 2024 aims to organize the 2024 AGM.	100%
5	3A/2024/NQ-HĐQT	05/02/2024	Decision of BOD for the purpose of public announcement on the Approval on the final registration date (closing date) on 5th Mar, 2024 aims to organize the 2024 AGM.	100%
6	04/2024/NQ-HĐQT	05/03/2024	Adoption on the principle for and list of related parties to conduct transactions with the Company in the fiscal year 2024. Decision of BOD for the purpose of public announcement on the principle for and list of related parties to conduct transactions with the Company in the fiscal year 2024 Renewal credit limitation in 2024 Approval on the final registration date (closing date) on March 5th, 2024 aims to organize the 2024 AGM. Decision of BOD for the purpose of public announcement on the Approval on the final registration date (closing date) on 5th Mar, 2024 aims to organize the 2024 AGM.	100%
7	4A/2024/QĐ-HĐQT	05/03/2024	Decision of BOD for the purpose of public announcement: - To appoint Mr. Song Jae Ho as General Director, the Legal representative, 3 year-term (2024-2027) - Approval on the extended loan term provided to TC Commerce by the shareholder E-Land Asia Holdings under the loan agreement signed April 14th, 2022 and loan extension agreement signed March 14th, 2023	100%
8	4B/2024/QĐ-HĐQT	05/03/2024	Decision of BOD for the purpose of legal formalities of appointment Mr. Song Jae Ho as General Director, the Legal representative, 3 year-term (2024-2027)	100%
9	4C/2024/QĐ-HĐQT	05/03/2024	Decision of BOD for the purpose of legal formalities of extension loan term provided to TC Commerce by the shareholder E-Land Asia Holdings under the loan agreement signed April 14th, 2022 and loan extension agreement signed March 14th, 2023.	100%
10	05/2024/NQ-HĐQT	08/03/2024	- Adoption on 2023 result (not audited) and setting 2024 target which will be submitted to 2024 AGM - Determination of agenda for AGM 2024 submission including 07 regular topics and 04 irregular topics.	100%
11	5A/2024/QĐ-HĐQT	08/03/2024	Decision of BOD for the purpose of public announcement for adoption on 2023 result (not audited) and setting 2024 target which will be submitted to 2024 AGM	100%
12	06/2024/NQ-HĐQT	20/03/2024	Approval on acquiring the investment project of SY Vina Textile Garment Company Limited	100%
13	6A/2024/QĐ-HĐQT	20/03/2024	Decision of BOD for the purpose of public announcement for approval on acquiring the investment project of SY Vina Textile Garment Company Limited	100%
14	07/2024/NQ-HĐQT	25/03/2024	Approval on the monthly salary amount of General Director - Mr. Song Jae Ho, the effective time is from Mar, 2024 to Feb, 2025.	100%
15	08/2024/NQ-HĐQT	05/04/2024	- Adding certain business scopes of TC Commerce and amending respective Article of the Charter in corresponding to the additional business scopes - Approval on temporary stop operating of Trang Bang Sewing for 12 months from April 15th, 2024, and conducting relevant legal procedures	100%
16	8A/2024/QĐ-HĐQT	05/04/2024	Decision of BOD for the purpose of public announcement for approval on temporary stop operating of Trang Bang Sewing for 12 months from April 15th, 2024.	100%

*The non-voting right is applied for the related BOD.



BOARD OF DIRECTORS

ACTIVITIES OF THE BOARD OF DIRECTORS (CONT.)

17	8B/2024/QĐ-HĐQT	05/04/2024	Decision of BOD for the purpose of legal formalities of additional business scopes into the business scope of TC Commerce.	100%			
18	8C/2024/QĐ-HĐQT	05/04/2024	Decision of BOD for the purpose of legal formalities for approval on temporary stop operating of Trang Bang Sewing for 12 months from April 15th, 2024.	100%			
19	09/2024/NQ-HĐQT	23/04/2024	- Approval on the execution of issuing new shares to increase share capital from owner's equity (issuing bonus shares in the year 2023) - To increase the charter capital of TC Tower Co., Ltd by a sum of VND 10,500,000,000 (In words: Ten billion five hundred million dong)	100%			
20	9A/2024/QĐ-HĐQT	23/04/2024	Decision of BOD for the purpose of public announcement for approval on the execution of issuing new shares to increase share capital from owner's equity (issuing bonus shares in the year 2023)	100%			
21	9B/2024/QĐ-HĐQT	23/04/2024	Decision of BOD for the purpose of public announcement for increasing the charter capital of TC Tower Co., Ltd by a sum of VND 10,500,000,000 (In words: Ten billion five hundred million dong)	100%			
22	9C/2024/QĐ-HĐQT	23/04/2024	Decision of BOD for the purpose of legal formalities for increasing the charter capital of TC Tower Co., Ltd by a sum of VND 10,500,000,000 (In words: Ten billion five hundred million dong)	100%			
23	9D/2024/QĐ-HĐQT	28/05/2024	Deciding the final registration date (closing date - June 12th, 2024) for issuing new shares for increasing the share capital by owner's equity (bonus shares for 2023).	100%			
24	9E/2024/QĐ-HĐQT	18/06/2024	Decision of the Board of Directors to approve the increase of the Company's charter capital and the amendment of Article 5 of the Company's Charter.	100%			
25	10/2024/NQ-HĐQT	28/05/2024	- Approval on the extension of 1-year term for the incumbent Chair and Vice - Chair of the Board from July 1st, 2024: • Mr. Tran Nhu Tung is as Chairman of the Board • Mr. Park Heung Su is as Vice Chairman of the Board. - To select PricewaterhouseCoopers Vietnam (PwC) to be independent auditors for financial statement in 2024	100%			
26	11/2024/NQ-HĐQT	13/06/2024	- Approval on transferring the asset of Trang Bang Sewing Factory - Approval on conducting relevant legal procedures in investment, and business registration connecting to the transfer of fixed assets of Trang Bang Sewing Factory	100%			
27	10A/2024/QĐ-HĐQT	19/06/2024	Decision of BOD for the purpose of public announcement for approval on ceasing the operation of Trang Bang Sewing Factory and conducting relevant legal procedures in investment, and business registration	100%			
28	10B/2024/NQ-HĐQT	19/06/2024	Decision of BOD for the purpose of legal formalities of approval on transferring assets of Trang Bang Sewing Factory	100%			
29	11A/2024/NQ-HĐQT	26/08/2024	Approval on price amendment for transferring assets of Trang Bang Sewing Factory according to the Board Resolution no. 11/2004/NQ-HĐQT dated 13th June, 2024	100%			
30	12/2024/NQ-HĐQT	16/07/2024	To establish Dong Nai branch of Company located at Nhon Trach II Industrial Zone, Hiep Phuoc Town, Nhon Trach District, Dong Nai Province.	100%			
31	11A/2024/QĐ-HĐQT	16/07/2024	Decision of BOD for the purpose of public announcement for establishment of Dong Nai branch	100%			
32	11B/2024/QĐ-HĐQT	16/07/2024	Decision of BOD for the purpose of legal formalities of establishment of Dong Nai branch	100%			
33	13/2024/NQ-HĐQT	06/09/2024	Approval on price amendment for transferring assets of Trang Bang Sewing Factory according to the Board Resolution no. 11/2004/NQ-HĐQT dated 13th June, 2024 To establish Dong Nai branch of Company located at Nhon Trach II Industrial Zone, Hiep Phuoc Town, Nhon Trach District, Dong Nai Province.	100%			
34	12A/2024/QĐ-HĐQT	06/09/2024	Decision of BOD for the purpose of public announcement for approval on plan for collecting shareholders' opinions in written regarding to in-principle approval on investment of TC Tower.	100%			
35	12B/2024/QĐ-HĐQT	06/9/2024	Decision of BOD for the purpose of legal formalities of establishment of Dong Nai branch - To increase the charter capital of TC Tower Co., Ltd by a sum of VND 4,500,000,000 (In words: Four billion five hundred million dong) - Appointment of Mr. Han Kwang Take is the capital representative of the Company at subsidiary - TC Tower Co., Ltd, the capital percentage for representation remains as the previous decision, in replacement of Mr. Lee Hyoung Kyu.	100%			
36	12C/2024/QĐ-HĐQT	06/9/2024	Decision of BOD for the purpose of public announcement for approval on the extended two loan terms provided to TC Commerce by the shareholder E- Land Asia Holdings.	100%			
37	12D/2024/QĐ-HĐQT	06/9/2024	Decision of BOD for the purpose announcement for approval on the final registration (closing date) on September 26, 2024 aim to collect shareholders' opinions in written regarding to in-principle approval on investment of TC Tower project.	100%			
38	12E/2024/QĐ-HĐQT	06/9/2024	Decision of BOD for ratifying the plan for using the foreign loan amount US \$300,000 of subsidiary - TC commerce Co., Ltd for extending the loan term in accordance with the Board Decision No.12C/2024/QĐ-HĐQT dated September 6th, 2024.	100%			



BOARD OF DIRECTORS

ACTIVITIES OF THE BOARD OF DIRECTORS (CONT.)

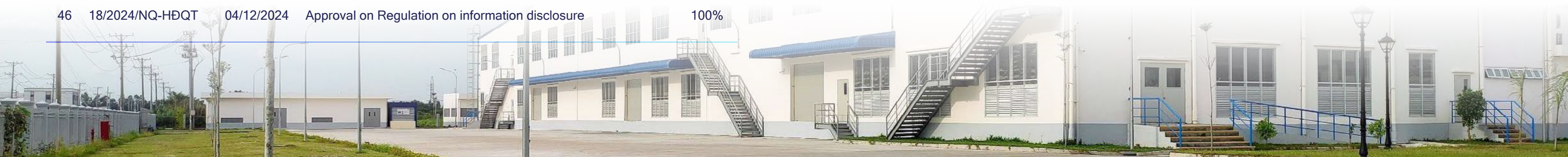
			- Approval on the cancelling plan for collecting shareholders' opinions in written regarding to in-principle approval on investment of TC Tower project.	
39	14/2024/NQ-HĐQT	19/09/2024	- Approval on the final registration date on October 9th, 2024 aims to organize the online Extraordinary General Shareholders' Meeting (EGM) - Determination of agenda for EGM submission	100%
			Decision of BOD for the purpose of public announcement about: - Approval on the cancelling plan for collecting shareholders' opinions in written regarding to in-principle approval on investment of TC Tower project.	
40	13A/2024/QĐ-HĐQT	19/9/2024	- Approval on the final registration date (closing date) on October 9th, 2024 aims to organize the online Extraordinary General Shareholders' Meeting (EGM) - Determination of agenda for EGM submission.	100%
			To increase the charter capital of TC Tower Co., Ltd by a sum of VND 7,000,000,000 (In words: Seven billion dong) by additional contribution by cash.	
41	15/2024/NQ-HĐQT	15/10/2024		100%
			Decision of BOD for the purpose of public announcement for increasing the charter capital of TC Tower Co., Ltd by a sum of VND 7,000,000,000 (In words: Seven billion dong) by additional contribution by cash.	
42	14A/2024/QĐ-HĐQT	15/10/2024		100%
			To appoint Mr. Tran Nhu Tung - Chairman of BOD to be in charge of the sustainable development segment including environment, social and corporate governance affairs (ESG) of the Company.	
43	16/2024/NQ-HĐQT	04/12/2024		100%
			Decision of BOD for the purpose of public announcement about: To appoint Mr. Tran Nhu Tung - Chairman of BOD to be in charge of the sustainable development segment including environment, social and corporate governance affairs (ESG) of the Company.	
44	15A/2024/QĐ-HĐQT	04/12/2024		100%
			Renewal credit limitation in 2025	
45	17/2024/NQ-HĐQT	04/12/2024		100%
			Approval on Regulation on information disclosure	
46	18/2024/NQ-HĐQT	04/12/2024		100%

ACTIVITIES OF THE INDEPENDENT MEMBERS OF THE BOARD OF DIRECTORS

In addition to all independent members participating in the activities of the Audit Committee, the independent members, based on their expertise, have supported the Company's activities as outlined in the Audit Committee's report and the activities of the independent Board members.

TRAINING COURSE ON CORPORATE GOVERNANCE THAT THE BOD'S MEMBERS, MEMBERS OF THE AUDIT COMMITTEE, THE GENERAL DIRECTOR, OTHER MANAGERS AND THE COMPANY'S SECRETARY PARTICIPATED IN ACCORDANCE WITH CORPORATE GOVERNANCE REGULATIONS

- Training courses on corporate governance which members of Board of Directors, members of the Audit Committee, General Director (CEO), other managers and Company secretary was involved in accordance with regulations on corporate governance and was certified by SSC:
 - Mrs. Nguyen Minh Hao - member of the Board.
- Company Secretary participated in seminar, training courses relating to corporate governance:
 - Conference organized by HOSE related to some notes regarding compliance with information disclosure and corporate governance regulations of listed companies dated June 28th, 2024
 - Conference organized by VIOD relating to strengthening corporate governance of listed companies dated July 3rd, 2024;
 - Webinar organized by SSC relating to corporate governance within the framework of the Capacity Building Program between the SSC and the Australian Securities and Investment Commission dated September 18th, 2024
 - Webinar Director Talk #18 organized by VIOD: Corporate Reputation & Trust - ESG and Corporate Governance Perspectives dated September 20th, 2024





AUDIT COMMITTEE

Members and composition of the Audit Committee

As of December 31, 2024:

No.	Member	Position	Number of shares held	Holding percentage
1	Mr. Dinh Tan Tuong	President	0	0%
2	Mr. Park Heung Su	Member	0	0%
3	Mr. Kim Jong Gak	Member	0	0%

Activities of the Audit Committee

Activities of the Audit Committee in 2024:

- The Audit Committee performed its function of oversight the implementation of decisions of the General Meeting of Shareholders complying with the Charter and internal governance regulations through the meetings of the Board of Directors.
- At the same time, the Audit Committee oversaw other activities of the Company through internal audit activities.
- Meetings were held with the full participation of its members. complying with the Regulations of the Audit Committee. In addition, there were many irregular meetings and other coordination involved by relevant units. individuals.
- Fully reporting the activities of the Audit Committee to the Board of Directors.
- The Audit Committee was supported by the units and managerial officers at its request. By and large, the working relationship between the Audit Committee and the activities of the Board of Directors, the Board of Management, and other managers was very favorable. with no difficulties or obstacles during their operation.

In 2024, the Audit Committee convened 02 meetings with the following details:

No.	Member of the Audit Committee	Position	Statistics of attendance	Percentage of attendance
1	Mr. Dinh Tan Tuong	President	2	100%
2	Park Heung Su	Member	2	100%
3	Mr. Kim Jong Gak	Member	2	100%

TRANSACTIONS, REMUNERATION AND INTERESTS OF THE BOARD OF DIRECTORS. BOARD OF MANAGEMENT AND THE AUDITED COMMITTEE

Salaries, bonuses, remunerations, and other benefits

Unit: VND

No.	Full name	Year 2024		
		Remuneration	Salary	Bonus
I Board of Directors				
1	Mr. Tran Nhu Tung	90,786,460	1,649,054,152	130,485,577
2	Mr. Park Heung Su	144,000,000		
3	Mr. Lee Eun Hong	60,524,308		
4	Mr. Jung Sung Kwan	60,524,308	3,281,509,728	
5	Mrs. Nguyen Minh Hao	60,524,308	2,052,858,505	125,207,838
6	Mr. Nguyen Van Nghia	60,524,308		
7	Mr. Song Jae Ho		5,370,632,704	
8	Mr. Kim Jong Gak	144,000,000		
9	Mr. Dinh Tan Tuong	204,000,000		
10	Mr. Kim Soung Gyu	30,262,154		
II Audit Committee				
1	Mr. Dinh Tan Tuong	204,000,000		
2	Mr. Kim Jong Gak	144,000,000		
3	Mr. Park Heung Su	144,000,000		
III Management Board				
1	Mr. Song Jae Ho		5,370,632,704	
2	Mr. Tran Nhu Tung	90,786,460	1,649,054,152	130,485,577
3	Mrs. Nguyen Minh Hao	60,524,308	2,052,858,505	125,207,838
4	Mr. Jung Sung Kwan	60,524,308	3,281,509,728	
5	Mr. Song Jae Ung		1,973,438,945	
IV Chief Accountant				
1	Mrs. Pham Thi Thanh Thuy		719,404,847	54,698,132



CORPORATE GOVERNANCE

TRANSACTIONS, REMUNERATION AND INTERESTS OF THE BOARD OF DIRECTORS, BOARD OF MANAGEMENT AND THE AUDITED COMMITTEE

Share transactions made by internal persons

No.	Transaction executor	Relationship with internal persons	Number of shares owned at the beginning of the period		Number of shares owned at the end of the period		Reasons for increasing, decreasing (buying, selling, converting, rewarding, etc.)
			Number of shares	Percentage	Number of shares	Percentage	
1	Mr. Tran Nhu Tung	Internal person	84,797	0.09	93,276	0.09	Bonus shares for 2023
1.1	Mrs. Trinh Thi Hang	Affiliated person	3	0.00	3	0.00	
2	Mr. Lee Eun Hong	Internal person	10	0.00	11	0.00	Bonus shares for 2023
2.1	E-land Asia Holdings Pte., Ltd	Affiliated organization	43,535,436	46.96	47,888,979	46.97	Bonus shares for 2023
3	Mr. Nguyen Van Nghia	Internal person	15,627,556	16.86	17,190,308	16.86	Bonus shares for 2023
			17,190,308	16.86	10,190,308	9.99%	Sell
3.1	Mr. Nguyen Minh Tuan	affiliated person	215,197	0.23	236,716	0.23	Bonus shares for 2023
4	Mr. Song Jae Ho	Internal person	1	0	1	0	Bonus shares for 2023

Transactions between insiders of the Company, related parties of insiders, and subsidiaries or companies controlled by the Company:

No.	Transaction executor	Relationship with internal persons	ID card No./ Passport No., date of issue, place of issue	Address	Name of subsidiaries or companies which the Company control	Time of transaction	Resolution/ Decision number of the General Meeting of Shareholders/ Board of Director approved	Content, quantity, total value of transaction
1						14/03/2024	4C/2024/QĐ-HĐQT dated 05/03/2024	Content: extension of internal loan signed April 14, 2022 Loan amount: 300,000 USD Loan term: to Mar 14th, 2025
2	E-land Asia Holdings Pte. Ltd	Parent Company	020071 7117Z 30/05/2007 Singapore	3 Church Street #08-01, Samsung Hub, Singapore 049483	TC Commerce Co., Ltd	06/9/2024	4C/2024/QĐ-HĐQT dated 05/03/2024	Content: extension of internal loan signed Oct 5th, 2022, extension contract signed Sep 4th, 2023 Loan amount: 300,000 USD Extension term: 12 months
3						06/9/2024	12C/2024/QĐ-HĐQT dated 06/09/2024	Content: extension of internal loan signed Sep 26th, 2023 Loan amount: 300,000 USD Extension term: 12 months

Contracts or transactions with the internal persons:

Transactions between the Company and related parties of the Company; or between the Company and major shareholders, insiders, or related parties of insiders:

No.	Name of organization/ individual	Relationship with the Company	No.*, date of issue, place of issue	Address	Time of transactions with the Company	Resolution No. or Decision No. approved by General Meeting of Shareholders/	Content, quantity, total value of transaction	Note
1	E.Land World Limited	The owner is the strategic shareholder	105-81-44184 Place of issue: Republic of Korea	#159, Gasan Digital 1-Ro, Geumcheon-Gu, Seoul, Republic of Korea	2024	Resolution No.01/2024/NQ- HDQT	Type of transaction: Selling Transaction amount: 788,959,347,431 VND	Time for starting: year 2010
2	E-Land International Fashion Shanghai Co., Ltd	In the same group companies		Building 1-1, No.2570 Hechuan Road, Minhang District, Shanghai, China Zip 200233	2024	Resolution No.01/2024/NQ- HDQT	Type of transaction: Selling Transaction amount: 15,309,196,604 VND Type of transaction: buying Transaction amount: 24,563,273,903 VND	Time for starting: year 2012
3	Wish Trading (Shanghai) Co., Ltd	The strategic shareholder currently is an owner of the mother Company who owns the Party performing the transaction		Room 328 No.25 4999 Nong Hongmei South Road, Minhang District, Shanghai, China	2024	Resolution No.01/2024/NQ- HDQT	Type of transaction: buying Transaction amount: 36,943,848,911 VND	Time for starting: year 2012
4	Eland Fashion Hong Kong Co.,Ltd	In the same group companies		Room 2213, 22/F., Global Gateway Tower, 63 Wing Hong street, Cheung Sha Wan, Kowloon, Hong Kong	2024	Resolution No.01/2024/NQ- HDQT	Type of transaction: Selling Transaction amount: 236,605,233 VND	
5	Wish HongKong Limited	In the same group companies		Room 2213, 22/F, Global Gateway Tower, 63 Winghong Street, Lai Chi Kok, Hongkong	2024	Resolution No.01/2024/NQ- HDQT	Type of transaction: Selling Transaction amount: 219,720,753 VND	
6	E.Land Vietnam Corp.,Ltd	The owner is the strategic shareholder	0300808912 28/06/2007 Department of Planning and Investment of Ho Chi Minh City	76/28, Nguyen Thi Ne Str., Phu My Hamlet, Phu Hoa Commune, Cu Chi District, HCMC	2024	Resolution No.01/2024/NQ- HDQT	Type of transaction: Selling Transaction amount: 2,426,037,886 VND Type of transaction: using service Transaction amount: 1,091,358,326 VND	Time for starting: year 2009
7	SY Vina Textile Garment Company Limited	The owner is the strategic shareholder	3600250335 04/04/2007 Department of Planning and Investment of Dong Nai Province		2024	Resolution No.01/2024/NQ- HDQT	Type of transaction: Selling Transaction amount: 2,280,086,850 VND Type of transaction: Buying Transaction amount: 284,857,624,772 VND	Time for starting: year 2012
					29/05/2024	Resolution No.06/2024/NQ- HDQT	Type of transaction: receive project transferring Transaction amount: 467,950,000,000 VND	Record in accordance with Resolution No.06/2024/ NQ-HDQT

Contracts or transactions with the internal persons:

Transactions between the Company and related parties of the Company; or between the Company and major shareholders, insiders, or related parties of insiders:

No.	Name of organization/ individual	Relationship with the Company	No.*, date of issue, place of issue	Address	Time of transactions with the Company	Resolution No. or Decision No. approved by General Meeting of Shareholders/	Content, quantity, total value of transaction	Note
8	Thanh Cong Medical Centre Joint Stock Company	Subsidiary	0305253809 05/10/2007 Department of Planning and Investment of Ho Chi Minh City	36 Tay Thanh Str., Tay Thanh Ward, Tan Phu District, HCMC	2024	Resolution No.01/2024/NQ- HDQT	Type of transaction: providing service Transaction amount: 1,173,983,676 VND Type of transaction: selling Transaction amount: 2,093,998,000 VND	Time for starting: year 2008
9	TC Commerce Company Limited	Subsidiary	0316806269 13/04/2021 Department of Planning and Investment of Ho Chi Minh City	911 Truong Chinh Str., Tay Thanh Ward, Tan Phu District, HCMC	2024	Resolution No.01/2024/NQ- HDQT	Type of transaction: selling Transaction amount: 60,000,000 VND Type of transaction: using service Transaction amount: 204,840,976 VND	Time for starting: year 2021
10	KOTITI Vietnam Limted	Affiliated with member of Board of Director	0312381417 11/07/2013 Department of Planning and Investment of Ho Chi Minh City	Lot A4a, Street No. 19c, E-Office Park, Tan Thuan Processing Zone, Tan Thuan Dong Ward, District 7, HCMC	2024	Resolution No.01/2024/NQ- HDQT	Type of transaction: selling Transaction amount: 244,842,381 VND Type of transaction: using service Transaction amount: 2,644,966,541 VND	Time for starting: year 2014
11	Savimex Corporation	The same strategic shareholders	0302317892 28/05/2001 Department of Planning and Investment of Ho Chi Minh City	Nguyen Cong Tru Str., Nguyen Thai Binh Ward, District 1, HCMC	2024	Resolution No.01/2024/NQ- HDQT	Type of transaction: selling Transaction amount: 149,428,704 VND	Time for starting: year 2018
12	Eland Global Ltd.	In the same Group companies	110111-8439617 01/10/2022 Rep. of Korea	#9F, 159. Gasan Digital 1-RO, Geumcheon-gu, Seoul, 08506, Rep. of Korea	2024	Resolution No.01/2024/NQ- HDQT	Type of transaction: selling Transaction amount: 46,106,252,859 VND	Time for starting: year 2022
13	Eland Fashion Shanghai Co., Ltd	Its owner is the same as the owner of the strategic shareholder.		Building 1-1, No.2570 Hechuan Road, MinHang District, Shanghai China	2024	Resolution No.01/2024/NQ- HDQT	Type of transaction: selling Transaction amount: 78,137,960,643 VND	Time for starting: year 2018
14	Wish Fashion Shanghai Co., Ltd	The strategic shareholder currently is an owner of the mother Company who owns the Party performing the transaction		Building 1-1, No.2570 Hechuan Road, MinHang District, Shanghai China	2024	Resolution No.01/2024/NQ- HDQT	Type of transaction: selling Transaction amount: 87,007,051,563 VND	Time for starting: year 2015
15	Eland Human Resource Development Center	In the same Group companies		1155, Beoman-ro, Geum Chon- gu, Seoul, Republic of Korea	2024	Resolution No.01/2024/NQ- HDQT	Type of transaction: selling Transaction amount: 512,100,925 VND	Time for starting: year 2022



CORPORATE GOVERNANCE

ASSESSMENT OF THE IMPLEMENTATION OF CORPORATE GOVERNANCE REGULATIONS

Practice and comply with governance principles in accordance with the law and international standards:

Practicing effective governance, Thanh Cong adheres to the guidelines of the Corporate Governance Code of Conduct for Vietnamese Public Companies, referencing the G20/OECD Principles of Corporate Governance, and the ASEAN Corporate Governance Scorecard to assess the current situation and implement corporate governance improvements. Accordingly, Thanh Cong gradually selects and applies best international practices suitable for the Board of Directors' operations, such as transparency in transactions with related parties, issuing a code of business ethics, and commitment to compliance. In addition, Thanh Cong complies with legal regulations on corporate governance, such as Decree 155/2020/ND-CP dated 31/12/2020, detailing the implementation of certain articles of the Securities Law. Therefore, the Board of Directors regularly monitors training programs organized by the State Securities Commission, the Ho Chi Minh City Stock

Exchange, and the Vietnam Institute of Directors (VIOD) to enhance corporate governance.

The Company successfully held its 2024 Annual General Meeting of Shareholders on 05/04/2024 and an online Extraordinary General Meeting of Shareholders on 01/11/2024 and fully disclosed all documents, resolutions, and minutes of the meetings within 24 hours of their conclusion.

In 2024, the Company paid a 10% stock dividend for the year 2023, officially listed on 12/07/2024. Accordingly, the Company paid the dividend within 6 months of the end of the General Meeting of Shareholders in April 2024, as prescribed by law.

The Board of Directors and the Executive Board always strictly comply with and do not violate corporate governance regulations, and proactively learn and approach international governance practices and standards, contributing to the Company's increasingly better operations and optimizing shareholder value. In



addition, the Board of Directors' decisions are always made in accordance with the correct procedures and within its authority.

Ensuring compliant and transparent information disclosure:

In 2024, the Company complied with information disclosure regulations, including periodic and irregular information, fully disclosed on the Company's website and on SSC (IDS) and HOSE (ECM) disclosure channels, as well as regulations on one-gate information disclosure through the ECM system. In 2024, the Company collaborated with FPT Securities Joint Stock Company (FPTS) to improve the structure and rearrange the content of the Investor Relations section - where the Company's disclosed information is posted on the website - to make it easier for shareholders and investors to access and search for information, as well as to enhance the transparency of disclosed information to comply with current corporate governance regulations and gradually approach good governance practices. Recognizing the benefits of this collaboration for shareholders, the

Company decided to maintain the partnership with FPT Securities Joint Stock Company in 2025. Every month, in addition to updating disclosed information as regulated, Thanh Cong publishes investor newsletters informing investors about business results, awards, and outstanding activities in the News & Events section on the Company's website. To provide a deeper understanding of the Company, Thanh Cong also provides information to securities companies to prepare TCM stock recommendation reports for investors. Moreover, the Company proactively organizes meetings and welcomes investors through securities companies, domestic and international investment funds. At the same time, this is also an indirect way to approach customers.

Transparent business practices, prioritizing quality and creating sustainable value:

In business, the Company is committed to providing products and services that meet the requirements and expectations for quality and create a better life for everyone. Complying with the Competition Law, not engaging in or supporting anti-competitive or unfair competition practices. Not engaging in or supporting acts contrary to business ethics standards, causing damage or potentially causing damage to the interests of the State, the rights and legitimate interests of other businesses or consumers. The Company is committed to fair treatment in transactions between suppliers. Always building trust and aiming for sustainable partnerships.





CORPORATE GOVERNANCE

Evaluate the effectiveness of corporate governance

Content			
Objectives	Implementation effectiveness	Improvement plan	Future improvement plan
Financial - accounting management			
<p>Financial - accounting management with the objective:</p> <ol style="list-style-type: none"> 1. Profit maximization: Provide detailed information such as increased material costs may increase cost of goods sold. 2. Liquidity and cash flow monitoring: Ensure the Company has enough cash on hand to meet its obligations. 3. Ensure compliance: Comply with the Company's financial regulations. 4. Develop financial scenarios: Based on the current state of the business and hypothetical projections, a range of outcomes based on possible market conditions. 	<ol style="list-style-type: none"> 1. Strategy Determine what needs to happen financially for the Company to achieve its short-term and long-term goals. Provide information for the Board of Supervisors to gain insights into current performance for scenario planning. 2. Decision Help the Board of Supervisors decide how best to implement plans by providing up-to-date financial reports and data on relevant KPIs. 3. Control Ensure each department is contributing to the vision and operating within budget and in alignment with the strategy. With effective financial management, all employees know where the Company is heading and have visibility into progress. 	<p>Always update new features for control through software tools to minimize manual operation and control.</p>	<ol style="list-style-type: none"> 1. Market risk management Market risk is reflected in financial risks specific to the industry, such as pandemics affecting supply chain production, impacting business investments and investment performance. 2. Credit risk management Late debt collections lead to businesses not paying bills on time and therefore not having the funds to meet obligations, which can negatively affect creditworthiness and the ability to borrow at high interest rates. 3. Liquidity risk management The finance department must monitor current cash flow, estimate future cash needs, and be prepared to release working capital when needed. 4. Operational risk management This is a new category for the finance department, including the risk of cyberattacks and having remediation plans to ensure business continuity.
Human Resource Management			
<p>Currently using Lac Viet's Human Resource Management software, applied from 2013 to present.</p>	<p>Manage complete and consistent employee information. Manage employees' working time. Calculate salaries & insurance regimes accurately and quickly.</p>	<p>No plans to upgrade to a new version to save costs.</p>	<p>Expected in 2025 to put into use the supplementary Lac Viet App (employees use phone information) in internal communication; surveying employee opinions; receiving feedback and complaints from employees; and in handling leave, sick leave, personal affairs, entry and exit during working hours; etc.</p>

Evaluate the effectiveness of corporate governance

Content			
Objectives	Implementation effectiveness	Improvement plan	Future improvement plan
<h3>Customer Relationship Management</h3>			
<p>Customer data is being managed through Vinh Cuu software: Customer information; number of orders, order status, total transaction value, work history.</p>	<p>Track the working process and control the quantity and value of contracts and transactions that have been and are being carried out with customers.</p>	<p>Units within the Company are coordinating to build a more rigorous, unified, and effective management system using ERP software.</p>	<p>Thanh Cong is maintaining contact with customers through electronic communication channels such as email, Zalo,... to promptly grasp customer requirements. At the same time, Thanh Cong is investing in upgrading the ERP system to connect with the customer's system as well as automate and capture customer feedback.</p> <p>Thanh Cong's ERP system is designed not only to manage internal Company information but also to serve as a link in the information management system with Thanh Cong's existing customers. This allows for unified and direct management, aggregation, reception, and transfer of information between the factory and customers on a single system, minimizing information errors and omissions currently occurring with simpler communication channels. This also shortens the information processing time between parties.</p>
<h3>Quality Relationship Management</h3>			
<p>Generally, the Company applies the International Standard AQL 1.5 (3~4% acceptable sewing defects) for quality control of goods in production on the sewing line and AQL 2.5 (5~6% acceptable sewing defects) for finished garment products.</p> <p>However, Thanh Cong will apply higher standards such as AQL 1.0 or level II depending on each customer's requirements.</p> <p>The quality control process goes through the following steps:</p> <ol style="list-style-type: none"> 1. Raw material inspection (Fabric and other garment accessories) 2. Sample cutting inspection (Cutting standard and cut semi-finished product inspection) 3. Random inspection of products on the sewing line (Quality inspection of stages on the line) 4. Random inspection of products at the end of the sewing line (100% QC inspection and random QA inspection according to AQL) 5. Finished product inspection (applying AQL 2.5 level II quality assessment standard) & packaging (applying AQL 1.0 level II quality assessment standard, 0% tolerance; checking the number of packaged products) 	<p>In 2024, TC goods achieved a 97.43% first-time inspection pass rate, with no recalls.</p>	<ol style="list-style-type: none"> 3.1 Fabric quality is 100% controlled by the Dyeing department. 3.2 The Sewing Department's QC continues to operate under the direct management of the factory, and retraining plans are also implemented by the Sewing Department management and the Quality Management System (QMS) team. 3.3 Garment Product QA Department: Understands each customer's standards to ensure consistency throughout the quality inspection process. Simultaneously updates and listens to customer feedback to coordinate with related departments (Sales, Production) to improve processes and the quality management system to meet customer expectations. 	<p>With the ERP system, TC also prioritizes upgrading the quality management system. When the ERP system is completed, QC and QA data will be recorded on the system instead of the current manual paper-based storage method. Technical requirement information is also aggregated, classified, and specialized by customer and market; order quality assessment history is also automatically stored and aggregated on the ERP system. Thus, during production, the system will automatically synthesize information and issue timely warnings when errors are detected for prompt correction. The product quality inspection and evaluation process will occur concurrently with the production process to minimize the risk of having to rectify defective goods after they have been shipped to customers, as is currently the case.</p>

Evaluate the effectiveness of corporate governance

Content

Objectives	Implementation effectiveness	Improvement plan	Future improvement plan
<h4>Investor Relations</h4> <p>Thanh Cong operates with the motto of bringing mutual benefits to stakeholders, best satisfying customer needs for products and services, and bringing sustainable value and benefits to shareholders and investors. The Company continuously improves its IR activities through honesty and transparency in the stock market, enhancing information disclosure quality, and particularly increasing proactiveness in sharing information about Company activities and its operating industry with the investor community. This aims to provide investors with objective, complete, and timely information to increase investor confidence.</p> <p>In investor relations, the Company operates on the principles of respect and fair, equitable treatment of all shareholders and investors, regardless of size, domestic or foreign origin, or whether they are institutional or individual investors.</p>	<p>Typical IR activities in 2024</p> <p>-Regarding information disclosure, at Thanh Cong, it is divided into two parts:</p> <p>(1) Information disclosure according to regulations: The Company always complies with regulations on information disclosure for listed companies and the Securities Law regarding transparency, completeness, and timeliness.</p> <p>(2) Proactive information disclosure by the Company: Regularly, from the 12th to the 19th of each month, the Company publishes and shares information on its website about production and business results as well as other activities of the Company so that investors can grasp the operational status of the enterprise and have a more comprehensive view of the industry in which the Company operates.</p> <p>In addition, other activities and events of the Company are also updated on the Company's website so that investors can grasp the Company's operating situation proactively and promptly.</p> <p>-Regarding investor relations activities at the Company, there are two main parts:</p> <p>(1) Proactively organizing or coordinating with securities companies to hold periodic investor meetings: Usually quarterly or every 6 months, either online or offline at the Company's headquarters.</p> <p>(2) Investor meetings at the request of securities companies/investors when they need the Company to share information and visit the Company.</p> <p>-Regarding information exchange and provision at the Company, including:</p> <p>(1) Exchanging and answering questions from investors via email, phone, etc., depending on how the investor contacts the Company.</p> <p>(2) Sharing information about production and business activities and Company information with investors and shareholders when they need to learn more.</p> <p>-Investors interested in and researching the Company</p>	<p>Maintain monthly newsletters to promptly update investors on operational information.</p> <p>Continue to proactively implement forms of exchange, discussion, and information provision for investors and investment funds.</p>	<p>The Company considers diversifying IR activities through various methods to further enhance interaction with shareholders and investors.</p>

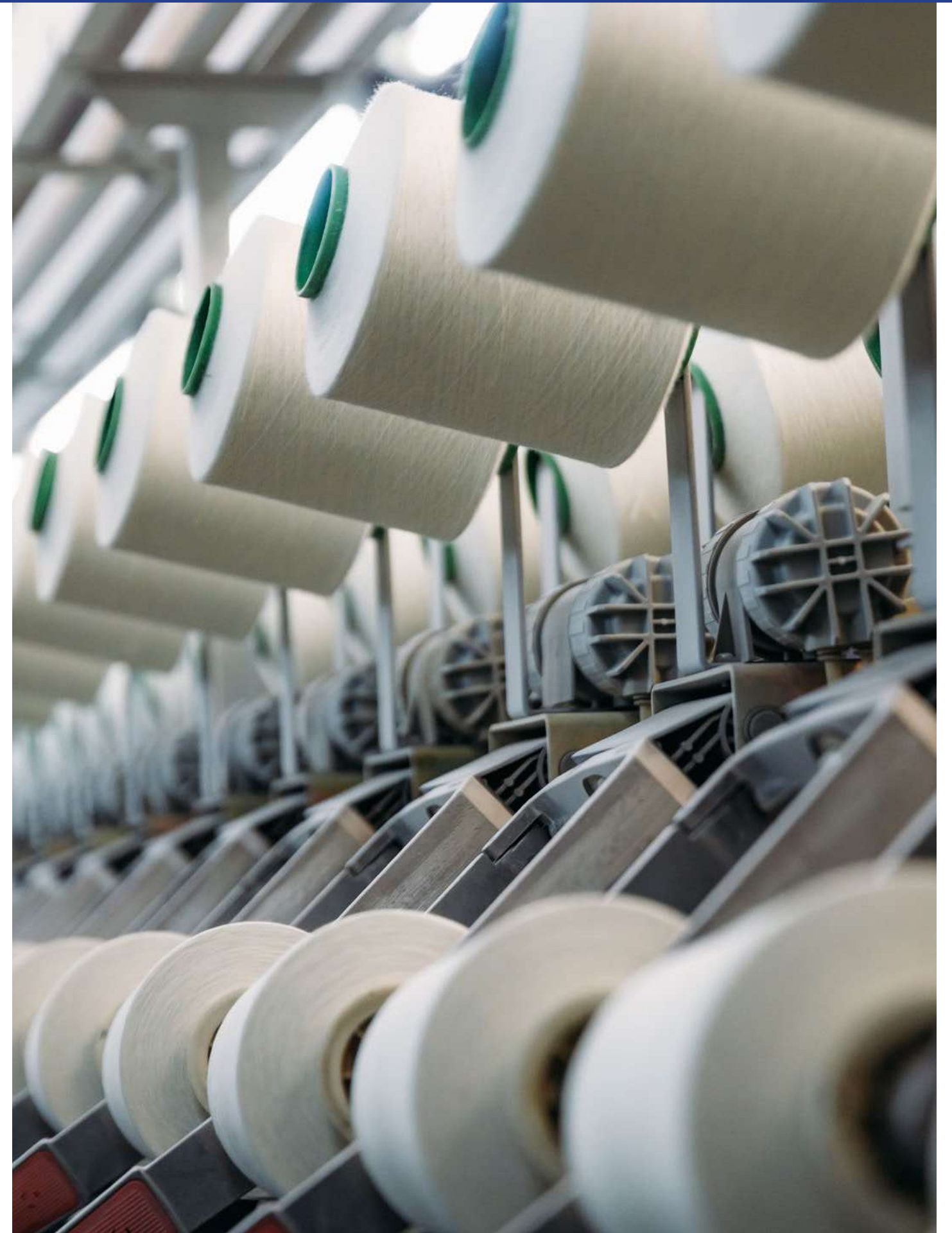
Evaluate the effectiveness of corporate governance

Objectives	Content	Improvement plan	Future improvement plan
<p>Investor Relations</p>	<p>include both domestic and foreign investors. Most foreign investors are investment funds that contact the Company directly or through introductions from consulting/securities companies to learn about and visit the Company. Individual investors often contact directly or via email, phone, or learn about the Company through IR newsletters and other information on the Company's website.</p> <p>-According to the perception and assessment of investors, the Company shares information very openly, proactively, and objectively; it is not difficult for investors to contact, interact, or work with the Company. After meetings and interactions with investors, the Company receives positive feedback on the quality of shared information, professional working style, and respect for investors.</p> <p>-In 2024, Thanh Cong was in the top 10 most favored listed companies - Mid Cap Group (According to Vietstock's announcement) at https://ir.vietstock.vn/. The Company was also in the top 708 listed companies that met information disclosure standards at: https://ir.vietstock.vn/doanh-nghiep-dat-chuan-cong-bo-thong-tin.htm.</p> <p>-Regarding stock liquidity: TCM is among the top textile stocks with good trading and liquidity. The stock value at the end of 2024 increased by 30% compared to 2023 and was higher than the average growth of the Textile and Garment industry.</p>		
<p>Corporate Governance follows best practices: standards such as Vietnam CG code/ Corporate Governance of ASEAN/other standards.</p>	<p>The implementation of corporate governance according to best practices has been self-assessed by the Company as follows:</p> <ul style="list-style-type: none"> - Part A: 20/20 questions completed. - Part B: 6/6 questions completed. - Part C: 13/26 questions completed. - Part D: 14/14 questions completed. - Part E: 20/30 questions completed. <p>In addition to fully complying with legal regulations on corporate governance, Thanh Cong has applied several best practices and is ranked in the VNCG50 group in 2024.</p>		<p>The Company will review and re-evaluate the level of corporate governance compliance and develop a plan to meet best practices in corporate governance based on the actual situation at the Company.</p>

Chapter 08

FINANCIAL STATEMENTS

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AUDIT OPINION



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF THANH CONG TEXTILE GARMENT INVESTMENT TRADING JOINT STOCK COMPANY

We have audited the accompanying consolidated financial statements of Thanh Cong Textile Garment Investment Trading Joint Stock Company ("the Company") and its subsidiaries (together, "the Group") which were prepared on 31 December 2024 and were approved by the Board of Executive Officers of the Company on 13 March 2025. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2024, the consolidated income statement and the consolidated cash flow statement for the year then ended, and explanatory notes to the consolidated financial statements including significant accounting policies, as set out on pages 5 to 57.

The Board of Executive Officers' Responsibility

The Board of Executive Officers of the Company is responsible for the preparation and the true and fair presentation of these consolidated financial statements of the Group in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated financial statements, and for such internal control which the Board of Executive Officers determines is necessary to enable the preparation and presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical standards and requirements and plan and perform the audit in order to obtain reasonable assurance as to whether the consolidated financial statements of the Group are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Executive Officers, as well as evaluating the overall presentation of the consolidated financial statements.



Auditor's Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.

Other Matter

The report on the review of consolidated financial statement is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

For and on behalf of PwC (Vietnam) Limited



Pham Thai Hung
Audit Practising Licence No.
3444-2025-006-1
Authorised signatory

Report reference number: HCM16251
Ho Chi Minh City, 13 March 2025

Dao Trong Hoang
Audit Practising Licence No.
5620-2021-006-1



AUDITED FINANCIAL STATEMENTS

The Audited Financial Statements for the year 2024 of Thanh Cong Textile Garment Investment Trading Joint Stock Company have been disclosed in accordance with regulations and posted on the Company's website: <https://www.thanhcong.com.vn/>

CONFIRMATION BY THE LEGAL REPRESENTATIVE OF THE COMPANY

Ho Chi Minh City, April 8, 2025



SONG JAE HO
General Director



THANH CONG TEXTILE GARMENT INVESTMENT TRADING JOINT STOCK COMPANY

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