

**HANOI TEXTILE AND GARMENT
JOINT STOCK CORPORATION**

Ha Noi, April 5th , 2025

2024 ANNUAL REPORT

To: - State Securities Commission
- Hanoi Stock Exchange

Company Name: HANOI TEXTILE AND GARMENT JOINT STOCK CORPORATION

Reporting year: 2024

PART I: GENERAL INFORMATION

I. General information

- Trading name: **HANOI TEXTILE AND GARMENT JOINT STOCK CORPORATION**
- Business Registration Certificate No.: 0100100826, issued by the Hanoi Department of Planning and Investment, first issued on January 22nd, 2008, and amended for the 10th time on September 5th, 2024.
- Charter capital: VND 205.000.000.000 (Two hundred and five billion Vietnamese dong)
- Owner's capital: VND 205.000.000.000 (Two hundred and five billion Vietnamese dong)
- Address: No. 25, Alley 13, Linh Nam Street, Mai Dong Ward, Hoang Mai District, Hanoi, Vietnam.
- Telephone: 84.24.3862 1225
- Fax: 84.24.3862 1224
- Website: www.hanosimex.com.vn
- Securities code: **HSM**



Establishment and development process

Hanoi Spinning Factory (the predecessor of Hanoi Textile and Garment Joint Stock Corporation) was officially handed over and put into operation on **November 21st, 1984**. The company has undergone several significant milestones:

- April 1990: The Ministry of Foreign Economic Relations allowed Hanoi Spinning Factory to conduct direct import-export activities under the international trade name "HANOSIMEX."

- April 30th, 1991: The Ministry of Light Industry decided to reorganize Hanoi Spinning Factory into Hanoi Spinning and Knitting Enterprise.
- October 1st, 1993: Vinh Spinning Factory (Nghe An) was merged into Hanosimex.
- Year 1994: Construction of Dong My Embroidery & Garment Factory (Thanh Tri District, Hanoi).
- February 17th, 1995: Ha Dong Textile Factory merged into Hanosimex.
- June 19th, 1995: Hanoi Spinning and Knitting Enterprise was renamed Hanoi Textile Company.
- February 28th, 2000: Hanoi Textile Company was renamed Hanoi Textile and Garment Company.
- September 6th, 2005: The Vietnam National Textile and Garment Group merged Hai Phong Textile Production and Export-Import Company into Hanoi Textile and Garment Company.
- Year 2007: Hanoi Textile and Garment Company was transformed into Hanoi Textile and Garment Corporation, operating under a Parent-Subsidiary model.
- January 1st, 2008: Following the government's enterprise reform policy, HANOSIMEX held a General Meeting of Shareholders to transform into Hanoi Textile and Garment Joint Stock Corporation (with the State holding 57,57% of the charter capital).
- Since January 2011: The company relocated all production facilities out of Hanoi's urban areas, establishing new spinning and garment factories in Dong Van (Ha Nam), Nam Dan (Nghe An), and Nghi Loc (Nghe An).

II. Business lines and locations of the business:

1. Main business lines

- Manufacturing, trading, and exporting yarn, knitted fabric, knitted garments, and cotton towels.
- Trading cotton raw materials and polyester fiber for the spinning industry.

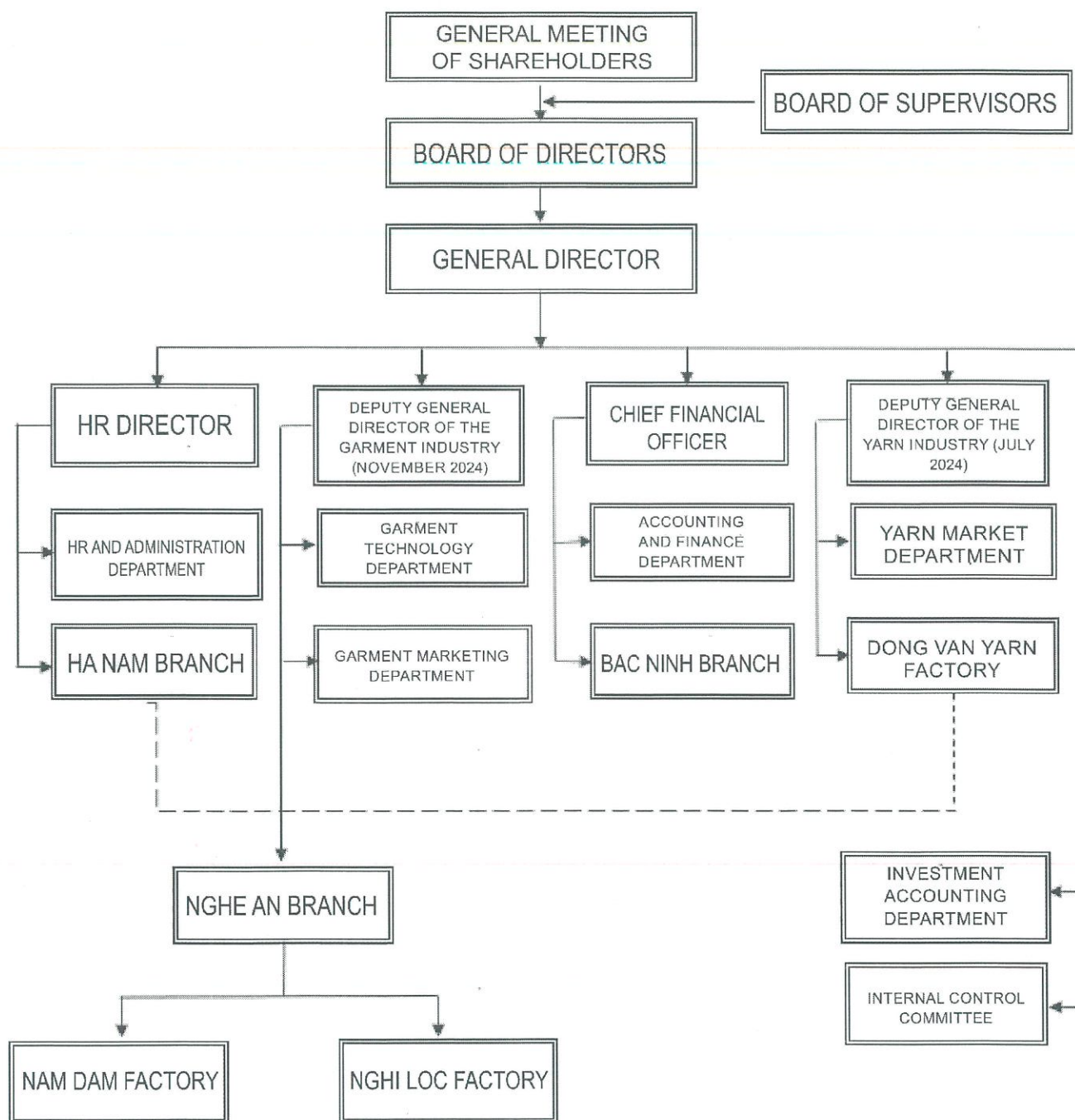
2. Locations of business

- Domestic sales in Vietnam.
- Exporting to the U.S., EU, Japan, South Korea, Egypt, China, Thailand, Chile, etc.

3. Information about governance model, business organization and managerial apparatus

3.1. Governance model

The company is organized as a joint-stock company, headed by the General Meeting of Shareholders, the Board of Supervisors, and the Board of Directors. The Board of Management is led by the General Director, along with the Deputy General Directors, Chief Operating Officer, and Chief Accountant.



3.3. Subsidiaries, associated companies in the Hanosimex system

3.2.1. Ha Dong Hanosimex Textile Joint Stock Company

Address: Lot 2,3,4, Dong Van II Industrial Park, Bach Thuong Ward, Duy Tien Town, Ha Nam Province.

Phone: 0226.357.9267

FAX: 0226.358.2099

Industry: Production and trading of various types of towels

Charter capital: VND 19,5 billion

Hanosimex's contributed capital: VND 10,38 billion (53,23%)

General Director: Mr. Nguyen Quang Ngoc Cellphone: 0912151377

3.2.2. Dong My Hanosimex Garment Joint Stock Company

Address: Hamlet 2, Dong My Commune, Thanh Tri District, Hanoi

Phone: 84-24-3861 2291

FAX:

Industry: Production and trading of various types of garments

Charter capital: VND 4 billion

Hanosimex's contributed capital: VND 1,159 billion (28,975%)

Director: Mr. Nguyen Quang Huy

Cellphone: 0903 230 026

August 2024: The Corporation divested its capital from Dong My Garment JSC.

3.2.3. Hai Phong Hanosimex Trading Joint Stock Company

Address: 508 Le Thanh Tong, Van My Ward, Ngo Quyen District, Hai Phong City

Industry: Production and trading of fiber, yarn, warehousing, and transportation

Charter capital: VND 10 billion

Hanosimex's contributed capital: VND 5,107 billion (51,07%)

Director: Ms. Pham Thi Van Anh

Cellphone: 0913354994

3.2.4. Hanosimex Fashion Joint Stock Company

Address: 1st Floor, Nam Hai Lake View Building, Lot 1-9A, Vinh Hoang Urban Area, Hoang Van Thu Ward, Hoang Mai District, Hanoi

Phone: 84-24-668.39858

FAX:

Industry: Production and trading of fashion garments

Charter capital: VND 9 billion

Hanosimex's contributed capital: VND 5,85 billion (65%)

Director: Ms. Dinh Thi Thu Hang

Cellphone: 0982140876

3.2.5. Halotexco Garment Joint Stock Company

Address: 100 Nguyen Van Troi, Ben Thuy Ward, Vinh City, Nghe An Province

Phone: 84-0238.876.6565

FAX: 84-0238.355.1552

Industry: Production and trading of various types of garments

Charter capital: VND 10,5 billion

Hanosimex's contributed capital: VND 5,633 billion (53,64%)

Director: Mr. Nguyen Xuan Thom

Cellphone: 0948780007

June 2024: The Corporation divested its capital from Halotexco Garment JSC.

3.2.6. Hanosimex Knitting Joint Stock Company

Address: Phu Noi B Textile Industrial Zone, Nghia Hiep Commune, Yen My District, Hung Yen Province

Phone: 84-0221.358.417

FAX:

Industry: Production and trading of various fabrics

Charter capital: VND 38 billion

Hanosimex's contributed capital: VND 19,5 billion (51,32%)

Director: Mr. Nguyen Dinh Chieu

Cellphone: 0904851599

4. Development orientations:

Hanoi Textile and Garment Joint Stock Corporation aims to become a green manufacturing enterprise, gradually applying digital technology, and developing sustainably alongside Vietnam's textile and garment industry. The Corporation plays an important role in the Fiber - Textile - Garment linkage chain of the Vietnamese textile industry.

5. Key Risks:

2024 continues to extend the difficulties from 2023:

- Yarn Industry: Prolonged market difficulties, with yarn continuing to be sold below cost for 30 consecutive months. The Corporation must balance yarn selling prices, choose appropriate selling times, product selection, and delivery schedules to maintain business operations and manage cash flow, as well as control and reduce inventory levels.
- Garment Industry: Market and orders remain challenging from 2023 through the first five months of 2024. However, since June 2024, the market has improved, factory orders are full, and processing prices have improved. From Q3/2024 onward, the garment industry has become profitable. However, labor fluctuations have affected revenue and productivity.
- Increasing geopolitical conflicts, tensions in the Middle East threatening global supply chains and energy markets.
- Businesses continue to face difficulties due to weak market demand and rising input costs, including electricity, water, wages, social insurance, and logistics costs. Export and import activities have declined and suffered negative impacts from the global economic downturn.
- Labor fluctuations remain high, and recruitment and training efforts have not met production demands. Competition in the labor market is intensifying, particularly in terms of income and working conditions. Retaining and attracting workers remains a challenge.

PART II: OPERATIONS IN THE YEAR 2024

1. Results of business operations in the year 2024

The revenue structure of Hanosimex's system in 2024 is as follows:

- Yarn Industry revenue: VND 504,622 billion (45% of total revenue)
- Garment Industry revenue: VND 184,076 billion (16% of total revenue)
- Textile Industry revenue: VND 342,160 billion (30% of total revenue)
- Service Industry revenue: VND 65,732 billion (6% of total revenue)
- Other revenue: VND 35,156 billion (3% of total revenue)

Total export turnover in 2024 reached USD 38.609.964, a 9,63% decrease compared to 2023, Of this: The Parent Company's export turnover was USD 26.474.584, a 19,28% decrease from 2023.

Subsidiaries' export turnover was USD 12.135.379, a 22% increase from 2023.

2. Industry performance evaluation:

2.1 Yarn Industry:

Cotton prices fluctuated within a large range (80-107 cents/lb) in Q1 and continuously declined in the following quarters (at times dropping to ~65 cents/lb), making it difficult to prepare raw materials for production. There were also periods when transportation was delayed, leading to late deliveries and affecting production.

- ❖ The Corporation received financial support from the Group to purchase cotton fiber, ensuring timely and stable raw material supply for production.
- ❖ The quality and purchasing price of cotton and polyester fiber met the requirements and sufficiently supported production.
- ❖ Raw material purchases were planned and balanced to cover production needs, keeping inventory levels ≤ 1.5 months of production, avoiding long-term purchases and stockpiling.
- ❖ Orders were secured according to the equipment mobilization plan; however, due to market difficulties, there were times when orders could not be finalized early to proactively arrange production.
- ❖ Workforce fluctuations in the factory caused difficulties in production scheduling, requiring labor adjustments across two workshops to meet production plans and equipment maintenance schedules.
- ❖ The consumption market remained challenging. Yarn prices fluctuated unfavorably compared to cotton prices: when cotton prices increased, yarn prices rose slightly but did not match cotton's price movement; when cotton prices dropped, yarn prices declined faster and more sharply.
- ❖ The Corporation maintained a diverse and familiar customer base capable of absorbing Đồng Văn Spinning Mill's production capacity. However, during periods of significant yarn price drops, it was difficult to secure large-volume sales.

- ❖ In 2024, the Corporation met with long-term customers in South Korea, China, and Japan through the Shanghai Fair and direct meetings.
- ❖ Workshop 1 - Blended Yarn: Focused on two main markets—China (~50%) and South Korea (~40%).
- ❖ Workshop 2 - Cotton Yarn: In 2024, export demand and unit prices for cotton yarn were low, so only orders with suitable pricing were selected for production. Key markets included China, South Korea, Thailand, and the domestic market.
- ❖ Yarn quality remained stable according to Hanosimex standards, maintaining customer trust.
- ❖ Cost reduction efforts were continuously and strictly implemented with clear plans and objectives throughout 2024.

Export Market:

- ❖ China market: Accounted for 60%, a 10% decrease from 2023. However, it remained the primary yarn export market for CVCD, CVCM, and TCD yarn types.
- ❖ South Korea market: Accounted for 30%, a 15% increase from 2023. The main products were CD, CVCD, and TCD yarn.
- ❖ Other Markets: Accounted for 10%, a 5% decrease from 2023, with exports to Thailand, Japan, Chile, Taiwan, etc., mainly for CD and CVCM yarn.

Domestic Yarn Market:

- ❖ Sales faced difficulties due to intense price and payment competition.
- ❖ Domestic sales continued to supply companies within the Vinatex system and long-term customers with a good payment history. Some customers made prepayments before receiving goods, making domestic sales more effective compared to exports in terms of profitability.

2.2. Garment Industry:

- ❖ In the first half of 2024, low export market demand led to a decline in both order volume and prices, resulting in underutilized production capacity. The situation improved from Q3/2024, allowing the garment sector to cut losses and start generating profits.
- ❖ In the second half of the year, production plans for the factories improved, leading to full production capacity utilization, with large, long-running orders and better unit prices compared to previous quarters. The quality of production met customer requirements.
- ❖ The Corporation merged two garment factories in the Nam Dan area on June 1, 2024, restructuring the workforce and reducing indirect labor.

The Corporation's garment sector received significant support from Vinatex and industry peers across various aspects, including planning, system management, design-technology, production line setup, and technological solutions to enhance quality and productivity. Quality

control across production stages was also strengthened. In November 2024, senior management personnel were added. These supports have positively impacted Hanosimex's garment sector.

➤ The Corporation's garment revenue in 2024 reached 75% of 2023's level.

The revenue decline was mainly due to order difficulties, underutilized production capacity in the first five months, and labor fluctuations. Labor competition among industries remained intense, especially for factories located near industrial zones. The Corporation dissolved the Dong Van Garment Factory in January 2024 and merged Nam 1 and Nam Dan 2 Garment Factories in June 2024 due to labor shortages.

From Q3/2024, the market showed signs of recovery, with factories operating at full capacity, large, long-running orders, and improved input materials and pricing, creating favorable conditions for process improvements, labor productivity increases, and effective production.

❖ The Corporation's primary garment export market remained the United States, accounting for approximately 81% of revenue, followed by South Korea, Japan, and Russia. In 2024, the Corporation continued to seek new customers and markets, such as Australia and New Zealand, to reduce dependence on the U.S. market and leverage opportunities from free trade agreements.

Orders & Production at Factories

- ❖ CM orders accounted for 97% of the Corporation's total garment revenue.
- ❖ FOB revenue in 2024 represented 3% of total revenue, a 13.6% decline compared to 2023.
- ❖ Nam Dan and Nghi Loc Garment Factories: Both showed improved labor productivity and average revenue in 2024 compared to 2023.

2.3. Towel Weaving and Other Services:

The knitted fabric industry operated below full capacity, faced significant difficulties, and incurred losses. From July 2024, the Corporation leased out the factory and machinery to another company.

2. Organization and Human resource:

FULL NAME	INFORMATION
Mr Nguyen Song Hai - Chairman of the Board of Directors - Representative of 5.652.600 shares (27,57% of charter capital) - Resigned as Chairman of the BOD on April 24 th , 2024	- Date of birth: 28/02/1969 - ID Number: 040069014065 Issued by the Department of Police for Administrative Management of Social Order and Security on Issued by the Department of Police for Administrative Management of Social Order and Security on 23/9/2021 - Hometown: Xuan Hoa Commune, Nam Dan District, Nghe An Province

	<ul style="list-style-type: none"> - Registered address: P2606-Park10-Timescity - Alley 25/13 Linh Nam, Mai Dong Ward, Hoang Mai District, Hanoi City
<p>Mr Cao Huu Hieu</p> <ul style="list-style-type: none"> - Chairman of the Board of Directors - Representative of 5.652.600 shares (27,57% of charter capital) - Appointed from April 24th, 2024 	<ul style="list-style-type: none"> - Date of birth: 08/04/1975 - ID Number: 025075000138 Issued by the Department of Police for Administrative Management of Social Order and Security on 25/4/2021 - Hometown: Cao Xa Commune, Lam Thao District, Phu Tho Province - Registered address: Room No. 2, Block 69, Alley 40/60, Ta Quang Buu Street, Bach Khoa Ward, Hai Ba Trung District, Hanoi.
<p>Mr Ho Le Hung</p> <ul style="list-style-type: none"> - Board Member, General Director - Representative of 2.050.000 shares (10% of charter capital) - Owns 2.000 shares 	<ul style="list-style-type: none"> - Date of birth: 19/3/1964 - ID Number: 001064038729 do Bộ Công an cấp ngày 31/07/2024. - Hometown: Huong Tra Town, Thua Thien Hue Province - Registered address: Group 14, Mai Dong Ward, Hoang Mai District, Hanoi City
<p>Mr Nguyen Ngoc Cach</p> <ul style="list-style-type: none"> - Board Member - Representative of 2.050.000 shares (10% of charter capital) 	<ul style="list-style-type: none"> - Date of birth: 13/09/1966 - ID Number: 027066010295 Issued by the Department of Police for Administrative Management of Social Order and Security on 10/07/2021 - Hometown: Lien Bao Commune, Tien Du District, Bac Ninh Province - Registered address: Number 22, Alley 53, Duc Giang Street, Long Bien District, Hanoi City
<p>Mr Nguyen Tri Son</p> <ul style="list-style-type: none"> - Board Member, Deputy General Director - Representative of 2.050.000 shares (10% of charter capital) - Owns 10.000 shares 	<ul style="list-style-type: none"> - Date of birth: 20/11/1976 - ID Number: 040076016293 Issued by the Department of Police for Administrative Management of Social Order and Security on 10/11/2022 - Hometown: Nghe An - Registered address: Group 1, Thanh Luong Commune, Thanh Chuong District, Nghe An Province

- Appointed from April 24 th , 2024	
Mr Vuong Duc Anh - Board Member - Representative of 2.050.000 shares (10% of charter capital) - Resigned from the Board of Directors on April 24 th , 2024	- Date of birth: 10/10/1987 - ID Number: 001087026560 - Issued by the Department of Police for Administrative Management of Social Order and Security on 25/4/2021 - Hometown: Dong Da, Ha Noi - Registered address: Apartment 1212A-C1, Mandarin Garden Condominium, Hoang Minh Giam Street, Trung Hoa Ward, Cau Giay District, Hanoi
Ms Hoang Thuy Anh Independent Board Member	- Date of birth: 06/02/1977 - ID Number: 048177004779 - Issued by the Department of Police for Administrative Management of Social Order and Security on 20/8/2021 - Hometown: Dai Thang, Dai Loc, Quang Nam - Registered address: 91 Tong Phuoc Pho Street, Hoa Cuong Bac Ward, Hai Chau District, Da Nang City
Mr Nguyen Quang Huy - Chief Operating Officer - Resigned on November 1 st , 2024	- Date of birth: 19/08/1974 - ID Number: 025074000281 Issued by the Department of Police for Administrative Management of Social Order and Security on 22/3/2017 - Hometown: Tan Quang Ward, Tuyen Quang City, Tuyen Quang Province - Registered address: Group 55, Bach Mai, Hai Ba Trung, Hanoi
Mr Nguyen Ba Khanh Tung - Deputy General Director - Appointed from November 1 st , 2024	- Date of birth: 30/09/1986 - ID Number: 038086050900 Issued by the Department of Police for Administrative Management of Social Order and Security on 05/06/2022 - Hometown: Thanh Hoa

	- Registered address: 3/8/149 Tran Phu, Phuoc Vinh, Hue City, Thua Thien Hue
Ms Le Thi Thu Huong Chief Operating Officer	Date of birth: 21/ 08/1972 ID Number: 020172001350 Issued by the Department of Police for Administrative Management of Social Order and Security on 24/4/2021 Nguyên Quán: That Khe Town - Trang Dinh – Lang Son Registered address: Room 405-E3, Thanh Cong Collective Building, Thanh Cong Ward, Ba Dinh District, Hanoi City
Đặng Ngọc Quân Chief Operating Officer	Date of birth: 04/07/1974 ID Number: 040074000147 Issued by the Department of Police for Administrative Management of Social Order and Security on 09/04/2021 Hometown: Quynh Ngoc, Quynh Luu, Nghe An Registered address: Room 303-A2, Ministry of Public Security Building, Thanh Xuan Trung, Thanh Xuan District, Hanoi.
Mr Do Minh Son Head of Board of Supervisors	Date of birth: 22/10/1982 ID Number: 001082020503 Issued by the Department of Police for Administrative Management of Social Order and Security on 12/01/2017 Hometown: Nghiem Xuyen, Thuong Tin, Hanoi Registered address: Cluster 5, Nghiem Xuyen, Thuong Tin, Hanoi
Mr Nguyen Tuan Dao - Member of Board of Supervisors - Owns 11.200 shares	Date of birth: 05/01/1975 ID Number: 001075000173 Issued by the Department of Police for Administrative Management of Social Order and Security on 12/08/2022 Hometown: Hoa Lu, Ninh Binh Registered address: Room 0607, Building HH01A, New Horizon Urban Area, 87 Linh Nam, Mai Dong Ward, Hoang Mai District, Hanoi City

Nguyễn Thị Nhung Member of the Board of Supervisors	Date of birth: 16/3/1981
	ID Number: 034181021534 Issued by the Department of Police for Administrative Management of Social Order and Security on 02/5/2022
	Hometown: Vu Ninh, Kien Xuong, Thai Binh
	Registered address: 625D7, Dang Xa Urban Area, Gia Lam, Hanoi

- The number of staff and employees as of December 31st, 2024:

No.	Indicators	Number (of people)	Percentage (%)
1	Staff with postgraduate or university qualifications	179	10.1
2	Staff with college qualifications	68	3.8
3	Staff with intermediate-level qualifications	39	2.2
4	Technical workers	1.161	65.4
5	Unskilled labor/other labor	327	18.4
	Total	1.774	100

- **Policies for workers:**

- + **Salary and bonus policy:** The Corporation has rebuilt the salary scale system, salary regulations, and policies to comply with legal requirements and improve employees' wage income. It has developed reward and competition systems for productivity on a weekly and monthly basis to encourage work spirit and increase labor productivity. Given the intense labor competition in industrial zones and challenges in recruitment, the Corporation has adjusted its recruitment policies in a timely manner to attract labor. It provides allowances for fuel, rewards for long-term employees, support for those working away from home, attendance bonuses, and support for female workers with young children. Policies aimed at improving the life quality of employees and communication efforts are being strengthened to retain and stabilize the workforce at the end of the year.
- + **Training policy:** The Corporation has been focused on training and long-term development in terms of quality. The Corporation has sent employees to participate in training courses organized by the DMVN Group to enhance professional expertise: 3 people participated in the investment project management and bidding course; 3 people attended the legal management course; 8 people joined the financial accounting management course; 3 people participated in the PL-300

Training Program: Microsoft Power BI Data Analyst (Application tools for effective business data analysis); 16 people attended training in economic-technical fiber industry standards. Additionally, 112 people participated in IE, Line Leader, Communication Skills, and Production Management Skills training for the Garment Industry, organized in June 2024 by the Vietnam Textile and Apparel Union; 21 people attended an advanced English language course organized by VNC; 3 people participated in bidding law training courses organized by VCCI; 16 people attended workshops on the 2024 Social Insurance Law, Labor Contracts, Labor Discipline, and Dispute Resolution, organized by VCCI...

- + ***Social benefits policy:*** The Corporation fully contributes to social insurance (SI), health insurance (HI), unemployment insurance (UI), and reimburses workers for sickness, child sickness, and maternity leave according to current legal regulations to ensure full rights and create peace of mind for employees. The Corporation takes care of both the material and spiritual lives of employees through activities and events such as monthly birthday celebrations, creating a joyful atmosphere in the workplace; organizing outings; giving New Year gifts to employees, etc.

3. Investment activities, project implementation:

a) In 2024, the Corporation invested: 3,787,770,892 VND, detailed as follows

- 1- Investment in building a 50m³/day domestic wastewater treatment system at the Ha Nam Branch. total implementation value: VND 819.756.622.
- 2-Investment in 1 Nep testing machine and 1 fabric density measurement machine for the Hanosimex fiber laboratory: Total implementation value: USD 33.130 (VND 844.815.000).
- 3-Investment in automation equipment for the garment industry (wide format programming machines. 360° rotating heads. 3-needle 6-thread trimming machines): Total implementation value: VND 915.387.360.
- 4-Investment in the air conditioning system for the product packaging room at Nghi Loc Garment Factory. total implementation value: VND 225.855.110.
- 5-Investment in 1 fabric shrinkage testing machine. total implementation value: VND 329.400.000.
- 6-Investment in a new steam supply system to the sewing lines at Nghi Loc. total implementation value: VND 247.610.000.
- 7-Renovation of the factory premises at Nam Dan. total implementation value: VND 182.850.000.
- 8-Repair works for various items at the Nghi Loc Garment Factory: Total implementation value: 109.092.000.
- 9-Demolition of doors and installation of fireproof doors to create fire barriers at the Nghe An Branch: Total implementation value: VND 80.000.000.
- 10-Demolition of old gutters and installation of new gutters at workshop 2 - Dong Van Fiber Factory: Total implementation value: VND 33.004.800.

b) Subsidiaries, associated companies in Corporation's system in 2024:

Ha Dong Textile Joint Stock Company 2024: Total investment value: VND 18.775.887.600, including:

- 1 XY768 TQ yarn winder machine : VND 474.368.157
- 1 Chinese twisting machine : VND 467.859.043
- Fire prevention system phase 1 : VND 427.220.000
- Installation of RO water filtration system : VND 50.624.800
- 1 Secondhand forklift : VND 245.000.000
- 4 industrial sewing machines : VND 387.150.000
- 4 air jet weaving machines : VND 9.508.665.600
- 1 Tumbler dryer machine : VND 7.215.000.000

4. Financial situation

a) Financial situation:

Indicators	Year 2023	Year 2024	% increase/decrease
Total asset	1.472.007.791.224	1.205.645.538.962	(18,1)
Net revenue	1.298.164.948.495	1.114.885.861.492	(14,1)
Profit from business activities	(167.488.347.208)	(82.277.925.641)	(50,9)
Other profits	53.721.570.644	9.323.695.124	(82,6)
Profit before tax	(113.766.776.564)	(72.954.230.517)	(35,9)
Profit after tax	(121.520.355.978)	(78.259.915.588)	(35,6)
Basic earnings per share (EPS)	(5.729)	(3.438)	(40)

b) Major financial indicators

Indicators	Year 2023	Year 2024	Note
1. Solvency ratio			
+ Current ratio: Short term Asset/Short term debt	0,947	0,957	

+ Quick ratio: <i>(Short term Asset – Inventories)/Short term Debt</i>	0,527	0,514	
2. Capital structure Ratio			
+ Debt/Total assets ratio	0,691	0,680	
+ Debt/Owner's Equity ratio	2,240	2,128	
3. Operation capability Ratio			
+ Inventory turnover <i>Cost of goods sold/Average inventory</i>	3,986	4,336	
+ Total asset turnover: <i>Net revenue/ Average Total Assets</i>	0,882	0,925	
4. Profitability			
+ Profit after tax/ Net revenue Ratio	(0,094)	(0,070)	
+ Profit after tax/ total capital Ratio	(0,267)	(0,203)	
+ Profit after tax/ Total assets Ratio	(0,083)	(0,065)	
+ Profit from business activities/ Net revenue Ratio	(0,129)	(0,074)	

5. Shareholders structure, change in the owner's equity

a) Shares:

Charter capital: VND 205.000.000.000, in which:

- State-contributed capital: VND 118.026.000.000, accounting for 57,57%
- Capital contributed by employees and other investors: VND 86.974.000.000, accounting for 42,43%
- * Total number of shares: 20.500.000
- Common shares: 20.500.000
- * Number of outstanding shares: 20.500.000
- Common shares: 20.500.000
- * Par value per share: 10,000 VND/share

b) Shareholder structure:

- Total number of shareholders as of March 27, 2025: 309 shareholders
- Domestic shareholders: 308 shareholders
- Institutional shareholders: 6 shareholders

- Individual shareholders: 303 shareholders
- Major shareholders: 2 shareholders

1/ Northern Textile and Garment Corporation - Vinatex Co., Ltd: 11.802.600 shares (57,57%);

2/ Lien Phuong Textile & Garment Joint Stock Company: 3.816.900 shares (18,62%).

6. Medium-Term Investment Plan of the Corporation (2025 - 2026):

6.1 Projects to be implemented by the Corporation in 2025

6.1.1 Hanosimex Multipurpose Building Project with a business floor area of 19,300 m², the investment policy adjustment has been approved by Hanoi City, and the project is currently in the investment preparation and construction phase; the expected completion time is Q3 - 2026. The estimated total investment is VND 300.000.000.000.

6.1.2 Investment in the garment sector is approximately VND 5.700.000.000, including:

- Management software: VND 2.500.000.000
- Additional investment in automation equipment to improve labor productivity: approximately VND 3.200.000.000

6.1.3 Investment in the yarn sector:

- 02 two-stage energy-saving 90KW air compressors, 01 air dryer for 02 yarn production workshops. The estimated total investment is approximately VND 1.800.000.000
- Automatic packaging system: The estimated total investment is approximately VND 400.000.000
- 05 Bobbin Tray winding machines: According to Vinatex's investment program.
- Upgrade of 14 Magazine winding machines to Bobbin Tray or robotic yarn discharge system according to Vinatex's investment program.

6.2 Subsidiaries:

Ha Dong Textile Joint Stock Company:

The total planned investment for 2025 is VND 13.800.000.000, with details as follows:

- | | |
|---------------------------------|-------------------|
| 1- 01 Splicing Machine: | VND 800.000.000 |
| 2- 04 Air-Jet Weaving Machines: | VND 9.500.000.000 |
| 3- 01 Coal-Fired Boiler: | VND 3.500.000.000 |

PART III. REPORTS AND ASSESSMENTS OF THE BOARD OF MANAGEMENT

Assessment of operating results

1. Situation Overview

The year 2024 marked significant milestones for Vietnam's textile and garment industry, and even more so for Hanosimex, as the Corporation celebrated its 40th anniversary. Looking back on

the past 40 years, with all the ups and downs in building the Hanosimex brand, it has been a long journey of relentless efforts by generations of leaders and the entire workforce. Through this dedication, Hanosimex has gradually established itself as a reputable enterprise in Vietnam's textile and garment sector.

In 2024, under the strategic direction of the Vietnam National Textile and Garment Group (Vinatex) and the close guidance of the Board of Directors and the Executive Management, Hanosimex's employees united and worked hard in production and business, maintaining jobs and stable incomes for workers.

The yarn industry continued to face market challenges that had persisted since 2023, with no signs of improvement. However, the sector focused on applying production management solutions to increase output while reducing costs and raw material consumption. The garment sector also faced difficulties, but the market bottleneck was resolved by the end of the second quarter of 2024. In the last six months of the year, the garment sector of the Corporation saw a strong recovery, with full order loads that facilitated productivity growth, increased revenue, and improved efficiency.

2. Business Performance Evaluation.

In 2024, revenue and profit targets were not achieved compared to both the plan and the previous year's performance (except for the Parent Company, which met its revenue target, and Ha Dong Textile JSC, which met both revenue and profit targets).

- **Yarn Sector:** Faced challenges throughout 2023 and 2024, with declining market demand and prices. The rate of yarn price reduction exceeded that of cotton price reduction, leading to unprofitable results. Economic and technical norms in some areas were not met, negatively impacting production costs.
- **Garment Sector:** The market and orders faced difficulties in the first five months of the year, resulting in low productivity and revenue from CM (Cut-Make) processing. However, from June 2024, orders reached full capacity again, with improved pricing and productivity. Although results remained modest, the garment sector officially turned a profit from July 2024.
- **Labor:** In the first half of the year, labor fluctuations were significant in the Nghe An and Ha Nam areas due to a lack of orders and low income. The Corporation adjusted various policies to increase worker income, launched production emulation movements, and implemented welfare programs to improve the material and spiritual well-being of employees. As a result, employee turnover decreased significantly in the second half of the year. However, the current workforce still falls short of production needs, especially in the yarn sector.
- **Financial Management:** Despite many difficulties in 2024, including high input costs, rising electricity prices, and other increasing expenses, as well as challenging access to capital due to strict lending conditions from banks, the Corporation maintained stable financial management. It ensured sufficient capital and cash flow for production and business activities, timely salary payments for employees, and full compliance with state obligations.

- **Human Resources Management:** The Corporation merged Nam Dan 1 and Nam Dan 2 garment factories into Nam Dan Garment Factory, restructuring to reduce indirect and non-production support staff while increasing the ratio of direct labor to enhance productivity. Senior management changes included the appointment of a Deputy General Director in charge of the yarn sector in July 2024, and in November 2024, the Executive Director of the garment sector ended their contract, followed by the appointment of a new Deputy General Director for the garment sector with personnel support from Vinatex and Hue Textile and Garment JSC.

3. Organizational, policy, and management improvements

- In 2024, amid a shortage of orders and sharp price declines in the early months of the year, the Corporation focused on securing orders to maintain employment and workers' livelihoods while ensuring political stability and social security in operational areas. It also retained a strong management team and a skilled workforce, preparing for the next growth phase.
- Continued revisions and additions to labor-related governance documents, adjusting policies and wages to enhance competitiveness.
- Implemented the “Garment Restructuring” initiative, adjusting personnel in garment units, merging factories to streamline operations, and improving management efficiency. Following these changes, garment sector units and individuals quickly adapted to new responsibilities.
- Focused on personnel training, conducting multiple training and retraining programs for managers and participating in garment production management skill courses funded by the Vietnam Textile and Garment Trade Union. Collaborated with the Trade Union and Youth Union to launch productivity and quality campaigns, organize cultural and sports activities to foster a cohesive and positive work environment.

4. Future development Plans:

Given the complex global economic landscape, 2025 is expected to bring further challenges. The Corporation is determined to leverage all resources, capitalize on its integrated supply chain spanning Yarn - Weaving - Garment, optimize each production sector's capacity, and strengthen management strategies to reduce production costs and enhance competitiveness. Additionally, it will focus on market expansion to secure production stability.

4.1. Garment Sector

- Maintain and strengthen existing markets, retain customers, and sustain traditional stable products.
- Expand into new and niche markets to diversify orders, particularly exploring new directions for 100% cotton yarn, TCM, and CVC.
- Nurture relationships with existing customers and seek new domestic clients to secure bulk and stable orders, including supplying to FDI enterprises and supporting FOB garment orders.

- Maximize the utilization of CM yarn production lines, selecting a reasonable product structure to optimize the capacity of each line and minimize production line changes.
- Ensure yarn quality, reduce material waste, optimize cotton blending methods, and improve energy efficiency to lower production costs.
- Focus on recruiting sufficient workers for factories and improving working conditions to retain employees.
- Plan investments to diversify product offerings, modernize automation equipment to enhance yarn quality, boost productivity, and reduce labor dependency.

4.2. Garment Sector:

- Strengthen market development efforts by adding qualified market personnel and strategically allocating staff to improve order acquisition and production oversight.
- Secure enough orders to match each factory's capacity and establish a stable customer base with orders aligned to production capabilities.
- Expand FOB orders with existing clients and attract new FOB customers suited to the Corporation's capabilities.
- Diversify markets beyond the USA, exploring opportunities in Australia, New Zealand, and other regions to mitigate risks.
- Continue reforming garment sector management, reassessing and restructuring labor to reduce indirect staff, and refining management practices to enhance productivity and profitability.
- Invest in additional automation equipment to stabilize product quality and boost labor productivity.
- Implement comprehensive solutions to stabilize human resources, recruit additional workers, and meet the production scale of 20 production lines per factory.

4.3 Towel Weaving Sector

- Focus on market development, acquiring customers to fully utilize production capacity. Maximize existing orders in the Japanese market and adjust pricing flexibly to increase order volume. Expand domestic sales efforts.
- Maintain strict quality control to minimize production risks and explore cost-reduction strategies to enhance profitability.
- Continue investment programs to boost production capacity and improve product quality, aligning with market demand while considering financial feasibility. Optimize the use of newly invested equipment for operational efficiency.
- Enhance labor policies, wages, and income structures to retain employees and attract new workers, especially for the weaving sector, to increase production capacity.

5. Assessment Report related to environmental and social responsibilities of the Company:

a. Assessment concerning the environmental indicators

- ❖ **Water consumption:** The water consumption of the factories is always closely monitored. Statistics are used to track trends and implement water-saving measures.
- ❖ **Energy:** The electricity consumption in yarn production has shown an increasing trend, which is due to underutilized production capacity in 2024. The rooftop solar power system at the yarn and garment factories is operating efficiently, generating revenue and increasing the share of green energy for the Corporation.
- ❖ **Emissions:** Emissions from the boilers using coal and wood pellets are always controlled according to regulations. The Corporation has also invested in and put into operation a wastewater treatment system at the Ha Nam branch.

These indicators are regularly monitored and assessed to ensure that the Corporation's production develops sustainably and meets the green standards required by customers.

b. Assessment concerning the labor issues:

The Corporation complies with the laws related to labor and the working environment of employees. Policies regarding income, social insurance (SI), health insurance (HI), unemployment insurance (UI), etc., are fully implemented by the Corporation. Despite many challenges in production and business operations, the Corporation continues to focus on improving the working conditions for workers at its factories, such as upgrading the restrooms at Nam Dan 1 and 2 Garment Factories and completing the fire protection system at Nam Dan 2 Garment Factory to meet legal requirements.

The Corporation is also regularly evaluated by customers on its compliance with relevant laws, such as the Labor Code, fire safety regulations, occupational health and safety, and environmental protection. Additionally, evaluations are conducted regarding social responsibility and the quality management system. The Corporation has performed well in complying with the above legal requirements and has met the needs of other customer evaluations, earning the trust of customers who place export orders to developed countries.

c. Assessment concerning the corporate responsibility for the local community

The Corporation fully fulfills its obligations as a business in the local area, including environmental issues; financial obligations such as taxes, fees, social insurance (SI), health insurance (HI), and unemployment insurance (UI).

Additionally, the Corporation and its branches/factories maintain close relationships with local authorities and residents in terms of labor management, recruitment, vocational training, and providing financial support for community activities in the local area.

The environment surrounding the factories has been improved after the Corporation invested in the renovation of wastewater treatment areas in compliance with legal regulations (building wastewater treatment systems, using pellet fuel for boilers, planting additional trees, etc.). This not only creates a safe working environment for employees but also fulfills the Corporation's responsibilities to the local community.

II. Financial Situation

1. Assets

- Total assets of the Corporation: VND 1.205.646 million. including current assets: 486.272 million and non-current assets: VND 719.374 million.
- Net revenue/Total assets ratio: $1.298.165/1.205.646 \sim 0.93$; meaning that each VND 1 of the Corporation's assets generates approximately 0.93 VND in revenue.
- Provision for doubtful receivables: In 2024, the short-term doubtful debt provision balance was VND 77.355 million, an increase of VND 14.444 million compared to 2023. Outstanding doubtful receivables are currently being recovered.

2. Debt Payable

- Total liabilities: VND 820.155 million. including short-term liabilities: VND 508.102 million and long-term liabilities: VND 312.053 million.
- Debt-to-equity ratio: $820.155/385.490 \sim 2.13$; indicating that the Corporation's production and business operations are primarily financed through bank loans and other liabilities.

PART IV. ASSESSMENTS OF THE BOARD OF DIRECTORS ON THE COMPANY'S OPERATION

1. Assessments of the Board of Directors on the Corporation's operation

The year 2024 continued the challenges of 2023, with market difficulties caused by the global economic downturn, trade wars, inflation, and a sharp decline in consumer demand, leading to a significant drop in textile and garment demand as people tightened their spending. The prolonged difficulties weakened the internal strength of businesses. In response, the Corporation made relentless efforts, adapted flexibly, closely managed production and business activities, and seized every opportunity to sustain operations across the entire system, ensuring employment and income for workers while preserving resources.

2. Assessment of Board of Directors on Board of Management's performance

In 2024, amidst a shortage of orders in the early months and a sharp decline in prices, the Corporation focused on securing production orders, stabilizing employment and workers' livelihoods, subsidizing wages to retain labor, and maintaining political security and social order in operating areas. The management team and skilled workforce were preserved, ensuring readiness for the next phase of development.

The Corporation maintained relatively stable operations in the yarn sector, operating at over 80% capacity. Efforts were made to stabilize and enhance product quality, retain existing customers, and attract new ones while managing inventory efficiently.

Throughout 2024, emphasis was placed on workforce training, strengthening human resources, and improving market operations in the garment sector. Organizational restructuring was carried out to reduce intermediary steps. Cash flow was balanced, and funding was arranged for

production and business activities. The Corporation also benefited from mutual support within the Hanosimex system and from other units in the Group.

Due to the overall difficulties, revenue and profit targets were not met compared to both the planned figures and the same period in 2023 (except for the parent company, which met its revenue target, and Ha Dong Textile JSC, which achieved both revenue and profit targets).

Yarn Sector: Continued struggles with prolonged difficulties, declining market demand, and falling prices. The drop in yarn prices outpaced the decline in cotton prices, leading to lower-than-expected profitability. Some economic and technical benchmarks in the yarn sector exceeded planned limits.

Garment Sector: The market and order situation were challenging in the first five months of the year, resulting in low revenue from CM (CMT-based) contracts and reduced productivity. Labor fluctuations were significant, and recruitment and training efforts struggled to meet demand. The garment sector's market development team was understaffed, failing to secure enough orders for full production capacity. However, thanks to support from several units within the Group, the garment sector overcame difficulties in the second half of the year and achieved profitability.

Towel Weaving and Other Services: Despite market challenges, capital was preserved, revenue was achieved, and profits were made. **Knitting Sector:** Production was not operating at full capacity and suffered losses, leading to a shift towards leasing assets.

Below are some key performance indicators for 2024:

No.	Indicators	Units	2024 plan	2024 performance	% plan/ performance
1	Consolidated revenue - income	Million VND	1.319.400	1.173.218	89%
	<i>Including: Parent company</i>	<i>Million VND</i>	<i>856.000</i>	<i>866.394</i>	<i>101%</i>
2	Consolidated profit before tax	Million VND	6.400	(72.954)	-
	<i>Including: Parent company</i>	<i>Million VND</i>		<i>(73.364)</i>	<i>-</i>
3	Average Workforce	Person	3.186	2.158	68%
	<i>Including: Parent company</i>	<i>Person</i>	<i>2.080</i>	<i>1.528</i>	<i>73%</i>
4	Average Income (per person/month)	VND	8.474.000	9.120.000	108%
	<i>Including: Parent company</i>	<i>VND</i>	<i>8.300.000</i>	<i>9.670.000</i>	<i>117%</i>

Despite great efforts, the Corporation's business operations still incurred losses, as shown in the table above. Therefore, there are no available funds for dividend distribution or fund allocations.

3. Plans and orientations of the Board of Directors

3.1 Board of Directors

*** Yarn industry:**

- Stabilize and improve yarn quality, ensuring that business activities closely follow the market and maintain customers within the selected market segment.
- Recruit more workers to fully utilize production capacity.
- Invest in modern machinery and automation to boost productivity and reduce labor requirements.
- Optimize production management, minimizing costs as much as possible to maintain competitive pricing.

*** Garment industry:**

- Innovate garment industry management. Continue reviewing and restructuring the workforce, streamlining indirect labor. Strengthen and improve management, investing in IE improvements to enhance labor productivity.
- Focus on recruiting and training workers for garment factories.
- Prioritize securing sufficient orders to match production capacity and workers' skill levels.
- Diversify markets, expanding beyond the USA to reduce risks.
- Invest in some automated equipment to increase productivity and reduce labor dependency.

*** Towel weaving industry:**

- Focus on market development, expanding customer outreach to maximize production capacity. Maximize current orders in the Japanese market and expand into new markets such as South Korea and the USA. Strengthen domestic sales efforts.
- Maintain price flexibility and seize market opportunities to ensure full-capacity production and efficiency. Proactively mitigate risks in response to negative market trends
- Stabilize and control product quality, minimizing operational risks. Cut production costs as much as possible
- Assess investments to enhance production capacity, meeting market demands while aligning with the company's financial situation.
- Improve product designs to align with consumer preferences.

3.2. Solutions:

3.2.1- Market Strategy

Yarn Industry:

- Maintain existing markets, customers, and traditional product lines with stable demand.
- Expand into new and niche markets to diversify order options, improve market positioning, and explore new opportunities for 100% cotton yarn.
- Focus on promoting and establishing a customer base with regular demand for CM, CVCM, and TCM yarns.
- Expand the domestic market to ensure large, stable order volumes. Develop orders catering to FDI customers and FOB garment manufacturing.
- Seek opportunities to supply large, stable orders for national defense and security sectors.

Garment Industry:

- Continue recruiting and strengthening the market team, streamline operations, and optimize human resources to enhance market penetration.
- Maintain strong relationships with key customers to ensure stable production orders for factories.
- Diversify markets and customers to reduce dependency on the U.S. market.
- Strategically balance customers and markets in line with production capacity to minimize risks.
- Develop long-term partnerships, ensuring each factory has 2–3 stable customers.
- Expand FOB customer base in Japan and explore new FOB customers suited to the company's capabilities.

3.2.2 Production Strategy:

Yarn Industry

- Optimize product structure to maximize the advantages of each production line while minimizing line changes.
- Maintain yarn quality, control waste, optimize cotton blending to reduce costs, and enhance industrial hygiene.
- Optimize the operation of spinning equipment and air-conditioning systems to reduce electricity consumption.
- Recruit sufficient labor for factories to fully utilize capacity in both production workshops. Improve workplace conditions to retain workers.
- Seize opportunities to invest in essential spinning and auxiliary equipment to improve productivity and quality while reducing maintenance costs (e.g., winding machines, air compressors).

Garment Industry:

- Continue restructuring factory departments to increase the proportion of direct production workers, targeting 65% direct sewing workers.

- Retain skilled labor while recruiting additional workers to support a production scale of 20 sewing lines per factory.
- Implement recommendations from Vietnam National Textile and Garment Group and supporting task forces to improve production management efficiency.
- Boost labor productivity by setting production targets for each line, implementing daily output quotas, reducing rework rates to below 2.5%, minimizing indirect labor, eliminating waste, and setting clear monthly goals for each unit. Link performance evaluations to wages for management and technical staff.

Weaving & Dyeing Industry

- Expand the domestic market, increase local market share by 5% with new customers, and maximize production output.
- Maintain stable product quality through rigorous quality control.
- Adjust pricing strategies flexibly to secure orders, optimize production capacity, reduce costs, and increase profitability.
- Effectively utilize newly invested assets, including drying equipment and air-jet looms.
- Implement workforce recruitment strategies to ensure adequate labor for production, prioritizing the weaving sector. Develop policies to retain workers and stabilize production.

3.2.3 Financial Management:

- Strengthen sales management, control inventory levels, and ensure debt recovery.
- Optimize cash flow management, increase working capital turnover, and maintain financial balance.
- Collaborate with banks to secure credit lines at favorable interest rates.
- Closely monitor exchange rate fluctuations and carefully evaluate borrowing, repayment, and foreign currency transactions for cost-effectiveness.
- Analyze and manage production costs to reduce expenses and enhance market competitiveness.
- Gradually implement digital transformation and automation in financial and accounting processes.

3.2.4 Organization & Human Resources:

- Implement effective measures to retain and recruit workers, aiming for 20 sewing lines per factory.
- Expand succession planning and train a new generation of management personnel.
- Restructure and consolidate labor resources to establish production hubs: the spinning sector in Đồng Văn – Hà Nam and the garment sector in Nghệ An.

- Continue refining and operating a labor and wage management system that complies with legal requirements and meets customer evaluations.
- Provide management and HR training for supervisors and employees handling labor and payroll across the company.

PART V. CORPORATE GOVERNANCE

I. Board of Directors:

1. Members and structure of the Board of Directors

Board of Directors of the Corporation

- Mr. Cao Huu Hieu – Chairman of the Board, representing 27.57% of the Corporation’s charter capital.
- Mr. Ho Le Hung – Board Member & General Director, representing 10% of the Corporation’s charter capital.
- Mr. Nguyen Ngoc Cach – Non-executive Board Member, representing 10% of the Corporation’s charter capital.
- Mr. Nguyen Tri Son – Board Member, representing 10% of the Corporation’s charter capital.
- Ms. Hoang Thuy Oanh – Independent Board Member.

Additional positions held by Board Members in other companies:

- Mr. Cao Huu Hieu is also: Board Member & General Director of Vietnam National Textile and Garment Group (Vinatex), Chairman of the Members' Council of Northern Textile and Garment Corporation – Vinatex, Chairman of the Board of Pho Noi Textile Infrastructure Development JSC.
- Mr. Ho Le Hung is also: Chairman of the Board of Hanosimex Fashion JSC.
- Mr. Nguyen Tri Son is also: Board Member & General Director of Vinatex Hong Linh JSC.

2. The committees of the Board of Directors: None

3. Activities of the Board of Directors

In 2024, the outlook for the fiber, textile, and garment industries remains uncertain. Global political instability and prolonged economic difficulties have severely impacted the textile and garment sector.

In response to this situation, the Board of Directors (BOD) has actively supervised and directed business operations with flexibility. This has been achieved through weekly and monthly reports, extraordinary and periodic BOD meetings, specialized meetings, and discussions with different business sectors within the Corporation.

The BOD held 14 meetings, issued 21 Resolutions, and several Decisions. Additionally, the BOD has provided strategic direction and guidance to the Corporation's executive management team.

Board of Directors' meetings:

No.	Board of Director' member	Number of meetings attended by Board of Directors	Attendance rate	Reasons for absence
1	Mr Cao Huu Hieu	10/10	100%	Appointed on 24/04/2024
2	Mr Nguyen Song Hai	04/04	100%	Dismissed on 24/04/2024
3	Mr Ho Le Hung	14/14	100%	
4	Mr Nguyen Ngoc Cach	14/14	100%	
5	Mr Nguyen Tri Son	10/10	100%	Appointed on 24/04/2024
6	Mr Vuong Duc Anh	04/04	100%	Dismissed on 24/04/2024
7	Ms Hoang Thuy Oanh	14/14	100%	

During the Board of Directors meetings, the BODs directed the Board of Management of the Corporation to:

+ **Report on** business performance, labor recruitment, human resource management, investment orientation, financial status, and market trends. The BODs provided timely guidance to address existing issues.

+ **Implement urgent measures** for business operations

- Spinning sector: Purchase raw materials to meet short-term demand, avoid stockpiling. Expand markets, closely monitor market trends to make timely decisions, balance product mix to optimize production efficiency, adjust pricing flexibly, reduce cotton fiber and electricity consumption, and maintain stable yarn quality.
- Garment sector: In early 2024, both export and domestic demand were low, leading to underutilized production capacity. However, orders improved in the second half of the year, with longer production runs and higher unit prices. The BODs directed the merger of two garment factories in Nam Dan from June 1, 2024, restructuring the workforce and reducing indirect personnel. Market operations were restructured, including a review of pricing, payment terms, and delivery schedules to optimize profitability. Orders were aligned with each factory's capacity. Continuous training and retraining in production management were conducted to enhance efficiency, and investments in automation were explored.
- Organizational and HR management: The BODs streamlined the organizational structure from departments to factories, eliminating redundant positions and intermediaries. Recruitment efforts ensured sufficient labor for both the spinning and garment sectors. Wage policies and benefits were adjusted to increase income and retain

skilled, dedicated workers. Management staff were sent for training programs to enhance expertise.

- Financial management: Financial governance was based on realistic business plans, ensuring cash flow for production and investment. Cost control was enhanced, with rapid cost analysis to identify risks. Sales, inventory management, and debt collection were closely monitored. Non-performing and high-risk investments were restructured.
- Capital representation and BODs restructuring: Adjustments were made to capital representatives and BODs members in line with actual conditions to oversee business operations effectively in a volatile global and domestic economy. Capital representatives played a key role in shaping strategic direction, business planning, and restructuring subsidiaries to align with the Corporation's overall objectives.

II. Board of Supervisors:

The **Board of Supervisors** consists of **three members**. The **Head of the Board of Supervisors** was elected at the **General Meeting of Shareholders** for the **2023–2028 term**.

Members of the **Board of Supervisors**:

- | | |
|---------------------|--------------------------------------|
| 1. Do Minh Son | – Head of the Board of Supervisors |
| 2. Nguyen Tuan Dao | – Member of the Board of Supervisors |
| 3. Nguyen Thi Nhung | – Member of the Board of Supervisors |

a) Activities of the Board of Supervisors in 2024

To implement the Board of Supervisors's program for 2024, which was approved by the General Meeting of Shareholders of Hanoi Textile and Garment Joint Stock Corporation, the Board of Supervisors (SB) has carried out the following tasks throughout the year:

- Supervised the activities of the Board of Directors (BOD) in complying with the Company's Charter, Resolutions of the General Meeting of Shareholders (GMS), and Resolutions of the BOD.
- Monitored the Board of Management regarding the business plan execution, investment projects, and capital utilization of the Corporation.
- Coordinated closely with the BOD, the Board of Supervisors (SB), the Internal Audit Committee, and relevant departments to regularly assess operations and provide recommendations.
- Audited and reviewed quarterly and annual financial statements.
- Evaluated capital balancing, inventory reserves, raw material procurement, and cost management.
- Ensured compliance with information disclosure regulations as required by law.

b) Results of inspection and supervision in 2024

- The BOD has adhered to the Company's Charter and its operational guidelines.
- The Board of Management has complied with State regulations, BOD Resolutions, and made efforts to fulfill its assigned tasks.
- The 2024 audited financial statements accurately and fairly reflect the company's financial performance, aligning with Vietnamese accounting standards.

c) Inspection and supervision plan for 2025

- Continue supervising the Board of Directors' activities.
- Inspect the Board of Management's operations.
- Audit and evaluate the 2025 reports of the Corporation.

III. Transactions, remunerations and benefits of the Board of Directors, Board of Management and Board of Supervisors:

1. Salary, rewards, remuneration and benefits:

- a) Salaries, remunerations, and benefits for the Board of Directors (BOD), Board of Management, and Board of Supervisors (SB) were implemented in accordance with the Resolution of the General Meeting of Shareholders (GMS) approved at the 2024 Annual GMS.

The total salary and remuneration disbursed for the BOD, SB, and BOD Secretary in 2024 amounted to VND 789.211.877, achieving 90% of the planned budget:

No.	Category	Number of People	Salary and Remuneration for 2024 (VND)		Achievement rate (%)
			Planned amount	Actual disbursement	
1	Board of Directors	5	440.000.000	429.714.708	98
2	Board of Supervisors	3	402.000.000	329.497.169	82
3	BOs' Secretary	01	36.000.000	30.000.000	100
Total			878.000.000	789.211.877	90

- b) *Share transactions by internal shareholders:* None

- 2. Contracts or transactions with internal shareholders:** None

- 3. Assessing the Implementation of regulations on corporate governance:** The Corporation has complied with legal regulations on corporate governance.

PART VI. FINANCIAL STATEMENTS

I. Auditor's opinions: None

II. Audited financial statements: The audited annual financial statements include: the Balance Sheet, the Income Statement, the Cash Flow Statement, and the Notes to the Financial Statements, in accordance with legal regulations on accounting and auditing. If, as required by law, the company must prepare Consolidated Financial Statements or Aggregated Financial Statements, the financial statements presented in the Annual Report will be the Consolidated Financial Statements. Additionally, the Corporation has fully disclosed and published them on its website at: www.hanosimex.com.vn. *HLB*

GENERAL DIRECTOR

HLB
Ho Le Hung