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ANNUAL REPORT 2025

Name of Public Company:      **HUU NGHI GARMENT JOINT STOCK COMPANY**

**I. General information:**

**1.      *General information:***

- Transaction name: **HUU NGHI GARMENT JOINT STOCK COMPANY**
- Business registration certificate number: **0302641539**
- Registered capital:                      **237,789,000,000 VND**
- Owner's investment capital:              **237,789,000,000 VND**
- Address: 636-638 Nguyen Duy Street, Phu Dinh Ward, Ho Chi Minh City.
- Phone numbers: 028-38554176 ; 028-38553415
- Fax number:      028-38553476
- Website:              www.hugamex.vn
- Stock ticker symbol:      **HNI**
- Formation and development process:

Huu Nghi Garment Joint Stock Company is a state-owned enterprise that was transformed into a joint stock company according to Decision No. 211/QĐ-TTg dated March 21, 2002, of the Prime Minister.

Registration certificate for the 12<sup>th</sup> amendment day 18 month 02 year 2025 by the Department of Planning and Investment of Ho Chi Minh City.

**2.      *Industry and geographical area of business:***

- Main business activity: Garment products.
- Business area: Exporting to markets such as the US, Japan, etc.

**3.      *Information about the governance model, business organization, and management structure***

- Management model:

The company operates as a joint-stock company in accordance with the Law on Enterprises and other relevant legal regulations.

+ General Meeting of Shareholders: Comprising all shareholders with voting rights, it is the highest decision-making body of the Company.

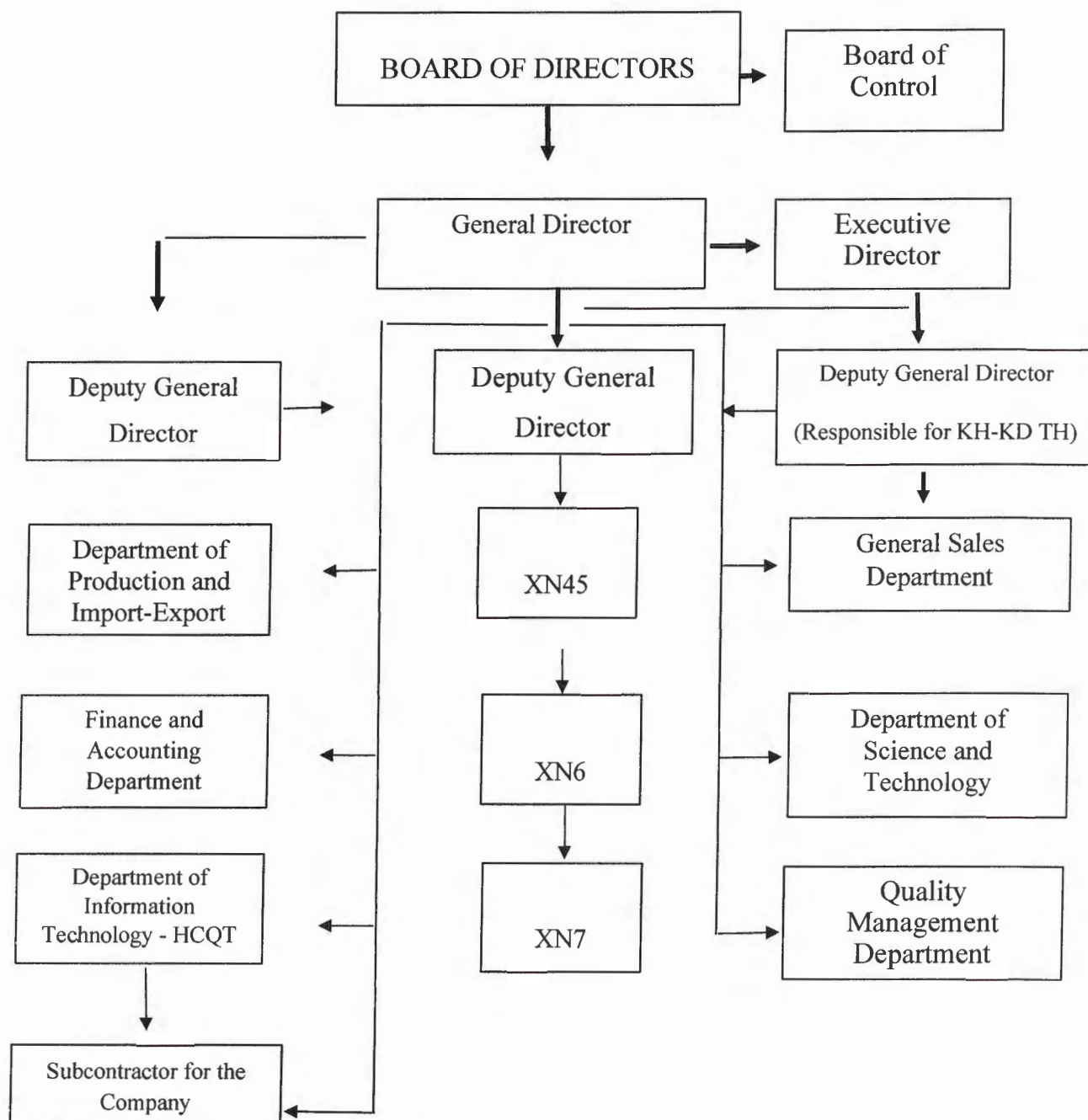
+ Board of Directors: This is the governing body of the Company, with full authority to act on behalf of the Company to decide on all matters related to the Company's purpose and interests, except for matters falling under the authority of the General Meeting of Shareholders.

+ Board of Directors: This is the body that manages the company's daily operations and is accountable to the Board of Management for the exercise of its assigned rights and duties.

+ Supervisory Board: Performs the task of supervising all business activities, management and operational activities of the company on behalf of the shareholders.

- Management structure:





– Subsidiaries and affiliated companies: None.

4. **Development orientation:**

– The company's main objectives:

+ Maintain traditional customers and seek new markets and customers to ensure sufficient goods for the factory to expand its production capacity in both Long An and Sa Dec.

+ Diversify the garment industry's product range to increase profits with products that have high profit margins.

+ Focus on managing product quality, production costs, improving delivery times, and reducing energy consumption.

– Medium and long-term development strategy:

+ Renovation project of Garment Factory No. 6, Workshop 56 in Dong Thap province: To be completed by December 31, 2025:

Of which: Factory: 87.99 billion VND.

Machinery, equipment, and tools for Workshop 56: 20.78 billion VND.

+ Investment in machinery and equipment for other workshops and offices: 4.78 billion VND.

– The Company's environmental, social, and community objectives:

+ Build a professional working environment. Ensure environmental protection measures are in place, and conduct Higgs Index assessments of environmental indicators.

+ Assess social responsibility according to international SLCP standards.

+ Planting trees and maintaining a clean wastewater system will ensure a clean environment.

+ Actively promote vaccination and flu prevention. In addition, organize periodic health check-ups for employees twice a year.

## 5. **Risks:**

– Risk management objectives: Always Assess and prioritize risks. Mitigate risk to avoid unnecessary losses and create more time to plan preventative measures before risks occur.

– Market risks: Dependence on foreign markets; adverse exchange rate fluctuations;

– Human resource risks: Recruiting workers in the garment industry, especially in urban areas, is becoming increasingly difficult due to a decrease in labor supply and the trend of workers returning to provinces to work closer to their families. Labor costs have tended to increase in recent years, reducing the competitiveness of the Company in particular and Vietnamese textile and garment businesses in general.

## II. **Performance during the year:**

### 1. **Situation of production and business operations**

- Implementation status compared to plan: Year 2025

	Unit	Plan	Perform	Rate of scientific
+ Export turnover:	1,000 USD	38,000	37,862	99.64%
+ Net revenue:	Tr.đ	952,000	1,002,214	105%
+ Profit before tax:	Tr.đ	40,000	118,571	296%

### 2. **Organization and Human resources:**

– List of Executive Board members:

#### a/ General Director:

Full name: Ha Van Duet

Gender: Male

Date of birth:

Place of birth: Thai Binh

ID Card Number:

Nationality: Vietnam

Permanent address:

Qualifications: University degree in Finance and Accounting.

Work experience:

+ From 2003 to present: General Director of Huu Nghi Garment Joint Stock Company

Number of shares owned by individuals: 2,618,174 shares, representing a percentage 11.01% registered capital.

b/ Deputy General Director:

Full name: Ha Van Long

Gender: Male

Date of birth:

Place of birth: Thai Binh

ID Card Number:

Nationality: Vietnam

Permanent address:

Qualifications: University degree in Business Administration

Work experience:

+ From 2011 to present: Deputy General Director of Huu Nghij Garment Joint Stock Company.

Number of shares owned by an individual: 1217,772 shares, representing a percentage 5.12% registered capital.

c/ Deputy General Director:

Full name: Pham Duc Ha

Gender: Male

Date of birth:

Place of birth: Thai Binh

ID card/passport:

Nationality: Vietnam

Permanent address:

Educational qualifications: University degree

Work experience:

+ 2004: Deputy Head of the Planning and Import-Export Department

+ 2011: Head of Business Planning and Import/Export Department

+ 2014: CEO

+ From April 2021: Deputy General Director of Huu Nghij Garment Joint Stock Company

Number of shares owned by individuals 204,324 shares, representing a percentage 0.86% charter capital.

d/ Deputy General Director:

Full name: Ha Van Nghia

Gender: Male

Date of birth:

Place of birth: Ho Chi Minh City

Citizen Identification Card/passport:

Nationality: Vietnam

Permanent address:

Educational qualifications: University degree

Work experience:

+ 2010: Deputy Head of Planning, Business and Import/Export Department

+ 2012: Head of General Sales Department

+ 2014: CEO.

+ From April 2021: Deputy General Director of Huu Nghi Garment Joint Stock Company

+ From April 23, 2023: Member of the Board of Directors

Number of shares owned by individuals 1,293,468 shares, representing a percentage 5.44% registered capital.

e/ Chief Executive Officer:

Full name: Ha Hai Ninh

Gender: Male

Date of birth:

Place of birth: Ho Chi Minh City

Citizen Identification Card/passport:

Nationality: Vietnam

Permanent address:

Educational qualifications: University degree

Work experience:

+ 2011: Finance and Accounting Department Staff

+ 2014: Deputy Head of Finance and Accounting Department

+ From August 2024: CEO of Huu Nghi Garment Joint Stock Company

The number of shares owned by individuals is 662,348 shares, representing a certain percentage 2.79% registered capital.

f/ Managing Director:

Full name: Kieu Ngoc Manh Hung

Gender: Male

Date of birth:

Place of birth: Hanoi

Citizen Identification Number:

Nationality: Vietnam

Permanent address:

Qualifications: University degree in economics.

Work experience:

+ From 2002 to March 2022: Deputy General Director of Huu Nghi Garment Joint Stock Company

+ From April 2022: Resigned as Deputy General Director of Huu Nghi Garment Joint Stock Company

+ From February 2025: Chief Executive Officer.



Number of share owned by individuals 1,276,552 shares, representing a percentage 5.7% registered capital

g/ Head of Finance and Accounting Department:

Full name: Vu Thi Ngat

Gender: Female

Date of birth:

Place of birth: Hai Duong

Citizen Identification Card/passport:

Nationality: Vietnam

Permanent address:

Qualifications: Bachelor of Finance and Accounting

Work experience:

+ 1995:Accounting staff at Huu Nghi Garment and Printing Company

+ 2004:Chief Accountant of Kiu Chi Friendship Joint Venture Company

+ 2007:Deputy Head of Accounting Department Huu Nghi Garment Joint Stock Company

+ From 2007 to present: Head of Finance and Accounting Department Huu Nghi Garment Joint Stock Company

Number of shares belong to private ownership 252,816 shares, representing a percentage 1.06% charter capital

– Number of officers and employees. Summary of policies and changes in policies regarding employees.

+ Number of employees (as of December 31<sup>st</sup>, 2025): 2,524 labor.

+ Policies regarding employees:

Enter into employment contracts with employees in accordance with the Labor Law and implement policies in compliance with the law and the agreements signed between the employer and the employee representatives.

We take care of our employees in ways such as: wedding day, bereavement day, holidays; housing assistance, living allowance, 13th-month salary bonus, Tet holiday gifts, and other welfare benefits.

**3. Investment situation and project implementation status:**

a/ Major investments:

Continuing the factory renovation and expansion project in Dong Thap, phase 3. Completion of the construction of workshop 56 - Garment Factory No. 6 in Dong Thap.

b/ Subsidiaries and affiliated companies: None.

**4. Financial situation:**

a- **Financial situation:**

Unit: VND

Indicators	2025	2024	% Increase/ Decrease
Total asset value	828,028,754,633	758,725,727,595	109.13
Net revenue	980,292,288,149	1,182,125,636,807	82.93

Profit from business operations	118,366,054,774	90,040,182,699	131.46
Other profits	205,291,248	2,709,602,496	7.58
Profit before tax	118,571,346,022	133,742,192,575	88.66
Net profit after tax	93,735,184,164	105,903,870,569	88.51
Dividend payout ratio	25.37	22.45	112.98

– Other criteria: None

**b-Key financial indicators:**

Indicators	2025	2024	Note
<b>1. Solvency ratio</b>			
+ Current ratio: Current assets/Current liabilities	2.08	2.24	
+ Quick ratio: <u>TSLD – Inventory</u> Short-term debt	1.89	2.01	
<b>2. Capital structure indicators</b>			
+ Debt/Total Assets Ratio	36.32	36.46	
+ Debt/Equity Ratio	57.03	57.39	
<b>3. Performance indicators</b>			
+ Inventory turnover ratio: <u>Cost of goods sold</u> Average inventory	177.45	182.34	
Net revenue/Total assets	1.18	1.56	
<b>4. Profitability Indicators</b>			
+ Net Profit Margin/Net Revenue Ratio	9.56	8.96	
+ Net Profit/Equity Ratio	17.78	21.97	
+ Net Profit/Total Assets Ratio	11.32	13.96	
+ Operating Profit Margin/Net Revenue Ratio	12.07	7.62	

**5. Shareholder structure, changes in owner's investment capital:**

a/ Shares: The denomination is 10,000 VND.

No.	Share	2025	2024
1	Total number of shares	23,778,900	23,778,900
2	Number of shares sold to the public	23,778,900	23,778,900
3	Common stock	23,778,900	23,778,900
4	Outstanding shares	23,777,800	23,777,800

b/ Shareholder structure:

Financial Figure	2025	Percentage
* Total number of shares	23,778,900	100.00
* Major shareholders holding 5% or more	13,359,360	56.18
Small shareholders (less than 5%)	10,418,440	43.81
* Individual shareholders	16,822,108	70.74
Institutional shareholders	6,955,492	29.25
* Domestic shareholders	23,603,600	99.25
Foreign shareholders	174,200	0.75
Treasury stock	1,100	0.00

The maximum foreign ownership percentage is 0%.

c/ Changes in owner's investment capital: No change

d/ Treasury stock transactions: unchanged

e/ Other securities: none.

**6. Company's environmental and social impact report:**

**6.1. Impact on the environment:**

-Total direct and indirect greenhouse gas (GHG) emissions: None

- Initiatives and measures to reduce greenhouse gas emissions: None

**6.2. Raw Material Management:**

a) The total amount of raw materials used to produce and package the organization's main products and services during the year:

Quantity of main raw materials used in production in 2025: 6,480,075 yards

Quantity of auxiliary materials used in production in 2025: 96,414,495 pieces/sets: buttons, zippers, thread, etc.

b) Report the percentage of recycled materials used in the production of the organization's core products and services: None

**6.3. Increased Consumption:**



a) Direct and indirect energy consumption:

Annual electricity consumption 2025 To be: 5,283,886 kW

DO oil year 2025: 161,438 liters

b) Energy savings achieved through energy efficiency initiatives:

Use a portion of the electricity generated by solar power.

c) Reports on energy saving initiatives:

Collecting fees for solar power generated from selling electricity to the State in the year 2025:  
164,576,079 VND

**6.4. Water consumption:**(Water consumption of business activities during the year):

a) Water supply and water usage:

Use tap water based on your annual consumption. The figure for 2025 is 51,707 m3.

b) Percentage and total amount of water recycled and reused: Do not have

**6.5. Compliance with environmental protection laws.:**

a) Number of times penalized for violations of environmental laws and regulations: None

b) Total amount of fines for violations due to non-compliance with environmental laws and regulations: None

**6.6. Policies related to workers:**

a) Number of workers, average wage for workers:

Number of employees: 2,524 people, average salary: 9.46 million copper

b) Labor policies aimed at ensuring the health, safety, and well-being of workers:

The company conducts health checkups for its employees twice a year.

Regularly provide fire safety training for employees.

Providing financial support for sick and bereaved employees, and assisting with childcare for children under 6 years old.

c) Employee training activities:

- Average training hours per year, by employee and by employee category:

The company organizes annual workplace safety training for an average of 2 hours per person.

Fire safety training for employees is conducted quarterly.

**6.7. Reports related to responsibility towards the local community:**

Contributing to local support during holidays, community kitchens, the poor, the disabled, and those in difficult circumstances: 599,159,000 VND

### **III - Report and evaluation by the Board of Directors:**

#### ***1. Evaluating business performance results:***

- The company met and exceeded its targets. 2025:

+ Export turnover reached 99.64% compared to the plan

+ Net revenue reached 102.97% compared to the plan

+ Profit before tax reached 296.4% compared to the plan.

- The progress the company has made:

+ Profits contributed to the state budget have increased steadily every year.

+ Dividends are distributed to shareholders annually.

+ The company has implemented good welfare policies and regulations, ensuring income and retaining employees. During the year, the company also experienced no labor disputes or strikes.

## **2. Financial situation:**

### **a) Asset situation:**

<b>No.</b>	<b>Financial Figure</b>	<b>2025</b>	<b>2024</b>
1	Asset structure		
	- Long-term assets/Total assets	24.59%	18.28%
	- Current assets/Total assets	75.41%	81.72%
2	Capital structure		
	- Liabilities/Total Capital	36.32%	36.46%
	- Equity/Total	63.68%	63.54%

### **b) Debt situation:**

- The current debt situation shows significant fluctuations in debt levels:  
Year 2025 the company has no long-term debt.
- The fluctuating exchange rate is unstable but does not affect the company's business performance.

## **3. Improvements in organizational structure, policies, and management:**

Restructuring the management system and changing the form of wage payment in manufacturing industries aims to improve labor efficiency.

## **4. Future development plan:**

Goals for the year 2026:

- + Revenue: 1,000,000 million dong.
- + Profit: 45,000 million dong.

## **IV - Board of Directors' assessment of the Company's performance:**

### **1. The Board of Directors' assessment of the Company's performance:**

- The textile and garment industry in general, and Huu Nghi Garment Joint Stock Company in particular, have gone through the year 2025 with many different nuances. In 2025, the supply of goods will be unstable. Despite market conditions and order volumes, export prices remain low, orders are small and fragmented, requirements are stringent, and delivery times are fast. The labor situation is unstable but does not affect the company's production and business operations.

- Hard:

- + Trade wars between countries, US tariffs.
- + Raw materials and components are dependent on China for unstable supply. High inflation, labor shortages in both quantity and skilled labor.
- + Garment processing fees have not increased while input costs have risen by 10 to 15%.

Despite challenging conditions, under the leadership of the Company's Party Committee, Board of Directors, and Executive Board, the Company has successfully fulfilled its nhiệm vụ of stabilizing production and business capacity and gradually achieving sustainable development.

## ***2. The Board of Directors' assessment of the company's management team's performance:***

The Board of Directors highly appreciates the management's efforts in the company's development. Despite challenging conditions, the company has maintained its production capacity, fulfilling the plans set by the Shareholders' Meeting as well as the resolutions of the Board of Directors.

## ***3. The Board of Directors' plans and directions:***

The main activities of the Board of Directors involve organizing and formulating resolutions at appropriate times, in accordance with the resolutions of the annual General Meeting of Shareholders.

Regularly monitor developments in production, business operations, and the market to guide the Executive Board in implementation.

## **V - Corporate governance:**

### ***1. Board of Directors:***

#### **a) Members and structure of the Board of Directors:**

Term 2023-2027

<b>No.</b>	<b>Full name</b>	<b>Position at the Company</b>	<b>Number of shares owned</b>	<b>Other Company Positions</b>	<b>Note</b>
1	Ha Van Duyet	Chairman of the Board General Director	2,618,174	Are not	
2	Ha Van Long	Board Member Deputy General Manager	1,217,772	Are not	
3	Ha Van Nghia	Board Member Deputy General Manager	1,293,468	Are not	
4	Le Mac Thuan	Board Member	3,861,990	Representing the capital stake of Vietnam Textile and Garment Group - Deputy General Director; Chairman of the Board of Directors and General Director - Vinatex Investment and Development Joint Stock Company	
5	Vu Thi Thuy Duong	Board Member	2,378,000	Representative of the Vietnam Textile and Garment Group's capital stake - Deputy Head of Finance and Accounting Department	

b) **Board of Directors Subcommittees:** None

c) **Activities of the Board of Directors:**

The Board of Directors performs its functions and duties in strict compliance with the law, the Company's Charter, and the resolutions of the General Meeting of Shareholders. The Board of Directors makes decisions by direct voting at meetings.

During the year 2025, The Board of Directors has met at least once per quarter. Specifically, the Board's decisions, as recorded in the minutes, are as follows:

No.	Resolution/Decision Number	Day	Content
1	No. 15.2025\NQHDQT.2025	February 24, 2025	<ul style="list-style-type: none"><li>- Through the plan for organizing the Annual General Meeting of Shareholders in 2025.</li><li>- The deadline for registering to exercise your right to attend the congress is March 24, 2025.</li><li>- The date for the 2025 Annual General Meeting is tentatively set for April 20, 2025.</li><li>- The event will be held at: 6th Floor - Windsor Plaza Hotel, 18 An Duong Vuong Street, Ward 3, District 5, Ho Chi Minh City.</li></ul>
2	No. 16.2025\BBHDQT	03/04/2025	<ul style="list-style-type: none"><li>- Report on the implementation of production and business tasks in 2024.</li><li>- Report on the business production plan for 2025.</li><li>- Annual Shareholders' Meeting 2025.</li><li>- Project plan report for workshop 56, Enterprise 6.</li><li>- Proposals for profit distribution plans for 2024.</li><li>- Activities of the Board of Directors and the Supervisory Board.</li></ul>
3	No. 17/NQ-HDQT	April 14, 2025	<ul style="list-style-type: none"><li>- Through a loan from the Vietnam Foreign Trade Commercial Bank, Saigon Branch.</li></ul>
4	No. 18\NQHDQT.2025	May 8, 2025	<ul style="list-style-type: none"><li>- The Board of Directors unanimously agreed to pay a cash dividend for 2024 at a rate of 15% of charter capital (1,500 VND per share). The last registration date to receive the dividend is May 26, 2025, and the payment date is June 5, 2025.</li></ul>
5	No. 19.2025\BBHDQT	July 16, 2025	<ul style="list-style-type: none"><li>- Choose an auditing firm</li></ul>

d) **Activities of non-executive independent board members:**

Participate in board activities only through board meetings.



- e) List of Board members holding corporate governance certifications. List of Board members who participated in corporate governance programs during the year:

*Do not have.*

## **2. Supervisory Board:**

- a) Members and structure of the Supervisory Board:

No.	Full name	Position at the Company	Number of shares owned	Other Company Positions	Note
1	Duong Thanh Tung	Head of the Supervisory Board -Deputy Head of Import-Export Department	720,000	Are not	
2	Nguyen Thi Hang Nga	Member of the Supervisory Board	595,604	Are not	
3	Vu Thi Nu	Member of the Supervisory Board	713,400	- Representative of the State-owned capital - Vietnam Textile and Garment Group. Specialist in the Risk Management Department.	

- b) Activities of the Supervisory Board: The Supervisory Board holds regular meetings.

No.	Report	Day	Content
1	Audit report of the Supervisory Board	March 17, 2025	- Review the audited report for 2025
2	Audit report of the Supervisory Board	02/05/2025	-Assessment of business performance in the first quarter of 2025.
4	Audit report of the Supervisory Board	July 22, 2025	-Assessment of business performance in the second quarter of 2025
5	Audit report of the Supervisory Board	December 4, 2025	- Assessment of business performance in the third quarter of 2025

## **3. Transactions, remuneration, and benefits of the Board of Directors, Management Board, and Supervisory Board:**

- a) Salary, bonuses, remuneration, and benefits:

- Board of Directors' remuneration: 306,000,000 d.
- Remuneration for the Supervisory Board: 114,000,000 d.
- Salaries and bonuses for the Board of Directors, Management Board, and Supervisory Board: 14,041,187,689 d.



b) Insider stock transactions:

No.	The person executing the transaction	Relationship with insider shareholders	Number of shares owned at the beginning of the period		Number of shares held at the end of the period		Reasons for increase or decrease (buying, selling, converting, rewarding, etc.)
			Number of shares	Proportion	Number of shares	Proportion	
1	Ha Hai Ninh	Boy Chairman of the Board	517,648	2,18%	662,348	2.79%	Buy
2	Duong Thanh Tung	Head of the Supervisory Board	1.000.938	4.21%	720.000	3.02%	Sell

c) Contracts or transactions with insider shareholders: none.

d) Assessing the implementation of corporate governance regulations:

2025 The company has complied with corporate governance regulations; however, to enhance the effectiveness of its corporate governance, the company plans as follows:

- Enhance regular/non-regular communication with the Company's major shareholders.
- Enhance the system of providing information on the company's situation to independent members of the Board of Directors and the Supervisory Board.
- Regularly update your knowledge of legal regulations regarding corporate governance.
- The Board of Directors will meet at least once per quarter to review the company's operational performance.
- Review and revise the Company's internal governance regulations in accordance with current legal regulations and the Company's current situation.

## **VI- Financial report:**

### ***1. Auditor's opinion:***

In our opinion, the financial statements fairly and reasonably reflect, in all material respects, the financial position of the Company as of December 31, 2025, as well as the results of its operations and cash flows for the fiscal year ended on that date, in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System, and relevant applicable regulations.

### ***2. Audited financial statements:***

Published on the company website at: [www.hugamex.vn](http://www.hugamex.vn).

March 24, 2026

Confirmation by the legal representative of  
Huu Nghi Garment Joint Stock Company

(Signature, full name, and seal)



*Ha Van Duyệt*