

HUNG YEN GARMENT CORPORATION – JSC
No. 8 – Bach Dang Street – Pho Hien Ward – Hung Yen Province



ANNUAL REPORT
HUNG YEN GARMENT CORPORATION - JSC
2025

Hung Yên, tháng 04 năm 2026

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HUNG YEN GARMENT CORPORATION – JOINT STOCK COMPANY

2025

I. General information

1. General information

- Trade name: Hung Yen Garment Corporation – Joint Stock Company
- Business registration certificate number: *0900108038, first issued on January 4, 2005, amended for the 14th time on September 22, 2025.*
- Charter capital: VND 195,113,890,000
- Owner's investment capital: VND 195,113,890,000
- Address: No. 8 Bach Dang Street, Pho Hien Ward, Hung Yen Province, Vietnam.
- Phone number: 0221 862314 - Website: hugaco.vn
- Stock code: HUG

Formation and development process

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

The period before 2000

Established during wartime, the factory faced numerous difficulties during the 10 years from 1966 to 1975, when production had to be carried out under evacuation conditions. At times, workers had to work at night and rest during the day to avoid sabotage.

In 1976, after relocating, the company moved to Trung Trac Street, Minh Khai Ward, Hung Yen City, to establish a new facility. During this period, organizing production and caring for the workers' well-being remained challenging due to outdated equipment and technology; the state's management system was still in the process of finding a suitable direction. However, the company maintained production and boldly participated with other textile and garment enterprises in processing goods for the Soviet Union through the May 19th Agreement, in exchange for goods to improve the lives of its workers. Despite these difficulties, the company still achieved its business plan objectives.

Since 1990, in response to the Party's economic reform and development policies and the political crisis in Eastern Europe that resulted in the loss of export markets for garments, Hung Yen Garment Company expanded its production facilities along National Highway 5 in My Hao District, Hung Yen Province, to reach markets in Western Europe and Japan. With the support of domestic and international partners, from 1990 to 2000, the company overcame difficulties, consolidated production, and opened two new factories, increasing industrial production value by 2.5 times and creating jobs

for nearly 3,000 workers. Workers' incomes stabilized and improved during this period..

Period 2000 – 2010

During the period from 2000 to 2010, the company expanded production in Hung Yen and participated in the construction of four additional factories, increasing annual revenue to over 1 trillion VND, creating jobs for nearly 5,000 workers, and bringing the total workforce in the system to over 10,000. During this time, the company continuously improved its management methods, applied science, technology, and engineering; invested in equipment modernization and factory renovation; and implemented numerous technical innovation initiatives in management and production, thereby increasing labor productivity and employee income. In 2004, the company was privatized and operated as a joint-stock company. In 2005, the company officially operated as a joint-stock company under the name Hung Yen Garment Joint Stock Company. The company was granted its initial Certificate of Business Registration as a joint-stock company on January 4, 2005, with an initial charter capital of VND 13,500,000,000. Currently, the company's charter capital is VND 195,113,890,000.

Period 2010 – present

Since July 2011, Hung Yen Garment Joint Stock Company has been renamed Hung Yen Garment Corporation – Joint Stock Company. During this period, the company has consistently applied advanced scientific and technological achievements to its production; simultaneously, it has selectively trained human resources to prepare a successor team for the expansion of production. With accumulated experience in expanding production and a desire to create more jobs for rural workers, the Corporation continues to build new factories with a total investment of 122 billion VND, creating jobs for 2,000 workers, bringing the total number of employees in the entire system to 15,000.

In the following years, based on the development orientation of the Vietnamese textile and garment industry until 2030, Hung Yen Garment Corporation will continue to focus its resources on maintaining and developing the company, building a roadmap and production plan towards FOB and ODM.

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

2. Industry and geographical area of business:

- Business activities: Manufacturing and processing of garment products ...
- Business scope: Domestic and export, main export markets: USA 65%, EU 25%, South Korea, China, others...10%.

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

3.1 The Corporation's governance model:

General Shareholders' Meeting

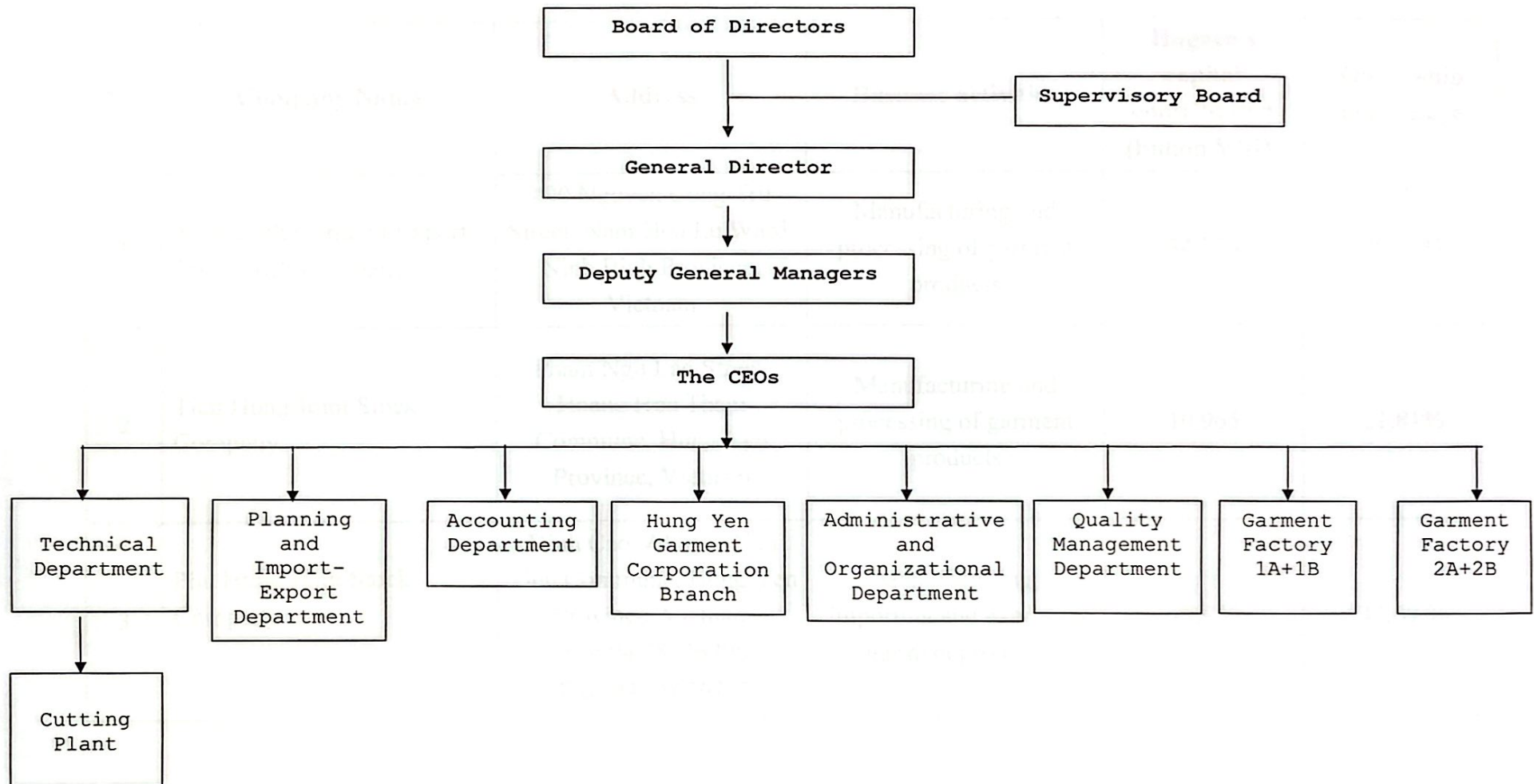
Board of Directors

Supervisory Board

Board of Directors (CEO, Deputy CEO, Chief Executive Officer)

Staff departments, production enterprises, cutting enterprises

3.2 The organizational structure of the Corporation's management:



3.3 Affiliated companies of the Corporation:

No.	Company Name	Address	Business activities	Hugaco's capital contribution (billion VND)	Ownership percentage
1	Ninh Binh Garment Export Joint Stock Company	490 Nguyen Cong Tru Street, Nam Hoa Lu Ward, Ninh Binh Province, Vietnam	Manufacturing and processing of garment products	34,706	49,79%
2	Tien Hung Joint Stock Company	Pham Ngu Lao Street, Hoang Hoa Tham Commune, Hung Yen Province, Vietnam	Manufacturing and processing of garment products	10,965	21,81%
3	Phu Hung Joint Stock Company	Dinh Cao Village, Tien Tien Commune, Hung Yen Province, Vietnam Tel: 04.38626796 Fax: 04.38626767	Manufacturing, importing and exporting garment products	17,830	44,69 %

4. Development orientation

The company's main objectives and solutions

***/ Emergency response and market operations**

In the immediate future, it is necessary to promote and encourage workers to focus intensely on production to take advantage of the 150-day temporary tariff policy of the US.

After 150 days, when the US concludes its investigation under Section 301 on unfair trade practices, there is a high risk that the US will impose tariffs on goods transiting through Vietnam. Therefore, it is crucial to closely monitor US actions to prepare countermeasures, negotiate, and share information with customers to maintain market share and stabilize employment for workers.

Continue to maintain and improve relationships with traditional customers and vendors, and continue to seek and develop new customers, including FOB customers, with the goal of FOB accounting for 10% of annual revenue.

Proactively seek customers who use raw materials from Vietnam and countries "friendly" to the US (excluding China), and control the origin of raw materials to avoid risks when the US imposes new tariff policies on goods transiting through Vietnam.

***/ Innovation to enhance business competitiveness**

Training and upgrading the skills and qualifications of the staff, assigning personnel according to their abilities and job requirements to meet business demands in the new phase, expanding business through the FOB model; training middle-level personnel, improving professional skills, management skills, and foreign language proficiency, especially for senior staff to replace them.

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

Investing in equipment and facilities that reduce greenhouse gas emissions, save raw materials and energy, and use environmentally friendly materials.

Adjusting the company's profit margin to suit market conditions to prioritize financial resources for training and equipment upgrades to increase productivity and maintain stable living conditions for employees.

***/ Streamlining the system, education, and human resource development**

Streamline and streamline the production and business system for efficiency; based on a trained and selected workforce that meets the requirements of digital technology management; and utilizes advanced equipment and technology.

Pay attention to building trade union, youth, and women's organizations to combine and strengthen the dissemination of information and education to

employees in enterprises, helping them understand and share the difficulties faced by businesses during the challenging period when the US import market is declining due to increased reciprocal tariffs on Vietnamese goods.

Strengthen the education of patriotism, civic responsibility, ownership, industrial work style, discipline, and compliance with the law among employees; build a corporate culture and a spirit of community assistance to contribute to building a workforce that meets the requirements of industrialization and modernization of the country.

Continue to innovate the emulation and reward system; encourage and motivate employees to work diligently in production, constantly developing initiatives and innovations to increase labor productivity and work efficiency.

Effectively applying innovations through a team of technology engineers with an innovation database and designating the application of existing innovations right from the research, prototyping, and application stages into the production process.

Medium and long-term development strategy

Continue implementing FOB (Free On Board) orders, training personnel, and seeking and diversifying customers and product lines.

Sustainable Development Goals (environment, society, and community)

Comply with the Law on Natural Resources and Environment, effectively implement social policies through adherence to labor laws, social insurance laws, and other relevant laws, and contribute to and share in social and community activities (subsidizing disadvantaged students, supporting centers for disabled children, assisting people in disaster-stricken areas, remote areas, etc.)

5. Risks

- Human resource risks: The labor market is constantly fluctuating, especially in the textile and garment industry, as FDI enterprises continuously invest in Vietnam. Therefore, retaining employees and managing human resources at Hung Yen Garment Corporation is of particular concern. Over the years, the Corporation has continuously researched and improved its employee care and benefits policies to ensure the best interests of its workers.

- Market risks; exchange rate risks; interest rate and insurance risks; and risks from the 4.0 scientific and technological revolution will significantly impact the company's annual production and business results. Especially since the US President imposed retaliatory tariffs on countries around the world, including Vietnam, exporting goods to the US market has become extremely difficult..

II. Operational status in 2025.

1. General situation

In 2025, the global economy experienced a year of instability, particularly with

the US implementing retaliatory tariffs against many countries worldwide and escalating geopolitical conflicts. Most economies around the world experienced lower-than-expected growth; consumers continued to reduce spending on non-essential items, including textiles and garments. The trends of "sustainable fashion" and "recycled fashion" directly impacted Vietnam and its garment industry, specifically:

- Businesses now have limited access to large orders, primarily receiving small orders with short delivery times and increasingly high quality requirements.

- Processing fees decreased, logistics costs continued to rise, and electricity prices increased, leading to higher input costs for businesses and reducing the competitiveness of Vietnamese textile and garment exporters in the region.

However, Hung Yen Garment Corporation, after 60 years of construction and development, has become a brand, building trust with customers, fostering harmonious labor relations, and enjoying prestige with the local government. With a proactive, creative, united, and flexible spirit, along with the close guidance of the Board of Directors and the Management Board, the Corporation overcame difficulties in 2024, stabilized production and business operations, performed well in all aspects of its work, and achieved results as projected at the beginning of the year.

BUSINESS PERFORMANCE RESULTS FOR 2025 AT HUNG YEN GARMENT CORPORATION

No.	Items	Unit	Implemented in 2024	Plan 2025	Implemented in 2025	Compare percentages	
						5=4/3	6=4/2
		<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>		
1	Revenue	USD	20,144,088	17.500.000	19.815.854	113,2%	98,4%
2	Sales revenue	Million VND	678,363	616.000	789.337	128,1%	116,4%
3	Profit before tax	Million VND	73,238	50.000	93.728	187,4%	128%
4	Average income per person/month	VND	12,000,000	12.500.000	13.400.000	107,2%	111,7%
5	Pay into the budget	Million VND	17,881		24.168		135%
6	Investing in equipment, repairing the factory...	Million VND	27,143	45.000	44.915	99,7%	163,8%
7	Average labor	Person	1,850	1.780	1.750	98,3%	94,6%

2. Organization and personnel

- List of the Executive Board:

No.	Full name	Position	Year of birth	Permanent residence registration	Citizen identification number
1	Pham Thi Phuong Hoa	General Director	26/4/1967	No. 54 Vu Trong Phung Street, Pho Hien Ward, Hung Yen Province	Number: 033167001203 Date of Issue: 14/4/2021 Issuing Authority: Department of Police for Administrative Management of Social Order
2	Nguyen Van Trung	Deputy General Director	11/8/1966	No. 56 Dong Thanh, Pho Hien Ward, Hung Yen Province	Number: 001066011369 Date of Issue: 20/01/2023 Issuing Authority: Department of Police for Registration and Management of Residence and National Population Data
3	Chu Huu Nghi	Deputy General Director	31/10/1971	Bac Thanh Town, Pho Hien Ward, Hung Yen Province	Number: 033071001998 Date of Issue: 17/04/2023 Issuing Authority: Department of Police for Administrative Management of Social Order
4	Truong Thi Phuong	CEO	10/05/1974	Mau Duong, Hong Chau Ward, Hung Yen Province	Number: 033174001752 Date of Issue: April 15, 2021 Issuing Authority: Department of Police for Administrative Management of Social Order
5	Nguyen Van Hoa	CEO	14/03/1980	Yen My town, Yen My district, Hung Yen	Number 033080011611 issued on August 9, 2022

				province	Issuing authority: Department of Police for Administrative Management of Social Order
6	Tran Thi Huong	Chief Accountant	21/1/1981	Bo De - Binh Giang - Ninh Binh	Number 0351381000511 issued on April 25, 2021 Issuing authority: Department of Police for Administrative Management of Social Order

- The percentage of voting shares held by the Board of Directors and management in 2025:

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

21	Nguyen Thi Siu	11,514	115,140,000	0.06%
Total:		810,876	8,108,764,000	4.16%

- Changes in the Executive Board: In 2025, the Executive Board of Hung Yen Garment Corporation will undergo the following changes: Ms. Bui Thi Ly – Deputy General Director will be dismissed from January 25, 2025; Ms. Truong Thi Phuong will be appointed as Executive Director from January 18, 2025.

- Number of staff as of December 31, 2025: 1,681 employees.

3. Investment situation, project implementation status

3.1) Investment outlook for 2025:

*/ Summary of the financial situation of the affiliated companies:

Unit of measurement: VND

No.	Company Name	Revenue	Net profit after tax	Note
1	Phu Hung Joint Stock Company	164.039.004.696	14.030.970.991	
2	Ninh Binh Garment Export Joint Stock Company	100.260.692.277	6.975.381.399	
3	Tien Hung Joint Stock Company	1.281.441.642.431	132.817.674.716	

4. Financial situation in 2025

4.1 Financial situation:

According to the Company's audited financial statements:

Unit of measurement: VND

Items	2025	2024	% change
Total asset value	661,602,655,005	607,907,632,393	9%
Net revenue	789,319,259,119	678,363,642,180	16%
Profit from business operations	93,269,386,705	72,966,106,401	28%
Other profits	459,243,611	305,349,804	50%
Profit before tax	93,728,630,316	73,271,456,205	28%
Net profit after tax	80,628,854,326	64,230,028,467	26%
Payout ratio	25% (*)	20%	25%

(*): Expected ratio awaiting approval by the General Meeting of Shareholders

4.2 Key financial indicators:

Items	Unit	2025	2024
<i>1. Solvency ratio</i>			
+ Short-term liquidity ratio	Time	1.19	1.23
+ Quick Ratio:	Time	1.02	1.07
<i>2. Capital structure indicators</i>			
+ Debt/Total Assets Ratio	%	52.8	54.4
+ Debt/Equity Ratio	%	111.9	119.2
<i>3. Performance indicators</i>			
+ Inventory turnover	Rotation	2.68	2.30
+ Net revenue/Total assets	Time	1.19	1.12
<i>4. Profitability indicators</i>			
+ Net Profit Margin/Net Revenue Ratio	%	10.2	9.5
+ Net Profit/Equity Ratio	%	25.8	23.2
+ Net Profit/Total Assets Ratio	%	12.2	10.6
+ Operating Profit Margin/Net Revenue Ratio	%	11.8	10.8

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

5.1 Share:

Total number of shares	Type of shares	Number of outstanding shares	Number of freely transferable shares	The number of shares is restricted from transfer.
19.511.389	Common stock	19.511.389	19.511.389	0

5.2 Shareholder structure (according to the shareholder list as of December 25, 2025)

No.	Shareholder structure	Number of shareholders	Number of shares owned	Ownership percentage
I.	Ownership structure by proportion	888	19,511,389	100%
1	Major shareholder	2	8,539,573	43.77%
2	Minor shareholders	886	10,971,816	56.23%
II.	Organizational structure	888	19,511,989	100%

1	Institutional shareholders	3	6,868,362	35.20%
2	Individual shareholders	885	12,643,627	64.80%
III.	State/Other shareholder structure	888	19,511,389	100%
1	State shareholders	1	6,830,562	35.01%
2	Other shareholders	887	12,680,827	64.99%
IV	Domestic/Foreign Shareholder Structure	888	19,511,389	100%
1	Domestic shareholders	887	19,510,789	100.00%
2	Foreign shareholders	1	600	0.00%

5.3 Changes in owner's investment capital: No change

5.4 Treasury stock transactions: None

5.5 Other securities: None

6. Company's environmental and social impact report

6.1. Materials management:

In 2025, the company used fabrics and other materials with a total value of USD 43,627,546.

6.2 Energy consumption

a) Direct and indirect energy consumption.

Fuel type	Mass		Fuel prices		Purpose of use
Diesel fuel	7.583	Lit	17.130	VND/Lit	Backup power for the generator and the car.
Gasoline	10.500	Lit	18.548	VND/Lit	Driving a car
Electricity	6.894.450	Kwh	2.209	VND/Kwh	Turn on the lights, run the machinery and equipment

b) Energy savings are achieved through energy efficiency initiatives

c) Energy saving initiative reports: None

6.3. Water consumption:

a) Water supply and water usage

Water supply source: from Hung Yen Clean Water Business Joint Stock Company

Water consumption during the year: 42,267 m3, value: 789,364,960 VND

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

6.4. Comply with environmental protection laws

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

b) Total amount of fines for violations of environmental laws and regulations: none.

6.5. Policies related to workers

a) Number of workers, average wage for workers:

Number of employees: 1,681, average income approximately 13 million dong /person/month.

b) Labor policies aim to ensure the health, safety, and well-being of workers

The Corporation's leadership always cares for and looks after the lives and incomes of its employees, specifically as follows:

- Maintain employee meal allowances at 13,000 VND/meal (excluding fuel).
- Provide free accommodation for 3 months for new employees.
- Provide a fuel allowance of 10,000 VND/person/day for each employee.
- Participate in social insurance, health insurance, and unemployment insurance.
- Conduct periodic health checkups for all employees of the Corporation twice a year, enabling timely detection and treatment of health issues.
- Provide employees with complete personal protective equipment and uniforms.
- Pay attention to employee health at the workplace, creating a clean and airy working environment.
- Organize weekly birthday gift-giving for employees.
- Annually, the company organizes trips and tours for employees. If a trip cannot be organized, the company will provide partial financial support to the employee.
- Showing care and concern for the company's young generation, the daycare center is fully equipped with facilities meeting the standards of the early childhood education industry to teach and care for children from 12 months old and up. Children of employees attending the daycare center receive meal subsidies and tuition fee waivers.
- In 2025, the Corporation will reward 442 children of employees who achieve high academic results and organize Mid-Autumn Festival and Children's Day gift-giving events for them, totaling 350 million VND.

c) Worker training activities:

The company continues to focus on professional and skills training for its employees, particularly continuing training at all levels from team leaders, supervisors, and middle and senior management to supplement and replace personnel.

6.6. The report relates to responsibility towards the local community.

In 2025, the Corporation's self-defense company maintained its "Victory" title. It consistently ensured internal security, protecting the company's assets and those of its employees. It coordinated and collaborated with the city police and local ward police to maintain and ensure security within the company and surrounding area.

The Corporation consistently implements policies supporting the military, participating in building charitable houses for the poor and those who have rendered meritorious service, supporting poverty alleviation funds, supporting funds for the poor, supporting flood victims, and acting as a godmother for orphaned children... The total amount of donations reached 2.5 billion VND, especially during the Lunar New Year. The Corporation coordinated with Pho Hien Ward, Son Nam Ward, Hong Chau Ward... to donate 350 gifts to elderly people and disadvantaged families in the city, and continued to provide subsidies to 118 children with particularly difficult circumstances in the province until they finish high school, and provided subsidies to orphaned children..

6.7. Report related to green capital market activities as guided by the State Securities Commission.

III. Report and evaluation by the Board of Directors

1. Evaluating business performance results

In 2025, despite facing numerous difficulties and challenges, the Corporation's leadership thoroughly implemented a series of solutions to boost production and business, along with the exceptional efforts and determination of all employees who enthusiastically competed in labor and production, practiced thrift, and maximized resources to successfully achieve the targets set by the Shareholders' General Meeting.

Business performance results for 2025

Unit of measurement: VND

Items	Implemented 2025	Implemented 2024	Percentage
Net revenue	789,319,259,119	678,363,642,180	116%
Profit before tax	93,728,630,316	73,271,456,205	128%
Net profit after tax	80,628,854,326	64,230,028,467	126%

2. Financial situation

2.1 Asset situation

Total assets in 2025:

- Beginning of year: 607,907,632,393 VND, End of year: 661,602,655,005 VND

Thus, in 2024, the company's total assets increased by approximately 53.69 million VND

2.2 Debt situation in 2025

- Beginning of 2025: VND 330,561,063,299, ending of the year: VND 349,340,320,779, an increase of approximately VND 18.7 billion.

The Corporation's debt structure consists mainly of short-term debt; none of it is classified as bad debt.

3. Improvements in organizational structure, policies, and management.

4. Future development plan

Items	2026
Revenue (VND)	715.000.000.000
Profit before tax (VND)	70.000.000.000
Average income (VND/person/month)	Over 14.000.000
Dividend distribution (%)	15%-20%

5. Board of Directors' explanation to the audit opinion: None

6. The report assesses the company's environmental and social responsibility.

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

* Average monthly energy consumption in 2025

Fuel type	Mass		Fuel prices		Purpose of use
Diesel fuel	7.583	Lit	17.130	VND/Lit	Backup power for the generator and the car
Gasoline	10.500	Lit	18.548	VND/Lit	Driving a car
Electricity	6.894.450	Kwh	2.209	VND/Kwh	Turn on the lights, run the machinery and equipment

* Emissions:

+ Household solid waste: Includes waste from the canteen's food processing activities, toilet paper, and leaves. The amount generated is 4,750 kg/month.

+ Production waste:

- General solid waste: Includes fabric scraps, cotton scraps, cardboard, etc., with a generated volume of approximately 20,000 kg/month.

- Hazardous waste: Includes fluorescent light bulbs, printer cartridges, waste lubricating oil, oil-soaked rags, and medical waste. The volume generated per month is:

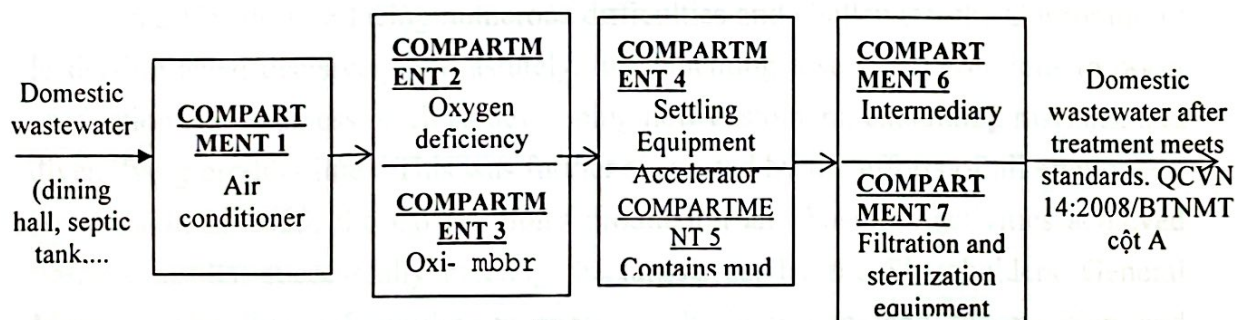
No.	Hazardous Waste Name	Status	Hazardous Waste Code	Quantity (kg/month)	Note
1	Fluorescent light bulb	Solid	160106	02	
2	Oil-soaked rags	Solid	180201	10	
3	Medical waste	Solid	130101	5	
4	Waste oil	Liquid	170203	11	
Total:				28	

* Constructing environmental and resource protection facilities:

The company submitted an application for a wastewater discharge permit into the receiving water source and was granted Wastewater Discharge Permit No. 268/GP-STNMT dated July 15, 2015, by the Director of the Department of Natural Resources and Environment.

The Corporation has constructed a wastewater treatment system in accordance with environmental laws and regulations of the Hung Yen Provincial People's Committee, ensuring that treated wastewater meets QCVN 14: 2008/BTNMT (column A) standards before discharge into the environment, and has notified the Department of Natural Resources and Environment in writing.

Wastewater collection and treatment facilities:



Dust and exhaust gas treatment facilities:

+ Dust generated during the production process is treated by the company using filtration systems installed in the production workshop area.

* Saving energy and resources protects the environment:

Educating employees on the importance of saving and using natural resources such as electricity and water efficiently through awareness campaigns and posting slogans where necessary.

Educating employees on waste classification: household waste, recyclable solid waste, and hazardous waste.

Striving to save energy and resources, protect the environment effectively, reduce costs for the business, and enhance competitiveness in the market.

b. Assessment related to employee issues

As of December 31, 2025, Hung Yen Garment Corporation had 1,681 employees, of which 1,681 were covered by social insurance.

c. Assessment related to corporate responsibility towards the local community.

In 2025, the Corporation's self-defense company maintained its "Victory" title. It consistently ensured internal security, protecting the company's and employees' assets. It coordinated and collaborated with the local police to maintain and ensure security within the company and surrounding area.

The Corporation consistently implemented policies supporting the military, participating in building charitable houses for the poor and those with meritorious service, contributing to poverty alleviation funds, and supporting flood victims, etc. The total amount donated reached nearly 2.5 billion VND, especially during the Lunar New Year when the Corporation, in coordination with the city, donated 350 gift packages to needy families in the province, continued to provide subsidies to 118 children with particularly difficult circumstances in the province until they complete high school, and supported orphans...

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

1/ Board of Directors' assessment of the Company's performance.

In 2025, despite facing numerous difficulties and challenges, the Corporation's leadership acted decisively and astutely, implementing a series of solutions to boost production and business, such as developing new customers, expanding markets, and diversifying product lines. This was further supported by the efforts of all employees. As a result, in 2025, the Corporation's production and business activities achieved positive results, successfully meeting the targets set by the Shareholders' General Meeting. The lives of employees continuously improved, and the position and reputation of Hung Yen Garment Corporation were increasingly affirmed in the market.

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

The Board of Directors highly appreciates the spirit of unity, responsibility, scientific work ethic, and high determination of the General Corporation's Board of Directors; the Board of Directors has been flexible and closely supervised the company's production and business activities, successfully achieving all targets for 2025, and effectively and fully implementing the strategic tasks of the 2025 Annual General Meeting of Shareholders' Resolution.

3. The plans and directions of the Board of Directors

- Regarding the market: Continue to maintain traditional customers, seek to develop new FOB customers to reach 10% of annual revenue; continue training and building the FOB team.
- Regarding production: Complete the 5S program, optimize the layout for a neat and scientific approach.
- Continue researching and investing in high-performance machinery and equipment to reduce labor in production.
- Regarding human resources: Continue high-level and on-the-job training programs for managers and employees in the company..

V. Corporate Governance

1. Board of Directors:

1.1 Members and structure of the Board of Directors

The Board of Directors consists of 5 members, including 1 independent board member and 1 board member who also serves as the company's General Director.

No.	Board of Directors' members	Position (Independent members of the Board of Directors, Non-executive members of the Board of Directors)	The date becoming/ceasing to be the member of the Board of Directors	
			The date becoming to be the member of the Board of Directors	The date ceasing to be the member of the Board of Directors
1	Mr Le Tien Truong	Chairman of Board	22/04/2025	
2	Ms Pham Thi Phuong Hoa	Member of Board	21/03/2015	
3	Mr Pham Tuan Anh	Member of Board	22/04/2025	
4	Mr Nguyen Van Trung	Member of Board	21/03/2015	
5	Ms Nguyen Thi Hien	Member of Board	22/04/2025	
6	Mr Nguyen Xuan Duong	Member of Board		22/04/2025
7	Ms Bui Thi Ly	Member of Board		22/04/2025
8	Mr Vuong Duc Anh	Member of Board		22/04/2025

1.2 Board of Directors' activities in 2025

In 2025, the Board of Directors was very active, holding 6 in-person meetings and discussing, reviewing, and approving important issues, including:

- Approving the 2024 business results; distributing profits for 2024;

developing the 2025 business plan and other contents to be presented at the 2025 Annual General Meeting of Shareholders;

- Approving the quarterly business results and business plans for subsequent quarters;
- Approving the implementation of the interim dividend payment for 2025;
- Approving the investment and purchase of machinery and equipment to support business operations.

In addition to his leadership and guidance role, the Chairman of the Board of Directors also directly participates in several tasks:

+ Directly carrying out high-level external relations to support the Board of Directors in the production management process.

+ Participating in weekly/monthly briefing meetings with the Board of Directors and management staff to understand the production and business situation and direct the implementation of timely solutions..

1.3 The performance of independent board members and the results of independent board members' evaluations of the board's performance:

+ Independent Board members fully attend all Board meetings and contribute many objective and practical opinions on the company's governance and decision-making.

+ Assessment by independent Board members: The Board of Directors has provided timely guidance and closely supervised the General Director's activities in implementing the set goals, strategies, and business plans; complying with current regulations related to company governance and information disclosure..

1.4 Tiểu ban trực thuộc HĐQT: không

2. Supervisory Board:

2.1 Members and structure of the Supervisory Board:

The Supervisory Board consists of 3 members, including 1 Chairman and 2 members.

No.	Members of Board of Supervisors/ Audit Committee	Position	The date becoming/ceasing to be the member of the Board of Supervisors/ Audit Committee	Qualification
1	Ms Truong Thi Phuong	Head of the BOS	Date of becoming member of the BOS 22/4/2025	Bachelor
2	Ms Vu Thi Giang Huong	Member of the BOS	Date of becoming member of the BOS 22/4/2025	Bachelor
3	Ms Nguyen Thi Ha	Member of the BOS	Date of becoming member of the BOS 22/4/2025	Bachelor
4	Bà Đinh Thị Thu Hường/ Ms Đinh Thị Thu Hương	Trưởng BKS/Head of Member of the BOS	Ceasing to be the member of the BOS from 22/4/2025	Bachelor

developing the 2025 business plan and other contents to be presented at the 2025 Annual General Meeting of Shareholders;

- Approving the quarterly business results and business plans for subsequent quarters;
- Approving the implementation of the interim dividend payment for 2025;
- Approving the investment and purchase of machinery and equipment to support business operations.

In addition to his leadership and guidance role, the Chairman of the Board of Directors also directly participates in several tasks:

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+ Independent Board members fully attend all Board meetings and contribute many objective and practical opinions on the company's governance and decision-making.

+ Assessment by independent Board members: The Board of Directors has provided timely guidance and closely supervised the General Director's activities in implementing the set goals, strategies, and business plans; complying with current regulations related to company governance and information disclosure..

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2	Ms Vu Thi Giang Huong	Member of the BOS	Date of becoming member of the BOS 22/4/2025	Bachelor
3	Ms Nguyen Thi Ha	Member of the BOS	Date of becoming member of the BOS 22/4/2025	Bachelor
4	Ms Dinh Thi Thu Huong	Head of Member of the BOS	Ceasing to be the member of the BOS from 22/4/2025	Bachelor

5	<i>Mr Hoang Xuan Nam</i>	Member of the BOS	<i>Ceasing to be the member of the BOS from 22/4/2025</i>	<i>Bachelor</i>
6	<i>Mr Nguyen Duc Hai</i>	<i>Member of the BOS</i>	<i>Ceasing to be the member of the BOS from 22/4/2025</i>	<i>Bachelor</i>

2.2 Activities of the Supervisory Board:

In 2025, the Supervisory Board was active, holding two meetings to perform its functions and duties, specifically:

- Monitoring the implementation of the contents approved at the 2025 Annual General Meeting of Shareholders, the completion of the business production plan, and compliance with the Law and the Company's Charter;

- Attending several meetings of the Board of Directors and meetings with the Executive Board to understand the business situation and provide input to the Board of Directors and the Executive Board within the scope of the Supervisory Board's responsibilities and authority;

- Proposing the selection of an independent auditing firm; reviewing the interim and annual financial statements;

- Participating in providing input on the issuance and amendment of some regulations and rules on the Company's governance. Monitoring the payment of dividends for 2024 and interim dividends for 2025 as approved by the Annual General Meeting of Shareholders;

- Monitoring the timely disclosure of information and addressing shareholder requests.

3. Transactions, remuneration, and benefits of the Board of Directors, the General Director, and the Supervisory Board.

3.1 Remuneration and other benefits: (as shown in the audited financial statements for 2025)

3.2 Share transactions by insiders, related parties, and major shareholders in 2025: Presented in the Company's 2025 Corporate Governance Report.

3.3 Contracts and transactions with related parties and insider shareholders..

- Contracts and transactions between Hung Yen Garment Corporation - Joint Stock Company and its related affiliated companies are related to and serve the production and business activities of the company.

- These transactions have been disclosed in the audited financial statements for 2025..

3.4 Implement corporate governance regulations.

The company is always committed to complying with corporate governance regulations appropriate to the new phase.

VI. Financial statements

1. Auditor's opinion: Unqualified opinion.

"In our opinion, the financial statements fairly and reasonably reflect, in all material respects, the financial position of Hung Yen Garment Corporation - Joint Stock

Company as of December 31, 2025, as well as the business results and cash flow for the fiscal year ended on the same date, in accordance with Vietnamese accounting standards, the Vietnamese corporate accounting system, and relevant legal regulations on the preparation and presentation of financial statements.”

2. Audited financial statements:

The audited financial statements for 2025, including the Balance Sheet, Income Statement, Cash Flow Statement, and Notes to the Financial Statements, are posted on the website: hugaco.vn.

GENERAL DIRECTOR

