

ANNUAL REPORT 2025

**To: - The General Meeting of Shareholders;
- State Securities Commission;
- Hanoi Stock Exchange.**

I. GENERAL INFORMATION

1. General Information

- Trade name: Tu Hai Ha Nam Joint Stock Company
- Business registration certificate number: Business registration number 0700519785, issued by the Department of Planning and Investment of Ha Nam Province on December 29, 2010, amended for the 10th time on July 30, 2025.
- Charter capital: VND 121,528,000,000 (One hundred twenty-one billion five hundred twenty-eight million dong)
- Owner's investment capital: VND 121,528,000,000 (One hundred twenty-one billion five hundred twenty-eight million dong)
- Address: Luong Trang Hamlet, Liem Tuyen Ward, Ninh Binh Province, Vietnam
- Phone numbers: 0226.221.0424 – 0915.046.851
- Website: tuhaijsc.vn
- Stock ticker: THM
- Legal representative: Ms. Nguyen Thi Mai Huong – Director.

Formation and development process

Tu Hai Ha Nam Joint Stock Company was registered with Business Registration Certificate No. 0700519785 issued by the Business Registration Office - Department of Planning and Investment of Ha Nam province on December 29, 2010, with its main business activity being the processing and import/export of textile and garment products.

In 2014, Vietnam concluded negotiations on a Free Trade Agreement (FTA) with the Customs Union (Russia-Belarus-Kazakhstan) and an FTA with South Korea. The conclusion of these two agreements will facilitate the export of Vietnamese goods to major markets such as Russia and South Korea. Agreements such as the TPP, FTA, and

RCEP are all "new generation" FTAs, contributing to the restructuring of the economy, the transformation of the growth model, the improvement of the business environment, trade facilitation, and the creation of high-quality inputs for the economy. These agreements have helped Vietnam expand its export markets, contributing to boosting exports to key markets such as the United States, the EU, Japan, and South Korea, especially for key export items like textiles and garments. Seizing the opportunity, through dedicated efforts, credibility, and responsibility, Tu Hai has gradually secured a stable volume of orders, gained many loyal customers, and become a reliable partner with international business partners.

Undeterred by innovation, Tu Hai has continuously upgraded its facilities with over 300 pieces of high-tech equipment and machinery imported from Japan and Taiwan. Nearly 500 skilled workers are constantly improving their skills and productivity, keeping pace with global fashion trends. Tu Hai's products have passed rigorous quality control checks and are exported to demanding international markets such as South Korea, the EU, and the United States, with partners including Zara, Bershka, Pull&Bear, Robinson, Delaney, Hostal Chill Punta Rubia Uruguay, and Baldwin, achieving a production capacity of approximately 3,000,000 products per year. Tu Hai has become a reputable brand specializing in the production of high-end fashion products according to international quality standards.

In 2020, along with the development of products for various markets, technological demands, and the need to meet new design requirements, the most urgent issue identified was the need to expand the company's scale to access diverse markets and provide customers with the highest level of satisfaction. By August 2020, after determining the development direction, understanding the domestic and international market situation, and leveraging existing experience in the company's field, the company decided to increase its charter capital to VND 92,450,000,000 to enhance its business operations and meet market demands.

In 2023, the company conducted an initial public offering (IPO) to convert from a limited liability company to a joint-stock company. The successful offering increased the company's charter capital to VND 110,480,000,000, officially making it a public company and registering for trading on the UPCOM exchange at the Vietnam Stock Exchange under the ticker symbol THM.

The company is proud to contribute to the development of production and trade in the region, making a significant contribution of tax revenue to the State Budget in Ha Nam province and is honored as one of the promising enterprises of Ha Nam province.

In 2024, the company issued shares to pay dividends, increasing its charter capital to VND 121,528,000,000, thereby officially becoming a large-scale public company.

In 2025, the company amended its Business Registration Certificate to reflect the new administrative address in the locality where its headquarters are located.

1	General information about the company	1
2	Business scope and business lines	2
3	Business scope and business lines	3
4	Business scope and business lines	4
5	Business scope and business lines	5
6	Business scope and business lines	6
7	Business scope and business lines	7
8	Business scope and business lines	8
9	Business scope and business lines	9
10	Business scope and business lines	10
11	Business scope and business lines	11
12	Business scope and business lines	12
13	Business scope and business lines	13
14	Business scope and business lines	14
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16	Business scope and business lines	16
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20	Business scope and business lines	20
21	Business scope and business lines	21
22	Business scope and business lines	22
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24	Business scope and business lines	24
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28	Business scope and business lines	28
29	Business scope and business lines	29
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73	Business scope and business lines	73
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93	Business scope and business lines	93
94	Business scope and business lines	94
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96	Business scope and business lines	96
97	Business scope and business lines	97
98	Business scope and business lines	98
99	Business scope and business lines	99
100	Business scope and business lines	100

2. Business sector and geographical area

a) Business lines

No.	Occupation	Industry code
1	Other retail sales in general merchandise stores	4719
2	Providing catering services on an irregular contractual basis with clients.	5621
3	Booking services and related support services for promoting and organizing tours.	7990
4	Manufacturing of carpets, blankets, and mattresses.	1393
5	Manufacture of ready-made textiles (excluding clothing)	1392
6	Other specialized wholesale trade not classified elsewhere Details: Wholesale of cotton, silk, fibers, yarns, and raw materials for the textile industry.	4669
7	Woven fabric production	1312
8	Finishing textile products	1313
9	Wholesale of fabrics, ready-made garments, and footwear.	4641
10	Wholesale of machinery, equipment and other machine parts	4659
11	Retail sale of fabrics, wool, yarn, sewing thread and other textiles in specialized stores.	4751
12	Retail sale of carpets, rugs, blankets, curtains, blinds, wall and floor coverings in specialized stores.	4753
13	Retail sale of clothing, footwear, leather and imitation leather goods in specialized stores.	4771
14	Real estate business, land use rights belonging to the owner, user or lessee.	6810
15	Real estate consulting, brokerage, and auction services; land use rights auction services.	6820
16	Other remaining business support service activities not classified elsewhere. Details: Import and export of goods the company trades in.	8299
17	Wholesale of other household goods	4649
18	Retail sale of other new goods in specialized stores	4773
19	Restaurants and mobile food service	5610
20	Beverage serving service	5630
21	Wholesale beverages	4633
22	Travel agency	7911

23	Tour operator	7912
24	Short-term accommodation services	5510
25	Processing and preserving seafood and seafood products.	1020
26	Inland fisheries	0312
27	Road freight transport	4933
28	Wholesale food (Buying and selling fresh and processed seafood)	4632
29	Inland aquaculture	0322
30	Warehousing and goods storage (Warehousing and storage of goods in cold storage (excluding bonded warehouses))	5210

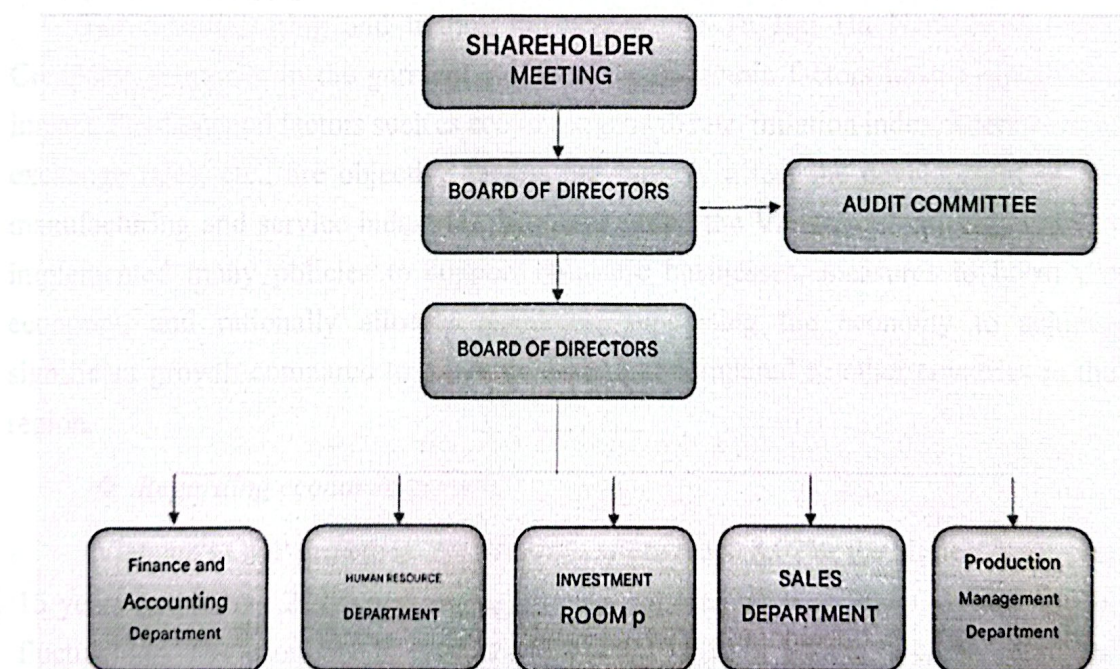
b) *Business area:*

- *The company operates primarily in Ha Nam province, where its headquarters and factory are located.*

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

Governance model: The governance model follows that of a publicly listed company with an audit committee.

Organizational structure of the management system:



Affiliated Companies :

*** Affiliated company: Duc Manh Joint Stock Company**

Address: 55 Nguyen Van Troi Street, Phu Ly Ward, Ninh Binh Province

Main business sector: Textiles and garments

Paid-up charter capital: 100 billion VND

Company ownership percentage: 47.9%

4. Development orientation

a. Overall objective

To mobilize and utilize capital most effectively, continuously organize and develop business activities in various fields with the aim of maximizing profits, ensuring benefits for shareholders, creating stable jobs and improving the income and living standards of employees, fulfilling tax obligations to the State budget, and developing the company into a strong and sustainable enterprise.

b. Medium and long-term development strategy

The company plans to continue focusing its core business of processing textile and garment products for export in the coming year .

5. Risks

a. Economic risks

For manufacturing and trading businesses like Tu Hai Ha Nam Joint Stock Company, primarily in the garment sector, macroeconomic factors have a significant impact. Fundamental factors such as economic growth rate, inflation index, interest rates, exchange rates, etc., are objective factors but directly affect the development of the manufacturing and service industries. In recent years, the Vietnamese government has implemented many policies to support domestic businesses, measures to boost the economy, and rationally allocate resources, supporting the economy to achieve significant growth compared to previous years and compared to other countries in the region.

❖ Regarding economic growth:

Vietnam's GDP growth in 2025 is projected to reach 8.02%, the highest in the past 15 years (excluding 2022) and among the world's leading economies, despite global fluctuations. The economy is expected to exceed US\$514 billion, with an estimated GDP per capita of US\$5,026. This achievement confirms the breakthrough of the Vietnamese economy after the 2021-2025 period. The target for the 2026-2030 period

is a 10% annual GDP growth rate. With this goal in mind, the textile and garment industry will face both opportunities and significant challenges in expanding its scale and raising standards and quality to meet the demands of domestic and international orders.

Regarding the inflation rate:

Inflation fluctuations directly and indirectly affect economic entities in general and the production activities of businesses in particular. The risk of increased inflation leads to higher production and business costs, while commodity prices are influenced by market demand. Furthermore, inflation risk affects the discount rate for capital, reducing the value of current cash flows. Conversely, deflation also poses risks to businesses in the economy, accompanied by a decline in market demand and stagnation of spending across the entire economy. Vietnam's inflation in 2025 is expected to be well controlled, with the average annual Consumer Price Index (CPI) increasing by 3.31% compared to 2024, meeting the target set by the National Assembly. Core inflation is projected to increase by 3.21% in 2025. Major factors influencing this index include healthcare, education, and housing/construction materials.

Regarding the trade balance:

Vietnam's trade balance in 2025 is projected to continue its surplus for the 10th consecutive year, reaching over US\$20 billion, with total import and export turnover exceeding US\$900 billion. Exports are expected to increase significantly thanks to FDI, while the surplus will decrease slightly compared to 2024 due to increased raw material imports. Vietnam will rise to second place on the global textile and garment industry map, behind only China. The textile and garment industry has the potential for stable development in the coming years. Vietnam aims for export turnover of approximately US\$49-50 billion in 2026, representing a growth of about 6% compared to 2025.

Overall, 2026 will be the year when Vietnam's textile and garment industry focuses on "maintaining a balance" between order opportunities and cost/sustainability pressures, boosting investment in technology and greening to enhance its position in the global value chain.

Regarding monetary policy:

The State Bank of Vietnam's (SBV) monetary policy in 2025 will be managed proactively, flexibly, and cautiously, with the core objectives of controlling inflation, stabilizing the macroeconomy, and supporting economic growth. Average deposit interest rates will remain stable at 4.1% per year, credit will be facilitated to boost

growth, and the exchange rate will be managed flexibly in the new context. In 2025, the Fed will shift towards easing monetary policy by cutting interest rates to support the labor market and control inflation. The Fed has implemented interest rate cuts (each by 0.25 percentage points) starting in September 2025, bringing interest rates to a level lower than the previous tightening period. The Fed's interest rate cuts will help narrow the interest rate differential between the USD and VND, reduce pressure on the VND/USD exchange rate, and create conditions for the SBV to stabilize the foreign exchange market. This is good news for manufacturing industries in Vietnam, and for the textile and garment industry in general, and Tu Hai Ha Nam Company is no exception. Many partners require raw materials that meet both quantity and quality standards, so many input materials such as fabrics and accessories must be imported from foreign markets. Therefore, fluctuations in the exchange rate between the Vietnamese Dong and other foreign currencies have a strong impact on production costs and product prices, affecting the company's business operations. To mitigate this, the company always has long-term production plans and stockpiles raw materials early to limit the effects of unusual exchange rate changes.

Economic factors are objective elements beyond a company's control, influencing the overall landscape of Vietnamese businesses. However, Tu Hai Ha Nam has gradually grasped and understood the challenges posed by the economy, leveraging these economic factors to transform challenges into opportunities for sustainable development. In addition to general domestic economic factors, the company, an exporter of garment products to countries worldwide, is also progressively understanding the shifts in the global textile and garment industry and is knowledgeable about free trade agreements to best utilize them, such as FTAs like EVFTA and CPTPP.

b. Legal risks

Garment businesses, such as Tu Hai Ha Nam Joint Stock Company, operate in the production and export of goods, and are therefore subject to the control and influence of various legal systems. Operating under Vietnamese law, the company faces many risks due to the legal system's laxity and overlapping regulations. Any adjustments to the regulations of the Enterprise Law, Labor Law, Tax Law, Environmental Protection Law, and other regulations related to the company's business activities will affect its operations and business results. Furthermore, the company's primary activity is exporting textile products, requiring it to comply with international laws and foreign regulations such as WTO regulations, international labor laws and standards, and technical and quality standards for goods.

Furthermore, having become a public company and registered for stock trading on the UPCOM exchange, the company must also comply with the regulations of the Securities Law, legal documents on securities and the securities market, and other relevant legal regulations.

The Vietnamese legal system is still under development; therefore, laws and guiding documents may be adjusted to suit the evolving economy. Changes in the domestic legal system and policies can affect the Company's business plans and operations. To anticipate, respond to, and best prepare for changes in legal policies, the Company has established a legal department and collaborated with consulting firms to ensure full compliance with regulations, avoid legal risks, and optimize the benefits of trade agreements.

c. Specific risks in the company's business operations.

❖ Market competition risk

Từ Hải Hà Nam's market extends beyond the domestic market to include international markets. The competitive risks Từ Hải Hà faces are not limited to domestic competitors. Intense price competition stems from the low profit margins inherent in the garment industry, coupled with pressure from domestic competitors (especially China, Bangladesh, India, and Cambodia) who offer low labor costs and large-scale production, driving price reductions. Furthermore, there is pressure from larger competitors, strong brands, technical barriers, and international standards.

Competitive risks in the garment export industry are continuous and multifaceted. To enhance competitiveness, companies need to improve product quality, refine production processes, diversify markets, and build brands to compete with other businesses.

❖ Raw material risk

Currently, the company primarily uses imported fabric as its raw material, fulfilling orders for processing according to partner requirements. The business may face supply disruptions if raw material prices increase and trade barriers arise. Dependence on international raw materials also means the company must prepare for risks such as price fluctuations and inconsistent material quality. However, with a plan to restructure its customer base, the company can proactively secure its raw material supply and thus gain control over its suppliers.

❖ Human resource risks

The textile and garment industry is one of the most labor-intensive industries in the Vietnamese market; therefore, labor issues are a crucial concern for Tu Hai Ha Nam Joint Stock Company. While the garment industry employs a large workforce, it primarily consists of manual laborers, lacking skilled workers. High turnover and employee turnover rates are also a major factor due to average income, demanding work conditions, and limited opportunities for advancement.

Human resource risks are one of the major challenges for Tu Hai Ha Nam, directly impacting productivity, product quality, and the ability to fulfill export orders. To overcome this, the team and leadership of Tu Hai Ha Nam have been striving to improve employee benefits, build a positive corporate culture, invest in personnel training, and apply appropriate automation to reduce reliance on manual labor.

❖ *Environmental risks*

Tu Hai Ha Nam Joint Stock Company pays special attention to the environmental impact of each project (air pollution, noise, water sources) that may affect the ecological environment in surrounding areas or alter the economic, social, and human environment around the factory or production plant. Therefore, each of the Company's projects applies the most advanced standards in design and uses minimally polluting materials in the production process, and undergoes environmental impact assessments by reputable experts before implementation.

❖ *Legal framework for the textile and garment industry*

For textile and garment businesses like Tu Hai, in addition to the general legal framework for businesses in the Vietnamese market, the company must also comply with specific requirements for the textile and garment industry. On December 11, 2020, the Vietnam-UK Free Trade Agreement (UKFTA) was signed, presenting both opportunities and challenges for the textile and garment industry in general and Thanh Cong in particular. Furthermore, the Vietnam-European Union Free Trade Agreement (EVFTA) requires the industry to overcome many challenges, the biggest of which remains the rules of origin. This is because the Vietnamese textile and garment industry has not yet been able to independently source raw materials that meet the standards for export to the EU.

The legal framework in Vietnam is constantly improving to meet the demands of deeper integration into the global economy. Therefore, to seize opportunities in the coming period, the company needs to seriously research, invest in, and prepare for relevant legal aspects to ensure the highest efficiency in its production and business operations.

d. Other risks

Besides the aforementioned risks, the Company also constantly faces unforeseen risks such as natural disasters, epidemics, and geopolitical risks. Particularly in the context of 2025, the ongoing US tariff policy and geopolitical tensions between Iran and Israel (with US support) could directly impact the export of goods and the import of raw materials for manufacturing industries such as textiles and garments. Furthermore, frequent natural disasters like storms and floods, as well as fires and explosions, could cause damage to assets and disrupt the Company's overall operations. Although these risks are rare, the Company must proactively implement preventative and mitigation measures through insurance for workers and assets, and collaborate with relevant parties to raise awareness and develop the necessary skills to handle unexpected situations promptly and effectively.

II. Performance during the year

1. Business and production performance:

2025 was a volatile and challenging year for Tu Hai Ha Nam Joint Stock Company, as the number and value of orders decreased compared to 2024, leading to a drop in revenue. Simultaneously, increased labor costs resulted in a higher cost of goods sold, a sharp decline in gross profit, and failure to meet the after-tax profit target.

Target	2025 Plan	To be implemented in 2025	Level of completion (%)
Revenue (VND)	150,000,000,000	118,423,411,128	78.95%
Net profit after tax (VND)	9,000,000,000	58,178,885	0.65%
Dividend (%)	0%	0%	100%

2. Organization and personnel

Full name	Position	Appointment/Dismissal
1) Board of Directors		
Nguyen Duc Te	Chairman of the Board – Non-Executive Member	Appointed on May 19 , 2023 - Dismissal date: September 11, 2025
Nguyen Duc Toan	Chairman of the Board – Non-Executive Member	Appointed on September 11 , 2025

Nguyen Thi Mai Huong	Executive Board Member	Appointed on May 19 , 2023
Trinh Cong Son	Independent Board Member	Appointed on May 19 , 2023
2) Board of Directors		
Nguyen Thi Mai Huong	Manager	Appointed on August 15, 2016
3) Audit Committee		
Trinh Cong Son	Chairman of the Inspection Committee	Appointed on July 13, 2023
Mr. Nguyen Duc Te	Member	Appointed on May 19 , 2023 - Dismissal date: September 11, 2025
Nguyen Duc Toan	Member	Appointed on September 11 , 2025
4) Chief Accountant		
Nguyen Thi Huong	Chief Accountant	Appointed on January 5, 2022
5) The person in charge of corporate governance.		
Nguyen Viet Ha	The person in charge of corporate governance.	Appointed on July 13, 2023

3. Investment situation, project implementation status

a) Major investments: In 2025, the company made an additional capital contribution of VND 40 billion to Duc Manh Joint Stock Company, thereby making Duc Manh Joint Stock Company an associate company with the company's ownership stake increasing from 19.75% to 47.9%.

b) Subsidiaries and affiliated companies:

Affiliated company: Duc Manh Joint Stock Company

Address: 55 Nguyen Van Troi Street, Phu Ly Ward, Ninh Binh Province

Main business sector: Textiles and garments

Paid-up charter capital: 100 billion VND

Company ownership percentage: 47.9%

4. Financial situation

4.1. Financial situation

No.	Target	Unit	2024	2025	Increase/Decrease (%)
1	Total assets	Copper	175,598,773,756	163,821,319,508	-6.71%
	- Current assets	Copper	86,967,820,758	40,714,174,580	-53.18%
	- Long-term assets	Copper	88,630,952,998	123,107,144,928	+38.90%
2	Net revenue	Copper	134,728,448,260	118,423,411,128	-12.10%
3	Profit from business operations	Copper	8,463,069,279	-222,274,209	-102.63%
4	Other profits	Copper	(242,472,158)	503,333,032	+307.58%
5	Profit before tax	Copper	8,220,597,121	281,058,823	-96.58%
6	Net profit after tax	Copper	6,459,520,474	58,178,885	-99.10%
7	Dividend payout ratio	%	10%	0%	-100.00%

4.2. Key financial indicators

No.	Target	Unit	2024	2025
1	Solvency ratio			
	- Current ratio (Current assets/Current liabilities)	Time	2.14	1.27
	- Quick Ratio (Current Assets - Inventory) / Current Liabilities	Time	2.13	1.20
2	Capital structure indicators			

	- Debt-to-Equity Ratio	Time	0.36	0.27
	- Debt/Total Assets Ratio	Time	0.27	0.21
3	Performance indicators			
	- Inventory Turnover Ratio (Cost of Goods Sold / Average Inventory)	Ring	97.14	74.48
	- Net revenue/Total assets	Ring	0.77	0.70
4	Profitability indicators			
	- Net profit margin (%)	%	4.79	0.05
	- Net profit after tax/average equity ratio	%	5.14	0.05
	- Net profit/average total assets ratio	%	3.69	0.03
	- Net profit margin from operating activities/Revenue ratio	%	6.28	-0.19

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

5.1. Share

Stock name: Shares of Tu Hai Ha Nam Joint Stock Company .

Type of security: Common stock information

Face value: 10,000 VND/share ticket

Stock ticker symbol: THM

Exchange: Upcom

Total number of securities registered for trading: 12,152,800 shares part

Number of securities subject to transfer restrictions as stipulated by law or by the listing organization: None Have.

5.2. Shareholder structure of the Company ty

The company's shareholder structure as of August 11, 2025 (the most recent closing date).

TT	Object	Number of shareholders	Number of shares owned	Ownership percent
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				age
I	Domestic	158	12,152,800	100.00 %
1	Organization	2	8,519,500	70.1%
2	Individual	156	3,633,300	29.9 %
II	Foreign	0	0	0 %
1	Organization	0	0	0 %
2	Individual	0	0	0%
III	Treasury stock	0	0	0%
Total		158	12,152,800	100.00 %

5.3. List of shareholders holding more than 5% of the Company's share capital.

List of shareholders holding more than 5% of the Company's share capital as of December 31, 2025.

Shareholder Name	ID Card/Passport /Business Registration Certificate Number	Address	Number of shares owned	Actual ownership percentage (%)
Appatex Joint Stock Company	0700643479	Ca Street, Thanh Liem Commune , Ninh Binh Province, Vietnam	7,969,500	65.58%
Total			7,969,500	65.58%

5.4. Changes in owner's investment capital

In 2025, the company experienced no changes in owner's equity.

5.5. Treasury stock transactions

The company has not had any treasury stock transactions.

5.6. Other securities

The company does not issue other types of securities.

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

6.1. Environmental impact: None

The company ensures control over water usage, wastewater, exhaust fumes, and dust generated during production, maintaining cleanliness in warehouses and factories to prevent any impact on residents or the surrounding environment.

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: sufficient to meet order fulfillment requirements.

The company's inputs consist of materials and accessories used in the garment manufacturing process, with some raw materials imported from countries that outsource production...

In addition, the main raw materials for garment manufacturing (fabric, sewing thread) are imported from Ha Nam Textile Company, which has a factory in Chau Son Industrial Park, Phu Ly City, Ha Nam Province.

b) Report the percentage of raw materials recycled or reused in the production of the organization's core products and services: low recycling and reuse rate.

Energy consumption :

a) Direct and indirect energy consumption:

Electricity consumption in 2025: 472,600 kWh, equivalent to a total value of 1.31 billion VND.

b) Energy savings achieved through energy efficiency initiatives:

The company has specific regulations regarding power on/off times, conditions for using equipment, management of electrical equipment, and rules for rational use of electrical equipment to ensure savings and reduce electricity waste.

c) Energy saving initiative reports (providing energy-saving products and services or using renewable energy); reports on the results of these initiatives: The company has main switches for each group of electrical equipment and individual switches for each device, ensuring that the necessary equipment groups used for production and business are switched on/off according to a strict management mechanism.

6.4. Water consumption:

a) Water supply and water usage: The company uses clean water supplied by Thanh Dat Investment and Development Joint Stock Company.

Water consumption in 2025: 1,135 m³ · total value calculated at unit price including VAT and environmental protection fee is 18.28 million VND.

b) Percentage and total amount of water recycled and reused: no statistics available.

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 employees in 2025:* as of December 31, 2025, is 484 people;

Average salary for workers in 2025: 12,845,656 VND/person

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

People are always the key factor determining the success of any business. Therefore, the company always places human resources and policies to attract talented employees at the forefront of its business strategy planning.

❖ Working conditions:

Employees work in a stable, professional environment with compensation commensurate with their professional skills and work performance; competitive salaries and bonuses. The workplace is spacious, well-lit, clean, airy, and equipped with modern amenities. Employees are provided with company uniforms, personal protective equipment, and workplace hygiene equipment used during goods transportation. All employees receive training on machinery and equipment operation procedures, safety measures, and product quality control procedures before and after warehousing. Easily visible emergency signs alert employees in case of emergencies. Medical staff are on duty 24/7 to provide treatment and ensure employee safety. Furthermore, employees have the right to organize and establish a trade union to protect their legal rights.

c. Recruitment policy

The leadership team always prioritizes structuring and arranging the organizational apparatus to suit the actual production and business situation of the Company. The appointment and rotation of management personnel are conducted openly, cautiously, and according to proper procedures.

Recruitment is conducted according to the established recruitment procedures. Successful candidates must meet the health and work experience requirements, as well as the ethical qualities stipulated for each job position.

The recruitment of new employees is also conducted transparently and with clear recruitment criteria.

The company employs seasonal workers, pays them according to regulations, ensures their full rights are protected, and maintains responsibility towards its employees.

d. Attracting external labor

Through various media channels, job placement centers, job exchanges, job fairs, and recruitment announcements at universities, colleges, and vocational schools, the company attracts workers in fields such as: technical workers, engineers, economics graduates, foreign language specialists, accountants, etc., prioritizing individuals with work experience.

e. Training policy

Employee training and development has always been a priority for the company, especially as it has been implementing advanced and modern production processes. Therefore, efforts to enhance the capabilities and professional skills of managers, specialists, and employees are carried out annually, ranging from internal training to sending employees to participate in training courses both domestically and internationally to improve their professional competence and work ethic.

The company regularly collaborates with relevant authorities to organize training courses on occupational safety, hygiene, and fire prevention for its employees.

f. Working hours policy

The company operates on an 8-hour workday from Monday to Saturday. Annual leave, public holidays, sick leave, and maternity leave are provided in accordance with the Labor Code. Overtime is limited to 4 hours per day, and employees have the right to refuse overtime work; however, they must register and obtain approval from their supervisor. Lunch breaks are 2 hours per day. Overtime pay is 150% of the normal daily rate and 200% for Sundays and holidays.

g. Salary and bonus policies during operation.

- *Salary policy:*

The company has established comprehensive salary regulations and reward and recognition regulations, according to which employees are paid salaries and bonuses based

on productivity, quality, and work efficiency. Monthly, quarterly, and annual evaluations are conducted to determine salary payments and award commendations.

- **Bonus policy:**

In order to encourage and motivate employees to increase their contribution, improve productivity and quality of work, the company organizes quarterly and annual selections of outstanding individuals and work groups, and promptly rewards individuals and teams who have made significant contributions to the company's development as well as those with initiatives that increase work efficiency.

- **Insurance and benefits:**

The company makes contributions to social insurance, health insurance, and unemployment insurance for its employees in accordance with the Labor Law and the company's internal regulations. The company always prioritizes improving the material and spiritual well-being of its employees, collaborating with the company's trade union to fully implement welfare policies such as sick leave, maternity leave, bereavement leave, and other benefits, as well as organizing regular company trips and vacations for its staff.

III. Report and Evaluation by the Board of Directors (The Board of Directors reports and evaluates the overall situation of the Company) :

1. Evaluating business performance results

Target	2025 Plan	To be implemented in 2025	Level of completion (%)
Revenue (VND)	150,000,000,000	118,423,411,128	78.95%
Net profit after tax (VND)	9,000,000,000	58,178,885	0.65%
Dividend (%)	0%	0%	100%

In 2025, Tu Hai Ha Nam Joint Stock Company faced difficulties, failing to increase the number and value of orders, leading to a decrease in revenue. Simultaneously, increased labor costs resulted in a higher cost of goods sold, causing a sharp decline in gross profit, thus failing to meet revenue and after-tax profit targets .

2. Financial situation

a. Asset situation

- The company's total assets at the beginning of 2025 were: VND 175,598,773,756 ;
 - The company's total assets at the end of 2025 were: VND 163,821,319,508 ;
- At the end of 2025, the company's total assets decreased by VND 11.78 billion , equivalent to a 6.71% reduction , with long-term assets being the main component of total assets.

b. Debt situation:

- Liabilities as of the beginning of 2025 amounted to VND 46,671,663,157 . By the end of 2025, the company's liabilities decreased to VND 34,836,030,024 , a reduction of 25.36% , mainly due to a decrease in both long-term loans and some short-term payables.

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

By maintaining the scale of its production facilities, seeking additional sources of raw materials, improving its management and organizational structure, scheduling production shifts, and planning production according to seasonal needs, the company continues to implement its strategy of optimizing production and management costs.

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4. Future development plan

- The company has identified Tu Hai's core business as garment manufacturing for export, which will continue to bring stability and profitability to Tu Hai for many years to come; in addition, it will explore other business areas.
- Actively seek and implement new contracts with partner companies, strengthen brand and reputation, and attract more brands with the goal of increasing revenue.
- Tu Hai also proactively increased its supply of raw materials and gradually shifted towards developing prototypes to increase profit margins on its products.

The company's business performance targets for 2026 are as follows:

Unit: million VND

No.	TARGETS	2025 (Perform)	2026 (Plan)	% Increase / Decrease
1	Net revenue	118,423	130,000	109.78%
2	Net profit after tax	58	7,000	12068.97%
3	Net profit margin/Net revenue ratio	0.05%	5.38%	10994.18%

5. Management's explanation regarding the audit opinion: No opinion as the audit provided a fully unqualified opinion.

6. Report assessing the Company's environmental and social responsibilities.

- Assessment related to environmental indicators (water consumption, energy, emissions, etc.):* The company always manages and closely monitors the economical use of energy and water resources; maintains environmental hygiene and protects water sources.
- Assessment regarding employee issues:* The company's staff and employees are well-trained, have a sense of responsibility for their assigned tasks, and desire to work with the company and contribute to its growth.
- Assessment regarding the company's responsibility to the local community:* The company has provided quality products and services, complied well with state laws and local movements, and contributed to the overall socio-economic development of the province.

V. Corporate Governance

IV. Board of Directors' Assessment of the Company's Performance (for joint-stock companies)

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

The Board of Directors is very proud of the company's well-balanced operations. Although it cannot yet be compared to other large companies in the garment industry such as Thanh Cong Textile and Garment Investment and Trading Joint Stock Company (Stock code: TCM), TNG Investment and Trading Joint Stock Company (Stock code: TNG)... in terms of scale, Tu Hai is on a growth trajectory thanks to investments in expanding production facilities and securing more and more large contracts. The company's management and operations are currently performing well, ensuring business efficiency whether in difficult or favorable periods.

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

The Board of Directors has successfully managed to maintain the company's operations during the challenging times facing the industry; at the same time, they have made numerous efforts and implemented positive solutions to minimize the company's costs during the year.

Holding monthly meetings with company leaders at all levels to assess performance and set directions and solutions for the following months is a very positive and effective approach.

3. The plans and directions of the Board of Directors

In 2026, the economy in general and the textile and garment industry in particular are projected to continue facing a mix of challenges and opportunities; the Board of Directors will be ready to adapt and be flexible to economic and political fluctuations both domestically and internationally, aiming for continued development. Therefore, the members unanimously agreed on the following direction for 2026:

- Continue researching plans to boost investment and expand production facilities based on the existing infrastructure;
- Actively seek new partners, strive to increase orders and order value;
- Search for and acquire existing land and factory buildings to expand operations;
- Actively recruit and train to increase the workforce;
- Ensure that governance and operations comply with regulations, and that they are conducted openly and transparently.

V. Corporate Governance

1. Structure, composition and operation of the Board of Directors, List Board of Directors

a. Structure and composition of the Board of Directors

No.	Board Member	Position	Percentage of SH shares with voting rights	The ratio of other securities issued by the company.	Number of board member positions and management positions at other companies.
1	Nguyen Duc Toan	Chairman of the Board	0 %	0 %	0
2	Nguyen Thi Mai Huong	Executive Board Member	0 %	0 %	1
3	Trinh Cong Son	Independent Board Member	0 %	0 %	1

b. Board of Directors Subcommittees: None.

c. Activities of the Board of Directors :

The management, direction, and supervision of the company's executive and management apparatus are still being carried out effectively and in compliance with legal regulations.

In 2025, the Board of Directors will fulfill its functions and duties, directing and managing the Company's activities in compliance with the provisions of the Enterprise Law, the Securities Law, the Company's Charter, and will organize the implementation of the contents approved in the General Meeting of Shareholders' Resolution.

Board of Directors meetings:

No.	Resolution/Decision Number	Day	Content	Approval rate
1	01/2025/NQ-HĐQT	January 13, 2025	Update business registration information.	100%
2	03/2025/NQ-HĐQT	07/03/2025	Convening the 2025 Annual General Meeting of Shareholders	100%

3	042/2025/NQ-HĐQT	April 2, 2025	Approved for presentation at the 2025 Annual General Meeting of Shareholders.	100%
4	1806/2025/NQ-HĐQT	June 18, 2025	Through the company's investments.	100%
5	1707/2025/NQ-HĐQT	July 17, 2025	Organize an Extraordinary General Meeting of Shareholders in 2025	100%
6	2307/2025/NQ-HĐQT	July 23, 2025	Update business registration information.	100%
7	2108/2025/NQ-HĐQT	August 21, 2025	Approved for presentation at the 2025 Extraordinary General Meeting of Shareholders.	100%
8	1109/2025/NQ-HĐQT	11/09/2025	Election of the Chairman of the Board of Directors	100%
9	1209/2025/NQ-HĐQT	12/09/2025	Appointing members of the Audit Committee and issuing regulations on information disclosure.	100%
10	05/11/2025/NQ-HĐQT	November 5, 2025	Transfer of shares in Hamico Vietnam Mineral Joint Stock Company	100%
11	1712/2025/NQ-HĐQT	December 17, 2025	Registering a business location	100%
12	1912/2025/NQ-HĐQT	December 19, 2025	Through lending transactions with related parties.	100%

d. Activities of independent board members . Activities of subcommittees within the Board of Directors :

The company does not have subcommittees reporting to the Board of Directors. The independent Board member, Mr. Trinh Cong Son, primarily participates fully in the activities of the Board of Directors and presides over meetings and oversight work of the Audit Committee.

e. List of Board members who hold corporate governance certifications .

All members of the Board of Directors participate in several training courses on corporate governance, research, update, and understand governance regulations, and

operate to ensure that corporate governance is correct, complete, and compliant with the law and the company's charter.

2. Audit Committee

a. Members and structure of the audit committee

No.	Board Member	Position	Percentage of voting shares	The percentage of other securities issued by the company.
1	Trinh Cong Son	Chairman of the Inspection Committee	0 %	0 %
2	Nguyen Duc Toan	Member of the Inspection Committee	0 %	0 %

b. Activities of the Audit Committee (UBKT)

- Number of meetings of the Audit Committee: 3 official meetings in Quarter 1 with the content "Summary review of the audit process of the 2024 financial statements", 100% approved; Quarter 3 with the content "Summary review of the review process of the 2025 semi-annual financial statements", 100% approved; and Quarter 4 with the content "Approval of the audit plan for the 2025 financial statements and the draft audit contract with Grant Thornton (Vietnam) Co., Ltd.", 100% approved.
- The Supervisory Committee has assigned tasks to its members and coordinated the implementation of tasks related to monitoring the accuracy of the company's financial statements, supervising the company's audit department, and managing risks.
- Organize regular and extraordinary meetings to implement tasks according to assigned functions, duties, and powers; always adhere to the Company Charter and the General Meeting of Shareholders' Resolutions in the performance of duties.
- Regular communication between members of the Supervisory Committee, as well as with the Board of Directors and the Management Board, aims to ensure that the Company's operations are appropriate, meet the interests of shareholders, and comply with legal regulations.
- Evaluate the company's financial statement audit firm and recommend a suitable audit firm for the following year, ensuring accurate and timely audits.

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

- a. *Salary, bonuses, remuneration, and benefits.*
 - The remuneration paid to the Board of Directors and the Audit Committee in 2025 was: 0 VND.
 - Salary of the Director (Ms. Nguyen Thi Mai Huong): 171,030,000 VND
- b. *Insider stock transactions :* none
- c. *Contracts or transactions with insiders:* Details are disclosed in section VII.2 of the company's governance report.
- d. *Assessment of compliance with corporate governance regulations:* The company has complied with legal regulations on corporate governance, especially the Company Charter, the Enterprise Law, the Securities Law, and related documents.

VI. Financial Statements

1. Audit opinion

Full approval.

2. Audited Financial Statements

Issued by the auditing firm on March 30, 2026, the company signed and published the information on March 30, 2025 in the shareholder relations section of the company website (link: <https://tuhaijsc.vn/quan-he-co-dong/>).

Recipient:

- As addressed to;
- Saved: VT.



Nguyen Thi Mai Huong