

REPORT
BUSINESS PLAN FOR 2025**Part 1**
BUSINESS PRODUCTION RESULTS IN 2024**I. SITUATION OVERVIEW**

In 2024, the domestic and international textile and garment market continued to face many difficulties due to political instability and global inflation, which, although having cooled down, remained high; the domestic textile and garment industry still faced many challenges due to the slow recovery of domestic market demand, rising input material market prices, and continuously increasing logistics and transportation costs; orders were small, quantities were low, prices were low, and delivery times were short; requirements for green and sustainable production were all legalized and implemented synchronously.

II. RESULTS OF IMPLEMENTING BUSINESS PRODUCTION TARGETS.**1. Results of overall targets for 2024**

- Business production targets: Business production operational results compared to the plan for the set targets.

+ Revenue reached VND 1,304.38 billion / Planned VND 930 billion, achieving 140.3% of the annual plan, an increase of 25.7% compared to the same period in 2023.

+ Profit before tax: reached VND 57.56 billion / VND 25.3 billion, achieving 227.5% of the annual plan, an increase of 113.6% compared to the same period in 2023.

+ State budget contribution VND 62.81 billion / Planned VND 40.2 billion, achieving 155.98% of the plan, achieving 134.2% compared to the same period in 2023;

+ Average employee income VND 11,873,924 / Planned VND 10,187,000, achieving 116.6% of the 2024 plan, achieving 116.1% compared to the same period in 2023;

+ Dividend: Planned dividend rate is 6%, expected payout is 10%.

2. Assessment of business production activities and corporate governance**a) Innovation and enterprise development**

Implemented the merger of Garment Enterprise 3 into the Military Uniform Measurement Enterprise; carried out divestment procedures at 199 Joint Stock Company; supplemented the business line of hotel services; established the Company's Management Board; Central Region Branch; received handover and implemented the operational plan for the Southern Guest House (Sea Soul Hotel has been operational and stable since June 2024); Invested in expanding the workshop at X20 Thai Nguyen; invested in a continuous dyeing line at X20 Nam Dinh. Developed a project for enterprise restructuring; consulted on establishing an R&D department. Developed and implemented the TRE enterprise resource planning software; invested in innovating, supplementing, and replacing MMTB (Machinery, Equipment, Materials, and Tools); projects were implemented according to prescribed

procedures and regulations; supplemented and completed the system of charters and operational regulations in accordance with the current Law on Enterprises.

b) Business operations, order seeking, employment, planning, and production organization

Order seeking was emphasized and enhanced. Successfully researched, produced, and standardized Bambo K24 fabric, meeting the needs of the military sector...; the production value of QP (National Defense) goods saw outstanding growth compared to 2023; revenue from national defense goods in 2024 increased by 49.2% compared to the plan, and by 48.4% compared to the implementation in 2023⁽¹⁾.

For economic and export orders, marketing efforts were strengthened, supply sources were exploited, existing traditional customers were maintained, and new customers were sought. In addition, marketing to domestic economic customers was intensified to expand the Company's domestic market share and supplement stable employment sources; in 2024, the value of KT (Economic) goods increased by 24% compared to the annual plan.

Implemented the establishment and management of long-term and short-term work plans, deployed monthly and quarterly plans; reviewed and assessed the implementation results for the 2020-2024 period and the orientation of tasks for the 2025-2030 period, identified orientations and solutions for the coming period, to prepare for developing the Strategy in the next phase.

Organized scientific and flexible production to ensure orders were delivered on schedule and with quality; especially in national defense production, the Company always identifies this as a core political task and a strength. Therefore, the Company has proactively focused all resources to prioritize the successful completion of military uniform production tasks, serving troop deployment, new recruit enlistment, trial goods, officer promotions, and especially A70 goods, and the new LP K24 order... ensuring progress and quality according to the plan.

c) Management of technology, machinery, equipment, and production improvement

Proactively grasped changes and supplemented technical standards for national defense goods; implemented conformity assessment and standardization of national defense products according to regulations; analyzed the technology of new orders.

Completed investment and innovation of measurement management software throughout the Company; maintained Base software, signed a contract with FPT Company to invest in upgrading electronic office software; signed a contract with TNG Company to invest in enterprise resource planning software (TRE); deployed customer management software.

Promoted research into technological processes and the development of technical improvement initiatives; over 50 improvement initiatives were applied during the year. Participated in producing sample products for the new K24 formal military uniform, sample uniforms for the A70 parade, and domestic economic samples; produced 10 sets of President Ho Chi Minh's remains' attire for handover to the Ho Chi Minh Mausoleum Protection Command.

d) Financial work

Strictly complied with financial regimes and regulations as stipulated by the State and the Ministry of National Defense, and the guidelines of TCHC-KT (General Department of

¹ Production volume = 7,505,776 units of various types; Of which: measured garments = 1,641,444 units; mass-produced woven and knitted garments = 2,360,974 units; Woven fabric = 3,503,358 meters (Bambo K24 fabric, Blanket covers; Peco tarpaulin, Peco GBD (Protective Gear) for various Quartermaster Branches, CVC camouflage print, Tropicam camouflage print, Poplin Pevi K13).

Logistics - Economics). Accounting practices adhered to Accounting Standards and the Enterprise Accounting System; strengthened management measures and practiced thorough thrift in all areas.

The Company amended, supplemented, and issued Regulations on capital representative management, Charters, and Operational Regulations of the Supervisory Board at subsidiaries, aiming to create a legal corridor for management. The owner's investment capital was preserved and developed. Management and effective use of investment capital at subsidiaries. The Company's capital investment activities generally yielded good results, contributing to boosting the overall production and business activities of the Company.

e) Labor and salary management

Led and directed the full implementation of policies and regimes for employees according to regulations; regimes and policies were implemented correctly according to regulations; 100% of employees participated in insurance schemes; retirement and severance procedures were implemented correctly according to regulations; rank transfer, salary increases, and salary payments were carried out strictly, democratically, publicly, fairly, and in accordance with regulations; the entire Company had no overdue salaries or social insurance contributions.

The workforce as of December 31, 2024, was 1,922 employees; the average monthly income for the entire company was estimated at VND 11,873,924/person/month = 116.6% compared to the annual plan and an increase of 16.1% compared to the implementation in 2023.

g) Administrative, logistics, investment, and national defense land use management

- Administrative and logistics work

Implemented regulations on patrol and guard duties correctly; maintained duty rosters. Developed plans and drills for PCCC (Fire Prevention and Fighting) in the Hanoi area; directed units to correctly implement fire safety regulations.

- Investment and land management work

Total investment implementation: VND 24.3 billion / Planned VND 82 billion, achieving 29.6% of the annual plan. This included: Investment in machinery and equipment worth nearly VND 19.2 billion / Planned VND 44.2 billion, achieving 43.5% of the plan; investment in basic construction and minor repairs: With a total value of VND 5.05 billion / Planned VND 37.82 billion, achieving 13.4% of the annual plan; post-investment projects were put into use, creating synchronicity and high efficiency.

Managed, exploited, and effectively used land areas, avoiding disputes and encroachments; implemented leasing of land-based assets according to regulations, increasing efficiency. Effectively carried out environmental work; signed contracts for waste transportation; conducted environmental monitoring; completed procedures for applying for environmental permits for Zone B...

3. Shortcomings and Limitations

The business production activities of some units were not commensurate with their potential; the application of software, especially in production management and operation, was still slow; the quality of operations in some areas of work in some units was not high or uniform; the situation of labor reduction continued to occur throughout the Company.

Part II

BUSINESS PLAN FOR 2025

I. SITUATION OVERVIEW

The Company continues to receive attention, direction, and regular support from the Party Committee, Command of TCHC-KT, and higher-level functional agencies. The business production results in 2024 achieved and exceeded the set plan; internal solidarity and unity were maintained, and the unit was stable.

However, 2025 is forecasted to continue to face many difficulties due to the complex developments in the political situation; requirements for production according to green standards, trends of small orders, low quantities, low prices, short delivery times; diverse product demands... especially if the US imposes a 46% tariff on the Vietnamese market, these will be significant difficulties and challenges that businesses will continue to face.

II. BUSINESS PLAN FOR 2025

1. Orientations and key objectives

Continue to maintain and develop the garment industry, invest in and develop the textile industry; develop solutions to expand the hotel business line; build the Company in the direction of combining National Defense tasks with economic tasks. In which, National Defense production is the core task, combined with economic development tasks; maintain traditional export customers, continue to have measures to expand cooperation with customers, seek new customers and new export markets to improve business production efficiency in the coming period;

Research, amend, and supplement the Company's charter and regulations in accordance with regulations, market conditions, and the Company's actual conditions, creating a favorable legal corridor for the rapid and stable development of the unit, while protecting the legitimate rights and interests of shareholders.

2. Business Production Plan for 2025

Key business production targets

- Revenue (Planned): VND 1,050 billion; (Of which National Defense Goods: VND 492.1 billion / VND 818.1 billion, achieving 60% compared to 2024 implementation, Export Economic Goods: VND 516.8 billion / VND 461.5 billion, achieving 112% compared to 2024 implementation);

- Profit: VND 35 billion; (Of which National Defense Goods: VND 16.1 billion / VND 38.5 billion, achieving 41.8% compared to 2024 implementation, Export Economic Goods: VND 15.5 billion / VND 14.3 billion, achieving 108.3% compared to 2024 implementation);

- State budget contribution: VND 54.5 billion;
- Average income: VND 11,300,000/person/month;
- Labor: 2,100 employees;
- Dividend 10%;

3. Key tasks for 2025

a) Enterprise restructuring and innovation

Re-plan factory premises in Hanoi (Zone A, Zone B); renovate the Military Uniform Measurement Enterprise to serve National Defense production and urgent tasks; develop the Company's Development Strategy for the 2025 – 2030 period, with a vision to 2035; organize the implementation of business operations for the Southern Guest House effectively (Sea Soul Hotel); restructure the Commercial Enterprise; complete the divestment from 199 Company; implement the Company restructuring project; establish and operate an R&D department, research and develop fashion products; implement TRE production management software; continue digital transformation; gradually implement green transformation; continue to have

plans to attract labor to ensure the X20 Thai Nguyen factory reaches 800-1000 employees according to the plan.

b) Business operations, order seeking, employment, planning, and production organization

In the context of a difficult textile market, it is necessary to proactively maintain relationships with traditional customers, promote self-seeking orders to ensure full employment for units, and prevent units from lacking work. Increase the proportion of export goods through FOB production. Enhance the role of planning, increase production specialization, while promoting flexibility in operational coordination to best meet customer changes. For National Defense production, continue to identify it as a core political task, prioritizing all resources to promptly meet the schedule and quality of orders. Forecast orders in advance to proactively prepare factors such as raw materials, chemicals, MMTB to promptly meet task requirements.

c) Management of technology, machinery, equipment, and production improvement

Accelerate the deployment of enterprise resource planning software, enhancing the connectivity of machinery and equipment via IoT to monitor and manage production in real-time. Apply flexible production technology to quickly adjust processes when there are changes in production needs.

Continue to develop investment plans for new equipment and technology to improve production capacity and product quality.

d) Financial planning

Strictly implement financial management principles and accounting standards. Build and manage cash flow well, closely manage the spending process, ensure sufficient capital for the Company's production, business, and investment activities; Strengthen advisory on management measures to develop and effectively use State capital at the Company. Closely manage investment capital at One-Member Limited Liability Companies and other enterprises. Monitor and closely manage debts, and urge debt recovery; control inventory well, minimize inventory, accelerate product turnover, recover capital quickly, strictly implement regulations on management of materials, goods, assets, finance, and effectively carry out settlement of production materials.

e) Labor, salary, and bonus utilization plan

Implement salary policies in accordance with the Labor Law, Law on Insurance, Law on Enterprises...; effectively manage the use of labor, salary, remuneration, and bonuses; strengthen measures to attract labor, effectively implement policies for employees; advise on adjusting organizational structure, streamlining personnel, improving operational efficiency, meeting task requirements.

f) Administrative, logistics, investment, and national defense land use management

- Administrative and logistics work

Strictly maintain work regimes, duty rosters, command duty, protection, and patrol at agencies and units; clerical and security work, environmental sanitation, protocol, PCCC; implement administrative reform, digital transformation; ensure safety, thrift, and efficiency in all aspects of work; effectively maintain occupational health work; manage and care for health, ensure a working environment...; effectively implement labor regulations; occupational safety and health, fire and explosion prevention and control.

- Investment and land use management work: Total investment is VND 67.392 billion. Complete the investment project for a continuous dyeing machine at X20 Nam Dinh,

invest in specialized MMTB and innovate MMTB for the garment industry; renovate and upgrade offices (Zone A), regularly renovate, upgrade, and improve building 202 To Hien Thanh and purchase 02 cars; Of which:

- + Textile industry: investment is VND 31.495 billion (completing the continuous dyeing machine project at X20 Nam Dinh, carried over);
- + Garment industry: investment is VND 23.872 billion (procuring specialized MMTB and investing in innovating and replacing old, unusable MMTB...);
- + Basic construction, renovation, and repair investment is VND 12.565 billion.
- Closely manage land areas, prevent encroachment and disputes; advise on exploiting assets on idle land plots to ensure efficiency and compliance with regulations.

In addition to the major orientations above, the Company continues to maintain, improve, and enhance all aspects of management, promote achieved results, and continue to strive to successfully complete the 2025 plan and the Company's long-term strategic goals, meeting the needs and trust of officials, employees, and esteemed shareholders.

Sincerely.

Recipients:

- General Meeting of Shareholders
- Board of Directors;
- Management Board;
- Supervisory Board;
- Archive: Admin, Planning-Business, L07.

ON BEHALF OF THE BOARD OF DIRECTORS

CHAIRMAN



Lieutenant Colonel Chu Van De