

REPORT

Of the Board of Directors on Governance, Operational Results of the BOD, and Each BOD Member at the Annual General Meeting of Shareholders 2025

To: Esteemed Shareholders of X20 Joint Stock Company.

In 2024, the general market situation and the Company's specific situation faced many difficulties and challenges, especially in the early part of the year. It seemed difficult to achieve the targets and tasks for the year. Besides the common difficulties regarding the pandemic situation and market challenges, the Company itself also faced many internal difficulties due to unresolved legacies and issues from previous years.

Despite the aforementioned difficulties, the collective workforce of X20 Joint Stock Company made great efforts, along with the determination and decisiveness of the BOD and the Management Board, to focus on resolving bottlenecks and strive to complete the tasks set by the Annual General Meeting of Shareholders 2024. Specifically as follows:

I. OPERATIONAL RESULTS IN 2024

1. Results of key planned targets

Revenue increased by 40.3% compared to the plan, an increase of 25.7% compared to 2023; profit increased by 127.5% compared to the plan, an increase of 113.6% compared to 2023; average income increased by 16.6% compared to the plan, an increase of 16.1% compared to 2023.

The company has drastically implemented many solutions to ensure sufficient employment, avoid job shortages, waiting for work, and prevent labor reduction due to lack of work. Key planned targets were all achieved and exceeded; employees' income was maintained and continued to improve. Notably, the Company's revenue target reached over VND 1,304 billion. This is a remarkable effort by the Company in the context of many businesses having to close down or reduce labor.

2. Summary of Board of Directors meetings and decisions.

a) The Board of Directors held 05 regular meetings in accordance with the provisions of the Law on Enterprises and the Company Charter; sought opinions in writing 12 times; issued 61 resolutions to thoroughly implement the Resolution of the Annual General Meeting of Shareholders 2024, meeting the requirements of managing, operating, and resolving practical issues of the Company (*details of meetings, resolutions, and decisions have been posted on the Company's website in the Annual Governance Report 2024*). The focus and report on key issues are as follows:

From the beginning of the year, the BOD directed the Management Board to develop the Production and Business Plan (PBP) for 2024 to submit to the GMS. After approval by the GMS, the BOD directed the Management Board to organize the dissemination and implementation of the plan to key officials and relevant agencies, units, and individuals. Periodically monitored the results of plan implementation and had timely adjustment solutions.

Technical - technological work continued to be emphasized and made positive progress; production technology processes, training in dyeing, printing, national defense garment, and export economic sectors... continued to be improved and strictly controlled in operational processes, contributing to stabilizing and improving quality and labor productivity. Successfully researched and standardized 02 new fabric samples, increasing the ability to supply and serve national defense tasks.

Completed investment and put into operation the workshop expansion project at X20 Thai Nguyen, contributing to improving production capacity and the working environment for employees; implemented a new investment project for a dyeing line - completed at X20 Nam Dinh to improve productivity, quality, and the ability to meet the increasing demands of the market and customers.

Continued to implement the enterprise restructuring roadmap; merged Garment Enterprise 3 into the Military Uniform Measurement Enterprise to help streamline the indirect workforce and improve the production capacity of the Military Uniform Measurement Enterprise; successfully organized the Annual General Meeting of Shareholders 2024, during which personnel preparations were well done, submitting to the GMS the election of BOD members and Supervisory Board members for the 2024-2029 term, ensuring correct procedures, and regulations. Organized research and evaluation of the results of implementing the Strategy for the 2021-2025 period; proposed a Development Strategy for the Company for the 2025-2030 period, with a vision to 2025, for GMS consideration and approval.

Promoted the application of information technology and digital transformation in governance, management, and operations. In 2024, focused on reforming administrative procedures and meetings; continued to deploy and apply 02 software programs serving production management and administration, creating a basic premise for implementing the digital transformation roadmap in the Company's management and operations in the following years.

Strengthened cost control, implemented programs and plans for practicing thrift and combating waste, which initially yielded practical results. Capital resources were well controlled and improved, especially working capital; the capital of the owner and esteemed Shareholders was preserved and effectively utilized.

b) In 2024, all activities of the Board of Directors basically complied with the Law on Enterprises and the Company Charter. Corporate governance was emphasized in depth. The BOD performed its functions well in resolving policies and supervising management and operational activities; and correctly fulfilled its responsibilities and obligations in issuing Resolutions as a basis for the General Director to implement.

3. Remuneration, operating expenses, and other benefits of the Board of Directors and each member of the Board of Directors.

Regarding the proposed payment of bonuses and other material benefits for members of the BOD, Supervisory Board, and management for 2024: The BOD submitted a Proposal to the GMS; when approved by the General Meeting of Shareholders at this meeting, it will be settled in the 2025 fiscal year.

4. In 2024, the Company did not generate any transactions between the company, its subsidiaries, or companies where GATEXCO 20 holds over 50% of the Charter capital, with members of the Board of Directors, General Director, and related persons of members of the BOD and General Director; no transactions arose between the company and a company in

which a BOD member is a founding member or a business manager within the last 03 years before the transaction time.

5. All BOD members fully attended regular and extraordinary meetings of the BOD; independent BOD members fully attended BOD meetings. Each BOD member actively and responsibly participated in meetings within their scope of duties and powers as prescribed by law and the Charter; actively researched and contributed with the BOD and General Director in implementing the tasks assigned by the General Meeting of Shareholders.

The operational results of each BOD member are specifically as follows:

- Mr. Chu Van De, Chairman of the BOD; attended 05/05 meetings; the Company's Party Committee assessed him as having excellently completed his tasks;
- Mr. Hoang Sy Tam, Vice Chairman of the BOD; attended 05/05 meetings; the Company's Party Committee assessed him as having well completed his tasks;
- Mr. Ha Chi Khoa, Member of the BOD; attended 05/05 meetings; the Company's Party Committee assessed him as having well completed his tasks;
- Mr. Pham Van Dong, Member of the BOD; attended 05/05 meetings; the Company's Party Committee assessed him as having well completed his tasks;
- Mr. Le Van Nghia, Member of the BOD; attended 03/03 meetings; the Company's Party Committee assessed him as having well completed his tasks.

6. The BOD coordinated well with the Supervisory Board, creating conditions for the Supervisory Board to promote its position and role in supervising and evaluating activities, contributing to improving the efficiency of the Company's management and operations.

7. Results of supervision of the General Director and management personnel:

The supervision of the activities of the General Director and management members was carried out by the BOD in accordance with the provisions of the Charter and internal regulations on corporate governance. All proposals from the General Director submitted to the BOD were discussed and resolved by the BOD at BOD meetings or through written consultation. At the end of 2024, the BOD organized an evaluation of the results of implementing the Resolutions issued by the BOD in 2024. The evaluation results showed that: In 2024, despite many difficulties and challenges, the BOD and the General Director decisively directed the organization and implementation of BOD resolutions, achieving good results in many areas and aspects of work; especially the results of implementing key targets and important tasks; ensuring stable employment; resolving many long-standing issues, thereby making a significant contribution to organizing the implementation of defined goals and operating the Company through difficulties, maintaining stability and development in very difficult conditions.

II. OPERATIONAL ORIENTATIONS FOR 2025

In 2025, the global economic situation is expected to have many complex developments. From the beginning of the year, there has been a serious impact on supply sources, many customers, and orders have been cut; export processing prices are fiercely competitive and tend to decrease while raw material and fuel costs increase with unpredictable fluctuations. The Company's management costs are still high, and product costs are not truly competitive in the market; the quality of human resources is uneven, labor in the Hanoi area continues to decline, and some unresolved issues from previous years still need to be addressed...

In that context, the BOD identifies the key tasks for 2025 as follows:

1. Focus on thoroughly understanding and organizing the implementation of the GMS Resolution to ensure the successful completion of all set targets and tasks. Organize the

comprehensive implementation of all aspects of work and tasks with the highest sense of responsibility and determination. Effectively implement the motto "Proactively respond, flexibly adapt to difficulties and challenges, harmoniously apply optimal management measures to ensure the successful completion of PBP tasks and build a strong and comprehensively developed Company."

2. Focus all resources and measures to ensure stable employment, prevent job shortages; enhance proactiveness in ensuring supply sources for member units, especially for MTV (One-Member Limited Liability Company).

3. Synchronously implement solutions to improve the efficiency of governance; promote investment efficiency, preserve and develop capital; ensure sufficient capital for investment activities and production-business tasks. Strengthen cost control, promote thrift, and ensure sound financial operations. Continue to promote the effective resolution of bottlenecks and unresolved issues; research plans for exploiting and using idle facilities.

4. Focus on thoroughly understanding, implementing, and correctly operating according to the Charter and regulations approved by the General Meeting of Shareholders. Enhance the responsibility and operational efficiency of BOD members, the General Director, the Management Board, and the organizational system to ensure compliance with regulations. Continue to review, amend, and complete the management mechanism for the Company's activities and for subsidiaries; issue and improve the operational efficiency of these institutions to ensure good supervision and monitoring of activities according to functions, tasks, and powers.

5. Closely follow the orientation of the State owner's representative agency to research and develop the Company's Development Strategy for the 2025-2030 period to submit to the GMS for approval. The focus for 2025 is to promptly implement the re-planning of functions, premises, and synchronous investment activities at locations and land plots in the Hanoi area according to the GMS resolution. Promptly and synchronously implement the restructuring of the administrative and indirect khối cơ quan of the Company to ensure leanness, efficiency, effectiveness, and suitability with the development strategy.

6. Focus on effectively implementing measures to build a disciplined, comprehensively strong "exemplary, outstanding" agency and unit, and build a corporate culture and environment. Strive to prevent violations that require disciplinary action; 100% of officials and employees have the determination to overcome all difficulties, willingly accept and successfully complete assigned tasks and responsibilities; create a real change in work style, methods, viewpoints, sense of responsibility of each individual, and in the connection and coordination in directing, operating, and resolving work.

To achieve the planned targets and tasks for 2025 under conditions where the Company still faces many difficulties, the Board of Directors determines that there needs to be solidarity, determination, and outstanding efforts from each BOD member, members of the Management Board, and the concerted efforts of all officials, employees, and workers to overcome difficulties and challenges.

At today's Annual General Meeting of Shareholders of GATEXCO 20, on behalf of the BOD and the Management Board, the Company would like to extend sincere thanks to our customers, partners, esteemed Shareholders, and employees of X20 Joint Stock Company for their trust, support, and companionship over the past time. We very much hope to continue to receive your attention, support, and companionship in the coming time so that the Company can strive and be determined to successfully achieve the 2025 plan.

Especially, on behalf of the BOD, we would like to express our sincere gratitude to the Ministry of National Defense, TCHC (General Department of Logistics), the General Staff, the Department of Military Supplies, and the functional agencies representing the State owner, for creating favorable conditions, helping, encouraging, and supporting X20 Joint Stock Company in recent years.

Thank you to the members of the BOD, the Supervisory Board, the Management Board, and all employees who have devoted themselves to the Company throughout the past time.

Sincerely thank you!

Recipients:

- As above;
- Archive: Admin, BOD.H03.

ON BEHALF OF THE BOARD OF DIRECTORS
CHAIRMAN



Chu Van De