



VINATEX

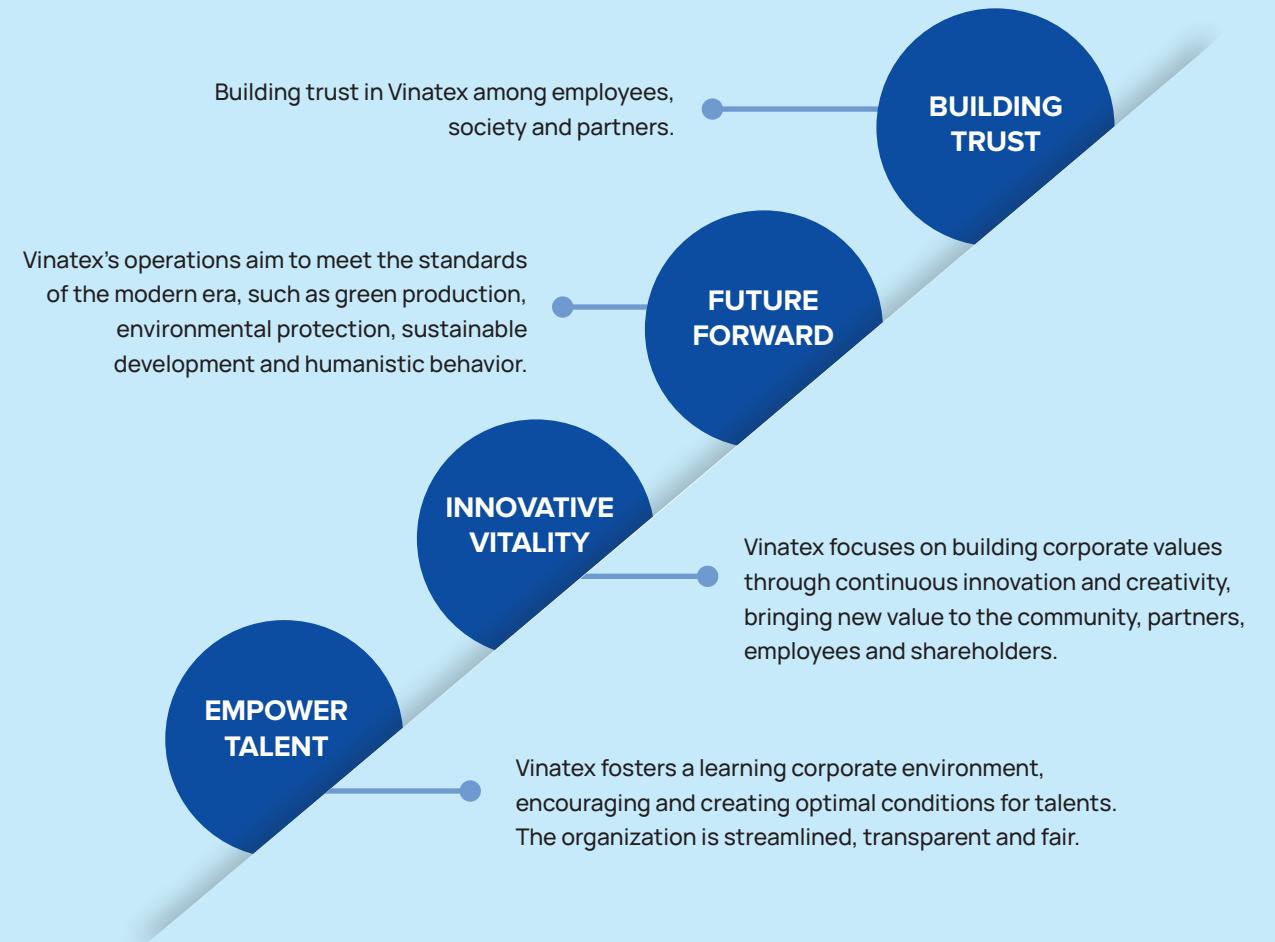
ANNUAL REPORT 2024

BUILDING TRUST

FUTURE FORWARD

INNOVATIVE VITALITY

EMPOWER TALENT



ANNUAL REPORT 2024

CONTENTS

CHAPTER 01

MESSAGE FROM CHAIRMAN OF BOD

08 Message for the 2025

CHAPTER 02

VINATEX OVERVIEW

- 14 Vinatex's Information
- 16 Organization and Personnel Information
- 26 Vision, Mission, Core Values
- 28 Key Milestones in 30 Years of Operation
- 30 Business Areas and Production Capacity
- 32 Top 10 Notable Events of Vinatex in 2024

CHAPTER 03

CORPORATE GOVERNANCE

- 38 Report on the Operation and Evaluation of the Board of Director
- 46 Evaluation Report of the Supervisory Board
- 50 Operational Report of the Executive Management
- 62 Contracts and Transactions with Vinatex's Insiders
- 66 Risk Management



CHAPTER 04

SHAREHOLDERS RELATIONS AND INVESTORS RELATIONS

72 Shareholders relations and investors relations

CHAPTER 05

SUSTAINABLE DEVELOPMENT

- 78 Policies for Employees
- 80 Modernization, Sustainable and Environmentally Friendly Development
- 84 Digital Transformation in Management and Production
- 90 The Journey of Fire-Retardant Fabric Products
- 94 Notable Community and Social Welfare Activities

CHAPTER 06

FINANCIAL REPORT



CHAPTER
01

MESSAGE

from **VINATEX'S
CHAIRMAN**

Message for the 2025

“

Maximizing internal strength, harnessing high-quality human resources, and building a sustainable position in the global textile and garment value chain. Leveraging innovation, creativity, and advanced technology to develop diverse products while transitioning strongly into the circular economy era.

”



The year 2024 has reaffirmed the market's unpredictability. While the first half of the year showed slight improvement, it still carried the challenging momentum of 2023. However, the second half saw a sudden surge in orders to Vietnam, driven by unexpected political upheavals in competing countries.

In 2024, our predictions across three different scenarios proved to be quite accurate. Through monthly reviews and workshops, we made timely and flexible adjustments aligned with market trends, targeting high-potential areas while minimizing losses caused by low pricing and weak demand. Thanks to thorough preparation for various scenarios, we exceeded our annual targets, achieving over 50%

growth—an exceptional result given the market challenges and persistently low demand.

The garment sector continued to be the Group's most vital resource, ensuring financial and labor stability, with some strong enterprises achieving growth rates exceeding 50% compared to 2023. Despite continued challenges and operating below cost, the yarn sector managed to reduce losses over 85% compared to 2023, marking initial progress in finding its path in a new phase.

Market difficulties and competition have taught us significant lessons, aligned with the five steadfast principles and the resilient, courageous, innovative, and united spirit fostered over the past three years:

01

Self-reliance and Internal Strength: Only by maximizing internal strength can we stand firm and trust our system through the toughest challenges. We cannot rely on external support to help the Group overcome difficulties.

02

Proactivity, Creativity, and Flexibility: The key to survival lies in constant adaptation based on high-quality forecasting and following market and competitor trends.

03

Building High-Quality Human Resources: Developing a robust, multi-generational workforce, particularly focusing on young talent. In the context of scarce skilled labor, pooling and sharing high-quality human resources have helped address challenges across the Group. Connections between member units have been enhanced.

04

Accepting Challenges and Experimenting: Actively exploring new products, applying advanced technologies, and seeking new markets.

05

Upholding Responsibility and Promoting Sustainability: Strengthening our image as a responsible corporation focused on green textiles is essential. Meeting all commitments ensures our position as a reliable partner in global supply chains.

The year 2025 marks a significant milestone for the nation, including the 80th anniversary of its founding, accompanied by the vision of entering a "new era of national revival." It is also a pivotal year for Vinatex, celebrating its 30th anniversary and the start of a new term for the Board of Directors. The mission for 2025 is to define what the "new era of Vinatex" means and how it can rise to meet the expectations of the nation and its people.

Vinatex's new era can initially be defined as sustainable development across four pillars: environment, society, governance, and finance (ESGF). It envisions Vinatex as a globally competitive player in textile and garment supply chains, possessing unique competitive strengths through innovative technologies and distinctive products. It also embodies a corporate culture that blends the humanitarian traditions of past generations with modern, worker-focused practices.

Strategies for Vinatex to rise in the New Era:



01

Maximizing Internal Strengths

Leverage the potential of individual enterprises to build a unified stronger Group. The Group's strategic vision must translate into concrete actions at the enterprise level. Horizontal and vertical integration within and outside the Group is crucial for building Group competitiveness in the new phase, serving as the foundation for securing a high position in global supply chains.

02

Attracting and Effectively Utilizing Talent

Develop and share high-quality human resources across the Group, fostering collective progress. Given the intense competition in the labor market, attracting and retaining top talent is vital.

03

Accelerating Digital Transformation

Modernize governance by adopting best management practices and digital transformation initiatives across all Group enterprises.

04

Developing Niche Products and Markets

Research and create distinctive, innovative products beyond conventional textiles, establishing technological and market barriers to protect the Group's sustainability. Balance highly competitive production areas with those offering greater creative value.

05

Applying Automation and AI

Reduce dependence on labor through automation and artificial intelligence, increasing the productivity and value of individual workers in the textile and garment sector to align with the country's economic progress.

06

Preserving Unity and Modernizing Culture

Preserve solidarity and mutual support traditions while fostering a modern corporate culture that emphasizes innovation, talent recognition, and calculated risk-taking.

The market will remain competitive, and the challenges of 2025 will be no less than in previous years. Global economic uncertainties and competitors' recovery after a turbulent year will lead to increased supply. However, with the "unchanging" values Vinatex

has built, coupled with clear strategies and the determination, self-reliance, and resilience of the entire system, we confidently step into 2025—a year that marks the beginning of a new journey where Vinatex will rise alongside the nation in this new era.

CHAPTER
02



- 14 Vinatex's Information
- 16 Organization and Personnel Information
- 26 Vision, Mission, Core Values
- 28 Key Milestones in 30 Years of Operation
- 30 Business Areas and Production Capacity
- 32 Top 10 Notable Events of Vinatex in 2024

1. VINATEX'S INFORMATION



VI Vietnamese name

TẬP ĐOÀN DỆT MAY VIỆT NAM

EN

English name

VIETNAM NATIONAL TEXTILE
AND GARMENT GROUP

Transaction name

VINATEX

Business Registration Number

0100100008

Charter capital

5.000.000.000.000 VND

(Five thousand billion Vietnam dong)

Address

❖ **Hanoi:** No.41A Ly Thai To street, Hoan Kiem District, Hanoi, Vietnam

❖ **Ho Chi Minh City:** No.10 Nguyen Hue street, District 1, Ho Chi Minh City, Vietnam

Phone

(+84) 24 3825 7700

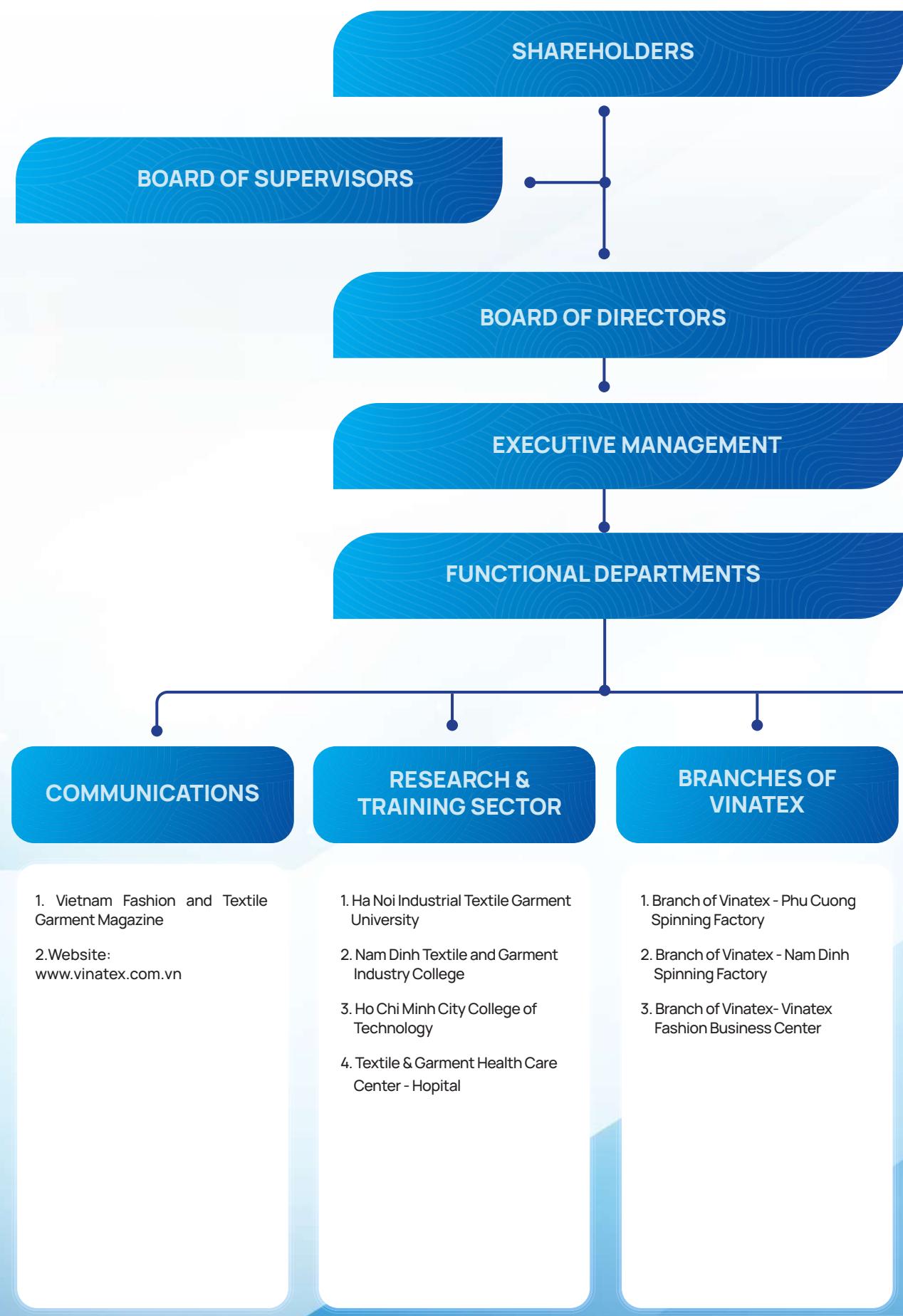
Fax: (+84) 24 3826 2269

Website

www.vinatex.com.vn

Stock code

VGT



2. ORGANIZATION AND PERSONNEL INFORMATION

2.1. ORGANIZATION CHART



2.2. BOARD OF DIRECTORS, SUPERVISORY DEPARTMENT, EXECUTIVE MANAGEMENT

2.2.1. Board of Directors

The Board of Directors (BOD) is the management body of the Group, with full authority to act on behalf of the Group in making decisions, rights and obligations that do not fall under the authority of the General Meeting of Shareholders (GMS) and/or in handling matters assigned by the GMS. The current BOD consists of six members.

No	Name	Title
1	Le Tien Truong	Chairman of BOD
2	Tran Quang Nghi	Vice Chairman of BOD
3	Cao Huu Hieu	Member of BOD
4	Dang Vu Hung	Member of BOD
5	Vu Hong Tuan	Member of BOD
6	Nguyen Xuan Dong	Member of BOD



MR. LE TIEN TRUONG
Chairman of BOD

Mr. Le Tien Truong was appointed Chairman of the Board of Directors of Vinatex in August 2020. He has over 20 years of experience in the Vietnam textile and garment industry and more than 15 years working at Vinatex. He has held various key positions, including Chief Operating Officer, Vice President, and served as a Member of the Members' Council, Member of the Board of Directors, and President & CEO of Vinatex from July 2014 to August 2020.

Mr. Le Tien Truong holds a degree in Mechanical Engineering, a Master's degree in Human Resource Management, and a Doctorate in Business Administration. He has also completed postgraduate studies at INSEAD (France), Ashridge (UK), AIT (Thailand), and Harvard (USA), with specialized training in corporate governance. He is a visionary leader with strategic thinking, strong problem-solving skills, and the ability to make decisions in managing and operating the Group.



MR. TRAN QUANG NGHI
Vice Chairman of the Board of Directors

Mr. Tran Quang Nghi was elected Vice Chairman of the Board of Directors in August 2020. With over 35 years of experience in the textile and garment industry, he has deep and comprehensive knowledge of the sector. Before joining Vinatex's management, he was the General Director of Phong Phu Corporation, a leading enterprise in Vietnam's textile-garment industry.

He served as President & CEO of Vinatex from October 2010 to June 2014 and as Chairman of the Board of Directors from January 2015 to August 2020. He is a passionate and decisive leader with significant contributions to the Group's strategic direction and development objectives.



MR. CAO HUU HIEU
Member of the Board of Directors

Mr. Cao Huu Hieu was elected as a member of the Board of Directors in May 2023. He has extensive expertise in the textile and garment field, holding a Master's degree in Textile Materials. With over 20 years of experience in the industry, he has held various key positions within Vinatex and its member units, including Director of the Wastewater Treatment Center at Pho Noi Textile and Garment Industrial Area, Chairman of Nam Dinh Garment JSC, Deputy Head of the Investment & Technical Department, Head of the Investment & Technical Department, Chief Operating Officer, Vice President and President & CEO of Vinatex.



MR. DANG VU HUNG
Member of the Board of Directors

Mr. Dang Vu Hung has been a member of the Board of Directors of Vinatex since January 2015. He holds a Doctor degree in Textile Technology and has over 20 years of experience in the industry. He has served as Vice General Director of Phong Phu Corporation, Chairman of the Members' Council of 8-3 Textile Co., Ltd., Vice President and President & CEO of Vinatex. Currently, he is a Member of BOD of Vinatex and Chairman of the BOD of Phong Phu International JSC.



MR. VU HONG TUAN
Member of the Board of Directors

Mr. Vu Hong Tuan was elected as a member of the Board of Directors of Vinatex in August 2020. He holds a Bachelor's degree in Public Budgeting and a Master's degree in Business Administration. With over 30 years of experience, he has held various positions, including Senior Inspector at the Ministry of Finance, Head of Legal Affairs, Head of Human Resources, and Head of Risk Management at the State Capital Investment Corporation (SCIC).



MR. NGUYEN XUAN DONG
Member of the Board of Directors

Mr. Nguyen Xuan Dong was elected as a member of the Board of Directors of Vinatex in June 2021. With nearly 30 years of experience in the textile and garment industry, he has held key positions such as Deputy Director of Trung Thu Textile and Dyeing Co., Ltd., Director of Hanoi Dyeing JSC, Chairman and General Director of Ha Dong Wool JSC, Board Member of Nha Be Garment Corporation, Vinatex Da Nang JSC, and Vinh Phu Textile JSC.

2.2.2 The Supervisory Board

The Supervisory Board is elected by the General Meeting of Shareholders (GMS) of the Group. In May 2024, the General Meeting of Shareholders elected a replacement for one member of the Supervisory Board. Currently, the Supervisory Board consists of four members.

No	Name	Title in Vinatex
1	Tran Thi Thu Hang	Head of the Supervisory Board
2	Doan Thi Thu Huong	Member of the Supervisory Board
3	Dang Thi Hong Le	Member of the Supervisory Board
4	Dao Thi Minh Hoa	Supervisory Board Members until May 2024
5	Nguyen Thanh Le	Supervisory Board Members from May 2024



MRS. TRAN THI THU HANG

Head of the Supervisory Board (Full-time)



Mrs. Tran Thi Thu Hang holds a Bachelor's degree in Finance and Accounting and has over 25 years of experience in finance and accounting within the textile and garment industry. Before being elected as Head of the Supervisory Board of Vinatex, she served as Deputy Head of the Finance and Accounting Department of the Group.

MRS. DOAN THI THU HUONG

Member of the Supervisory Board (Full-time)



Mrs. Doan Thi Thu Huong holds Bachelor's degrees in Law and Economics, with over 20 years of experience, including 8 years specializing in Capital Management and Legal Affairs. She previously served as Director of Capital and Investment at the Financial Company of Maritime Commercial Joint Stock Bank of Vietnam and as a Specialist in the General Legal Department and Secretary to the General Director of Vinatex.

MRS. DANG THI HONG LE

Member of the Supervisory Board



Mrs. Dang Thi Hong Le holds a Bachelor's degree in Economic Law and has over 20 years of experience. She has held various positions such as Head of the Legal Department, Head of Administration and Organization, Executive Director, and Board Member of Hanoi 19/5 Textile Joint Stock Company. She also served as Executive Director of Hà Đông Wool Joint Stock Company. Currently, she is a Board Member of Hanoi May 19 Textile Company and Head of the Legal Department cum Executive Director of Hà Đông Wool Joint Stock Company.

MRS. NGUYEN THANH LE

Member of the Supervisory Board from May 2024



Mrs. Nguyen Thanh Le holds a Bachelor's degree in Banking and Finance and a Master's degree in Finance. She has over 10 years of experience at the State Capital Investment Corporation (SCIC) and is currently a Specialist in Investment Department 4 of SCIC, as well as a Supervisor at Trang Tien Investment and Trading Co., Ltd.

2.2.3. Executive Management

The Executive Management manages business operations according to the objectives and plans approved by the Board of Directors. The Group's Executive Management consists of one General Director, several Vice General Directors, one Executive Director, and one Chief Accountant.

No	Name	Title
1	Cao Huu Hieu	Member of BOD, President & CEO
2	Pham Van Tan	Standing Vice President
3	Le Trung Hai	Vice President
4	Le Mac Thuan	Vice President
5	Nguyen Duc Tri	Vice President
6	Nguyen Song Hai	Vice President
7	Pham Xuan Trinh	Chief Executive Manager
8	Nguyen Ngoc Cach	Chief Accountant



MR. CAO HUU HIEU

President & CEO

(Please read the details in BOD's introduction)



MR. PHAM VAN TAN

Standing Vice President

Mr. Pham Van Tan has received extensive and specialized training in finance, holding a Master's degree in Finance. With over 20 years of experience in the textile and garment industry, he has held important positions such as Deputy Head of the Accounting Department at Duc Giang Garment Company; Deputy Head of the Financial Accounting Department, Head of the Financial Accounting Department, chief executive manager cum Chief Accountant of Vietnam National Textile and Garment Group.



MR. LE TRUNG HAI

Vice President

Mr. Le Trung Hai holds degrees in Textile Engineering and Dyeing Chemistry. With 40 years of experience in the textile and garment industry, he has gained extensive management and operational expertise. He has held numerous key positions, including Director of the Weaving Factory - Phong Phu Textile Company, Deputy General Director of Phong Phu Textile Company, General Director of Phuoc Long Textile Company, and Chief Executive Manager of Vietnam National Textile and Garment Group.

MR. LE MAC THUAN

Vice President

Holding a Master's degree in Business Administration, Mr. Le Mac Thuan has over 30 years of experience in the textile and garment industry. He has served in several key positions, including General Director of Song Tien Garment Enterprise, Executive Director of Nha Be Garment Company, Deputy General Director of Nha Be Garment Corporation, and Chief Executive Manager of Vietnam National Textile and Garment Group.

MR. NGUYEN DUC TRI

Vice President

With a Master's degree in Business Administration and over 25 years in the textile and garment industry, Mr. Nguyen Duc Tri has held various important positions within the Group's enterprises, including Head of Import-Export Business at Vinatex Da Nang Branch, Executive Director, Deputy General Director, General Director, Chairman of the Board of Directors of Hoa Tho Textile and Garment Corporation, Chairman of the Board of Directors of Hue Textile and Garment Company, and Chief Executive Manager of the Group.

Mr. Nguyen Song Hai

Vice President

Mr. Nguyen Song Hai holds a degree in Textile Technology Engineering and a Bachelor's degree in Business Administration from Hanoi University of Science and Technology. With 30 years of practical experience, he has in-depth expertise in textiles and extensive experience in enterprise management and operations. He has served as General Director of Hoang Thi Loan Textile and Garment Corporation and Chairman of the Board of Directors cum General Director of Hanoi Textile and Garment Corporation.

**MR. PHAM XUAN TRINH****Chief Executive Manager**

Mr. Pham Xuan Trinh holds a Master's degree in Business Administration and has specialized expertise in yarn and textile production. With over 35 years in the textile and garment industry, he has held key positions within the Group's subsidiaries, including Executive Director, Deputy General Director, General Director, and Member of the Board of Directors of Phong Phu Corporation, as well as Chairman of the Members' Council of Dong Phuong Knitting One-Member Limited Liability Company.

**MR. NGUYEN NGOC CACH****Chief Accountant**

Appointed as the Group's Chief Accountant in October 2020, Mr. Nguyen Ngoc Cach holds degrees in Economics and Engineering, with over 30 years of experience in financial accounting within textile enterprises. He has served in various important roles, including Chief Accountant of Hanoi Textile and Garment Corporation, Deputy Head of the Financial Accounting Department, and Head of the Financial Accounting Department of the Group.

VISION - MISSION, CORPORATE CULTURE



Vision, mission



- Building value and satisfaction for customers by establishing Vietnam Textile and Garment Group to be the world's leading garment and textile manufacturer, capable of providing customers with full-service services across the chain supply, fashion, high quality and eco-friendly.
- Achieving high production efficiency by continuously improving the quality of management and human resources, renewing technology, taking care of workers' lives and being socially responsible.

Corporate culture



- Understand what we do.
- Love the job, enthusiastic, have a positive attitude towards work.
- Accountabilit, taking ownership of mistakes, willingness to admit fault when there is a mistake.
- Constantly learning, listening, accepting suggestions to improve ourselves, improve work quality and efficiency.
- Always innovating, working with a plan, looking for solutions to complete assigned tasks.
- Being proud of collective achievements, solidarity and cooperation, consensus for goals and common tasks.

SLOGAN - LOGO



Slogan



**WEALTHY COUNTRY,
HEROIC NATION**

Logo



VINATEX

- The symbol of VINATEX is inspired by the design of soft silk bands. The symbol is also a combination of 2 letters: V (Vietnam) and T (Textile). The blue ellipse symbolizing the earth, representing the orientation of reaching out and integrating with the world market of VINATEX. The ellipse surrounding the symbol "VT" also represents the spirit of solidarity and unity of the Group and its member units.
- The word "VINATEX" is designed in a strong Arial Black typeface that represents VINATEX's solid position in the market.
- The logo is used in dark blue color, expressing the traditional, luxurious character that brings a sense of stability and reliability of the VINATEX brand.

FORMATION AND DEVELOPMENT

The formation and development of VINATEX are closely linked to the history of the Vietnamese textile and garment industry. VINATEX has always held a key position, making significant contributions to the industry's growth.

Specific Development Milestones:



1995

APRIL 1995

Vietnam National Textile and Garment Corporation, the predecessor of Vietnam National Textile and Garment Group, was established under Decision No.253/QD-TTg dated April 29, 1995 of the Prime Minister on the basis of merging enterprises under the Vietnam Textile Corporation and the Garment Manufacturing - Import-Export Union.



2005

OCTOBER 2005

Vietnam National Textile and Garment Group received the Ho Chi Minh Medal in 2005 according to Decision No. 1240/QD-CTN dated 11/10/2005 of the President of the Socialist Republic of Viet Nam.



2010

MAY 2010

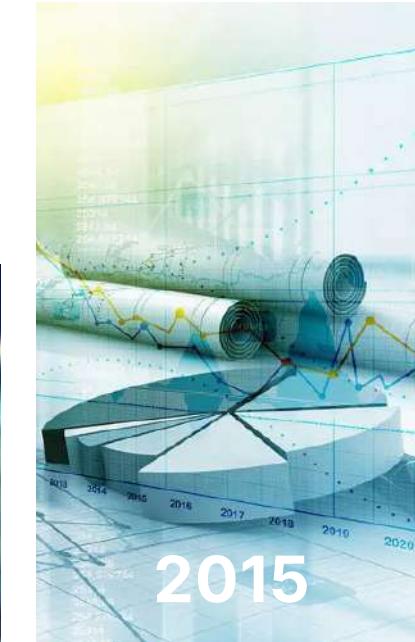
Vietnam National Textile and Garment Group was honored to receive the 2010 Gold Star Medal from the President of the Socialist Republic of Viet Nam according to Decision No. 546/QD-CTN dated May, 05, 2010.



2014

2014

Prime Minister issued Decision No. 646/ QD-TTg dated May 6, 2014 approving the equitization plan of the parent company - Vietnam National Textile and Garment Group: Vietnam Textile and Garment Group has successfully conducted the initial public offering on September 22, 2014.



2015

JANUARY 2015

Vietnam National Textile and Garment Group successfully held the first General Meeting of Shareholders on January 8, 2015 and was granted the Certificate of Business Registration by the Hanoi Department of Planning and Investment part on January 29, 2015.



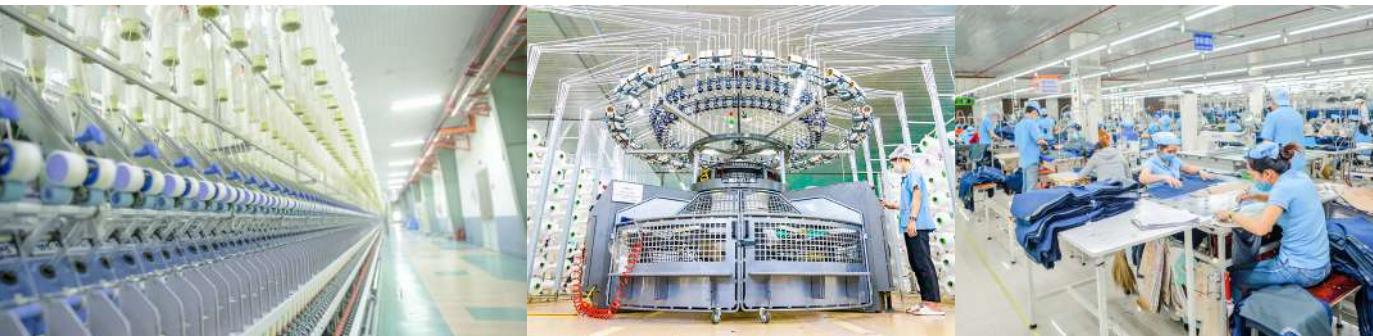
2025

THE 2025

Celebrating the 30th Anniversary of Vietnam National Textile and Garment Group (April 29, 1995 – April 29, 2025)

PRODUCTION CAPACITY AND BUSINESS AREAS OF VINATEX AND MEMBER UNITS

MAIN CAPACITIES OF THE GROUP



Yarn sector



❖ Production capacity:

135,520 Ne tons/year.

❖ Items: TC blended yarn, TR,CVC, Cotton yarn, recycled yarn, carded cotton yarn, polyester yarn including coarse and fine carded.

Fabric sector



Woven fabric

❖ Production capacity:

69 million square meters/year

Knitted fabric

❖ Production capacity:

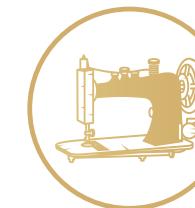
8,490 tons/year

Home textile sector

❖ Production capacity:

9,700 tons/year

Garment sector



❖ Production capacity:

1,565 sewing lines
~ 400 million
garment products

The machinery and equipment technology is primarily supplied by renowned manufacturers worldwide, originating from Europe, Japan, China, the U.S., etc. These high-automation systems enhance quality control, increase productivity, save energy and ensure safe working conditions for employees.



Technology and Equipment

- Spinning Equipment: Rieter – Switzerland; TRUTZSCHLER – Germany
- Weaving Equipment: Mayer Cie – Germany; Terrot – Germany; Toyota, Fukuhara – Japan; Fukahama, Junlong – Taiwan
- Dyeing Equipment: Thies – Germany; Fong's – Hong Kong
- Sewing Equipment: Juki, Brother, Kansai – Japan; Durkopp Adler – Germany; Gerber – USA



VINATEX'S NOTABLE EVENTS IN 2024

01

Exceeding Business Goals & Increasing Employee Income

In 2024, Vietnam's textile and garment industry, including Vinatex, faced significant challenges due to market fluctuations. However, Vinatex's leadership successfully anticipated these challenges and implemented proactive solutions aligned with market trends. As a result:

- Consolidated revenue reached VND 18,310 billion, achieving 102.3% of the annual target.
- Consolidated profit amounted to VND 835.5 billion, surpassing the target at 151.8%.
- Average monthly income increased by 8% year-over-year, reaching VND 10.15 million per worker.

02

Producing Fire-Retardant Fabrics: Exploring Opportunities in Niche Markets

Vietnam National Textile and Garment Group (Vinatex) and Coats Group (UK) recently celebrated the first anniversary of signing their Memorandum of Understanding (MOU) on fire-retardant fabric production. At the event, the two corporations also formalized a Strategic Alliance Agreement between Vinatex and Coats, alongside a cooperation contract between the Vinatex-Coats Strategic Alliance and Duc Giang Corporation (Dugaco).

This initiative serves as a pilot step to research and identify niche markets—offering an alternative path away from the highly competitive traditional textile and garment sector. By joining forces with Coats Group, this collaboration aims to explore new market opportunities, with projected revenue of \$4 million in 2025.

03

Opening the Product Development and Business Center (PD&B)

The establishment of Vinatex PD&B marks a strategic shift for Vinatex, guiding enterprises toward self-production and Original Design Manufacturing (ODM). For raw material manufacturers, the development of the PD&B Center represents a significant step forward in enabling woven and knitted fabrics to penetrate international markets.

04

Innovative Performance Evaluation of Representatives

Three task teams were dispatched to 19 member units to assess the performance of Group's representatives by analyzing their management of business operations, market presence, production efficiency, financial health, and workforce management. Management letters were issued to acknowledge contributions and recommend improvements.

05

First Human Resources Division Conference

This event marks a significant milestone in enhancing human resource management efficiency, optimizing personnel systems and applying technology in administration.

The establishment of the Human Resources Division reflects the Group's leadership's expectation of a breakthrough in HR management. Human resources must serve as the best support system for business operations. Vinatex requires an optimal, flexible and efficient operating model, excellent management personnel to implement advanced governance strategies and a high quality workforce that meets high standards to execute business operation effectively.

06

Market Insights through Conferences & Industry Publications

Vinatex provides market research information on a monthly basis through seminars, mid-year and year-end meetings, as well as by sending articles and videos via email. Many of these seminars are directly presented by the Group's leadership and top economic experts, offering the latest market updates to help member units proactively respond to market fluctuations.

For the first time, Vinatex has developed and published a market report to guide the 2025 business plan for enterprises within the system. This publication includes in-depth analyses of raw material markets, global and Vietnamese economic trends, textile and garment market forecasts for 2025, key input factors and business targets for the year. It also provides essential recommendations for businesses in formulating their annual plans.

07

Hosting numerous enterprises at the 2024 International textile industry exhibition – Equipment & Materials in Ho Chi Minh city and Hanoi

The exhibition showcased the latest trends and technologies in textile raw material production and a diverse range of fabrics while highlighting reputable domestic and international brands in textile machinery and equipment. The event attracted nearly 10,000 visitors, creating opportunities for businesses to seek partners, expand markets, update industry insights, exchange experiences and enhance their competitiveness in the textile - garment market of Northern Vietnam.

08

“Green and Sustainable Development” at Vietnam’s Textile and Garment Industry Innovation

The 2024 Vietnam Textile and Garment Industry Innovation Festival featured various activities, including solution presentations, exhibitions of innovative models under the theme “Greening and Sustainable Development”; a photo exhibition on labor creativity and awards for outstanding individuals and collectives. Out of over 1,700 applied innovations, which generated nearly VND58 billion in benefits at the grassroots level, 73 projects were selected for the final round, where they were presented, shared and defended at the festival.

09

Echoes of Music Along the Silk Road

The Vietnam Textile and Garment Industry Art Festival was successfully held across three regions, showcasing newly composed songs about the industry, with performances from nearly 1,200 trade union members from grassroots labor unions. This event strengthened the faith, passion, and dedication of textile and garment workers, ensuring that the proud melodies of the Vietnam Trade Union and the Textile and Garment Industry continue to resonate along the silk road.

10

Spreading Charity and Community Support Activities

Vinatex launched multiple charitable and social welfare activities, including raising 4.65 billion VND to support workers and people affected by natural disasters. The “Red Journey” voluntary blood donation campaign was conducted across three regions, engaging 1,250 union members and workers, who donated 1,200 blood units. Additionally, the corporation carried out various community support programs, such as caring for Vietnamese Heroic Mothers, sponsoring orphans, and assisting underprivileged communities.

During the “Tet Reunion” program, more than 1,990 employees and trade union members received Tet gifts in cash and in-kind. A total of 655 workers were provided with free transportation tickets to return home for Tet. The event featured 129 booths, including discounted goods and free essential items, bringing an estimated benefit of over VND4.5 billion to workers (excluding additional support at the grassroots level).





CHAPTER
03

CORPORATE GOVERNANCE

- 38** Report on the Operation and Evaluation of the Board of Directors
- 46** Evaluation Report of the Supervisory Board
- 50** Operational Report of the Executive Management
- 62** Contracts and Transactions with Vinatex's Insiders
- 66** Risk Management

REPORT ON THE OPERATION AND EVALUATION OF THE BOARD OF DIRECTORS

1. THE OPERATION OF THE BOARD OF DIRECTORS (BOD) IN 2024

The Board of Directors of Vietnam National Textile and Garment Group (BOD) operates within the framework of Vietnamese law, the Enterprise Law, relevant specialized laws, the Charter of Organization and Operation of Vinatex, and the Operating Regulations of the BOD approved by the General Meeting of Shareholders. The BOD is the body with full authority to exercise all rights and obligations of Vinatex, except for those under the jurisdiction of the General Meeting of Shareholders.

The Vinatex BOD collectively possesses diverse and appropriate expertise, skills, capabilities, and perspectives to effectively lead and supervise the Group. All BOD members participate in quarterly regular meetings and thematic, extraordinary meetings, either online or through email and written opinions, with a high sense of responsibility, maximizing their leadership capacity for the benefit of shareholders and the sustainable development of the Group.



In 2024, the BOD of Vietnam National Textile and Garment Group held 04 in-person meetings, 17 online meetings/email/written opinion sessions, and 01 expanded BOD meeting. All meetings were unanimously approved by the BOD, resulting in the issuance of 26 Resolutions and 06 Decisions.

No	BOD member	Number of meeting attended by BOD	Attendance rate	Reasons for absence
1	Le Tien Truong	22/22	100%	
2	Tran Quang Nghi	22/22	100%	
3	Dang Vu Hung	22/22	100%	
4	Vu Hong Tuan	22/22	100%	
5	Nguyen Xuan Dong	21/22	95,5%	Business trip
6	Cao Huu Hieu	22/22	100%	

The BOD has implemented the Resolutions of the General Meeting of Shareholders, closely monitored the actual market situation and the Group's production and business activities to issue and implement Resolutions with the following key tasks in 2024:

In the face of the slow and uneven economic recovery of the global market throughout 2024, the BOD consistently emphasized the policy of: stabilizing financial resources, maintaining the workforce, consolidating the position in the supply chain, and maintaining production capacity.

Directed the development of the 2024 production and business plan and other contents for submission to the General Meeting of Shareholders for approval.

Directed the successful organization of the 2024 Annual General Meeting of Shareholders on May 13, 2024, and issued Resolution No. 08/NQ-DHCD dated May 13, 2024.

Decisively directed and supplemented the Restructuring Project of Vinatex in the 2021-2025 period, with orientations to 2030, which was approved by the 2024 Annual General Meeting of Shareholders.

Approved the policy and directed the implementation of investment projects at member units.

Directed the Group's divestment at units in accordance with the effective Restructuring Project and ensured compliance with legal regulations.

Approved the Charter of Organization and Operation and regulations of subsidiaries within their authority.

Directed personnel work within the authority of the BOD and human resource development work.

2. RESULTS OF THE BOD'S SUPERVISORY ACTIVITIES OVER THE BOARD OF MANAGEMENT

The supervisory activities of the BOD over the Board of Management (General Director and Deputy General Directors) are conducted rigorously and periodically in accordance with VINATEX's charter and operation regulation. Some key aspects of the BOD's supervisory activities over the Board of Management in 2024 are as follows:

Supervised the Board of Management in directing the Group's capital representatives to complete the organization of the General Meetings of Shareholders at member units in strict compliance with legal regulations.

Directed the Board of Management to organize the 2024 Annual General Meeting of Shareholders; Organize the evaluation of the performance of the Group's capital representatives at units, organize the 2024 Conference of the Group's capital representatives in conjunction with the 2024 production and business summary.

At the quarterly regular meetings, the General Director reported on the overall production and business situation of the Group, key units within the Group, and assessed the ability to achieve the Group's assigned targets to promptly provide appropriate orientations and solutions.

In addition, the Board of Management provided complete information on the financial situation and the implementation of investment projects, the management and evaluation of the Group's capital representatives at enterprises to ensure the effective management and use of the Group's capital at enterprises.

In 2024, the BOD directed the Board of Management to continue to regularly maintain market conferences, conferences for the Yarn Production and Business Division and the Garment Production and Business Division, scientific and technological research, human resource development, risk management, and internal control in accordance with the BOD's orientations.

3. ACTIVITIES OF THE SUBCOMMITTEES OF THE BOD

The Office of the BOD, in its role as an advisory and assisting body to the BOD and the Strategy and Investment, Research and Development, Human Resources, and Risk Management Subcommittees, has implemented the following specific tasks:

Strategy and Investment

- Advised the BOD on supplementing the list of units in the Restructuring Project of Vinatex in the 2021-2025 period, with orientations to 2030, which was approved by the 2024 Annual General Meeting of Shareholders.
- Advised the BOD in the approval of investment adjustments for projects at branches and member units.
- Advised on divestment activities at units according to the approved Restructuring Project.
- Advised on reviewing the Charter, organizational and operational regulations, and financial regulations of Southern Textile and Garment Corporation Limited - Vinatex, and the organizational and operational regulations of the Vinatex Branch - PD&B Center; internal regulations on Vinatex governance.
- Advised the BOD in directing the investment in upgrading, repairing, and purchasing spare parts, materials, and complete machinery and equipment for the Yarn Production and Business Division of the Group.

Human Resources

- Advised the BOD in directing the Board of Management to develop and organize the Group's 2024 internal training program, including: investment project management and bidding; legal affairs; finance and accounting; yarn industry production management; senior management training in business administration; young talent training - Vinatex Young Talent semester 3.
- Advised the BOD in directing the Board of Management to implement the 2024 labor classification and evaluation of the Group.
- Advised the BOD and Group leadership in human resource development.
- Advised on the task assignment of the BOD members.



Regarding Market and Risk Management

- Closely monitored the developments of global and domestic macroeconomic issues that could directly or indirectly affect enterprises in the Group; Developed a systematic and scientific process for monitoring, updating, and analyzing market data, meeting the requirements for rapid and timely data.
- Analyzed, evaluated, and forecasted the global textile and garment market situation: global textile and garment aggregate demand, monitored the textile and garment export developments of competing countries, factors affecting national competitiveness, in-depth analysis of key product groups and items of competitors; fashion trends and key factors affecting the textile and garment industry and fashion in 2024; conducted 6 market update seminars for all enterprises in the Group's units to provide the BOD with operational orientations.
- Researched, analyzed, synthesized, and provided forecasts on the product trends in major markets such as the US, EU, etc., to provide the BOD with operational orientations.
- Developed and issued the publication: "Overview of Textile and Garment Market Forecast for 2025."
- Identified and warned of risks, monitored the periodic quarterly production and business results and inventory of major fashion brands and customers in the Group's enterprise system, assessed the impact of new regulations in export markets on textile and garment products: provided recommendations on products using Xinjiang cotton materials related to the US Uyghur Forced Labor Prevention Act (UFLPA), Extended Producer Responsibility (EPR), Demimis regulations, EU sustainable and circular textile strategy, etc., to advise the BOD.
- Advised the BOD in risk management, including directing the Board of Management in 2024 to develop and apply a risk management assessment tool to evaluate production and business activities and the activities of representatives at units.
- Coordinated with the Supervisory Board to compile and evaluate the risk management of units in the Group.



4. EVALUATION OF THE GROUP'S PERFORMANCE IN 2024

The domestic economic situation in 2024 showed greater vibrancy compared to 2023, with full-year GDP growth of 7.09%, exceeding the target set by the National Assembly. Notably, the GDP in the fourth quarter of 2024 achieved a growth rate of 7.55% compared to the same period, the highest since the fourth quarter of 2018. The total import-export turnover of goods in 2024 is estimated to reach USD786.29 billion, an increase of 15.3% compared to the same period and the highest level ever recorded. The textile and garment industry also recovered in line with market trends, with export turnover reaching USD43.7 billion, an increase of 10.3% (equivalent to an increase of USD4 billion) compared to the previous year.

The year 2024 continued to affirm the unpredictable nature of the market. While the market in the first six months was somewhat better, it still reflected the prolonged difficulties of 2023. However, in the last six months, orders to Vietnam increased dramatically due to political fluctuations in competing countries.

In 2024, both Vietnam textile and garment industry and the Group exhibited more positive compared to the 2023. The

recovery of Vietnam's textile and garment industry in 2024 did not stem from improved global textile and garment consumption demand but rather from a certain shift of orders from other countries to Vietnam, specifically from China (due to the tightening of regulations on Forced Labor Prevention by the US and EU), from Bangladesh, Myanmar, and Indonesia due to recent socio-political instabilities, especially in Bangladesh, combined with the exchange rate advantage when the VND depreciated by 5% against the USD since the beginning of the year, while the currencies of competing countries remained almost unchanged against the USD. Although the market situation showed positive signs, challenges remained, with businesses receiving orders but unit prices not improving and limited access to large orders.

Under the direction of the Party Committee and the BOD of the Group, the Board of Management closely monitored the market and introduced flexible solutions. As a result, the Group completed the plan assigned by the General Meeting of Shareholders, and the entire system maintained its core resources of labor and customers, ensuring financial stability.

In 2024, Vinatex continued to ensure employment for 57,286 workers in enterprises Level 1 with an average income of 10.15 million VND/person/month (an increase of 8% compared to 2023) and maintained the Tet bonus regime for workers. This was a significant effort because, with unit prices not improving in 2024, only income equivalent to 2023 could be ensured, while the 2024 salary level increased. Enterprises in the system accepted reduced profits to maintain stable income for workers and stabilize the workforce.

It can be said that achieving the above results in the context of slow and uneven market growth in 2024 was due to the flexibility and agility in forecasting and management of the BOD and the Group's Board of Management, along with the contributions and efforts of enterprises and the entire staff and workers in the entire Group system.

However, there were still limitations in the 2024 operations due to subjective reasons such as: the yarn sector not being truly effective, with many businesses still incurring losses. The yarn sector mainly produces traditional items and does not adequately meet the diverse demand for other synthetic yarns in the market. Raw cotton prices were heavily influenced by speculation and logistics, leading to sudden fluctuations.

Falling cotton prices led to sharp declines in yarn prices, but yarn price increases mainly depended on demand and did not increase simultaneously with cotton price increases. The current scale of the weaving sector is small and cannot absorb all the output of the yarn sector to extend the supply chain. Production costs were not optimized due to limitations in machinery, equipment, technology, and production management capacity in some units.

The garment sector had positive profits partly due to the shift of orders from competing countries due to some policy issues/extreme weather, which was only a short-term factor and could not be sustained in the long term. In terms of investment, due to the Group's specific mechanism, there was no breakthrough in resources, and the Group's divestments in units were not truly effective. In terms of human resources, there is still a shortage of senior and key personnel, and the salary and bonus regime lacks specific provisions, limiting the recruitment of talent. In production, the proportion of basic garment items remained high throughout the system, with no shift to special and high-tech items, leading to strong price competition from countries with low labor costs and many tariff preferences. There were still risks due to the lack of diversification in customer and supplier.

Consolidated Production and Business Results of the Group:

❖ Consolidated revenue reached

VND 18,369 billion,
achieving 102.3% of the plan.

❖ Consolidated profit reached

835.1 billion VND,
achieving 151.8% of the plan.

❖ Parent company revenue reached

VND 2,241 billion,
achieving 108.3% of the plan.

❖ Pre-tax profit reached

VND 156.2 billion,
achieving 104.2% of the plan.



5. OPERATING ORIENTATIONS OF THE BOD IN 2025

Toward the end of 2024, major economic institutions released optimistic forecasts for global economic growth in 2025, reflecting expectations of post-pandemic recovery and monetary policy stabilization. Both the IMF and OECD raised their global GDP growth forecasts to 3.3% for 2025 with expectation for declines in inflation and interest rates. The U.S. economy was expected to maintain a growth rate of 2.7%, driven by a strong labor market recovery, stable consumption and increased investment. Meanwhile, China projected a 4.7% growth rate, supported by government-led economic stimulus packages.

However, these forecasts were quickly revised following Donald Trump's return to the White House in January 2025, accompanied by a series of new supplementary and reciprocal tariffs imposed on over 180 economies. These measures reignited tensions in U.S.-China trade relations, bringing the trade war back to center stage and weakening market confidence. The OECD downgraded the global growth forecast for 2025 to 3.1%, a 0.2 percentage point drop. Notably, the U.S. growth forecast was revised down to 2.2% due to

concerns over the impact of protectionist policies on private investment and consumer spending.

The IMF warned that rising trade protectionism, increased tariff barriers and expanded domestic subsidies could have negative results not only for the U.S. economy but also for global growth. Highly open economies such as China, East Asian countries, and the ASEAN region are expected to be most affected by the new wave of tariffs, while Europe faces dual risks from weakening trade and volatile energy prices. Global trade is now at risk of disruption and the recession has returned.

Additionally, other macroeconomic risks persist, including the Russia-Ukraine war, conflicts in the Middle East, rising tensions in the Taiwan Strait, and newly emerging geopolitical flashpoints. These factors continue to strain global supply chains and commodity prices. Oil and food prices could spike again if conflicts persist or escalate, thereby putting upward pressure on inflation. While the IMF projects global inflation to decline in 2025, it remains elevated at around 4.2% and may fluctuate significantly in

response to continued geopolitical instability. The IMF further cautions that monetary policy may struggle to remain steady if external cost shocks persist.

In the short term, the new U.S. tariff policies will increase pressure on consumer budgets, creating inflationary risks and potentially prompting the Fed to maintain higher interest rates for a prolonged period. Consequently, demand for textiles and garments in the U.S. may decline, and Vietnam's textile and garment industry will face heightened competition from countries with more favorable tariff conditions. Moreover, high tariffs could prevent Chinese textiles and garments from entering the U.S. market, resulting in oversupply being redirected to major markets such as the EU, Japan, South Korea, and even Vietnam.

In light of these developments, Vinatex's BoD must continue closely monitoring tariff policy changes and proactively provide early market insights and forecasts to support member units in formulating flexible action plans for 2025. At the same time, the BoD will actively coordinate with government authorities and industry

associations to propose policy recommendations that help protect the interests of Vietnam's textile and garment industry in international trade agreements.

The BoD considers this a pivotal period to enhance resilience, safeguard market share, stabilize production, and reaffirm Vinatex's position in the global supply chain amid a fluctuated market. This will serve as a foundation for the Group's development plan for the 2025-2030 period.

Key strategic directions include maximizing all available opportunities, negotiating with customers, enhancing production and quality management, and accelerating the achievement of 2025 business objectives. In parallel, the Group will continue to restructure its supply chain towards a "green - clean - diversified - flexible" model, increasing the localization rate of raw materials to reduce dependence on third-party suppliers—especially prioritizing materials from Vinatex's member units. Furthermore, emphasis will be placed on R&D and exploring niche markets with high value-added products.



EVALUATION REPORT OF THE SUPERVISORY BOARD

1. MEMBERS OF SUPERVISORY BOARD

No.	Name	Title	Date of Appointment/ Dismissal of Supervisory Department Members		Number of Supervisory Dept Meetings Attended	Attendance Rate	Voting Rate
			Date of Appointment	Date of Dismissal			
1	Tran Thi Thu Hang	Head of Supervisory Board	18/08/2020		5/5	100%	100%
2	Doan Thi Thu Huong	Member	18/08/2020		5/5	100%	100%
3	Dang Thi Hong Le	Member	18/08/2020		5/5	100%	100%
4	Nguyen Thanh Le	Member	13/05/2024		3/3	100%	100%
5	Dao Thi Minh Hoa	Member	31/05/2023	13/05/2024	1/1	100%	100%

2. REMUNERATION AND OPERATING EXPENSES OF THE SUPERVISORY BOARD

The remuneration of the Supervisory Board was implemented in accordance with the resolution approved at the 2024 Annual General Meeting of Shareholders and is detailed in the 2024 Financial Statements.

The operating expenses of the Supervisory Board in 2024 complied with the Group's regulations and policies.

3. SUPERVISORY BOARD OPERATIONS

In 2024, the Supervisory Board carried out the following tasks:

- ❖ Monitored the implementation of resolutions issued by the General Meeting of Shareholders (GMS) and the Board of Directors (BOD) in 2024, conducting quarterly assessments of the performance of the Group's parent company and member units.

- ❖ Analyzed the effectiveness of the Group's parent company across different aspects.

- ❖ Evaluated and reviewed the parent company's quarterly financial statements to assess the accuracy of financial data, ensuring compliance with applicable accounting standards, financial regulations, and policies in Vietnam.

- ❖ Assessed the financial status of member units based on their quarterly financial statements.

- ❖ Monitored the Group's compliance with information disclosure regulations.

- ❖ Reviewed significant transactions between the Group and related parties.

From these activities, the Supervisory Board submitted quarterly reports and recommendations to the BOD and the Group's executive management. The supervision process was conducted with integrity, prudence, and professional ethics, without disrupting the Group's business operations.

The Supervisory Board held five meetings in 2024, with full attendance of all its members. The meetings covered key matters such as:

- ❖ Approval of the 2023 Supervisory Report for presentation at the 2024 GMS.

- ❖ Assignment of responsibilities among Supervisory Department members (third adjustment due to personnel changes).

- ❖ Review of quarterly supervisory reports.

- ❖ Selection of the auditing firm for the Group's 2024 financial statements.

- ❖ Approval of the 2025 program for the Supervisory Department.

Supervision Results:

3.1. Supervision of the Board of Directors (BOD)

In 2024, the BOD held meetings and issued 26 Resolutions and 06 Decisions to implement the resolutions of the General Meeting of Shareholders (GMS). All Resolutions and Decisions issued by the BOD were in accordance with their functions, duties, and authority, complying with the Group's Charter, the Enterprise Law, and other relevant regulations.

The BOD closely directed and supervised the Executive Management in managing business operations and executing the resolutions passed by the GMS and the BOD.

Additionally, the BOD supported the Executive Management in training activities, organizing monthly market seminars to enhance forecasting capabilities, and conducting economic and market trend analyses to provide strategic direction for the Group's business activities.

3.2. Supervision of the Executive Board

Business Performance

The Group's Executive Management implemented measures as directed by the BOD to achieve the goals set by the GMS. The results are as follows:

Unit: billion VND

No	Indicators	Actual in 2023	2024		% Change	
			Target	Actual	Actual/Target (2024)	2024 actual/ 2023 actual
I Consolidated Figures						
1	Revenue	17,613.0	17,900.0	18,369	102.6%	104.3%
2	Expense	17,074.4	17,350.0	17,533.4	101.1%	102.7%
3	Profit before tax	538.5	550.0	835.1	151.8%	155.1%
II Parent Company						
1	Revenue	2,008.5	2,070.0	2,241.1	108.3%	111.6%
2	Expense	1,874.7	1,920.0	2,084.7	108.6%	111.2%
3	Profit before tax	133.7	150.0	156.4	104.2%	116.9%

In the first half of 2024, the market continued to face many challenges carried over from 2023. The garment unit price remained low, following the pricing trend of 2023, while the yarn sector saw selling prices below production costs. However, in the second half of the year, the yarn market experienced a slight recovery, and the garment sector benefited from order shifts due to political instability among competitors. Thanks to flexibility management and improvements, the Group exceeded the targets set by the Annual General Meeting of Shareholders (GMS).

Specific Results:

Consolidated:

- Revenue: VND 18,369 billion, equivalent to 102.6% of the plan.
- Profit: VND 835.1 billion, equivalent to 151.8% of the plan and a 55.1% increase compared to 2023.

Parent Company:

- Revenue: VND 2,241.1 billion, equivalent to 108.3% of the plan.
- Profit: VND 156.4 billion, equivalent to 104.2% of the plan.

Financial Situation

* Key financial indicators (separate financial statements for the Parent Company):

- Total assets and capital as of 31/12/2024: VND 8,284 billion, an increase of VND 264.8 billion (3.3%) compared to the beginning of the year.
- Return on equity (ROE): 2.7% (2023: 2.1%).
- Debt-to-equity ratio: 0.43.
- Stable financial status with a safe liquidity position.

*Debt situation:

Total receivables: VND 2,610 billion, including:

- Short-term receivables: VND 826 billion.
- Long-term receivables: VND 1,784 billion (including VND 1,317 billion in re-lending from ADB loans).

Total payables: VND 2,509 billion, including:

- Short-term payables: VND 947 billion.
- Long-term payables: VND 1,562 billion (including VND 1,551 billion in ADB loans).

3.3. Supervision of the Group's Financial Statement

The supervision results showed no changes compared to the 2024 audited financial statements prepared by KPMG. The separate and consolidated financial statements accurately reflect the Group's financial position as of 31/12/2024 in all aspects, the business performance and cash flows for the year in compliance with Vietnamese Accounting Standards. Vietnamese corporate accounting regulations, and applicable legal provisions on financial reporting.

3.4. Other activities

Reviewed and assessed compliance with the regulations on the operational regime of the Group's representatives at member units in 2024.

Proposed risk management policies and supervised the implementation of risk management policies from 2025 at the Parent Company and member units with Group investments.

4. ASSESSMENT ON COORDINATION BETWEEN THE SUPERVISORY BOARD, BOARD OF DIRECTORS, EXECUTIVE DEPARTMENT AND SHAREHOLDERS

The Supervisory Board participated in regular BOD meetings, Group's review and summary meetings. The department was provided with necessary information and documents by the BOD and Executive Management to fulfill its duties. The department submitted quarterly monitoring reports to the BOD and the Executive Management.

The Supervisory Board fully reported the performance at the AGM. In 2024, no complaints or requests were received from shareholders.



5. PLAN FOR THE 2025

Strengthen supervision of the Group's operations.

Coordinate with specialized departments to closely monitor, identify weaknesses and issue risk warnings for the Group and member units, ensuring compliance with legal regulations.

Adapt monitoring and inspection methods flexibly to align with the actual situation, scale and operational scope of the Group.



OPERATIONAL REPORT OF THE EXECUTIVE MANAGEMENT

I. BUSINESS ENVIRONMENT OVERVIEW

1. Global Economic Context (2020-2025)

The past period has witnessed unprecedented fluctuations in the global economy, particularly due to the profound impact of the COVID-19 pandemic and its consequences on all aspects of economic and social.

The 2020-2022 period was a highly challenging time as the COVID-19 pandemic, causing a severe economic recession. Widespread social distancing measures, border closures and travel restrictions led to disruptions in global supply chains, production stagnation, and interruptions in international trade. According to international organizations, global GDP declined by approximately 3.1% in 2020, marking the sharpest contraction since the Great Depression.

During this period, consumer demand fell sharply due to declining incomes, concerns about the pandemic, and restrictions on in-person shopping. At the same time, production was severely affected by shortages of raw materials, labor, and social distancing measures.

The 2022-2024 period saw a global post-pandemic economic recovery driven by large-scale fiscal and monetary stimulus packages from many countries. However, this recovery was uneven across regions and industries and remained many uncertainties.

The global economy during this period faced three major challenges:

- First, increasing political instability in various regions, particularly the Russia-Ukraine conflict and other geopolitical tensions, which disrupted trade activities and drove up energy and food prices.
- Second, prolonged high inflation forced central banks to tighten monetary policies and raise interest rates, slowing economic recovery.
- Third, declining consumer demand as real incomes were decreased by inflation, coupled with cautious spending behaviors amid economic uncertainty.



2. Impact on the Textile and Garment Industry

The global and Vietnamese textile and garment industry has been particularly affected by the macroeconomic fluctuations. The industry's supply chain was disrupted during lockdown periods, from raw material supply and production processes to transportation and product distribution.

Consumer demand for textile and garment products dropped strongly as incomes declined and spending priorities shifted toward essential goods. Major markets such as the U.S. and the EU recorded a notable reduction in spending on fashion items.

Textile and garment orders plummeted, became fragmented, and imposed stricter requirements regarding quality and delivery timelines. Import partners demanded suppliers adhere to increasingly stringent standards on environmental protection, labor rights, and corporate social responsibility in an intensely competitive market.

The year 2023 was considered the "bottom" of Vietnam's textile and garment industry, with export turnover dropping by over 10% compared to the previous year. This was a significant decline, especially for one of Vietnam's key export sectors. Many businesses in the industry faced order shortages, labor reductions, and even shutdowns.

In 2024, the industry showed signs of recovery, benefiting from the shift of orders away from Bangladesh—a country facing political instability and worker strikes demanding wage increases. However, the fiber segment continues to operate below cost due to fierce competition from lower-cost producers, particularly in China and India.

II. BUSINESS PERFORMANCE EVALUATION

1. Business Performance in 2024

The year 2024 marked a strong recovery in the Group's business operations following a difficult period caused by the COVID-19 pandemic and global economic volatility.

a) Consolidated Results

No	Indicators	Actual 2023	2024		Change (%)	
			Target	Actual	Target/Actual	2024 actual/2023 actual
1	Total Revenue and Income	17,613	17,900	18,369	102.6%	104.3%
2	Total Expenses	17,074	17,350	17,533.4	101.1%	102.7%
3	Profit (before tax)	538.6	550	835.1	151.8%	155.1%

Unit: billion VND

Total consolidated revenue and income reached VND 18,310 billion, exceeding the plan by 2.3% and increasing by 4.0% compared to the previous year. This result is particularly noteworthy given the ongoing challenges in the market.

Total expenses were effectively controlled, rising only 0.7% compared to the plan and 2.3% compared to the previous year, which is lower than the revenue growth

rate. This reflects the Group's efforts to optimize production processes, reduce costs, and improve operational efficiency.

Profit before tax reached VND 835.1 billion, surpassing the plan by 51.8% and increasing by 55.1% compared to the previous year. This is an encouraging result, demonstrating a flexible business strategy and effective solutions to cope with market fluctuations.



b) Parent Company Result

No	Indicators	Actual 2023	2024		Change (%)	
			Target	Actual	Target/Actual	Target/YoY
1	Total Revenue and Income	2,008	2,070	2,241.1	108.3%	111.6%
2	Total Expenses	1,875	1,920	2,084.7	108.6%	111.2%
3	Profit before tax	133.7	150	156.4	104.2%	116.9%

Unit: billion VND

The parent company recorded total revenue and income of VND 2,241.1 billion, exceeding the plan by 8.3% and increasing by 11.6% compared to the previous year. Total expenses rose by 8.5% compared to the plan and 11.1% year-over-year, aligning with the revenue growth rate.

Profit before tax of the parent company reached VND 156.4 billion, surpassing the plan by 4.2% and increasing by 16.9% compared to the previous year. This result highlights the parent company's effective coordination and strategic direction within the entire system.

2. Business Performance for the 2020-2025 Term

The 2020-2025 term has witnessed unprecedented fluctuations in the business environment, ranging from the Covid-19 pandemic to macroeconomic and geopolitical challenges. Amidst these difficulties, the Group has made great efforts to maintain sustainable growth and achieved encouraging results.

No	Indicators	Unit: billion VND					
		2020	2021	2022	2023	2024	Average change
1	Total assets						
	Consolidated assets	18,020	20,196	20,010	19,076	19,266	1.9%
	Parent Company	8,266	8,435	8,543	8,019	8,284	
2	Equity						
	Consolidated	8,069	9,046	9,403	9,142	9,276	3.7%
	Parent Company	5,812	6,101	5,975	5,789	5,775	
	Development Investment Fund	586	628	730	777	825	9%
	Undistributed Profit After Tax	717	1,326	1,228	875	931	13.8%
3	Total Revenue						
	Consolidated	14,843	16,985	19,635	17,613	18,369	6%
	Parent company	1,446	1,629	1,896	2,008	2,241	11.6%
4	Total Expenses						
	Consolidated	14,249	15,566	18,445	17,074	17,533	5.7%
	Parent company	1,300	1,318	1,636	1,875	2,085	12.8%
5	Profit before tax						
	Consolidated	593	1,419	1,189	539	835.1	30.8%
	Parent company	146	311	260	134	156.4	16.2%
6	ROE						
	Consolidated	7.0%	15.0%	11.4%	4.3%	7.1%	23.7%
	Parent company	2.5%	5.2%	4.3%	2.1%	2.7%	17.1%
	Dividend Payment	5.0%	0.0%	7.0%	6.0%	3.0%	

During the 2020-2025 period, the Group maintained an average asset growth rate of 1.9% per year. Although this is not a particularly high figure, maintaining stable growth amidst the overall economic and textile-garment industry challenges is a remarkable achievement.

The average annual equity growth rate reached 3.7%, exceeding asset growth. This indicates that the Group is increasingly strengthening its financial foundation, reducing dependence on external funding sources.

Pre-tax profit followed the general market fluctuations; however, over the entire 2020-2025 period, it achieved impressive growth. The average annual growth rate was 30.8%, a highly encouraging figure given the difficulties faced by many companies in the industry.

Notably, the Group maintained an average dividend payout ratio of 21% of its charter capital of VND 5,000 billion throughout the term. This demonstrates a strong commitment to ensuring shareholder benefits despite economic uncertainties.

3. Financial Situation

Indicators	2020	2021	2022	2023	2024
LIQUIDITY INDICATORS					
1, Current Ratio	1.29	1.36	1.34	1.31	1.35
2, Quick Ratio	0.86	0.88	0.76	0.86	0.90
OPERATING INDICATORS					
1, Asset Turnover Ratio	2.11	2.44	2.81	2.71	3.03
2, Average Inventory Time	88 days	76 days	84 days	87 days	75 days
3, Average Collection Time	85 days	69 days	57 days	59 days	58 days
4, Average Payment Time	348 days	261 days	232 days	264 days	695 days
5, Working Capital Turnover	1.67	1.90	1.92	1.78	1.87
FINANCIAL AUTONOMY					
1, Total Debt/Total Assets	0.55	0.55	0.53	0.52	0.52
2, Debt/Equity Ratio	1.23	1.23	1.13	1.09	1.08
3, Long-Term Capital Coverage (billion VND)	1,627.77	2,520.23	2,441.00	2,117.90	2,484.68
PROFITABILITY RATIOS					
6, Return on Assets (ROA)	3%	6.7%	5.3%	2.0%	3.4%
7, Return on Equity (ROE)	7%	15%	11.4%	4.3%	7.1%
STOCK ANALYSIS					
1, EPS	655	1,606	1,189	124	649
2, BVPS	16,137	18,091	18,805	18,284	18,553

The Group has maintained a stable financial position throughout the 2020-2025 period, as reflected in key financial indicators.

The current ratio has remained stable at around 1.35, exceeding the safety threshold of 1.0, demonstrating the Group's strong ability to meet its short-term debt obligations. This indicates that the Group has sufficient short-term assets to cover its liabilities, ensuring financial security in the short term.

The average inventory time have gradually decreased over the years, reaching 75 days by 2024. This

reduction reflects significant improvements in inventory management efficiency, optimization of working capital turnover, and lower storage costs. It is a positive sign of operational efficiency and cash flow management.

The debt/total assets ratio has steadily declined, reflecting the Group's strategy to reduce reliance on external borrowing. Lower debt levels help reduce financial pressure, enhance financial autonomy, and increase flexibility in investment and development decisions.

III. BUSINESS STRATEGY IMPLEMENTATION

In a challenging business environment, the Group has proactively implemented various comprehensive solutions to maintain and expand its business operations. These solutions focus on four key areas: investment and production expansion, product and market development, human resource development, and digital transformation.

1. Investment and Production Expansion

The Group has made investments in infrastructure development and production capacity enhancement across its three main sectors: spinning, weaving, and garment manufacturing.

Spinning: The Group currently operates 655,588 spindles, meeting internal production demands and supplying partners. This large-scale operation gives the Group an advantage in production volume and the ability to fulfill large orders.

Weaving: The Group has achieved a production capacity of 8,490 tons per year of knitted fabric and 69,000,000 meters per year of woven fabric. Expanding fabric production capacity is a key step in building a vertically integrated value chain, ensuring control over raw materials, and increasing added value.

Garment Manufacturing: The Group has utilized general production lines, indicating future growth potential when the market fully recovers. The Group has optimized the current production capacity while remaining prepared for expansion as soon possible.

2. Product and Market Development

The Group has actively diversified the markets and products to minimize risks and seize new opportunities.

Despite market fluctuations, the Group maintained stable export growth, particularly in 2024, as the garment industry recovered. This success is attributed to maintaining product quality, meeting customer demands, and fostering strong relationships with traditional partners.

A major breakthrough in product development strategy is the collaboration with Coats Group, a partner with advanced technology and expertise, to produce flame-retardant fabrics. This high-value-added product meets the growing demand for specialized, safety-compliant materials in industries such as construction and manufacturing.



3. Human Resource Development

Human resources are always considered a key factor in the Group's sustainable development strategy. During the 2020-2025 period, especially after the Covid-19 pandemic, the Group implemented effective measures to retain and develop its workforce.

Employee Retention: The employee return rate reached 95% after the pandemic, an impressive figure compared to industry challenges in rehiring. This outcome reflects the Group's effective HR policies, positive work environment, and timely support for employees.

Training Programs: The Group has actively conducted upskilling programs with over 1,500 trainees participating. These programs focus on technical skills, soft skills, and management training, equipping employees with the necessary expertise to adapt to new technologies.

4. Digital Transformation

Recognizing the importance of technology in enhancing competitiveness, the Group has accelerated digital transformation across all aspects of business operations.

Smart Manufacturing: The Group has invested in intelligent management systems, automation and advanced technology applications to improve production efficiency and product quality.

AI and Big Data Integration: The adoption of Artificial Intelligence (AI) and Big Data analytics enables market trend forecasting, production optimization, accurate customer demand prediction and data-driven decision-making.

Sustainability Focus: Digital transformation has improved operational efficiency, reduced production costs and created a solid foundation for sustainable growth in the era of Industry 4.0.



IV. OUTLOOK

1. Global Economic Forecast (2025-2030)

The 2025-2030 period is expected to bring both challenges and opportunities for global economic development, particularly for the textile and garment industry.

The global economy is projected to grow at an average rate of 3% per year, reflecting post-pandemic recovery and geopolitical adjustments. However, there will be a clear divergence between regions and countries, with emerging economies in Southeast Asia and South Asia having stronger growth prospects compared to developed economies.

Key factors influencing the global economy include:

The trend of multipolarization in international economic relations and the widespread wave of trade protectionism. Climate change impacts on production and consumption.

The rise of the digital economy and e-commerce.

Increasing sustainability and social responsibility standards.

For the textile and garment industry, consumer trends will continue to shift towards sustainability, eco-friendly materials, and socially responsible products. High-value-added and specialized textile products will become increasingly popular.

2. The trend of multipolarization in international economic relations and the widespread wave of trade protectionism.

Based on the market assessment before the announcement of the U.S. reciprocal tariff policy and internal capabilities, Vinatex has set the business targets:

The 2025

Parent company: Revenue target of VND2,440 billion (+9% YoY), pre-tax profit of VND 215 billion (+38% YoY).

Consolidated results: Revenue target of VND18,315 billion (same as 2024), pre-tax profit of VND910 billion (+9% YoY).



The 2025-2030 period

First, strive to achieve an average annual revenue growth rate of 8-10%, with consolidated profit growing over 10% per year, reaching twice the 2024 level by 2030. The parent company's profit is targeted to grow 15-20% per year, tripling by 2030 compared to 2024, significantly surpassing the previous period. This goal is based on assessments of the global market recovery and the company's technological, product, and market strengths.

Second, focus on developing a green and sustainable ecosystem, aligning with global textile industry trends and meeting increasingly stringent requirements from import partners. This includes energy conservation, emission reduction, and the use of recycled and eco-friendly materials.

Third, invest in high-quality human resources with diverse skills to support modern, sustainable production. This is considered a breakthrough strategy to drive growth, enhance competitiveness, and penetrate deeper into the global textile supply chain. Additionally, improve employee compensation policies, aiming for annual average wage increases of 2-3% above actual CPI growth.

The Group continues to monitor market developments, particularly the tariff policies of the Trump administration, in order to update and adjust its business plans for 2025 and the 2025-2030 term.

4. Key Strategies

Market Development

Proactively build and refine a closed supply chain while improving market forecasting capabilities to meet origin requirements and effectively leverage opportunities from FTAs, particularly EVFTA.

- Given the volatility of the global market due to economic, political, and environmental factors, enhancing market forecasting capabilities is a key factor in enabling the Group to proactively manage business operations. Specific solutions include:
- Applying data analytics and AI to monitor market trends, forecast consumer demand, and track raw material price fluctuations.
- Strengthening cooperation with market research organizations to ensure accurate and timely updates on demand and consumption trends in key export markets.
- Establishing internal communication channels and an early warning system for risks related to the supply chain, trade policies, and macroeconomic fluctuations.
- Developing niche markets and specialized customer segments to strengthen and enhance the Group's competitive advantage.

Investment and Technology

Invest in modern, energy-efficient technology to enhance supply chain connectivity, improve production efficiency, and reduce costs, moving toward smart management and sustainable manufacturing.

- Vinatex will invest in modern technology, automation, and digitalization in production processes. Advanced management systems such as ERP (Enterprise Resource Planning) and MES (Manufacturing Execution System) will be implemented to optimize production processes, increase efficiency, and minimize waste. The company will also focus on high-value-added products and niche market offerings, such as fire-resistant clothing, antibacterial fabrics, and recycled fibers.
- Deep investment in green production and smart factories, prioritizing the use of renewable energy, recycled materials, and advanced wastewater treatment technologies to reduce CO2 emissions and meet the growing demand for green consumption and corporate social responsibility.

Human Resources Development

Vinatex aims to not only build a strong brand but also create an ideal working environment for all employees, contributing to the Group's sustainable development.

- Become a reputable employer, recognized as a great workplace with clear career development opportunities for all employees. The company will focus on core values such as recognition, respect for individuals, flexibility, and creativity, fostering a positive and inspiring work environment.
- Leverage modern technology to optimize recruitment, training, and performance evaluation processes. By integrating smart technology, Vinatex aims to automate and streamline operations, saving time and resources while improving efficiency.
- Regularly update and redesign training programs to align with both corporate and individual development needs. Training will focus on leadership, management, technological skills, and essential soft skills for a modern workplace. This will help employees enhance their competitiveness and adaptability in a rapidly changing market.
- Establish a transparent and fair compensation system with incentives for outstanding performance while providing clear career progression plans. Salaries, bonuses, and benefits will be aligned with individual contributions and capabilities.
- Create a professional, modern, and friendly work environment with state-of-the-art facilities and opportunities for employees to showcase their skills. A well-structured reward system will motivate employees to maximize their potential.



Financial Strategy

With a strong focus on building a robust Financial & Accounting Center, implementing digital transformation in financial operations, and developing a financial ecosystem, Vinatex aims to optimize cash flow and capital resources across the Group.

- Establish the Vinatex Financial & Accounting Center as the Group's financial policy planning hub, ensuring efficiency and synchronization across all subsidiaries. The center will provide optimal financial solutions to support Vinatex's long-term sustainable growth.
- Comprehensive digital transformation in accounting and finance, leveraging ERP, AI, Big Data, and smart financial analytics to enhance efficiency. This will automate accounting processes, improve financial forecasting accuracy, and facilitate better decision-making.
- Develop a financial ecosystem to optimize cash flow and reduce financial costs for all subsidiaries. This ecosystem will provide essential tools and platforms to help business units manage finances more effectively, enhancing competitiveness and long-term value creation.

Innovation & R&D

Vinatex considers innovation as a key driver for enhancing competitiveness, optimizing production efficiency, and adapting to market changes.

- Adopt cutting-edge production technologies, such as smart weaving, waterless dyeing, bio-dyeing, and smart garment factories. Develop and use smart materials and recycled fibers to promote sustainable manufacturing and product transparency.
- Encourage innovation through:
 1. Internal innovation programs.
 2. Pilot projects.
 3. Knowledge-sharing networks between the Group and subsidiaries.
- Focus on innovation in core areas to boost productivity and reduce dependency on manual labor by:
 1. Automating and digitizing entire operations.
 2. Enhancing labor efficiency through training and job restructuring.
 3. Developing high-value products and shared service centers.
 4. Integrating AI and Big Data analytics into management and production.

CONTRACTS AND TRANSACTIONS WITH VINATEX INSIDERS

(Note: Insiders include the Board of Directors (BOD), Supervisory Board and Executive Management of Vinatex.)

I. Transactions between Vinatex and companies where Vinatex insiders hold positions in the Board of Directors (BOD), Supervisory Board, Executive Management.

No.	Companies where Vinatex insiders hold positions in the Board of Directors (BOD), Supervisory Board, or Executive Management.	Type of transactions	Total transaction value (VND)	Insiders name and title
1	Viet Thang Corporation - JSC	Sale of goods and services	47,876,153	Mr Le Tien Truong - Chairman of BOD
2	Phong Phu Corporation - JSC	Loan interest	38,755,646,127	Mr Tran Quang Nghi - Chairman of BOD
		Sale of goods and services	506,776,743	
3	Garco 10 Corporation - JSC	Sale of goods and services	1,002,078,230	Mr Dang Vu Hung - Vice Chairman of BOD
		Purchase of goods and services	13,189,206,467	
4	Northern Textile and Garment Corporation - Vinatex Co., Ltd.	Loan interest	501,262,687	Mr Cao Huu Hieu: Chairman of Board of Members Mr Nguyen Song Hai: Member of Board of Members - General Director
		Loan principal repayment	11,976,627,755	
5	Nha Trang Textile and Garment Joint Stock Company	Sale of goods and services	400,000	Mr Dang Vu Hung - Chairman of BOD
6	Phong Phu International Joint Stock Company	Sale of goods and services	1,463,124,000	Mr Dang Vu Hung - Chairman of BOD
7	Nha Be Garment Corporation - JSC	Sale of goods and services	1,970,988,912	Mr Nguyen Xuan Dong - Member of BOD
		Purchase of goods and services	5,043,926,293	
8	Pho Noi Textile and Garment Infrastructure Development Joint Stock Company	Sale of goods and services	7,784,439,010	Mr Cao Huu Hieu - Chairman of BOD Mrs Tran Thi Thu Hang - Head of Supervisory Department
9	Hanoi Textile and Garment Corporation - JSC	Sale of goods and services	215,349,744,371	Mr Cao Huu Hieu - Chairman of BOD
		Loan interest	15,807,167,749	Mr Nguyen Ngoc Cach - Member of BOD
10	Vinatex Hong Linh Joint Stock Company	Sale of goods and services	2,777,778	Mr Nguyen Song Hai - Chairman of BOD

11	Dong Xuan Knitting One-Member Limited Liability Company	Sale of goods and services	43,222,884,936	Mr Nguyen Song Hai - Chairman of the Members' Council
		Loan interest	6,317,563,614	Mrs Tran Thi Thu Hang - Leader of Supervisory Team
		Purchase of goods and services	8,482,265,126	
12	Nam Dinh Textile and Garment Corporation - JSC	Loan interest	56,832,377,205	Mr Pham Van Tan - Chairman of BOD
		Sale of goods and services	51,851,598,676	Mr Pham Xuan Trinh - Member of BOD
		Purchase of goods and services	271,649,003	Mrs Tran Thi Thu Hang - Head of Supervisory Department
13	Viet Tien Garment Corporation - JSC	Sale of goods and services	3,941,829,856	Mrs Tran Thi Thu Hang - Member of Supervisory Department
14	Nam Dinh Garment Joint Stock Company	Purchase of additional shares	4,571,000,000	Mr Pham Van Tan - Chairman of BOD
15	Phu Bai Yarn Joint Stock Company	Sale of goods and services	185,516,475	Mr Pham Van Tan - Chairman of BOD
16	Huu Nghi Garment Joint Stock Company	Purchase of goods and services	63,891,500	
17	Binh Minh Garment Joint Stock Company	Sale of goods and services	4,047,619	Mr Le Mac Thuan - Member of BOD
18	Vinatex Investment and Development Joint Stock Company	Purchase of goods and services	561,729,154	Mr Le Mac Thuan - Chairman of BOD
19	Hoa Tho Textile and Garment Corporation - JSC	Sale of goods and services	414,190,508	
20	Hue Textile and Garment Joint Stock Company	Loan interest	15,849,458,165	Mr Nguyen Van Hai - Chairman of BOD
		Purchase of goods and services	15,562,927,088	
		Sale of goods and services	1,992,060,648	Mr Nguyen Duc Tri - Member of BOD
21	Dong Phuong Knitting One-Member Limited Liability Company	Sale of goods and services	495,250,169	
		Purchase of goods and services	410,580,927	Mr Nguyen Duc Tri - Chairman of BOD
		Loan interest	7,713,404,075	
		Sale of goods and services	8,628,926,282	
		Capital lending	19,798,057,659	
		Loan interest	540,148,880	
		Receiving transferred assets	23,543,539,560	Mr Pham Xuan Trinh - Chairman of the Members' Council
		Asset transfer	7,501,375,304	

II. Transactions between Vinatex's subsidiaries and companies with insiders holding positions in the Board of Directors, Supervisory Department, Executive Management.

No.	Vinatex's subsidiaries	Companies with insiders holding positions in the Board of Directors, Supervisory Department, Executive Management	Type of transactions	Total transaction value (VND)	
1	Dong Xuan Knitting One-Member Limited Liability Company	Garco 10 Corporation - JSC	Sale of goods and services	73,870,543	
			Purchase of goods and services	263,117,592	
		Pho Noi Textile and Garment Infrastructure Development Joint Stock Company	Purchase of goods and services	3,826,333,861	
		Viet Tien Garment Corporation - JSC	Purchase of goods and services	8,462,550,000	
		Nam Dinh Garment Joint Stock Company	Sale of goods and services	310,219,577	
			Purchase of goods and services	7,468,519	
		Hanosimex Knitting Joint Stock Company	Purchase of goods and services	427,589,000	
		Hanoi Textile and Garment Corporation - JSC	Purchase of goods and services	24,405,343,171	
		Vinatex Phu Hung Joint Stock Company	Purchase of goods and services	2,780,094,592	
		Viet Thang Corporation - JSC	Purchase of goods and services	83,783,700	
2	Hoa Tho Textile and Garment Corporation - JSC	Vinatex Da Nang Joint Stock Company	Sale of goods and services	41,062,680	
		Phu Bai Yarn Joint Stock Company	Sale of goods and services	459,994,037	
		Dong Xuan Knitting One-Member Limited Liability Company	Sale of goods and services	62,913,318	
		Dong Xuan Knitting One-Member Limited Liability Company	Purchase of goods and services	20,730,660	
		Hue Textile and Garment Joint Stock Company	Sale of goods and services	150,166,172	
		Hue Textile and Garment Joint Stock Company	Purchase of goods and services	68,471,316	
		Nha Be Garment Corporation - JSC	Sale of goods and services	3,751,404,663	
			Purchase of goods and services	122,256,635	
		Phong Phu International Joint Stock Company	Sale of goods and services	1,369,779,001	
			Purchase of goods and services	25,910,220	
3	Nam Dinh Garment Joint Stock Company	Vinatex Investment and Development Joint Stock Company	Sale of goods and services	88,231,510	
			Purchase of goods and services	7,412,850	
		Vinatex Phu Hung Joint Stock Company	Sale of goods and services	15,336,327,146	
			Purchase of goods and services	15,323,603,045	
		Hanoi Textile and Garment Corporation - JSC	Sale of goods and services	7,750,000	

4	Hue Textile and Garment Joint Stock Company	Hoa Tho Textile and Garment Corporation	Purchase of goods and services	150,166,172
		Hoa Tho Textile and Garment Corporation	Sale of goods and services	68,471,316
		Phu Bai Yarn Joint Stock Company	Sale of goods and services	408,316,749
		Dong Xuan Knitting One-Member Limited Liability Company	Sale of goods and services	238,386,634
		Dong Xuan Knitting One-Member Limited Liability Company	Purchase of goods and services	99,420,715
		Vinh Phu Textile Joint Stock Company	Sale of goods and services	7,018,175,670
		Vinatex International Joint Stock Company	Purchase of goods and services	1,018,193,963
5	Pho Noi Textile and Garment Infrastructure Development Joint Stock Company	Hanosimex Knitting Joint Stock Company	Sale of goods and services	3,000,535,908
		Hoa Tho Textile and Garment Corporation	Sale of goods and services	2,251,027,071
		Nha Trang Textile and Garment Joint Stock Company	Purchase of goods and services	27,352,890,611
6	Phong Phu Corporation - JSC	Sinnika Vietnam Joint Stock Company	Sale of goods and services	2,752,493,179
		Phong Phu International Joint Stock Company	Sale of goods and services	16,391,493,534
		Vinatex International Joint Stock Company	Sale of goods and services	530,765,176
		Nha Be Garment Corporation - JSC	Purchase of goods and services	444,094,000
		Phong Phu International Joint Stock Company	Sale of goods and services	2,698,051,586
7	Southern Textile and Garment Corporation - Vinatex Co., Ltd.	Nha Be Garment Corporation - JSC	Purchase of goods and services	2,937,851,564
			Sale of goods and services	1,292,028,824
		Hanoi Textile and Garment Corporation - JSC	Purchase of goods and services	8,509,455
8	Northern Textile and Garment Corporation - Vinatex Co., Ltd.	Phong Phu International Joint Stock Company	Sale of goods and services	16,800,000,000
		Hanoi Textile and Garment Corporation - JSC	Sale of goods and services	2,001,586,301
		Vinatex Hong Linh Joint Stock Company	Purchase of goods and services	480,000,000
9	Textile and Garment Production and Import-Export Joint Stock Company	Vinatex International Joint Stock Company	Sale of goods and services	2,406,575,342
			Sale of goods and services	31,199,996
10	Vinatex Phu Hung Joint Stock Company	Vinatex Hong Linh Joint Stock Company	Purchase of goods and services	10,466,558,322
			Sale of goods and services	10,462,491,270

RISK MANAGEMENT

1. Context in 2024

- Economic fluctuations: In 2024, the global economy remained volatile, impacting exchange rates, production costs, and consumer demand. These factors directly affected supply chains and raw material prices in the textile and garment industry.
- Competitive pressure and digital transformation: The rise of regional and global competitors, along with trends in automation and digitalization, required businesses to enhance technological capabilities to maintain their competitive edge.
- Environmental and workplace safety requirements: Legal regulations on environmental protection and occupational safety were tightened, requiring enterprises to invest in green technology and improve production processes.

2. Risk Management Objectives

In 2024, Vinatex issued the Risk Management Policy (RMP) with the following objectives:

- Identify both external and internal risks and proactively implement risk management actions to minimize potential risks affecting the Vinatex's operations, ensuring sustainable growth and achievement of strategic plans.
- Clearly define the responsibilities of each department and unit in risk management.
- Integrate risk management into business operations, linking it with decision-making and goal-setting, ensuring that risks are anticipated and managed proactively to balance risk and profit within an acceptable threshold.
- Foster a risk management culture throughout the Group, embedding risk management into all activities and business areas rather than treating it as a reporting function.



3. Key Risks

Tariff Policy

The trade war between major economies such as the United States and China has significantly impacted Vietnam's textile and garment industry—one of the country's key export sectors—which is facing numerous risks:

- ✓ Higher tariffs compared to competitors:

If Vietnamese textile and garment products are subjected to higher tariffs than those of competing countries, the sector could suffer serious consequences. A significant tariff gap would threaten competitiveness, particularly given the already narrow profit margins in the industry.

- ✓ Decline in global consumer demand:

The trade war weakens the global economy, which in turn reduces consumer spending—especially on non-essential goods such as textiles and garments.

- ✓ Increased compliance pressure:

Regulations on the origin of raw materials and accessories are expected to become stricter, requiring greater transparency and traceability in sourcing.

- ✓ Supply chain disruptions:

Trade tensions may restructure global supply chains, causing disruptions in logistics, increasing transportation costs, and leading to longer delivery times.

Supply Chain and Price Volatility Risks

Vietnam textile and garment industry relies on 60-80% imported raw materials (fabrics, yarns, cotton, dyeing chemicals and accessories). This dependency makes the industry vulnerable to price fluctuations and global supply chain disruptions since domestic production cannot fully meet demands in terms of volume, quality and cost.

Exchange Rate Risk

As a key export sector, Vietnam textile and garment industry was significantly affected by exchange rate fluctuations in 2024, particularly the VND/USD exchange rate:

- Average exchange rate: 25,056 VND/USD
- Highest rate: 25,486 VND/USD
- Lowest rate: 24,269 VND/USD

The VND depreciation against the USD, especially in Q3, resulted from the U.S. Federal Reserve's (Fed) tight monetary policy, creating both opportunities and challenges for the industry.



Production and Technology Risk

Technology remains a bottleneck preventing Vietnam's textile and garment industry from moving up the value chain.

- Equipment and automation: Many enterprises still use outdated machinery with low automation levels, leading to low productivity and difficulty in meeting quality and production capacity standards compared to competitors who invest in modern technology.
- R&D investment and digital transformation: Limited investment in research and technology applications hinders innovation and the adoption of value-added production, affecting the industry's global competitiveness.

Market and Competition Risks

Changing customer demands and fierce competition from Bangladesh, China, and India, which have lower production costs, pose significant challenges for Vietnamese textile and garment firms in maintaining export market share especially in the context of increasing quality and "green" requirement in FTAs.

Labor Risks

The textile and garment industry, which employs a large workforce, is facing labor shortages, particularly in skilled and young workers, due to:

- Low wages and poor working conditions, causing workers to shift to higher-paying industries.
- Labor migration trends, reducing the availability of skilled labor for the textile-garment sector.
- Higher skill requirements as the industry moves toward automation and advanced technology. While, traditional workforce is not adequately equipped with the necessary knowledge and expertise, cannot meet the high standard.
- Digital transformation pressures, requiring skilled workers who can operate and manage modern machinery.

Operational and Cybersecurity Risks

With rapid digital transformation, Vietnam textile and garment industry is increasingly adopting automation, IoT, and IT systems, which introduces new risks:

- Production disruptions due to cyberattacks or IT system failures, affecting productivity and financial performance.
- Data breaches, exposing customer, production and supply chain data if security is inadequate.
- High maintenance costs for cybersecurity, software updates, employee training and monitoring systems.
- Reputational impact, as cybersecurity incidents can damage trust among customers and business partners.

4. Risk Mitigation Strategies

To manage these risks, Vinatex has implemented key strategies:

- Diversifying suppliers to mitigate supply chain disruptions.
- Investing in technology, upgrading automation to improve efficiency and reduce technical errors.
- Preventive policies, including long-term contracts with suppliers and financial risk hedging (insurance and price stabilization measures).
- Workforce training and development, organizing regular training on production management, investment, legal compliance, occupational safety, and cybersecurity.
- Internal process improvements, updating quality control, machine maintenance and production monitoring procedures.
- IT system applications, implementing technology-driven risk management solutions to monitor and report risks in real time.

5. The 2025 Risk Management Plan

Vinatex will continue integrating risk management across all levels, from the Board of Directors (BOD) to employees, ensuring risks are managed through a structured approach: identification – assessment – monitoring – reporting. The 2025 plan focuses on:

- Quarterly risk assessments and reports on key risks, with ad-hoc reports for emerging risks.
- Strategic risk management review, aligning with Vinatex's 2025-2030 goals.
- Expanding digital transformation, enhancing real-time risk monitoring and data-driven decision-making.
- Updating risk management procedures to reflect industry best practices.
- Strengthening risk management culture, embedding awareness and responsibility into every employee's role through communication and training initiatives.



CHAPTER
04

**SHAREHOLDERS
RELATIONS
AND INVESTORS RELATIONS**



SHAREHOLDER RELATIONS

1. SHARE INFORMATION

(as of December 31, 2024)

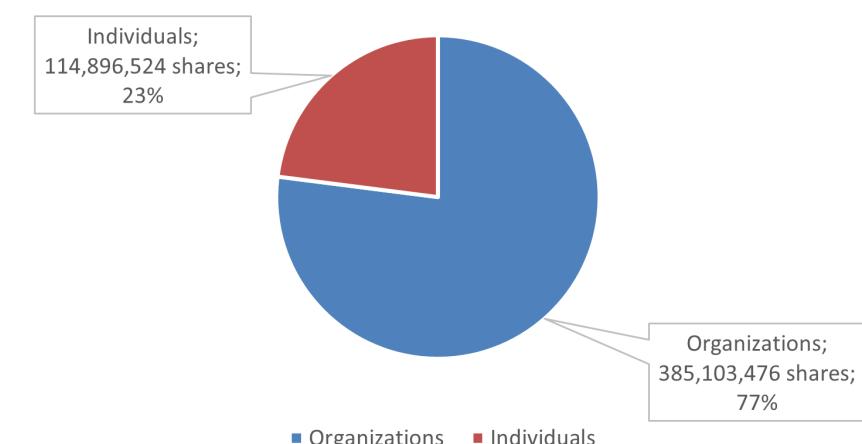
Type of shares	Common shares
Par value	VND10,000/share
Total outstanding shares	500,000,000 shares
Freely transferable shares	500,000,000 shares
Restricted shares	0 shares

2. SHAREHOLDER STRUCTURE

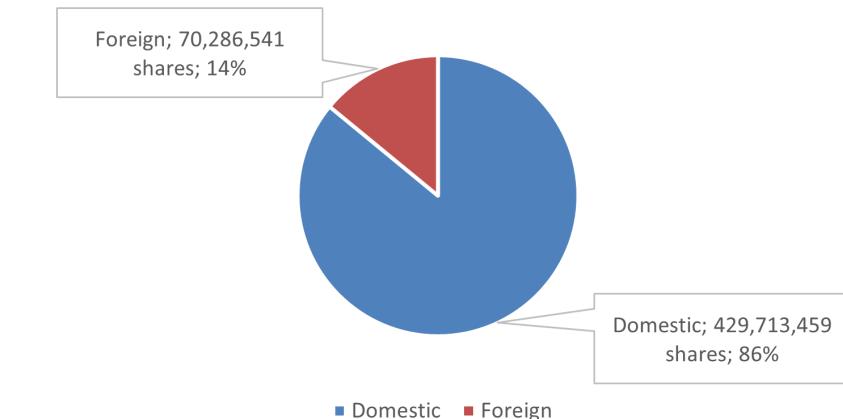
(based on shareholder list as of December 31, 2024)

No	Shareholder Category	Number of Shareholders	Number of Shares owned	Ownership Ratio
1	Organizations	24	385,103,476	77.02%
1,1	Domestic	20	315,150,176	63.03%
1,2	Foreign	4	69,953,300	13.99%
2	Individuals	15,907	114,896,524	22.98%
2,1	Domestic	15,870	114,563,283	22.91%
2,2	Foreign	37	333,241	0.07%
Total		15,931	500,000,000	100.00%

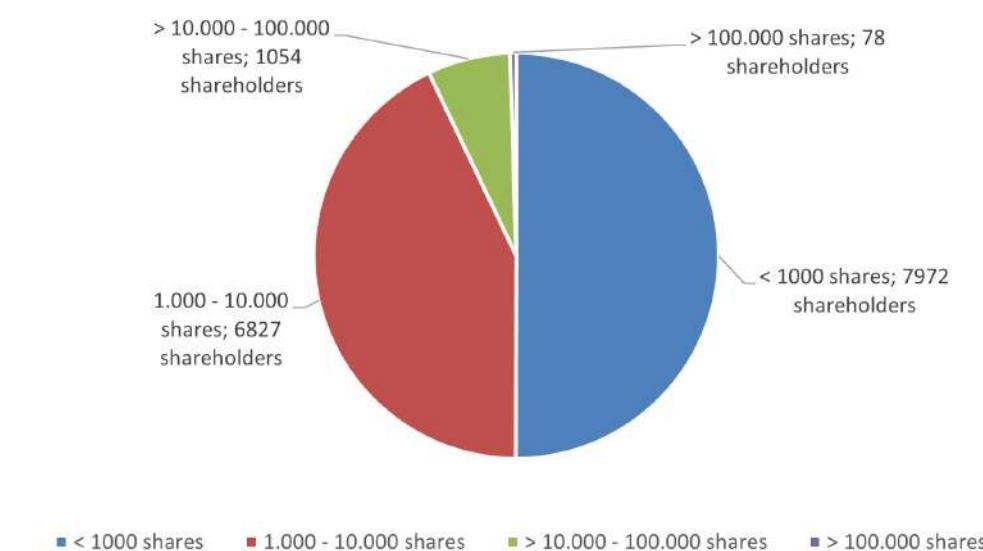
Shareholder Structure by Organizations and Individuals (Number of Shares)



Shareholder Structure by Domestic and Foreign Ownership (Number of Shares)



Shareholder Structure by Ownership Levels



3. MAJOR SHAREHOLDERS

(As of December 31, 2024)

No	Shareholder Name	Number of Shares	Ownership Ratio
1	State (The State Capital Investment Corporation-SCIC)	267,438,100	53.49%
2	Itochu Corporation	65,000,000	13.00%
	Total	332,438,100	66.49%

4. INFORMATION ON INSIDER SHAREHOLDERS IN 2024

No	Name	Position	As of 31/12/2024		As of 01/01/2024		Change in share
			No of Shares	Ratio	No of Shares	Ratio	
1	Le Tien Truong	Chairman of the Board	5,500	0.001%	5,500	0.001%	
2	Tran Quang Nghi	Vice Chairman of the Board	10,003,900	2.001%	10,003,900	2.001%	
3	Nguyen Xuan Dong	Board member	15,045,000	3.009%	15,000,000	3.000%	45,000
4	Dang Vu Hung	Board member	5,000	0.001%	5,000	0.001%	
5	Cao Huu Hieu	Board member - General Director	3,300	0.001%	3,300	0.001%	
6	Le Mac Thuan	Deputy General Director	5,100	0.001%	5,100	0.001%	
7	Le Trung Hai	Deputy General Director	3,100	0.001%	3,100	0.001%	
8	Doan Thi Thu Huong	Supervisory Board Member	400	0.00008%	-	-	400





CHAPTER
05

SUSTAINABLE DEVELOPMENT

- 78 Policies for Employees
- 80 Modernization, Sustainable and Environmentally Friendly Development
- 84 Digital Transformation in Management and Production
- 90 The Journey of Fire-Retardant Fabric Products from Fibers
- 94 Notable Community and Social Welfare Activities

POLICIES FOR EMPLOYEES

1.1. Job Retention and Stable Income Assurance

In 2024, despite the global economic downturn, geopolitical conflicts, and rising input costs, the Group and its member enterprises remained committed to their goal of maintaining jobs and ensuring stable income for employees.

Although facing challenges such as order shortages, increasing transportation costs, electricity prices, and raw material expenses, the Group managed to maintain a workforce of 57,286 employees, equivalent to 94% of the 2023 level. Notably, the average monthly income of employees continued to improve, reaching VND 10.15 million, an 8% increase compared to the same period last year and 4% higher than the plan.

1.2. Workplace Safety and Employee Health Care

Beyond job stabilization and stable wages, the Group and its member enterprises prioritize workplace safety and employee well-being. Workers are equipped with necessary tools, personal protective equipment based on their job requirements, and receive training on occupational safety, operation of high-risk machinery, and workplace hygiene.

Labor-intensive units have dedicated medical departments for health consultations and first aid. The Group operates a medical center managing healthcare services across its member units, including the Textile and Garment Hospital, which provides medical care, periodic health check-ups, and early detection of occupational diseases for timely treatment. Employees experiencing health issues receive timely support, encouragement, and financial assistance from the company's welfare and labor union funds.



1.3. Maintaining and Enhancing Employee Welfare Policies

In addition to complying with labor laws and ensuring social insurance, health insurance, and unemployment insurance as per state regulations, the Group and its subsidiaries implement voluntary and supplementary welfare policies. These include allowances for phone bills, transportation, company shuttle services, improved meal quality, housing support, and additional financial or in-kind assistance such as milk and enhanced nutrition in meals to promote employee health.

Most factories under the Group have established canteens and self-managed meal services to ensure nutritious and hygienic meals for workers. Some subsidiaries have developed housing facilities for employees at affordable rental rates or provide financial assistance for housing. They also operate childcare facilities for employees' children, set up lactation rooms, and enhance meal plans for female workers nursing infants under 12 months old. Additionally, employees' children receive gifts on International Children's Day and Mid-Autumn Festival, and students with outstanding academic achievements are recognized and rewarded.

Several member enterprises have improved cost management, allowing them to reinvest in employee benefits. Initiatives such as providing breakfast at the workplace, sourcing safe vegetables for employees, and developing in-house organic farms for subsidized meals have been implemented. These voluntary welfare policies contribute to employee well-being, enhance productivity, and foster a positive work environment.

1.4. Training and Workforce Development

Recognizing training as a key factor in sustainable development, the Group has implemented specialized training programs aligned with practical needs to enhance workforce capabilities. In 2024, internal training programs attracted 150 managerial and professional employees from the Group and its subsidiaries, focusing on key areas such as Investment Project Management, Procurement, and Legislation.

Additionally, a specialized training program in Yarn Production, involving over 220 participants, was conducted through both in-person and online sessions, allowing flexible and effective knowledge acquisition. The Group's higher education and vocational training system continued stable development, supplying over 1,500 skilled workers to the labor market. The launch of a training program for 30 Fiber-Textile Engineers dedicated to Central Vietnam enterprises further addressed the demand for high-quality personnel, supporting the Group's long-term growth.

THE 2024 ENVIRONMENT - ENERGY REPORT



The Group's main production sectors include yarn production, weaving, dyeing, garment manufacturing, and garment distribution. During production, the primary waste types generated are wastewater, emissions, and solid waste.

In weaving and dyeing units, the main sources of waste are wastewater and air emissions.

In yarn production and garment manufacturing units, the primary waste consists of general solid waste, including cotton, fiber waste, fabric scraps, cardboard boxes and packages.

All waste-generating activities are collected, classified and treated in compliance with legal regulations to ensure the safety of workers and the surrounding environment, aligning with the Group's sustainable development goals.

Below are the aggregated data related to environmental protection and energy-saving efforts of the Group's subsidiaries and affiliated units:

No	Company Name	No	Company Name
1	Nam Dinh Yarn Branch (SND)	8	Phu Hung Yarn (SPH)
2	Phu Cuong Yarn Branch (SPC)	9	Phu Bai Yarn (SPB)
3	Dong Xuan Knitting (DDX)	10	Pho Noi Infrastructure (HPN)
4	8-3 Textile (D83)	11	Hoa Tho Textile and Garment (HTG)
5	Hanoi Textile and Garment (HSM)	12	Hugatex (HDM)
6	Vinatex Hong Linh (VHL)	13	Natexco (NDT)
7	Southern Textile and Garment (VSC)	14	Phong Phu (PPH)
		15	Viet Thang (TVT)

1. ENERGY CONSUMPTION OVERVIEW

Table 1 - Energy Consumption

2023		2024		Change (%)	
Electricity (kWh)	Energy (TOE)	Electricity (kWh)	Energy (TOE)	Electricity	Energy
445,550,004	77,768	448,447,465	74,731	+0.65%	-0.08%

In 2024, total electricity consumption increased by 0.65% compared to 2023, due to higher production output. However, thanks to the expanded use of rooftop solar power (an increase of 4.5 million kWh) and various fossil fuel-saving measures, total energy consumption - converted to Tons of Oil Equivalent (TOE) - slightly decreased by 0.08% year-on-year. This is a positive outcome, demonstrating the effectiveness of the Group's energy transition initiatives and resource-saving efforts in operations.

In 2024, due to enhanced norm management and energy-saving practices applied at each production stage, electricity consumption per kilogram of yarn

(converted to Ne30) decreased by 9.1% compared to 2023-from 3.3 kWh/kg to 3.0 kWh/kg. This result reflects the commitment to improving energy efficiency across the Group's yarn manufacturing operations.

Most factories that met structural and rooftop safety requirements have implemented rooftop solar power systems. The total volume of clean electricity integrated into production reached 25,249,362 kWh, accounting for 5.63% of the Group's total electricity consumption. Units utilizing solar power include HSM, PPC, TVT, HTG, SPH, SND, SPC, D83, VHL,...

2. WATER CONSUMPTION AND WASTEWATER TREATMENT

Table 2 - Water Consumption

2024 Water Consumption (m³/year)			Total Water Consumption in 2023	Change compared to 2023 (%)	Water Sources Used	Average price (vnd/m³)
Production Water	Domestic Water	Total Water Consumption				
7,731,061	621,258	8,352,319	7,723,619	+8.20%	Sources from extracted water and purchases from other units.	14,000



Table 3 – Wastewater

Wastewater Volume in 2024 (m³/year)			Total Treated Wastewater in 2023 (m³/year)	Change (compared to 2023) %	Wastewater Treatment Technology	Treatment Cost to Achieve Category A Standard (vnd/m³)
Production Water	Domestic Water	Total Treated Wastewater				
6,011,495	345,711	6,377,703	5,553,063	+14.85%	Mainly using the following treatment methods: mechanical, anaerobic, physicochemical, and biological	NTSX: 20,000-25,000

3. MANAGEMENT OF GENERAL AND HAZARDOUS WASTE

Table 4 - General and Hazardous Waste

General Waste (tons)		Change	Hazardous Waste (tons)		Change
2023	2024		2023	2024	
19,914	23,998	+20.5 %	414	385	-7.11 %

In 2024, the amount of general waste increased significantly compared to 2023, mainly due to the increase in sludge waste from Pho Nai Textile Infrastructure Development JSC (increased wastewater treatment and waste generated from the wastewater treatment system).

The amount of hazardous waste decreased significantly compared to 2023 because the sludge waste from the wastewater treatment systems of Natexco and Hugatex was reclassified as general waste rather than hazardous waste.



4. GREENHOUSE GAS EMISSIONS*

The greenhouse gas emissions in 2024 were calculated based on electricity consumption, fossil fuel usage, and wastewater treatment, totaling 614,402 tCO2e.

5. SUMMARY

Between 2020 and 2024, the Group's member companies have focused on modernization aligned with sustainable and eco-friendly development, implementing key initiatives such as:

Adopting Advanced and Digitalized Technologies

Investment in high-tech machinery and equipment has helped optimize resource usage, reduce raw material and energy consumption, and minimize dyeing chemicals, clean water and human resource. Some facilities have also implemented smart management systems and digital transformation. Notable modern investments include:

- The two-storey spinning mill at Phu Bai Spinning
- Trieu Phong Garment Factory of Hoa Tho Textile and Garment
- Smart management systems in spinning and garment factories
- R&D centers at major units to drive innovation

Increasing the Use of Recycled and “Green” Materials

- The share of recycled raw materials has steadily increased to meet customer demand and promote sustainable product development.
- Spinning units such as Hugatex, Phu Cuong Spinning, Phu Hung Spinning, and Hoa Tho Garment have incorporated recycled fiber into production.
- Garment enterprises have adopted fabrics from bamboo fibers, organic cotton, and recycled fibers.

Transitioning to Green Energy

- Reducing reliance on fossil fuels
- Promoting energy-saving practices
- Expanding the use of clean energy sources, particularly rooftop solar power, which generated approximately 25 million kWh/year.

Reducing Greenhouse Gas Emissions

- Units under the scope of application of Prime Minister's Decision No.13 (QĐ13) have conducted greenhouse gas inventories as required.
- At the Group level, emissions calculations were conducted using electricity, fossil fuel, and wastewater data provided by member units.

Green Transformation and Circular Economy

Units continuously update trends, raise awareness, and take steps towards green transformation and digitalization, moving towards a circular economy model.

Integrating ESG into Business Strategy

- Several subsidiaries (e.g., Hoa Tho Textile & Garment) have prioritized ESG (Environmental, Social, and Governance) criteria to ensure comprehensive sustainable development.
- Environmental (E): Lowering emissions, conserving resources, and using clean energy.
- Social (S): Enhancing workplace conditions and employee benefits.
- Governance (G): Improving transparency and corporate responsibility.

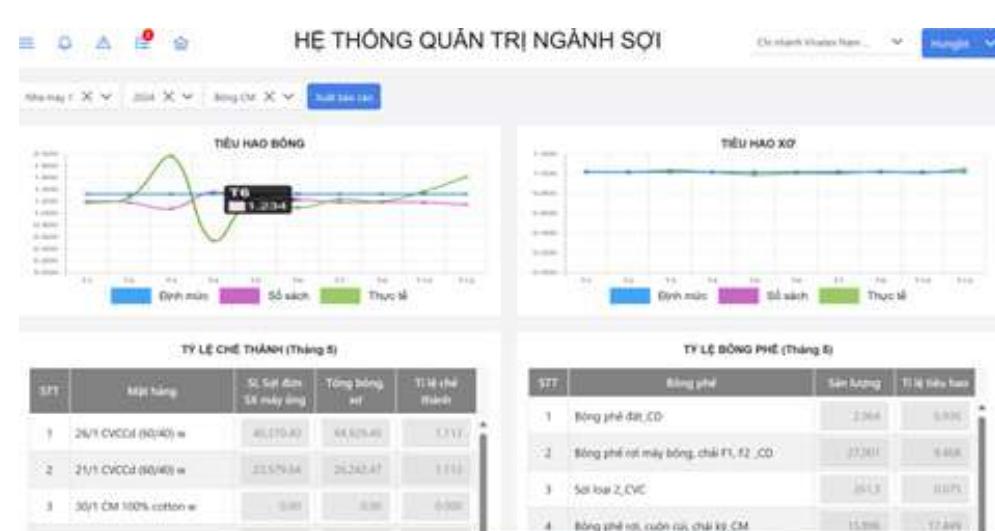
DIGITAL TRANSFORMATION REPORT FOR 2024, PLAN FOR 2025



I. DIGITAL TRANSFORMATION FOR THE 2024

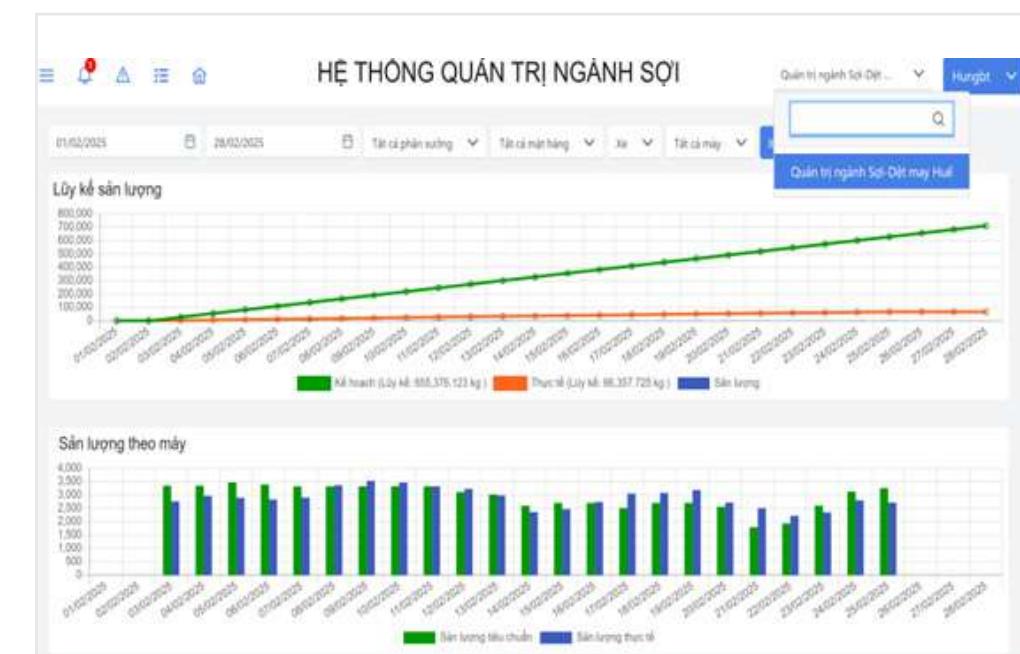
Building upon the modules previously implemented in the Yarn Production Management Software—such as production planning, output and efficiency monitoring, consumption tracking of raw materials, electricity and compressed air, as well as inventory management for raw materials and finished goods and end-to-end product quality control—Vinatex has continued to expand and enhance the system in 2024 by developing and deploying several new modules.

1. Module for monthly inventory of semi-finished products on the production line and finalization of materials (Cotton: Carding, Combing, PE)



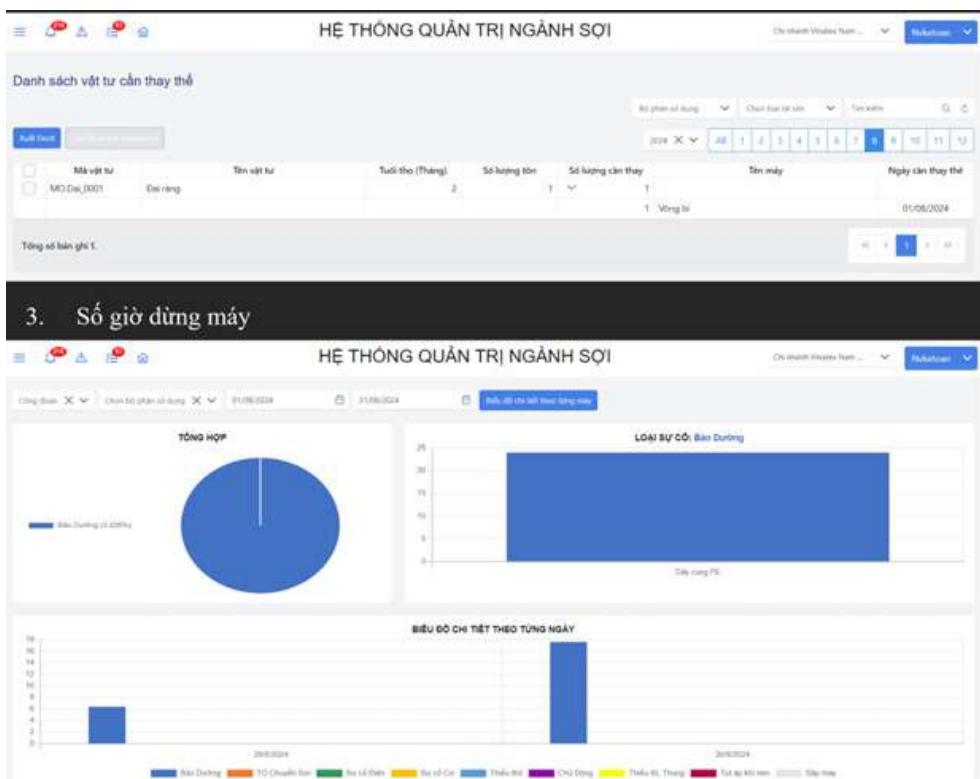
- The ring-spun yarn management module has been fully developed and deployed for companies engaged in ring-spun yarn production, with the capability to monitor operations by product line, whether for in-house production or outsourced customer orders.

Phiếu nhập kho gia công									Số phiếu: 022025_0001 TG Tạo: 05/02/2025 17:54 TG Duyệt: 05/02/2025 17:54		
Quyết		Kho giao công:		Kho giao hàng	Ngày chứng từ (*)		04/02/2025	Ghi chú:			
Đơn vị mua hàng		#	Mã	Tên	Tên lô	Số quả	Số kiện	Ký/cone	Tổng khối lượng(kg)	Duy	
		1	ZHDM400NCOCM00K0980ZWKH	Né 40 COCM - Sợi khách hàng	Chọn	100	Chọn	Chọn	0,00	Chọn	
		TỔNG:				100	0	0	0	0	

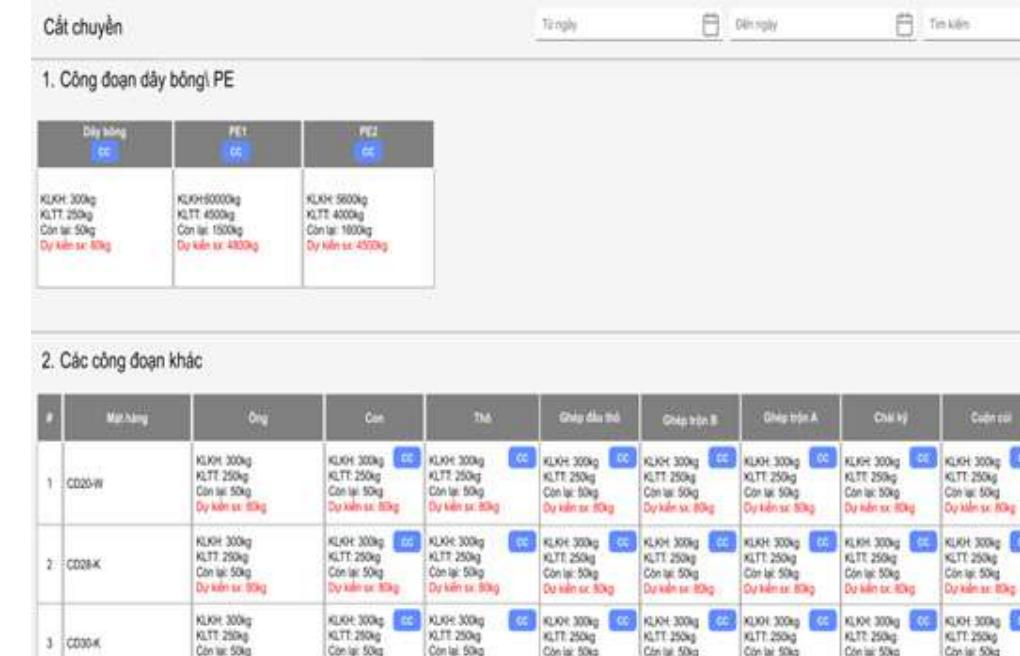


3. Asset Management Module

This module enables the company to manage assets, schedule automatic maintenance cycles, plan overall annual material requirements, and forecast the maintenance budget by month.



4. The concept, database structure and system logic have been completed for comparing management parameters across companies, as well as for the production planning module. This module supports companies in monitoring delivery timelines, managing order fluctuations and scheduling the cutting of semi-finished products



II. PLAN FOR THE 2025

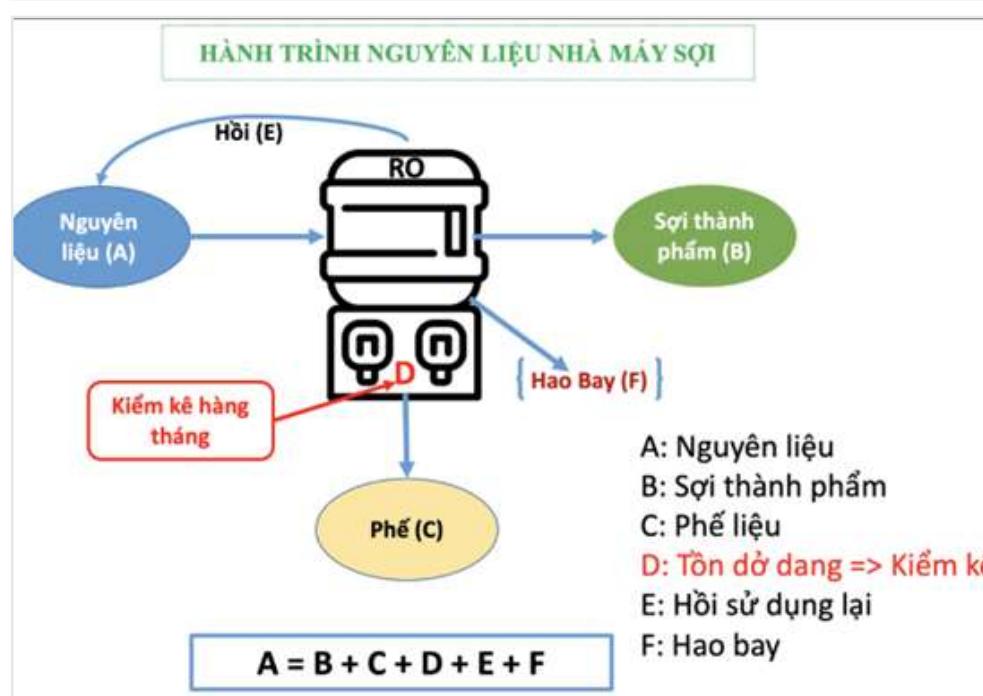
The objective is to assess the impact of digital transformation on enterprise production management, thereby proposing improvement initiatives to support businesses in operating the software systems.

Key focuses include:

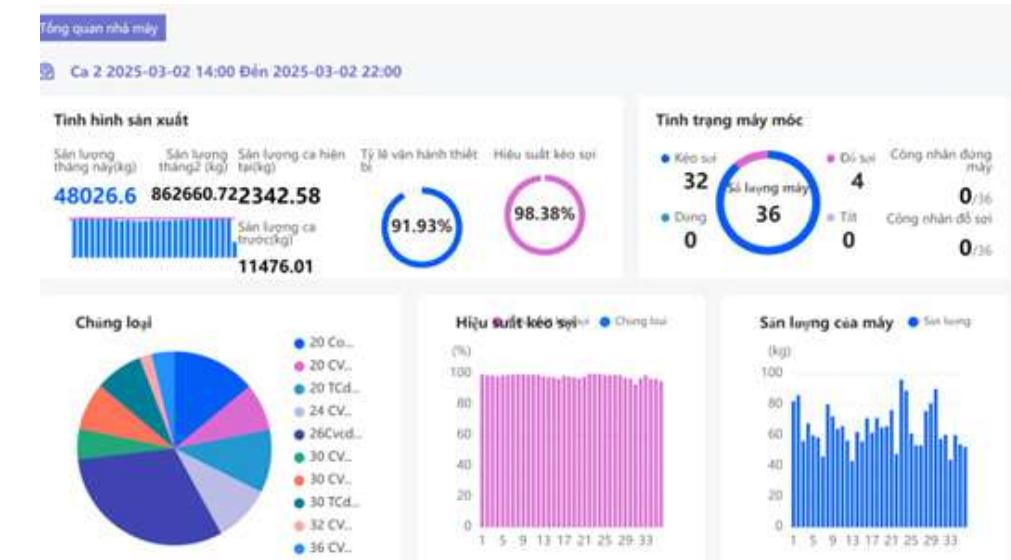
✓ Developing the ERP data journey for yarn manufacturing units.

✓ Enhancing and completing missing functionalities, including:

- Production planning management
- Selection of optimal production plans
- Analysis of production and business efficiency, along with key performance indicators (KPIs) through Power BI
- Establishing a roadmap for real-time production management data analytics by installing IoT systems at selected yarn factories



IoT Implementation



Report Analysis through Power BI



EXPANDING THE FUTURE OF FLAME-RETARDANT FABRICS AND GARMENTS

Vietnam National Textile and Garment Group (Vinatex) and Coats Group (UK) recently celebrated the first anniversary of their Memorandum of Understanding (MOU) on the production of flame-retardant fabrics and apparel. Additionally, the two corporations signed an agreement to establish a strategic alliance between Vinatex and Coats and entered into a cooperation contract between this alliance and Duc Giang Corporation (DUGARCO).



THE FIRST TEXTILE AND GARMENT PRODUCT WITH COPYRIGHT RECOGNITION

After a period of research and development, Vinatex's flame-retardant fabric has officially been introduced to the market. The product is manufactured through a closed production chain, from fiber to garment, on the woven fabric production line of Nam Dinh Textile and Garment Corporation.

To produce fire-retardant fabric, the yarn must be made from aramid fiber, a synthetic fiber resistant to high temperatures (meta-aramid) and highly durable against abrasion and friction (para-aramid). It is combined with other components such as anti-static materials, Modal acrylicLyocell. With fiber lengths

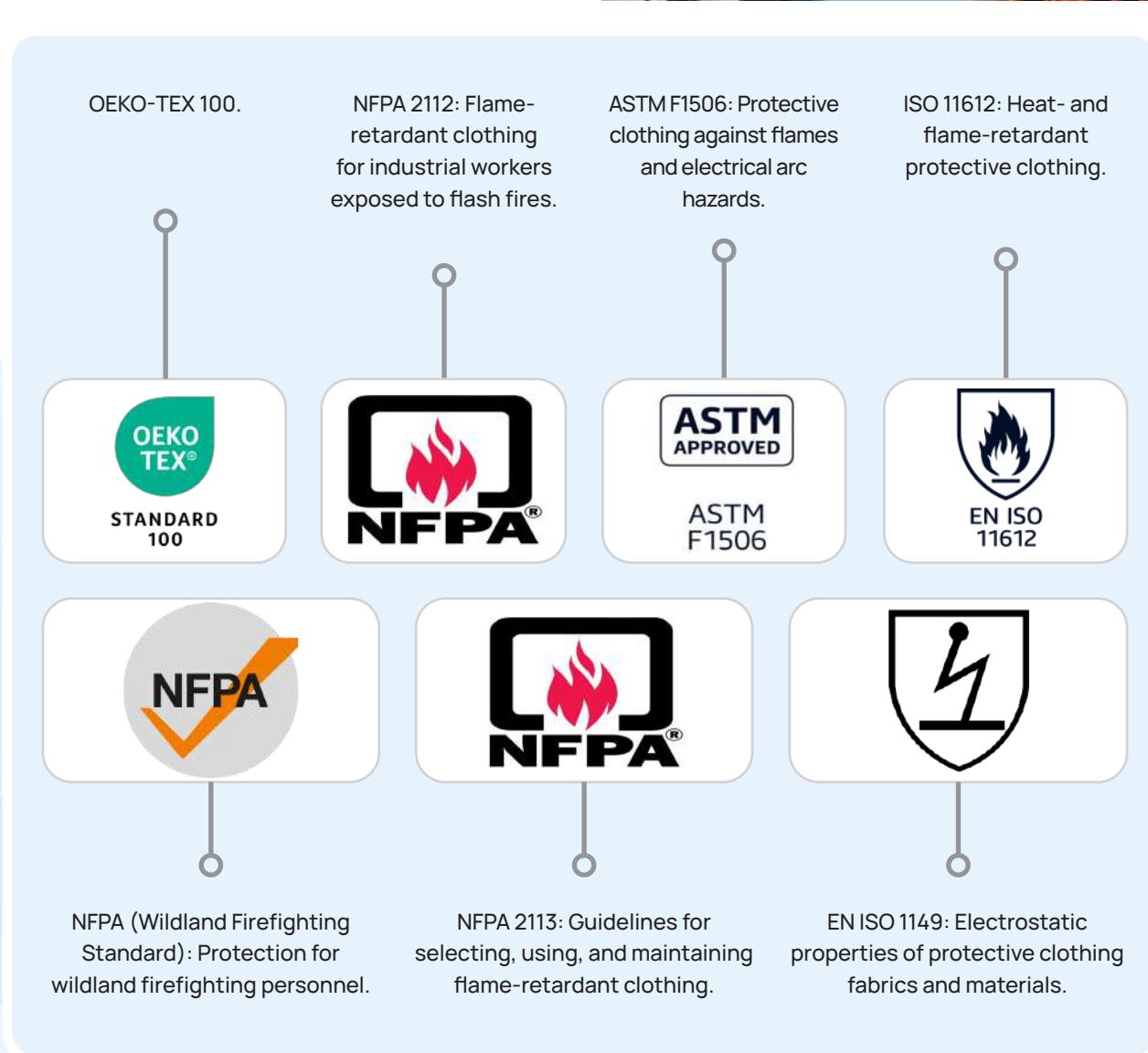
ranging from 38mm to 51mm and multiple components within the yarn (some as low as a few percent), specialized machinery is required, including precision blending and weighing systems and specialized spinning machines.

Once woven, the fabric undergoes high-pressure dyeing at temperatures above 130°C using strictly selected European dyes and chemicals to ensure users safety and environmental compliance (in accordance with international standard 120).

After more than nine months of research and development, Vinatex's technical team, in collaboration with experts from Coats Group, successfully established production processes,

selected equipment, and commenced manufacturing according to customer orders. At industry trade fairs specializing in flame-retardant materials in Ho Chi Minh City and Dubai, Vinatex showcased the flame-retardant fabrics and garments to potential buyers.

To meet diverse customer needs, Vinatex's flame-retardant fabrics adhere to the following international standards:





dedicated yarn spinning and fabric weaving lines, high-pressure dyeing machines for high-temperature fabric dyeing, shaping and shrink-retardant machines, as well as laboratory equipment. At the same time, the company will enhance management capacity, adopt digital technology, and implement product traceability software to ensure quality.

From 2025 to 2030, Vinatex aims to focus on developing new and differentiated products with high added value as a key strategy to enhance competitiveness and achieve sustainable growth. Leveraging the strengths in producing sewing threads and garment accessories, as well as pioneering the application of high-performance materials, Coats Group serves as a comprehensive partner in helping Vinatex realize the strategic goals. This collaboration opens opportunities for access to advanced technology, enhances production capacity, and expands market reach.

To implement this important project, Vinatex has assigned highly qualified and experienced personnel, along with enthusiastic young professionals to participate in the initiative. At the same time, the corporation has selected Natexco—a unit with a strong end-to-end production chain from fiber to garment, extensive experience, skilled workforce and well-equipped facilities suitable for fire-retardant fabric production requirements. Additionally, Vinatex has made investments in machinery and equipment to fully meet the stringent requirements set by Coats Group.

Recently, the first batches of fabric and garments have been tested, exported, and delivered to customers. Feedback from buyers confirms that these products meet the required standards and technical specifications while also providing a soft and safe wearing experience. This positive reception highlights Vinatex's commitment as a responsible manufacturer and strengthens consumer trust.

With the confidence and expertise of Coats Group specialists in evaluating the flame-retardant fabric production line and technical team in NATEXCO, on December 4, 2024, Vinatex and Coats developed a plan to achieve \$40 million in revenue by 2030 from inherently flame-retardant woven fabrics. This figure does not yet include knitted fabrics (approximately 30%) or chemically treated fire-retardant fabrics, including fire-resistant fashion fabrics.

With a cautious approach to the market, production capacity and equipment capability, Vinatex has decided to invest in 2025 to meet technical requirements. This includes multi-component fiber blending and metering machines, specialized 51mm fiber spinning machines,



With Vinatex's strong commitment and Coats' active support, the project has received positive evaluations in Coats' supplier assessment system. The project management team quickly adapted to and mastered the technology, successfully completed trial production, and fulfilled the first fabric and end-to-end product orders. Until now, Vinatex and Coats are ready to move forward into the next phase of production implementation.

One year after signing the MOU, several key achievements of the fire-retardant fabric project can be highlighted:

1. The project successfully conducted trial production of Inherent Fabric using two different yarn sources. This significant breakthrough enables Vietnam to diversify raw material sources and enhance self-sufficiency in production.
2. The project has developed complete fire-retardant garments to offer potential partners.

Notably, achieving internationally recognized certifications demonstrates a strong commitment to providing the highest-quality products that meet high standards.

3. The project's products have been showcased at international exhibitions on fire prevention and rescue equipment, notably the 2024 International Exhibition on Fire Prevention, Rescue Equipment, and Security & Safety Solutions in Ho Chi Minh City, attracting significant interest from global partners.

4. Most importantly, after continuous efforts, the project's products have officially entered the protective gear supply chain with commercial orders.

With a long-term vision, Vinatex's strategic goal is to develop this collaboration and the fire-resistant fabric and apparel products into a "Global Solution for Protective Fabrics & Apparel". This is not just a business project but also a mission to ensure the safety of workers worldwide. □

COMMUNITY ACTIVITIES IN 2024



In response to the impact of Typhoon No. 3 (YAGI), the Vietnam Textile and Garment Group and the Vietnam Textile and Garment Trade Union organized a donation campaign, in which each employee contributed at least one day's salary. The total amount raised to support affected communities reached nearly VND 5.5 billion.



The Vietnam Textile and Garment Trade Union organized the "Red Journey" voluntary blood donation program across the North, Central, and South regions. The program attracted the participation of 1,250 union members and employees, collecting 1,200 blood units.



A total of 1,153 students with outstanding academic achievements were recognized and rewarded, including 564 students in the North, 243 in the Central region, and 346 in the South.



The 6th Collective Labor Agreement was signed between the Vietnam Textile and Garment Association and the Vietnam Textile and Garment Trade Union, ensuring better benefits and welfare policies beyond legal requirements for employees in the system.



The "Tet Reunion - Workers' Festival - Charity Market" program was held at five locations across the country, covering all three regions: North, Central, and South. The event featured 129 booths, including discounted goods and free-of-charge items, bringing many benefits to workers.

The Vinatex Youth Union, in coordination with the trade union, provided gifts to workers and their families in difficult circumstances, supported travel expenses and organized round-trip transportation for young workers, students returning home for Tet. Over 1,990 staff, union members, and employees received Tet gifts in cash and in-kind; 655 workers were given free travel tickets to return home for Tet, with total support reaching nearly VND 5 billion.



Support was provided to 568 union members and workers facing difficulties, workplace accidents, or serious illnesses. Additionally, funding was granted for infrastructure support to seven grassroots trade unions within the system, with a total budget of VND 379 million.



Employee welfare was prioritized, including a 13-month salary bonus and Tet bonuses ranging from 1.5 to 2 months' salary. Some units also covered travel costs for workers returning home for Tet, organized New Year celebrations and provided additional financial support for workers from remote provinces who could not return home to celebrate with their families.

CHAPTER
06

FINANCIAL REPORT

Scan this QR code to read the 2024
Audited Financial Report ➔





VIETNAM NATIONAL TEXTILE AND GARMENT GROUP

Address: 41A Ly Thai To, Hoan Kiem District, Ha Noi, Vietnam
Tel: (+84) 2438 257700 **Fax:** (+84) 2438 262269