

DONG HAI ONE MEMBER
LIMITED COMPANY
DET MAY 7 JOINT STOCK
COMPANY

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

No.: 89 /BC-DM7

Tan Binh, April 09, 2025

THE 2024 ANNUAL REPORT

To:

- The State Securities Commission;
- Hanoi Stock Exchange.

I. GENERAL INFORMATION

1. Business information

Enterprise name in Vietnamese: CÔNG TY CỔ PHẦN DỆT MAY 7

Enterprise name in English: DET MAY 7 JOINT STOCK COMPANY

Abbreviated name: Detmay 7 JSC

Certificate of Business Registration No.: 0300509782

Telephone No.: (84 28) 3842.5372 Fax: (84 28) 3810.0489

Registered office: 109A Tran Van Du, Ward 13, Tan Binh District, Ho Chi Minh City

Charter capital: VND 154,111,000,000.

Ticker: DM7

Lines of business: Garment (excluding animal feather and skin-based garment); Fiber production; Woven fabric production; Textile finishing; Production of knitted, crocheted, and other non-woven fabrics; Production of ready-made garments; Production of carpets, blankets, and mattresses; Production of ropes, cords, and nets (not operating at the head office); Manufacture of other textile products not classified elsewhere; Production of fur-based items; Production of knitted and crocheted garments; Production of suitcases, handbags, and similar items; Production of saddles and harnesses; Printing; Production of metal components (not operating at the head office); Metal forging, stamping, pressing, and rolling; Powder metallurgy (not operating at the head office); mechanical manufacturing; metal processing and coating (not operating at the head office); Repair of plants and equipment (not operating at the head office); Production and distribution of steam, hot water, air conditioning, and ice (not operating at the head office); Wholesales of plants, equipment, and other machine parts; Wholesales of solid, liquid, and gaseous fuels and relevant products (excluding trading in LPG and residual lubricating oils); Other specialized-line wholesales not classified elsewhere (Details: wholesales of scrap and waste (not operating at the head office) and other items not classified elsewhere); Retails of fabrics, wool, yarn, sewing threads, and other textiles in single line stores; Retails of garments, footwear, leather and leatherette items in the single line stores;

Trading in real estates, land use rights under the owner, user or lease; Real estate business, including ownership, usage rights, or leasing of land; Goods maintenance and storage field services.

2. History of Development

- On February 28, 1992, the General Staff of the Vietnam People's Army decided to establish

the P7 Textile Dyeing Enterprise (so-called as the Military Garment Enterprise No.7) under the Decision No. 53.QĐ-TM. The day of February 28th became the unit's Establishment Anniversary Day.

- The Enterprise was renamed from the P7 Textile Dyeing Enterprise to Det May 7 Company under the Announcement No. 1119/DMDN of the Government dated March 13, 1996 and the Decision No. 493/QĐ of the Minister of National Defense dated February 18, 1996; The Certificate of Business Registration No. 4106000314 was issued on July 19, 1996.

- On July 22, 2010, Det May 7 Company was renamed as Det May 7 Single Member Liability Limited Company under the Decision No. 2640/QĐ-BQP of the Ministry of National Defense; the Enterprise Registration Certificate No. 0300509782, initial registration on December 8, 2010.

- On March 29, 2017, the Minister of National Defense promulgated the Decision No. 943/QĐ-QP on approval of the plan and renaming Det May 7 Single Member Liability Limited Company under Dong Hai One Member Limited Company/Military Region 7 as Det May 7 Joint Stock Company. On June 20, 2017, the company held the first General Meeting of Shareholders, established Det May 7 Joint Stock Company;

- On July 3, 2017, the Company was officially operated as a Joint Stock Company with Enterprise Registration Certificate No. 0300509782 issued by Ho Chi Minh City's Department of Planning and Investment.

- On October 24, 2017, the Company was accepted to become a public company under the Letter No. 7144/UBCK-GSĐC of the State Securities Commission.

- On December 6, 2017, the Company was equitized under the Decision No. 5224/QĐ-BQP on equitizing Det May 7 Single Member Liability Limited Company under Dong Hai One Member Limited Company/ Military Region 7.

3. Recognized achievements

- As the successor of Det May 7 Single Member Liability Limited Company, with over 30 years of development and ceaseless efforts, the Company has actively expanded its market and business partnership. Today, Det May 7 Joint Stock Company has successfully affirmed its brand in the market.

- A myriad of prestigious awards and prizes have been obtained for the Company's products and services during operation, including:

- + Third-Class Military Merit Medal
- + First-Class Fatherland Defense Medal
- + Third-Class Fatherland Defense Medal

+ First-Class Labor Medal

+ Certificate of Merit awarded by the Prime Minister for outstanding achievements in Occupational Safety and Health (OSH) and Fire Prevention and Fighting (FPF) in the period of 2009 - 2011, facilitating the socialism development and fatherland protection.

+ Emulation Flag and Certificate of Merit awarded by the Ministry of National Defense, and Emulation Flag awarded by the Military Zone 7 Command for many consecutive years.

+ Emulation Flag from the Ministry of Labor, Invalids and Social Affairs and Vietnam General Confederation of Labor for outstanding OSH achievements for many consecutive years.

+ In 2022, the Emulation Flag from the Military Zone Command for being an elite unit in the "Determination To Win" emulation movement and the Emulation Flag from Vietnam General Confederation of Labor for being a powerful grassroots Trade Union with excellent emulation movements.

+ In 2023, the Emulation Flag awarded by Vietnam General Confederation of Labor for outstanding achievements in the 2023 worker and Trade Union Activity Emulation Movement.

+ In 2024, the title of "Excellent Labor Collective" awarded by the Military Zone Command in the "Determined To Win" emulation movement and the Emulation Flag from the General Political Department of the Vietnamese People's Army for being a strong grassroots Trade Union with excellent emulation movements.

4. Development orientations

a) Key operating objectives

- Det May 7 Joint Stock Company's all-time goals, including ceaseless creation and diversification of products and services, outperformance of goals set by the General Meeting of Shareholders. Market R&D is also focused to successfully improve the Company's supply chain value. Moreover, market research facilitates the Company's updates of latest market trends, quickly releasing the proper production and business plans, timely satisfying the tastes and demands of majority of domestic customers. It also concentrates on transformation and successfully apply the business administration models, gradually digitalizing its production and business activities to improve performance, competitiveness and product value.

- The Company's highlights including effective capital utilization in production and business activities to maximize profits by maintaining and developing the core business lines in the fields of textile and garment, expanding the market, generating stable jobs and improving the living standards for the employees, offering increased dividends to the shareholders, contributing to the State budgets and the Company's sustainable development.

- Ceaseless improvement of operating performance, development and renovation of plants and equipment with environment. Application of modern

technology and HR development, improvement of worker performance to enhance the Company's development.

b) Mid-term and long-term development strategies

- Goals: Development as one of powerful garment and textile service providers, striving to become one of the local leading brands in Vietnam.

- Reliable stability in domestic market and gradual expansion to regional markets; Branding, search for export opportunities to European, USA and Japan.

- Investment cooperation by partnership and association with the players in the same category to make use of capacity and expand production; Further development of domestic business modes and other business sectors when eligibility conditions are satisfied; Active production of direct FOB to active enhance the Company's productivity and profits.

- Continuous creation and focus on R&D of key products, diversification of product portfolio to market new and premium offerings to satisfy the Customer's increasingly high demand. Make use of the Company's loop production chain from textile, dying, printing and garment; improvement in production procedures and productivity help the Company to catch up with and offer good products to be well matched with the domestic market in particular and export in general.

- Enhancement of IT and digital transformation application in the Company's production and business activities; new investment, supplement and improvement of cutting-edge technology for key products in combination with investment into production and business program to improve the productivity and product quality, optimizing production and management procedures to be well matched with the market's diversified demand and improving the customer satisfaction. It also enhanced the minimal operating costs and maximum profit.

- Continual perfection of lean management organization, improvement of the units' operating capacity, improvement of HR management and development system, productivity and encouragement of employee's innovations and initiatives, improvement of competitiveness.

- Strict adherence to the State laws, the Military disciplines, regulations, by-laws, and rules of the Company, stable and sustainable development for the Company.

c) Product quality objectives

Product quality is the vital of Det May 7 brand by taking quality as our core value and customer satisfaction as our quality commitment. Production and business activities are drastically launched by synchronous and scientific solutions to guarantee the quality targets required by the internal and external customers.

5. Risk factors

a) Economic risks

- 2024 continued witnessing the global economics' various challenges, complicated development and myriad of unfavorable factors, especially climbing military conflicts in some countries with unforeseeable development, increasingly

high probability and wide-spreading risks, causing loss of persons and assets, adversely affecting the operating environment, causing instability of the global supply chains and reducing economies' flexibility to adopt and adapt the changes.

- The strategic cut-throat competition between giants such as USA, China and other countries was also recorded, increasing the international trade instability. The trade protection policy and barriers were increasingly setup, adversely affecting free trade among countries.

- The garment and textile market faced with myriad of great challenges and cut-throat competition from other garment and textile manufacturing countries such as China, India and Bangladesh, operating costs were sharply impacted by price market of raw materials for production and business activities and domestic gold price; POs were less attractive, reduced goods consumption led to modest trading revenue. From the above situation, the organization, operation and effectiveness of the Company's production and business activities were severely affected. However, the market's adverse impacts were mitigated by the Company thanks to its close production advantages for military service phases and market penetration.

- Economic growth rate was one of decisive factors, affecting growth rate of all economic sectors and fields. The economic growth in general would increase the social consumption demand, accelerating the increase in industrial output and facilitating the enterprises' consumption market expansion.

- Inflation was the direct factor, directly affecting the enterprises' financial position. The economic reports released by OECD revealed that inflation has surged due to increase in energy and commodity prices. The interest rate gaps have been widened by the monetary policy normalization in developed countries, further intensifying the inflationary pressures in Vietnam. This put adverse impacts on the Company's operations. High inflation resulted in increased operating costs such as fuel, raw materials, and other expenses, putting financial pressure on the Company's shoulder. In such context, the Board of Directors (BOD) and the Board of Management (BOM) have developed appropriate financial plans, cutting down some operating costs, accelerated debt collection and stable business.

- Internationally, as Vietnam's economy integrated more deeply into the global economy, a series of opportunities and remarkable challenges were created to the textile and garment industry. Therefore, in order to successfully grasp the future opportunities, Det May 7 Joint Stock Company should carry out the thorough research and good preparation for international legal issues to obtain the highest performance.

b) Industry's specific risks

- Amidst ongoing global inflation, the Russia-Ukraine conflict, and escalating military tensions in many countries with unpredictable developments, the supply chain and raw material prices were subject to volatility, directly affecting the Company's operations. In order to minimize such risk, the Company

has designed and developed plans and capital adequacy amid price instability, and sought reliable partners to stabilize supply for its production operations.

- 2024 was recognized as an especially difficult year of Vietnam garment and textile industry due to a series of great pressures and challenges from the global economic downturn and lingering effects of the COVID-19 pandemic such as lack of experienced labor, PO decline and reduced consumer demand.

- Market risks: The Company was subject to cut-throat competition from other players. Such players were significantly backed by their extensive experience, financial resources, HR, techniques, materials and branding and market development activities. Therefore, a very high pressure was shouldered by the Company in the context of the very cut-throat market competition. Moreover, counterfeit production and illegal trade in military uniforms caused confusion in the market regarding the Company's products. The BOD and BOM have actively reinforced quality control over input materials and finished products to maintain DM7 brand reputation.

- From the given industry challenges, particularly those for Det May 7 Joint Stock Company, it is urgent to focus more on developing the domestic market to ensure long-term business sustainability. The Company should also strengthen its brand building, develop supply chain linkages, and enhance corporate governance to ensure effective and efficient operations as scheduled.

c) Human resources risks

- As one of labor intensive industries, labor supply for the garment and textile industry is gradually insufficient due to various factors, including competition from other sectors and countries in the region offering better incentives and working conditions.

- The industry is also struggling with a series of significant impacts from the Industry Revolution 4.0, with growing challenges in workforce structure, technical skills, and training demands. Recruitment is still very difficult despite annual wage increases, as the industry is still recognized as less attractive due to low income and long working hours, etc. In such context, the Company also faces with many difficulties in recruitment due to high travel and accommodation costs.

- In a constantly fluctuating labor market, a series of incentive policies have been launched to retain its workforce for future operations. These incentives include favorable wage structures, performance bonuses, holiday and Lunar New Year bonuses, year-end rewards, and various allowances. In addition, in order to minimize risk, the Company works closely with the grassroots Trade Union to improve employee welfare and wellbeing. The attractive compensation and benefit packages are also developed to retain skilled employees.

- Finding and retaining well-skilled and qualified human resources are always the top priority of the Company, as this is considered a critical factor for long-term growth and the successful achievement of strategic objectives.

d) Policy and legislative risks

- The laws act as a guidance to orient and manage the enterprise's business activities, ensuring fairness, transparency, and market safety. As a Joint Stock Company registered to trade on Hanoi Stock Exchange (HNX), the Company is subject to legal regulations such as the Law on Enterprises, the Law on Securities, the Labor Code, the Law on Corporate Income Tax and various rules issued by HNX and other relevant legal frameworks.

- As the Company's core business includes textile production, dyeing, printing, and garment manufacturing, the Company is also governed by the Law on Investment, the Bidding Law and the Law on Environment Protection, etc.

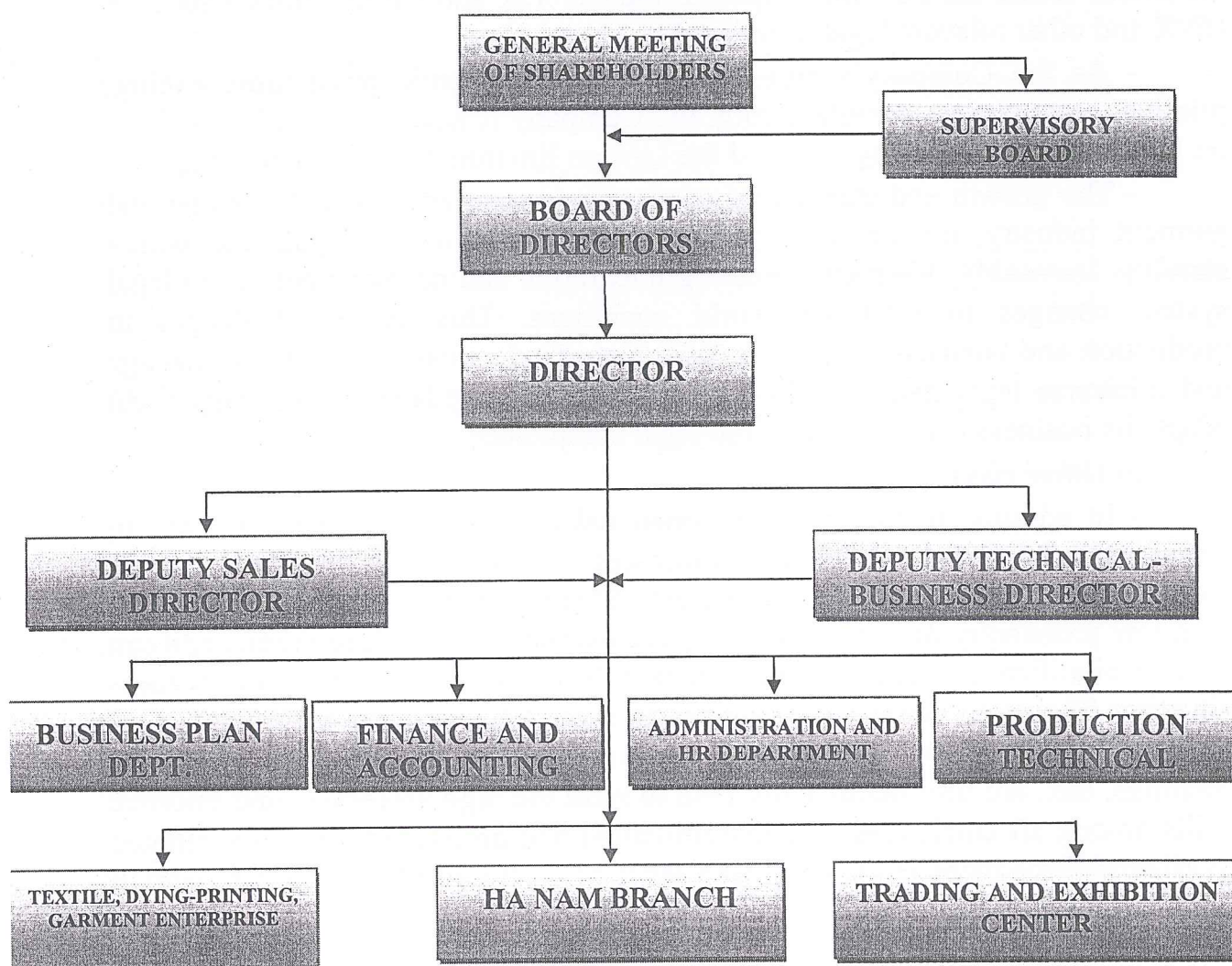
- The growth and stability of economic sectors, especially the textile and garment industry, are remarkably affected by the political, legal, and policy stability. Inevitably, Vietnam's ongoing integration and development create legal system changes to meet real-world conditions. This causes challenges in production and business for players, including the Company. In order to manage and minimize legal risks, the Company consistently updates legal changes and adapts its business plans to ensure full legal compliance.

e) Other risks

- In addition to the aforementioned risks, other risks may also occur in Force Majeure Events, including unforeseeable events such as Acts of God, storms, floods, epidemics, fires, wars, etc. Although such risks are characterized by a low probability of occurrence, they are extremely difficult to predict and can have a significant impact on the Company's overall production and business situation. Therefore, the preventive measures and risk mitigation plans are always taken to ensure timely and effective response. Moreover, the PFP and OSHE trainings, etc., are also periodically held to raise the high awareness and improve skills among all employees. The dissemination and propaganda are also initiated to all workforce members to have high sense of environmental protection, both in their daily work and in their everyday lives.

6. Corporate governance, business organization and management apparatus of the Company

ORGANIZATIONAL MODEL OF THE COMPANY



a) General Meeting of Shareholders: As the Company's highest authority, the Annual General Meeting of Shareholders (GMS) is held every year. The annual GMS shall be convened within four months since end date of fiscal year. The GMS approves the decisions under its authority by voting at the meetings or via written consultation format.

b) Board of Directors: As the Company's direct management body, the Board of Directors (BOD) exercises rights and obligations assigned by the GMS in accordance with the Company's Charter and the legal regulations; BOD is authorized to act on behalf of the Company to fulfill the Company's rights and obligations, except for matters of exercising GMS's rights.

c) Supervisory Board: As elected by the General Meeting of Shareholders, the Supervisory Board is obligated to validate the legality of business management and administration; appraise the Company's Annual Financial Statements; notify the Company's operating result inspection results to the

General Meeting of Shareholders and perform other tasks defined by the Company's Charter.

d) Board of Management: The Board of Management shall manage the routine business works of Company, subject to the supervision of the BOD, take responsibility to the BOD and the laws for fulfilling the assigned rights and obligations.

dd) Functions: The BOD and BOM shall be responsible for managing the functions and member units by following divisions:

- **Administration and HR Department:** Advise the Company's Party Committee and the Board of Directors regarding HR planning, personnel profile management, and recruitment of officers, employees, and workers; recommend military rank promotions and salary increases for officers and professional soldiers; manage labor, salary policies and employee benefits. Manage the Party and political affairs, organizational work, ideological education, military personnel management, mass mobilization, internal political security, unit safety, occupational safety and health, fire prevention and fighting, food safety and hygiene, and employee healthcare. Manage the unit's administrative affairs, logistics and management of fleets, premises, and properties throughout the Company.

- **Planning and Business Department:** Provide the consultancy service on business and import-export planning to the Party Committee and the Board of Directors; Launch the business activities in compliance with the law and ensuring the highest efficiency, managing materials and goods to timely satisfy production and business demand. Make complete statistics on all production and business activities, import-export activities for periodic reports to the Board of Directors and relevant authorities. Work closely with the concerned departments and affiliated units to develop the monthly, quarterly, yearly, and long-term business plans, investment plans, infrastructure development plans, technical research, labor management, and marketing plans in accordance with the Company's strategic orientation. Dispatch the production plan as scheduled to be well matched with the customer's delivery requirements, ensuring timely delivery for each PO. Prepare the investment plans for innovation of plants, equipment, and workshops under the Company's investment strategy.

- **Finance and Accounting Department:** Provide the Party and BOD with the consultancy service on financial, accounting, internal audit, asset management, contract liquidation & settlement and operating cost control for the Company as well as the corporate asset capital management. Satisfy the financial demand for any scheduled production and business activities, ensuring finance balance. Launch the accounting and statistics.

- **Production Technical Department:** Provide the Party and BOD with the consultancy service on technical and quality management and supervision of equipment and materials, labor safety management and engineering design. Conduct R&D, recommendation and application of technical innovations and technological improvements to enhance equipment operation efficiency and labor

productivity. Inspect the implementation of technological processes, safe equipment operation methods, and technical standards of workshop machinery and equipment. Conduct R&D and suggest the technical safety measures, labor intensity reduction methods, and working condition improvements for approval and implementation. Inspect, control and submit the report on environmental management activities to the Chairman of the Board of Directors for approval and forwarding to relevant State agencies as prescribed by the laws.

- **Textile Enterprise:** Specialize in producing and processing various types of fabric to meet the internal and external production and business demands of the Company and the market; produce, manufacture and repair machinery parts and components for production.

- **Dyeing - Printing Enterprise:** Specialize in dyeing, printing, drying and processing various fabrics to satisfy the Company's production and business demands and market tastes. Manage, operate and maintain the entire electrical system, machinery, and water supply and drainage systems; design and install electrical and water systems, developing small and medium-sized civil project; Manufacturing and applying electrostatic painting for frame tents, sunshades, and other defense and civil products.

- **Garment Enterprise:** Specialize in producing military equipment, office uniforms, and export garments. Japanese equipment is used in the production line. Particularly, various types of tents are produced for defense and civilian purposes.

- **Trading and Exhibition Center:** Introduce, exhibit and advise the products and designs released by the Company.

- **Ha Nam Branch:** Operate in the garment sector to serve for national defense and security tasks, serving the domestic market, export, and other business lines according to its registered business license.

7. The Board of Management and Chief Accountant

No.	Full name	Title	Date of birth	Qualification	Shareholdings
1	Dinh Quang Nhan	Director	September 26, 1976	University	3,942,530
2	Nguyen Thanh Duong	Deputy Sales Director	February 10, 1975	University	0
3	Ha Hong Quan	Deputy Technical - Production Director	July 24, 1977	University	16,400
4	Nguyen Thi Duc	Chief Accountant	February 09, 1972	University	9,700

8. Financial position

- Key financial indicators

Items	2023	2024	Remarks
1. Liquidity ratio			
+ Current ratio	1,57	1,53	
+ Quick ratio	1,06	1,13	
2. Capital structure			
+ Total-Debt-to-Total-Assets Ratio (TD/TA)	0,43	0,47	
+ Liability/Owner's equity	0,74	0,89	
3. Profitability ratio			
+ Profit after tax/net revenue	0,06	0,06	
+ Profit after tax/Equity	0,14	0,19	
+ Profit after tax/Total assets	0,08	0,10	
+ Operating profit/net revenue	0,08	0,08	

9. Shareholder structure

a) Shares

- Name of Certificate of Share: Certificate of share of Det May 7 Joint Stock Company

- Share category: Ordinary shares

- Face value: 10,000 VND/share

- Total share volume: 15,411,100 shares

+ Outstanding share category: Ordinary share.

+ Volume of freely convertible shares: 15,374,000 shares

+ Volume of restricted convertible shares: 37,100 shares

b) Shareholder structure

Items	Quantity of Shareholders	Shareholdings	Value (VND)	Percent (%)
Vietnamese shareholders		15,411,100	154,111,000,000	100.00%
- Organization	3	10,321,994	103,219,940,000	66.98%
- Individual	124	5,089,106	50,891,060,000	33.02%
Foreign shareholders	-	-	-	-
- Organization	-	-	-	-
- Individual	-	-	-	-
Total	127	15,411,100	154,111,000,000	100.00%

(According to the List of Shareholders No. 38/2025-DM7/VSDC-ĐK of VSDC dated February 3, 2025)

c) Changes in equity: None

d) Transaction of treasury shares and other securities: None

10. Environmental and Social Impact Report

a) Environmental Policy

The textile and garment industry is not only known as a labor-intensive industry but also it requires high volume of energy and raw material inputs for its operations. The Company always recognizes the importance of compliance with the environmental safety standards and regularly implements quality controls to effectively manage products from raw materials to the production process. Accordingly, the sustainable development goal is focused, reducing greenhouse gas emissions while maintaining business growth and ensuring environmental safety.

The main raw materials for the Company's production activities are fabrics and yarns, as well as related accessories such as needles and threads, etc. All raw materials and accessories are provided by reputable, long-standing vendors. However, great efforts have been always carried out to continually seek for qualified vendors to the highest satisfaction of the customer. Moreover, input materials are carefully selected to ensure that products delivered to customers meet quality standards. Appropriate business strategies and inventory storage plans have been also designed and developed by BOD and BOM to adapt to changes in production schedules.

- Water is also a decisive factor to support the Company's production and business activities, as well as in the textile and garment industry in general. Water consumption is always concerned as an increasingly important issue as natural water sources are valuable environmental resources. In order to effectively consume water resources, all businesses today aim to use water economically to protect the environment and ensure long-term sustainability. It is not exception for Det May 7 Joint Stock Company. The Company always develops production plans that prioritize water-saving criteria and the effective reuse of water sources, contributing to the protection of this precious environmental resource.

- With its business activities, the Company consumes a significant amount of energy during production and operations. All environmental impact aspects of the concerned activities in the supply chain have been identified, including solid waste, domestic waste, hazardous waste, natural resource usage, wastewater, air pollution, dust and noise. Therefore, many measures have been implemented to minimize environmental impacts, such as

- + Improving and investing in modern, environmentally friendly technology; investing in research and development of product designs and quality to produce high-quality products.

- + Improving the landscape and environment of the Company's premises and its factories to ensure a green, clean and beautiful environment.

- + Focusing on environmental research and assessment related to the business activities; the Company aims to train specialized personnel in this field to acquire expertise and propose measures to minimize emissions during

production, ensuring compliance with environmental regulations and standards, strictly adhere to ISO 14001:2015 standard. 2015.

+ Actively inspecting the water system regularly to promptly detect and recover the water leaks, minimizing water loss.

+ Actively propagandizing water-saving policies among all workforce members to encourage them to save water and raising awareness about the significance of water resources to contribute to environmental protection.

+ Regularly updating and strictly complying with all legal regulations related to environmental protection in the Company's production and business activities; Ensuring that production and discharge processes are complied with regulations without any adverse impacts on environment.

b) Employee policies

Total headcount is 478 persons.

Where:

- Employees with university and postgraduate qualifications: 122 persons
- Employees with college and intermediate school qualifications: 172 persons
- Manual labor: 184 persons

Qualification	Number of employees (person) (As of 31/12/2024)	Percent (%)
Distribution by labor subject		
Direct labor	390	81.6%
Indirect labor	88	18.4%
Distribution by qualification		
Bachelor or higher	122	25.6%
College, intermediate school	172	35.9%
Technical worker, primary labor	184	38.5%

c) Social responsibility report toward the local community

In addition to successful production and business activities, the Company's active engagement with the social and community programs was recorded, demonstrating its positive values and responsibility to local communities in particular and the society in general. The movement of "All people unite to build a cultural life" movement in combination with the "Armed Forces of Military Zone 7 joining hands to build new rural areas" emulation movement and "Joining hand for the poor - No one left behind" movement as well as activities of

gratitude and social policy, including support for military families and veterans. 2024 was recorded with the Company's financing to build 6 gratitude houses for military and civilian families and provided other policy support in the area with a total value of VND 3.443 billion.

11. Training, salary, bonus and allowance policies

a) Working regulations

- Working time: 48 hours/week is applied. Shift work applies to direct labor (production workers). The office hours apply to indirect labor (admin staff).

- Working time regulations:

- + Admin employees: In the morning: 7h30 - 11h30. In the afternoon: 12h30 - 16h30.

- + For direct production workers: Shift-based, 8 hours/shift working is applied.

b) Salary, bonus and welfare policies

- Salary policy: The salary policy has been designed and developed in accordance with the specific characteristics of the Company's specific industry, ensuring that employees enjoy full benefits in accordance with the State regulations and each individual's qualifications, capacity and position. Currently, a department-based salary payment policy is applied, associating the performance-related salaries of each employee and the overall performance of each department and team within the Company (according to productivity, quality, and work efficiency).

Salary and bonus payment forms

- + Direct product salary: Workpiece salary is applied to employees in accordance with the production output, with specific time norms and unit prices for each job.

- + Salary payment for indirect staff: Payment for admin departments/divisions/team, with monthly salary funds which are based on the indirect labor wage rate approved for each unit.

- + Insurance and benefits: The Company fully complies with legal regulations on wages, bonuses, social insurance, health insurance and unemployment insurance. Full and timely contributions to such insurances are made as prescribed by the laws. Additionally, the 24/7 labor accident insurance is procured for 100% of its officers and employees. Welfares and benefits: Bonuses are given on holidays, 13th monthly salary, year-end performance bonuses; direct hazard allowances provided in mid-shift meals for workers in hazardous environments; annual health check-ups and occupational disease examinations; provision of uniforms and PPEs; The Company also takes good care of the material and spiritual lives of its employees, organizing cultural, sports, and artistic activities on special occasions such as International Women's Day (March 8), Vietnamese Women's Day (October 20), and caring for employees' children on International Children's Day (June 1), facilitating the Employee's loyalty to the Company. The Company has supported to nurture 5 orphaned children, affected

by COVID-19 pandemic, with an average support of VND 1 million per child per month until the age of 18. The Company's cultural, sports, and public engagement activities were also implemented with a total budget of VND 1.974 billion.

- A timely reward policy has been applied for individuals and collectives that have made significant contributions to the Company's production and business activities, and applies disciplinary measures to individuals whose actions negatively affect the interests and reputation of the Company.

c) Recruitment and training policy

Recruitment has been always emphasized by the BOD and BOM. Recruitment campaigns are launched in a public and fair manner, creating trust for qualified and capable candidates when applying to the Company.

12. Production and business situation

2024 was recorded with the global economy's various challenges, struggling with political instability, rising inflation, prolonged interest rate hikes, decreasing consumer demand, and negatively affected economic growth; Vietnamese economy was strongly impacted by the global recession, while prices of raw materials for production fluctuated unpredictably. Production required to ensure product quality to meet the market's increasing high demands and maintain the stable production costs. On the other hand, it was required to ensure stable price. Therefore, the Company's implementation of its key political and business tasks was severely affected by such factors. From the above characteristics, some advantages and disadvantages appeared as follows:

- Advantages: The Company has often received the close attention, leadership, and direction from the Command of Military Zone 7, the Party Committee of Dong Hai Company, and guidance from higher authorities. The Company's BOD and BOM have proactively overcome difficulties, researched, and carried out its production and business activities in connection with fulfilling its operating tasks. Its officers, employees and workers has maintained strong internal unity, clearly identified their roles and responsibilities, and contributed to building a strong and clean Party Committee and an excellent and powerful unit.

- Difficulties: The textile and garment industry is always facing with cut-throat competition and declining orders. The market prices of raw materials and fuels for production remain unstable due to the impact of USD exchange rates and domestic gold prices. Reduced cargo consumption has led to a decrease in trade revenue, adversely affecting the Company's operations. In such context, the BOD and BOM have gathered resources and actively carried out a series of controls to ensure the successful fulfillment of the Company's 2024 production and business targets as follows.

- Launch of production and business activities in line with approved policies, legal regulations, and efficiency, unity and safety; strengthening the "Productivity, Quality, Efficiency" movement in close association with production and business to guarantee the national defense and security; effectively management and proper utilization of defense land; Focus on producing defense items for the market, improvement of marketing activities and secured product

sources to serve for the production and business; strictly management and maintenance of product quality stability, improvement to productivity and product quality across all product lines; Application of salary, bonus and welfare policies, ensuring the employee's livelihoods and incomes in a democratic, fair, and transparent manner; successful fulfillment of all business and production targets set for 2024.

*** Production and business performance**

No.	Items	Unit	2024 plan	Fulfillment in 2024	Comparison with Plan (%):.
1	Gross revenue	VND mill.	685,000	897,855	131%
2	Pre-tax profit	VND mill.	68,530	68,883	101%
3	Undistributed earnings	VND mill.	54,624	54,688	100.1%
4	Payment to the State budget	VND mill.	36,988	37,434	101%
5	Dividend payment to Dong Hai Company	VND mill.	13,361	13,361	100%
6	Dividend distribution	%	17	17	100%
7	Average income	VND mill./person/month	12,3	12,4	101%

In the year, the lines of business was supplemented to effectively operate the Company's assets and resources as follows: Code: 5210, contents: Goods storage field and storage Code: 6810, contents: Trading in real estates, land use rights under owner, user or leasor

The year was recorded with the Company's outperformance of the investment, fundamental construction and procurement of plants and equipment in accordance with the procedures, the State laws, the regulations of the Military Region, Dong Hai Company and the regulations of the Company; Effective operation of invested plants and equipment to ensure improvement of productivity, output and product quality to the customer's highest satisfaction. In 2024, the Company invested into plants and equipment with total value of VND 26,948 billion from the depreciation source and the Company's Fund for Investment and Development.

No.	Description	Unit	Quantity	Value
1	High pressure dying machine	Machine	3	12,816,720,000
2	15 T/h fluidized bed boiler	Machine	1	11,300,000,000
3	Automatic continuous wastewater monitoring system	Sys.	1	1,698,256,962

4	Plants and equipment of garment industry	Machine	1	1,134,000,000
TOTAL:				26,948,976,962

II. ASSESSMENT REPORT OF THE BOARD OF MANAGEMENT

1. Assessment on production and business performance

2024 witnessed Vietnam's economic development in the context of the global economy's difficult and challenging condition, with strategic competition among major countries further complicating global security, economics, and investment activities. Due to cut-throat competition in both domestic and international markets, rising raw material prices, increasing wage and social insurance costs, loss of cheap labor advantages, and higher production costs against those of some regional countries, with a bottleneck slowdown in foreign investment into Vietnam and increased labor movement, Vietnam's competitiveness was lower than that of other countries. However, the Company managed to maintain stable operations and achieved effective production and business results.

2. Financial position

a) Financial position

Unit: VND

ITEMS	2023	2024
Current assets	333,140,259,403	389,114,842,980
Long-term assets	163,697,663,129	150,929,722,484
Total assets	496,837,922,532	540,044,565,464

b) Liabilities

Unit: VND

ITEMS	2023	2024
Current liabilities	211,556,497,210	253,667,233,349
Long-term liabilities	-	-
Total liabilities	211,556,497,210	253,667,233,349

3. Improvements on organization structure, policies and management

In 2024, the Company's continuous consolidation of its organizational structure and management apparatus was still initiated, specifying functions and duties of each department. Personnel was rearranged and appointed in the Technical-Production Department, Administration Department, Dyeing Enterprise and Garment Enterprise. In addition, the Company's additional regulations, procedures, and policies were released to improve organizational and operational quality. By awareness of the importance of human resources, the proper HR management and employment was strengthened by the BOM. Special attention

was paid to train workers, improve skills, develop staff, and enhance the workmanship. Simultaneously, customer demand was researched and analyzed to adjust production strategies and market distribution proportions to timely meet customer demands.

4. The 2025 plan items

a) Expected criteria and plan in 2025 (Under the Option 1: Land use fee under the Contract signed with the Ministry of National Defense is 1,294 billion VND/year).

- Revenue	: VND 720.000 billion
- Profits before tax	: VND 74.000 billion
- Payment to the State budget	: VND 66.693 billion
- Payment to Dong Hai Company (dividend):	VND 14.650 billion
- Total salary fund	: VND 99.778, in which:
+ Det May 7 Company	: VND 76.530 billion
+ Ha Nam Branch	: VND 23.248 billion
- Average income	: 13,100,000 VND/person/month
- Average headcount	: 638 persons
- Expected dividend distribution	: 19% (1,900 VND/share)

b) Expected criteria and plan in 2025 (Under the Option 2: (Land use fee under the Decision No. 79/2024/QĐ-UBND of the People's Committee of HCMC dated October 21, 2024 is 14,941 billion VND/year).

- Revenue	: VND 720.000 billion
- Profits before tax	: VND 60.352 billion
- Payment to the State budget	: VND 72.772 billion
- Payment to Dong Hai Company (dividend):	VND 12.182 billion
- Total salary fund	: VND 99.778, in which:
+ Det May 7 Company	: VND 76.530 billion
+ Ha Nam Branch	: VND 23.248 billion
- Average income	: 13,100,000 VND/person/month
- Average headcount	: 638 persons
- Expected dividend distribution	: 15.5% (1,550 VND/share)

c) Expected investment into fundamental construction

Procurement and investment in fundamental construction and procurement of plants equipment is complied with the State regulations, fulfilling the items of plants and equipment investment and procurement items in accordance with the approved plan, satisfying the operating task requirement. The 2025 investment value is expected to be VND 17.317 billion as follows:

- 03 batch dyeing machines	: VND 12.817 billion
- Rolling and curing system	: VND 4.500 billion

III. CORPORATE GOVERNANCE

1. Board of Management

a) Members and structure of Board of Directors

No.	Full name	Title	Shareholdings	Titles in other companies
1	Nguyen Manh Tung	Chairman	3,929,831	
2	Dinh Quang Nhan	Member of Board of Directors - the Director	3,942,530	
3	Tran Thi Phuong Hong	Member of BOD	277,800	Member of BOD at Son Tien Textile and Dying Company
4	Nguyen Thanh Duong	Member of BOD - Deputy Sales Director	0	The Chairman of Member Council of Thanh Vinh Production and Trading Company
5	Nguyen Xuan Thuy	Member of BOD	5,200	

b) Committees of the Board of Directors: None.

c) Operation of Board of Directors

- The Board of Directors fully fulfills its required functions and missions in accordance with the laws, the Charter, and the Resolution of the General Meeting of Shareholders. The BOD approves the decision by directly voting at the meeting, taking the written consultation.

- In 2024, the BOD concentrated on directing and supervising the production and business management by promulgating 18 Resolutions and 36 Decisions related to the Company's management, organization, and production & business operations; strictly monitored the existing conditions to inspect and evaluate the implementation results of the General Director regarding business activities, investment, human resources organization, and strategic development, always facilitating the BOM to accomplish their tasks. The BOD's Resolutions are based on high consensus and agreement of BOD members.

- In addition to approval of investment and fundamental construction projects, the monthly, quarterly, and annual production & business plans were approved and seriously implemented by the BOD throughout the Company.

- The BOD has successfully presided and held the 2024 Annual General Meeting of Shareholders and the 2025 Extraordinary General Meeting of Shareholders; monitored and directed the periodic and extraordinary disclosure as prescribed by the laws.

2. Supervisory Board

a) Members and structure of Supervisory Board

No.	Full name	Title	Shareholdings
1	Nguyen Thi Kim Anh	Chairman	2,100
2	Nguyen Thi Thuan	Member of Supervisory Board	0
3	Nguyen Thi Hong Thuy	Member of Supervisory Board	0

b) Operations of the Supervisory Board

- The Supervisory Board has monitored, supervised and reviewed the quarterly, semi-annual, and annual reports and issues related to the Company's production and business activities. The Supervisory Board also appraised Income Statement, Financial Statements and validated the disclosures of the Financial Statements. The supervision's honesty and due diligence were assured without hindering the Company's operations.

- The Supervisory Board supervised the BOD's and BOM's legal compliance, implementation of the Resolutions approved by the 2024 GMS, and promulgation of BOD Resolutions and Decisions.

- The Supervisory Board participated in BOD meetings to supervise the contents such as assessment of quarterly business performance, planning, and investment in procurement of plants and equipment to serve for the Company's production and business activities.

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

a) Remuneration and benefits

- Remuneration of BOD, Supervisory Board:

+ Member of BOD: 5,600,000 VND/person/month

+ The Head of Supervisory Board : 3,000,000 VND/person/month

+ Member of Supervisory Board : 2,000,000 VND/person/month

**** Total remuneration payment is VND 151,200,000***

- Income of the Chairman of Board of Directors, the Board of Management

No.	Full name	Title	Income (VND)
1	Lai Thi Bay	The Chairman of the BOD	648,000,000
2	Dinh Quang Nhan	Member of BOD - the Director	576,000,000
3	Nguyen Thanh Duong	Member of BOD - Deputy Director	504,000,000
4	Ha Hong Quan	Deputy Director	504,000,000

b) Share transaction of in-house sources: None

c) Contract or transaction with in-house sources:

- The transaction has been conducted between the Company and the affiliated person as follows:

+ Thanh Vinh Company Limited (Mr. Nguyen Thanh Duong - Member of BOD of Det May 7 Joint Stock Company cum the Chairman of Member Council of Thanh Vinh Company Limited)

Total sales/manufacturing value: VND 46,360,473,001

+ Cao Gia Phat Group Joint Stock Company (Mr. Cao Xuan Minh - Member of BOD of Det May 7 Joint Stock Company cum Member of BOD of Cao Gia Phat Group Joint Stock Company).

Total sales/manufacturing value: VND 24,601,790,000

d) Assessment on fulfillment of corporate governance regulations

The Company has strictly adhered and outperformed the corporate governance in accordance with the Charter, the regulations, by-laws and applicable laws.

IV. FINANCIAL STATEMENTS

1. Auditor's opinions

Auditor's opinions are released as follows: "From our opinion, the consolidated Financial Statements give a true and fair view, in all material aspects, about the Company's financial position as of December 31, 2024, business performance and cash flow of the fiscal year ended on the same day in accordance with Vietnam Accounting Standards, Corporate Accounting Regimes and applicable related regulations of Vietnam on preparation and presentation of Financial Statements".

2. The Audited Financial Statements

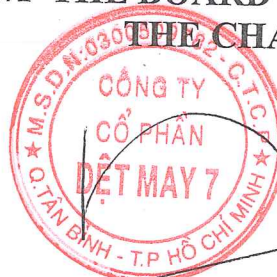
The audited Financial Statements from January 1, 2024 to December 31, 2024 were audited as prescribed by the laws (*attached*). *ly*

Recipients:

- The Company's BOD;
 - The Supervisory Board;
 - The Board of Management;
 - The Company's Shareholders;
 - Archives in office, HR and Admin Dept.;
- Ph127.

P/P THE BOARD OF DIRECTORS

THE CHAIRMAN



[Handwritten signature]

Nguyễn Mạnh Tùng

