



## **To our Valued Staff, Clients and Partners,**

As I look over the last 12 months I am once again reminded of the great pleasure it is for me professionally and personally to work with every single one of you. It's important to me, as Managing Director of Midway Metals Marine LLC, that what we stand for is crystal clear. The Company's messaging must be current and purposeful. So, from this year onwards, the company will dedicate more time into sharing this strategic message.

You've earned this and you deserve to be fully informed.

Midway in Vietnam has shown yet again that, because of our focus on being the best at what we do, we are successful. Our Vision, mission and 6 Key Drivers mean we remain profitable, constantly growing our revenues by almost 30%, from both current and new client portfolios in an 80/20 ratio, respectively.

This is impressive. Congratulations.

We all realize these results are possible because we put our people first, through the empowerment of our Teams, by building knowledge and experience, in a SMART and uncompromising way, Not just in Vietnam but also globally. The Midway Client Portfolio is one of stella quality Yacht builders in both Northern and Southern Hemispheres.

Increased investment in systems and Technology will be appropriated in the coming financial year because we accept the increasing demands placed on us by our global Marine Industry clients. Same goes for the strengthening and development of our business relationships with Supply Chain partners across the world. Our supply partners help to make us a great success, and we appreciate their recognition.

Finally, I wanted to say once again that our business is truly focused on the securing of good futures of our Team members and their families. As our Midway Community continues to grow and to prosper, the close connections with have with others shows that we are here to do what's right, safely and responsibly, by living up to what we believe to be right.

**“On your Side”**

**Anthony Jolly – Managing Director, Vietnam.**

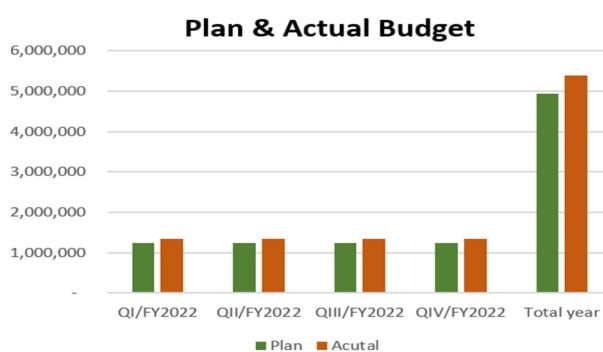
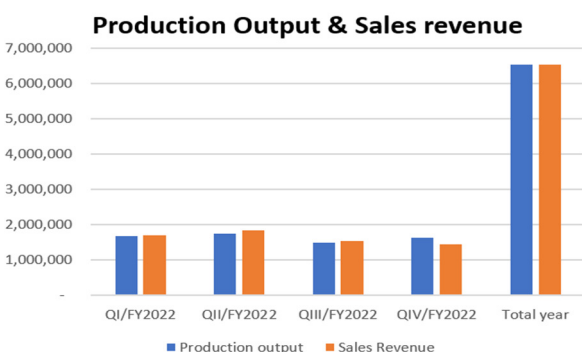
# I - Annual Report – Financial Accounting Department Submission 2023

## Overview statement.

- The Goal of the Financial Accounting Department at Midway Metals LLC is to support the overall General Directors Strategy by ensuring stable financial platforms and measurably exceeding Previous Financial year performances.
- Company accounting system is 100% compliant with Vietnamese Accounting Standards, Vietnamese Enterprises Accounting System, and prevailing accounting regulations in Vietnam (VAS) along with International Financial Reporting Standards (IFRS) complying.
- Minder System compliance and interaction with the overall business strategy of the company, across all departments of the business.
- Succes rewarded by the Tax Department for great compliances to Vietnamese Tax Law and Accounting system transparency, such as:
  - Excellent enterprise in good observance of tax laws.
  - Excellent enterprise with significant contribution to the state budget.
- The Financial Accounting Department always achieves completed assigned tasks and contributes to the development of the Company.
- Financial Audited results for FY 2022 (July 2022 to June 2023) closed as follows:
- Turnover **\$6,525,239**, an increase **30 %** in comparison with last FY year budget.
- Cash flow positive
- Improved Raw Material cost, monitoring and stabilization.
- Improved Freight cost and frequency.
- Actual Sales revenue reached 99.7% of the plan FY2022, leading to the budget management of the company also achieving the set target, the budgets of the departments didn't exceed the allowed rate.

## FY 2023.

- The company's budget has been finalized according to the Sales revenue target of FY 2023-2024 (July 2023 to June 2024) of \$ 8,300,000 which increasing **27 %**.
- Monitoring and managing details of receivables and payables, reviewed quarterly.
- Improve the contractual arrangements with all clients to ensure financial security for the company.
- Manage inventory monthly, ensures that the cash flow is stable and capital expenditure resource to support Company growth.
- Sales and stock level ratios to be adjusted according to forecasting.



## II - Annual Report – Human Resource Submission 2023

### Our Mission

Striving to create the best place to work and be a part of it. Ensuring future development and fulfilling the aspirations of our people in a positive, lean, and productive environment. Our aim to empower and inspire the staff to become the best they can.

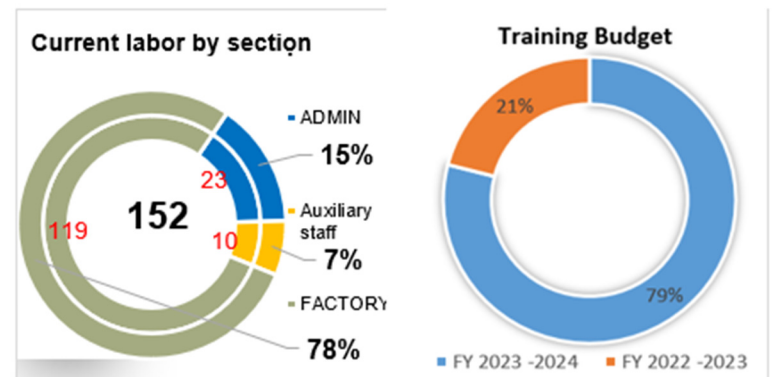
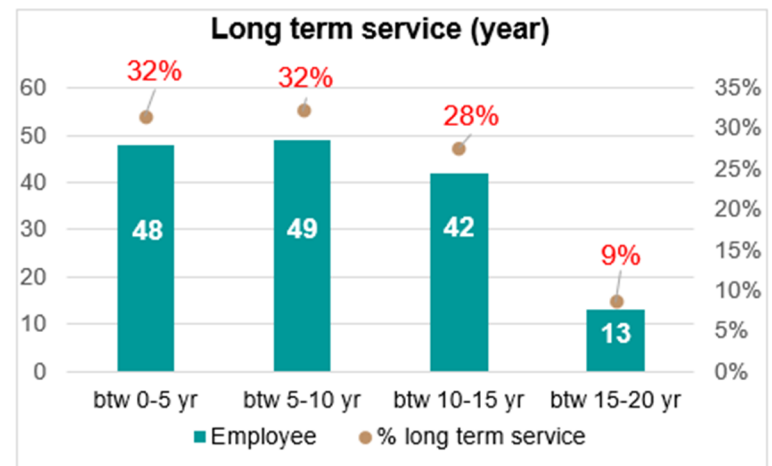
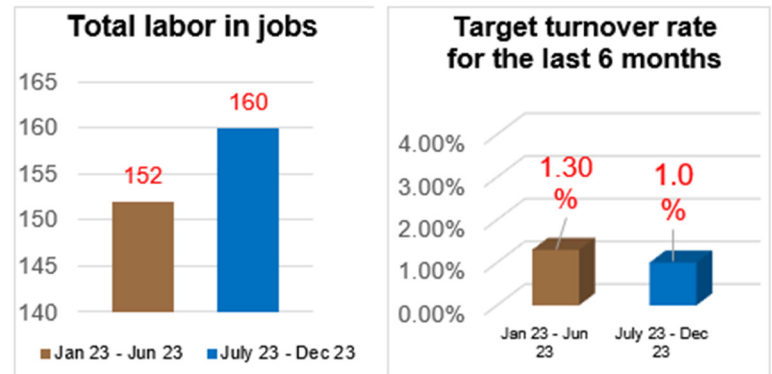
### Achievements

- Establish a budgeted Midway charity program, donate, and support local family rebuilding their house and providing financial support.
- Solid labor force with very high retention rate, employee turnover rate: 1.3%
- Remarkable progress of manufacturing middle management.

### Our Goal:

- Increasing the staff benefit through training and incentive.
- Focus on training to cultivate the potential of our people. (Training budget's increasing 300% in comparison with last FY)
- Expanding & stabilizing the company Mid – Management, strongly support production to meet with Company Sales Revenue target.
- More charitable programs to share our success with the community.

### HR Performance snapshots



## III - Annual Report – BDM Submission 2023

### Midway Business Overview (Sales)

The Global high-end marine industry remains robust with our clients (non-small boat sector) some having full order books till 2028. The industry is providing stable volumes for Midway, meeting our expansion plans and enhancing our global footprint. New leads for potential clients are flowing strongly by referral, due to the reputation we have built over the last 18 years.

Client confidence in Midway is at an all-time high.

The continuous rises in external costs, plus labor rate hikes abroad are putting pressure on clients to apply cost down policies, while attempting to maintain the quality of their products. This aligns well with the Midway advantages to global markets. There is no stronger positioned company in the field than Midway currently.

### Overview statement.

- Thanks to the whole Midway Team we are now an important partner with many of the world's leading boat builders. We have the capability and capacity to continue growing with our current clients while acquiring new, carefully selected clients via our Client Evaluation Process.
- Midway has developed excellent relationships through the dedication of all the staff. The clients and partners frequently praise our workmanship and service.
- We are perceived as top tier Supplier.
- The Global Marine Industry is diverse – small, medium, large and Super Yacht with varying quality requirements, Midway supplies predominantly to the highest quality clients in large and Super Yacht sectors because our products meet their extremely high standards, with a split in sales being approximately.

• Small	-	5%
• Medium	-	12%
• Large	-	75%
• Super Yacht	-	8%

### Sales forecast 2023.

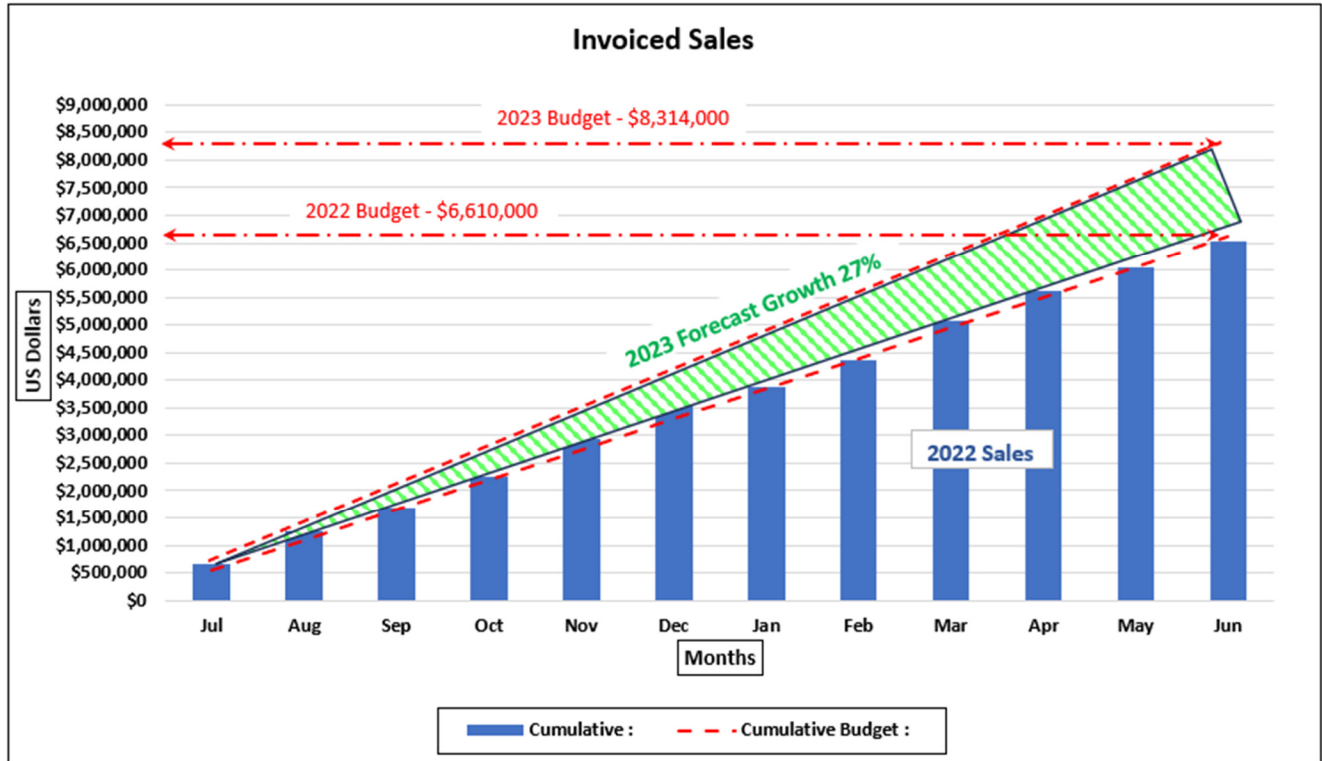
- Our 2023 conservative budgeted forecast is US\$8,314,000 equaling an increase of 27% YOY.
- Increased volume will come from our existing client base and newly selected clients to meet the target.
- The business expansion ratio between current and new clients is 80/20 respectively.

### Past 12 months.

Stabilization in raw material and freight prices mostly coming back to pre-Covid levels, leading to positive impacts for Midway supply to our clients.

Two of our biggest clients have been acquired by investment companies, demanding expansion, and better returns, resulting in benefits for Midway.

FY 2022 sales achieved 98.7% of allocated budget.



**Challenges:**

Two years of travel restrictions, stopping our face-to-face client meetings for the personal client management & reviewing Midway systems, ensuring departmental alignment between our client and Midway.

Now restrictions have been lifted we have been visiting and actively working with our clients to ensure proper alignment and adjusting to ensure continued benefits to both parties.

**Awards and achievements.**

- Signing a 5-year \$8 million contract with a UK boat builder.
- Sunseeker NEW supplier of the Year Award / Business expansion project.
- Maritimo Yachts Australia, New contract agreement.
- ProStainless visit for partnership development and training.
- Inoferro (GSA) Vietnam Visit and expansion of cooperation.
- New Architectural Projects in Australia – Innovative Rigging.
- Cocoon Fires New Product development Project – success. Meeting new EU and global demands.
- New Products development Project using exclusive raw material with UK based RIB builder.
- Extremely low NCR rates with increased volumes of products manufactured, lowest in the industry.
- AusCham business excellence award for large companies won by Midway Metals.

## IV - Annual Report – QA/QC Dept. Submission 2023

### Our Mission

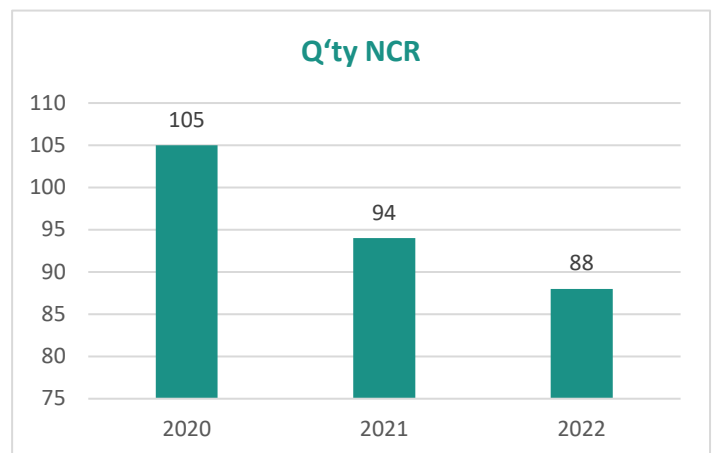
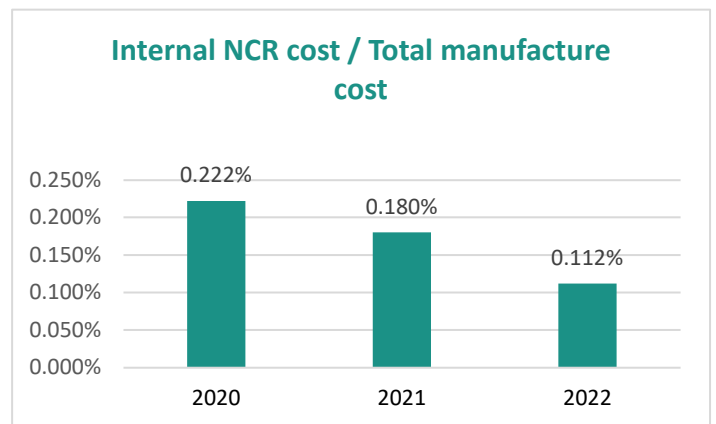
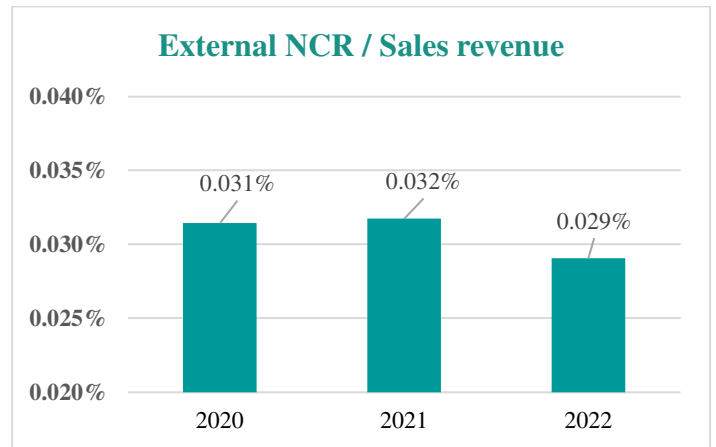
- Our goal is to control the quality of the products which meet the expectations of the clients.
- We actively contribute to the company's development through continuous improvements to control the quality of the product and meet annual targets.

### Achievements

- The external NCR rate is only 0.029%
- Internal NCR rate is 0.112%
- No. of internal NCR is reduced to 88 NCRs.

### Our Goal:

- Reduce external NCR rate to 0.02%
- Reduce internal NCR rate to 0.1%
- Reduce No. of NCR to <78
- 100% raw material will be checked & controlled to ensure the quality of the supplied products.



## V - Annual Report – Engineering Submission 2023

### Our Mission

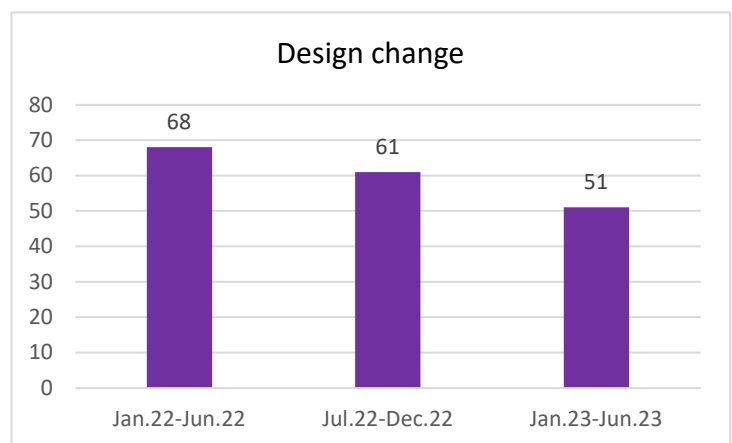
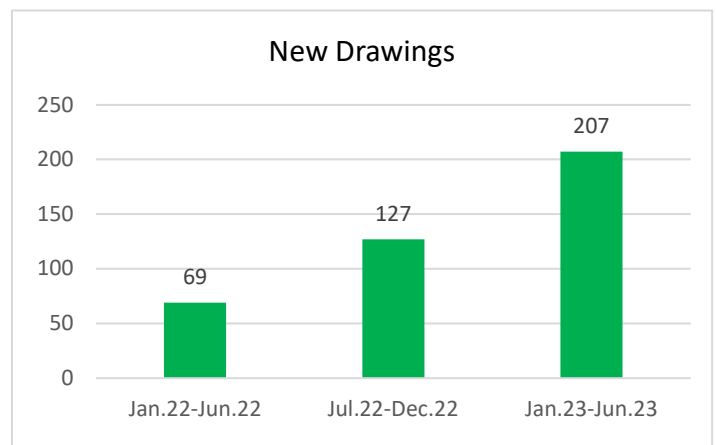
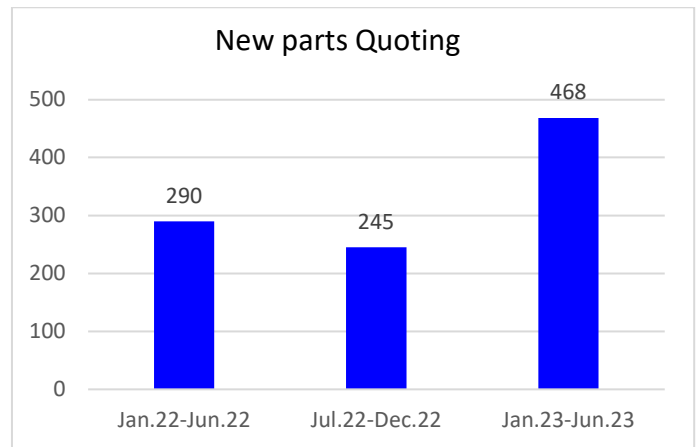
- Our task is to check and consult on client designs, making them suitable for the company's production conditions and technical requirements. Quote customers at the best price within the required time to bring satisfaction to customers and receive orders.
- Make production breakdown drawings, within the required time and accuracy to reduce production waste according to LEAN Policy of the company.

### Achievements

- Over 535 new quotations in 2022.
- Completed 169 new drawings, design change 129 drawing in 2022.
- Compliance rate related to drawings 99.33% in 2022.

### Our Goal:

- Research and propose new design solutions to reduce production costs.
- Achieve approx. 800 new quotes in 2023.
- Achieve 350 new drawings, 150 design change approvals in 2023.
- Ensure the NCR error rate related to drawings is below 0.5% in 2023.
- Focus on skills training for staff in the department to improve qualifications as well as achieve uniformity in skills in 2023.



# V - Annual Report – HSE Submission 2023

## Our Mission

Health, Safety and Welfare of employees directly affect the company's production activities. HSE department clearly understands its responsibility and HSE is responsible for implementing all the established safety policies and regulations, controlling safety by pointing out, reporting, and handling unsafe locations and conditions.

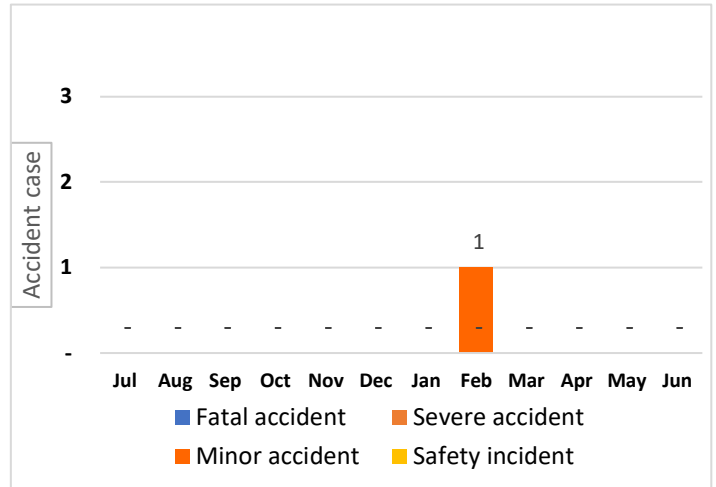
## Achievements

- Monitor and implement Safety Regulations for the system of machinery & equipment, working tools. Maintaining a safe working environment for all employees.
- Supervising and implementing the regulations and standards for labor safety, environment, fire prevention.
- Supervise the warehouse arrangement, load and unload safely - Zero accidents.
- Provide sufficient information, instructions, training, and supervision, to avoid hazards for employees.
- Maintenance of the working environment, be consistent with reality, towards employee welfare.

## Our Goal:

- Labor accident = 0 case.
- Environmental/waste incident = 0 incident
- 100% of employees are periodically trained on labor safety, fire prevention, first aid, etc.
- 100% of employees are provided appropriate labor protection to ensure safety and health.
- 100% of employees are provided an annually health check.
- 100% Facility Management Service AUDIT.

## Labor accident report (period Jul 22 ~ Jun 23)



## Fire, explosion, environmental incidents report (period Jul 22 ~ Jun 23)

