**DHD: General Mandate 2020**

On 31 Mar 2020, Hai Duong Pharmaceutical Medical Material Joint Stock Company announced the General Mandate 2020 as follows:

On March 31, 2020, the Annual General Meeting of Shareholders in 2020 of Hai Duong Pharmaceutical Medical Material Joint Stock Company was held with the participation of 147 shareholders and representatives of shareholders, owners and representatives for 6,835,260 voting shares, accounting for 85.4408% of the total voting shares of the Company

After listening to the contents of the Proposals, the General Meeting of Shareholders discussed and voted the General Mandate with the following contents:

Article 1: Approving the profit distribution plan in 2019 and the financial estimate for 2020

1. Profit distribution plan for fiscal year 2019:

|  |  |  |
| --- | --- | --- |
| No | Indicators | Amount (VND) |
| 1 | Total profit after corporate income tax in 2019 | 26,516,217,027 |
| 2 | Dividend payment in 2019 with the ratio of 30%/ Capital contribution, from retained after-tax profit of 2019 Form: - Dividend payment by shares: 25% - Dividend payment in cash: 5% | 24,000,000,000 |
| 3 | Remuneration payment to members of the Board of Directors, the Supervisory Board who do not participate in operating for the remaining of 2019 in accordance with Charter | 203,112,540 |
| 4 | Remaining profit of this year  | 2,313,104,487 |
| 5 | Retained profit of the previous year carried over to | 14,014,457,860 |
| 6 | Total retained profit (4 + 5) | 16,327,562,347 |
| 7 | Appropriation to Investment and Development Fund | 0 |
| 8 | Total retained profit carried over to next year | 16,327,562,347 |

The Company will pay dividend of 2019 to shareholders in accordance with General Mandate of 2020: VND 24,000,000,000 from the retained profit of 2019 carried over to, equivalent to the rate of: 30% of the contributed capital

2. Financial estimation in 2020:

Value of production output: VND 366 billion, in which:

|  |  |  |  |
| --- | --- | --- | --- |
| No | Name of units | Unit | Plan |
| 1 | Eastern medicine workshop | VND billion  | 40 |
| 2 | Tablet workshop  | VND billion  | 98 |
| 3 | Soft capsule workshop | VND billion  | 130 |
| 4 | Eye injection workshop | VND billion  | 52 |
| 5 | Cream workshop + cosmetics | VND billion  | 36 |
| 6 | 2 EU tablet workshop  | VND billion  | 10 |
|  | Total |  | 336 |

- Revenue: VND 900 billion, including internal revenue: VND 50 billion and sales: VND 850 billion

In which: + Sales of commercial business: VND 400 billion, accounting for 47%

 + Revenue of goods produced by the Company: VND 450 billion, accounting for 53%

- Gross profit: VND 170 billion

- Expected profit after tax: VND 27,000,000,000

- Expected distribution of profit after tax of 2020:

+ Appropriation to development and investment fund according to the Charter of the Company and the General Mandate

+ Paying dividend by stocks or in cash to shareholders: expected from 4% to 6% of contributed capital

Article 2: Approving remuneration for the Board of Directors, the Supervisory Board in 2019 and the proposals for 2020

1. Finalization remuneration in 2019

- Number of members of Board of Directors in 2019: 3 members

- Number of members of Supervisory Board in 2019: 3 members

- Total profit after corporate income tax: VND 26,516,217,027

- Remuneration of the Board of Directors: VND 795,486,600, equivalent to 3% of profit after tax in 2019

- Remuneration of the Supervisory Board: VND 265,162,200, equivalent to 1% of profit after tax in 2019

Thus, the remuneration for the Board of Directors and the Supervisory Board in 2019 is complied with the payment norms according to the Charter of the Company

2. Expected remuneration level in 2020

Based on the Charter of the Company approved by the General Meeting of Shareholders and the business results of 2020

- Remuneration for the Board of Directors is 3% of profit after tax

- Remuneration for the Supervisory Board is 1% of profit after tax

Article 3: Approving the selection of auditing units for financial statement of 2020

1. Selection criteria

- Being a reputable independent audit unit, approved by the State Securities Committee and the Ministry of Finance to audit public companies

- Being an auditing unit with a team of honest auditors, upholding professional ethics, highly qualified, experienced to ensure the auditing quality of financial statements

- Reasonable audit costs, suitable to the content, scope and progress of the audit required by the Company

2. List of auditors

- Vietnam Auditing and Valuation Co., Ltd

- An Viet Auditing Co., Ltd

- KPMG Co., Ltd

- VACO Auditing Co., Ltd

 The General Meeting of Shareholders authorized the Board of Directors to directly select an appropriate audit unit, meeting the above requirements in order to audit the 2020 financial statement of the Company

Article 4: Approve the audited financial statements for 2019

Article 5: Approve the operation reports of the Board of Directors, the Supervisory Board and the report on the business and production activities in 2019, the business and production plan for 2020

Article 6: Approve the amendment and supplement the business lines of the Company

Details attached the Statement on amending and supplementing the business lines of the Company

Article 7: Approving the plan of issuing stocks to pay dividend of 2020, specifically

- Expected number of shares to be issued: 2,000,000 shares

- Par value: VND 10,000 shares

- Total par value: VND 20,000,000,000

- Type of share: Common shares

- Issue purpose: To increase the Company's charter capital by issuing shares for dividend payment

- Eligible buyers: Outstanding shareholders of Hai Duong Pharmaceutical Medical Material Joint Stock Company according to the list of share owners on record date entitled to receive dividend by shares provided by the Vietnam Securities Depository

- Execution ratio: 100: 25 (Shareholder who owns 100 shares will receive 25 additional shares)

- Plan for dealing with the fractional shares: The number of shares received by each Shareholder when issuing shares for dividend payment will be rounded down to the units according to the principle of rounding down. The decimal (if any) will be canceled

For example: Shareholder Nguyen Van A owns 150 shares, shareholder A will receive additionally issued shares as follows: 150: 100 x 25 = 37.5. Shareholder A receives 37 new shares (fractional share 0.5 will be canceled)

- Capital resources: Retained after-tax profit on December 31, 2019 in the audited financial statements of 2019 of Hai Duong Pharmaceutical Medical Material Joint Stock Company

- Registration for depository and additional listing: The number of shares issued to pay dividend to existing shareholders will be registered for depository and listed at Vietnam Securities Depository and Hanoi Stock Exchange right after completing the issue in accordance with the law

- Implementation time: Q.II, III/ 2020 after approval of the State Securities Commission

- Authorization for the Board of Directors:

Deploy the detailed issuance plan, choose the time to issue and implement the procedures for issuance registration ensuring compliance with the provisions of law

Revise articles related to charter capital, shares, shares in the Charter of organization and operation of the Company after the issuance of shares is completed

Carrying out business registration procedures with Hai Duong Department of Planning and Investment after the issuance is completed

Complete the procedures for registering additional securities at the Securities Depository Center and registering for additional securities transactions on the Hanoi Stock Exchange in accordance with current law and other related tasks

The General Mandate was approved by the 2020 Annual General Meeting of Shareholders of Hai Duong Pharmaceutical Medical Material Joint Stock Company. The Board of Directors and the Management Board, the Supervisory Board and related departments are responsible for implementing this General Mandate