**PPH: Annual General Mandate 2020**

On 26 Jun 2020, Phong Phu Corporation announced the annual General Mandate 2020 as follows:

Article 1: Approve the operation report of the Board of Directors in 2019

The annual General Meeting of Shareholders approved the operation report of the Board of Directors in 2019

Article 2: Approve the operation results of 2019

The annual General Meeting of Shareholders approved the operation results of 2019 as follows:

1. Consolidated operation results of 2019

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No | Indicator | Unit | Plan 2019 | Realization 2019 | % compared to plan 2019 |
| 1 | Total revenue | VND billion | 4,470.0 | 3,782.7 | 84.62% |
| 2 | Profit before tax  | VND billion | 270.0 | 208.6 | 77.25% |
| 3 | Profit after tax  | VND billion | 262.0 | 203.7 | 77.75% |

2. Operation results of 2019 of the holding company

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No | Indicator | Unit | Plan 2019 | Realization 2019 | % compared to plan 2019 |
| 1 | Total revenue | VND billion | 4,100.0 | 3,289.3 | 80.2% |
| 2 | Profit before tax  | VND billion | 250.0 | 251.0 | 100.4% |
| 3 | Profit after tax  | VND billion | 250.0 | 250.5 | 100.2% |
| 4 | Dividend payment  | % | 20% | 22% | 110.0% |

3. Approve the operation plan for 2020

The annual General Meeting of Shareholders approved the operation plan for 2020 as follows:

1. Operation plan for 2020 (consolidated)

|  |  |  |  |
| --- | --- | --- | --- |
| No | Indicator | Unit | Plan 2020 |
| 1 | Total revenue | VND billion | 2,500 |
| 2 | Profit before tax  | VND billion | 210 |
| 3 | Profit after tax  | VND billion | 204 |

2. Operation plan for 2020 (holding company)

|  |  |  |  |
| --- | --- | --- | --- |
| No | Indicator | Unit | Plan 2020 |
| 1 | Total revenue | VND billion | 1,800 |
| 2 | Profit before tax  | VND billion | 200 |
| 3 | Profit after tax  | VND billion | 200 |
| 4 | Dividend payment (expected) |  | 10% - 15% |

Article 3: Approve the report on examining the operational and financial situation of 2019 of the Supervisory Board

The annual General Meeting of Shareholders approved the report on examining the operational and financial situation of 2019 of the Supervisory Board

Article 4: Approve the audited general financial statement and consolidated financial statement of 2019

The annual General Meeting of Shareholders approved the general financial statement and consolidated financial statement of 2019 of Phong Phu Corporation audited by A&C Auditing and Consulting Co., Ltd

Article 5: Approve the plan on profit distribution and dividend payment for 2019

The annual General Meeting of Shareholders approved the plan on profit distribution and dividend payment for 2019 as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| No | Item | Unit | Amount |
| 1 | Undistributed profit after tax in the consolidated financial statement of 2019 | VND | 404,766,823,758 |
| 2 | Profit used for distribution | VND | 250,464,100,937 |
| 3 | Deductions | VND | 426,666,668 |
| 4 | Expected profit distribution | VND | 250,037,434,269 |
| A | Dividend distribution to shareholders (22%/par value of share) | VND | 164,275,960,200 |
| B | Reward to the Board of Directors and the Supervisory Board, Executive Board and diplomatic expense (3% of profit) | VND | 7,501,123,000 |
| C  | Extraction to bonus due to exceeding plan (10% of excess profit) | VND | - |
| D | Extraction to development investment fund (15% of profit) | VND | 37,505,615,000 |
| E | Extraction to bonus and welfare fund (10.5% of profit) | VND | 26,253,931,000 |
| 5 | Remaining profit | VND | 14,500,805,069 |

- Dividend payment ratio in 2019: 22%/par value

- Profit used to pay dividend are based on undistributed profit after tax in the audited consolidated financial statement of 2019

- The above extractions may vary depending on the 2019 tax finalization result, affecting the remaining profit for distribution. In 2019, the Corporation completed tax finalization of 2017 and 2018 with Ho Chi Minh City Department. The adjustment number according to the settlement record was VND 1,360,476,385. The above amount was adjusted to reduce the remaining undistributed profit of previous years

- Personal income tax arising from dividend will be deducted when shareholders receive dividend in 2019 as prescribed

Article 6: Selection of the audit unit of the Corporation's financial statement in 2020

The annual General Meeting of Shareholders approved the list of auditing companies and authorizes the Board of Directors to select one of the following auditing companies to audit the Corporation's financial statement in 2020:

- Deloitte Vietnam Co., Ltd

- KPMG Vietnam Company Limited

- Auditing and Consulting Co., Ltd (A&C)

- Auditing and Informatics Services Co., Ltd (AISC)

Article 7: Remuneration and bonus for the Board of Directors, Supervisory Board, Executive Board and diplomatic expenses in 2019 and expected for 2020

The annual General Meeting of Shareholders approved the remuneration and bonuses for the Board of Directors, Supervisory Board, executive board and diplomatic expenses in 2019 and plan for 2020

In 2019:

- The total remuneration for the Board of Directors and the Supervisory Board: VND 66,000,000/month (income after tax)

- The reward level for the Board of Directors, Supervisory Board, Executive Board and diplomatic expenses: 3% of profit after tax

Plan for 2020:

- The total remuneration of the Board of Directors and the Supervisory Board is the same as in 2019

- The reward for the Board of Directors, the Supervisory Board, the Executive Board and diplomatic expenses is 3% of the after-tax profit and 10% of the after-tax profit exceeding the plan after deductions

The annual General Meeting of Shareholders authorized the Board of Directors to decide the specific distribution plan

Article 8: Approving the restructuring of the Corporation's investments and industries:

Pursuant to the General Mandate 2019 on approval of the restructuring of investments in other enterprises, authorize the Board of Directors to find partners for restructuring the capital/ capital divestment for ineffective investments in accordance with the law according to Statement No.02/TTr-HDQT dated June 26, 2020 of the Board of Directors to concentrate capital on developing the highly efficient core business of the Corporation. The capital divestment must ensure the best efficiency for the Corporation

Article 9: Approving the dismissal of position of member of the Board of Directors of the Corporation for Mr. Tran Ngoc Nga from June 26, 2020

Article 10: Approve the results of election of additional members of the Board of Directors of the Corporation for the term of 2019-2024 as follows:

1. Mr. Duong Khue - Member of the Board of Directors

Article 11: Effect of the General Mandate

- This General Mandate was approved by the annual General Meeting of Shareholders in 2020 of Phong Phu Corporation takes effect from 26 Jun 2020

- The Board of Directors is responsible for announcing the annual General Mandate on the Corporation's website in accordance with the law and the Charter of the Corporation

Article 12: Responsibilities for disseminating and implementing the annual General Meeting of Shareholders

The annual General Meeting of Shareholders assigned to the Board of Directors, the Supervisory Board and the Executive Board to be responsible for disseminating, implementing and supervising the process of implementation

- All shareholders of Phong Phu Corporation, members of the Board of Directors, the Supervisory Board, the Management Board and all employees of the Corporation are responsible for implementing this annual General Mandate.