**SMN: Annual Corporate Governance Report 2023**

On January 22, 2024, SOUTH BOOKS & EDUCATIONAL EQUIPMENT JSC announced Report No. 23/BC-SMN on the corporate governance in 2023 as follows:

* Name of listed company: SOUTH BOOKS & EDUCATIONAL EQUIPMENT JSC
* Head office address: 231 Nguyen Van Cu Street, Ward 4, District 5, Ho Chi Minh City
* Tel: 08 38300312 Fax: 08 38351488 Email:
* Charter capital: VND 44,050,000,000
* Securities code: SMN
* Corporate Governance Model: The General Meeting of Shareholders, the Board of Directors, the Supervisory Board and the General Manager.
* Internal audit execution: Implemented
1. Activities of the General Meeting of Shareholders

In 2023, the General Meeting of Shareholders of Southern Books and Educational Equipment Joint Stock Company held two meetings: 1) The Extraordinary General Meeting of Shareholders was held on January 14, 2023 and the Annual General Meeting of Shareholders 2023 was held on April 28, 2023 at the company's headquarters.

In 2023, The Board of Directors did not organize to collect the General Meeting of Shareholder’s opinions via a ballot.

|  |  |  |  |
| --- | --- | --- | --- |
| No. | General Mandate No. | Date | Content |
| 1 | No. 19/NQ-DHDCD | January 14, 2023 | Extraordinary General Mandate 2023 |
| 2 | No. 179/NQ-DHDCD | April 28, 2023 | Annual General Mandate 2023 |

1. Activities of the Board of Directors in 2023
2. Information about the members of the Board of Directors

The current five members of the Board of Directors in the term of 2020-2025 include two executive members and three non-executive members. Among the three members of the Board of Directors who do not participate in management, there is one independent member of the Board of Directors.

|  |  |  |  |
| --- | --- | --- | --- |
| No. | Member of the Board of Directors | Position | Date of appointment/dismissal as member/independent member of the Board of Directors |
| Appointment date | Dismissal date |
| 1 | Ms. Phung Ngoc Hong | Chair of the Board of Directors, non-executive member of the Board of Directors | June 3, 2020 |  |
| 2 | Mr. Nguyen Thanh Anh | Non-executive member of the Board of Directors | June 03, 2020 |  |
| 3 | Ms. Do Thi Mai Anh | Member of the Board of Directors-cum-General Manager | June 03, 2020 |  |
| 4 | Mr. Pham Canh Toan | Member of the Board of Directors-cum-Deputy General Manager | June 03, 2020 | January 14, 2023 |
| 5 | Ms. Nguyen Mai Hoa | Member of the Board of Directors-cum- Chief Accountant | June 03, 2020 | January 14, 2023 |
| 6 | Mr. Tran Le Quang | Member of the Board of Directors-cum-Deputy General Manager | January 14, 2023 |  |
| 7 | Mr. Vu Ba Hoa | Independent member of the Board of Directors | January 14, 2023 |  |

1. Board Resolutions/Board Decisions in 2023:

|  |  |  |  |
| --- | --- | --- | --- |
| No. | Board Resolution/Board Decision No. | Date | Content  |
| 1 | 01A/NQ-HDQT | March 10, 2023 | * Approve the Company’s production and business results in 2022 audited in the Financial Statements as follows:
* Total revenue and realized income VND 503,883,615,059/ VND 487,000,000,000 VND, reaching 105.4%
* Profit before tax reached VND 15,224,908,005 / VND 11,500,000,000, reaching 132.4%.
* Temporarily approve the planned salary unit price in 2023: VND 581 / VND 1,000 of profit after tax including salary expense
* Temporarily appropriate compulsory funds in 2023 with the rate as follows: Bonus fund (10%), Welfare fund (15%); Bonus fund for the Executive Board (5%), Remuneration fund for the Board of Directors (5%), Investment and development fund: The remainder of profit after tax after appropriated for other compulsory funds according to the above rate, maximum 30%.
 |
| 2 | 01B/NQ-HDQT | March 10, 2023 |   |
| 3 | No. 02/NQ-HDQT | April 04, 2023 |  |
| 4 | No. 03/NQ-HDQT | April 27, 2023 | Adjust the remuneration for members of the Board of Directors, the Supervisory Board, the Internal Audit Committee, the Secretary of the Board of Directors, the Company’s administrators and authorized representatives in charge of information disclosure as follows (unit: VND/month/person): * Chair of the Board of Directors: VND 6,000,000
* Member of the Board of Directors: VND 5,000,000
* Independent member of the Board of Directors VND 4,000,000
* The Secretary of the Board of Directors: VND 3,000,000
* Chief of the Supervisory Board VND 3,000,000
* Members of the Supervisory Board VND 1,500,000
* Head of Internal Audit Committee: VND 2,000,000
* Deputy Chief of the Supervisory Board: VND 1,500,000
* Member of the Supervisory Board: VND 1,000,000
* Company’s administrator: VND 2,000,000
* Person in charge of information disclosure: VND 1,500,000

The above remuneration does not include personal income tax in accordance with regulations and people holding multiple positions are entitled to remuneration according to the highest position. The Resolution takes effect from April 1, 2023 until there is a alternative document |
| 5 | 173/QD- HDQT | April 27, 2023 | Appoint Ms. Nguyen Mai Hoa, Chief Accountant, to be in charge of corporate governance in the term III of 2020-2025 of Mien Nam Group from May 1, 2023 |
| 6 | 174/QD- HDQT | April 27, 2023 | Appoint Ms. Huynh Thi My Duyen, Deputy Head of Accounting - Finance Department, as the authorized representative in charge of information disclosure of Mien Nam Group in the term III of 2020-2025, from May 1, 2023 |
| 7 | No. 04/NQ-HDQT | June 26, 2023 |  |
| 8 | No. 05/NQ-HDQT | September 29, 2023 | Board Resolution |
| 9 | No. 06/NQ-HDQT | December 20, 2023 | * Temporarily approve the company's 2023 production and business results until December 19, 2023 as follows:
* Total realized revenue is VND 454 billion / plan is VND 468 billion, reaching 97%.
* Profit before tax reached VND 12 billion / VND 11 billion, reaching 109%.
* Approve the actual salary unit price in 2023 is VND 581 / VND 1,000 of profit after tax including salary expense.
* Approve the rate of appropriation for compulsory funds in 2023 as follows: Bonus fund (10%), Welfare fund (15%); Bonus fund for the Executive Board (5%), Remuneration fund for the Board of Directors (5%), Investment and development fund: The remainder of profit after tax after appropriated for other compulsory funds according to the above rate, maximum 30%.
* Temporarily suspend the divestment of invested capital at office building 104 Mai Thi Luu, Dakao Ward, District 1, Ho Chi Minh City.
* Approve the internal control program and plan 2024 of the Internal Audit Committee (with separate decision).
* Approve the policy on organizational structure and personnel:
* Agree the appointment of a new (01) Deputy Head of Department, in charge of the Publishing - Communications Department (replacing the Department Head who will be on leave from April 1, 2024);

Recruit 04-05 new employees in specialized departments to replace employees who quit or retired and supplement personnel to meet job requirements. |
| 10 | 519/QD- HDQT | December 20, 2023 | Approve the periodic internal inspection plan for 2023 by the Internal Audit Committee to conduct inspections at units of Southern Books and Educational Equipment Joint Stock Company as follows:* Check the financial work:

Approve the periodic internal inspection plan for 2023 by the Internal Audit Committee to conduct inspections at units of Southern Books and Educational Equipment Joint Stock Company as follows:* Check the financial work:

Approve the periodic internal inspection plan for 2024 by the Internal Audit Committee to conduct inspections at Southern Company's units as follows: * Check the financial work:
* Check cash funds and deposits: At the end of each month.
* Check assets, goods, deposits, cash: At the end of September and at the end of December, 2024
* Build a financial plan for next year: December 2024.
* Independent audit of semi-annual financial statements: July, 2024.
* Independent audit of annual financial statements: January - February, 2025.
* Check other work:
* Check and review Labor Agreements, Internal Regulations, Sales Regulations, Salary Regulations, Social Insurance and Health Insurance deductions,...: November-December 2024.
* Check the quality of warehoused textbooks, educational books, teaching equipment, books,...: Daily.
 |

1. Activities of the Supervisory Board in 2023
2. Information about members of the Supervisory Board in 2023:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No. | Members of the Supervisory Board | Position | Date of appointment/dismissal as member of the Supervisory Board | Qualification |
| 1 | Mr. Nguyen Thanh Huu | Chief | June 03, 2020 | Bachelor of Accounting |
| 2 | Ms. Mac Thi Hong Minh | Member | June 03, 2020 | Bachelor of Business Administration |
| 3 | Mr. Pham Duy Khanh | Member | June 03, 2020 | Bachelor of Accounting |

1. The Executive Board

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No. | Member of The Executive Board | Date of birth | Qualification | Date of appointment/dismissal as member of the Executive Board |
| 1 | Ms. Do Thi Mai Anh | November 20, 1971 | Bachelor of Foreign Language | June 8, 2020 |
| 2 | Mr. Pham Canh Toan | March 26, 1972 | Bachelor of Accounting, Business Administration | June 8, 2020 |
| 3 | Mr. Tran Le Quang | April 1, 1974 | Bachelor of Economics | June 08, 2020 |

1. Chief Accountant

|  |  |  |  |
| --- | --- | --- | --- |
| Full name | Date of birth | Qualification | Date of appointment/dismissal |
| Ms. Nguyen Mai Hoa | November 18, 1974 | Bachelor of Economics | June 08, 2020 |

1. Training on corporate governance
2. List of affiliated persons of the public company in 6 months of 2023 and transactions of affiliated persons of the Company with the Company itself
3. Transactions between the Company and affiliated persons of the Company, or between the Company and major shareholders, PDMR, or affiliated persons of PDMR:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| No. | Name of individual/institution | Relations with the Company | NSH No., Date of issue, Place of issue | Address | Time of transaction with the Company | General Mandate/Decision of the General Meeting of Shareholder No. or Board Resolution/Decision No. approved | Content, quantity, total value of transaction | Note |
| 1 | Vietnam Education Publishing House Limited Company | Major shareholder | 0100108543 by Hanoi Department of Planning and Investment | No. 81, Tran Hung Dao Street, Hoan Kiem District, Hanoi  | Regular | No. 153/NQ-DHDCD | Purchase and sell educational books, supplies, grant publishing license, rent facilities,... |  |
| 2 | Vietnam Education Publishing House Limited Company at Ho Chi Minh City | Branch of major shareholders, authorized by major shareholders | 0100108543 by Department of Planning and Investment of Ho Chi Minh City  | No. 231 Nguyen Van Cu, Ward 04, District 5, Ho Chi Minh City; | Regular |  | Purchase and sell educational books, supplies, grant publishing license, rent facilities,... |  |
| 3 | Binh Duong Educational Book and Equipment Joint Stock Company | Company with contributed capital | 3700622234, by Binh Duong Department of Planning and Investment | 88 Tran Binh Trong, Phu Tho Ward, Thu Dau Mot City, Binh Duong | Regular | No. 153/NQ-DHDCD | Buy and sell educational books, teaching equipment,... |  |
| 4 | Công ty cổ phần Sách- TBTH Bà Rịa Vũng Tàu (tentatively translated as Ba Ria Vung Tau Book and School Equipment Joint Stock Company) | Company with contributed capital | 3500661123, by Ba Ria- Vung Tau Department of Planning and Investment | 237 Le Loi, Ward 6, Vung Tau City, Ba Ria- Vung Tau Province  | Regular | No. 153/NQ-DHDCD | Buy and sell educational books, teaching equipment,... |  |

1. Transactions between Company’s PDMR, affiliated persons of PDMR and subsidiaries or companies controlled by the Company:
2. Transactions between the Company and other entities:
	1. Transactions between the Company and the companies that members of the Board of Directors, members of the Supervisory Board, the General Manager and other managers have been founding members or members of the Board of Directors, the Executive General Manager for the past three (03) years (as at the time of reporting):

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| No. | Name of organization/individual | Company’s PDMR are members of the Board of Directors, Managers | NSH\* No., Date of issue, Place of issue | Address | Time of transaction with the Company | General Mandate/Decision of the General Meeting of Shareholder No. or Board Resolution/Decision No. approved | Content, quantity, total value of transaction | Note |
| 1 | Vietnam Education Publishing House Limited Company | Ms. Phung Ngoc Hong, Deputy General Manager  | 0100108543 by Hanoi Department of Planning and Investment  | No. 81, Tran Hung Dao Street, Hoan Kiem District, Hanoi  | Regular | No. 153/NQ-DHDCD | Purchase and sell educational books, supplies, grant publishing license, rent facilities,... |  |
| 2 | Vietnam Education Publishing House Limited Company at Ho Chi Minh City | Mr. Nguyen Thanh Nhuan - Deputy Manager | 0100108543, by Ho Chi Minh City Department of Planning and Investment  | No. 231 Nguyen Van Cu, Ward 04, District 5, Ho Chi Minh City; | Regular |  | Purchase and sell educational books, supplies, grant publishing license, rent facilities,... |  |
| 3 | Binh Duong Educational Book and Equipment Joint Stock Company | Mr. Phan Van Chinh - Member of the Board of Directors; | 3700622234, by Binh Duong Department of Planning and Investment  | 88 Tran Binh Trong, Phu Tho Ward, Thu Dau Mot City, Binh Duong | Regular | No. 153/NQ-DHDCD | Buy and sell educational books, teaching equipment,... |  |
| 4 | Ba Ria - Vung Tau Water Supply Joint Stock Company | Mr. Tran The Quang - Chair of the Board of Directors | 3500661123, by Ba Ria- Vung Tau Department of Planning and Investment | 237 Le Loi, Ward 6, Vung Tau City, Ba Ria- Vung Tau Province | Regular | No. 153/NQ-DHDCD | Buy and sell educational books, teaching equipment,... |  |

* 1. Transactions between the Company and companies in which affiliated persons of members of the Board of Directors, members of the Supervisory Board, the General Manager and other managers are members of the Board of Directors or the Executive General Manager.
	2. Other transactions of the Company (if any) that can bring about material or non-material benefits to the members of the Board of Directors, the members of the Supervisory Board, General Manager) and other managers:
1. Share transactions of PDMR and affiliated persons of PDMR
2. Listing company’s share transactions of PDMR and affiliated persons of PDMR.
3. Othes significant issues: None.