**DNC: Annual General Mandate 2024**

On April 06, 2024, Hai Phong Electricity Water Machine Assembly Joint Stock Company announced General Mandate No. 02/NQ- DHDCD as follows:

‎‎Article 1. Approve the Report on the production and business results in 2023, and the production and business plan for 2024:

1. Production and business results in 2023:

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| --- | --- | --- |
| * Total revenue:
 | 802,483 | Million VND |
| * Electricity business:
 | 767,375 | Million VND |
| * Clean water business:
 | 17,103 | Million VND |
| * Other businesses:
 | 18,005 | Million VND |
| * Electricity output:
 | 337,969,000 | KWh |
| * Water output:
 | 1,043,000 | m3 |
| * Electricity loss rate:
 | 4.1 | % |
| * Water loss rate:
 | 5.7 | % |
| * Profit before tax:
 | 48,075 | Million VND |
| * Payable to the state budget:
 | 18,527 | Million VND |
| * Dividend payment rate:

+ In cash: | 25 | % |
| * Average salary:
 | 12.6 | Million VND /person /month |

2. Production and business plan for 2024:

|  |  |  |
| --- | --- | --- |
| * Total revenue:
 | 1,006,000 | Million VND |
| * Electricity business:
 | 985,500 | Million VND |
| * Clean water business:
 | 12,500 | Million VND |
| * Other businesses:
 | 8,000 | Million VND |
| * Electricity output:
 | 408,750,000 | KWh |
| * Water output:
 | 870,000 | m3 |
| * Electricity loss rate:
 | 4.0 | % |
| * Water loss rate:
 | 4.0 | % |
| * Profit before tax:
 | 50,500 | Million VND |
| * Payable to the state budget:
 | 20,500 | Million VND |
| * Dividend payment rate:
 |  |  |
| * In cash:
 | ≥20 | % |
| * Bonus share:
 | ≥25 | % |
| * Average salary:
 | 13.8 | Million VND /person /month |

* Investment in renovating the electrical grid system:
* New construction of 12 substations, with a total capacity of 7,000 kVA;
* Increase capacity of 08 substations;
* Upgrade the overload protection line system with a total of 25 kilometers;
* Replace electric meter with the number of: 20,000 units, including 17,600 electronic distance meters and 2,400 electric induction meters.
* Business market development and new customer development:
* Receive and sign a contract on cooperation in electricity business management with the Investor of the Ecopark Group Project in Vinh City, Nghe An, and several projects in Hai Phong and Hung Yen.
* Increase in the number of new customers using electricity at Enterprises: 2,150 customers.
* Increase in the number of new customers using electricity at Branches: 3,500 customers.
* Digital transformation work:
* Upgrade customer data management software for electricity and water purchases and customer care services.
* Build an application to exchange information and data in the field of electricity and water use.
* Build ServerDNC management system for autonomy in data management.
* Develop software for human resource and salary management, and document and work management.
* The plan on capital source for investment: Expected to be VND32 billion.
* Build 12 additional substations in communes: VND7.8 billion.
* Increase capacity of 8 substations in communes: VND1.5 billion.
* Supplement, renovate, and upgrade low voltage lines and electric poles: VND3.55 billion.
* Build Server DNC management system: VND0.35 billion.
* Periodically replace and purchase electric and water meters: VND11.5 billion.
* Construct Thuy Nguyen Electric Enterprise Office: VND2.0 billion.
* Expenses for vehicle and equipment procurement for the Branch: VND1.0 billion.
* Construct Electricity Management Office in Hong Thai Commune and Lap Le Commune: VND1.5 billion.
* Expenses for Customer Conferences, DNC Family Days, and Company’s employee tours: VND2.8 billion.

‎‎Article 2. Approve the Financial Statements 2023 audited by VACO Auditing Company Limited with some criteria as follows:

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| --- | --- | --- | --- |
| * Revenue from sales and service provision:
 | 802,482,861,535 | VND |  |
| * Profit before tax:
 | 48,075,614,109 | VND |  |
| * Current corporate income tax:
 | 10,523,277,474 | VND |  |
| * Deferred corporate income tax:
 | 158,536,101 | VND |  |
| * Profit after tax:
 | 37,393,800,534 | VND |  |

Article 3. Approve the Report on activities of independent members of the Board of Directors in the Audit Committee at the Annual General Meeting of Shareholders 2024.

‎‎Article 4. Approve the Report on activities of the Board of Directors in 2023 and the task orientations for 2024.

‎‎Article 5. Approve the profit distribution and dividend payment plan in 2023:

1. Profit distribution plan 2023:

|  |  |  |
| --- | --- | --- |
| * Total profit before tax:
 | 48,075,614,109 | VND |
| * Current corporate income tax:
 | 10,523,277,474 | VND |
| * Deferred corporate income tax:
 | 158,536,101 | VND |
| * Total profit after tax:
 | 37,393,800,534 | VND |
| * Profit divided among 03 joint ventures:
 | 2,843,743,996 | VND |
| * Remaining profit:
 | 34,550,056,538 | VND |
| * Appropriation for bonus and welfare funds (5%):
 | 1,727,502,827 | VND |
| * Remaining profit after tax:
 | 32,822,553,711 | VND |

1. Dividend payment plan in 2023:

|  |  |  |
| --- | --- | --- |
| * Prepayment in the first round = 10%/Capital:
 | VND6,422,258,000 |  |
| * Prepayment in the second round = 15%/Capital:
 | VND9,633,387,000 |  |

1. Remaining undistributed profit in 2023: VND16,766,908,711

‎‎Article 6. Approve the settlement of remuneration payments to the Board of Directors in 2023; The plan on remuneration payments for the Board of Directors in 2024.

1. Settlement of remuneration payments to the Board of Directors in 2023: VND942,000,000.
2. Plan on remuneration payments for the Board of Directors in 2024: VND1,032,000,000.

‎‎Article 7. Approve the Plan on share issuance to increase charter capital in 2024 from the remaining undistributed profit after tax of 2022 and 2023 to existing shareholders, specifically as follows:

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| --- | --- | --- |
| * Registered charter capital:
 | 64,222,580,000 | VND |
| * Expected increase of charter capital:
 | 80,278,220,000 | VND |
| * Total value expected to be issued at par value:
 | 16,055,640,000 | VND |
| * Number of shares expected to be issued:
 | 1,605,564 | Shares |
| * Expected time of the increase of charter capital:
* Expected issuance rate:
 | Q3/2024 |  |

* Pay dividends by shares equivalent to 25% of Charter capital
* For 01 existing share, 0.25 new shares are added: 25%
* Expected Capital source: From the audited remaining undistributed profit after tax of the Company in the Financial Statements 2022 and 2023.
* Expected implementation time: Q3/2024
* The Company plans to issue 1,605,564 shares to pay dividends to existing shareholders of the Company at a par value of: VND10,000/share.
* Assign the Board of Directors to be responsible for implementing the issuance of 1,605,564 shares with the State Securities Commission according to the provisions of the Law on Securities, and report the results of the share issuance. Amend the content of the Company's Charter (Clause 1, Article 6 regulates the Charter Capital and number of shares) and carry out procedures to increase charter capital with the Department of Planning and Investment of Hai Phong City after obtaining results of the share issuance according to the provisions of the Law on Enterprises.
* Plan on handling fractional shares: The number of shares issued to each shareholder will be rounded down to the nearest unit, and any fractional shares (if any) will be canceled.

‎‎Article 8. Approve the plan on the selection of an independent audit company for the Company's Financial Statements 2024:

Select the independent audit company for the Company's Financial Statements 2024: VACO Auditing Company Limited.

‎‎Article 9. Exemption from the public offering

Approve and agree to let Mr. Do Huy Dat - Chair of the Board of Directors increase the ownership rate of DNC shares by receiving the transfer of DNC shares from shareholder Mai Thi Thanh Ha with the number of shares transferred: 36,684 shares without having to carry out procedures of the public offering.

‎‎Article 10. Exemption from the public offering

Approve and agree to let Mr. Nguyen Trung Kien - Member of the Board of Directors, Member of the Audit Committee, and Head of the Internal Audit Committee increase the ownership rate of DNC shares by receiving the transfer of DNC shares from shareholder Nguyen Thi Thu Trang with the number of shares transferred: 315,201 shares without having to carry out procedures of the public offering.

‎‎Article 11. The full text of this General Mandate has been approved by the Annual General Meeting of Shareholders 2024 at the meeting on April 06, 2024.

The Annual General Meeting of Shareholders 2024 authorized the Board of Directors of Hai Phong Electricity Water Machine Assembly Joint Stock Company to implement based on the content of this General Mandate.

This General Mandate takes effect from the date of signing.