**HNM: Annual General Mandate 2024**

On June 29, 2024, Hanoimilk JSC announced the General Mandate as follows:

Article 1 Approve the following reports:

* 1. Approve the Report of the Board of Directors on the Company's activities in 2023 and development orientations for the next years (2024-2025) with the following contents:

1. Continue to persistently follow the Strategy of competing by quality and become a leader in technological innovation and new product development.
2. Continue to expand the sales system according to a professional model, invest a reasonable budget in marketing, public relations, and advertising to gradually bring the Hanoimilk brand (Master Brand) along with sub-brands IZZI, Yotuti, Dinomilk, and Yoha to have a strong presence in the market, helping to boost sales.
3. Continue to invest in purchasing modern machinery, and equipment to automate, innovate technology and increase the capacity of Hanoimilk Milk Processing Factory to produce for domestic sales, export, and processing for domestic and international partners.
4. Determine to successfully implement the Project of planting grass and raising dairy cows naturally in Me Linh District, Hanoi to provide natural fresh milk with high quality for yogurt production and develop the organic fresh milk product line.
5. Complete the financial restructuring, private placement, share issuance to raise capital, and debt swap shares to handle debt and increase the capital size for production, business and investment activities of the Company. Accordingly, create favorable conditions and preferences for large enterprises, financial institutions, institutional and individual investors to invest, own, manage, and operate the company (not limit the rate of shares held by investors).
   1. Approve the Report of the Executive Board on the production and business results in 2023 and the Financial Statements audited by TTP Auditing Company Limited with basic targets as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Targets | 2023 | 2022 | Plan 2023 | 2023/2022 (%) | Results/Plan (%) |
| 1. Revenue from goods sales (including VAT) | 760,380 | 535,289 | 700,000 | 142.1% | 108.6% |
| 1. Revenue from goods sales (not including VAT) | 704,056 | 486,627 | 648,148 | 144.7% | 108.6% |
| 1. Revenue deductions | 5,246 | 2,467 | 0 | 212.7% |  |
| 1. Net revenue from goods sales | 698,809 | 484,160 | 648,148 | 144.3% | 107.8% |
| 1. Cost of goods sold | 579,189 | 377,888 | 521,500 | 153.3% | 111.1% |
| 1. Gross profit from goods sales | 119,620 | 106,272 | 178,500 | 112.6% | 67.0% |
| 1. Revenue from financial activities | 3,486 | 2,408 |  | 144.8% |  |
| 1. Financial expenses | 7,616 | 13,619 | 21,000 | 55.9% | 36.3% |
| 1. Marketing and sales expenses | 62,628 | 48,147 | 84,000 | 130.1% | 74.6% |
| 1. General and administrative expense | 12,650 | 1,532 | 17,500 | 825.6% | 72.3% |
| 1. Net profit/(loss) from business activities | 40,211 | 45,380 | 56,000 | 88.6% | 71.8% |
| 1. Other incomes | 6,230 | 2 |  |  |  |
| 1. Other expenses | 2,330 | 7,094 |  |  |  |
| 1. Other profit/(loss) | 3,900 | -7,092 |  |  |  |
| 1. Total profit (loss) before tax | 44,111 | 16,945 | 56,000 | 260.3% | 78.8% |
| 1. Current corporate income tax expenses | 10,474 | 0 | 11,200 |  |  |
| 1. Profit (loss) after tax | 33,637 | 38,289 | 44,800 | 87.9% | 75.1% |
| 1. Basic earnings per share (VND/share) | 758 | 1,914 | 1,009 | 39.6% | 75.1% |

* 1. Approve the Production and Business Plan in 2024 of the Company with the following basic targets:

Programs, tasks, and targets in 2024:

1. Continue to maintain and organize the implementation of the quality policy throughout the process from production, transportation to distribution for sales in 2024.
2. Implement the Summer Sale Promotion from May to July 2024 to increase domestic sales.
3. Continue to invest in purchasing modern machinery and equipment for automation, improve production technology, and increase the capacity of UHT yogurt and sterilized milk processing factory.
4. Continue to invest in the Project of planting grass and raising natural dairy cows in Me Linh, strive to complete the compensation and premises clearance in Q3/2024 and Q1/2025. Planting grass and raising dairy cows are to be carried out in 2025.
5. Continue to adjust and stabilize the sales system, review the compact human resource organization structure, reduce expenses, improve labor productivity to increase production and business efficiency, and gradually increase income for employees.

Basic targets of the production and business plan in 2024:

|  |  |  |  |
| --- | --- | --- | --- |
| Targets | Unit | Plan 2024 | 2024/2023 (%) |
| I. Production volume: | Million liters | 40 | 127.0% |
| II. Business targets: |  | | |
| Revenue from goods sales (including VAT) | Million VND | 800,000 | 105.2% |
| Cost of goods sold | Million VND | 580,000 | 100.1% |
| Marketing and sales expenses | Million VND | 136,000 | 200.4% |
| Financial expenses | Million VND | 20,000 | 262.6% |
| General and administrative expenses | Million VND | 16,000 | 126.5% |
| Profit before tax | Million VND | 48,000 | 108.8% |

* 1. Approve the Report of the Supervisory Board on the Company management of the Board of Directors and Executive Board in 2023.

Accordingly, the General Meeting approved the Supervisory Board's petition on requesting the Board of Directors and Executive Board to implement the contents as follows:

1. Consolidate and stabilize the organizational structure, develop a team of capable and qualified personnel to meet the long-term comprehensive development needs of the Company.
2. The Company needs to continue to invest in a larger marketing budget for the Hanoimilk Master Brand and IZZI brand and to promote sales with a larger sales size than currently.
3. Balance, mobilize financial resources in a reasonable way, and make efforts to implement projects on schedule approved by the General Meeting to bring profits to the Company and pay dividends for shareholders.
4. Continue to implement the private placement of shares to mobilize investment capital, supplement working capital, and issue shares to swap debts, financially restructure, and handle debts of the Company in 2024.

Article 2: Regarding the dividend payment in 2023:

Shareholders/authorized representatives of shareholders with voting rights at the General Meeting approved the General Mandate on not paying dividends in 2023 because the Company still has an accumulated loss of VND (7,153,447,950). The Board of Directors and Executive Board will strive to make the Company profitable in 2024 to compensate for all accumulated losses and have a source of dividend payment for shareholders.

Article 3: Regarding the selection of an audit company for the Company in 2024:

The General Meeting agreed to authorize the Board of Directors to select an audit company for the Company's Financial Statements 2024 as one of the following companies:

1. UHY Auditing & Consulting Company Limited

Address: 6th Floor, Tower B2, Roman Plaza, To Huu, Nam Tu Liem District, Hanoi.

Phone number: 84-24-5678 8078

Fax: 84-24-3755 7448

[www.uhy.vn](http://www.uhy.vn)

1. CPA Vietnam Auditing Company Limited

Address: 8th floor, VG Building, 235 Nguyen Trai, Thanh Xuan District, Hanoi City.

Phone number: 84-24-3974 5080

Fax: 84-24-3974 5080

3. Vietnam Auditing and Valuation Company Limited (AVA)

Address: 14th Floor, Sudico Building, Me Tri, Nam Tu Liem District, Hanoi.

Tel: 84-24-3868 9566

Fax: 84-24-3868 6248

www.kiemtoanava.com.vn

1. Vietnam Auditing and Evaluation Co., Ltd.

Address: 11th Floor, Song Da Building, No.165 Cau Giay, Cau Giay District, Hanoi City.

Tel: 84-24-6267 0491

Fax: 84-24-6267 0494

www.vac.com.vn

Article 4: Approve the report of the Board of Directors and Supervisory Board on the share issue to increase charter capital of Hanoimilk JSC according to the General Mandate (Round 1), accordingly:

Shareholders/representatives of shareholders with voting rights at the General Meeting voted for approval to authorize the Board of Directors, depending on the actual situation, to consider and decide on continuing to issue private shares (Round 2) according to the General Mandate approved by the General Meeting.

Article 5. Regarding financial restructuring and debt handling of Hanoimilk JSC:

Shareholders/representatives of shareholders with voting rights at the General Meeting voted for approval to continue to assign the Board of Directors and allow the Board of Directors to authorize Mr. Ha Quang Tuan - the Chair of the Board of Directors to develop and actively implement the Plan on restructuring and handling debt; actively work with the Company's creditors, which are banks, financial institutions, businesses, individuals, etc., including but not limited to Mr. Ha Quang Tuan negotiates and decides on debt repayment, buy and sell debt, and receive debt on behalf of the Company from creditors.

The General Meeting agreed that after completing the above works, the Board of Directors of the Company was assigned the tasks and authorized to carry out procedures for the private placement at the following issuance price: VND10,000/share to swap debts with Mr. Ha Quang Tuan at a rate of 1:1. Time to implement financial restructuring, debt settlement and debt swap:  
 From 2022 until completed.

It was noted that Mr. Ha Quang Tuan lent the Company VND13.5 billion, so the Company has conditions to repay the principals of VND10.1 billion for Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV), VND2.2 billion for Vietnam - Russia Joint Venture Bank and VND700 million for Joint Stock Commercial Bank for Foreign Trade of Vietnam. As of December 31, 2023, the Company still owes the principals to banks: Joint Stock Commercial Bank for Foreign Trade of Vietnam: VND31.4 billion, Joint Stock Commercial Bank for Investment and Development of Vietnam: VND21.6 billion, Vietnam - Russia Joint Venture Bank: VND3.1 billion.

Article 6: This General Mandate was approved by the 13th Annual General Meeting and takes effect from June 29, 2024.

Meeting Minutes of the General Meeting, Reports and Proposals at the Meeting are an integral part of the General Mandate 2024 of Hanoimilk JSC.

The Board of Directors, Supervisory Board, Executive Board and all shareholders of Hanoimilk JSC are responsible for implementing this General Mandate.