

Hanoi, April 8, 2025

**REPORT OF THE SUPERVISORY BOARD ON THE MANAGEMENT OF THE
BOARD OF DIRECTORS AND THE BOARD OF DIRECTORS IN 2024**

To: - General Meeting of Shareholders of Hanoi Dairy Joint Stock Company
 - Board of Directors of Hanoi Dairy Joint Stock Company

- Pursuant to the Law on Enterprises of the Socialist Republic of Vietnam;
- Pursuant to the Charter of Hanoi Dairy Joint Stock Company amended and approved on December 26, 2021;
- Pursuant to the Resolution of the XXIII Annual General Meeting of Shareholders of Hanoi Dairy Joint Stock Company dated June 29, 2024.

The Supervisory Board of Hanoi Dairy Joint Stock Company ("the Supervisory Board") would like to report as follows on the management of the Company in 2024 by the Board of Directors and the Board of Directors.

PART I. SCOPE OF CONTROL

I. MATERIAL SCOPE OF CONTROL TARGETS IN 2024:

The Supervisory Board has carried out the task of monitoring according to the key objectives and scope of control in 2024, including:

1. **Strategic control:** Consider the formulation and implementation of production and business plans in 2024, build and implement investment projects, use large assets, handle shortcomings and unfinished projects from the previous year according to the Resolution of the General Meeting of Shareholders and the approved Company Strategy.
2. **Operation control:** Evaluate the organization and implementation of major programs and events, run the Company's daily activities, and organize the management structure, build a system to strengthen the capacity of human resources and operating systems to maintain and develop production and business activities.
3. **Financial control:** Periodically check financial statements to evaluate the reasonableness of financial data, coordinate with the Finance and Accounting department to consider the impact of material issues related to the preparation of financial statements.

II. CONTROL METHODS:

1. The Supervisory Board attends important meetings of the Board of Directors and the Board of Directors to grasp the actual business situation of the Company and give comments to the Board of Directors and the Board of Directors;
2. The Supervisory Board exercises direct control through direct exchanges/interviews with officials of the Company's functional departments.
3. The Supervisory Board performs the function of supervising the implementation of the Resolution of the General Meeting of Shareholders and assessing the level of completion of the tasks assigned by the XXIII Annual General Meeting of Shareholders on June 29, 2024 to the Board of Directors and the Board of Directors.

PART II. CONTROL RESULTS

I. CONTROL OF THE MANAGEMENT AND ADMINISTRATION OF THE COMPANY

1. The Board of Directors has performed its assigned functions and tasks in accordance with the provisions of the Law on Enterprises, the Company's Charter and the Resolution of the General Meeting of Shareholders.
2. The meetings of the Board of Directors have the number of members attending the meeting in accordance with regulations, the number of meetings is 8 sessions, ensuring the minimum provisions in the Company's Charter: at least once every 1 quarter.
3. The Resolutions of the Board of Directors focus on the implementation of the Resolutions of the General Meeting of Shareholders and the implementation of the Company's strategic objectives.

The Supervisory Board has inspected and reviewed the Minutes, Resolutions and Decisions of the Board of Directors and did not find any violations or errors.

4. The Board of Directors of the Company has organized the implementation and administration of the Company's daily activities in accordance with the functions, tasks and powers specified in the Company's Charter. The contents of the Board of Directors' direction and administration strictly comply with the Resolutions of the General Meeting of Shareholders and the Resolution of the Board of Directors. The decisions of the Board of Directors are in accordance with the functions, tasks and powers of the Board of Directors of the Company.

I. EVALUATION OF PRODUCTION – BUSINESS RESULTS AND FINANCIAL STATEMENTS

1. Production and business activities in 2024

After reviewing the 2024 Financial Report audited by International Auditing and Valuation Company Limited, the Board of Supervisors agrees with the figures in the Report and would like to report a summary of the production and business results as follows:

Unit: Million VND

No	Target	Plan 2024	Implementati on 2024	% Complete
1	Revenue (including VAT)	800,000	780,771	97.6%
2	Sales revenue	740,741	722,936	97.6%
3	Turnover deductions	0	8,539	
4	Net sales revenue	740,741	714,398	96.4%
5	Cost of goods sold	580,000	601,944	103.8%
6	Gross profit on sales	220,000	112,454	51.1%
7	Revenue from financial activities		3,758	
8	Financial Costs	20,000	6,579	32.9%
9	MKT/sales cost	136,000	68,889	50.7%
10	Business management expenses	16,000	8,633	54.0%
11	Net profit/(loss) from business activities	48,000	32,112	66.9%

12	Other income		7,369	
13	Other expenses		1,998	
14	Other Profits/(Losses)		5,371	
15	Total profit (loss) accounting before tax	48,000	37,483	78.1%
16	Current CIT expenses	9,600	7,896	
17	Profit (loss) after CIT	38,400	29,587	77.1%

Observe:

- (i) Despite the post-Covid-19 impact and the war in Ukraine causing many difficulties, the Company's Total Revenue Target still reached 97.6% of the year plan due to the:
 - Hanoimilk's products with good quality and reasonable prices are increasingly chosen by smart consumers. This proves that the Competitive Strategy by Quality that the Company has pursued for many years has begun to take effect.
 - The sales system has been corrected and improved, the Company has issued a new salary and bonus policy for the sales system since March 2020 to encourage and encourage brothers to sell more goods, the average sales per salesperson has increased.
- (ii) Profit before interest tax was VND 37.48 billion, only reaching 78.1% of the target assigned by the General Meeting of Shareholders. The company needs to continue to improve its profit margin to continue to have a source of dividends for shareholders.

2. Appraisal of the 2024 Financial Statements:

The Supervisory Board commented: The 2024 financial statements have reasonably and honestly reflected the financial situation as of December 31, 2024 as well as the production and business results in 2024 of Hanoi Dairy Joint Stock Company.

III.INSPECTING THE IMPLEMENTATION OF THE RESOLUTION OF THE GENERAL MEETING OF SHAREHOLDERS

1. Choosing an Audit Firm:

Pursuant to the Resolution of the General Meeting of Shareholders dated June 29, 2024, the Board of Directors met and decided to select International Auditing and Valuation Co., Ltd. Accordingly, the Financial Statements for 2024 have been audited in accordance with the provisions of law and accounting standards.

2. Projects to be implemented in 2024:

- i. **Factory Upgrade and Expansion Project:** By the end of 2024, the total investment value for the Project has reached VND 268 billion, promptly meeting the requirements of production and processing.
- ii. **Natural Dairy Farm investment project:** The project has a total investment of 360.9 billion VND. Up to now, an investment of VND 7.61 billion has been made, and planning design, technical design, and construction design documents are being prepared to implement construction in 2026.
- iii. **Regarding the issuance of private placement of shares under the Resolution of the General Meeting of Shareholders:**

According to the Resolution of the General Meeting of Shareholders in 2021 and 2022, the General Meeting of Shareholders has authorized and assigned the Board of Directors to issue and offer individual shares to raise capital, and at the same time swap debts. The Board of Directors has completed the issuance of individual shares (Phase 1) in July 2023, whereby the Company has issued an additional 24.4 million HNM shares and the Company's charter capital from VND 200 billion 444 billion VND. As a result, it has

swapped and reduced debt by VND 144 billion and mobilized VND 100 billion to invest in buying machinery and supplementing working capital.

The private placement of shares (Phase 2) has not yet been considered and decided by the Board of Directors.

- iv. Regarding the financial restructuring and debt settlement of the Company according to the Resolution of the General Meeting of Shareholders:

Performing the tasks assigned under the Resolution of the 2021 General Meeting of Shareholders, Mr. Ha Quang Tuan - Chairman of the Board of Directors of the Company worked with banks and proposed to consider interest exemption and reduction. BIDV and Viet Nga Bank have considered and approved the partial exemption and reduction of interest and the interest payment roadmap, Vietcombank has not yet considered and has not yet received a written reply.

It was noted that Mr. Ha Quang Tuan lent the Company VND 20.21 billion, so the Company has the condition to pay off the principal debt to BIBV VND 21.6 billion, Viet Nga VND 3.1 billion and Vietcombank VND 31.4 billion. As of December 31, 2024, the Company no longer owes the principal of bank loans.

PHẦN III. CONCLUSIONS AND RECOMMENDATIONS

In 2024, the Board of Directors and the Board of Directors of the Company have made efforts to direct and administer the Company's activities in accordance with the provisions of law, the Company's Charter and in accordance with the strategic orientation approved by the General Meeting of Shareholders. The Board of Directors has managed the Company through a very difficult year to close to reaching the production and business plan in 2024 and having profits to pay dividends to shareholders.

The Supervisory Board, as the representative of the shareholders, hopes and believes in the corporate governance and development capacity of the Board of Directors and all officers and employees of the Company.

However, on the basis of the control results, the Supervisory Board recommends the Board of Directors and the Board of Directors a number of points to note early implementation, specifically:

1. Consolidate and stabilize the organizational apparatus, build a team of capable and qualified personnel to meet the needs of long-term comprehensive development for the Company.
2. The company needs to continue to invest in a larger marketing budget than Hanoimilk Master Brand and IZZI brand and to promote sales with a larger sales scale than now.
3. Balancing and mobilizing financial resources in a reasonable manner and making efforts to organize the implementation of projects on schedule approved by the General Meeting of Shareholders to soon bring profits to the Company and distribute dividends to shareholders.
4. Continue to issue individual shares to mobilize investment capital, supplement working capital and issue shares to swap debts and financial structures, handle debts for the Company in 2025.

The above is the content of the Supervisory Board's report on control activities in 2024, submitted to the General Meeting of Shareholders.

Respect./.

Where to receive:

- General Meeting of Shareholders (to report);
- Board of Directors;
- Board of Directors;
- *Save office.*

SUPERVISORY BOARD



Đào Bích Thủy