


MINISTRY OF INDUSTRY AND TRADE
HANOI BEER ALCOHOL AND BEVERAGE
JOINT STOCK CORPORATION

THE SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

Hà Nội,, 2025

BOARD OF DIRECTORS' REPORT ON CORPORATE GOVERNANCE AND OPERATIONAL PERFORMANCE IN 2024 AND ORIENTATIONS FOR 2025

To: The General Meeting of Shareholders of HABECO

The Board of Directors of Hanoi Beer Alcohol and Beverage Joint Stock Corporation ("HABECO") respectfully reports to the General Meeting of Shareholders ("AGM") on the corporate governance and operational performance of the Board of Directors in 2024 and the orientations for 2025 as follows:

I. Report on corporate governance and operational performance in 2024:

1. General context:

In 2024, the global economy faced significant challenges but showed signs of stabilization after years of disruptions caused by pandemics, wars, and other external shocks.

Domestically, the socio-economic situation exhibited positive signals, particularly in the early months of the year, as industrial production and service trade recovered, supporting consumer demand. However, climate change impacts - especially the aftermath of Typhoon No. 3 in northern regions and flooding in the central areas during September and October - considerably affected people's livelihoods and reduced demand for non-essential products, including alcoholic beverages.

Competition remained fierce in the beer industry. The strict enforcement of regulations on blood alcohol content for drivers continued to foster a positive habit among consumers yet simultaneously reduced the industry's consumption volume. To capture market share, many brands actively executed numerous communication initiatives and promotional programs offering high-value prizes targeting consumers, creating a highly competitive market.

2. Production and business results in 2024:

2.1. Key business and production indicators:

- Revenue from sales and provision of services: 7,364.4 billion VND, 102.5% of the annual target and increasing by 5% year-on-year of this, revenue from principal product lines reached 6,641.7 billion VND, fulfilling 101.5% of the annual target and growing by 6.2% compared to the previous year.

- Total profit before tax: 463.9 billion VND, equaling 186.5% of the year plan and 9.3% higher year-on-year;

- Contributions to the state budget: 2,069.9 billion VND, reaching 113% of the year target and rising by 17% year-on-year.

2.2. Financial ratios in 2024:

- The current ratio and quick ratio remained at a safe and stable level (>1);
- Return on charter capital after tax was 15.9%;
- Return on equity (ROE) was 8.7%
- Return on assets (ROA) was 6.4%
- The debt-to-equity ratio remained low at 0.34.

These ratios indicate that HABECO's results were on par with the industry average. They ensured effective business and production performance, financial safety, and a high self-financing capacity while safeguarding and growing its capital.

3. Main activities of the Board of Directors ("BOD") in 2024:

In 2024, to direct and oversee the production and business activities across the entire HABECO system, the Board of Directors regularly monitored, inspected, and supervised the Board of Management, ensuring strict adherence to the Resolutions of the General Meeting of Shareholders while implementing them with a proactive and prudent approach.

To execute and fulfill the resolutions approved by the 2024 Annual General Meeting of Shareholders, the Board of Directors issued 16 resolutions, including 06 approved through direct meetings and 10 approved via written consultation with members of the BOD. The implementation progress of these resolutions is closely monitored, and results are reported at each Board of Directors meeting.

In 2024, the resolutions passed by the Board of Directors primarily addressed the following key issues:

3.1. Regarding production and business activities:

In 2024, the Board of Directors effectively fulfilled its functions, duties, and powers in overseeing HABECO's production and business activities as follows:

- Approved the production and business plan, meeting agenda and meeting documents for submission to the 2024 Annual General Meeting of Shareholders for consideration and approval.

- Approved raw material and chemical norms for producing Hanoi Beer products.

3.2.Regarding organization, labor, and compensation:

- Reappointed an officer whose term had expired to continue serving as Deputy General Director of HABECO.

- Collect written opinions from shareholders for the election of members of the Board of Directors for the 2024 - 2029 term, independent members of the Board of Directors for the 2025 - 2030 term, and members of the Board of Supervisors for the 2025 - 2030 term.

- Approved the final salary settlement for 2023 and the labor plan and salary targets for 2024.

- Assessed the performance and fulfillment of responsibilities of the State Capital Representative at HABECO in 2023.

- Evaluated the performance and responsibilities of HABECO's Deputy General Directors and Chief Accountant in 2023.

- Reviewed the performance of the Capital Representative and Supervisors of HABECO at member companies in 2023.

- Strengthened the personnel representing HABECO's capital and nominated candidates for the Board of Directors and Board of Supervisors at member companies.

3.3.Regarding promulgation of internal regulations and rules:

Issue regulations defining functions, tasks, and powers of the Departments/Boards and rules governing the organization and operation of the Hanoi-Me Linh Brewery.

3.4.Regarding operations of member companies:

HABECO currently has 26 member companies categorized as follows: 16 companies with an ownership stake exceeding 50% of charter capital, 06 companies with an ownership stake between 20% and 50% of charter capital, and

04 companies with an ownership stake less than 20% of charter capital.

- In 2024, the Board of Directors exercised oversight of member companies' operations by appointing capital representatives to their Boards of Directors and Management. These representatives have fully complied with HABECO's information-sharing, reporting, and consulting requirements regarding voting matters at the Board and General Meetings of Shareholders. Additionally, the Board of Directors has approved and directed the implementation of financial supervision and internal audits at member companies.

- Furthermore, the Board of Directors has endorsed policies for the appointment and reappointment of key management positions, including Directors, Deputy Directors, and Chief Accountant, to enhance the effectiveness of governance and operational management at member companies.

4. Results of the Board of Directors supervision and support for the Board of Management:

- The Board of Directors closely monitored all aspects of HABECO's operations, providing timely guidance and support to the Board of Management in managing production and business activities.

- The Board of Management regularly and comprehensively provides information and reports to the Board of Directors, ensuring timely direction and supervision.

- The Board of Management effectively implemented the Resolutions of the General Meeting of Shareholders and the Board of Directors in a synchronized and consistent manner. It is promptly reported on implementation progress and made necessary adjustments based on the actual situation and the Board of Directors' requirements.

5. Results of General Director supervision of the Board of Directors :

- The General Director has correctly fulfilled his duties and exercised his powers as stipulated in the Law on Enterprise and HABECO's Charter of organization and operation.

- The General Director has overseen the implementation of resolutions from the General Meeting of Shareholders and the Board of Directors while managing all production, business, and investment activities.

- The General Director regularly reported to and sought direction from the Board of Directors, ensuring leadership and management in all aspects of the parent company's operations in compliance with legal regulations, State policies, and HABECO's Charter.

6. Supervision results of other managers:

Departments, divisions, and units properly performed their assigned tasks, powers, and responsibilities. Managers worked responsibly and set an example in leadership and management.

7. Report on the activities of each member of the Board of Directors:*7.1. Chairman of the Board of Directors - Mr. Tran Dinh Thanh:*

- Diligently fulfilled the duties and powers of the Chairman of the Board of Directors by the provisions of law, HABECO's Charter, and internal regulations.

- Provided direction, evaluation, and coordination with the Board of Management to implement comprehensive solutions to enhance production efficiency, business performance, and corporate value.

- Guided the HABECO Capital Representative in working with the Boards of Directors of member companies to develop and implement cost-reduction strategies, improved operational efficiency, and leveraged competitive advantages to drive the consumption of HABECO's products.

7.2. Member of the Board of Directors and General Director - Mr. Ngo Que Lam:

- Diligently fulfilled the duties and powers of a member of the Board of Directors and General Director following the provisions of law, HABECO's Charter, and internal regulations.

- Organized the implementation of resolutions of the General Meeting of Shareholders and the Board of Directors and managed the production and business activities of HABECO.

- Regularly reported and sought direction from the Board of Directors, ensuring leadership and direction in all areas of the parent company's operations by the law, State policies and regulations, and HABECO's Charter.

- Together with the Board of Directors and the Board of Management of the Corporation, always resolutely directed the implementation of HABECO's production and business plans.

7.3. Member of the Board of Directors - Mr. Vu Xuan Dung:

- Diligently fulfilled the duties and powers of a member of the Board of Directors following the provisions of law, HABECO's Charter, and internal regulations.

- Mr. Vu Xuan Dung and other members of the Board of Directors have contributed to developing solutions, directing operations, and stabilizing HABECO's production and business activities. Additionally, he has made significant contributions to corporate governance, technical management, quality control, and production, as well as the development of norms and technical standards - helping to enhance HABECO's overall operational efficiency.

7.4. Member of the Board of Directors - Mr. Tran Thuan An:

- Diligently fulfilled the duties and powers of a member of the Board of Directors following the provisions of law, HABECO's Charter, and internal regulations.

- Mr. Tran Thuan An and other members of the Board of Directors have made significant contributions to corporate governance, strategic planning, and the development and execution of marketing plans to build, protect, expand, and effectively leverage the HABECO brand.

7.5. Member of the Board of Directors - Mr. Bui Huu Quang:

- Diligently fulfilled the duties and responsibilities of a Board member, effectively serving as the key liaison in maintaining relations and reporting on HABECO's operations to the strategic shareholder, Carlsberg Breweries A/S.

- With other Board members, Mr. Bui Huu Quang has contributed to developing and proposing corporate management structures, enhancing governance efficiency, and improving HABECO's overall business and operational performance.

7.6. Independent member of the Board of Directors - Ms. Quan Le Ha:

Diligently fulfilled the duties and responsibilities of an independent Board member by the provisions of law, HABECO's Charter, and its internal regulations and policies. Ms. Quan Le Ha significantly contributed to HABECO's corporate governance.

7.7. Independent member of the Board of Directors - Mr. Tran Danh Dang:

Diligently fulfilled the duties and responsibilities of an independent Board member in accordance with the provisions of law, HABECO's Charter, and its internal regulations and policies. Together with other Board members, Mr. Tran Danh Dang significantly contributed to HABECO's corporate governance.

8. Report on salaries and remuneration paid to the members of the Board of Directors in 2024:

TT	Full name	Term of office in 2024	Title	Amount (VND)
1	Mr. Tran Dinh Thanh	From 01/01/2024 to 31/12/2024	Chairman of the Board	
2	Mr. Ngo Que Lam	From 01/01/2024 to 31/12/2024	Board Member	
3	Mr. Bui Huu Quang	From 01/01/2024 to 31/12/2024	Board Member	
4	Mr. Vu Xuan Dung	From 01/01/2024 to 31/12/2024	Board Member	
5	Mr. Tran Thuan An	From 01/01/2024 to 31/12/2024	Board Member	
6	Ms. Quan Le Ha	From 01/01/2024 to 31/12/2024	Independent Member of the Board of Directors	
7	Mr. Tran Danh Dang	From 01/01/2024 to 31/12/2024	Independent Member of the Board of Directors	
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9. Report on the implementation of divestment at Hanoi Liquor and Beverage Joint Stock Company and divestment of non-core investments as directed:

9.1. Regarding the implementation of divestment at Hanoi Liquor and Beverage Joint Stock Company (“Halico”):

Faced with loss-making business results and high financial risks, since 2018, HABECO has carried out the necessary work to divest all Halico's equity capital. The Ministry of Industry and Trade has approved HABECO's divestment policy at Halico.

HABECO has formulated capital divestment strategies but faces significant

challenges and obstacles. Due to Halico's loss-making business performance, it did not meet the requirements for a public auction offering as stipulated in the Securities Law and related guiding documents. The proposed capital transferred through transactions on the Hanoi Stock Exchange via order matching or negotiation is unfeasible. Halico's stock valuation fell off the market trading range, and liquidity remains extremely low due to the absence of transactions.

HABECO continues to work closely with its consulting unit to refine the divestment plan, regularly update progress, and report emerging challenges to the Ministry of Industry and Trade. Additionally, HABECO proposes that the Ministry of Industry and Trade consider submitting a report to the competent State authority requesting approval to auction Halico shares on the Hanoi Stock Exchange, even if Halico's financial condition does not meet the public offering requirements under the Securities Law.

9.2. Regarding divestment of non-core investments:

HABECO has developed and submitted to the Ministry of Industry and Trade for review and approval a restructuring plan for Hanoi Beer Alcohol and Beverage Corporation and its member companies. This plan included divesting capital from non-core business activities to reallocate resources effectively, enhance operational efficiency, and strengthen HABECO's competitiveness.

Upon approval of the restructuring plan, HABECO will proceed with implementing the divestment strategy for non-core investment units. Additionally, the company will report to and seek guidance from relevant State management agencies to ensure that the divestment process complies with legal regulations.

10. Report on transactions between HABECO, subsidiaries, and controlled companies (holding over 50% of charter capital) with members of the Board of Directors and their affiliated members; transactions between HABECO and companies in which members of the Board of Directors are founder or business managers in three (03) latest year before the time of the transaction:

HABECO has compiled the transactions in the 2024 Corporate Governance Report (Document No. 57/BC-HABECO dated January 23rd, 2025) which has been submitted to the State Securities Commission, Ho Chi Minh City Stock Exchange. Additionally, the company has fully disclosed the required information in compliance with legal regulations.

11. Assessment results by independent members of the Board of Directors on the activities of the Board of Directors in 2024:

The independent members of the Board of Directors (BOD) provided the following assessment of HABECO's BOD activities in 2024:

In 2024, the Board of Directors of HABECO operated actively and effectively, adhering to the regulations of the Law on Enterprises, the Law on Securities, and other relevant legal documents. The BOD members fully participated in the BOD meetings and provided written opinions on issues under the authority of the BOD. They performed their duties and responsibilities proactively, demonstrating strong leadership for the benefit of shareholders and the sustainable development of HABECO. The BOD, in collaboration with the Board of Management, made significant efforts to implement various measures to improve product quality and promote the distribution of HABECO's products nationwide, achieved notable growth in the Southern market and exports to international markets.

II. Operational orientation of the Board of Directors for 2025

Recognizing the opportunities and challenges ahead, the Board of Directors of HABECO has agreed on several key business targets to be submitted for approval by the General Meeting of Shareholders, as follows:

- Revenue from sales and provision of services (including special consumption tax): 7,471.1 billion VND;
- Total profit before tax: 278.0 billion VND.
- State budget payment: 1,954.8 billion VND.

To implement the 2025 production and business plan, the Board of Directors has outlined flexible, effective, and decisive measures to fulfill its tasks, specifically as follows:

1. Governance:

- Perform the functions, duties, and powers of the BOD as stipulated in the Charter and internal regulations of HABECO; enhance governance capabilities; and monitor and supervise the execution of tasks by BOD members.
- Continue to improve governance quality by adopting advanced management practices, leveraging HABECO's strengths, and gaining the trust of shareholders and investors.
- Direct the optimal utilization of the SAP ERP HABECO management

system to support governance. Enhance the management system's efficiency between the Corporation and its subsidiaries.

- Focus on training and capacity building for management staff to strengthen their capabilities in a highly competitive market environment amidst significant natural environmental changes.
- Organize the implementation of the enterprise restructuring plan after its approval, including divestment from low-performing and non-core units.

2. Production, business, finance, and investment:

Implement and monitor the goals approved by the General Meeting of Shareholders, striving to exceed the 2025 production and business targets. The BOD will closely monitor HABECO's operations to provide timely guidance and support to the Board of Management in managing production and business activities.

- Direct the management of assets and corporate finance to ensure efficiency, meet capital needs for production and business, optimize profits, and fulfill obligations to the State and shareholders.
- Direct the Board of Management to forecast production and business situations effectively, ensuring proactiveness and timely management. Continue reviewing and reducing costs to focus on market development and product distribution to enhance business efficiency.
- Monitor trends in beverage products and new packaging designs to make timely improvements. Enhance the quality of existing products and explore solutions to reduce production costs. Research and develop new products aligned with market trends and consumer preferences.
- Emphasize innovation by streamlining production processes and improving market distribution strategies to enhance business efficiency.
- Strengthen the inspection, supervision, and evaluation of subsidiaries' production and business performance. Provide timely support to struggling units and improve investment efficiency in subsidiaries. Direct subsidiaries leverage their comparative advantages to support brand communication and promote Hanoi Beer products.
- Direct the research and implementation of digitization in business processes and data management. Integrate processes and databases into a unified, integrated system. Maximize the use of databases to build management reporting systems, planning, and forecasting. Research and implement projects to enhance

production efficiency, promote clean production, and save energy at manufacturing plants.

The above is the report on corporate governance and operational performance in 2024, orientations for 2025 of HABECO's Board of Directors. We respectfully submit this to the General Meeting of Shareholders for review and feedback to ensure the BOD's activities become increasingly effective and contribute to HABECO's stable and sustainable development.

Best regards!

Recipient:

- GMS
- BoD
- BoS;
- Archive: AD, Offices of BpD.

**O/B. THE BOARD OF DIRECTORS
CHAIRMAN**

Tran Dinh Thanh



