

APPENDIX NO. 04

ANNUAL REPORT

(Issued together with Circular No. 155/2015/TT-BTC dated October 6, 2015, by the Ministry of Finance, guiding information disclosure in the securities market)

ANNUAL REPORT

HANOI LIQUOR AND BEVERAGE JOINT STOCK COMPANY (HALICO)

Reporting Year: 2024

I. General Information

1. Overview:

- Trade name: Hanoi Liquor and Beverage Joint Stock Company
- Business Registration Certificate No.: 0100102245
- Charter capital: 200,000,000,000 VND
- Owner's investment capital: 200,000,000,000 VND
- Address: No. 94 Lo Duc Street, Pham Dinh Ho Ward, Hai Ba Trung District, Hanoi
- Phone number: 0243.9763.763
- Fax number: 0243.821.2662
- Website: www.halico.com.vn
- Stock code: HNR

Formation and Development Process:

- Formation and development process (establishment date, listing date, and major milestones from inception to the present):

Hanoi Liquor and Beverage Joint Stock Company originated from Hanoi Liquor Factory, which was built by the French Fontaine Liquor Company in 1898. With over 100 years of establishment and development, the company has combined traditional fermentation methods with modern scientific and technological advancements in liquor production. Today, Halico has become the largest liquor producer in Vietnam.

The key stages of the company's formation and development include:

- Year 1898: Hanoi Liquor Factory was established at No. 94 Lo Duc Street. It was the largest among the five liquor factories built by the French Fontaine Company in Indochina.
- November 21, 1955: The government issued a decision to restore the Hanoi Liquor Factory for the production of ethanol to serve medical, defense, and civilian needs.
- From 1960 to 1961: The factory carried out a "technical revolution" with the support of leading biological experts from Germany and China. It replaced the

Amylo-based liquor production method with the Mycomalte method to improve product recovery efficiency and diversify raw material sources.

- From 1970 to 1978: The factory was continuously awarded the "Determined to Win" certificate of merit.
- From 1978 to 1985: The company successfully researched and built a liquor refining tower based on the French "Sodecial" tower system. The new system ensured that refined liquor met high-quality standards.
- Year 2006: Hanoi Liquor State-Owned One Member Limited Liability Company was transformed into Hanoi Liquor Joint Stock Company. The company officially began operating as a joint-stock company on December 6, 2006.
- Year 2008: Hanoi Liquor Joint Stock Company was upgraded to a Tier 1 Enterprise and received ISO 9001:2000 certification. The company was honored to receive the Emulation Flag from the Government of the Socialist Republic of Vietnam for being a leading enterprise in the national emulation movement, along with many other prestigious awards.
- Year 2010: The company was awarded the First-Class Labor Medal by the Government in celebration of its fourth anniversary since equitization.
- January 24, 2011: The company signed a Strategic Partnership Agreement with Diageo Singapore Private Limited, a subsidiary of the world-leading Liquor Corporation Diageo. As part of the agreement, Streetcar Investment Pte Ltd. (a subsidiary of Diageo) acquired up to 30% of Halico's charter capital and provided technical support in marketing, sales, and production capacity enhancement. Currently, Streetcar Investment Pte Ltd. holds a 45.57% stake in Halico's charter capital.
- October 2012: The company officially inaugurated the Hanoi Liquor Factory in Yen Phong, Bac Ninh, marking a significant milestone in its strong development.
- Since May 3, 2018: The company has been assigned the stock code HNR at the Vietnam Securities Depository.
- May 31, 2018: The Hanoi Stock Exchange officially announced the first trading day for the registered shares of Hanoi Liquor Joint Stock Company, which took place on Friday, June 8, 2018.
- July 7, 2020: Hanoi Liquor Joint Stock Company was renamed Hanoi Liquor and Beverage Joint Stock Company.

With over 120 years of establishment and development, Halico has become the largest liquor producer in Vietnam, with well-known brands such as Lua Moi, Vodka Hanoi, Bluebird etc. With a modern liquor production line and a nationwide

distribution network, Halico has also expanded its presence in international markets, including Eastern Europe, Japan, South Korea etc. The company takes pride in being a market leader in the domestic liquor industry and a major exporter in the region.

2. Business Sectors and Operating Areas:

- Business Sectors (*Listing business sectors or main products and services that account for over 10% of total revenue in the past two years*): Production of liquor, alcoholic and non-alcoholic beverages.

- Operating Areas (*Listing main business locations that account for over 10% of total revenue in the past two years*): Hanoi, Ho Chi Minh City.

3. Information on Governance Model, Business Organization and Management Structure:

- Governance Model:

HALICO's Organizational Structure

- General Meeting of Shareholders
 - Board of Control
 - Board of Management
 - Advisory Board
 - BOM's Secretary
 - Director
 - Deputy Director of Business
 - Deputy Director of Technical Affairs
 - ISO Department
 - Special Project Group
 - Non-Permanent Committees and Councils (e.g., Reward and Disciplinary Council, Inspection Council, etc.)
 - Departments:
 - Administration & Human Resources Department
 - Finance & Accounting Department
 - Planning & Supply Department
 - Business Department
 - Branches and Factories:
 - Company Branch in Ho Chi Minh City
 - Yen Phong Liquor Factory
 - Representative Office in Da Nang
- Management Structure:
- + General Meeting of Shareholders

The General Meeting of Shareholders (GMS) consists of all shareholders with voting rights and is the highest decision-making body of the company. The GMS convenes annually or extraordinarily, at least once a year, to determine the company's development strategy and annual business plans. It also approves resolutions on matters such as amendments to the company's charter, types and quantity of shares issued, annual dividend payments, and remuneration for the Board of Management (BOM) and the Board of Control (BOC). Additionally, the GMS has the authority to elect, dismiss, or replace members of the Board of Management and the Board of Control.

+ Board of Management (BOM)

The Board of Management (BOM) is the governing body of the company, elected by the General Meeting of Shareholders. It has full authority to act on behalf of the company to make all important decisions regarding the company's objectives and interests, except for matters within the exclusive jurisdiction of the GMS.

The BOM has the rights and responsibilities to oversee the Director and other company's executives. Its powers and obligations are defined by law, the company's charter, internal regulations, and resolutions of the GMS. Specifically, the BOM has the authority to:

- Determine and implement the company's business development plans and annual budgets.
- Set operational and strategic objectives based on GMS approval.
- Propose the annual dividend payout ratio.
- Appoint and dismiss the Director and other management personnel.

The company's Board of Management consists of five (05) members, with each member serving a term of no more than five (05) years.

+ Board of Control (BOC)

The Board of Control (BOC) is elected by the General Meeting of Shareholders and is responsible for inspecting and supervising the company's annual, semi-annual, and quarterly financial statements, audit-related matters, and other company activities. It ensures that shareholders' rights are protected in accordance with the law and the company's charter. The BOC operates independently from the Board of Management (BOM) and the Board of Director (BOD).

+ Board of Director

The Board of Director consists of the Director and Deputy Director.

The Director is the legal representative of the company, managing the company's daily operations under the supervision of the Board of Management. The Director is accountable to the Board of Management and the law for the exercise of assigned rights and responsibilities.

The Deputy Director assists the Director in managing the company's operations and carry out duties as assigned by the Director.

- Functional Departments, Branches, and Factories:

The company is structured into three main divisions:

+ Administration & Human Resources Division:

- o Includes the Human Resources & Administration Department, the Company's Representative Office in Da Nang, and the Finance & Accounting Department.
- o Responsible for human resources, administrative support services, and financial-accounting operations.

+ Planning & Business Division:

- o Includes two functional departments (Business Department and Planning & Supply Department) and the Company's Branch in Ho Chi Minh City.
- o Responsible for business planning, sales management, and commercial activities.

+ Technical & Production Division:

- o Includes the Yen Phong Distillery Branch, comprising the Technical Department and the Production Enterprise.
- o Responsible for ensuring safe, high-quality, and timely production while meeting operational efficiency and resource allocation targets.

- Subsidiaries and Affiliates

The company has no subsidiaries or affiliated companies.

4. *Development Orientation*

Key Objectives of the Company:

- Expand the distribution network by increasing the number of distributors and gradually growing the company's market share in the domestic market.
- Recruit and train a nationwide sales force, building a strong team in both quantity and quality across different regions.
- Implement flexible sales policies, with a particular focus on direct sales channels, strengthening product presence, and leveraging the company's existing brand advantages to maintain and expand the market.
- Continue investing in technology and equipment, improving product designs and enhancing quality to better meet the needs of consumers both domestically and internationally while gradually expanding export markets.
- Restructure and streamline the organization to optimize personnel and reduce management costs, enhancing operational efficiency and business performance.

- Medium and Long-Term Development Strategy:

- Customer-oriented approach, ensuring product quality and food safety, complying with legal and regulatory requirements.

- Sustainable development goals (Environment, Society and Community) and main short- and medium-term programs of the Company:
 - Perfect quality
 - Professionalism everywhere
 - Responsibility to the community
 - Continuous innovation and improvement
 - Customer satisfaction

5. Risks

- Changes in government policies regarding the liquor industry (e.g., higher taxes and stricter regulations on liquor consumption).
- However, homemade and unregulated liquor production remains largely unrestricted, creating an uneven competitive landscape.

II. Operational Situation in the Year:

1. Business Production and Operations Situation:

- Results of production and business activities in the year:

+ The liquor production output of HALICO in 2024 reached 107.9% of the annual plan and 65.23% compared to the same period last year.

+ Consumption situation: Domestic liquor sales volume in 2024 reached 102.8% of the annual plan and 105.35% compared to the same period last year. Liquor export volume in 2024 reached 73.4% of the annual plan and 88.55% compared to the same period last year.

+ Revenue in 2024 reached 98.6% of the annual plan and 112.42% compared to the same period in 2023. Revenue from domestic alcohol sales in 2024 reached 101.4% of the annual plan and 113% compared to the same period.

+ Therefore, in 2024, although the consumption situation was better than the same period last year, the increased costs led to a loss of 8.43 billion VND (compared to a loss of 9.86 billion VND in the same period of 2023).

- The actual results of business operations in 2024 are as follows:

No.	Indicator	Unit	Actual 2023	Plan 2024	Actual 2024	2024 Actual vs Plan (%)	2024 Actual vs 2023 Actual (%)
						%	%
	<i>A</i>	<i>B</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4=3/2</i>	<i>5=3/1</i>
1	Revenue from sales and services (including VAT)	Billion VND	163.79	186.70	184.13	98.6%	112.42%

2	Revenue from sales and services (excluding VAT)	Billion VND	108.48	121.83	121.61	99.8%	112.10%
	<i>In which:</i>						
2.1	Domestic alcohol sales	"	94.12	104.94	106.36	101.4%	113.00%
2.2	Halico-branded liquor exports	"	6.29	5.87	5.90	100.5%	93.72%
	Ethanol	"	0.65	0.73	0.55	76.0%	84.77%
2.3	Other revenues	"	1.19	1.10	0.79	71.9%	66.18%
2.4	Service revenue	"	6.21	9.20	8.01	87.0%	128.92%
3	Revenue deductions	Billion VND	7.58	8.40	9.36	111.5%	123.62%
3.1	Returned goods	"	0.01		-		
3.2	Trade discounts	"	7.56	8.40	9.36	111.5%	123.84%
4	Net revenue from sales and services (= 2 - 3)	"	100.90	113.43	112.24	98.9%	111.24%
5	Cost of goods sold	Billion VND	72.64	76.54	74.92	97.9%	103.14%
	<i>In which:</i>						
	Halico alcohol cost	"	54.71	62.36	62.03	99.5%	113.39%
	Ethanol cost	"	0.46	0.53	0.16	30.2%	34.91%
	Fixed production overheads included in cost of goods sold	"	17.05	13.29	12.51	94.1%	73.39%
	Other costs	"	0.42	0.36	0.22	60.0%	51.40%
6	Gross profit from sales and services (= 4 - 5)	Billion VND	28.26	36.89	37.32	101.2%	132.05%
7	Financial revenue	"	7.55	5.66	5.57	98%	73.73%
8	Financial expenses	"	0.03	0.05	0.00		
	<i>In which:</i> Interest expenses	"	0.01	0.05	0.00	0.0%	0.00%
9	Selling expenses	Billion VND	26.02	30.00	28.66	95.5%	110.15%
10	General administrative expenses	Billion VND	19.85	22.00	22.98	104.5%	115.75%

11	Net profit from business activities (= 6 + 7 - 8 - 9 - 10)	Billion VND	-10.09	-9.50	-8.75	92.1%	86.77%
12	Other income	Billion VND	0.30	1.00	1.82		612.36%
13	Other expenses	"	0.06		1.50		2,317.46%
14	Other profit	Billion VND	0.23	1.00	0.32		137.67%
15	Profit before tax (= 11 + 14)	"	-9.86	-8.50	-8.43	99.2%	85.57%
16	Production output	Thousand liters					
16.1	Ethanol	"	976	1,000	1,005	100.5%	103.04%
16.2	Halico-branded Liquor	"	2,502	1,513	1,632	107.9%	65.23%
17	Main consumption output	Thousand liters	1,896	1,956	1,986	101.5%	104.73%
17.1	Domestic consumption of Halico-branded Liquor	"	1,826	1,870.75	1,924	102.8%	105.35%
17.2	Export of Halico-branded Liquor	"	70	85.04	62	73.4%	88.55%
18	Total budget contribution	Billion VND	74.93	74.67	59.70	79.9%	79.67%
19	Salary fund and sales support	Billion VND	20.39	25.82	25.03	96.9%	122.74%
19.1	- Salaries for employees and sales support	"	19.40	24.15	23.67	98.0%	121.98%
19.2	Salaries for Executive Board & Board of Control	"	0.99	1.67	1.36	81.5%	137.49%
20	Welfare expenses	"	1.68	2.13	2.02	94.9%	120.10%
21	Average labor force	Person	177	189	165	87.2%	93.13%
21.1	- Employees	"	173	185	161	86.8%	92.77%
	<i>In which:</i>						
	- Indirect employees	"	26	26	27	104.5%	105.50%
	- Factory + Warehouse	"	58	54	50	92.1%	85.29%
	- Business + Branches	"	89	105	84	79.6%	94.00%
21.2	- Executive Board & Board of Control	"	4	4	4	108.3%	108.33%

22	Average income of employees/month	MillionVND /Person/Month	10.13	11.79	13.29	116.0%	131.19%
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Reasons for some targets not being met compared to the plan:

a/ External Factors:

- HALICO faces intense competition from other liquor brands, especially from tax-evading and counterfeit products produced by private establishments, leading to unfair and unhealthy competition.
- Since July 15, 2018, Decree 81/2018/ND-CP, which provides detailed regulations on the Commercial Law came into effect making the liquor business even more challenging. The prohibition of promotional activities under this decree has further disadvantaged compliant liquor producers like HALICO, while unsafe, homemade liquor remains unaffected.
- Since January 1, 2020, Decree 100/2019/ND-CP, which imposes administrative penalties in the transportation sector for alcohol consumption, has significantly impacted the company's production and business activities.
- After four years of the pandemic, domestic consumption demand has declined, with consumers cutting back on spending and turning to cheaper, homemade liquors. Additionally, the tourism market especially international visitors to Vietnam has not yet fully recovered, leading to a significant drop in overall liquor sales compared to pre-pandemic levels.
- The cost of raw materials and services has increased sharply (by an average of 15%-25% compared to 2023), negatively impacting the company's production and business operations.

b/ Internal Factors:

- Sales programs implemented have not achieved optimal effectiveness, especially given the limited sales budget.
- Production demand remains low compared to the factory's capacity, preventing reductions in production costs.
- HALICO's Board of Director recognizes that investing in human resources is a decisive factor for the company's development during this period and in the coming years. Therefore, despite a decline in business performance, the Board of Director remains committed to maintaining a stable wage fund to ensure steady income for employees. This has contributed to increased costs, leading to lower profits in the current business context.
- The company has yet to fully leverage its partnership with Diageo, particularly in contract manufacturing and utilizing Diageo's distribution channels in Vietnam.

2. Organization and Personnel:

- List of Board of Director:

* Mr. Tran Hau Cuong - Party Secretary - Director

Year of Birth: 1969

Place of Origin: Thach Ha, Ha Tinh
 Address: Ngoc Ha, Ba Dinh, Hanoi
 Voting Shares Ownership Ratio: 1,000,062 shares

* Mr. Tong Nguyen Long - Deputy Director

Year of Birth: 1978
 Place of Origin: Duc Tho, Ha Tinh
 Address: Long Bien, Hanoi
 Voting Shares Ownership Ratio: 6 shares

* Mr. Do Thanh Luan - Chief Accountant

Year of Birth: 1986
 Place of Origin: Hai Hau, Nam Dinh
 Address: Thach Ban, Long Bien, Hanoi
 Voting Shares Ownership Ratio: 0 shares

- Changes in the Board of Director (List any changes in the Board of Director during the year): None.

- Number of managers and employees: The average number of employees in 2024 is 161 (excluding the Board of Director). All policies and benefits for employees remain unchanged compared to 2023.

3. Investment Situation and Project Implementation:

a) Major Investments: The company had no major investments during the year.

b) Subsidiaries and Affiliates: None.

4. Financial Situation:

a) Financial Overview:

(Unit: VND)

Indicator	2023	2024	% 2024 compared to 2023
Total Asset Value	375,919,679,564	370,382,941,880	99%
Net Revenue	100,900,369,663	112,241,922,650	111%
Profit from Business Operations	-10,087,380,669	-8,752,973,110	87%
Other Profit	231,969,566	319,358,580	138%
Profit Before Tax	-9,855,411,103	-8,433,614,530	86%
Profit After Tax	-9,855,411,103	-8,433,614,530	86%

b) Key Financial Indicators:

Indicator	2023	2024	Notes
1. Liquidity Ratios			
+ Current Ratio:			
Current Assets/Current Liabilities	12.85	11.88	
+ Quick Ratio:	7.00	6.15	

2. Capital Structure Ratios			
+ Debt/Total Assets	0.05	0.06	
+ Debt/Equity	0.06	0.07	
3. Operating Efficiency Ratios			
+ Inventory Turnover (COGS/Average Inventory)	0.85	0.7	
Net Revenue/Total Assets	0.27	0.3	
4. Profitability Ratios			
+ Net Profit Margin (Net Profit/Net Revenue)	-0.10	-0.08	
+ Return on Assets (Net Profit/Total Assets)	-0.03	-0.02	
+ Operating Profit Margin (Operating Profit/Net Revenue)	-0.10	-0.08	

5. Shareholder Structure and Changes in Owner's Equity:

a) Shares:

- Total shares: 20,000,000 (In words: Twenty million shares)
- Type of outstanding shares: Common shares

b) Shareholder Structure:

- Classified by ownership ratio (major shareholders, minor shareholders):

No.	Shareholder Name	Address	Number of Shares	Ownership Ratio
1	Hanoi Beer - Liquor - Beverage Joint Stock Corporation (Habeco)	183 Hoang Hoa Tham, Ba Dinh, Ha Noi	10,858,041	54.29%
2	Streetcar Investment Holding Pte. Ltd	112 Robinson Road, 06 Singapore, Singapore	9,113,513	45.57%
3	Other Shareholders		28,446	0.14%
	Total		20,000,000	100%

- Classified by Institutional and Individual Shareholders; Domestic and Foreign Shareholders:

No.	Shareholder Category	Number of Shareholders	Number of Shares (Shares)	Value (VND)	Ownership Ratio
I	Domestic Shareholders	113	10,886,487	108,864,870,000	54.43%
1	Institutional	1	10,858,041	108,580,410,000	54.29%

No.	Shareholder Category	Number of Shareholders	Number of Shares (Shares)	Value (VND)	Ownership Ratio
	Shareholders				
2	Individual Shareholders	112	28,446	284,460,000	0.14%
II	Foreign Shareholders	1	9,113,513	91,135,130,000	45.57%
1	Institutional Shareholders	1	9,113,513	91,135,130,000	45.57%
2	Individual Shareholders	0	0	0	0%
	Total	114	20,000,000	200,000,000,000	100.0%

c) Changes in Owner's Equity: None.

d) Treasury Stock Transactions: None.

e) Other Securities: None.

6. Report on Environmental and Social Impact of the Company

6.1. Management of Raw Materials:

a) Total value of raw materials used for production and packaging of the company's main products and services in the year: VND 28.69 billion.

b) Percentage of recycled raw materials used for main production and services: None.

6.2. Energy Consumption:

a) Direct and Indirect Energy Consumption: The total electricity consumption at the factory in 2024 was 1,123,960 kW, corresponding to a cost of 2,292,699,171 VND (excluding VAT). (In words: Two billion, two hundred ninety-two million, six hundred ninety-nine thousand, one hundred seventy-one VND).

b) Energy Saving Measures: Energy-saving practices are maintained in office areas. The lighting system is being gradually replaced with energy-efficient LED bulbs.

c) Energy-Saving Initiatives Reported: None.

6.3. Water Consumption:

a) Water Supply Sources and Usage: The factory uses two water sources: municipal water and groundwater extraction in which municipal water: 19,966 m³/year, groundwater: 29,423 m³/year. The average water consumption: 4,115 m³/month. During ethanol production, water consumption reaches 23,000 m³/month.

b) Percentage and Total Volume of Recycled and Reused Water:

Currently, the company does not recycle or reuse water.

6.4. Compliance with Environmental Protection Laws:

a) Number of Violations and Fines for Non-Compliance with Environmental Laws and Regulations:

- Violations recorded: None
- Total fines imposed: None

6.5. Policies Related to Employees

a) Number of Employees and Average Salary:

- Average number of employees: 161 (excluding the Executive Board).
- Average monthly salary per employee: 9,346,170 VND/person/month.

b) Labor Policies to Ensure Health, Safety, and Employee Welfare:

- The company provides hazardous work allowances in kind for employees working in hazardous environments.
- Regular training on occupational safety, hygiene and first aid for workplace accidents.
- Annual company trips for employees.
- Periodic health check-ups for employees.
- Leave policies (vacation, sick leave, maternity leave and other types of leave) in full compliance with current legal regulations.
- Transportation support for employees working at the Bac Ninh Liquor Factory.

c) Employee training activities:

The company implements training programs to enhance employees' skills and expertise, ensuring they meet the requirements of various job positions.

6.6. Report on Community Responsibility

The company engages in community investment and development activities, including financial support for community services: The company strictly fulfills its obligations to the local government budget, organizes visits and support for war invalids' and martyrs' families on July 27th.

6.7. Report on Green Capital Market Activities (as per SSC Guidelines): None.

III. Report and Assessment by the Board of Directors

1. Evaluation of Business Performance

In 2024, the company's business performance did not meet expectations due to external factors and HALICO's internal challenges. The company faced difficulties in sales, leading to a net loss of 8.43 billion VND in 2024, accumulated losses by the end of 2024 amounted to 466.13 billion VND.

2. Financial Status

a) Asset Status

As of December 31, 2024, the company's total assets amounted to 370.38 billion VND, unchanged from January 1, 2024, in which, current assets: 273.49 billion VND, non-current assets: 96.9 billion VND.

Short-term receivables totaled 11.89 billion VND, including: trade receivables: 12.06 billion VND, other receivables: 9.1 billion VND, bad debts: 10.52 billion VND. The company has made provisions for doubtful debts in compliance with regulations.

b) Liabilities

Due to unused cash reserves accumulated from previous years, deposited in banks, the company had no overdue debts in the reporting period. The company

maintains a high liquidity position, with key financial ratios as follows: quick ratio: 6.15, current ratio: 16.11, debt-to-equity ratio: 0.07. As of December 31, 2024, the company has not faced any financial imbalance.

3. *Organizational, Policy, and Management Improvements*: No significant changes.

4. *Future Development Plans*:

* *Organizational Strategy*:

- Continue reviewing labor structure to optimize costs and improve business efficiency.

- Implement salary allocation policies based on different work categories.

* *Planning, Engineering, and Production*:

- Align production with actual consumption demand to minimize inventory.

- Gradually enhance product quality and improve packaging designs to meet increasing consumer demands.

- Collaborate with Diageo for liquor production outsourcing to maximize existing equipment utilization and create job opportunities for employees.

- Finalize the development plan for new products for the upcoming years.

* *Financial and Accounting Management*:

- Balance cash flow to minimize financial difficulties for the company.

* *Business Operations*:

- Implement appropriate sales policies and maintain the restaurant distribution channel.

- Strengthen market control to enhance the effectiveness of sales strategies.

- Work with HABECO (Hanoi Beer - Liquor - Beverage Corporation) and Diageo to leverage existing sales channels.

- Focus on expanding export markets.

5. *Management's Explanation of the Auditor's Opinion (if applicable) - (Only applicable if the audit opinion is not an unqualified opinion.)*

6. *Environmental and Social Responsibility Report*

a) *Environmental Performance Assessment*:

Wastewater Management:

HALICO has signed Wastewater Service Contract No. 200818/HDNT with VIGLACERA Infrastructure Development Investment Company. The company pre-treats wastewater to meet QCVN 40/2011/BTNMT (Column B) standards before pumping it into the industrial zone's centralized treatment system, which further processes it to meet QCVN 40:2011/BTNMT (Column A) standards before discharge into the environment, in compliance with legal regulations.

Air Emissions:

- Coal-fired boiler emissions: The company has invested in an integrated dust filtration system using a multi-cyclone and caustic soda scrubber tower. Periodic monitoring results confirm that emission parameters comply with regulatory standards.

- CO₂ emissions from fermentation: Fully collected and compressed into a CO₂ gas system, then transported to recycling units for reuse.

- BIOGAS emissions from wastewater treatment: Captured and completely burned in a gas collection and combustion system.

- Ambient air and exhaust gas quality: Quarterly environmental monitoring reports indicate that all environmental parameters remain within allowable limits.

Solid Waste Management:

* General Solid Waste

- Collection & Storage: Regular solid waste is collected and stored in a covered waste storage area.

- Household waste: Ranges from 15-20 m³ per month. HALICO has signed a contract with an authorized waste collection and disposal company for proper handling.

- Recyclable industrial waste: HALICO has established a temporary storage facility where waste is sorted and transferred to licensed recycling companies.

* *Hazardous Industrial Waste*

HALICO strictly follows hazardous waste management regulations:

- Registered as a hazardous waste generator with the Bac Ninh Department of Natural Resources and Environment under registration number QLCTNH 27.000222.T (issued on April 27, 2011).

- Collection, classification, and storage: Hazardous waste is properly classified, labeled, and stored in a dedicated hazardous waste storage facility with appropriate warning signs.

- Licensed disposal contract: Signed Contract No. 01.2020VCXL/SS-CRHNBN on February 28, 2020, with Sao Sang Environmental Treatment Co., Ltd., which is authorized by the Ministry of Natural Resources and Environment to collect, transport, and process hazardous waste.

- Documentation & Reporting: Issued and maintained waste transfer records for each disposal cycle, submitted annual hazardous waste management reports to the Bac Ninh Department of Natural Resources and Environment.

Environmental Monitoring & Reporting

- Monitoring frequency: Four times per year in compliance with the Environmental Protection Plan Approval Decision.

- Monitoring parameters: In accordance with approved environmental protection regulations, ensuring full compliance in 2024.

- Regulatory reporting: Regular environmental management reports are submitted to the Ministry of Natural Resources and Environment and the Bac Ninh Department of Natural Resources and Environment.

b. Evaluation Related to Labor Issues

HALICO Executive Board remains committed to ensuring employees' income stability despite the absence of a welfare fund. The company also prioritizes creating a stable work environment so that employees can continue to support HALICO in the coming years.

c. Evaluation of Company's social responsibility toward the local community

The company strictly complies with its obligations to the state budget and actively participates in community support activities, such as visiting and assisting families of war invalids and martyrs on July 27.

IV. Evaluation by the Board of Management on the Company's Operations (for Joint-Stock Companies)

1. Evaluation of the Company's activities, including environmental and social responsibilities

In 2024, the company faced significant challenges in its business operations. However, HALICO remained committed to maintaining its responsibilities regarding environmental protection and social contributions.

2. Evaluation of the Board of Director's performance

- Board of Director has fulfilled its assigned roles and responsibilities.
- Board of Director has effectively implemented resolutions from the General Meeting of Shareholders and the Board of Management (BOM), while also managing company operations efficiently.
- Board of Director regularly reports on the progress of its assigned duties and seeks guidance from the BOM, ensuring that the company's leadership and management align with legal regulations, state policies and company by laws.

3. Future Plans and Strategic Directions of the Board of Management:

The Board of Management (BOM) aims to enhance corporate governance by strengthening supervision and monitoring of the Board of Director and Company's managers to ensure compliance with laws and corporate by laws; developing and improving the Company's regulations and governance framework; implementing the resolutions from the General Meeting of Shareholders and the BOM effectively; ensuring the achievement of key targets, including liquor production, total revenue, tax contributions to the state budget, and stable employment and welfare for employees.

V. Corporate Governance

1. Board of Management

a) Members and Structure of the Board of Management:

The Company's Board of Management consists of five (05) members as follows:

No.	Name	Position	Executive/Non-Executive	Voting Share Ownership (%)
1	Mr. Pham Trung Kien	Chairman of BOM	Non-Executive	44.29%
2	Mr. Tran Hau Cuong	BOM's Member	Executive	5.00%
3	Mr. Phan Minh Son (Appointed on 21/04/2023)	BOM's Member	Non-Executive	5.00%

4	Mr. Nguyen Anh Thi	BOM's Member	Non-Executive	22.785%
5	Mr. Murugavel Shanmugam (Appointed on 21/04/2023)	BOM's Member	Non-Executive	22.785%

b) BOM's Committees: There are no committees under the Board of Management.

c) Activities of the Board of Management:

- Throughout 2024, the Board of Management has consistently adhered to the principle of collective leadership. The BOM's members are accountable to shareholders and the law in accordance with their functions, duties, and authority as stipulated by law, the Company's Charter, and internal management regulations.

- The Board of Management respects its relationship with the Board of Director, key personnel and management of Halico as well as with political organizations, unions and shareholders. It also ensures that, within its authority, all activities are directed towards achieving the best outcomes for the Company.

- The BOM has fulfilled its reporting and information disclosure obligations, conducted corporate governance in compliance with legal regulations, and safeguarded the legitimate rights and interests of the Company, shareholders, and society.

- Contents of BOM's meeting in 2024:

No.	Resolution No.	Date	Content
1	01/BB-HALICO-HDQT	29/01/2024	Evaluation of HABECO Capital Representative at HALICO in 2023: - Mr. Pham Trung Kien: Total assessment score is 85 points, classified as completing the task well. - Mr. Phan Minh Son: Total assessment score is 85 points, classified as completing the task well. - Mr. Tran Hau Cuong: Total assessment score is 75 points, classified as completing the task.
2	02/NQ-HALICO-HDQT	21/02/2024	The final registration date for the list of shareholders entitled to attend the 2024 Annual General Meeting of Shareholders is agreed to be March 14, 2024.

3	03/NQ- HALICO- HDQT	12/3/2024	<p>Agree on documents to be submitted to the 2024 Annual General Meeting of Shareholders:</p> <ol style="list-style-type: none"> 1. Report of the Board of Directors summarizing the production and business activities in 2023 and the direction of activities in 2024. 2. Report on the activities of the Company's Board of Management in 2023 and the direction of activities in 2024. 3. Report on the activities of the Board of Control in 2023 and the direction of activities in 2024. 4. Audited financial statements in 2023. 5. Report on the 2024 plan targets. 6. Report on the salary and remuneration regime: Board of Management, Board of Control, Secretary of Hanoi Liquor and Beverage Joint Stock Company (2023 settlement, expected in 2024). 7. Report on the selection of an auditing unit for the 2024 Financial Statements.
4	11/NQ- HALICO- HDQT	12/4/2024	<p>Approving the policy of converting the Company's Branch in Ho Chi Minh City into a Representative Office according to the content of Submission No. 157/TTr-HALICO dated March 28, 2024 of the Company's Director. Assigning the Executive Board to direct relevant departments to implement in accordance with current regulations of the State and the Company.</p>
5	13/BB- HALICO- HDQT	12/4/2024	<p>Approving the change of Head of the Representative Office of Hanoi Liquor and Beverage Joint Stock Company in Da Nang. Assigning Mr. Tran Hau Cuong - Director and Legal Representative of the Company to carry out necessary procedures according to the provisions of law.</p>
6	15/NQ- HALICO- HDQT	10/6/2024	<p>Approving the selection of Deloitte Vietnam Auditing Company Limited as the auditor for the 2024 Financial Statements of Hanoi Liquor and Beverage Joint Stock Company. Assigning the Executive Board to direct relevant departments to implement.</p>

7	17/BB- HALICO- HDQT	02/8/2024	<p>- Approval of Report No. 357/HALICO dated July 30, 2024 of the Company's Director on the summary of the production and business performance in the first 6 months of 2024 and the direction and solutions to implement the remaining production and business plan of 2024. Assign the Company's Director to direct relevant departments to continue to balance production appropriately and at the same time review and reduce costs, improve sales activities to promote the overall production and business efficiency of the Company in the remaining months of the year.</p> <p>- Approval of Report No. 358/HALICO dated July 30, 2024 of the Company's Director on land use in Da Nang.</p>
8	18/NQ- HALICO- HDQT	23/8/2024	<p>Approving the liquidation of assets, tools and equipment that are no longer in use or cannot be used anymore of Hanoi Liquor and Beverage Joint Stock Company according to the content of Submission No. 332/TTr-HALICO dated July 11, 2024 of the Company's Director. Assigning the Executive Board to direct relevant departments to implement.</p>
9	19/NQ- HALICO- HDQT	16/9/2024	<p>Approving the liquidation in Da Nang of the shelf system with a capacity of 1,800 pallets and 300 double-sided plastic pallets that are no longer in use of Hanoi Liquor and Beverage Joint Stock Company according to the content of Submission No. 407/TTr-HALICO dated August 26, 2024 of the Company's Director. Assigning the Executive Board to direct relevant departments to implement.</p>
10	21/BB- HALICO- HDQT	06/11/2024	<p>Agreeing with the content of Report No. 571/HALICO dated October 24, 2024 of the Company's Director on the preliminary report on the implementation of production and business activities in the first 9 months of 2024 and the direction and solutions to implement the production and business plan for the remaining 3 months of 2024.</p>

d) Activities of independent BOM's members: None.

Activities of subcommittees within the Board of Management: None.

The Company Secretary (one member) is responsible for advising and assisting the BOM in exercising its powers and duties in accordance with the Company's Charter and applicable laws.

e) List of BOM's members with corporate governance training certification: None.

List of BOM's members who participated in corporate governance programs during the year: None.

2. Board of Control:

a) Members and Structure of the Board of Control:

The Board of Control consists of three members as follows:

No.	Full Name	Position	Voting Share Ownership Ratio
1	Mrs. Pham Thi Lan Anh	Head of BOC	0.0000015%
2	Mr. Tran Duc Giang	Member of BOC	0%
3	Mr. Ha Trieu Cuong	Member of BOC	0%

b) Activities of the Board of Control:

* The Board of Control has fulfilled its functions and duties in accordance with legal regulations and the Company's Charter, specifically:

- Evaluated and proposed the selection of an auditing firm for the 2024 financial statements as per the resolution of the General Meeting of Shareholders.

- Monitored and inspected the reasonableness, legality, accuracy, and prudence in the management and operation of the Company's business activities, compliance with the resolutions of the General Meeting of Shareholders, adherence to legal regulations, and the Company's Charter.

- Supervised and contributed to the development and improvement of the Company's internal governance regulations, ensuring a legal framework for HALICO's business management and operations.

- Reviewed and assessed the semi-annual and annual financial statements for 2024.

- Attended BOM's meetings and other necessary BOD's meetings.

- Maintained regular communication within the Board of Control and held meetings as required.

* In 2024, the Board of Control held three meetings.

Meeting contents and outcomes:

- Evaluated the Company's operations and requested relevant documents and reports.

- Reviewed and assessed the audited 2023 financial statements.
- Approved the 2023 BOC's activity report.
- Considered and proposed the selection of an independent auditing firm for 2024.

3. *Transactions, Remuneration, and Benefits of the Board of Directors, Executive Board, and Supervisory Board*

a) Salaries, bonuses, remuneration and other benefits:

No.	Section	Person	Actual Salary Fund for 2024 (VND)
1	Board of Control	1	210,834,965
2	Executive Board		
*	Director	1	403,086,756
*	Deputy Director	1	362,929,553
*	Chief Accountant	1	386,377,334
	Total	4	1,363,228,608

No.	Full Name	Position	Remuneration Rate (Million VND)	Number of Months Paid	Total Remuneration (Million VND)
1	Pham Trung Kien	Chairman of BOM	6.0	12	72
2	Tran Hau Cuong	Member of BOM	3.0	12	36
3	Phan Minh Son (Appointed on 21/04/2023)	Member of BOM	3.0	12	36
4	Nguyen Anh Thi	Member of BOM	3.0	0	0
5	Murugavel Shanmugam (Appointed on 21/04/2023)	Member of BOM	3.0	0	0
6	Pham Thi Lan Anh	Head of BOC	0	0	0
7	Ha Trieu Cuong	Member of BOC	2.0	0	0
8	Tran Duc Giang	Member of BOC	2.0	12	24
9	Hoang Thi Thu Ha	Secretary	1.5	12	18
	Total				186

- b) Transactions of Internal Shareholders: None
- c) Contracts or Transactions with Internal Shareholders: None
- d) Compliance with corporate governance regulations: Fully compliant with legal regulations on corporate governance.

VI. Financial Statements

1. Auditor's opinion:

The financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, as well as its financial performance and cash flows for the fiscal year then ended, in accordance with Vietnamese accounting standards, the Vietnamese enterprise accounting system and relevant legal regulations on the preparation and presentation of financial statements.

Emphasis of matter: None

Other matters: None

2. *Audited Financial Statements* (The audited annual financial statements include: the Balance Sheet, the Income Statement, the Cash Flow Statement, and the Notes to the Financial Statements in accordance with legal regulations on accounting and auditing. In cases where, according to legal requirements on accounting and auditing, the Company is required to prepare consolidated financial statements or aggregated financial statements, the financial statements presented in the Annual Report shall be the consolidated financial statements. Additionally, the report shall specify the address where the parent company's financial statements, the aggregated financial statements, or the financial statements of the superior accounting unit are published and provided): As per the published audited financial statements.

CONFIRMATION BY THE COMPANY'S LEGAL REPRESENTATIVE



GIÁM ĐỐC
Lưu Hậu Cường