

No.: ____/2020/NQ-ĐHĐCĐ-CTY

Hochiminh City, June 10th, 2020

DRAFT

RESOLUTION

THE 25TH ANNUAL GENERAL MEETING OF SHAREHOLDERS 2020 PHU NHUAN JEWELRY JOINT STOCK COMPANY

Pursuant to:

- *Enterprise Law No. 68/2014/QH13 dated on November 26th, 2014, passed by the National Assembly on November 26th, 2015;*
- *Securities Law No. 70/2006/QH11 approved by the National Assembly of the Socialist Republic of Vietnam on June 29th, 2006;*
- *Charter of Organization and Operation of Phu Nhuan Jewelry Company; Contents and results of the 2019 Annual General Meeting of Shareholders, Phu Nhuan*
- *Content and results of the 25th Annual General Meeting of Shareholders in 2020 Phu Nhuan Jewelry Joint Stock Company on June 10th, 2020.*

RESOLUTIONS:

Article 1. Approve the Report of the Board of Directors in 2019 with the following criteria:

Unit: Million dong

Indicator	Budget of 2019	Result of 2019	+/- (%) Budget	+/- (%) YoY
Net revenue	18,207,610	17,000,681	-6.6%	16.7%
Gross profit	3,477,800	3,460,713	-0.5%	24.5%
Profit before tax	1,480,000	1,506,712	1.8%	25.0%
Profit after tax	1,181,760	1,193,925	1.0%	24.4%
Gross margin	19.10%	20.36%	6.6%	6.7%
Net margin	6.49%	7.02%	8.2%	6.6%
Cash dividend	18%	18%		

Article 2. Approve the Company's Audited Financial Statements for 2019 (Separate and Consolidate), audited by PwC (Vietnam) Limited.

Article 3. Approve the Report of Supervisory Board in 2019.

Article 4. Approve the Strategic Business Plan in 2020.

Main indicators of business plan for 2019 (Consolidated):

Unit: Million dong

TARGET	2019 RESULT	2020 TARGET	Growth (%)
Net revenue	17.000.681	14.485.596	-15%
Gross profit from sales and services	3.460.713	2.895.557	-16%
Profit before tax	1.506.712	1.047.315	-30%
Profit after tax	1.193.925	832.230	-30%
Dividend	18%	18%	

The Covid-19 pandemic was a force majeure event, resulting a lot of impacts compared to the normal business conditions, the Board of Directors present to the General Meeting of Shareholders 2020 for approval to reward the Board of Directors and key leaders if it reached and exceeded the Profit After Tax 2020 target, as follows:

- **If reaching the after-tax profit 2020 target: rewarding the Board of Directors and key leaders:**
 - o Bonus of 1%/Profit after tax.
- **If reaching 115% of profit after tax 2020 target:** issuing bonus shares under the employee stock ownership program (ESOP) at the rate of 0.85% of the outstanding shares.
- **If exceeding 115% of the profit after tax 2020 target:** in addition to 0.85% of the above number of shares, bonus to the Board of Directors and key leaders: issuing shares under the employee stock ownership program: for each exceeding 1%/115% The after-tax profit 2020 target, issuing ESOP 0.06%/number of outstanding shares and total ESOP issuing shares will not exceed 1.5%/Number of outstanding shares.

For example:

- o *If the after-tax profit result of PNJ is 957.06 billion VND, the ESOP share issuance rate is:*
 $\Rightarrow \text{ESOP ratio} = 0.85\% + 0.06\% \times [(957.06 / 832.23 - 115\%) \times 100] = 0.85\% \text{ of the outstanding shares.}$
- o *If the after-tax profit of PNJ is 970 billion VND, the ESOP share issuance rate will be:*
 $\Rightarrow \text{Percentage of ESOP} = 0.85\% + 0.06\% \times [(970 / 832.23 - 115\%) \times 100] = 0.94\% \text{ of the outstanding shares.}$
- Total issuance of ESOP if equal and exceeding the plan of profit after tax of 115% or more does not exceed 1.5%/The number of outstanding shares, at the price of 10,000 VND/share, limited transfer within 36 months from the date of completion of the issue.

Article 5. Approve the Proposal of selection the auditing company for the fiscal year 2020.

General Meeting of Shareholders approves the list of auditing companies and authorizes the Supervisory Board to select one of auditing companies on the list to audit the Company's financial statements for the fiscal year of 2020:

1. PWC (Vietnam) Limited
2. Deloitte Vietnam Company Limited
3. ERNST & YOUNG Vietnam Limited
4. KPMG Limited

Article 6. Approve the Proposal of Profit distribution and funds appropriations in 2019:

Unit: Million dong

I. 2019 RESULTS (CONSOLIDATED)	
- Profit before tax 2019	1,506,712
- Corporate Income tax	315,667
- Deferred income tax	(2,880)
- Profit After Tax	1,193,925
II. PROFIT DISTRIBUTION 2019	1,193,925
1. Funds Appropriation:	149,240
- Fund of Investment and Development	59,696
- Fund of bonus and welfare for employees	59,696
- Fund of operation of BOD	11,939
- Bonus for Board of Directors and Key Leaders in accordance to 2019 Annual General Meeting of Shareholders Resolution No. 278/2019/NQ-DHDCD-CTY dated April 20, 2019.	17,909
2. Dividend Payments:	403,322
- 1 st interim dividend paid for 2019 (8% of par value)	178,134
- 2 nd dividend payment proposal for 2019 (10% of par value)	225,188
III. RETAINED EARNINGS 2019	641,363
IV. ACCUMULATED RETAINED EARNINGS	670,845
- Retained earnings of previous years	29,482
- Retained earnings 2019	641,363

Article 7. Approve the Proposal of Stock issuance under the employee stock ownership program 2020.

I. Plan for issuing shares under the Employee Choice Program (ESOP) in 2020:

- Name of stock: Shares of Phu Nhuan Jewelry Joint Stock Company.
- Type of stock: Common stock.

- Par value of shares: VND 10,000/share.
- Charter capital of the Company after the completion of the issuance of shares to increase capital from equity (expected): 2,252,935,850,000VND.
- Number of Treasury shares as of December 31st, 2019: 105,409 shares
- Number of shares outstanding at the time of ESOP share issuance (expected): 225,188,176 shares.
- Total expected number of shares issued: 2,319,438 shares (*), equivalent to 1.03% of the outstanding shares after completing the issuance of capital raising from equity. *(In which: 1% reward for reaching the after-tax profit plan and 0.03% bonus for exceeding the after-tax profit plan for 2019).*

() The actual number of ESOP shares issued will be adjusted according to the Company's charter capital at the time of the issuance, ensuring a ratio of 1.03% of the outstanding shares issued under the plan approved by the General Meeting of Shareholders.*
- Total value of par value issued (expected): 23,194,380,000 VND
- Expected charter capital after the issuance: 2,276,130,230,000 VND.
- Issuing target: staff of the Group *(Members of the Board of Directors, members of the Board of Managements, key leaders, mid-level officials, key employees of PNJ and subsidiaries)* have contributed positively in exceeding the business plan in 2019. The specific criteria, list and number of stocks to be purchased in detail are approved by the Board of Directors.
- Issuing price: 20,000 VND/share.
- Transfer restriction:
 - + 100%/number of stocks restricted within 12 months, 70%/number of stocks restricted from transfer within 24 months and 40%/number of stocks restricted within 36 months from the date of completing the round released.
 - + All additional shares issued by the Company paying dividends by shares and/or bonus stocks from equity/treasury stock received by employees from the number of ESOP shares during the time of transfer restriction, the transfer will be restricted in proportion and the time corresponding to the number of ESOP shares that are restricted from transfer.
- Stock revocation: Applicable when employees leave before the end of the transfer restriction period, except for cases in which stocks are not withdrawn **or repurchased at market prices**/agreed prices according to the BOD's regulations.

- + Stock revocation method: The Company will repurchase the number of shares that are restricted from transfer from the leaving staff as treasury shares. All shares withdrawn or repurchased according to this regulation will become freely transferable stocks.
- + Price of stock revocation:
 - ESOP shares issued are limited transfer of employees: 20,000 VND/share.
 - Number of additional shares received by the leaving employees (if any) from the Company paying dividends by shares and/or bonus shares from equity/treasury stocks within a transfer restriction time: The Company will recover accordingly without paying any costs.
- Expected Issuance time: After completing the issuance, the company will raise capital from the equity. The specific issuance time is decided by the Board of Directors.

II. Registration of listing and depository of all additionally issued shares:

All additional shares will be registered for listing with the Ho Chi Minh Stock Exchange and registered with the Vietnam Securities Depository after completing the issuance.

III. Authorizing the Board of Directors issues related to the issuance of stocks:

The General Meeting of Shareholders authorizes the Board of Directors to decide all issues related to the issuance of shares under the employee selection program, specifically:

- Redefining the number of shares issued according to the Company's actual charter capital at the time of implementation;
- Approving criteria for selecting key leaders, mid-level officials and key employees to buy shares, lists and number of shares to be purchased.
- Carrying out the necessary procedures to register for issuance of shares with the State Securities Commission (SSC) and explaining to the SSC (if any);
- Adding or modifying the issuance plan at the request of the SSC or for the purpose of complying with relevant law provisions (if any);
- Carrying out the procedures for registering a new charter capital increase with the Ho Chi Minh City Department of Planning and Investment after the issuance of stocks;
- Amendment of terms related to charter capital, shares, shares in the Company's Charter of organization and operation after completing the issuance of shares to match the issuance results;
- Carrying out necessary procedures to register for listing and depository of all additionally issued shares with Ho Chi Minh Stock Exchange and Vietnam Securities Depository Center;
- Other related jobs to complete the assigned work contents.
- For the repurchase of shares of employees on leave: The General Meeting of Shareholders authorizes the Chairperson of the Board to decide all matters related to the repurchase and withdrawal of shares, including but not limiting the approval of the form and quantity of shares repurchased and withdrawn in installments,

implementing procedures for registration with the SSC in accordance with regulations (if any);

Article 8. Approve the Proposal of amended content related to ESOP issuance for 2018 and 2019.

1. Provisions on transfer restriction:

According to the approved plan of the Annual General Meeting of Shareholders in 2018, 2019:	Proposed Additional Content
Transfer restriction: 100% of the restricted stock transferred within 12 months, 70% of the restricted stock transferred within 24 months and 40% of the restricted stock within 36 months from the date of issue.	Transfer restriction: <ul style="list-style-type: none"> - 100% of restricted shares transferred within 12 months, 70% of restricted shares transferred within 24 months and 40% of restricted shares within 36 months from issuance date. - All additional shares issued by the Company paying dividends by shares and/or bonus stocks from owner's equity/treasury shares that employees receive arising from the number of ESOP shares being in the transfer restriction time will also be restricted in the transfer rate and the time corresponding to the number of ESOP shares that are restricted from transferring.

2. Provisions on withdrawal of ESOP shares

According to the approved plan of the Annual General Meeting of Shareholders in 2018, 2019:	Proposed additional content
Revocation of shares: The Company will revoke stocks still restricted from transfer to the resigning employees with the repurchase price equal to the issue price to make treasury shares.	<p>Revocation of shares: Applicable when the employee leaves before the end of the transfer restriction period, except for cases where the shares are not withdrawn or repurchased at the market price/agreed price as approved by the Board of Directors.</p> <ul style="list-style-type: none"> + Method of stock repurchase and withdrawal: The Company will repurchase/revocation the number of shares that are restricted from transfer from the leaving staff as treasury shares. All shares withdrawn or repurchased according to this regulation will become freely transferable stocks. + Stock repurchase and withdrawal price: <ul style="list-style-type: none"> ✓ Employee's issued ESOP shares that are limited transfer: 20,000 VND/share. ✓ Number of additional shares received by the employees (if any) by the Company to pay dividends by shares and/or bonus stocks from equity/treasury stocks within a limited time <p>Transfer: The Company will recover accordingly without paying any costs.</p>

According to the approved plan of the Annual General Meeting of Shareholders in 2018, 2019:	Proposed additional content
	The General Meeting of Shareholders authorizes the Chairman of the Board of Directors to decide on issues related to the repurchase and revocation of shares, including but not limited to the approval of the method, the number of shares repurchased and revocation of each batch, implementing procedures for registration with the SSC in accordance with regulations (if any);

Article 9. Approve the resignation of the Board members and elect additional Board Members for the term 2020 – 2025 as follow:

1. Approve the resignation of the Board members as following:

No.	Name	Position	Term
1	Mrs. Pham Vu Thanh Giang	Board of Directors Member	2017 – 2022
2	Mrs. Pham Thi My Hanh	Board of Directors Member	2017 – 2022
3	Mr. Robert Alan Willett	Board of Directors Member	2018 – 2023

2. List of nominees for additional members of the Board of Directors for the term of 2020 – 2025:

- Mr./Mrs.
- Mr./Mrs.
- Mr./Mrs.

Article 10. Approve to Proposal of Establishing the Internal Audit Subcommittee under BOD to replace Finance Subcommittee.

Article 11. Approve the Proposal of the addition of business lines.

Article 12. Authorize the Board of Directors to implement the Resolution of the 2020 Annual General Meeting of Shareholders.

**ON BEHALF OF THE SHAREHOLDERS’S GENERAL MEETING
PHU NHUAN JEWELRY JOINT STOCK COMPANY
CHAIRWOMAN OF THE BOARD OF DIRECTORS**

CAO THI NGOC DUNG