

## **REPORT ON BOARD OF DIRECTORS' ACTIVITIES IN 2023**

### **PHU NHUAN JEWELRY JOINT STOCK COMPANY**

#### **"STRENGTHENING INTERNAL CAPACITY - OVERCOMING CHALLENGES TO ACHIEVE EXCELLENCE"**

#### **I. PERFORMANCE OF THE BOARD OF DIRECTORS IN 2023**

Throughout 2023, the PNJ team performed the remarkable dedication in confronting various internal and external challenges amidst a stagnating growth market scenario. Despite these adversities, the company showcased resilience and effectively achieved its annual goals, upholding its obligations to the State Budget and delivering significant benefits to shareholders, employees, and society.

##### **1. Report on the duties execution as authorized by the General Meeting of Shareholders (GMS):**

- Details regarding the meetings and Resolutions/Decisions of Shareholders' General Meetings (inclusive of decisions approved through written resolutions by the Shareholders' General Meeting):

<b>No.</b>	<b>Resolutions/Decisions No.</b>	<b>Date</b>	<b>Content</b>
01	342/2023/BB-DHDCD-CTY	April 27th, 2023	Minutes of the 29th Annual General Meeting of Shareholders - 2023
02	343/2023/NQ-DHDCD-CTY	April 27th, 2023	Resolution of the 29th Annual General Meeting of Shareholders – 2023

- The Board of Directors (BOD) has diligently executed the responsibilities delegated by the 2023 Annual General Meeting of Shareholders (AGM). (*For further details, please refer to the attached Appendix 2*).

##### **2. The Board of Directors Performance Report in 2023:**

- The Board of Directors (BOD) has conscientiously adhered to the six Corporate Governance Principles of PNJ, as outlined in the "Best Practice Corporate Governance Principles" provided by the State Securities Commission and IFC in August 2019. Furthermore, the BOD has embraced international standards such as the ASEAN Corporate Governance Scorecard (ACGS), striving to align with global benchmarks and meet the demands of rapid and continuous development.

- Operating effectively, the BOD has pledged to maintain high standards of transparency and effective governance, along with comprehensive information disclosure across all corporate activities. Throughout 2023, the Board convened a total of 20 productive coordination meetings, utilizing a blend of online and offline formats, in accordance with the prescribed legal procedures, the Company's Charter, Corporate Governance Regulations, and Operational Regulations of the BOD. Through these meetings, the Board issued minutes, resolutions, and decisions to fulfill its rights and responsibilities, aligning with the resolutions of the General Meeting of Shareholders. *(Please refer to the attached Appendix No. 01 for further information of BODs meetings and resolutions in 2023).*

- To uphold shareholder rights, ensure the equitable treatment among shareholders, and bolster effective participation while balancing the interests of stakeholders: the BOD has diligently enforced rigorous oversight over internal transactions involving ministries and relevant parties. Robust internal control policies and procedures have been meticulously established and implemented to ensure regulatory compliance and uphold principles of transparency. Through these measures, the company maintains transactional transparency, mitigates conflicts of interest, and fosters a trustworthy and stable operational environment, thereby promoting sustainable and harmonious development for all stakeholders.

- The BOD remains steadfast in fostering a corporate culture oriented towards sustainable development and integrating risk management and internal control systems into the company's overarching development strategy.

- Regarding the performance of Committees under the BOD: overall, the Audit Committee and other Committees under the BOD of PNJ have been assessed positively by the BOD for their effective advisory roles, contributions to the formulation, review, and supervision of the company's business and operational plans. Suggestions aimed at enhancing business and operational efficiency have been duly noted and are slated for implementation in 2023.

- Activities of the Strategy - Finance Committee:

*(Detailed information can be found in the Corporate Governance Report in 2023 available at: <https://www.pnj.com.vn/quan-he-co-dong/bao-cao-tinh-hinh-quan-tri-cong-ty/>)*

- Activities of the Audit Committee:

*(Detailed information can be found in the Report on activities of Independent Members of the Board of Directors in the Audit Committee in 2023 or the Report on corporate governance in 2023)*

- Activities of the Human Resources - Remuneration Committee:

*(Detailed information can be found in the Corporate Governance Report in 2023 available at: <https://www.pnj.com.vn/quan-he-co-dong/bao-cao-tinh-hinh-quan-tri-cong-ty/>)*

- Activities of the Environmental - Social - Governance Committee (ESG):

*(Detailed information can be found in the Corporate Governance Report in 2023 available at: <https://www.pnj.com.vn/quan-he-co-dong/bao-cao-tinh-hinh-quan-tri-cong-ty/>)*

### **3. Activities of the Board of Directors (BOD) in overseeing the Board of Management (BoM) in 2023:**

In accordance with the Company's Charter and internal regulations on corporate governance, the BOD diligently undertook supervision activities over the Chief Executive Officer ("CEO") and the Board of Management in directing production and business operations, and executing the resolutions set forth by the General Meeting of Shareholders and the Board of Directors throughout 2023 as follows:

- The Chairperson of the BOD, and non-executive members of the BOD, consistently participate in monthly meetings convened by the Board of Management. This practice ensures that the BOD maintains a comprehensive understanding of the Company's operations, decisions, and management activities, thereby facilitating effective coordination to promptly and accurately address market and business challenges. This collaboration enables the BOD to formulate decisions and policies aimed at achieving optimal business outcomes.
- Furthermore, non-executive members of the BOD and Committees under the BOD have convened meetings, engaged in consultations and discussions, and exchanged professional insights with the CEO and Board of Management members on relevant matters. These interactions aim to enhance the effectiveness of the Board of Management and evaluate the company's performance across various domains.
- The BOD and the Board of Management, inclusive of the CEO and key members, have convened joint working workshops to assess the implementation of strategic initiatives and deliberate on necessary adjustments or responsive actions.
- The BOD meticulously oversees the CEO and the Board of Management, ensuring adherence to corporate governance standards, diligent management of business operations and financial risks, and strict compliance with applicable laws and state regulations.

Overall, the BOD acknowledges the steadfast leadership of the CEO and the entire Board of Management for excellently leading PNJ through the challenges presented by the market in 2023. Specifically, the Board of Management has been dedicated to fortifying internal resources, constantly regenerating, and has diligently adhered to a well-defined strategic roadmap, accompanied by concrete action plans, demonstrating business acumen and effective market strategies aimed at retaining existing customers and capturing new ones to expand market presence. Throughout these endeavors, the Company remained committed to upholding current legal regulations and operational standards.

#### **4. Report of Independent Members of the Board of Directors in 2023:**

*Kindly refer to the Report of the independent members of the BOD attached in Appendix 03.*

#### **5. Remuneration, salaries, and allowances in 2023 of the Board of Directors:**

*For detailed information, please consult the 2023 consolidated financial statements audited by KPMG.*

##### **Key management member (\*)**

Total remuneration paid to key management members average/month	3,462,000,000	2,645,934,607
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In remuneration paid to key management members, there are salaries and remunerations for each member of the BOD, the Board of Management, and CEO as follows:

Name	Position	2023 (Vietnam Dong)	2022 (Vietnam Dong)
<b>The Board of Directors</b>			
<i>Salaries and remunerations - average/month</i>			
Cao Thi Ngoc Dung	Chairperson	735,000,000	630,000,000
Le Tri Thong	Vice- Chairperson	150,000,000	60,333,333
Tran Phuong Ngoc Thao	Vice- Chairperson	390,000,000	280,000,000
Dao Trung Kien	BOD Member	109,000,000	30,166,667

Dang Thi Lai	BOD Member		113,000,000	37,708,333
Dang Hai Anh (from April 27 <sup>th</sup> 2023)	BOD Member		100,000,000	
Huynh Thi Xuan Lien (to April 27 <sup>th</sup> 2023)	BOD Member		223,000,000	200,000,000
Le Quang Phuc	Independent Member	BOD	323,000,000	263,291,667
Tieu Yen Trinh	Independent Member	BOD	246,000,000	185,583,333
Nguyen Tuan Hai	Independent Member	BOD	240,000,000	200,666,667

### The Board of Management

*Salaries and remunerations - average/month*

Le Tri Thong	CEO		572,000,000	530,000,000
Other key management members	Senior Director		261,000,000	228,184,607

## II. REPORT ON THE COMPANY'S PRODUCTION AND BUSINESS ACTIVITIES IN 2023:

### Part 1: Report on business results of PNJ in 2023

*unit: Million VND*

Targets	2022	2023	% change	% implementati on of the 2023 plan
Net revenue	33,876,455	33,136,929	-2.2%	93.1%
Net profit from business activities	2,337,467	2,484,131	6.3%	
Other profits	-25,139	4,629		
Profit before tax	2,312,327	2,488,760	7.6%	100.6%
Profit after tax	1,810,692	1,971,099	8.9%	101.8%
Cash dividend payout ratio	20%	20%		

*(Source: Consolidated financial statements)*

Amidst challenging market conditions characterized by a decline in the jewelry industry, retail sector, and consumer spending capability, many large companies in the industry experiencing negative growth and reporting losses in 2023, PNJ has strived to achieve an 8.9% year-on-year growth in after-tax profit. Simultaneously, the company has aimed to maintain PNJ's net revenue over the course of the fiscal year 2023, with a slight decrease of 2.2% compared to the significant growth witnessed in 2022, totaling VND 33,137 billion.

### 1.1 Net Revenue

#### • Retail Revenue

**PNJ's retail revenue remains the primary growth engine**, constituting 90% of total revenue (jewelry and 24k gold) and registering nearly a 1% growth compared to the previous period. Conversely, wholesale revenue faced challenges due to the industry-wide decline in purchasing power. Wholesale revenue declined by 31% compared to the same period, albeit at a rate lower

than the industry average. This decline marks the most significant downturn observed in the past five years.

**a. PNJ's retail revenue in 2023** comprises (1) jewelry retail, accounting for 58% of total revenue, and (2) 24k gold retail, accounting for 32% of total revenue. These two segments experienced a 7.8% decrease and a 20.9% increase, respectively, compared to the same period. Key growth drivers of retail revenue include:

- i. The company continues to expand its store network in strategic locations.** In 2023, the Company will open 48 new stores, bringing the total number of stores by the end of 2023 to 400. The Company recognizes that the Vietnamese jewelry market still holds significant potential and room for development in specific areas. According to the World Gold Council 2023 report, on average, a Vietnamese person purchases 0.15 grams of gold jewelry per year. This index is considerably lower than some other countries, such as UAE with 4.2 grams, Singapore with 1.2 grams, China with 0.47 grams, India with 0.39 grams, and Malaysia with 0.33 grams.
- ii. The company proactively develops various store models** for new brands within PNJ's ecosystem to maximize touchpoints with different customer groups while optimizing store space. In 2023, the Company converted the business model of three independent PNJ Watch stores and two PNJ Art stores to Shop-in-Shop (SiS) stores. **The company endeavors to enhance the quality of customer experience activities to continually attract new customers in areas where there is still untapped potential, and to increase the effectiveness of retaining existing customers amidst the declining purchasing power in the jewelry industry and the overall market.** Throughout the year, PNJ has intensified its focus on enhancing customer experience through various initiatives, including festive store decorations for occasions such as Tet, Vietnamese Women's Day, and year-end festivals; personalized customer care programs; and enhanced benefits for customers participating in PNJ's Loyalty program. Consequently, the customer base has grown significantly, with double-digit growth in 2023, mitigating the impact of the nearly 20% decline in average jewelry order revenue. The increased quantity and quality of customers not only contribute to the company's achievements for the year but also serve as a strategic asset for its continued growth in the subsequent years.
- iii. After years of meticulous preparation in data and technology infrastructure, PNJ has established a robust technology system capable of analyzing and segmenting market needs with exceptional precision.** Leveraging this system, the company has devised a multitude of marketing programs tailored to specific customer segments and regions, ranging from broad to targeted initiatives. Throughout 2023, PNJ executed numerous impactful communication campaigns aimed at resonating with customers emotionally, thereby reinforcing the brand image and fostering greater affinity for the PNJ brand. Notably, PNJ maintained its leadership position in social brand voice, surpassing its competitors by a significant margin. Key highlights of PNJ's activities during the year include:
  - + Successful launch of the Betel and Areca - "Trau Cau PNJ" wedding season collection accompanied by the MV "When we are together, we get married | PNJ". Additionally, PNJ organized wedding exhibitions for the first time at select PNJ Next stores, garnering considerable attention from young customers.
  - + Initiation of the "Jewelry Journey Across Vietnam" campaign, marking the first instance of bringing jewelry offerings to customers nationwide, which received an enthusiastic reception.
  - + Recognition in two categories, namely "Campaign with impressive interactive activities" (Shaking Fortune - God of Wealth 2023) and "Impressive Advertising

Ambassador" (Duc Phuc x 911 Valentine), at the Vietnam Creative Advertising Award 2023, jointly organized by the Ministry of Culture, Sports and Tourism and the Vietnam Advertising Association.

- + Sole Vietnamese retailer honored in the "Marketing Initiative of the Year" category at the Asian Retail Asia Awards.

**b. In 2023, the 24k gold product group continued to resonate strongly with customers, reaffirming their enduring preference for this category,** amidst volatile geopolitical conditions and ongoing macroeconomic uncertainties. Throughout the year, PNJ diligently introduced an array of models tailored to meet the diverse needs of customers, thereby fueling a robust growth of 20.9% in retail revenue for this product group compared to the previous year.

● **Wholesale channel revenue**

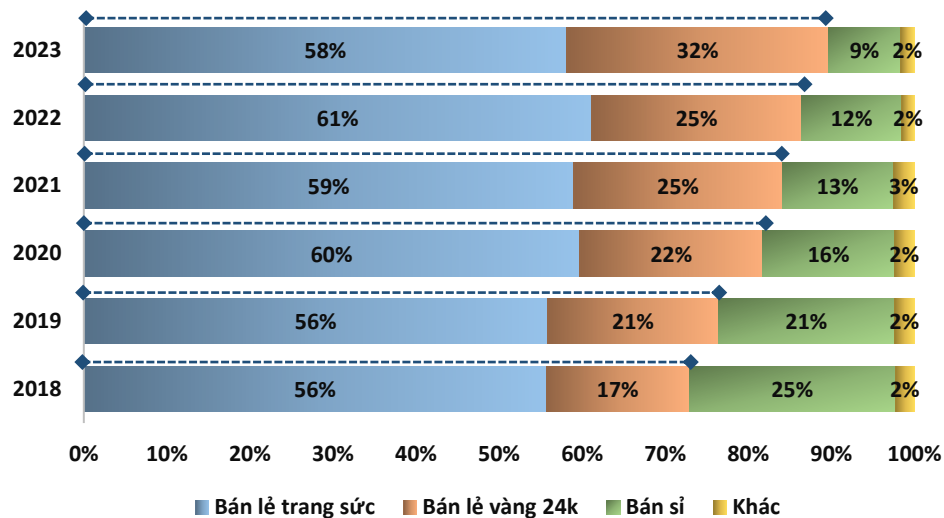
**In 2023, wholesale revenue witnessed a decline of 31%, a reflection of market adjustments amidst prevailing economic conditions, albeit still outperforming the broader market downturn.** The traditional jewelry market faced significant challenges stemming from economic pressures and dwindling purchasing power, particularly within the non-essential goods segment. Many conventional gold stores grappled with sustaining operations amidst these adversities. PNJ, however, endeavored to surpass the industry average in wholesale channel revenue by prioritizing the enhancement of its wholesale customer base. Throughout the year, PNJ dedicated considerable efforts to fortifying this business segment by: i) curating a diverse portfolio of wholesale products tailored to customer preferences through data-driven analysis, and ii) bolstering the PNJP brand presence in the wholesale market.



Source: PNJG Report and WGC Report 2023 and Population Report of Countries 2023

## PNJ revenue structure over the years

Retail revenue consistently comprises the majority proportion of the company's total revenue



### 1.2 Gross profit

**PNJ observed notable growth in both gross profit margin and the absolute value of Gross Profit.** In 2023, the company's gross profit increased by 2.2% compared to the same period, reaching VND 6,059 billion. Furthermore, the Gross Profit Margin for 2023 reached 18.2%, marking a 0.7 percentage point increase compared to 2022.

The enhancement in Gross Profit Margin can be attributed to two primary factors: (1) Proactive shift in jewelry product line structure (2) Efficiency of operations and production optimization activities.

- Despite the increase in the proportion of 24k gold retail sales, the company has maintained profit margins in retail revenue by catering to consumer demand through products at price segments suitable for various customer groups. Throughout the year, optimization efforts in production and consumption processes have enabled PNJ to streamline production costs. The company has devised methods to optimize inventory levels in production stages and enhance labor efficiency through modern technologies. Furthermore, PNJ has accelerated the product release process and integrated data analytics into the supply chain to increase inventory turnover in manufacturing.

### 1.3 Selling and Management expenses

**The ratio of selling and management expenses to gross profit decreased from 59.1% to 58.3% in 2023**, following a previous decrease of 1.7% in 2022. This achievement reflects PNJ's commitment to continuous innovation and creativity in optimizing its operational and sales activities over the years.

- The streamlining of processes and the integration of technology into management practices have enhanced coordination efficiency across various departments, creating synergistic value and ultimately enhancing the overall performance of the company. Throughout the year, PNJ successfully introduced several collections such as Trau Cau PNJ, Disney collection, Hello Kitty, and Style, alongside the implementation of diverse marketing programs. Such accomplishments have been made possible through seamless coordination facilitated by technology and the strategic capabilities developed between 2017 and 2023.

- A comprehensive analysis of optimization issues concerning sales and management costs has been conducted to pinpoint effective strategies tailored for each timeframe and unit, maintaining a balance between short-term, medium-term, and long-term objectives.

- The company places a high priority on the optimization of PNJ store network expansion. The strategy for opening PNJ stores is meticulously researched, extending beyond mere sales growth for the year. Simultaneously, PNJ strategically shuts down underperforming stores, exemplified by the closure of 7 PNJ jewelry stores in 2023.

#### 1.4 Profit after tax

**Despite the challenging market conditions, PNJ managed to achieve a remarkable 8.9% growth in profit after tax compared to the remarkable performance in 2022, amounting to 1,971 billion VND, surpassing the year's plan by 102%.** The profit margin after tax on net revenue also improved from 5.3% to 5.9%, reflecting a 0.6 percentage point increase. This substantial growth underscores the collective efforts of the entire Board of Directors and all PNJ employees in “breakthrough the prevailing difficulties”.

#### Part 2: Report on PNJ Subsidiaries business activities:

Subsidiary Name	Summary of Operations and Financial Situation
CAO Fashion One Member Company Limited (CAF)	CAF has remained dedicated to broadening diverse sales channels to introduce premium jewelry products under the CAO brand to PNJ's clientele, thereby fortifying PNJ's brand ecosystem. Throughout the year, CAF has placed emphasis on omnichannel activities, including the enhancement of the company website and social media platforms. Furthermore, CAF has unveiled enticing new collections such as ELITE WOMAN, PEARL, and LEGENDARY, which have been well-received by the targeted customer base. Consequently, the revenue generated by the CAO brand has witnessed notable double-digit growth in 2023, consolidating its position as a leading high-end jewelry brand in Vietnam.
PNJ Inspection One Member Company Limited (PNJL)	PNJL stands as the foremost independent unit for appraising diamonds, gemstones, and precious metals in Vietnam, boasting a rich history and expertise derived from industry-leading professionals. PNJL offers quality certification services to the entire market, including PNJ's retail system, serving as a hallmark of assurance for product quality. Despite the challenging circumstances faced by the jewelry industry in 2023, PNJL has diligently sought out and served committed customers, thereby achieving its KPIs goals for the year.
PNJ Jewelry Manufacturing and Trading One Member Company Limited (PNJP)	PNJP plays a pivotal role in the consolidation of PNJ Company's supply chain and the cultivation of its ecosystem. Throughout 2023, PNJP has placed a strong emphasis on streamlining production processes to reduce costs for PNJ's retail network and enhance competitiveness in the wholesale market. Additionally, PNJP has implemented restructuring initiatives within its factories and specific business operations to align with the evolving requirements of the corporation. Anchored by a



Subsidiary Name	Summary of Operations and Financial Situation
	<p>commitment to sustainable development, PNJP is positioned for accelerated growth once general market conditions recover and demand from wholesale clientele rebounds.</p> <p>The overall business performance of PNJP in 2023 has been notably influenced by macroeconomic elements and shifts in consumer preferences. Despite encountering challenges, the wholesale segment of PNJP experienced a 31% decline compared to 2022, representing a significant yet relatively moderate reduction in contrast to the broader downturn witnessed in the traditional jewelry market.</p>

Respectfully submitted to the AGM for consideration and approval.

Recipients:

- Shareholders of PNJ
- BOD, Audit Committee
- CEO
- Stored at the BOD Office
- Stored at Clerical Office

**ON BEHALF OF THE BOARD OF DIRECTORS  
CHAIRPERSON**

*(Signed and sealed)*

**CAO THI NGOC DUNG**

**APPENDIX 01****Resolutions/Decisions of the Board of Directors (Annual Report):**

No.	Resolution/Decision No.	Date	Content	Voting rate
1.	04/2023/NQ-HDQT-CTY	January 3, 2023	Approval of adjustments and supplements to the Resolution of BOD No. 505/2022/NQ-HDQT-CTY dated August 29, 2022	100%
2.	33/2023/NQ-HDQT-CTY	January 12, 2023	Approval of the report on the results of the share issuance and the number of shares restricted from transfer from the issuance to increase share capital from owner's equity.	100%
3.	65/2023/NQ-HDQT-CTY	January 30, 2023	Approval of increasing charter capital and amending Clause 2, Article 14 of the Company Charter due to issuance of shares to increase share capital from equity sources.	100%
4.	66/2023/QĐ-HDQT-CTY	January 30, 2023	Decision on increasing charter capital and amending Clause 2, Article 14 of the Charter of organization and operation of PNJ company.	100%
5.	77/2023/NQ-HDQT-CTY	February 6, 2023	Approval of bank loan.	100%
6.	79/2023/NQ-HDQT-CTY	February 6, 2023	Approval of bank loan.	100%
7.	81/2023/NQ-HDQT-CTY	February 6, 2023	Approval of contracts, agreements, and transactions in 2023 between PNJ and internal and related parties.	100%
8.	83/2023/NQ-HDQT-CTY	February 6, 2023	Approval of contents related to member companies (appointment and dismissal of personnel of subsidiaries and amendments to subsidiary charters).	100%
9.	85/2023/QĐ-HDQT-CTY	February 6, 2023	Decision to change the Legal Representative of the subsidiary.	
10.	87/2023/NQ-HDQT-CTY	February 6, 2023	Approval of changing the organizational structure of PNJ Company, appointing senior directors; Approval of the internal audit plan and operating budget of the Internal Audit Committee in 2023.	100%
11.	185/2023/NQ-HDQT-CTY	March 7, 2023	Approval of the organization of the 2023 Annual General Meeting of Shareholders, appointment of a Senior Director of PNJ Company, and an Authorized Representative at the subsidiary.	100%

No.	Resolution/Decision No.	Date	Content	Voting rate
12.	188/2023/QD-HDQT-CTY	March 7, 2023	Decision on authorizing the representative of the Company's equity in subsidiaries.	
13.	190/2023/NQ-HDQT-CTY	March 7, 2023	Approval of the report on the results of evaluating the performance of the Board of Directors in 2022 and other contents under the authority of the Board of Directors.	100%
14.	228/2023/NQ-HDQT-CTY	March 22, 2023	Approval of the reappointment of Chief Accountant.	100%
15.	244/2023/NQ-HDQT-CTY	March 27, 2023	Approval of the decision to contribute assets to establish the Optimism Foundation (Quy Niem Tin Vang) with internal people, related people, and appointment of people to join the Board of Founders and Board of Directors, and approved the minutes recording the agreement and transaction between PNJ Company and Optimism Foundation.	100%
16.	246/2023/NQ-HDQT-CTY	March 27, 2023	Approval of bank loans.	100%
17.	273/2023/NQ-HDQT-CTY	April 5, 2023	Approval of the report on disbursement of private placement capital according to Resolution No. 127/2022/NQ-HDQT-CTY and adjusting the disbursement progress of private placement capital.	100%
18.	275/2023/NQ-HDQT-CTY	April 5, 2023	Approval of the Congress program and full text of the 29th Annual General Meeting of Shareholders - 2023; Reappointment of the General Director, dismissal of the Senior Director - Human Resources according to personal wishes.	100%
19.	287/2023/NQ-HDQT-CTY	April 5, 2023	Approval of principle contracts, agreements, and transactions in 2023 between the Company and internal people and related persons, and the mechanism for disclosing transaction information between the Company and internal people, related persons.	100%
20.	289/2023/NQ-HDQT-CTY	April 5, 2023	Approval of bank loan.	100%
21.	309/2023/BB-HDQT-CTY	April 17, 2023	Receipt of applications to nominate candidates for Board of Directors	100%

No.	Resolution/Decision No.	Date	Content	Voting rate
			members for the term 2023 - 2028 and disclosure of information according to regulations.	
22.	315/2023/NQ-HDQT-CTY	April 19, 2023	Approval of amending and supplementing the program and documents of the 2023 Annual General Meeting of Shareholders.	100%
23.	328/2023/NQ-HDQT-CTY	April 25, 2023	Approval of amending and supplementing the Congress program and documents for the 2023 Annual General Meeting of Shareholders.	100%
24.	345/2023/NQ-HDQT-CTY	April 27, 2023	Approval of the assignment of tasks to members of the Board of Directors and reappointment of the Company's authorized representative at the subsidiary.	100%
25.	346/2023/QĐ-HDQT-CTY	April 27, 2023	Decision on assignment of tasks to members of the Board of Directors.	
26.	347/2023/QĐ-HDQT-CTY	April 27, 2023	Decision on authorizing representatives of the Company's equity at subsidiaries.	
27.	415/2023/NQ-HDQT-CTY	May 30, 2023	Approval of the payment of cash dividends for the second period of 2022.	100%
28.	423/2023/NQ-HDQT-CTY	May 30, 2023	Approval of the dismissal of the Authorized Representative - Member of the Board of Directors and Director of the subsidiary; Appointment of authorized representatives of the Company at subsidiaries and other contents under the authority of the Board of Directors.	100%
29.	428/2023/QĐ-HDQT-CTY	May 30, 2023	Decision on authorizing the representative of the Company's equity at a subsidiary.	
30.	433/2023/QĐ-HDQT-CTY	May 30, 2023	Decision on changing the Legal Representative of the subsidiary.	
31.	505/2023/NQ-HDQT-CTY	June 22, 2023	Approval of the guarantee for the subsidiary to borrow bank capital.	100%
32.	507/2023/NQ-HDQT-CTY	June 22, 2023	Approval of principle contracts, agreements, transactions between subsidiaries/related parties.	100%
33.	509/2023/NQ-HDQT-CTY	June 22, 2023	Approval of the selection of the auditing unit for fiscal year 2023.	100%

No.	Resolution/Decision No.	Date	Content	Voting rate
34.	561/2023/NQ-HDQT-CTY	July 20, 2023	Approval of the business results report for the first 6 months of 2023 of PNJ Company and member companies; KPIs implementation results in the first 6 months of 2023 and other contents under the authority of the Board of Directors.	100%
35.	563/2023/NQ-HDQT-CTY	July 20, 2023	Approval of bank loan.	100%
36.	565/2023/NQ-HDQT-CTY	July 20, 2023	Approval of bank loan.	100%
37.	567/2023/NQ-HDQT-CTY	July 20, 2023	Approval of the reappointment of the person in charge of corporate governance; Signing a contract to provide audit and review services for the company's financial reports in 2023.	100%
38.	661/2023/NQ-HDQT-CTY	September 12, 2023	Approval of the implementation of the Company's grassroots union plan to buy back shares issued under the employee selection program (ESOP) in 2019, 2020, and 2021 from employees who quit during the transfer restriction period.	100%
39.	663/2023/NQ-HDQT-CTY	September 12, 2023	Approval of the guarantee for the subsidiary to borrow bank capital.	100%
40.	665/2023/NQ-HDQT-CTY	September 12, 2023	Approval of bank loan.	100%
41.	667/2023/NQ-HDQT-CTY	September 12, 2023	Approval of the appointment of Senior Director – Human Resources; through principle contracts, agreements, and transactions between subsidiaries/related parties.	100%
42.	670/2023/NQ-HDQT-CTY	September 12, 2023	Approval of the implementation of the ESOP share issuance plan in 2023; ESOP regulations and detailed list of officers and employees eligible to participate in buying ESOP 2023 shares.	100%
43.	736/2023/NQ-HDQT-CTY	October 10, 2023	Approval of the third cash dividend payment of 2022.	100%
44.	738/2023/NQ-HDQT-CTY	October 10, 2023	Approval of bank loan.	100%
45.	788/2023/NQ-HDQT-CTY	November 6, 2023	Approval of contracts between the Company and internal persons and related persons (transactions with related parties).	100%

No.	Resolution/Decision No.	Date	Content	Voting rate
46.	802/2023/NQ-HDQT-CTY	November 17, 2023	Approved amendments and supplements to a number of contents stated in the ESOP 2023 Regulations specified in Article 2, Board of Directors Resolution No. 670/2023/NQ-HDQT-CTY dated September 12, 2023, and approved The list of employees eligible to participate in purchasing ESOP in 2023 is updated with specific information determining the number of shares distributed to each employee according to the principles stated in the 2023 ESOP Regulations.	100%
47.	873/2023/NQ-HDQT-CTY	December 28, 2023	Approved the appointment of Senior Director – Customer & Retail.	100%

## APPENDIX 02

### REPORT ON THE DUTIES EXECUTION AS AUTHORIZED BY THE GENERAL MEETING OF SHAREHOLDERS (GMS):

1. Completion of the 2022 dividend payment and advancement of the first dividend payment in 2023.

2. On April 27, 2023, the 2023 Annual General Meeting of Shareholders approved the plan to issue new shares under the employee stock option program ("ESOP"). On January 19, 2024, the State Securities Commission announced receipt of the Company's ESOP issuance results report. Accordingly, the Company issued 6,559,992 new shares corresponding to a total par value of 65,599,920,000 VND. On January 30, 2024, the Company was granted the 36th adjusted Business Registration Certificate related to the increase in share capital from this issuance. Up to now, PNJ's charter capital is: 3,347,291,800,000 VND.

3. Based on the authorization of the General Meeting of Shareholders in 2019, 2020, and 2021, on September 12, 2023, the Board of Directors convened and passed Resolution No. 661/2023/NQ-HĐQT-CTY regarding the Trade Union Facility of Phu Nhuan Jewelry Joint Stock Company (PNJ Facility Trade Union) to repurchase 71,861 ESOP shares from employees who resigned during the transfer restriction period as per the approved plan by the Annual General Meeting of Shareholders.

- Presently, the Company has completed the necessary procedures to seek approval from the State Securities Commission for the PNJ Union Base to repurchase ESOP shares from the aforementioned departing employees. Additionally, the Company is in the process of finalizing the transfer of stock ownership at the Vietnam Securities Depository and Clearing Company (VSDC) in accordance with legal regulations.

4. Updated report on capital utilization from the 2021 private placement

- Given the socio-economic landscape of 2023, rapid, substantial, and unforeseeable changes pose heightened risks to global financial, monetary, and consumer markets, with Vietnam aligning itself with this worldwide trend.

- To bolster our competitive edge in the upcoming period, embrace advanced technologies, leverage modern equipment, and optimize investment efficiency to maximize the value derived from our issued capital, the Board of Directors has sanctioned a revision to the disbursement schedule of increased capital from the 2021 private placement (Resolution No. 212/2024/NQ-HĐQT-CTY dated March 26, 2024). This adjustment is respectfully presented for approval by the 2024 General Meeting of Shareholders.

- Below are the details of disbursement and the amended timeline proposal:

*unit: Million VND*

No.	Purpose	Plan Uses of Capital from the 2021 private placement	Disbursement progress		Disbursement plan in 2024 - 2025	Adjust disbursement time
			2022	2023		
1	Enhance production capacity: Expand the production facilities at PNJ Jewelry Manufacturing and Trading Company to	285,000	36,157	79,155	169,688	By quarter 3/2025

No.	Purpose	Plan Uses of Capital from the 2021 private placement	Disbursement progress		Disbursement plan in 2024 - 2025	Adjust disbursement time
			2022	2023		
	augment production capacity aimed at catering to the retail segment's demands.					
2	Improve and innovate production technology, product designs, and optimize costs	70,000	4,000	61,589	4,411	By quarter 4/2024
3	Expanding the jewelry market: Foster the development of retail store chains both in breadth (geographical expansion) and depth (expansion of product lines)	785,000	635,268	149,732	-	
4	Implement a digital transformation roadmap	285,000	27,000	91,356	166,644	By quarter 3/2025
	<b>Total</b>	<b>1,425,000</b>	<b>702,425</b>	<b>381,832</b>	<b>340,743</b>	

Conclusion: For the whole year of 2023, the Board of Directors has operated in accordance with the provisions of law and charter, deploying excellently, dynamically, creatively, and professionally to implement all the contents in Resolution No. 343/2023/NQ-ĐHĐCĐ-CTY of the 2023 Annual General Meeting of Shareholders.



## APPENDIX 03

### REPORT OF BOD INDEPENDENT MEMBERS ON THE PERFORMANCE OF THE BOD OF PHU NHUAN JEWELRY JOINT STOCK COMPANY (PNJ)

Despite encountering numerous challenges and market fluctuations, as well as a significant decline in purchasing power, PNJ has successfully concluded its 2023 plan, achieving a profit after tax of VND 1,971 billion. This achievement marks a remarkable 9% increase compared to the record level attained in 2022.

PNJ has made a significant impact on both the regional and global jewelry industry, notably with the Chairperson of the BOD being the sole Vietnamese individual recognized in the esteemed "**Extraordinary 40**" category within the world's jewelry industry.

PNJ maintains its position as the foremost jewelry manufacturer and retailer of beauty products in Vietnam. Throughout 2023, PNJ has persistently expanded its market presence by augmenting its share in the branded segment and enlarging its retail footprint, encompassing 56 out of 63 provinces and cities, with a total of 400 stores nationwide. The assessed brand value of PNJ in 2023 stands at \$428.43 million, marking a noteworthy 17% rise compared to 2022 and a substantial 44% increase compared to 2020.

In 2023, PNJ garnered numerous accolades both domestically and internationally across various sectors:

- **In the realm of production and business**, PNJ received prestigious honors such as the "Ho Chi Minh City Green Enterprise 2023" award and recognition as one of the "Top 50 most effective business companies in Vietnam." Additionally, PNJ led the ranks of top retail enterprises and secured the VIX50 award as one of the "Top 50 prestigious and effective Public Companies in 2023."
- **In corporate governance**, PNJ was lauded for its exemplary practices, earning distinctions such as the "Board of Directors of 2022, Board of Directors with high diversity" and recognition as one of the "Top 10 listed enterprises with best corporate governance in the large capitalization group (Large cap)."
- **In the domain of ESG (Environmental, Social, and Governance) and sustainable development**, PNJ has achieved noteworthy recognition: Leading "Top 10 sustainable enterprises" in the field of trade and services, "Sustainable enterprise of 2023", Pioneering in waste reduction (E); Human resource strategy for sustainable development (S); Leadership spirit of ESG (G)", Top 5 businesses that perform well on the value theme "Diversity, fairness and inclusion" (DE&I); Enterprises for the community, 0 VND Mini Supermarket Project, ranked Timely Project category - Human Act Prize for Community Action.
- **The retail sector** achieved achievements both domestically and internationally such as: Retail Asia Awards 2023, Best Retail Marketing 2023, PNJ was honored in 2 categories "Campaigns with impressive interactive activities" (Shake Fortune - God of Wealth 2023) and Impressive Advertising Ambassador (Duc Phuc x 911 Valentine) at the Vietnam Creative Advertising Awards 2023.
- Marketing sector: PNJ is the most valuable jewelry brand in Vietnam (428 million USD). Gold Award for the best communication campaign using social networks: "Exchanging moments, marking a lifetime" at the ASEAN Public Relations Excellence Awards 2023.
- Digital transformation technology sector with "Best cloud computing strategy in the retail industry" at the Asian Technology Excellence Awards 2023 and Supply Chain & Human Resources, etc.

The exemplary accomplishments outlined above underscore the proactive vision and strategic foresight demonstrated by the Board of Directors and Board of Management of PNJ over the years. Through meticulous planning and steadfast execution, the company has adeptly navigated market adversities, leveraging a well-defined strategic roadmap and precise action plans. These initiatives have not only enhanced PNJ's capitalization value but have also bolstered its social capital, positioning the company as a stalwart in its industry.

The Independent members of the Board of Directors provide the following evaluation of the activities conducted by the PNJ Company's Board of Directors in 2023:

**1. The Board of Directors of PNJ Company demonstrates a high level of corporate governance acumen, intellect, and professionalism, which permeates its management activities consistently.**

**a. Regarding strategic thinking:**

- The Board of Directors demonstrates a proactive approach in adhering to corporate governance principles, policies, and practices aligned with international standards. This is executed with flexibility, creativity, and innovation, showcasing a long-term vision and an adept ability to generate value for both the company and its shareholders.

**b. Regarding organizational structure:**

- The Board of Directors maintains a diverse and high-quality composition, comprising members with extensive expertise and experience across various fields. This diversified composition allows for a complementary blend of skills and perspectives, enabling the Board to formulate a cohesive vision and effectively fulfill its missions and responsibilities.

**c. Regarding performance:**

- The Board of Directors diligently executed the Operation Plan for 2023 in alignment with the resolutions passed by the General Meeting of Shareholders, in strict adherence to legal provisions, the Company's Charter, corporate governance standards, and other regulatory frameworks.

- Throughout the year, the Board of Directors convened 20 meetings, ensuring that meetings were conducted in accordance with prescribed protocols and procedures governing corporate governance.

- Comprehensive communication channels were established to disseminate pertinent information to all BOD members, facilitating the timely dissemination of meeting invitations, records, and relevant documents.

- During meetings, BOD members engaged in open, constructive discussions, fostering an environment conducive to transparent deliberations, active participation, and the exchange of valuable insights. Discussions were characterized by objectivity, realism, and a pragmatic assessment of the business's capabilities and market dynamics, enabling the formulation of effective short-term and long-term strategies.

- In response to the rapidly evolving market and societal landscape, the Board of Directors demonstrated a commitment to making strategic decisions with precision, transparency, decisiveness, and in accordance with established business strategies and plans.

- Meeting minutes were meticulously prepared and signed by attending Board members, ensuring compliance with legal formalities. This meticulous record-keeping process facilitated the clear and consistent dissemination of Board resolutions and decisions.

#### **d. Regarding supervision of the General Director and other members of the Board of Management**

- Throughout the reporting period, the Board of Directors maintained a vigilant oversight over the Company's operations, providing steadfast support and guidance to the Board of Management, particularly amidst challenging and volatile market conditions.
- The BOD members holding positions within the Board of Management consistently participated in Board of Management meetings, fostering a comprehensive understanding of the Company's operational landscape, management decisions, and day-to-day activities. This collaborative approach facilitated informed decision-making and effective policy formulation, enabling the Company to navigate market complexities and achieve optimal business outcomes.
- The BOD diligently executed the long-term strategies proposed by the Board of Management, demonstrating unwavering commitment to realizing the business targets set for 2023. By fostering cohesion and alignment across departments, the Board ensured the seamless execution of strategic initiatives.
- The Board of Management remained steadfast in its commitment to upholding legal compliance and adhering to resolutions and decisions passed by the General Meeting of Shareholders and the Board of Directors.

#### **2. Some perspectives from independent members of the Board of Directors to elevate the PNJ Board of Directors and lay the groundwork for long-term sustainable development at the regional level include:**

- Persist in advancing professionalism and fostering creativity within the organizational structure and operations of the Board of Directors. This approach will facilitate effective guidance and oversight to steer the implementation of the Company's strategic projects dynamically, ensuring efficiency and fostering value creation.
- Direct attention towards the development of Environmental, Social, and Governance (ESG) management strategies and mechanisms. This strategic focus aims to propel the Company towards attaining ESG standards, with a particular emphasis on corporate governance aligned with ASEAN regional standards.
- Allocate resources towards enhancing and augmenting the caliber of successor personnel for both the Board of Directors and the Board of Management. Recognize this as a paramount task crucial for aligning with the company's medium and long-term strategic objectives.
- Sustain and enhance the equilibrium of interests among shareholders and affiliated entities, aiming to deliver substantial value to shareholders, ensure steady income for employees, and fulfill obligations to shareholders and the state budget effectively.
- Persist in contributing to and actively engaging in social initiatives to foster stronger bonds with the local community.