**KTS: Board resolution**

On 21/03/2016, Kon Tum Sugar Joint Stock Company announced board resolution as follows:

**Article 1. Approve the operating result of 2015 and audited FS 2015**

- Production volume of raw sugarcane: 175,320.75 tons

- Production volume of clean sugarcane: 168,922.21 tons

- Production volume of sugar: 17,893.25 tons

- Ratio of sugarcane/sugar: 9.52

- Consumption volume: 21,957.49 tons

- Total revenue: VND 292,951,097,225

- Total accounting profit before tax: VND 23,108,498,119

- Profit after tax: VND 22,991,678,277

**Article 2. Approve the plan on distributing profit of 2015**

- Remaining profit after tax of 2014: VND 30,877,444,371

- Profit after tax of 2015: VND 22,991,678,277

- Dividend payment of 2015 (20% of Charter capital): VND 10,140,000,000

- Extract to funds: VND 3,851,678,277

+ Reserve fund (10% of Charter capital) VND 510,314,050

+ Bonus and welfare fund (10% of Profit after tax): VND 2,299,167,827

+ Bonus for Management Board: VND 500,000,000

+ Fund for developing material zone: VND 542,196,400

- Remaining profit after tax as at 31/12/2015: VND 39,877,444,371

**Article 3. Approve the plan for the first 06 months of 2016 and plan for 2016**

1. Plan for the first 06 months of 2016

- Production volume of raw sugarcane: 124,750.92 tons

- Production volume of clean sugarcane: 120,446.59 tons

- Production volume of sugar: 12,871.65 tons

- Ratio of sugarcane/sugar: 9.36

- Consumption volume: 12,900 tons

- Total revenue: VND 177,496 million

- Total accounting profit before tax: VND 20,486 million

- Profit after tax: VND 20,486 million

- Dividend payment: 7.5 – 10%

2. Plan for 2016

- Production volume of raw sugarcane: 187,061 tons

- Production volume of clean sugarcane: 181,450 tons

- Production volume of sugar: 19,510 tons

- Ratio of sugarcane/sugar: 9.3

- Consumption volume: 19,510tons

- Total revenue: VND 262,271 million

- Total accounting profit before tax: VND 15,135 million

- Profit after tax: VND 15,135million

- Dividend payment: 15 – 20%

**Article 4. Approve the remuneration for Board of Directors, Supervisory Board and Secretary of Board of Directors of 2015 and plan for 2016**

1. Approve the remuneration for Board of Directors, Supervisory Board and Secretary of Board of Directors in 2015: VND 355 million

2. Approve the remuneration for Board of Directors, Supervisory Board and Secretary of Board of Directors in 2016: VND 828,000,000

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No. | Position | Number of members | Remuneration/month in 2016 | Total remuneration |
| 1 | Chair of Board of Directors | 01 | 15,000,000 | 180,000,000 |
| 2 | Deputy Chair of Board of Directors | 01 | 12,000,000 | 144,000,000 |
| 3 | Members of Board of Directors | 03 | 8,000,000 | 288,000,000 |
| 4 | Chief of Supervisory Board | 01 | 8,000,000 | 96,000,000 |
| 5 | Member of Supervisory Board | 02 | 4,000,000 | 96,000,000 |
| 6 | Secretary of Board of Directors  | 01 | 2,000,000 | 24,000,000 |
| Total | 828,000,000 |

3. Approve the plan on operating expense of 2016 of Board of Directors and Supervisory Board: VND 600,000,000

**Article 5: Approve the settlement for investment items of 2014 as follows:**

1. Settlement expense:

|  |  |  |
| --- | --- | --- |
| No. | Name of item | Settlement expense |
| Total | Including |
| Equipment expense | Management expense | Other expense |
|  | 1 | 3 | 4 | 5 | 6 |
|  | Total | 10,177,358,440 | 10,132,907,440 | 14,451,000 | 30,000,000 |
| 1 | Equipment expense | 10,132,907,440 | 10,132,907,440 |  |  |
| 1.1 | Supplying, installing and completing 1,200m2 evaporator and other equipment | 4,455,000,000 | 4,455,000,000 |  |  |
| 1.2 | Supplying, installing and completing 200m3 C Line and other equipment | 3,359,705,840 | 3,359,705,840 |  |  |
| 1.3 | Supplying, installing and completing inverter compressor No. 5 | 453,701,600 | 453,701,600 |  |  |
| 1.4 | Supplying Ejector and nozzles of Ejector Tube | 525,000,000 | 525,000,000 |  |  |
| 1.5 | Supplying, installing and completing B600xL12000mm Conveyor | 224,500,000 | 224,500,000 |  |  |
| 1.6 | Renovating and upgrading sedimentation equipment from 140m3 to 178m3 | 520,000,000 | 520,000,000 |  |  |
| 1.7 | Supplying, installing and completing Automatic CCS sampling system  | 275,000,000 | 275,000,000 |  |  |
| 1.8 | Supplying excavator | 320,000,000 | 320,000,000 |  |  |
| 2 | Project management cost | 14,450,000 | - | 14,451,000 | - |
|  | Announcement on invitation to the bidding | 14,451,000 |  | 14,451,000 |  |
| 3 | Other expense | 30,000,000 | - | - | 30,000,000 |
|  | Auditing expense | 30,000,000 |  |  | 30,000,000 |

2. Value of asset created from investments

|  |  |  |
| --- | --- | --- |
| No. | Assets | Historical cost |
| 1 | 1,200m2 evaporator and other equipment | 4,067,761,643 |
| 2 | 200m3 C Line and other equipment | 3,040,997,428 |
| 3 | Inverter compressor No. 5 | 414,264,863 |
| 4 | Ejector and nozzles of Ejector Tube | 479,365,850 |
| 5 | B600xL12000mm Conveyor | 204,985,968 |
| 6 | sedimentation equipment 178m3 | 474,800,461 |
| 7 | Automatic CCS sampling system  | 251,096,398 |
| 8 | excavator | 321,403,389 |
|  | Total | 9,254,676,000 |

**Article 6: Approve the submission of General Manager on settlement for major repair of 2015:**

Total expenses for major repair of 2015: VND 4,652,120,391

Including:

- Components: VND 2,208,413,847

- Outsource processed supplies: VND 315,305,190

- Repairing expenses: VND 55,911,208

- Power expense: VND 172,732,464

- Wage for the major repair: VND 1,316,847,294

- Social Insurance, Medical Insurance, Income, labor union fee: VND 336,201,124

- Meals and toxic: VND 246,709,264

**Article 7: Approve the plan on purchasing equipment, factories and machineries to improve the capacity of the Company (reach 2,500 tons of sugarcane/day)**

- Factory Equipment

- Sugar Warehouse 2,000m2

- Means of transportation: 10 tractors

**Article 8: Approve several related contents**

1. Approve the expense for General Manager:

First 06 months of 2016: VND 54,000/ton of sugar finished product

2016 – 2017: VND 97,500/ton of sugar finished products

2. Approve the resignation of Mr. Nguyen Xuan Minh – Director, General Manager of the Company from 01/04/2016

3. Approve the resignation of Mr. Luu MinH Trinh from Member of Board of Directors from 14/10/2015

4. Approve several works related to collecting debts

- Build a plan on developing material zone

- Assign Executive Board to review the doubtful debts

- Approve investing in the planted area according to submission No. 27/TTr-KTS issued on 15/01/2016 by General Manager

- Approve the indirect production at the hatchery

- Approve the plan on leasing land

5. Approve the settlement for outsource employees term 2015 – 2016

6. Approve Mr. Nguyen Hoang Sam to be Secretary of General Manager and Board of Directors

7. Approve liquidating cars (82K – 2345 and 82B – 000.09) according to market value (reduce 10% if buyer is employee of the Company)

**Article 9: Convene the annual General Meeting of Shareholders 2016 on 12/04/2016**

**Article 10: This board resolution takes effect from the date of signature**