**LMI: Board resolution**

On 27 Mar 2020, IDICO Machinery Erection Construction Investment Joint Stock Company announced the Board resolution as follows:

Article 1: Approve the report on production and business results in 2019 and the plan for production, business and investment in 2020, specifically as follows:

1. Business results in 2019:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No | Indicator | Unit | Plan 2019 | Realization 2019 | Rate %Plan 2019/ Realization 2019 |
| 1 | Total business production value | Million dongs  | 310,000 | 335,159 | 108.1% |
| 2 | Other revenue and income | Million dongs  | 260,000 | 268,614 | 103.3%  |
| 3 | Profit before tax | Million dongs  | 10,200 | 10,171 | 99.7% |
| 4 | Submit budget | Million dongs  | 20,000 | 19,177 | 101.75% |
| 5 | Value of development investment | Million dongs  | 44,600 | 38,95 | 87.3%  |
| 6 | Average income | Million dongs  | 8.5 | 9.2 | 108% |

2. About deploying investment in 2019:

- The Company is executing the investment in expanding workshop of processing precision mechanical factory with a value of VND 6.6 billion;

- The Company has invested to establish LAMA TRADING Joint Stock Company with a registered capital of VND 16.5 billion and contributed amount of VND 11.5 billion in 2019;

- Capital contribution to establish LAMA POWER Co., Ltd with registered capital of VND 3 billion and contributed capital of VND 1.5 billion in 2019;

- Investing in the bracket for installation of solar power on office roof

- The total other investment value in 2019: about VND 19.35 billion

3. Regarding financial situation:

With the goal of selecting prudent partners, LAMA IDICO always sets criteria of financial situation as one of the top criteria. Therefore, the Company's financial situation develops quite well. Specifically, in recent years, although some units in the same industry have been very difficult, LAMA IDICO has always been trusted by the Investors including domestic and foreign corporations. Although traditional domestic partners have paid more slowly, these partners have strong financial resources, thus creating confidence for Credit Institutions in case the Company needs working capital loans

Processing export products with a large proportion, so when working with credit institutions, there are certain advantages of applying preferential policies when having USD source

During the year, the Company balanced the cash flow, used effectively and ensured financial for investment projects as well as production and business activities of the Company. Ensure the repayment plan for the bank

The situation of receivable and payable debts until December 31, 2019 is quite high but the company has made great efforts in capital recovery

Some key financial indicators:

- Total revenue and other income: VND 268,614 million

- Profit before tax: VND 10,171 million

- Owner's equity: VND 90,608 million (Charter capital: VND 55,000 million)

- Receivables: VND 101,790 million (receivables of customers: VND 95,984 million)

- Payable debts: VND 223,334 million (no overdue debt)

- Profit before tax ratio/ Total revenue: 3.78%

- Profit before tax/ equity ratio: 11.22%

Article 2: Approve Reports of the Board of Directors and Supervisory Board on the performance of tasks in 2019; 2020 plan

Article 3: Approve the audited 2019 financial statements

Article 4: The Board of Directors and the Supervisory Board approved the documents of the General Meeting of Shareholders such as the Regulation on the General Meeting of Shareholders and the Proposals to seek opinions at the Annual General Meeting of Shareholders in 2020, specifically as follows:

Meeting time: April 24, 2020

- Meeting location: 5th Floor, LAMA IDICO Building - KM 23, Highway 51, Long An Commune, Long Thanh District, Dong Nai Province

Statements that need to be passed before the Meeting:

1. Statement of adoption of audited financial statements 2019

2. Statement of profit distribution and dividend distribution for 2019, plan for profit distribution and dividend distribution of 2020

2.1 Expected plan for profit distribution and dividend distribution of 2019:

\* Accumulated profit after tax until December 31, 2019: VND 8,367,955,116

In which:

- Profit after tax in 2019: VND 8,367,955,116

\* Fund distribution plan as follows:

+ Dividend payment by shares (Expected 8% of charter capital): VND 4,400,000,000

+ Appropriation for development investment fund (10% of profit after tax of 2019): VND 836,795,512

+ Bonus and welfare fund (10% of profit after tax of 2019): VND 836,795,512 (In which: 8% reward fund; 2% welfare fund)

+ The remaining profit to supplement the development investment fund: VND 2,294,364,092

Expected dividend payment: The expected dividend ratio in 2019: 8%/ share (01 share receives VND 800)

- In 2019, the production and business results achieved the plan and ensured a dividend payment of 12% of charter capital. However, to submit to the General Meeting of Shareholders for consideration of the plan of dividend payment of 8% of charter capital for the following reasons:

+ At the end of 2019, the beginning of 2020, the outbreak of COVID-19 began to explode, resulting in delay in debt recovery, affecting financial costs;

+ Goods exported to other countries may be subject to the failure of goods to arrive on time due to the regulations on suspension of import due to COVID-19 epidemic of countries affecting the recovery of capital;

+ Currently, nearly 90% of the domestic projects the company is implementing involving in foreign partners suffering the influence of COVID-19 so the entry and exit of foreign experts in charge of the project has been delayed, resulting in the long construction completion schedule, greatly affecting the financial cost of the Company

- Mode of dividend payment: Cash or bank transfer

- Time of payment: Authorize the Board of Directors, based on the production and business situation, to decide the time of payment accordingly

2.2. Expected dividend payment plan and Profit distribution plan for 2020:

+ By the end of 2019, the beginning of 2020, the outbreak of COVID-19 started to explode, resulting in a delay in debt collection that affected financial expenses

+ Goods exported to other countries may be subject to the failure of goods to arrive on time due to the regulations on suspension of import due to COVID-19 epidemic of countries affecting the recovery of capital;

+ Currently, nearly 90% of the domestic projects the company is implementing involving in foreign partners suffering the influence of COVID-19 so the entry and exit of foreign experts in charge of the project has been delayed, resulting in the long construction completion schedule, greatly affecting the financial cost of the Company

+ The mobilization of human resources from all regions throughout the country was also very difficult; resulting in the construction schedule of the works was also prolonged, affecting the company's financial costs

Because of the above reasons, the profit distribution for 2020 is expected as follows:

- Dividend: Expected 5% of charter capital;

- Profit distribution:

+ Development Investment Fund: 10% of the after-tax profit 2020

+ Bonus and Welfare Fund: 10% of profit after tax 2020 (In which: Bonus fund 8%; Welfare fund 2%)

+ Reward fund for executive board in 2020: a maximum of VND 500,000,000 (Upon reaching the target of pre-tax profit)

3. Approve the remuneration payment to the Board of Directors, the Supervisory Board and the Secretary of the Board of Directors in 2019 and propose the payment of the salary and remuneration of the Board of Directors, the Supervisory Board and the Secretary of the Board of Directors in 2020, specifically as follows:

3.1 Remuneration for the Board of Directors, the Supervisory Board and the Secretary of the Board of Directors in 2019: (Approved by the 2019 Annual General Meeting of Shareholders)

- Chairman of the Board of Directors: VND 5,000,000/month

- Members of the Board of Directors: VND 3,000,000/month

- Head of Supervisory Board: VND 3,000,000/month

- Members of the Supervisory Board: VND 2,000,000/month

- Secretary of the Board of Directors: VND 2,000,000/month

3.2. Expected payment of remuneration for the Board of Directors, the Supervisory Board, and the Secretary of the Board of Directors in 2020:

- Chairman of the Board of Directors: VND 5,000,000/month

- Members of the Board of Directors: VND 3,000,000/month

- Head of Supervisory Board: VND 3,000,000/month

- Members of the Supervisory Board: VND 2,000,000/month

- Secretary of the Board of Directors: VND 2,000,000/month

4. Approving the Statement on the plan of using capital for production, business and investment in 2020:

- Medium-term and long-term loans from banks:

+ Medium-term and long-term loans:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No | Investment item | Total investment | Bank loans | Equity | Investment and Development Fund |
| 1 | MMTB investment | 9,500,000,000 | 6,650,000,000 | 2 ,850,000,000 |  |
| 2 | XNGCT investment | 8,300,000,000 | 5,810,000,000 | 2,490,000,000 |  |
| 3 | Solar power investment | 1,500,000,000 |  |  | 1,500,000,000 |
| 4 | Lama Trading Company investment | 5,000,000,000 |  |  | 5,000,000,000 |
|  | Total | 24,300,000,000 | 12,460,000,000 | 5,340,000,000 | 6,500,000,000 |

- Short-term bank loans: In case of signing large contracts, the own capital is not sufficient for the construction, the Company will balance to borrow short-term bank loans to meet the business capital

+ Short-term loans from banks to supplement working capital, open guarantee, open L / C with total value of VND 250 billion

- Revenue from the works: LAMA IDICO always promotes the acceptance, settlement and capital recovery of works to ensure the best capital, while minimizing the cost of bank loans

5. Approve the Proposal of collecting opinions about the addition of members of the Board of Directors

6. Approve the Statement on selecting an audit unit to audit the financial statement of 2019

7. Approve the proposal of the Board of Directors assigning the Executive Director:

\* The Board of Directors assigns the Executive Director:

- Represent the Company to work with the banks on granting credit lines for working capital and granting guarantee limit in 2020: VND 230 billion

In which:

+ Limits on working capital, guarantee, opening L/C at BIDV - Dong Nai Branch: VND 170 billion

+ Limits on working capital, guarantee, opening L/C at Vietcombank - Nhon Trach Branch: VND 60 billion

- Representing the Company to sign short-term, medium-term and long-term credit contracts, loan and debt collection contracts, guarantee contracts, and transaction contracts with the Bank for business and production

- Allowed to use all assets under the lawful ownership and use of the Company including: Land, workshop, office, all machinery, equipment and other assets of the Company to mortgage, borrow money at banks

- Commit to the bank on using the loan for the right purpose, repaying the loan on time according to the credit contract, loan contracts, loan receipt, and guarantee contracts signed

Capital plan:

- Equity and other legal mobilization

8. Statement of authorization for the Board of Directors to approve contracts and transactions under the authority of the General Meeting of Shareholders as stipulated in Point 0 - Clause 2, Article 15 - Current Charter of the Company

9. A number of issues under the deciding authority of the General Meeting of Shareholders, specifically as follows:

1. Approving the Investment Plan and procedures related to investment projects in 2020 (complying with the provisions of Laws and the Company's Charter)

2. Approving the Plan of personnel and staff appointment in 2020

3. Approving the Marketing Plan and Job Search 2020

4. A number of other issues related to the Company's business activities and development in 2020

The Board of Directors will submit to the General Meeting of Shareholders about authorizing the Board of Directors to consider, research and make decisions on the issues in line with the Company's business objectives and plans

10. The Board of Directors submits to the General Meeting of Shareholders about the assignment of tasks to the Chairman of the Board of Directors to continue to hold the position of Executive Director of the Company in 2020 in accordance with the current provisions of Law

Article 5: Implementing provisions:

The Board of Directors assigns the Management Board to implement the contents approved by the Board of Directors in order to ensure the interests of the Enterprise, the shareholders and in accordance with the provisions of Law