SDK: Board Resolution

On January 23, 2024, Mechanical Engineering & Metallurgy Joint Stock Company announced Resolution No. 001/2024/NQ-HDQT as follows:

‎‎Article 1. Production and business results in Q4/2023 and 2023.

The Board of Directors agrees with the Report on work results in 2023 and tasks and orientation for 2024 No. 01-24/BC-SDK dated January 19, 2024 with the following main contents:

* Production and business targets:

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| No. | Targets | Unit | 2023 Plan | Q4/2023 Plan | Q4/2023 Results | 2023 Results | 2022 Results | Compared to that in the same period of 2022 (%) | Compared to 2023 Plan (%) |
| I. Output | | | 6,100 | 1,130 | 987.15 | 5,341.3 | 7,053.3 | 75.73 | 87.56 |
| 1 Steel and cast iron | | | | | | | | | |
| 1.1 | Production | Tons | 4,200 | 700 | 590.73 | 3,691.6 | 4,397.9 | 83.94 | 87.90 |
| 1.2 | Consumption | Tons | 4,200 |  | 412.07 | 2,312.4 | 3,450.6 | 67.01 | 55.06 |
| 2. Mechanical fabrication - forging | | | | | | | | | |
| 2.1 | Production | Tons | 1,500 | 400 | 332.92 | 1,384.7 | 1,589.5 | 87.11 | 92.31 |
| 2.2 | Consumption | Tons | 1,500 |  | 288.24 | 1,236.2 | 1,368.4 | 90.34 | 82.41 |
| 3 Structural fabrication | | | | | | | | | |
| 3.1 | Production | Tons | 400 | 30 | 63.50 | 265.0 | 1,065.9 | 24.86 | 66.25 |
| 3.2 | Consumption | Tons | 400 |  | 26.55 | 485.4 | 721.1 | 67.31 | 121.35 |
| II. Financial targets | | | | | | | | | |
| 1 | Revenue | Billion VND | 215 | 40.00 | 36.36 | 195.76 | 254.92 | 76.79 | 91.05 |
| 2 | Profit before tax | Billion VND | 10 | 1.30 | 1.82 | 6.65 | 12.16 | 54.69 | 66.50 |

* Labor and income targets:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No. | Content | Unit | 2022 | 2023 | Rate |
| 1 | Total salary fund | Million VND | 40,493 | 35,531 | 87.75% |
| 2 | Average salary | Million VND | 15.2 | 11.34 | 74.61% |
| 3 | Average income | Million VND | 16.45 | 14.2 | 86.32% |
| 4 | Average employee | Employee | 217 | 212 | 97.69% |

‎‎Article 2. Production, business and investment plan for 2024 and implementation solutions

- Production and business plan in Q1/2024 and 2024:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No. | Targets | Unit | 2024 Plan | Q1/2024 Plan |
| 1 | Production and consumption | Tons | 5,600 | 950 |
| 1.1 | Steel and cast iron | Tons | 3,800 | 600 |
| 1.2 | Mechanical fabrication - forging | Tons | 1,500 | 300 |
| 1.3 | Welded structure | Tons | 300 | 50 |
| 2 | Revenue | Billion VND | 190.0 | 30.0 |
| 3 | Profit before tax | Billion VND | 6.5 | 1.5 |

* Investment plan for 2024: Mainly investing in repairing, upgrading, and purchasing machinery and equipment to serve the needs of improving product quality. Assign the General Manager to develop an investment plan to upgrade machinery and equipment in 2024.
* Main solutions:
* Business work: Actively promote Marketing, constantly find new customers to ensure production plans; maintain relationships with key customers, consolidate and develop the Sadakim brand on the Ministry of Industry and Trade's web portal, yellow pages, website, Google; and develop customer care policy: Regularly visit, organize conferences, receive and promptly process customer recommendations.
* Production: Improve management and organize production appropriately to increase labor productivity, comply with technological discipline, practice saving raw materials, damaged goods and processed goods to reduce product costs and increase competitiveness; further strengthen product quality inspection, ensuring the best quality products for customers.
* Technical and investment: Continue to improve technological processes, monitor production and propose solutions to reduce consumption of raw materials and increase labor efficiency; invest in more machinery and equipment suitable for the current product structure to speed up progress and improve efficiency; promote the role of the safety team, minimize incidents that cause unsafe labor to occur; strengthen periodic inspection of compliance with labor safety regulations; continue to improve the working environment for employees
* Administrative organization: Follow closely the policy and relocation roadmap of Dong Nai Province to create a plan to resolve employee benefits; review and supplement labor contracts; develop internal working regulations of the agency; continue to recruit labor (especially highly skilled workers); strengthen quality, substantive on-the-job training to meet increasing requirements for product quality and shorten production progress; continue to review and complete internal management documents, especially documents related to relocation.
* Finance and accounting: Flexibly and thoroughly apply debt collection methods and limit bad debts; develop a plan to prepare capital sources for the Company's relocation; regularly let accountants attend professional classes to update and supplement new policies.
* Launching the emulation movement: technical innovation initiatives, good workers, creative workers, advanced examples, set an example to strengthen internal solidarity and contribute to completing political tasks.
* Relocation investment plan: develop a roadmap for preparation steps for relocation in 2025. Specifically, complete 02 steps: Prepare capital sources and relocation locations in 2024.

‎‎Article 3. Agree with the content of Proposal No. 22/TTr-CKLK dated January 17, 2024 of the General Manager of the Company on settlement of salary for 2023 and salary plan for 2024.

‎‎Article 4. Agree on the preparation of contents submitted to the Annual General Meeting of Shareholders 2024.

‎‎Article 5. Agree on assigning the Executive Board to prepare a set of pre-feasibility dossiers for the Company’s relocation to submit to Viet Nam Steel Corporation for review and comments.

‎‎Article 6. The Board of Directors assigns the Company's General Manager to direct and implement the plan for Q1/2024 and 2024. The Board of Management of the Company, relevant departments and units are responsible for implementing this Resolution.

This Resolution takes effect from the date of signing.