**DVM: Report on the progress of using contributed capital from owners**

On March 29, 2024, Vietnam Medicinal Materials Joint Stock Company announced Report on the use of owners' capital contribution as follows:

* 1. Information about the issuance plan
* Issuer: Vietnam Medicinal Materials Joint Stock Company
* Name of shares to be offered: Shares of Vietnam Medicinal Materials Joint Stock Company
* Securities code DVM:
* Share type: common share
* Number of shares registered for offering: 8,650,000 shares
* Number of distributed shares: 8,650,000 shares
* Par value: VND 10,000/share;
* Expected offering price is VND 18,000/share
* Implementation of the Issuance/Offering: 01 round:
* Offering shares to investors through the distributor Vietcombank Securities Company, Ltd. - Consulting Organization. The Company's existing shareholders will not exercise their preemptive rights to purchase shares in proportion to their ownership for the number of shares issued to the public in this tranche. Existing shareholders who wish to participate will register to purchase shares as prescribed.
* All remaining offered shares that have not been fully bought by investors compared to the total number of shares expected to be offered (if any) will continue to be offered by the Board of Directors to other investors who have demand at an offer price not lower than that of investors who have registered to buy shares through a consulting organization.

In case the number of remaining shares is still not distributed to other investors, the Board of Directors will reduce the total number of shares to be offered according to the actual number of shares distributed in the offering

* 1. Purpose of issuance and capital use plan:

According to Proposal No. 05/2021/TT-DHDCD-DLVN dated July 14, 2021 of the Board of Directors, which was approved by Resolution No. 02/2021/NQ-DHDCD/DLVN dated July 19, 2021 of the Annual General Meeting of Shareholders 2021 of Vietnam Medicinal Materials Joint Stock Company, the proceeds from the initial public offering will be used to invest in the project "Research center and application of high technology in breeding, preliminary processing and preserving medicinal materials" and restructure a portion of bank loans.

According to Board Resolution No. 16/2021/NQ-HDQT/DLVN dated November 26, 2021 of Vietnam Medicinal Materials Joint Stock Company, the Project of “High-tech Research and Application Center for propagating, preliminary treating, and preserving medicine” is changed to “Growing and Developing medicinal plants under the canopy of the forests in Phu Tho”

According to Board Resolution No. 12A/2022/NQ/HDQT-DVM dated July 5, 2022 of Vietnam Medicinal Materials Joint Stock Company on the flexible adjustment of the capital obtained from the initial public offering that have not been used to enhance the financial efficiency of the Company, the Company will save a part of the proceeds from the initial public offering with a maximum deposit of VND 25 billion and a maximum deposit period of 6 months.

1. INFORMATION ON THE STATUS OF OWNERS' CAPITAL CONTRIBUTION

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Capital contribution method | Amount of capital contributed at par value VND | Share premium (VND) | Total amount of capital raised VND | Time of capital contribution |
| Capital contribution by bank transfer to account | 86,500,000,000 | 69,200,000,000 | 155,700,000,000 | From April 05, 2022 to May 09, 2022 |
| Total | 86,500,000,000 | 69,200,000,000 | 155,700,000,000 |  |

1. STATUS OF USING OWNERS' CONTRIBUTED CAPITAL
   1. Status of using contributed capital of owners from the end of the offering to December 31, 2023 according to the approved capital use plan:

|  |  |  |
| --- | --- | --- |
| No. | Implementation contents: | Capital used as of December 31, 2023 |
| 1 | Buy land for the project "Growing and developing medicinal plants under the forest canopy in Phu Tho” | 60,760,000,000 |
| 2 | Invest in the following items: Basic construction, equipment procurement, arable land improvement, planting and taking care of medicinal plants, other contingency expenses | 24,105,163,882 |
| - | Improvement of arable land (leveling, contour lines making...) | 14,242,239,200 |
| - | Capital construction (building fences, warehouses,...) | 6,844,996,386 |
| - | Planting and taking care of medical plants | 2,975,826,446 |
| - | Other expenses (notarization, travel expenses, etc.) | 42,101,850 |
| 3 | Supplement working capital to pay bank loan | 55,700,000,000 |
|  | Total | 140,565,163,882 |

* 1. Status of using owners' contributed capital from the end date of the offering to December 31, 2023 according to the approved share issuance plan

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No. | Implementation contents: | Approved capital use plan  VND | Actual amount used  VND | Unused amount  VND |
| 1 | Investment in implementing the project "Planting and developing medicinal plants under the forest canopy in Phu Tho” | 100,000,000,000 | 84,865,163,882 | 15,134,836,118 |
| 2 | Structure of a part of bank loans | 55,700,000,000 | 55,700,000,000 | - |
|  | Total | 155,700,000,000 | 140,565,163,882 | 15,134,836,118 |

Notes: The unused amount is deposited by the Company in term deposits at commercial banks.

* 1. Assets formed from the use of owners' contributed capital from the end date of the offering to December 31, 2023

|  |  |  |
| --- | --- | --- |
| No. | Target | Amount |
| 1 | Tangible fixed assets and other long-term assets | 4,104,482,408 |
| 2 | Intangible fixed assets being land use rights | 60,760,000,000 |
| 3 | Construction in progress and other expenses | 75,700,681,474 |
|  | Total | 140,565,163,882 |