**MES: Annual General Mandate 2024**

On April 26, 2024, Mechanical, Engineering Service Joint Stock Company announced General Mandate No. 20/2024/NQ-DHDCD as follows:

Article 1. The General Meeting of Shareholders of Mechanical, Engineering Service Joint Stock Company voted to approve the following General Mandates:

1. General Mandate No. 01: Approve the Report on the Board of Directors' activities in 2023 and mission directions for 2024.
2. General Mandate No. 02: Approve the Supervisory Board's Supervision Report in 2023.
3. General Mandate No. 03: Approve the Report of the Executive Board on production and business results in 2023 and production and business plan in 2024.

I/ Results of production and business activities in 2023

The main targets are as follows:

Unit: Million VND

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No. | Target | Unit | Plan 2023 | Results 2023 | Rates/Notes |
| 1 | Revenue and income | Million VND | 24,221 | 7,138 |  |
| 2 | Profit before tax | Million VND | 45 | -8,031 |  |
| 3 | Profit after tax | Million VND | 45 | -8,031 |  |
| 4 | Owners’ equity | Million VND | 171,756 | 163,725 | 95.3% |
| 5 | Profit after tax/owners’ equity | % | 0.026% | -4.905% |  |
| 6 | Payable to the State budget | Million VND | 30 | 103 | 343% |
| 7 | Total number of employees | Person | 25 | 21 |  |
| 8 | Average income of workers | Million VND | 5 | 5.1 | 102% |

(According to the Audited Financial Statements 2023)

In particular, losses arising due to objective causes are: VND 7,507 million:

* Deduction of revenue from the project of upgrading the technical infrastructure of Nguyen Van Cu Street according to Decision No. 6763/QD-STC dated October 10, 2019: VND 178 million;
* Provision of VND 6,324 million for debts arising since 2002; Provision for devaluation of inventory since 2013: VND 107 million; Accounting into expenses VND 551 million of debt arising from 2003 because the debtor has now stopped operating;
* Penalties for late disclosure of information and late submission of Financial Statements from 2019 to 2021: VND 132 million;
* Costs for restoring operations of unused vehicles, equipment, and machinery from 2019: VND 215 million;
1. General Mandate No. 04: Approve the Audited Financial Statements 2023.
2. General Mandate No. 05: Approve Proposal No. 09/2024/TTr-HDQT dated March 29, 2024 on reporting the results of production and business activities in 2023 and the production and business plan for 2024.

Some basic targets in the 2024 production and business plan are as follows:

* Revenue: VND 20 billion
* Profit after tax: VND 32 million
* Payable to the State budget: VND 120 million
* Average income of employees: VND 5.2 million/person/month
1. General Mandate No. 06: Approve Proposal No. 10/2024/TTr-HDQT dated March 29, 2024 on the plan to distribute profit after tax in 2023: The Company does not make appropriation for funds and does not pay dividends to shareholders in 2023 because profit after tax in 2023 is negative and there are still accumulated losses.
* Profit after tax according to the Financial Statements 2023 is: - 8,031,064,206, of which some large expenses arose from previous terms:
* Provision for debts from 2002-2018 is: VND 6,323,523,607.
* Provision for devaluation of inventory: VND 107,075,988
* Penalties for late submission of Financial Statements from 2019-2022: VND 132,272,931
* Restoring vehicles that have stopped operation since 2018: VND 214,972,098
+ Reduced revenue due to audit of lighting works: VND 178,238,199
+ Unrecoverable debts: VND 551,193,122
* The accumulated undistributed profit after tax as of December 31, 2023, including the provision for previous debts, is: VND -22,275,289,290

Because the Company still has to continue to make up for previous losses, there is no longer any profit for appropriation for funds and paying dividends to shareholders. Therefore, we respectfully submit to the General Meeting of Shareholders to approve no fund appropriation and no dividends to shareholders in 2023.

1. General Mandate No. 07: Approve Proposal No. 11/2024/TTr-HDQT dated March 29, 2024 on the accounting plan to adjust old outstanding debts from 2003 to 2017.
2. General Mandate No. 08: Approve Proposal No. 12/2024/TTr-HDQT dated March 29, 2024 on the plan to pay remuneration for members of the Board of Directors and the Supervisory Board of the Company in 2024.

The Company does not pay remuneration to the Board of Directors and the Supervisory Board in 2024.

1. General Mandate No. 09: Approve Report No. 13/2024/TTr-BKS dated March 29, 2024 on selecting an independent audit company to audit the Company's Financial Statements 2024.

The General Meeting of Shareholders authorized the Board of Directors of the Company to select an audit company for the Financial Statements 2024, in the list of auditing enterprises for 2024 announced by the Ministry of Finance and approved by the State Securities Commission for auditing public interest entities.

1. General Mandate No. 10: Approve Proposal No. 14/2024/TTr-HDQT dated March 29, 2024 on authorizing the Company's Board of Directors to carry out procedures for divesting state capital at the Company.
2. General Mandate No. 11: Approve Proposal No. 15/2024/TTr-HDQT dated March 29, 2024 on authorizing the Company's Board of Directors to carry out work related to office exchange.

Article 2: This General Mandate takes effect from the date of its signing. Shareholders, the Board of Directors, the Supervisory Board, the Board of Management, Heads of departments/branches/units under the Company and related individuals are responsible for implementing this General Mandate.