**L43: Annual General Mandate 2024**

On April 29, 2024, Lilama 45.3 JSC issued General Mandate No. 46/2024/NQ-DHDCD as follows:

Article 1: Approve the Report on production and business, and investment and development results in 2023, and activities of the Board of Directors in 2023.

I/ Approve the Report on production and business, and investment and development results in 2023; and the line of credit implemented in 2023.

The General Meeting of Shareholders approves the Report on production and business, and investment and development results; and the line of credit implemented in 2023 as follows:

1. Results of the production and business 2023:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| No. | Main targets | Unit | Plan 2023 | Results in  2023 |  | |
| Results in 2023/Plan 2023 | Results in 2023/Plan 2022 |
| 1. | Output value | Million VND | 50,278 | 3,718 | 7.4 | 10.02 |
| 2. | Revenue | Million VND | 49,781 | 3,681 | 7.4 | 9.95 |
| 3. | Profit before tax | Million VND | 231 | (13,165) | (5,699) | 147.83 |
| 4. | Profit after tax | Million VND | 231 | (13,165) | (5,699) | 147.83 |
| 5. | Loss carried forward | Million VND | (8,674) | (22,070) |  |  |
| 6. | Rate of Profit/Capital | % | 0.66 | (74.67) |  |  |
| 7. | Rate of Profit/Revenue | % | 0.46 | (3.69) |  |  |
| 8. | Payable to State budget | Million VND | 4,845 | 949 | 19.59 | 79.46 |
| 9. | Investment and basic construction | Million VND | 0 | 0 |  |  |
| 10. | Total salary fund | Million VND | 14,436 | 3,503 | 24.26 | 60.42 |
| 11. | Average labor | Person | 110 | 33 | 30.00 | 64.71 |
| 12. | Monthly average income | Thousand VND | 10.93 | 8.84 | 80.88 | 93.38 |
| 13. | Dividend payment | % | 0 | 0 |  |  |

Production and business targets in 2023 that have not been completed compared to the plan: Revenue reaches 7.4% compared to the year plan. Profit before tax has a loss of VND 13.165; Payable to State budget reaches VND 949 million, reaching 19.59% compared to the plan; Total salary fund reaches 24.26% compared to the plan, Average income reaches 80.88% compared to the plan.

1. Investment and development work in 2023: Due to financial difficulties, there is no planning to invest in procurement of machinery and equipment, and there is no unplanned procurement of assets during the year.
2. Line of credit implemented in 2023:

Meet the construction capital: In 2023, the Company has established the line of credit and guarantee limit at credit institutions as follows:

* Bank for Investment and Development of Vietnam JSC - Quang Ngai Branch: VND 60 billion.

Approve the activities of the Board of Directors in 2023

The General Meeting of Shareholders approves on activities of the Board of Directors in 2023.

1. Structure of the Board of Directors:

Structure of the Company’s Board of Directors in 2023 is as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No. | Full name | Position | Number of shares owned & represented | %/Charter capital | Note |
| 1. | Hoang Viet | Chair of the Board of Directors | 609,000 | 17.4 | Executive |
| 2. | Mac Thanh Hai | Member of the Board of Directors | 526,700 | 15.05 | Non-executive General Manager |
| 3. | Pham Van Thin | Member of the Board of Directors | 34,900 | 1.0 | Non-executive Deputy General Manager |
| 4. | Bui Quoc Vuong | Member of the Board of Directors | 350,000 | 10 | Executive |
| 5. | Le Anh Thanh | Member of the Board of Directors | 0 | 0 | Non-executive Chair of the Trade Union-cum-Head of the Finance - Administrative Department |

In April 2023, Mr. Cu Thanh Nghi and Mr. Bui Quang Chung have resigned from their positions as members of the Board of Directors. The Company has dismissed the positions of members of the Board of Directors of the Company for the term 2021-2026, effective from April 25, 2023 according to personal wishes.

1. Activities of the Board of Directors:
   1. Status of attendance at meetings of the Board of Directors.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No. | Member of the Board of Directors | Position | Number of meetings attended | Rate | Reason for absence |
| 1. | Hoang Viet | Chair of the Board of Directors | 11 | 100% |  |
| 2. | Mac Thanh Hai | Member of the Board of Directors | 07 | 64% | Elected as member of the Board of Directors from  April 25, 2023 |
| 3. | Pham Van Thin | Member of the Board of Directors | 11 | 100% |  |
| 4. | Bui Quoc Vuong | Member of the Board of Directors | 11 | 100% |  |
| 5. | Cu Thanh Nghi | Member of the Board of Directors | 06 | 54% | Dismissed from the position of member of the Board of Directors from April 05, 2023 |
| 6. | Bui Quang Chung | Member of the Board of Directors | 03 | 27% | Dismissed from the position of member of the Board of Directors from April 05, 2023 |
| 7. | Le Anh Thanh | Member of the Board of Directors | 07 | 64% | Elected as member of the Board of Directors from  April 25, 2023 |

* 1. Board Resolutions/Decisions
* Total number of meetings of the Board of Directors: 11 meetings
* Total number of Resolutions/ Decisions promulgated: 10 Resolutions and 03 Decisions are promulgated in 2023.
* Shareholders are interested in the content of meetings, Minutes, Resolutions and Decisions of the Company has implemented the Report on governance and published it on the website: www.lilama 45.3 .com.

1. Results of supervising activities of the Board of Management and managers

In 2023, the Board of Directors has fully implemented periodic meetings to direct the operating status of the Company and fully implement its functions and duties in running the enterprise in accordance with the law, Company’s Charter and promulgated Resolutions.

Monthly and quarterly, the Board of Directors participates in briefings or extraordinary meetings of the Company chaired by the General Manager to promptly and fully grasp the Company's production activities, however, the solution to the financial difficulties has not been found yet. Specific supervising activities are as follows:

1. Supervision of production and business activities:

Production and business targets in 2023 that have not been completed compared to the plan: Revenue decreases by 7.4% compared to the plan. Fixed expenses are high such as interest from borrowings, depreciation of fixed assets, general and administrative expense; leading to a loss of VND 13.1 billion in the production and business results in 2023. Financial targets: payables/owners' equity is 19.33 times, rate of debt/charter capital is 3.62 times; these rates are relatively high compared to units in the same industry.

1. Financial supervision:

Financial work and accounting are in accordance with current accounting standards. The regime of preparing and reviewing the Financial Statements is implemented in accordance with the prescribed time limit.

In 2023, the financial status continues to face many difficulties: lack of capital for production and business activities; weak financial capacity making it difficult to access projects, and affecting bidding work and job seeking; high credit balance and finance/interest expenses; unresolved capital disbursement; and the delay of the construction work of the Anti-flood project in Ho Chi Minh City affecting the financial targets of the Company.

The financial status is extremely difficult, with many potential risks in the settlement and capital recovery, the pressure to repay debt to customers and employees, and the increase in tax and social insurance payment.

1. Supervision of restructuring and improving the capacity of corporate governance:

The Company continues to implement the Project: Restructuring and improving capacity in line with the Company's development orientation in the new period, in which, building and maintaining a lean and efficient management model is always considered the focus. The Board of Directors of the Company has directed the Company’s Restructuring Committee to strictly comply with the following main regulations and contents:

Drastically promote job search marketing to ensure jobs for employees and cash flow to maintain production and business activities.

Regarding the policy of divestment of all State capital: Searching for partners and investors to redeem shares of Vietnam Machinery Installation Corporation - JSC at Lilama 45.3 JSC.

Financial restructure: Gradually reduce inventories, receivables, payables, bring financial targets to a safe rate based on the Company's capacity and actual production and business activities.

Organization of the Company apparatus: Continue to consolidate the lean management system, in line with the actual status of the Company.

1. Supervision of other work.

* Supervise the Resolution implementation and information disclosure.
* The Board of Directors has fully implemented periodic meetings to direct the operation of the Company, fully implement its functions and duties in running the enterprise in accordance with the law, the Company's Charter and promulgated Resolutions. The Board of Directors has directed and supervised the implementation of the following contents:
* Successfully organize the Annual General Meeting of Shareholders 2023 on April 25, 2023 in accordance with the law.
* Organize the meeting to review the capital representative group of Vietnam Machinery Installation Corporation - JSC, organizations and individuals related to the production and business results in 2023, and develop the production and business plan 2024.
* Direct the implementation of the production and business plan 2023. However, the targets are not fulfilled and the business results suffer a loss compared to the plan, mainly due to the following reasons:
* The remaining transitional works are mainly Anti-flood project in Ho Chi Minh City. However, the current construction work is slow; the disbursement of the project is paused; the investor supports the Company to lend to pay loans directly to customers and employees, leading to financial expenses arising. In addition, a number of new projects have terminated construction due to the investor's lack of capital, affecting the Company's revenue
* A number of projects have long-term debt outstanding with great value, affecting the capital source for production and business activities.
* The management and control of expenses are not effective and there haven’t been no solutions.
* The Board of Directors has directed the timely information disclosure for the Annual Report 2022; the Reviewed Financial Statements 2022; the Audited Financial Statements for the first 6 months of 2023 and the Audited Financial Statements 2023; and other Reports and information disclosures in accordance with the provisions of the Law on Securities.
* Carefully implement the Report and ask for opinions on the contents in accordance with the Regulation on management of the capital representative of Vietnam Machinery Installation Corporation - JSC investing in other enterprises.
* Select an audit company for the Annual Financial Statements:
* Implement the authorization of the Annual General Meeting of Shareholders 2023, the Board of Directors of Lilama 45.3 JSC decides to select AASC Auditing Firm Company Limited to review the Financial Statements for the first 6 months of 2023 and 2023 of the Company.
* Collective work:

The Board of Directors and the Board of Management create conditions for Trade Unions, Youth Unions and Women's Unions to organize holidays, practice waste prevention, and build a corporate cultural.

In 2023, the Board of Directors and Board of Managers of the Company find themselves not completing their tasks: financial problems have not been resolved, and the job and life of employees haven’t been taken care in a timely manner; affecting the reputation of the Company; the Board of Directors also always pays attention to the evaluation and recommendation of the Supervisory Board on the status of production and business activities in the Minutes of periodic working with the Supervisory Board.

4. Report on the salary and remuneration for the Board of Directors, the Supervisory Board and the Secretariat of the Board of Directors in 2023:

Unit: VND

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No. | Full name | Position | Salary, income and remuneration in 2023 (VND) | | |
| Salary | Remuneration | Total |
| 1. | Hoang Viet | Chair of the Board of Directors | 99,578,045 | 9,200,000 | 108,778,045 |
| 2. | Mac Thanh Hai | Member of the Board of Directors | 163,468,591 | 18,400,000 | 181,868,591 |
| 3. | Pham Van Thin | Member of the Board of Directors | 163,468,591 | 27,600,000 | 233,811,045 |
| 4. | Bui Quoc Vuong | Member of the Board of Directors | 181,260,135 |  | 181,260,135 |
| 5. | Le Anh Thanh | Member of the Board of Directors | 96,769,910 | 18,400,000 | 115,169,910 |
| 6. | Bui Quang Chung | Member of the Board of Directors | 0 | 8,050,000 | 8,050,000 |
| 7. | Cu Thanh Nghi | Member of the Board of Directors | 163,195,590 | 9,200,000 | 172,395,590 |
| 8. | Pham Thi Bich Ha | Chief of the Supervisory Board | 134,867,455 |  | 134,867,455 |
| 9. | Tran Ngoc Dung | Member of the Supervisory Board | 128,681,272 | 21,000,000 | 149,681,272 |
| 10. | Nong Thi Hong Nhung | Member of the Supervisory Board | 0 | 5,250,000 | 5,250,000 |
| 11. | Nguyen Thi Le Thu | Secretariat of the Board of Directors | 117,633,456 | 14,520,000 | 132,153,456 |
| 12. | Pham Cong Huy | Member of the Supervisory Board | 0 | 14,000,000 | 14,000,000 |
|  | Total: |  | 1,248,923,045 | 145,620,000 | 1,394,543,045 |

Note: The salary of the Chair of the Board of Directors and Chief of the Supervisory Board are paid according to the executive salary, while other positions are paid according to the Regulations on salary of Lilama 45.3 JSC.

Article 2: Approve the production and business, and investment and development plan 2024.

The General Meeting of Shareholders approves the production and business, and investment and development plan 2024 as follows:

1. Production and business targets in 2024.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Main targets | Unit | Results in  2023 | Plan  2024 | Plan 2024/Results in 2023 (times) | Note |
| 1. | Output value | Million VND | 3,718 | 52,793 | 14.2 |  |
| 2. | Revenue | Million VND | 3,681 | 52,270 | 14.2 |  |
| 3. | Profit before tax | Million VND | (13,165) | 243 | (0.02) |  |
| 4. | Profit after tax | Million VND | (13,165) | 243 | (0.02) |  |
| 5. | Loss carried forward (\*) | Million VND | (22,070) | (20,913) |  |  |
| 6. | Payable to State budget | Million VND | 949 | 4,894 | 5.16 |  |
| 7. | Investment and basic construction | Million VND | 0 | 0 |  |  |
| 8. | Total salary fund | Million VND | 3,503 | 15,158 | 4.33 |  |
| 9. | Average labor | Person | 33 | 114 | 3.4 |  |
| 10. | Monthly average income | Million VND | 8.84 | 11.08 | 1.23 |  |
| 11. | Dividend payment | % | 0 | 0 |  |  |

2. Investment and development plan 2024.

In 2024, the Company plans to not investing or procuring more machinery and equipment. If there is a new project, the Company will use existing equipment or rent equipment when the project needs.

Article 3: Approve the Report of the Supervisory Board on production and business results in 2023, the plan 2024 of the Supervisory Board, and the Audited Financial Statements 2023:

1. The General Meeting of Shareholders approves the Report of the Supervisory Board on production and business results in 2023, activities in 2023 of the Supervisory Board, and the work plan 2024 of the Supervisory Board.
2. The General Meeting of Shareholders approves the Audited Financial Statement 2023:

1. Balance sheet:

Unit: VND

|  |  |  |  |
| --- | --- | --- | --- |
| Content | Data as of December 31, 2023 | Data as of December 31, 2022 | Increase, Decrease (23-22) |
| I. Short-term assets | 345,113,762,210 | 364,271,454,166 | (19,157,691,956) |
| 1. Cash and cash equivalents | 723,521,338 | 10,794,341,695 | (10,070,820,357) |
| 2. Short-term financial investments | - | - | - |
| 3. Short-term receivables | 175,994,348,180 | 189,116,802,260 | (13,122,454,080) |
| In which: Receivable from customers | 160,745,817,347 | 174,401,074,585 | (13,655,257,238) |
| 4. Inventory | 164,816,467,603 | 161,121,626,163 | 3,694,841,440 |
| 5. Other short-term assets | 3,579,425,089 | 3,238,684,048 | 340,741,041 |
| II. Long-term assets | 11,888,892,049 | 15,760,995,342 | (3,872,103,293) |
| 1. Long-term receivables | - | - | - |
| 2. Fixed assets | 10,175,472,048 | 13,990,461,341 | (3,814,989,293) |
| Tangible fixed assets | 10,175,472,048 | 13,990,461,341 | (3,814,989,293) |
| Historical cost | 61,073,450,444 | 77,263,645,885 | (16,190,195,441) |
| Accumulated depreciation | (50,897,978,396) | (63,273,184,544) | 12,375,206,148 |
| Intangible fixed assets | - | - | - |
| Historical cost | 55,000,000 | 55,000,000 | - |
| Accumulated depreciation | (55,000,000) | (55,000,000) | - |
| 4. Long-term assets in process | - | - | - |
| 5. Long-term financial investment | - | - | - |
| 6. Other long-term assets | 1,713,420,001 | 1,770,534,001 | (57,114,000) |
| III. Total assets | 357,002,654,259 | 380,032,449,508 | (23,029,795,249) |
| IV. Payables | 339,442,993,714 | 349,307,982,378 | (9,864,988,664) |
| 1. Short-term payables | 339,442,993,714 | 349,307,982,378 | (9,864,988,664) |
| 2. Long-term payables | - | - | - |
| V. Owners’ equity | 17,559,660,545 | 30,724,467,130 | (13,164,806,585) |
| 1. Owners' equity | 17,559,660,545 | 30,724,467,130 | (13,164,806,585) |
| Owners’ investment capital | 35,000,000,000 | 35,000,000,000 | - |
| Share premium | 4,277,672,000 | 4,277,672,000 | - |
| Investment and development fund | - | - | - |
| Other funds under owners’ equity | 352,208,897 | 352,208,897 | - |
| Undistributed profit | (22,070,220,352) | (8,905,413,767) | (13,164,806,585) |
| 2. Funding sources and other funds | - | - | - |
| VI. Total capital source | 357,002,654,259 | 380,032,449,508 | (23,029,795,249) |

II. Production and business results in 2023:

Unit: VND

|  |  |  |  |
| --- | --- | --- | --- |
| Target | Results in 2023 | Results in 2022 | Increase, Decrease (23-22) |
| 1. Revenue from goods sales & service provision | 3,681,026,723 | 37,001,906,141 | (33,320,418) |
| 2. Cost of goods sold | 4,110,211,623 | 33,589,961,379 | (29,479,749,756) |
| 3. Gross profit from goods sales and service provision | (429,184,900) | 3,411,944,762 | (3,841,129,662) |
| 4. Revenue from financial activities | 144,895,789 | 6,754,852,584 | (6,609,956,795) |
| 5. Financial expenses | 7,993,970,658 | 13,034,371,268 | (5,040,400,610) |
| - In which: Payable interest | 7,993,970,658 | 13,034,371,268 | (5,040,400,610) |
| 6. General and administrative expense | 5,493,149,797 | 5,942,986,463 | (449,836,666) |
| 7. Net profit from production and business activities | (13,771,409,566) | (8,810,560,385) | (4,960,849,181) |
| 8. Other income | 786,402,303 | - | 786,402,303 |
| 9. Other expenses | 179,799,322 | 94,853,382 | 84,945,940 |
| 10. Other profit | 606,602,981 | (94,853,382) | 701,456,363 |
| 11. Total profit before tax | (13,164,806,585) | (8,905,413,767) | (4,259,392,818) |
| 12. Current corporate income tax expense | - | - | - |
| 13. Profit after tax | (13,164,806,585) | (8,905,413,767) | (4,259,392,818) |
| 14. Basic earnings per share | (3,761) | (2,544) | (1,217) |

III. Basic financial targets:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No. | Target | Unit | 2023 | 2022 |
| 1 | Asset structure | % |  |  |
| * Long-term assets/Total assets * Short-term assets/Total assets |  | 3.33  96.67 | 4.1  96.0 |
| 2 | Capital structure | % |  |  |
| * Payables/Total capital source * Owners’ equity/ Total capital source * Payables/Owners’ equity | Times | 95.08  4.92  19.33 | 91.9  8.1  11.4 |
| 3 | Solvency | Times |  |  |
| Quick solvency |  | 0.52 | 0.58 |
| Current solvency |  | 1.02 | 1.04 |
| 4 | Profit rate | % |  |  |
|  | * Rate of Profit after tax/Total assets * Rate of Profit after tax/Net revenue |  | (6.18)  (599.7) | (2.3)  (24.1) |
|  | * Rate of Profit after tax/Owners’ equity * Rate of Profit after tax/Charter capital |  | (125.69)  (63.06) | (29.0)  (25.4) |

Article 4. Select an audit company for the Semi-annual Financial Statements and the Financial Statements 2024.

The General Meeting of Shareholders approves on selecting one of two audit companies for the Semi-annual Financial Statements and the Financial Statements 2024 as follows:

1. Selection criteria:

* Is a company approved by the State Securities Commission to audit public interest units in the securities sector;
* Is a reputable company with experience in the field of auditing and financial consulting;
* Have reasonable audit expenses, consistent with the content, scope, quality and progress of the audit.

1. Proposed list:

List of audit companies approved by the State Securities Commission to audit public interest units in the securities sector at the time of implementation.

1. Content of submission:

In order to select an audit company that meets the above criteria, the Company's Supervisory Board respectfully submits to the General Meeting of Shareholders for approval the list of audit companies mentioned in section 2 and authorizes the Board of Directors of the Company to select one of the approved independent audit companies to audit the Company's Financial Statements for the fiscal year 2024.

Article 5: Approve the remuneration settlement for the Board of Directors and the Supervisory Board in 2024.

The General Meeting of Shareholders approves the remuneration for the Board of Directors and the Supervisory Board in 2024 as follows:

1. Salary:

The salary plan for the positions of Executive Chair of the Board of Directors, Executive Chief of the Supervisory Board, and executive members of the Board of Directors is as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No. | Full name | Position | Number of working months | Salary | Total salary fund |
| 1 | Hoang Viet | Chair of the Board of Directors | 12 | 20,000,000 | 240,000,000 |
| 2 | Bui Quoc Vuong | Executive member of the Board of Directors | 12 | 12,000,000 | 144,000,000 |
| 3 | Pham Thi Bich Ha | Chief of the Supervisory Board | 12 | 10,000,000 | 120,000,000 |

1. Remuneration for the Board of Directors, the Supervisory Board and the Secretariat in 2024:

\* It is recommended to keep the same remuneration as in 2023, specifically as follows:

* Remuneration for members of the Board of Directors: VND 2,300,000/month.
* Remuneration for members of the Supervisory Board: VND 1,750,000/month.
* Remuneration for the Secretariat of the Board of Directors: VND 1,210,000/month.

Article 8: This General Mandate takes effect from the date of its promulgation. Assign the Board of Directors and the Board of Management of Lilama 45.3 JSC to organize the implementation of this General Mandate./.