**VLA: Report on progress of use of capital/proceeds from the offering/issue**

On June 10, 2024, Van Lang Technology Development and Investment JSC announced Report No. 98/BCSDV-VLA on the progress of the use of capital/proceeds from the offering/issue as follows:

1. Issued securities
2. Securities name: Van Lang Technology Development and Investment JSC
3. Securities type: VLA
4. Par value: VND 10,000
5. Number of issued shares: 1,997,998 shares
6. Total capital/money mobilized: VND 19,979,980,000, of which capital/amount mobilized for the project: VND 19,979,980,000.
7. Completion date of the offering/issue: December 04, 2023
8. Plan to use the capital/proceeds from the offering/issue

1. Progress of the project according to the announced plan:

The entire increased charter capital will be used to establish Van Lang Technology Development and Investment JSC- Ho Chi Minh Branch according to the Branch Establishment Project approved by the General Meeting of Shareholders of the Company in General Mandate No. 04/2022/NQ-DHDCDBTVLA dated September 14, 2022. In which, the capital raised from the offering will be used entirely for the establishment of branches according to the content of the Project, specifically:

|  |  |  |  |
| --- | --- | --- | --- |
| No. | Expenditure content for Branch operations | Expected amount (VND) | Implementation time |
| 1 | Labor expenses | 3,062,400,000 | Q4/2022- Q1/2023 |
| 2 | Advertising and marketing expenses | 10,800,000,000 | Q4/2022- Q1/2023 |
| 3 | Infrastructure and other expenses | 6,117,580,000 | Q4/2022- Q1/2023 |
|  | Total | 19,979,980,000 |  |

2. Current project progress:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No. | Expenditure content | Resolution No. 75/2024/NQ-HDQTVLA dated February 26, 2024 | Actual expenses until June 4, 2024 | Implementation time |
| 1 | Labor expenses: employee salary expenses, training expert expenses, etc. | 2,200,000,000 | 834,055,285 | From the date of Resolution No. 137/2023/NQ-HDQTVLA and Annual General Mandate 2024 No. 02/2024/NQ-DHDCDVLA dated February 19, 2024 take effect until all proceeds are spent. |
| 2 | Advertising and marketing expenses | 12,000,0000,000 | 4,689,172,448 |
| 3 | Classes and conferences organization expenses; | 2,000,000,000 | 1,113,333,000 |
| 4 | Documentation, printing, reception, and transaction expenses | 1,500,000,000 | 221,231,400 |
| 5 | Tax payment expenses | 1,500,000,000 | 98,737,907 |
| 6 | Other expenses related to the business activities of the Company | 779,980,000 | 13,420,000 |
|  | Total | 19,979,980,000 | 6,969,950,040 |

3. Changes:

- Resolution No. 137 /2023/NQ-HDQTVLA dated December 29, 2023 approved changing the plan on using capital worth less than 50% of the proceeds from the issue to supplement working capital for serving training business activities, details:

|  |  |  |  |
| --- | --- | --- | --- |
| No. | Expenses for training activities | Expected amount (VND) | Expected implementation time |
| 1 | Labor expenses | 1,000,000,000 | From the time the Resolution approves on changing the plan on using capital until the amount of proceeds according to the spending limit is used up. |
| 2 | Advertising and marketing expenses | 6,500,000,000 |
| 3 | Classes and conferences organization expenses | 1,000,000,000 |
| 4 | Documentation, printing, reception, transaction expenses, and other related expenses | 1,300,000,000 |
|  | Total | 9,800,000,000 |

- General Mandate No. 02 /2024/NQ-HDQTVLA dated February 19, 2024 approved the plan on changing the plan on using capital from the public offering. In which, all proceeds from the share issue will be used to supplement working capital for serving the production and business activities of the Company, for the following items:

* Labor expenses: employee salary expenses, training expert expenses, etc.
* Advertising and marketing expenses;
* Classes and conferences organization expenses;
* Documentation, printing, reception, and transaction expenses;
* Tax payment expenses;
* Other expenses related to the business activities of the Company;

The General Meeting assigned the Board of Directors to allocate and use the above amount for each specific item mentioned above and report on the progress of using capital until the mobilized amount is used up according to regulations.

Implement Annual General Mandate 2024 No. 02/2024/NQ-DHDCDVLA dated February 19, 2024. On February 26, 2024, the Board of Directors announced Resolution No. 75/2024/NQ-HDQTVLA detailing the use of proceeds from the share issue of additional shares to outstanding shareholders as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No. | Expenditure content | Resolution No. 137/223/NQ- HDQTVLA | Remaining amount | Total | Implementation time |
| 1 | Labor expenses: employee salary expenses, training expert expenses, etc. | 1,000,000,000 | 1,200,000,000 | 2,200,000,000 | From the date of Resolution No. 137/2023/NQ- HDQTVLA and Annual General Mandate 2024 No. 02/2024/NQ- DHDCDVLA dated February 19, 2024 take effect until all proceeds are disbursed |
| 2 | Advertising and marketing expenses | 6,500,000,000 | 5,500,000,000 | 12,000,0000,000 |
| 3 | Classes and conferences organization expenses | 1,000,000,000 | 1,000,000,000 | 2,000,000,000 |
| 4 | Documentation, printing, reception, and transaction expenses | 1,300,000,000 | 200,000,000 | 1,500,000,000 |
| 5 | Tax payment expenses |  | 1,500,000,000 | 1,500,000,000 |
| 6 | Other expenses related to the business activities of the Company |  | 779,980,000 | 779,980,000 |
|  | Total | 9,800,000,000 | 10,179,980,000 | 19,979,980,000 |

4. Reason for the change:

The prolonged impact of the COVID-19 pandemic and the world economic and political situation, has had a strong impact on the economic growth production and business development of the country, especially the Real Estate sector.

In 2023, the Company will also increase the opening of classes in Hanoi, Ho Chi Minh, Phu Quoc and some other provinces. However, the number of learners decreased significantly compared to 2022, leading to a decrease in revenue in 2023, especially in the market in Ho Chi Minh City and southern provinces.

The development in the domestic economic situation in 2023 directly affected the training work of Van Lang Technology Development and Investment JSC, leading to a lack of capital for working capital to serve business activities in 2023 as well as a lack of operating capital in the following years. Due to the lack of capital for business operations, the Company will also not have the opportunity to research and expand business markets and expand business lines in the following years.

Faced with the actual situation mentioned above. The Board of Directors considers that establishing a Branch in Ho Chi Minh City after the successful share issue is ineffective. Therefore, the Board of Directors reports and asks the General Meeting for permission to stop establishing the Ho Chi Minh City Branch, and at the same time change the plan on using capital and proceeds from the offering for outstanding shareholders from the establishment of a branch, transferred to supplement working capital for production and business activities of the Company.