**LM3: Annual General Mandate 2024**

On June 27, 2024 LILAMA 3 Joint Stock Company announced General Mandate No. 07/NQ-DHDCD as follows:

Article 1: Approved the Report of the Executive Board, in which:

* 1. Production and business results in 2023:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Targets | Results 2022  | Plan 2023  | Results 2023  | Results 2023/Plan 2023 | Results 2023/Results 2022 |
| 1 Revenue from sales of goods and services provision | 62,933,659,684 | 80,000,000,000 | 90,122,597,829 | 112.7% | 143% |
| 2 Revenue deductions |  |  |  |  |  |
| 3 Net revenue from sales and service provision (10=01- 02), in which: | 62,933,659,684 | 80,000,000,000 | 90,122,597,829 | 112.7% | 143% |
| - Revenue of construction from 2017 and earlier |  |  |  |  |  |
| - Revenue of construction from 2018 to present |  |  |  |  |  |
| 4 Cost of goods sold | 55,238,758,871 | 67,378,880,000 | 76,795,790,027 | 114% | 139% |
| - Cost of goods sold of construction from 2017 and earlier | - |  | - |  |  |
| - Cost of goods sold of construction from 2018 to present | - |  | - |  |  |
| 5. Gross profit from goods sales and service provision (20=10-11) | 7,694,900,813 | 12,621,120,000 | 13,326,807,802 | 106% | 173% |
| - Profits of previous construction from 2017 and before |  | - |  |  |  |
| - Profits of previous construction from 2018 to present  |  | - |  |  |  |
| 6. Revenue from financial activities | 507.033 | 1,000,000 | 1,086,487 | 109% | 214% |
| 7. Financial expenses | 2,768,852,671 | 3,245,000,000 | 3,250,482,675 | 100% | 117% |
| - Interest on construction project loans |  |  |  |  |  |
| - Interest on loans from Joint Stock Commercial Bank for Investment and Development of Vietnam + individuals | 2,768,852,671 | 3,245,000,000 | 3,250,482,675 |  |  |
| - Provision for D.N.T Construction Trading Service Company Limited |  |  |  |  |  |
| 8. Selling expenses: |  |  |  |  |  |
| 9. General and administrative expense | 9,760,118,995 | 7,457,073,663 | 7,686,932,437 | 103% | 79% |
| - Expenses for production and business | 7,319,046,940 | 7,457,073,663 | 7,739,871,865 |  |  |
| + Expenses for indirect salary  | 2,902,405,580 | 3,146,413,424 | 3,380,230,490 |  |  |
| + Expenses for the Board of Directors’ salary  | 432,000,000 | 492,000,000 | 502,810,598 |  |  |
| + Expenses for social insurance  | 333,904,254 | 356,919,264 | 347,414,968 |  |  |
| + Expenses for depreciation of fixed assets and prepaid share allocation | 1,576,100,275 | 986,711,021 | 835,659,443 |  |  |
| + Other monetary expenses: Office rental, audit and office expenses | 2,074,636,831 | 2,475,029,954 | 2,673,756,366 |  |  |
| - Provisionary expense for doubtful debts | 2,441,072,055 |  | (52,939,428) |  |  |
| 10. Net profit from business activities (30=20+(21-22)-25+26) | (4,833,563,820) | 1,920,046,337 | 2,390,479,177 |  |  |
| 11. Other incomes | 50,826,964,741 | 350,000,000 | 427,575,458 | 122% | 0.8% |
| - Profit from other production and business activities  |  |  |  |  |  |
| 12. Other expenses | 5,598,247,780 | 2,170,000,000 | 2,227,502,779 | 103% | 40% |
| - Other expenses, late payment of taxes and social insurance |  | 2,170,000,000 | 2,227,502,779 |  |  |
| - Remaining expenses after liquidating Bach Hac Factory (Remaining value of fixed assets + Expenses for Capital construction investment in progress) |  |  |  |  |  |
| 13. Other profits (40 = 31-32) | 45,228,716,961 | (1,820,000,000) | (1,799,927,321) |  |  |
| 14. Total profit before tax (50=30+40) | 40,395,153,141 | 100,046,337 | 590,551,856 |  |  |
| 15. Current corporate income tax expense |  |  |  |  |  |
| 16. Deferred corporate income tax expense |  |  |  |  |   |
| 17. Profit after tax (60=50-51-52) | 40,395,153,141 | 100,046,337 | 590,551,856 |  |  |

* 1. Production and business plan in 2024:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No. | Targets | Unit | Results 2023 | Plan 2024 | Growth (%) |
| 1 | Production and business value | Billion VND | 95.162 | 113.349 | 119% |
| 2 | Untaxed revenue | Billion VND | 90.122 | 100.336 | 111% |
| 3 | Payable to the state budget | Billion VND | 3.284 | 5.850 | 178% |
| 4 | Salary fund | Billion VND | 12.344 | 15.100 | 122% |
| 5 | Average labor usage | Person | 96 | 110 | 115% |
| 6 | Average income person/month | Million VND | 10.715 | 11.439 | 107% |
| 7 | Investment | Billion VND | - | - |  |
| 8 | Profit before tax | Billion VND | 0.590 | 0.608 | 103% |
| 9 | Expected dividend payment | % | - | - |  |

‎‎Article 2. Approve the Report of the Board of Directors in 2023.

‎‎Article 3. Approve the Report on activities of the Supervisory Board in 2023

‎‎Article 4. Approve the Holding Company's Financial Statements and Consolidated Financial Statements 2023.

‎‎Article 5. Approve the Proposal on the profit distribution plan and dividend payment level for 2023.

According to the audit results of the Financial Statements 2023 conducted by AFC Vietnam Auditing Company Limited - Northern Branch, in 2023 LILAMA 3 Joint Stock Company profits: VND590,551,856, however, accumulated undistributed profits as of December 31, 2023 (Holding Company) are: VND(186,737,389,718).

Therefore, in 2023, LILAMA 3 Joint Stock Company cannot make additional appropriations for funds and distribute dividend to shareholders.

‎‎Article 6. Approve the Proposal on approving the remuneration of members of the Board of Directors, the Supervisory Board and the Company Secretary in 2024.

‎‎Article 7. Approve the Proposal on selecting an audit company in 2024.

‎‎Article 8. Approve the Proposal on the private placement to swap debt with the following content:

1. Share name: Shares of Lilama 3 Joint Stock Company
2. Type of share: Common share
3. Securities code: LM3
4. Par value: VND10,000/share
5. Current charter capital: VND51,500,000,000
6. Total number of shares issued: 5,150,000 shares

|  |  |
| --- | --- |
| In which: | * Number of outstanding shares: 5,150,000 shares
 |
|  | * Number of treasury shares: 0 shares
 |

1. Expected number of issued shares: 13,850,000 shares
2. Total value of shares issued at par value: VND138,500,000,000
3. Expected increase of charter capital:
* Charter capital before the issue: VND51,500,000,000
* Expected increase in charter capital: VND138,500,000,000
* Expected charter capital after the issue: VND190,000,000,000
1. Private placement for debt swap:

This Private Placement is intended to exchange part of the debt (clearing debt) of Mr. Doan Thanh Tuan at LILAMA 3 on the Audited Consolidated Financial Statements 2023

1. Issue method: Private placement for debt swap:
2. Method of determining swap price:

Assess the prudent factor, the current liquidity of shares in the market, and the possibility of success of the share issue, and at the same time suitable to the needs of both the Companies and investors. The swap price of shares of LILAMA 3 Joint Stock Company is the par value, VND10,000/share.

1. Swap rate: 1:10,000 (That means: 1 share will be exchanged for VND10,000 of debt)

For example: The Company borrows from the investor (means the creditor) is VND100,000,000, with a swap rate of 1:10,000, after performing the swap, the investor will receive:

(100,000,000 X 1)/10,000 =10,000 shares

Thus, after the swap, the investor (means the creditor) will become a shareholder and receive 10,000 shares with a par value of VND10,000/share.

1. Debt value for swap: VND138,500,000,000
2. Plan for rounding and handling the resulting odd number of shares (if any):

When the debt is converted to shares, the swap shares will be rounded down to the unit row, the fractional part will be automatically removed.

1. Criteria for determining the subjects of issue

Are organizations and individuals with strong financial potential that the Company’s Board of Directors considers to be the Company’s creditors and have a need to exchange the Company's debts into the form of investment in shares of LILAMA 3 Joint Stock Company.

1. Issuing object (List of creditors and debts of each creditor to be swapped according to the method of determining the swap price and swap rate):

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No. | Investor | Citizen Identity Card | Principal debt balance as of December 31, 2023 (VND)(According to the Audited Financial Statements 2023) | Number of shares expected to be swapped | Expected value of swapped liabilities (VND) |
| 1 | DoanThanhTuan  | No. 040082000515 issued on November 10, 2021 at Police Department on Administrative Management of Social Order | 144,757,200,000 | 13,850,000 | 138,500,000,000 |
| Total | 144,757,200,000 | 13,850,000 | 138,500,000,000 |

18. Transfer restrictions: Transfer restriction for one (01) year from the end of the issue.

1. Issue time: In 2024
2. Distribution method: The Issuer distributes directly to Investors
3. Distribution time: After the State Securities Commission has approved in writing and posted on the State Securities Commission's website on the receipt of complete registration documents to issue shares to swap the issuer's debt.
4. Investors' rights after the debt swap
* Rights to receive dividend: The above investors, after receiving dividend or divided shares (if any) and these dividend, will receive full benefits of common shares with the condition that the dividend will be kept at the Vietnam Securities Depository and Clearing Corporation and will be transferred to investors on the day the company distributes dividend.
* Rights to deposit: Investors are allowed to deposit the entire number of shares in accordance with the provisions of law.
* Rights and obligations of investors in shares of LILAMA 3 Joint Stock Company: in accordance with the provisions of current law and the Company's Charter.
1. Plan on handling unissued shares (if any): The number of shares is not issued all as expected will be authorized by the General Meeting for the Board of Directors to decide to handle under applicable laws.
2. Plan for ensuring the share issue to meet the foreign ownership rate: The General Meeting authorizes the Board of Directors to approve the issue to ensure compliance with regulations

The foreign ownership rate 3

1. Agreement principle: According to the minutes of debt settlement structure agreement between LILAMA 3 Joint Stock Company and Mr. Doan Thanh Tuan dated December 31, 2023.
2. Approve on changing the charter capital in the Company Charter and adjusting the Business Registration Certificate at the Hanoi Authority for Planning and Investment, after reporting the results of the issue to the State Securities Commission.
3. The General Meeting agrees to amend Section 1 Article 6 of the Company’s Charter to suit the new charter capital after the share issue to increase charter capital. The General Meeting authorizes the Board of Directors to adjust and issue the amended Charter and Business Registration under applicable laws.
4. Approve the change in securities registration at the Vietnam Securities Depository and Clearing Corporation (VSDC) and the change in trading registration at the Hanoi Stock Exchange (HNX) after the Report on results of the issue.
5. After completing the share issue, the General Meeting approves and authorizes the Board of Directors to complete procedures for changing securities registration at Vietnam Securities Depository and Clearing Corporation (VSDC). ) and change securities trading registration on the Hanoi Stock Exchange according to current legal regulations.
6. Authorize the Board of Directors

The General Meeting authorizes the Board of Directors to implement tasks related to the issue such as:

Negotiate and sign a Minutes with Mr. Doan Thanh Tuan on the swapped debt.

Conduct related procedures with the State Securities Commission, Vietnam Securities Depository and Clearing Corporation (VSDC), Hanoi Stock Exchange, Hanoi Authority for Planning and Investment.

Complete the amendments to the Charter on Organization and Operations of the Company (due to the change of charter capital) after reporting the results of the issue to the State Securities Commission of Vietnam.

Report and complete the procedures for registration of changes in charter capital and amendment of the Business Registration Certificate with the Hanoi Authority for Planning and Investment after reporting the results of the share issue to the State Securities Commission of Vietnam.

Other issues related to the share issue.

Article 9: Terms of enforcement

1. This General Mandate takes effect from the date it is approved by the General Meeting (June 27, 2024).
2. Members of the Board of Directors and Supervisory Board, Managing Director and shareholders of LILAMA 3 Joint Stock Company are responsible for implementing and organizing the implementation of the General Mandate according to their authority and operational functions under applicable laws and Charter of LILAMA 3 Joint Stock Company.