**TSA: Board Resolution No. 110**

On August 29, 2024, Truong Son Investment And Construction Joint Stock Company announced Resolution No. 110/NQ-HDQT on continuing to implement the plan on public issuance of additional shares and the detailed plan on using capital obtained from the offering, as follows:

‎‎Article 1. Implement 1st Extraordinary General Mandate 2024 No. 06/NQ-TS dated January 5, 2024 of Truong Son Investment And Construction Joint Stock Company, the Board of Directors approved on continuing to implement the plan on public issuance of additional shares, specifically as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| 1. | Share name | : | Shares of Truong Son Investment And Construction Joint Stock Company |
| 2. | Securities code | : | TSA |
| 3. | Par value | : | VND10,000 |
| 4. | Share type | : | Common shares |
| 5. | Number of outstanding shares | : | 35,000,000 shares |
| 6. | Charter capital before the offering | : | VND350,000,000,000 |
| 7. | Number of offered shares | : | 3,500,000 shares |
| 8. | Total value of offered shares at par value | : | VND35,000,000,000 |
| 9. | Expected increase in charter capital | : | VND35,000,000,000 |
| 10. | Expected charter capital after the completion of offering to existing shareholders | : | VND385,000,000,000 |
| 11. | Issuance rate to the total number of outstanding shares | : | 10% |
| 12. | Exercise rate | : | 10:1 (On the record date for the list of shareholders to exercise rights to buy additional issued shares, shareholders owning 01 share is entitled to 01 right, shareholders is entitled to buy 01 new share for every 10 buying rights they own) |
| 13. | Offering form | : | Public issuance of additional shares through the method of exercising buying rights for existing shareholders of Truong Son Investment And Construction Joint Stock Company. |
| 14. | Eligible buyer | : | All existing shareholders of the Company on the list recorded on the record date to allocate rights to buy shares. |
| 15. | Record date for the list of shareholders to exercise rights to buy shares | : | Assign and authorize the Chair of the Board of Directors - the Legal representative of the Company to decide on the record date for the list of shareholders to exercise rights to buy shares, but not exceeding 20 working days from the date of approval of registration for public offering of additional securities of the State Securities Commission and implement procedures for recording the list of shareholders, and disclose information in accordance with provisions of law. |
| 16. | Offering price | : | VND10,000/share. |
| 17. | Plan on handling incurred fractional shares and shares not fully distributed | : | To ensure that the number of issued shares does not exceed the number offered, the number of shares purchased by shareholders will be rounded to the nearest unit.  For example: On the record date for the list of shareholders, shareholder A owning 1,234 shares will be entitled to 1,234 buying rights. With 1,234 buying rights, shareholder A will be entitled to buy 1,234\*10%=123.4 shares.  According to the principle of rounding down, the actual number of shares purchased by shareholder A is 123 shares)  All fractional and remaining shares due to shareholders not exercising their buying rights, not making payment or exercising their buying rights, not making payment or not fully exercising their buying rights (if any), the Board of Directors will collect, determine criteria, list, and offer them to other shareholders and investors on the selected list at the price of VND10,000/share and the conditions of the offering, conditions on rights and obligations of other investors are not more favorable than the conditions of offering to existing shareholders.  In case of expiration of share distribution according to the provisions of law (including extended period, if any), the number of shares not fully distributed (if any) will be canceled and the Board of Directors shall decide on the completion of the offering. |
| 18. | Transfer conditions | : | Shares offered to existing shareholders are not subject to transfer restriction, the number of fractional shares, shares that shareholders do not exercise their buying rights or do not fully exercise their buying rights (if any) will be distributed to other subjects will be restricted from transfer within 01 year from the completion date of the offering. |
| 19. | Transfer buying rights of additional offered shares | : | Existing shareholders on the list on the record date for the list of eligible shareholders to transfer their buying rights to other individuals within the specified time and can only transfer once, the transferee cannot transfer to a third party. |
| 20. | Expected time of the offering | : | Plan on share offering is implemented immediately after the Company receives the Registration Certificate for Public Offering issued by the State Securities Commission (expected in Q3/2024 and Q4/2024) |
| 21. | Share distribution | : | The offering to existing shareholders will be implemented within 90 days from the date the Company receives the Registration Certificate for Public Offering issued by the State Securities Commission. The above distribution time includes: the official time for existing shareholders to exercise their rights to buy shares according to the specified time notified by the Company; Time for the Board of Directors to collect and offer incurred shares due to shareholders not exercising their buying rights or not fully exercising their buying rights to other shareholders  - For registered shareholders: Vietnam Securities Depository and Clearing Corporation distributes and notifies buying rights to shareholders through securities companies - Depository Members of Vietnam Securities Depository and Clearing Corporation.  - For undeposited securities: Shareholders exercise rights at Truong Son Investment And Construction Joint Stock Company. |

‎‎Article 2. Approve the detailed Plan on using capital obtained from the public offering of additional shares, specifically as follows:

* 1. Plan on using capital

Based on General Mandate No. 06/NQ-TS dated January 5, 2024 approved by the General Meeting of Shareholders of Truong Son Investment And Construction Joint Stock Company on the plan on using capital obtained from the offering as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| No. | Content of using capital | Expected value (VND) | Expected disbursement time |
| 1 | Payment of bank loans | 17,500,000,000 | In 2024, after completing the offering and according to the actual capital use progress. |
| 2 | Supplement of working capital to serve production and business activities | 17,500,000,000 |
| Total | | 35,000,000,000 |  |

* 1. Detailed capital use plan:
* Payment of bank loans:

To reduce interest expenses and increase operating efficiency, the Company plans to use VND17.5 billion obtained from the offering to pay principal and interest on short-term loans according to specific Credit Contracts of Line of Credit Contract No. 01/2023/ 3586897/HDTD signed on September 22, 2023 with Joint Stock Commercial Bank for Investment and Development of Vietnam - Ha Nam Branch.

* Relationship with the Issuer: None.
* Expected debt repayment time In 2024, Truong Son Investment And Construction Joint Stock Company will allocate the capital obtained from the offering to pay the principal and interest of the specific credit contracts of Line of Credit Contract No. 01/2023/3586897/HDTD signed on September 22, 2023 with Joint Stock Commercial Bank for Investment and Development of Vietnam - Ha Nam Branch, depending on the principal and interest payment due date of which contract comes first, until the total proceeds from the offering are used for the payment of bank loans item.
* Supplement of working capital to serve production and business activities.

Based on the Report on the production and business plan for 2024 and the plan on working capital loan in 2024 dated January 2, 2024 and the production and business plan for 2024 of the Company, specifically as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No. | Contents | Unit | Output | Value (billion VND) |
| I | Total expected revenue in 2024 |  |  | 550.417 |
| 1 | Construction and installation |  |  | 300.417 |
| 1.1 | Total expected revenue from constructions transferred from 2023 to 2024 |  |  | 180.835 |
| 1.2 | Total expected revenue from constructions newly signed in 2024 |  |  | 119.582 |
| 2 | Electric pole production |  |  | 100.000 |
| 3 | Production of centrifugal concrete piles |  |  | 150.000 |
| II | Total expected expenses |  |  | 521.391 |
| 1 | Cost of goods sold |  |  | 497.211 |
| 1.1 | Cost of goods sold serving the construction and installation activities |  |  | 271.384 |
| 1.2 | Production activities expenses \* |  |  | 225.827 |
| 1.2.1 | Electric pole production | Pole | 15,748 | 88.672 |
| 1.2.2 | Production of centrifugal concrete piles | Meter | 432,276 | 137.155 |
| 2 | Other expenses |  |  | 24.180 |
| 2.1 | General and administrative expense |  |  | 15.120 |
| 2.2 | Selling expenses |  |  | 7.860 |
| 2.3 | Other expenses |  |  | 1.200 |

(\*) Production expenses include expenses of purchasing raw materials such as iron and steel, cement, stone, sand, coal, flanges, etc.; depreciation costs; management expenses; financial expenses; labor costs, etc.

Therefore, with the above production and business plan in 2024, the Company has made specific estimate of working capital demand for 2024 as follows:

|  |  |  |
| --- | --- | --- |
| No. | Capital plan | Amount (Billion VND) |
| 1 | Working capital demand for 1 year | 375.313 |
| 2 | Number of rotations (turns/year) | 1.5 |
| 3 | Regular working capital | 250.209 |
| 4 | Source of capital funding |  |
| 4.1 | Working capital from bank loans | 80 |
| 4.2 | Retained profit, payable debts to suppliers, increased line of credit at banks and other credit institutions | 130.209 |
| 4.3 | Other working capital (including share offering to existing shareholders) | 40 |

According to the Reviewed Semi-annual Financial Statements 2024, the working capital of the Company (calculated according to the formula of Short-term assets minus Short-term payables) as of June 30, 2024 is VND189.644 billion. Meanwhile, according to the production and business plan for 2024, the estimated regular working capital demand in 2024 is VND250.209 billion. At the same time, according to the business plan approved by the Annual General Meeting of Shareholders 2024, aiming to increase the net profit margin in 2024 to 4.65% (that in 2023 reached 2.71%), the Company needs to propose a cost optimization strategy, including reducing part of the interest expense by settling some short-term credit contracts with capital mobilized from the offering to existing shareholders. As stated in Section 1.1, the credit contracts that the Company plans to use the capital obtained from the offering to make payment are all intended to be used to pay for the purchase of raw materials. Therefore, to ensure a stable source of capital for production and business activities, the Company plans to use VND17.5 billion obtained from the public offering of additional shares to pay for raw imported materials for suppliers. The expected disbursement time is in Q4/2024 according to the payment time of each contract.

Plan on supplementing working capital, specifically as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No. | Content of using capital | Partners | Expected amount | Rate (%) | Expected use time |
| 1 | Expenses of purchasing iron and steel for production | | 8,000,000,000 | 22.86% | Q4/2024. After the completion of the public offering of additional shares |
| 1.1 | Partial payment for steel plate purchase according to Contract No. 02.01.24 HDNT/DTC-TS-MB dated January 2, 2024 | Northern Industrial Steel Business and Production Joint Stock Company | 200,000,000 |  |
| 1.2 | Partial payment for steel purchase according to Principle Contract No. 02.01.2024 HDNT-TS-KPH dated January 2, 2024 | Công ty TNHH Kim Phú Hưng (tentatively translated as “Kim Phu Hung Company Limited”) | 7,800,000,000 |  |
| 2 | Expenses of purchasing sand and stone for production | | 1,500,000,000 | 4.29% |
| 2.1 | Partial payment for construction stone and sand according to Principle Contract No. 02.05.24 HDNT-TS-TRANSCO dated May 2, 2024 | Transco Business Transport Company Limited | 1,500,000,000 |  |
| 3 | Expenses of purchasing cement for production | | 5,000,000,000 | 14.29% |
| 3.1 | Partial payment for cement purchase according to Principle Contract No. 020124 HDNT-TS-TN dated January 2, 2024 | Thanh Nam Trading Joint Stock Company | 5,000,000,000 |  |
| 4 | Expenses of purchasing column flanges and pile flanges for production | | 2,000,000,000 | 5.71% |
| 4.1 | Partial payment for electric pole flange purchase according to Principle Contract No. 02.01.24 HDNT/DTC-TS dated January 2, 2024 | Thanh Cong Company Limited | 300,000,000 |  |
| 4.2 | Partial payment for electric pole flange purchase according to Principle Contract No. 02.01.24 HDNT/DTT-TS dated January 2, 2024 | Thanh Thang Cast Mechanical Company Limited | 200,000,000 |  |  |
| 4.3 | Partial payment for flange purchase according to Principle Contract No. 02/01/2024/HDNT/HB-TS/2024 dated January 2, 2024 | CTCP Sản xuất và Thương mại Kim khí Hưng Bắc (tentatively translated as “Hung Bac Metal Production and Trading Joint Stock Company”) | 600,000,000 |  |
| 4.4 | Partial payment for flange purchase according to Principle Contract No. 02.01.2024 HDNT/TC-TS dated January 2, 2024 | Tien Cuong Company Limited | 900,000,000 |  |
| 5 | Expenses of coal import for production | | 1,000,000,000 | 2.86% |
| 5.1 | Partial payment for imported coal dust according to Principle Contract No. 02.01.24 HDNT-TS-GAVICO dated January 2, 2024 | Gavico Investment and Development Joint Stock Company | 1,000,000,000 |  |
| Total | | | 17,500,000,000 | 50% |  |

(\*) the rate calculated by the amount used for each item on the total mobilized capital.

The detailed amount used for each Principle Contract will be assigned by the Board of Directors to the General Manager for specific allocation according to the actual situation after completing the offering, but ensuring the payment amount according to the item approved by the Board of Directors. Payment according to the Principle Contract including but not limited to direct payment to the supplier after completing the payment documents, payment of debts incurred from the above contracts to the supplier, payment according to the actual progress incurred from the contracts and requirements of the above suppliers.

* Capital mobilization plan in case the amount of capital mobilized from shareholders is not as expected
* In case the amount of capital mobilized from shareholders is not as expected, the Board of Directors will mobilize capital from other suitable sources such as additional personal loans, loans from employees or other sources to ensure the Company's production requirements in 2024 and the following years.
* Based on the actual situation, the Board of Directors can flexibly adjust the allocation and use of capital obtained from the offering; supplement, amend, and develop a detailed plan on using the capital if necessary. The Board of Directors will report to shareholders at the nearest Meeting with adjustments to the plan on using the capital.
* Plan on using capital obtained from the offering of temporarily idle shares in case of waiting for disbursement according to progress

Truong Son Investment And Construction Joint Stock Company plans to open deposit contracts with terms consistent with the disbursement time according to the detailed plan on using capital approved by the Board of Directors. Therefore, the Company will deposit temporarily idle capital to earn periodic interest.

Article 3: The Board of Directors approved on assigning the Chair of the Board of Management to direct the implementation of relevant tasks approved in this Resolution to complete the offering, and register for changing charter capital on the Business Registration Certificate.

Article 4: Cancel Resolution No. 94/2024/NQ-HDQT dated August 13, 2024 on continuing to implement the plan on public issuance of additional shares and the detailed plan on using capital obtained from the offering, completely replaced with this Resolution

Members of the Board of Directors, the Board of Management, Heads of departments, divisions, and relevant individuals are obliged to implement this Resolution.

This Resolution takes effect from the date of its signing./.