

**GELEX GROUP**



No.: 17/2024/GELEX/TTr-HDQT

**SOCIALIST REPUBLIC OF VIETNAM**

**Independence - Freedom - Happiness**

Hanoi, 5 March 2024

**PROPOSAL OF THE BOARD OF DIRECTORS**

**Respectfully submitted to: The 2024 Annual General Meeting of Shareholders of GELEX  
Group Joint Stock Company**

**Pursuant to:**

- *Enterprise Law No. 59/2020/QH14 and its amendments, supplements, and guidance;*
- *Law No. 03/2022/QH15 amending and supplementing a number of articles of the Law on Public Investment, Law on Investment in Public-Private Partnership Law, Investment Law, Housing Law, Bidding Law, Electricity Law, Enterprise Law, Law on Special Consumption Tax, Law on Enforcement of Civil Judgments, and their guiding legal documents;*
- *Securities Law No. 54/2019/QH14 and its amendments, supplements, and guidance;*
- *The Charter of GELEX Group Joint Stock Company (“GELEX” or “Company”).*

The Board of Directors (“**BOD**”) would like to submit the 2024 Annual General Meeting of Shareholders (“**AGM**”) of GELEX to approve the following matters:

**Matter 1: The 2023 Audited Financial Statements (including the 2023 Audited Separate Financial Statements and the 2023 Audited Consolidated Financial Statements).**

On 28 February 2024, the financial statements mentioned above of GELEX have been published and posted on GELEX’s website at: <https://gelex.vn/bao-cao-tai-chinh>.

Please see the details of such statements at the address announced above.

**Matter 2: Audited Report on the use of proceeds from offering shares to existing shareholders in 2021 as of 16 January 2024.**

The Report on the use of proceeds from offering shares to existing shareholders in 2021 as of 16 January 2024 which has been audited by Deloitte Vietnam Audit Company Limited (*see the attached report*) was presented and submitted to the AGM for approval.

**Matter 3: The 2023 Profit Distribution Plan**

Unit: VND

No.	Criteria	Amount	Ratio of the charter capital
1	Undistributed profit after tax in consolidated financial statements as of 31 December 2023	2,616,328,460,133	
2	Undistributed profit after tax in separate financial statements as of 31 December 2023	1,052,220,959,438	12.36%
3	Share premium as of 31 December 2023	663,218,256,718	7.79%
4	Profit after tax from dividends/profit in 2023 carried forward to the maximum in 2024 (the specific amount may vary depending on the actual payments of member companies)	892,895,600,000	10.49%
<b>5</b>	<b>MAXIMUM DIVIDEND DISTRIBUTION SOURCE (=2+3+4)</b>	<b>2,608,334,816,156</b>	<b>30.63%</b>
<b>6</b>	<b>MAXIMUM DIVIDEND DISTRIBUTION SOURCE IN CASH (=2+4)</b>	<b>1,945,116,559,438</b>	<b>22.84%</b>
<b>7</b>	<b>Proposed profit distribution</b>	<b>3,300,000,000</b>	
	<i>Where:</i>		
	Dividend payment in 2023	<b>0</b>	
	Bonus fund for the BOD and Board of Management	0	
	Bonus and welfare funds	3,300,000,000	
<b>8</b>	<b>Retained earnings on separate financial statements after distribution (=6-7) (*)</b>	<b>1,941,816,559,438</b>	

(\*) Profits retained to ensure capital for the Company's production, business, and investment activities.

**Matter 4: The 2024 Main Plan Targets**

No.	Criteria	Unit	2024 plan
<b>1</b>	<b>Production and business</b>		
-	Total consolidated revenue	VND billion	32,303
-	Consolidated profit before CIT	”	1,921
-	Dividend payment (*)	%/year	15
<b>2</b>	<b>Remuneration and other incomes of the BOD</b>		
-	Remuneration and other incomes of the BOD are paid in accordance with the Regulations/Internal Rules of the Company	VND billion	5.5
<b>3</b>	<b>Bonus fund for the BOD and Board of Management</b>		
	In case the consolidated profit after tax exceeds the plan (maximum)	% of profit exceeding plan	20

(\*) The AGM authorizes the BOD to decide on all matters/issues related to the advance payment of the 2024 cash dividend if it is deemed that it is suitable for the Company's operations. The advance can be made at one time or in many installments depending on the decision of the BOD.

**Matter 5: Appointment of an independent auditing company for the fiscal year 2024 and other related matters**

Based on the Audit Committee's proposal, the Board of Directors would like to submit to the AGM for approval of the following list of three audit companies and authorized the BOD to select one of these three auditors to audit the financial statements for 2024:

1. Company name: ***Deloitte Vietnam Audit Company Limited***  
Address: 15th Floor, Vinaconex Tower, 34 Lang Ha, Lang Ha Ward, Dong Da District, Hanoi City.
2. Company name: ***Ernst & Young Vietnam Limited – Hanoi Branch***  
Address: 8th floor, CornerStone Building, 16 Phan Chu Trinh, Phan Chu Trinh Ward, Hoan Kiem District, Hanoi City.
3. Company name: ***KPMG Limited***

Address: 46th Floor, Keangnam Hanoi Landmark Tower, 72-Floor Building, Plot E6, Pham Hung Street, Cau Giay New Urban Zone, Me Tri Ward, Nam Tu Liem District, Hanoi City.

In addition, the BOD would like to submit to the AGM for approval of the authorization for the BOD to choose an independent auditing company to audit other activities of the Company where required. In particular, the BOD is authorized to select an independent auditing company from the list of auditing organizations approved by the State Securities Commission in compliance with the provisions of the Securities Law and the legislations on independent audit.

## **Matter 6: Transactions with related parties in 2024**

### ***1. Results of performance of contracts and transactions between GELEX and its member companies according to the Resolution of the 2023 AGM as follows:***

1.1. Compared with the transactions approved according to the Resolution of the 2023 AGM, GELEX did not generate contracts or transactions with member companies under AMG's approval authority in 2023.

1.2. However, in 2023, GELEX signed and implemented contracts and transactions with member companies under the BOD's approval authority. Specifically as follows:

- Report on loan transactions for member companies for investment, production, and business in 2023: Total transaction value: VND 581,000,000,000. Loan balance as of 31 December 2023: VND 811,625,000,000.
- Report on secured transactions for member companies in 2023:
  - + In 2023, GELEX guaranteed the loan/credit line of GELEX Infrastructure JSC., GELEX Electricity JSC., and CFT Vina Copper Co., Ltd. (the total value of executed transactions is stated in the Audited Separate Financial Statements of 2023 and the Report on corporate governance in 2023).
  - + In 2023, GELEX used its assets (real estate and shares) as collateral to ensure the full and timely payment of financial obligations of GELEX Infrastructure JSC., (the total value of the executed transaction is stated in the Audited Separate Financial Statements of 2023 and the Report on corporate governance in 2023).
- Report of transactions guaranteed by member companies in 2023:

In 2023, GELEX Infrastructure JSC. used its assets (shares) as collateral to ensure the full and timely payment of GELEX's financial obligations (the total value of the executed transaction is stated in the Audited Separate Financial Statements of 2023 and the Report on corporate governance in 2023).

*(Details are stated in the 2023 Audited Separate Financial Statements and 2023 Corporate Governance Statement)*

### ***2. Main contents of contracts, transactions between GELEX and its member companies in 2024 are as follows:***

The BOD would like to submit to the AGM for consideration and approval of the signing and implementation of contracts and transactions between GELEX and related persons in 2024 in accordance with the provisions of the GELEX Charter and Article 167 of the Enterprise Law 2020 (except for contracts prohibited in accordance with Article 293 of Decree 155/2020/ND-CP guiding the Securities Law 2019 and other legal regulations, if any). In particular, the main contents of the contracts and transaction are as follows:

2.1. Related persons enter into contracts and transactions with GELEX: including member companies under the detailed list in Appendix 01 attached to this Proposal (hereinafter referred to as “**Related Persons**”).

2.2. Subjects of contracts and transactions: loan transactions; secured transactions (guarantee, pledge, mortgage, etc.).

*Details are provided in Appendix 01 attached to this Proposal.*

2.3. Value and limit of the above contracts or transactions:

(a) GELEX loan contracts and transactions for each Related Person as stated in Appendix 01 attached to this Proposal: are equal to or greater than 35% or the transaction value resulting in the total transaction value within 12 months from the date of the first transaction equal to or greater than 35% of the total value of GELEX’s assets as recorded in the latest separate financial statements, but the total value of these contracts and transactions with the Related Persons mentioned in Item (a) arising from the date of approval of the 2024 AGM until the date of the 2025 AGM shall not exceed 70% of the total assets of GELEX as presented in the latest separate financial statements.

(b) Security contracts and transactions with transaction value subject to the approval authority of the AGM with each Related Person as stated in Appendix 01 attached to this Proposal:

- GELEX guarantees or uses its assets to mortgage or pledge or implement other security transactions/measures to the relevant secured party to secure the full and timely payment of the Related Person’s financial obligations to the funder arising from the transactions of raising capital of the Related Person (credit mobilization, bond issuance, etc.).

- The Related Person guarantees or uses assets to mortgage or pledge or implement other security transactions/measures to the relevant secured party to secure the full and timely payment of GELEX’s financial obligations to the funder arising from the transactions of raising capital of GELEX (credit mobilization, bond issuance, etc.).

2.4. Validity: applies to contracts and transactions arising in the period from the date of the 2024 AGM to before the date of the 2025 AGM.

2.5. The AGM assigns the General Director to decide the details of each transaction and contract; sign and implement the above contracts and transactions to ensure compliance with the provisions of the law, the Charter, and internal rules of GELEX. The General Director is assigned/re-authorized to his subordinates to perform part of the tasks mentioned in this section.

The General Director reports the total value of transactions made in 2024 to the BOD, then the BOD reports to the 2025 AGM.

**Matter 7: Plan to issue shares under the Employee Stock Ownership Plan in 2024**

The plan to issue shares under the Employee Stock Ownership Plan in 2024 was submitted to the AGM for approval according to the detailed content in Appendix 02 attached hereto.

Each mentioned-above matter is respectfully submitted to the AGM for consideration and endorsement./.

**ON BEHALF OF BOARD OF DIRECTORS**

***Recipients:***

- As above;
- Filed: Archives, BOD.

**CHAIRMAN**

**(signed)**

**Nguyen Trong Hien**

**APPENDIX 01****LIST OF CONTRACTS/TRANSACTIONS WITH RELATED PERONS***(Attached to Proposal No. 17/2024/GELEX/TTr-HDQT dated 05 March 2024)*

<b>No.</b>	<b>Related persons entering into contracts/transactions with GELEX</b>	<b>Relationship with GELEX</b>	<b>Subject of contract/transaction arising with Related Person</b>
1	GELEX Electricity Joint Stock Company	Subsidiary in the Group	Borrowing from GELEX; Lending to GELEX; Secured transactions (guarantee, pledge, mortgage, etc.)
2	GELEX Infrastructure Joint Stock Company	Subsidiary in the Group	Borrowing from GELEX; Lending to GELEX; Secured transactions (guarantee, pledge, mortgage, etc.)

**APPENDIX 02****PLAN TO ISSUE SHARES UNDER THE 2024 EMPLOYEE STOCK OWNERSHIP PLAN**

*(Attached to Proposal No. 17/2024/GELEX/TTr-HDQT dated 05 March 2024)*

**I. Purposes**

Issuance of shares under the Employee Stock Ownership Plan (“**ESOP**”) to enhance the roles, responsibilities, and rights of employees as well as to encourage their working spirit, link their interests with the performance and development of GELEX and several subsidiaries (direct/indirect). In addition, the proceeds from the issuance of ESOP shares will be used to supplement GELEX’s business capital.

Therefore, the Board of Directors would like to submit to the AGM for approval of the plan to issue shares under the 2024 Employee Stock Ownership Plan (“**ESOP 2024**”) according to the contents stated in Sections II, III, IV and V below.

**II. Plan to issue shares under the 2024 Employee Stock Ownership Plan**

1. Issuer : GELEX Group Joint Stock Company
2. Actual registered capital : VND 8,514,957,930,000 (*Eight thousand five hundred fourteen billion nine hundred fifty-seven million nine hundred thirty thousand dong*)
3. Outstanding shares : 851,495,793 shares
4. Existing treasury shares : 0 share
5. Name of shares issued : Shares of GELEX Group Joint Stock Company
6. Ticker symbol : GEX
7. Number of securities issued : Common shares
8. Par value of a share : VND 10,000/share
9. Estimated number of shares issued : 8,000,000 shares (*Eight million shares*)  
Equivalent to 0.9% of total outstanding shares.
10. Expected issuance time : After the AGM approves and GELEX receives a written approval from the State Securities Commission according to regulations. The issuance is expected to be in the second or third quarter of 2024. The BOD is assigned to decide on the specific implementation time in accordance with the actual situation and the



- approval from the competent state agency.
11. Issuance price : VND 10,000/share
12. Total expected issuance value according to issuance price (total expected proceeds from the issuance) : VND 80,000,000,000 (*Eighty billion dong*)
13. Total number of shares expected to be circulated after issuance : 859,495,793 shares
14. Expected registered capital after issuance : VND 8,594,957,930,000 (*Eight thousand five hundred ninety-four billion nine hundred fifty-seven million nine hundred thirty thousand dong*)
15. Subjects of the issuance : BOD Members, members of the Supervisory Board, employees, and people working for GELEX and some of its (direct/indirect) subsidiaries according to the List approved by the BOD (hereinafter collectively referred to as “**Employees**”).
- The AGM authorizes the BOD to decide and promulgate Regulations, criteria, list of selected Employees, and principles for determining the number of shares distributed to each subject.
16. Plan for using proceeds from the issuance : The proceeds from issuance of ESOP shares will be used to supplement GELEX’s business capital.
17. Solution in case shares are not issued in full as expected : The AGM authorizes the BOD to decide on issue undistributed shares to other employees working at GELEX and/or some of its (direct/indirect) subsidiaries not included in the Employee List according to the BOD’s decision at the same price and with the same transfer restriction period.
18. Transfer restriction period : Shares issued to Employees under ESOP 2024 will be restricted from transfer for 3 (three) years (equivalent to 36 months) from the date of end of the issuance and will be gradually released according to the following roadmap and rates:
- 50% of the shares will be released after 30

- months from the end of this issuance; and
- 50% of the shares will be released after 36 months from the end of this issuance.

Rights, interests, and benefits arising from the purchased shares (if any) will not be subject to transfer restrictions.

### **III. Approving the securities registration and additional listing registration for ESOP shares**

Approving the additional securities registration and additional listing registration for all actual issued shares after the completion of the 2024 ESOP. The above shares will be additionally registered at the Vietnam Securities Depository and Clearing Corporation and additionally registered for listing at the Ho Chi Minh City Stock Exchange.

### **IV. Approving the increase in registered capital and amending the amount of registered capital, the number of outstanding shares and other related contents in GELEX's Charter according to the post-issuance actual capital**

Approving the increase in registered capital and amending the amount of registered capital, the number of outstanding shares, and other related contents in GELEX's Charter according to the results and size of new actual registered capital after the issuance.

### **V. Authorization to the BOD**

Based on the AGM's approval for the ESOP mentioned above, the AGM authorizes the BOD to decide and implement the ESOP 2024 specifically, ensuring compliance with current legal regulations and suitability for GELEX's resources, including but not limited to the following tasks:

1. Decide on details and issue the Regulations on issuance of ESOP shares to implement the ESOP 2024 (including amendments and supplements to the replaced sections);
2. Decide on details of the capital use plan according to the purpose approved by the AGM above;
3. Decide on the standards and the list of ESOP-eligible employees of GELEX and some of its (direct/indirect) subsidiaries as well as the principles for determining the number of shares distributed to each subject and handling undistributed shares;
4. Choose the appropriate time to issue shares to ensure that the issuance of ESOP shares comply with the law and regulations and is suitable for the actual situation and plans of GELEX;
5. Continue to issue undistributed shares to other employees working at GELEX and some of its (direct/indirect) subsidiaries not included the List of Employees selected by the BOD at the same price and with the same transfer restriction period; Decide on redemption plans and/or other disposal plans for shares of Employees participating in ESOP in case they resign/leave their jobs during the transfer restriction period of the shares;

6. Proactively prepare the application dossier for registration of ESOP share issuance and explain it to the State Securities Commission (“SSC”), supplement or modify the plan upon SSC’s request or for the purpose of complying with relevant legal regulations (where applicable);
7. Decide on a plan to ensure the share issuance meets the regulations on foreign ownership ratio in case of issuing shares to Employees who are foreign investors (where applicable);
8. Conduct necessary procedures for additional securities registration and additional listing registration for all actual issued shares after the completion of the 2024 ESOP according to regulations;
9. Determine and carry out procedures for changing the content of business registration (including procedures for registering an increase in registered capital after the end of the issuance) and sign necessary documents related to the increase in registered capital on the Business Registration Certificate at a competent state agency; amend the registered capital, number of outstanding shares, and other related content in GELEX’s Charter according to the results and size of actual new registered capital after the issuance as well as conduct other procedures/tasks related to such registered capital increase with competent State agencies and relevant units.
10. Decide on and implement all necessary tasks and procedures related to the issuance of ESOP shares.
11. The BOD may authorize the BOD Chairman or the General Director, as the case may be, to perform one or several specific tasks mentioned above.

**The Shareholders are respectfully requested to consider and approve this plan.**