

No.: 17/TTr-NST

Bac Ninh, April 24th, 2025

PROPOSAL

**Regarding the review of the plan for rearrangement and handling of
Company's house and land facilities up to the present**

To: General Meeting of Shareholders

Review the plan for rearranging and handling house and land facilities according to Decree No. 167/2017/ND-CP dated December 31, 2017 of the Government regulating the rearrangement and handling of public assets and Decree No. 67/2021/ND-CP dated July 15, 2021 of the Government amending and supplementing a number of articles of Decree No. 167/2017/ND-CP. Pursuant to the Company's Reports and Resolutions sent to the management agency and the response documents of the management agency and competent state agencies, including:

- Report No. 384/BC-NST dated August 12, 2022 from the Representatives of Vietnam National Tobacco Corporation's Capital at Ngan Son Joint Stock Company on reviewing the plan to rearrange and handle house and land facilities;

- Resolution No. 392/NQ-NST dated October 14, 2022 of the Board of Directors of Ngan Son Joint Stock Company approved the Report dated October 10, 2022 of the Review Team on assessing the current status of management and use of house and land facilities throughout the Company;

- Official dispatch No. 1695/UBQLV-CN dated October 26, 2022 of the Committee for Management of State Capital at Enterprises on inspection of house and land facilities of Vietnam National Tobacco Corporation in Lang Son province;

- Official dispatch No. 1832/UBQLV-CN dated November 14, 2022 of the Committee for Management of State Capital at Enterprises on inspection of house and land facilities of Vietnam National Tobacco Corporation in Bac Giang province;

- Official dispatch No. 1833/UBQLV-CN dated November 14, 2022 of the Committee for Management of State Capital at Enterprises on inspection of house and land facilities of Vietnam National Tobacco Corporation in Bac Kan province;

- Report No. 548/BC-NST dated November 23, 2022 of the Representatives of Vietnam National Tobacco Corporation's Capital at Ngan Son Joint Stock Company on reporting according to the direction of the Corporation in Document No. 644/TLVN-DT on reviewing and completing the dossier on rearranging and handling the Company's house and land facilities;

- Official dispatches No. 2155/UBQLV-CN and 2156/UBQLV-CN dated December 30, 2022 of the Committee for Management of State Capital at Enterprises sent to Lang Son province and Bac Kan province;

- Official dispatch No. 76/UBND-KT dated January 19, 2023 of the People's Committee of Lang Son province on giving opinions on the plan to rearrange and handle



the house and land facilities of Vietnam National Tobacco Corporation in Lang Son province;

- Official dispatch No. 407/UBND-TH dated January 19, 2023 of the People's Committee of Bac Kan province on giving opinions on the plan to rearrange and handle the house and land facilities of Vietnam National Tobacco Corporation in Bac Kan province;

- Resolution No. 516/NQ-NST dated September 6, 2023 of the Board of Directors of Ngan Son Joint Stock Company on approving the plan to rearrange and handle house and land facilities in the entire Company;

- Report No. 1221/BC-NST dated September 6, 2023 of the Board of Directors of Ngan Son Joint Stock Company on reviewing the plan to rearrange and handle house and land facilities;

- Decision No. 593/QD-UBQLV dated October 20, 2023 of the Committee for Management of State Capital at Enterprises on retaining and continuing to use 02 house and land facilities in Bac Kan province directly managed and used by Ngan Son Joint Stock Company, a member unit of Vietnam National Tobacco Corporation;

- Decision No. 606/QD-UBQLV dated October 24, 2023 of the Committee for Management of State Capital at Enterprises on retaining and continuing to use 05 house and land facilities and temporarily retaining and continuing to use 01 house and land facility in Lang Son province directly managed and used by Ngan Son Joint Stock Company, a member unit of Vietnam National Tobacco Corporation.

- Official dispatch No. 289/UBND-KTTH dated September 8, 2024 of the People's Committee of Bac Giang province on the plan to rearrange and handle house and land facilities at the request of the Committee for Management of State Capital at Enterprises;

- Official dispatch No. 2364/UBQLV-CN dated October 8, 2024 on the plan to rearrange and handle house and land facilities directly managed and used by Ngan Son Joint Stock Company, a member unit of Vietnam National Tobacco Corporation, in Bac Giang province;

- Official dispatch No. 594/TLVN-DT dated October 8, 2024 of Vietnam National Tobacco Corporation on the plan to rearrange and handle house and land facilities managed by Ngan Son Joint Stock Company in Bac Giang province;

The Board of Directors has agreed to submit for approval at the General Meeting of Shareholders on the plan to arrange and handle the house and land facilities managed by the Company as follows:

I. PROCESS OF IMPLEMENTING THE ARRANGEMENT OF THE COMPANY'S HOUSE AND LAND FACILITIES FROM 2022 TO PRESENT

In compliance with the directives outlined in Official Dispatches No. 1695, 1832, 1833/UBNLV-CN regarding the inspection of house and land facilities of Vietnam National Tobacco Corporation in Lang Son, Bac Giang, and Bac Kan provinces, Ngan Son Joint Stock Company has developed a plan for the rearrangement of house and land facilities under its management. This plan has been submitted to Vietnam National Tobacco Corporation and the Committee for Management of State Capital at Enterprises, while also coordinating with the working group to engage with local

authorities. The results of the implementation of the rearrangement and handling of house and land facilities from October 2022 to December 2024 are as follows:

1. The arrangement plan has been submitted to Vietnam National Tobacco Corporation and the Committee for Management of State Capital at Enterprises.

- Not subject to arrangement: 01 house and land facility with an area of 85.000 m².
- Temporarily retain for further use 01 house and land facility with an area of 1.304,8m².
- Retain for further use a total of 09 house and land facilities with a combined area of 11.135,3 m².
- Returned under the form of local authority repossession: A total of 06 house and land facilities with a combined area of 10.986,1 m².

(Details in Appendix 01 attached)

2. Results of the working process with local authorities from 2023-2024

- Not subject to arrangement: 01 house and land facility with an area of 85.000 m².
- Temporarily retain for further use 01 house and land facility with an area of 1.304,8m² approved by the Committee for Management of State Capital at Enterprises (Decision No. 606/QD-UBQLV dated October 24, 2023).

- Retain for further use:

+ 07/09 house and land facilities proposed to be retained as stated in Section 1, with a total area of 4.539,9m² (approved by the Committee for Management of State Capital at Enterprises in Decisions No. 593/QD-UBQLV dated October 20, 2023; Decision No. 606/QD-UBQLV dated October 24, 2020).

+ 02/09 house and land facilities proposed to be retained as stated in Section 1, including Tan Thinh commune, Lang Giang district and Bo Ha commune, Yen The district, Bac Giang province. The People's Committee of Bac Giang province responded in Official Dispatch No. 289/UBND-KTKH dated September 8, 2024, disagreeing with the plan to retain and continue using as proposed, specifically: "... Request the Committee for Management of State Capital at Enterprises to consider and develop a plan to rearrange and handle these house and land facilities in the form of "recall" so that the locality can use the land for socio-economic development purposes..."

- 06 house and land facilities for construction of land return plans in the form of recovery:

+ Completed the transfer of 01 house and land facility to local management, handling and receiving compensation and support worth 270.945.000 VND for the house and land in Na Duong town, Loc Binh district, Lang Son province (Decision No. 1602/QD-UBND dated October 5, 2023 of Lang Son Provincial People's Committee).

+ 05 house and land facilities, up to now, the arrangement plan has not been approved by Vietnam National Tobacco Corporation and the Committee for

Management of State Capital at Enterprises. In particular, the house and land facility in Bao Dai commune, Luc Nam district, Bac Giang province has been approved by the Provincial People's Committee according to Official Letter No. 289 /UBND-KTKH dated September 8, 2024.

(Details in Appendix 01 attached)

II. PROPOSAL TO AMEND THE PLAN FOR ARRANGEMENT OF HOUSE AND LAND FACILITIES

1. Basis for proposing a plan to rearrange the Company's house and land facilities

In order to have a basis to propose a plan to rearrange house and land facilities, the Company has re-evaluated all existing house and land facilities, including:

- For 03 house and land facilities including 01 facility not subject to arrangement; 01 facility temporarily held for use and 01 facility that has completed the transfer procedures to local management, handling and compensation, the proposal remains unchanged.

- For the 09 house and land facilities retained for use, after assessing the need for use, it is proposed to retain 06 facilities and put 03 facilities on the list of transferring house and land facilities to local authorities for management and handling.

- Thus, the list of proposed house and land facilities to be transferred to local management and handling includes 05 house and land facilities from the initial construction plan and 03 additional house and land facilities after re-evaluation. A total of 08 house and land facilities to be transferred to local management and handling.

*** Detailed evaluations of 08 house and land facilities are as follows:**

- Of the 08 house and land facilities proposed for transfer, there are 05 facilities in Lang Son province and 03 facilities in Bac Giang province. Particularly for the 03 facilities in Bac Giang province, the province has a document from the Provincial People's Committee proposing a form of recovery to develop local socio-economic purposes.

- Previously, all 08 house and land facilities were located in areas with raw material growing areas invested by the Company to perform the function of managing and developing the growing areas. However, currently, these areas no longer have raw material growing areas, so the Company has no need to use them.

- Using house and land facilities as gathering points when purchasing raw materials and adjusting packaging is not effective due to the short usage time (from 2-3 months/year); some house and land facilities are inconvenient (upstream) for transportation.

- Comparing the direct transfer to the Company's warehouse at Tien Son Industrial Park with the transportation of raw materials to transit points at one of the above-mentioned facilities, then continuing to transport to the Company's warehouse shows



that the cost of renting a warehouse at Tien Son Industrial Park is lower (*detailed comparison analysis table in attached Appendix 2*).

- With the facility at 84 My Son Street, Vinh Trai Ward, Lang Son City with an area of 1.434,4 m² as of October 2022, the Company has developed a plan to retain and continue using the facility because it is still assigned to Lang Son Branch for use as a place to trade in packaged cigarettes. However, Lang Son Branch is no longer trading in packaged cigarettes, and at the same time, in order to focus on the Company's main business in raw material growing areas, which is investing in planting and purchasing tobacco raw materials, the house and land facility at 84 My Son Street is currently no longer needed by the branch for business purposes.

- In case of changing the purpose of use (renting a house, warehouse, other business, etc.), the Company needs to invest all the construction investment costs and procedures for changing the purpose of use. However, the conditions for changing the purpose of use of house and land facilities are not easy and some facilities are located in residential planning areas; some facilities are located in areas with unfavorable locations and limited rental demand.

- At the same time, through reviewing the 08 above-mentioned house and land facilities, currently the cost for 01 year to maintain the operation and management of these house and land facilities is about 760 million VND. In addition, there are costs to maintain and ensure fire safety for the house and land facilities.

(*Detailed data in attached Appendix 03*).

- The total original value of 08 facilities is 9.906.442.890 VND, currently 07/08 facilities have fully depreciated; 01 facility in Bo Ha, Bac Giang province has a depreciated value of 446.517.866 VND (*Detailed data in attached Appendix 04*).

2. Proposal for the arrangement and handling of house and land facilities

During the working process with the Department of Natural Resources and Environment, the Department of Finance of Bac Giang and Lang Son provinces, the opinions of the departments all clearly stated: Ngan Son Joint Stock Company is not within the scope of regulation, the applicable subject must carry out the rearrangement and handling of public assets such as house and land facilities. Pursuant to Decree No. 03/2025/ND-CP of the Government on the rearrangement and handling of public assets such as house and land facilities, effective from January 1, 2025, replacing Decree No. 167/2017/ND-CP and Decree No. 67/2021/ND-CP, which expired from January 1, 2025. Therefore, for house and land facilities that the Company no longer needs to use or are located in local planning areas for socio-economic development purposes, the Company will review, evaluate and transfer the land back to the locality according to the provisions of the current Land Law.

Pursuant to the above proposals, in order to focus on using the Company's resources effectively; avoid risks related to the State's policies on land management as well as to comply with local requirements on land use needs for socio-economic



development purposes, the Company proposes the following plan to rearrange and handle house and land facilities:

a) Not subject to arrangement of 01 house and land facility with an area of 85.000^{m2}.

b) Remove from the list of plans for rearranging and handling house and land facilities the house and land facility in Na Duong town, Loc Binh district, Lang Son province with an area of 274,6 ^{m2} because the Company has transferred the house and land facility to local management.

c) Temporarily retain for further use 01 house and land facility with an area of 1.304,8^{m2}.

d) Retain for further use a total of 06 house and land facilities with a total area of 3.554,9^{m2}.

e) Transferring house and land facilities to local management and handling of 08 house and land facilities with a total area of 18.741,3 ^{m2}; of which: 05 facilities in Lang Son province will voluntarily return due to no need to use; 03 facilities in Bac Giang province will implement the local recovery method and receive compensation support.

(Details in attached Appendix 05).

* **Note:** For 05 facilities in Lang Son province, the house and land facilities will be transferred to the local authorities for management and handling. In case the Provincial People's Committee requests the return of the premises, the Company will have to bear these costs (if any).

III. PROPOSAL

1. The General Meeting of Shareholder approved the plan to arrange and handle house and land facilities of the entire Company.

2. Assign the Board of Directors to implement the plan to arrange and handle house and land facilities of the entire Company, and report the implementation results at the nearest General Meeting of Shareholders.

Respectfully submit to the General Meeting of Shareholders for consideration and approval./.

Recipient:

- As above;
- Archived: Administrative, BOD Secretary.

**O/B. THE BOARD OF DIRECTORS
CHAIRMAN**



Hoang Anh Tuan