

No: 394/TTr-HĐQT

Hai Duong, March 31, 2025

PROPOSAL

**On the plan to issue additional shares
to existing shareholders to increase charter capital**

To: 2025 Annual General Meeting of Shareholders
Song Da Cao Cuong Joint Stock Company

*Pursuant to the Law on Enterprises No. 59/2020/QH14 passed on June 17, 2020;
Pursuant to the Law on Securities No. 54/2019/QH14 passed on November 26,
2019;*

*Pursuant to the Law No. 56/2024/QH15 passed on November 29, 2024 on the
Law amending and supplementing a number of articles of the Law on Securities, the
Law on Accounting, the Law on Independent Auditing, the Law on State Budget, the
Law on Management and Use of Public Assets, the Law on Tax Administration, the
Law on Personal Income Tax, the Law on National Reserves, the Law on Handling of
Administrative Violations;*

*Pursuant to Decree 155/2020/ND-CP dated December 31, 2020 of the
Government detailing the implementation of a number of articles of the Law on
Securities.*

*Pursuant to Circular 118/2020/TT-BTC dated December 31, 2020 of the Ministry
of Finance guiding a number of contents on offering, issuing securities, public
offering, repurchasing shares, registering public companies and canceling public
company status;*

*Pursuant to the Charter of organization and operation of Song Da Cao Cuong
Joint Stock Company;*

Pursuant to the actual situation.

The Board of Directors (BOD) of Song Da Cao Cuong Joint Stock Company (SCL) respectfully submits to the 2025 Annual General Meeting of Shareholders for approval of the plan to issue an additional 8,000,000 shares to existing shareholders to increase charter capital (the detailed plan is attached to this Proposal).

Respectfully submits to the General Meeting of Shareholders for consideration and approval

Sincerely thank you./.

Recipients:

- Shareholders;
- Office archive./.

**ON BEHALF OF THE BOD
CHAIRMAN**



Kieu Van Mat

SONG DA CAO CUONG JOINT STOCK COMPANY

**PLAN TO ISSUING ADDITIONAL
SHARES TO EXISTING SHAREHOLDERS**

(Attached to Proposal No. 394/TTr-HDQT dated March 31, 2025)

Hai Duong, March 2025

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I. BASIC INFORMATION ABOUT THE ISSUING ORGANIZATION

Name of the issuing organization : **SONG DA CAO CUONG JOINT STOCK COMPANY**

Stock code : SCL

Stock Exchange : UPCOM

English name : SONG DA CAO CUONG JOINT STOCK COMPANY

Abbreviated Name : SONGDA CAOCUONG., JSC

Head office : Km 28 + 100m, National Highway 18, Pha Lai Ward, Chi Linh City, Hai Duong Province, Vietnam

Tel. : (0220) 358 0414

Website : www.songdacaocuong.vn

Charter capital (as of December 31, 2024) : **VND 186,608,950,000**

II. LEGAL BASIS FOR ISSUANCE

Pursuant to:

- Law on Enterprise No. 59/2020/QH14 passed on June 17, 2020 and documents guiding the implementation of the Enterprise Law;
- Law on Securities No. 54/2019/QH14 passed on November 26, 2019 and documents guiding the implementation of the Securities Law;
- Law No. 56/2024/QH15 passed on November 29, 2024 on the Law amending and supplementing a number of articles of the Law on Securities, the Law on Accounting, the Law on Independent Auditing, the Law on State Budget, the Law on Management and Use of Public Assets, the Law on Tax Administration, the Law on Personal Income Tax, the Law on National Reserves, and the Law on Handling of Administrative Violations;
- Decree No. 155/2020/ND-CP dated December 31, 2020 of the Government detailing the implementation of a number of articles of the Law on Securities;
- Circular No. 118/2020/TT-BTC dated December 31, 2020 of the Ministry of Finance guiding a number of contents on offering, issuing securities, public

offering, repurchasing shares, registering public companies and canceling public company status;

- Charter of Song Da Cao Cuong Joint Stock Company;
- The Company's actual capital needs.

III. PURPOSE OF THE ISSUANCE

The Company increased its charter capital to restructure its finances and increase its expand its operational capital scale.

IV. PLAN FOR ISSUING SHARES

Stock name	: Shares of Song Da Cao Cuong Joint Stock Company
Stock type	: Common shares
Share price	: VND 10,000/share
Total Outstanding Shares as of December 31, 2024	: 18,660,895 shares
Treasury stock	: 0 shares.
Number of Shares to be Issued	: Up to 8,000,000 shares
Total Issuance Value at Par	: Up to VND 80,000,000,000
Principles for determining offering price	: To ensure the success of the offering and the sale of all planned shares, the General Meeting of Shareholders authorizes the Board of Directors to establish principles for determining the offering price in accordance with legal regulations and the Company's actual capital needs.
Offering Price	: Authorize the Board of Directors to decide the offering price but it shall not be lower than VND 12,500 per share.
Rights Exercise Ratio	The specific ratio will be calculated based on the number of outstanding shares at the time of issuance. The General Meeting of Shareholders authorizes the Board of Directors to calculate the rights exercise ratio for existing shareholders in line

with the maximum planned issuance of 8,000,000 shares and to ensure fairness for all shareholders.

In case the actual number of issued shares is less than 8,000,000 due to a non-integer rights exercise ratio, fractional shares will be canceled by the Board of Directors or offered to other investors in accordance with legal regulations.

Offering method	: Public offering of additional shares to existing shareholders.
Target Investors	: Existing shareholders of SCL whose names are on the Existing shareholders of SCL listed in the shareholder registry as of the record date for exercising the right to purchase offered shares.
Foreign ownership ratio	: The General Meeting of Shareholders authorizes the Board of Directors to approve a plan ensuring compliance with regulations on foreign ownership ratios..
Rounding plan and plan for handling odd shares, shares that investors do not register to buy or do not pay for (remaining shares that are not sold out)	<p>: The number of additional shares issued to existing shareholders is rounded down to the nearest whole unit.</p> <p>The number of redistributed shares, including odd shares arising from rounding down (if any) and the number of shares not fully offered for sale due to investors not registering to buy or not paying for the purchase (if any), will be authorized by the General Meeting of Shareholders to the Board of Directors to distribute to other subjects with the conditions of offering, conditions on rights and obligations of investors not more favorable than the conditions of offering to existing shareholders (including the offering price not lower than the selling price to existing shareholders), the specific price will be decided by the Board of Directors. The selection of the subjects to be purchased must comply with the provisions of Article 42 of Decree No. 155/2020/ND-CP dated December 31, 2020.</p> <p>The following subjects are entitled to purchase redistributed shares: (The list attached to this plan)</p>

does not have to carry out the public offering procedure in case the purchase of redistributed shares causes the SCL share ownership ratio to reach the ownership ratio thresholds as prescribed in Article 35 of the 2019 Law on Securities. The subjects named in the attached list are entitled to purchase 10% or more of SCL's charter capital according to the provisions of Clause 3, Article 42, Decree No. 155/2020/ND-CP dated December 31, 2020.

The fact that a subject is listed in the attached list does not mean that subject has the right to purchase shares subject to continued redistribution in all cases. The General Meeting of Shareholders authorizes the Board of Directors, based on the actual situation, to choose to continue offering shares to one or more subjects on the approved list or other subjects outside the list (if appropriate to the actual situation) and report to the General Meeting of Shareholders at the nearest meeting. The selection of subjects to purchase must comply with the provisions of Article 42 of Decree No. 155/2020/ND-CP dated December 31, 2020.

In case of closing the offering, the remaining undistributed shares will be cancelled. The company will increase its charter capital according to the actual number of shares issued.

Transfer restrictions

: New shares issued to existing shareholders are not subject to transfer restrictions.

Number of odd shares, shares not offered for sale because investors did not register to buy or pay for the purchase. The shares distributed are subject to transfer restrictions for a minimum period of 01 year from the end date of the offering .

Successful offering rate and handling, compensation plan in case of not collecting enough capital according to the issuance plan

: Successful offering rate: Not specified.

In case the offering period ends as prescribed but the number of shares offered is not fully sold, the General Meeting of Shareholders authorizes the Board of Directors to consider and adjust the capital

use plan to ensure the principle of not affecting capital sources as well as production and business activities and in accordance with the actual situation, ensuring to meet the conditions specified in Clause 2 - Article 15 of Law on Securities No. 54/2019/QH14.

Transfer of purchase rights	: Shareholders who own the right to purchase shares can transfer their right to purchase shares to others at a mutually agreed price, with the rights transferable only once. The transferee may not further transfer the rights. The transferor and transferee shall agree on the transfer price, handle payment, and fulfill related obligations under applicable regulations. The transfer period will be determined by the Board of Directors.
Implementation Timeline	: Expected in 2025. The General Meeting of Shareholders authorizes the Board of Directors to decide the specific timeline based on approval from competent state authorities and suitable market conditions, with progress reported at the nearest General Meeting of Shareholders.

V. PLAN FOR USING THE CAPITAL

The expected proceeds from the public offering of 8,000,000 shares to existing shareholders will be used to settle the Company's loans and financial lease obligations. The General Meeting of Shareholders authorizes the Board of Directors to develop a detailed plan for utilizing the proceeds.

If the capital utilization plan becomes unsuitable due to actual circumstances, the Board of Directors may adjust the plan to ensure efficiency and compliance with legal regulations, while reporting changes to the State Securities Commission, disclosing them on the Company's website, and reporting to the General Meeting of Shareholders at the nearest meeting.

If the Company does not raise the full planned capital due to an incomplete offering, the General Meeting of Shareholders authorizes the Board of Directors to use other legitimate funds or capital sources in compliance with the law and the Company's Charter to settle loans and financial lease obligations.

VI. REGISTRATION FOR DEPOSITORY AND ADDITIONAL TRADING OF ALL ADDITIONAL ISSUED SHARES

All additional issued shares will be registered for depository with the Vietnam Securities Depository and Clearing Corporation (VSDC) and for additional trading with the Hanoi Stock Exchange (HNX) in accordance with legal regulations.

VII. AMENDMENT OF THE CHARTER AND CHANGES TO BUSINESS REGISTRATION

The General Meeting of Shareholders authorizes the Board of Directors to carry out tasks rThe General Meeting of Shareholders authorizes the Board of Directors to handle matters related to amending the charter capital in the Company's Charter based on the results of the share issuance and to complete procedures for amending business registration in compliance with legal regulations.

VIII. AUTHORIZATION

The General Meeting of Shareholders authorizes and assigns the Board of Directors to decide on and implement the specific issuance plan, ensuring alignment with the Company's practical needs, legal regulations, and guidance from competent authorities, while balancing shareholders' interests. This includes, but is not limited to:

1. Determining the specific timing and sequence of issuances in 2025;
2. Completing necessary procedures for registering the issuance with the State Securities Commission (SSC) and amending or supplementing registration documents as required;
3. Implementing the detailed issuance plan, establishing principles for determining the offering price, and setting the offering price;
4. Developing and adjusting the detailed capital utilization plan as necessary, in compliance with legal regulations and the Company's actual circumstances, while disclosing and reporting changes to the SSC and the General Meeting of Shareholders;
5. Amending or supplementing the issuance plan to comply with SSC requirements or relevant legal regulations;
6. Selecting an appropriate time to implement the issuance plan after receiving SSC approval;
7. Handling fractional shares, unsubscribed shares, transfer rights regulations, and any transfer restrictions;
8. Deciding on the distribution of shares to ensure compliance with foreign ownership ratio regulations;

9. Completing related procedures and reporting issuance results to the SSC;
10. Amending provisions related to charter capital, shares, and stocks in the Company's Charter after completing the issuance;
11. Handling all necessary matters to complete procedures for registering changes to charter capital and amending the Business Registration Certificate after SSC acknowledgment of the issuance results;
12. Completing procedures for registering depository and additional trading of all additional issued shares with VSDC and HNX.



**LIST OF ENTITIES ELIGIBLE TO PURCHASE REDISTRIBUTED SHARES
WITHOUT PUBLIC TENDER OFFER AND ALLOWED TO ACQUIRE 10% OR
MORE OF CHARTER CAPITAL UNDER CLAUSE 3, ARTICLE 42 OF THE
LAW ON SECURITIES**

STT	Full name	ID card/CCCD/Business registration
1	Kieu Van Mat	030069008716
2	Nguyen Hong Quyen	038050004296
3	Nguyen Anh Dung	030075006847
4	Nguyen Anh Hong	038078034811
5	Kieu Quang Vong	030056000171
6	Cao Cuong Industrial - Service Joint Stock Company	0800263713