

No: 04/TTr-ILS

Hanoi, April 28, 2025

**PROPOSAL**

**For approval of the plan for share issuance to increase charter capital**

To: The General Meeting of Shareholders of International Investment Trade and Service Joint Stock Company

*Pursuant to Enterprise Law No. 59/2020/QH14 passed by the National Assembly of the Socialist Republic of Vietnam at its 9th session on June 17, 2020, and effective from January 1, 2021;*

*Pursuant to the Charter (3rd amendment) of International Investment Trade and Service Joint Stock Company;*

*Pursuant to Resolution No. 02/NQ-HĐQT dated January 20, 2025, of the Board of Directors of International Investment Trade and Service Joint Stock Company on the plan to organize the 2025 Annual General Meeting of Shareholders;*

*Pursuant to Resolution No. 08/NQ-HĐQT dated April 28, 2025, of the Board of Directors of International Investment Trade and Service Joint Stock Company regarding the approval of the agenda and contents of reports, submissions, and other documents for the 2025 Annual General Meeting of Shareholders.*

In order to secure capital for the Company's production and business activities, the Board of Directors respectfully submits this proposal for the General Meeting of Shareholders approve the plan to increase the Company's charter capital from VND 360 billion to VND 500 billion, with an increase of VND 140 billion in charter capital.

The capital increase plan and the use of the additional capital (as detailed in the Appendix attached to this Submission).

Respectfully request the General Meeting of Shareholders to consider and approve.

Best regards!

**Recipients:**

- As Addressed;
- Supervisory Board;
- Save: Office, BOD Secretary..

**ON BEHALF OF THE BOARD OF DIRECTORS**

**CHAIRMAN**



**Phung Tien Toan**

**PLAN FOR SHARE ISSUANCE TO INCREASE CHARTER CAPITAL AND  
PLAN FOR UTILIZING THE INCREASED CAPITAL**

*(Attached to Submission No. 04/TTr-HĐQT dated April 28, 2025)*

**TABLE OF CONTENTS**

A. COMPANY INFORMATION .....	2
1. Company Overview:.....	2
2. Business Performance and Key Financial Indicators for the period 2022 – 2024.....	2
<i>Unit: million VND</i> .....	2
3. Current Capital Utilization Status of the Enterprise as of December 31, 2024 .....	2
B. CAPITAL MOBILIZATION PLANS .....	3
Capital Mobilization Options - Option Selection: .....	3
1. Capital Needs:.....	3
2. Capital Mobilization Options - Advantages and Disadvantages of each option: .....	4
1- Comparative Analysis and Assessment: .....	6
2- Selected Option: .....	6
C. PLAN FOR SHARE ISSUANCE TO INCREASE CHARTER CAPITAL 2025 .....	6
1. Basis for proposing the charter capital increase plan .....	6
2. Charter capital increase plan.....	6
2.1 Level of charter capital increase .....	6
2.2 Plan to increase the Company's charter capital from VND 360 billion to VND 500 billion:.....	6
2.3 Dilution level of shares after issuance:.....	7
3. Plan for utilizing the increased charter capital: .....	8
3.1 Capital increase from the issuance: .....	8
The additional capital from the share issuance is expected to be: VND 140 billion.....	8
3.2 Proposed plan for utilizing the increased capital:.....	8
4. Performance Evaluation.....	9
4.1 Social Impact: .....	9
4.2 Economic Efficiency: .....	10
5. Responsibilities of the Board of Directors:.....	10



**PLAN FOR SHARE ISSUANCE TO INCREASE CHARTER CAPITAL AND  
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*(Attached to Proposal No. 04/TTr-HĐQT dated April 28, 2025)*

**A. COMPANY INFORMATION**

**1. Company Overview:**

- Company Name: **INTERNATIONAL INVESTMENT TRADE AND SERVICE JOINT STOCK COMPANY**
- Enterprise Registration Certificate No. 0100110052 first issued by the Department of Planning and Investment of Hanoi City on February 20, 2006, 15th amendment on December 01, 2021.
- Head Office: No. 17 Pham Hung Street, My Dinh 2 Ward, Nam Tu Liem District, Hanoi City, Vietnam.
- Charter Capital: VND 360,000,000,000 (Three hundred sixty billion Vietnamese Dong only).
- Legal Representatives:
  - Mr. Phung Tien Toan - Position: Chairman of the Board of Directors
  - Mr. Vu Hoang Thao - Position: General Director.
- Main Business Area: The Company operates in trade, services, and construction. Key business lines include:
  - + Other auxiliary services related to transportation;
  - + Other remaining business support service activities not yet classified elsewhere;
  - + Real estate business, land use rights owned, used, or leased;
  - + Operation of centers, consulting agencies, introduction, and labor brokerage services.

**2. Business Performance and Key Financial Indicators for the period 2022 – 2024**

*Unit: million VND*

No	INDICATOR	YEAR 2022	YEAR 2023	YEAR 2024
1	Total year-end assets	620,078	583,010	655,578
2	Charter capital	360,000	360,000	360,000
3	Total Revenue	164,589	164,918	171,807
4	Total Expenses	183,551	162,673	158,753
5	Profit before tax	(18,962)	2,245	13,054
6	Profit after tax	(18,962)	2,245	13,054

*(Source: Company's separate audited financial statements for 2022, 2023, 2024)*

**3. Current Capital Utilization Status of the Enterprise as of December 31, 2024**

*Unit: million VND*

<b>I</b>	<b>Total Capital Sources</b>	<b>655,578</b>
1	Owner's Equity	297,946
	- Of which: owner's contributed capital	360,000
2	Liabilities	357,632
	Short-term liabilities	209,211
	Long-term liabilities	148,421
<b>II</b>	<b>Total Assets</b>	<b>655,578</b>
1	Short-term assets	92,539
2	Long-term assets	563,039
	<i>Of which:</i>	
	- Other long-term receivables	28,007
	- Fixed assets	15,176
	- Work in progress for basic construction	266,677
	- Long-term financial investments	250,300
	- Long-term prepaid expenses	2,879

Currently, the Company is using short-term borrowed capital to implement projects and other long-term investment activities. According to the audited financial statements as of December 31, 2024: short-term payables exceeded short-term assets by VND 116,673 million. The Company's ability to continue operations depends on shareholder support, extended payment terms for loans from credit institutions, individuals, and suppliers, and the operation of the ICD My Dinh project in Duc Thuong Commune, Hoai Duc District, Hanoi.

## **B. CAPITAL MOBILIZATION PLANS**

To increase capital to meet the Company's production, business development, and investment needs, there can be various forms of capital mobilization: Issuing shares to increase charter capital, borrowing from banks/investment funds, issuing bonds, other capital mobilization, etc...

### **Capital Mobilization Options - Option Selection:**

#### **1. Capital Needs:**

- The Company currently needs to supplement capital to implement investment projects and working capital for business activities. Specifically:

- Supplement medium and long-term capital to serve the capital needs for key projects: Investment project to build ICD My Dinh in Duc Thuong Commune, Hoai Duc District, Hanoi City. Other projects are in line with the Company's operational and management capacity.
- Supplement capital to invest in other profitable businesses where the Company is currently investing: ASG, ALS, ILSI (as these companies are increasing charter capital for existing shareholders)



- Expand the Company's import-export business activities and businesses operating at the ICD, in line with development needs when the ICD My Dinh in Duc Thuong Commune, Hoai Duc District, Hanoi City, comes into operation.

- The Company's need to increase charter capital/mobilize capital is extremely urgent and necessary to enhance its financial capacity, operational capacity, and competitiveness in the primary field of Logistics, while meeting the capital requirements stipulated by law when implementing projects and providing counterpart funds when working with financial institutions.

## 2. Capital Mobilization Options - Advantages and Disadvantages of each option:

- The Company proposes to use various capital mobilization channels, with the aim of ensuring a balanced capital source for business operations and the implementation of the ICD My Dinh project in Duc Thuong, specifically as follows:

CAPITAL MOBILIZATION OPTION	ADVANTAGES	DISADVANTAGES
1. Increase in Charter Capital	<ul style="list-style-type: none"> <li>- The Company has good financial capacity, reducing financial pressure during the investment phase</li> <li>- Can offer shares to existing shareholders with good financial capacity</li> <li>- Enhances reputation and builds trust: Leveraging knowledge, experience, and relationships of new participating shareholders.</li> </ul>	<ul style="list-style-type: none"> <li>- May limit the offering of shares to investors when the Company's profit rate/dividend payout is not yet high ...</li> </ul>
2. Bank Loans	<ul style="list-style-type: none"> <li>- High reliability: Banks participate and appraise business plans with the Enterprise by providing safe and secure financial services</li> <li>- Large borrowing capacity: able to meet large, stable borrowing needs compared to many other borrowing sources.</li> <li>- Capital utilization: according to customer's progress and capital needs.</li> <li>- Lending interest rates: Competitive compared to other capital mobilization channels</li> </ul>	<ul style="list-style-type: none"> <li>- Financial risk: High debt ratio can affect the Enterprise's repayment ability in case of market fluctuations (interest rate adjustments, delayed debt payments...), investment project revenue not coming in as planned.</li> <li>- Currently, the Company does not meet the conditions for project loans from banks (land clearance not completed, project implementation progress according to Investment Certificate until end of</li> </ul>

	from non-financial institutions, other individual loans... ..	Q4/2024, extension of implementation time underway...);
3. Corporate Bond Issuance	<ul style="list-style-type: none"> <li>- Flexible conditions: Design conditions suitable to needs such as: payment term, interest payment method, bond conversion rights...</li> <li>- Capital source: alternative capital mobilization channel in case of limited credit from banks.</li> </ul>	<ul style="list-style-type: none"> <li>- Borrowing interest rate: may be higher than bank loans due to associated consulting and underwriting fees...</li> <li>- Capital utilization: Not as flexible as bank loans</li> <li>- Bond issuance conditions: not meeting issuance conditions due to accumulated losses for the two most recent years, financial statements with material audit exceptions.</li> </ul>
4. Funding from Investment Funds	<ul style="list-style-type: none"> <li>- Rapid growth: Investment funds often invest in companies with high growth potential.</li> <li>- Connection and support: In addition to capital, these funds often provide strategic consulting and network relationships.</li> <li>- Interest rates: better than other capital mobilization sources.</li> </ul>	<ul style="list-style-type: none"> <li>- Control rights: Venture capitalists often demand ownership and decision-making rights in the enterprise.</li> <li>- Exit pressure: Investment funds often require businesses to achieve rapid growth milestones to divest.</li> <li>- Applicable conditions: requires bank payment guarantee (does not meet condition in item 2 - Bank Loans).</li> </ul>
5. Capital Mobilization from Commercial Partners, Investment Cooperation	<ul style="list-style-type: none"> <li>- Access to a wide community: Mobilizing capital from the community helps businesses connect with many supporters and potential customers.</li> <li>- Market testing: A good way to test market interest in new products or services.</li> </ul>	Timing for capital mobilization from commercial partners: after the Company has products suitable to partner requirements (after planning adjustments and changes in total investment).
6. Use of Retained Earnings	No obligation to repay debt or share control: The Enterprise can freely use profits without external obligations.	- The Company currently has large accumulated losses (~ VND 62 billion), requiring time to accumulate sufficient profits for investment.



	- No cost: No interest or dividends to be paid for this capital source.	
7. Mobilization from other loan sources (individuals, relatives...)	- Flexible and less complex borrowing conditions compared to other mobilization channels.	The amount of capital mobilized is usually not large, and the borrowing period is short... Not suitable for medium and long-term investment plans.

## 1- Comparative Analysis and Assessment:

Currently, many banking partners, investment funds, partners, etc., are interested in cooperating, financing, issuing credit guarantees, etc., to implement the ICD My Dinh project in Duc Thuong and finance other business activities of the Company. The legal procedures for the project are still being completed, so the Company has not yet met and utilized capital mobilization channels from banks, bond issuance, investment funds, etc.

...

## 2- Selected Option:

Based on the assessment of the advantages and disadvantages of the capital mobilization options. To ensure the project promptly completes legal procedures, meets capital mobilization conditions for project implementation, balances current business capital, and serves the plan to change the planning and adjust the total investment of the project. The Company proposes to implement the plan to increase charter capital. Other capital mobilization channels will have a better basis and continue to be implemented smoothly after the charter capital increase is completed.

## C. PLAN FOR SHARE ISSUANCE TO INCREASE CHARTER CAPITAL 2025

### 1. Basis for proposing the charter capital increase plan

- When developing the equitization plan, the Company had a plan to increase charter capital in 2017 and it was approved by the first General Meeting of Shareholders but has not been implemented yet.

- Analysis of the Company's current circumstances and conditions in the current period, comparing and evaluating the capital mobilization options mentioned above.

### 2. Charter capital increase plan

#### 2.1 Level of charter capital increase

- Current charter capital: VND 360,000,000,000 (In words: Three hundred sixty billion Vietnamese Dong);

- Expected additional charter capital: VND 140,000,000,000 (In words: One hundred forty billion Vietnamese Dong);

- Expected charter capital after completing the increase: VND 500,000,000,000 (In words: Five hundred billion Vietnamese Dong).

#### 2.2 Plan to increase the Company's charter capital from VND 360 billion to VND 500 billion:

Detailed contents of the share issuance plan to increase charter capital are as follows::



Name of shares issued	Shares of International Investment Trade and Service Joint Stock Company.
Type of shares	Common shares
Par value	VND 10,000/share
Expected quantity of shares to be issued	14,000,000 shares (Fourteen million shares)
Total value of shares to be issued at par value	VND 140,000,000,000 (One hundred forty billion Vietnamese Dong only)
Issuance ratio to existing shareholders	<p>- Issuance ratio to existing shareholders: 2.57:1 (Each shareholder owning 2.57 shares at the record date for shareholders will be entitled to purchase 01 additional issued share).</p> <p>- To avoid odd shares and to ensure that the number of issued shares is not exceeded, the number of additional shares that existing shareholders are entitled to purchase will be rounded down to the nearest unit.</p>
Issue price	Issue price: authorized to the Board of Directors to decide but not lower than VND 10,000/share.
Expected issuance time	The General Meeting of Shareholders authorizes the Board of Directors to consider and decide (to be implemented before December 31, 2025).
Plan for handling unsubscribed shares and odd shares due to rounding	The quantity of issued shares that shareholders do not subscribe for or do not fully subscribe for, and odd shares due to rounding, the General Meeting of Shareholders authorizes the Board of Directors to handle these shares to ensure the successful capital increase issuance, bringing the highest benefit to shareholders, and investors purchasing the aforementioned shares shall not enjoy more favorable terms and conditions than existing shareholders.
Principle of transferability of purchase rights	Allowed
Transfer restriction	No restriction

### 2.3 Dilution level of shares after issuance:

The additional issuance of shares may cause dilution risks for the Company's shares, including: (i) dilution risk of earnings per share (EPS) after the offering, (ii) dilution risk of book value, and (iii) dilution risk of holding ratio and voting rights.

#### (i) EPS dilution risk:

After the public offering, the Earnings Per Share (EPS) will change due to the increase in the total number of outstanding shares compared to before the public offering.



EPS calculation formula:

$$\text{EPS} = \frac{\text{Profit (Loss) allocated to common shareholders}}{\text{Average number of outstanding shares during the period}}$$

(ii) Dilution risk of book value per share:

Due to share dilution, the share price may change according to the following formula:

$$\text{Book value per share} = \frac{\text{Owner's equity according to accounting books}}{\text{Total number of outstanding shares (at the same time)}}$$

The Company's book value per share calculated based on the book value as of December 31, 2023, is VND 7,942/share.

At the time of successful completion of the share issuance, if the growth rate of owner's equity is lower than the growth rate of the number of shares after the offering, the book value per share will decrease and vice versa.

### 3. Plan for utilizing the increased charter capital:

#### 3.1 Capital increase from the issuance:

No	Issuance Subject	Quantity of Shares Issued (Mil. shares)	Issue Price (VND/share)	Value Obtained (Mil. VND)
1	Offer to existing shareholders	14	10,000	140,000
	<b>Total</b>	<b>14</b>		<b>140,000</b>

The additional capital from the share issuance is expected to be: VND 140 billion.

#### 3.2 Proposed plan for utilizing the increased capital:

The total capital obtained from the offering is expected to be used to serve production and business activities and project investment, specifically as follows:

No	Item	Plan Year (Million VND)
	<b>TOTAL</b>	<b>275,704</b>
<b>I</b>	<b>EXTERNAL INVESTMENT/CAPITAL CONTRIBUTION</b>	<b>108,307</b>
1	Capital contribution (increase) to Khang Viet Ha Joint Stock Company	1,960
2	Capital contribution (increase) to ILSI Company	24,347
3	Capital contribution for Lien Mac Port Project	80,000
4	Capital contribution to establish a new enterprise	2,000
<b>II</b>	<b>PROJECT INVESTMENT</b>	<b>159,666</b>



1	ICD My Dinh Project in Duc Thuong, Hoai Duc, Hanoi (Detailed table attached)	159,666
<b>III</b>	<b>MAJOR REPAIR</b>	<b>3,645</b>
1	<b>ICD My Dinh ICD at 17 Pham Hung</b>	
1.1	Repair and renovation of fire protection system at ICD My Dinh, 17 Pham Hung	998
1	Upgrade and renovation of cafeteria	170
2	<b>Son Dong Enterprise</b>	
2.1	Repair and renovation of fire protection system at Son Dong Enterprise	1,769
2.2	Repair and renovation of some warehouses (as per actual needs)	708
<b>IV</b>	<b>NEW ASSET INVESTMENT</b>	<b>1,086</b>
1	Tools and Equipment	142
2	IT Procurement	264
3	IT Investment (new)	630
4	Provision for CCDC purchase (Management Board)	50
<b>V</b>	<b>INVESTMENT PROVISION</b>	<b>3,000</b>

*\* Note: The amount of capital obtained from the Charter capital increase issuance is not sufficient for the needs of expanding production and business activities and investment. The Company will balance by mobilizing from other sources to ensure the highest economic efficiency in the coming years..*

In case the Company does not fully offer the registered shares or the offering period extends longer than expected, and the amount obtained from the issuance is not sufficient as planned to implement the projects, the General Meeting of Shareholders authorizes the Board of Directors to proactively implement solutions::

- i) Consider extending the offering period or
- ii) Flexibly use bank loans and other capital sources for investment..

#### **4. Performance Evaluation**

##### **4.1 Social Impact:**

- The early operation of the ICD My Dinh project in Duc Thuong will contribute to reducing traffic congestion, easing the burden of heavy-duty vehicles transporting goods in and out of the city center, and facilitating customs clearance procedures for transport vehicles.
- The goal is to develop the ICD My Dinh as a standard international port, in line with the general planning for the development of Hanoi capital until 2030, with a vision to 2050; and the master plan for the development of Vietnam's dry port system until 2020, with orientation to 2030.



- Expanding scale, increasing operational capacity, and creating more jobs for workers.

#### 4.2 Economic Efficiency:

- Reduced financial costs for business operations => increased business efficiency; ensuring a portion of capital for project investment.
- Upon completion of the ICD My Dinh project in Duc Thuong: Logistics service revenue at the ICD will increase, leading to sustainable economic efficiency.

Expected business results are as follows:

NO	INDICATOR	PLAN 2025	PLAN 2026	PLAN 2027	PLAN 2028	PLAN 2029
1	Total year-end assets	719,884	722,382	723,923	1,025,701	1,048,087
2	Charter capital	500,000	500,000	500,000	800,000	800,000
3	Total Revenue	172,298	210,815	263,934	286,721	350,585
4	Total Expenses	167,939	203,958	255,536	276,545	318,023
5	Profit before tax	4,359	6,857	8,397	10,176	32,563
6	Profit after tax	4,359	6,857	8,397	10,176	32,563

#### 5. Responsibilities of the Board of Directors:

The General Meeting of Shareholders authorizes the Board of Directors to have full power to decide on amending, supplementing, and/or approving/ratifying/adopting all amendments and supplements of the Board of Directors (if any) related to the amendment and supplementation of the plan for increasing charter capital and the plan for utilizing capital obtained from the offering, in line with the Company's actual operational needs, ensuring shareholders' rights and the Company's actual operational needs, in accordance with legal regulations and guidance from state management agencies; proceed to submit to state management agencies for consideration and approval, and implement in strict compliance with the General Meeting of Shareholders' Resolution and legal regulations, including but not limited to the following matters:

- Deciding on the specific time to implement the charter capital increase plan; deciding on the plan for utilizing capital obtained from the capital increase to ensure efficiency and suitability with the Company's business reality;
- Deciding on the handling or distribution of unsubscribed shares from the offering, determining criteria and a list of investors for distributing unsubscribed shares, and performing the handling and distribution of unsubscribed shares in accordance with legal regulations;
- Completing other contents related to the charter capital increase plan and the plan for utilizing capital obtained from the capital increase as required by state management agencies;
- Carrying out legal procedures to amend and supplement the Enterprise Registration Certificate, the Charter, and other legal documents related to the adjustment of the new increased charter capital from the offering and the Company's business lines.

In addition to the above authorizations, during the implementation of the issuance, the General Meeting of Shareholders authorizes the Board of Directors to supplement, amend, and complete the issuance plan as required by state management agencies and/or in accordance with actual circumstances, so that the Company's share issuance plan is legal, compliant, and ensures the rights of shareholders and the Company./.