**SCL: Report on the progress of using capital**

On November 24, 2023, Song Da Cao Cuong JSC announced Report on the progress of using capital (from September 15, 2022 to December 21, 2022) obtained from the issuance of 3,388,997 common shares according to the Extraordinary General Mandate 2021 No. 542/NQ-DHDCD dated December 19, 2021 as follows:

1. Share issuance plan

|  |  |
| --- | --- |
| 1. Name of offered shares | Song Da Cao Cuong JSC |
| 2. Share code: | SCL |
| 3. Share type: | Common shares |
| 4. Par value: | VND 10,000/share; |
| 5. Total number of shares issued: | 13,889,973 shares. |
| 6. Total number of shares registered for offering: | 3,388,997 shares. |
| In which: |  |
| - Shares to prepay dividends in 2021 from undistributed profits after tax: | 1,388,997 shares. |
| - Shares under the Employee Stock Ownership Plan (ESOP) | 500,000 shares. |
| - Shares for existing shareholders: | 1,500,000 shares. |
| 7. Total capital mobilization volume at par value: | 3,388,997 shares. |
| 8. Total issue value at par value: | VND 33,889,970,000 |

1. Issue shares to prepay dividends in 2021

|  |  |
| --- | --- |
| 1. Name of offered shares | Song Da Cao Cuong JSC |
| 2. Share code: | SCL |
| 3. Share type: | Common shares |
| 4. Par value: | VND 10,000/share; |
| 5. Total number of shares registered for offering: | 1,388,997 shares. |
| 6. Total capital mobilization volume at par value: | 1,388,997 shares. |
| 7. Total issue value at par value: | VND 13,889,970,000 |
| 8. Subject of the issuance: | Existing shareholders of SCL on the list at the record date for the list of shareholders for rights allocation. |
| 9. Rights exercise rate: | 100:10  (At the record date for the list of shareholders, shareholders owning 100 shares will receive 10 new shares). |
| 10. Capital mobilization purpose | Dividend prepayment in 2021. |
| 11. Plan for rounding and handling arising fractional shares: | The number of shares issued to pay dividends to existing shareholders is rounded down to the unit row according to the principle that if it is less than 1, it is rounded to 0. The number of fractional shares arising (if any) due to rounding down will be canceled. |
| 12. Time to end the offering: | Record the list of shareholders: on July 27, 2022 |

2. Issue shares under the Company's Employee Stock Ownership Plan ("ESOP")

|  |  |
| --- | --- |
| 1. Name of offered shares | Song Da Cao Cuong JSC |
| 2. Share code: | SCL |
| 3. Share type: | Common share |
| 4. Par value: | VND 10,000/share; |
| 5. Total number of shares registered for offering: | 500,000 shares. |
| 6. Total capital mobilization volume at par value: | 500,000 shares. |
| 7. Total issue value at par value: | VND 5,000,000,000 |
| 8. Subject of the issuance: | Employees working at the Company as of December 1, 2021 who have signed a labor contract with the Company that is still valid;  Members of the Board of Directors and the Supervisory Board do not have the rights to buy shares under this Plan |
| 9. Offering price: | VND 10,000/share; |
| 10. Issuance method: | Issue shares to the Company's employees under the Employee Stock Ownership Plan ("ESOP"). |
| 1. Capital mobilization purpose | Unite the employees with the Company |
| 1. Plan for rounding and handling fractional shares and shares rejected to buy: | The number of additional shares issued to existing shareholders is rounded down to the unit row.  For shares due to employees refusing to buy and fractional shares due to rounding: Authorize the Board of Directors to decide on an appropriate method and conditions with the issue price not lower than the issue price according to the ESOP Regulations.  In case the offering ends, the undistributed shares will be considered unissued shares. The Company's Board of Directors registers new capital according to the actual capital collected after distributions. |
| 13. Transfer of purchase rights: | Employees eligible to participate in the ESOP are not entitled to transfer their rights to buy ESOP shares.  Shares offered to employees under the Employee Stock Ownership Plan (ESOP) are restricted from transfer for 01 year from the completion date of the issuance |
| 14. Time to end the offering: | August 04, 2022 |

3. Issue shares to existing shareholders

|  |  |
| --- | --- |
| 1. Name of offered shares | Song Da Cao Cuong JSC |
| 2. Share code: | SCL |
| 3. Share type: | Common shares |
| 4. Par value: | VND 10,000/share; |
| 5. Total number of shares registered for offering: | 1,500,000 shares. |
| 6. Total capital mobilization volume at par value: | 1,500,000 shares. |
| 7. Total issued value based on par value: | VND 15,000,000,000 |
| 8. Subject of the issuance: | Existing shareholders of the Company named in the list of shareholders at the record date to allocate rights. |
| 9. Offering price: | VND 10,000/share; |
| 10. Issuance method: | Offer to existing shareholders of the Company |
| 11.Purpose of capital mobilization | Supplement working capital of the Company |
| 12. Plan for rounding and handling fractional shares and shares rejected to buy: | The number of shares issued to existing shareholders is rounded down to the unit row.  For shares due to shareholders refusing to buy and fractional shares due to rounding: Authorize the Board of Directors to decide on further distribution to other subjects in accordance with the provisions of Article 42, Decree 155/2020/ND-CP at a selling price not lower than the offering price to existing shareholders to ensure the issuance to increase capital is successful and brings the highest benefits to the Company and shareholders.  At the end of the offering, the undistributed shares will be considered unissued shares. The Company's Board of Directors registers new capital according to the actual capital collected after distributions. |
| 13. Transfer of share purchase rights: | Existing shareholders named on the list at the record date for the list of shareholders have the rights to transfer their rights to buy shares to others within the prescribed time. The rights to buy can only be transferred once, the transferee of the rights to buy cannot transfer it further to a third party. The Transferer and Transferee agree on the transfer price and transfer payment. The time and procedures for the transfer of these rights will be decided by the Board of Directors. |
| 14. Time to end the offering: | September 15, 2022 |

1. Purposes of the issuance

Song Da Cao Cuong JSC issues shares to supplement working capital to serve the Company's business activities while also connecting employees with the Company through the ESOP program. Increasing charter capital helps the Company improve its financial capacity and competitiveness, thereby expanding the scale of production and business activities to achieve the Company's development goals in the period 2021 - 2025.

1. Plan on using capital collected from the share issuance:

According to the Extraordinary General Mandate 2021 No. 542/NQ-DHDCD dated December 19, 2021, on approving the plan to issue shares to increase charter capital according to Proposal No. 498/TTr-HDQT dated November 29, 2021 as follows: The entire expected proceeds from the offering of 1,500,000 shares to existing shareholders and the proceeds from the issuance of 500,000 shares under the Employee Stock Ownership Plan (“ESOP”) are VND 20,000,000,000 will be used to supplement the Company's working capital, specifically as follows:

|  |  |  |
| --- | --- | --- |
| No. | Purpose | Expected proceeds (VND) |
| 1 | Purchase raw materials for production | 10,000,000,000 |
| 2 | Pay bank loans | 10,000,000,000 |
|  | Total | 20,000,000,000 |

On February 26, 2022, the Company announced Resolution No. 86/NQ-HDQT of the Board of Directors on approving the detailed plan for using the proceeds from the offering as follows: The total proceeds expected to be obtained from the offering of 1,500,000 shares to existing shareholders and the proceeds obtained from the issuance of 500,000 shares under the Employee Stock Ownership Plan (ESOP) of VND 20,000,000,000 will be used to supplement the Company's working capital, specifically:

* Purchase raw materials for production, an amount of VND 10,000,000,000. Details of expected capital use under the contract:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No. | Capital use purpose: | Attached documents | Amount (VND) | Expected disbursement time |
| 1 | Pay transport fee according to Contract No. 252/2020/HDVC/SCL-HT | VAT Invoice No. 0010695 dated February 28, 2022 and VAT Invoice No. 0010299 dated January 27, 2022 | 7,798,971,000 | In Q2,3/2022 |
| 2 | Pay transport fee according to Contract No. 25/06/2021 /HD VC/SCL-TX | VAT invoice No. 0000050 dated February 26, 2022 | 1,209,575,052 | In Q2,3/2022 |
| 3 | Pay the amount for purchasing ash and slag according to contract No. 05/HDKT/SCL-DTL | VAT invoice No. 0001198 dated February 28, 2022 | 838,677,996 | In Q2,3/2022 |
| 4 | Pay the amount for purchasing ash and slag according to Contract No. 01/HDKT/2020/SCL-TS | VAT invoice No. 0000021 dated February 28, 2022 | 152,775,952 | In Q2,3/2022 |
|  | Total |  | 10,000,000,000 |  |

* Pay bank loans VND 10,000,000,000 (expected) details of loan payment:

|  |  |  |  |
| --- | --- | --- | --- |
| No. | Acknowledgment of Loan/Loan Contract No. | Debt payment amount (VND) | Expected debt payment time |
| 1 | 46182001226376 | 7,169,100,199 | July 2022 |
| 2 | 46182001223687 | 2,830,899,801 | July 2022 |
|  | Total | 10,000,000,000 |  |

* According to the capital use plan approved by the Extraordinary General Meeting of Shareholders 2021, in case the capital use plan is no longer consistent with the actual situation, the General Meeting of Shareholders authorizes the Chair of the Board of Directors or the Board of Directors to change the capital use plan to suit the actual situation of the Company and in accordance with the provisions of Clause 2, Article 9 of Decree 155/2020/ND-CP dated December 31, 2020 to ensure efficiency and benefits for the Company, and at the same time report to the State Securities Commission; Publish changed content on the Company's website; disclose information and report to the General Meeting of Shareholders at the next meeting in accordance with regulations;
* On April 26, 2023, the Annual General Meeting of Shareholders 2023 of Song Da Cao Cuong JSC approved the Report on activities No. 207/BC-HDQT dated March 30, 2023 of the Board of Directors according to General Mandate No. 261/NQ-DHDCD. Accordingly, the Board of Directors in 2022 reported to shareholders that the Company successfully issued 3,388,915 shares, of which: Pay dividends in 2021 of 1,388,915 shares, issued to employees ("ESOP") 500,000 shares, and issued to existing shareholders 1,500,000 shares but the Company has not reported any changes in detailed use of capital to pay transportation costs for sales instead of purchasing raw materials for production and business with the amount of VND 9,008,542,052.

IV. Net proceeds from share issuance

|  |  |  |  |
| --- | --- | --- | --- |
|  | Issuance of ESOP shares | Issue shares to existing shareholders | Total |
| Number of shares (shares) | 500,000 | 1,500,000 | 2,000,000 |
| Par value (VND/share) | 10,000 | 10,000 | 10,000 |
| Offering price (VND/share) | 10,000 | 10,000 | 10,000 |
| Proceeds from the issuance (VND) | 5,000,000,000 | 15,000,000,000 | 20,000,000,000 |
| In which: |  |  |  |
| - Owner's contributed capital (VND) | 5,000,000,000 | 15,000,000,000 | 20,000,000,000 |
| Share premium (VND) | - | - | - |
| Expense of the issuance |  |  | 45,000,000 |
| Net proceeds from share issuance |  |  | 19,955,000,000 |

1. Capital use situation according to the issuance plan

The company has used the entire amount of VND 20,000,000,000 obtained from issuing shares, as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| No. | Use purpose | Expected amount according to use plan (VND) | Actual used amount (VND) |
| I | Purchase raw materials for production | 10,000,000,000 | 9,988,154,238 |
| 1 | - Pay transport fee | 9,008,546,052 | 9,008,546,052 |
| 2 | - Pay for raw materials | 991,453,948 | 979,608,186 |
| II | Pay bank loans | 10,000,000,000 | 10,000,000,000 |
| III | Pay share issuance costs | - | 45,000,000 |
|  | Total (\*) | 20,000,000,000 | 20,033,154,238 |

(\*) Song Da Cao Cuong JSC spent a total of VND 20,033,154,238, an excess of VND 33,154,238 compared to the revenue from issuing shares, the amount exceeding the revenue from issuing common shares was compensated with other financial sources of Song Da Cao Cuong JSC.

The total amount of VND 20,000,000,000 collected from the issuance of shares was used by Song Da Cao Cuong JSC, details as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| No. | Document | | | Contents | | Amount (VND) |
| Date | No. | |
| I | Purchase materials for production | | | | | 9,988,154,238 |
| 1.1 | Pay transport fee | | | | | 9,008,546,052 |
| 1 | October 28, 2022 | BN10/0095 | | Payment of dry fly ash transport fee from CPL - Hon Gai in February (Trinh Xuan Company Limited) | | 1,209,575,052 |
| 2 | October 28, 2022 | BN10/0097 | | Payment of transport fee for dry fly ash from Pha Lai - Nam Sam in January (Hoang Tiep Trading Service Transport Company Limited) | | 4,402,741,000 |
| 3 | December 8, 2022 | BN12/0030 | | Payment of transport fee for dry fly ash from Pha Lai - Nam Sam in October (Hoang Tiep Trading Service Transport Company Limited) | | 3,396,230,000 |
| 1.2 | Payment for raw material purchase | | | | | 979,608,186 |
| 1 | October 28, 2022 | BN10/0096 | | Payment for fly ash (not selected) in February (Công ty TNHH Thương mại và Dịch vụ Vận tải Trường Sơn (tentatively translated as Truong Son Transport Services and Trading Company Limited) | | 152,775,952 |
| 2 | November 8, 2022 | BN11/0027 | | Payment for fly ash (not selected) in February (Duc Thanh Long Company Limited) | | 338,677,996 |
| 3 | November 29, 2022 | BN11/0096 | | Payment for fly ash (not selected) in September (Duc Thanh Long Company Limited) | | 145,419,462 |
| 4 | December 21, 2022 | BN12/0081 | | Payment for fly ash (not selected) (Duc Thanh Long Company Limited) | | 330,980,098 |
| 5 | December 21, 2022 | BN12/0082 | | Payment for fly ash (not selected)  (Duc Thanh Long Company Limited) | | 11,754,678 |
| II | Pay bank loans | | | | | 10,000,000,000 |
| 1 | October 28, 2022 | | BN10/0094 | | Pay principal of loan from BIDV bank | 2,503,449,091 |
| 2 | November 11, 2022 | | BN11/0028 | | Pay principal of loan from BIDV bank | 357,432,985 |
| 3 | November 11, 2022 | | BN11/0029 | | Pay principal of loan from BIDV bank | 328,561,415 |
| 4 | November 11, 2022 | | BN11/0030 | | Pay principal of loan from BIDV bank | 250,000,000 |
| 5 | November 11, 2022 | | BN11/0031 | | Pay principal of loan from BIDV bank | 445,500,000 |
| 6 | November 11, 2022 | | BN11/0032 | | Pay principal of loan from BIDV bank | 2,087,909,308 |
| 7 | November 17, 2022 | | BN11/0052 | | Pay principal of loan from BIDV bank | 1,277,149,624 |
| 8 | November 17, 2022 | | BN11/0054 | | Pay principal of loan from BIDV bank | 1,462,681,186 |
| 9 | November 17, 2022 | | BN11/0056 | | Pay principal of loan from BIDV bank | 158,242,386 |
| 10 | December 8, 2022 | | BN12/0038 | | Pay principal of loan from BIDV bank | 1,129,074,005 |
| III | Cost of issuing shares | | | | | 45,000,000 |
| 1 | June 29, 2022 | | KT06/0026 | | Cost of posting information on the Business Finance Magazine in June 2022 about shares | 10,000,000 |
| 2 | July 27, 2022 | | PC07/0038 | | Fees for issuing offering certificates and issuing additional shares to the public in 2022 | 5,000,000 |
| 3 | October 31, 2022 | | KT10/0059 | | Audit costs for increasing the Company's charter capital | 30,000,000 |
|  |  | |  | | Total | 20,033,154,238 |