

No: 04/2025/TTr-HĐQT

Ho Chi Minh City, March 27, 2025

PROPOSAL

***Re: Approval of the plan to issue additional shares to the public to increase charter capital
in 2025 and the plan to use the proceeds from the offering***

Dear: General Meeting of Shareholders of Tan Phu Vietnam Joint Stock Company

The Board of Directors of Tan Phu Vietnam Joint Stock Company (the “Company”) respectfully submits to the General Meeting of Shareholders for consideration and approval of the Company's plan to increase charter capital as follows:

I. LEGAL BASIS

- *Law on Enterprises No. 59/2020/QH14 passed by the 14th National Assembly of the Socialist Republic of Vietnam on June 17, 2020, and its guiding documents;*
- *Law on Securities No. 54/2019/QH14 passed by the 14th National Assembly of the Socialist Republic of Vietnam on November 26, 2019, and related documents;;*
- *Decree No. 155/2020/ND-CP issued by the Government on December 31, 2020, detailing the implementation of certain provisions of the Law on Securities and related documents;*
- *Circular No. 118/2020/TT-BTC dated December 31, 2020, of the Ministry of Finance guiding several contents on offering, issuing securities, public tender offers, share repurchases, public company registration, and public company status termination;*
- *Charter of Tan Phu Vietnam Joint Stock Company;*
- *Based on the actual operational situation and needs of the Company.*

II. NECESSITY OF INCREASING CHARTER CAPITAL

The increase of charter capital is essential to strengthen financial capacity, expand the market, and increase the Company's market share during its development. Specifically:

- Supplement business capital to enhance financial capacity and competitiveness.
- Invest in expanding the Company's network: developing the network system and investing in infrastructure is the foundation to enhance customer service and development, especially for the Inochi business segment
- Invest in machinery, equipment, and molds to meet production expansion needs.

- Develop IT systems: upgrade software systems and develop related applications, which is also a part of the Company's development strategy and practical given the urgent need for IT application in business and management operations.

III. PLAN TO ISSUE ADDITIONAL SHARES TO THE PUBLIC TO INCREASE CHARTER CAPITAL IN 2025 AND PLAN TO USE THE PROCEEDS FROM THE OFFERING

A. General information on outstanding shares of the Company

- Share name : Shares of Tan Phu Vietnam Joint Stock Company
- Stock code : TPP
- Type of share : Common share
- Par value : VND 10,000 per share
- Current charter capital : VND 450.000.000.000
- Number of issued shares : 45.000.000 shares
- Number of treasury shares : 0 shares
- Number of outstanding shares : 45.000.000 shares

B. Public offering of additional shares

1. Chào bán thêm cổ phiếu ra công chúng

- Expected number of shares to be offered: 20.000.000 shares
- Offering ratio (number of shares to be offered/number of outstanding shares): 44,44%
- Type of share : Common share
- Par value : VND 10,000 per share
- Rights execution ratio : 9:4 (On the record date, shareholders holding 01 share will receive 01 right. For every 09 rights, shareholders may purchase 04 new shares)
- Total par value of expected offering : VND 200.000.000.000
- Expected charter capital after offering: VND 650.000.000.000
- Offering price : VND 10,000 per share
- Price determination principles:
 - Book value (as of 31/12/2024 per audited financial statements): VND 12,346
 - Market price: Average closing price of the last 30 trading sessions of TPP on HNX as of 26/03/2025: VND 10,670
 - Based on book value, market price, development strategy, and capital raising needs, and to encourage shareholder participation, the Board of Directors (BOD) agrees on the offering price of VND 10,000/share.
- Total expected proceeds from offering: VND 200,000,000,000.
- Target buyers: Existing shareholders on the final record date provided by the Vietnam Securities Depository and Clearing Corporation (VSDC).



- Minimum successful offering ratio: Not specified.
- Expected implementation time: The BOD is authorized to determine the exact timing after receiving approval from the State Securities Commission.
- Distribution method: Rights offering.
- Rounding and handling fractional shares: Shares will be rounded down to the nearest whole number. Decimal fractions will be accumulated and handled according to the unallocated shares plan.

Example: On the record date, shareholder Nguyen Van A owns 1,201 shares, thus receiving 1,201 rights. He can buy: $1,201 : 9 \times 4 = 533.8$ shares \rightarrow Rounded down to 533 shares. The remaining 0.8 shares will be accumulated and handled accordingly.

- Handling of fractional and unsubscribed shares
 - + Includes shares not subscribed, rights declined, unpaid shares, and fractional shares.
 - + The BOD is authorized to determine criteria to sell to existing shareholders or outside investors under conditions not more favorable than those offered to existing shareholders.
 - + Such distribution must comply with Decree 155/2020/ND-CP and Clause 2, Article 195 of the Enterprise Law No. 59/2020/QH14..
 - + After the offering period (including any extensions), unsubscribed shares will be canceled.
 - + These shares will be subject to a 1-year transfer restriction.
- Transfer restriction:
 - + Shares purchased through rights or acquired rights can be freely transferred.
 - + Shareholders under restriction can still receive rights, and shares from rights are not restricted..
 - + Shares distributed by the BOD to others due to non-subscription or non-payment will be restricted for 1 year.
- Additional registration and listing: Newly issued shares will be registered with VSDC and listed on the Hanoi Stock Exchange after the offering.
- Transfer of stock purchase rights: Existing shareholders whose names are on the list on the last registration date of closing the list of shareholders allocated with purchase rights have the right to transfer their stock purchase rights to another person within the prescribed time. Stock purchase rights can only be transferred once (01). The transferee cannot transfer them to a third party. The transferor and the transferee shall agree on the transfer price and pay the transfer fee..
- Foreign ownership cap compliance: The BOD is authorized to ensure compliance.

2. Expected Share Dilution After the Offering

The public offering of additional shares would jeopardize the company's stock price, earnings per share (EPS), book value per share, control ratio and voting rights..

- Dilution of stock price:

- ✓ Technical adjustment of stock price for issuance to existing shareholders:
Dilution of stock price in case the selling price of shares is lower than the market price at the time of offering. Accordingly, the calculation formula is as follows:

$$P_{tc} = \frac{PR_{t-1} + (I_1 \times P_{t-1})}{1 + I}$$

Where:

- P_{tc} : Adjusted reference price on the ex-rights trading date
- PR_{t-1} : Reference price before adjustment
- P_{R1} : Offering price for existing shareholders
- I : Capital increase ratio due to rights issuance

According to the Regulations guiding stock transactions at the Hanoi Stock Exchange, if the share issuance price is higher than the closing price of the share on the trading day immediately preceding the day without rights, the price of the issued portion for existing shareholders will not be adjusted.

- EPS Dilution Risk

According to Vietnamese Accounting Standard No. 30 – Basic Earnings Per Share::

EPS = Net Profit After Tax / Weighted Average Number of Outstanding Shares

$$\text{Weighted Average} = \frac{X \times 12 + Y \times t}{12}$$

- ✓ X: Number of shares outstanding before the offering
- ✓ Y: Number of newly issued shares
- ✓ t: Number of months the newly issued shares are in circulation during the year

After the completion of the offering, the basic earnings per share (EPS) will be affected due to changes in shareholders' equity and the company's profit growth rate.

- Book Value Dilution

The expected book value (BV) dilution is calculated using the following formula:

$$BV = \text{Shareholders' Equity} / (Q - \text{Treasury Shares})$$

Where:

- ✓ Shareholders' Equity (NVCSH): Total equity attributable to shareholders
- ✓ Q: Total number of shares issued

- ✓ CPQ: Total number of treasury shares ,
- ✓ BV: Book value per share

When shares are offered to existing shareholders, the book value per share (BV) may change due to changes in the total number of issued shares (Q) and the growth rate of shareholders' equity (NVCSH).

- Dilution of Ownership Ratio and Voting Rights:

Since the offering is made under a rights issue to existing shareholders, there will be no dilution of ownership or voting rights if shareholders fully exercise their rights.

However, if a shareholder waives or transfers their rights and does not purchase the new shares, their ownership percentage and corresponding voting rights may be reduced proportionally..

C. Plan for Using Proceeds from the Offering

- Total Expected Proceeds:

Item	Number of Shares Issued	Expected Offering Price (VND)	Expected Total Proceeds (VND)
Public offering of additional shares	20,000,000	10,000	200,000,000,000

- All proceeds from this offering will be used to repay bank loans:

o.	Purpose of Capital Use	Expected Amount (VND)	Expected Implementation/Disbursement Time
1	Repayment of bank loans	200,000,000,000	Year 2025
Total	200,000,000,000		

The General Meeting of Shareholders authorizes the Board of Directors (BOD) to develop a detailed capital utilization plan for the offering proceeds, ensuring the interests of shareholders and compliance with applicable laws.

For temporarily idle funds that have not yet been disbursed according to the approved capital utilization plan, the BOD is authorized to open term deposit contracts to earn interest, provided such deposits remain aligned with the actual disbursement schedule of the capital use plan.

IV. AUTHORIZATION FROM THE GENERAL MEETING OF SHAREHOLDERS TO THE BOARD OF DIRECTORS:

Except for the specific authorizations mentioned above, the General Meeting of Shareholders authorizes the Board of Directors (BOD) with full authority to review, decide, and implement the following tasks:

- Prepare and submit the application for the public offering of securities to the State

Securities Commission and other competent authorities. At the same time, proactively amend the Offering Plan and other related documents upon the request of the State Securities Commission or other authorities (if any), in accordance with legal regulations and the Company's Charter, and report such amendments at the next General Meeting of Shareholders.

- Prepare and submit the application for the public offering of securities to the State Securities Commission and other competent authorities. At the same time, proactively amend the Offering Plan and other related documents upon the request of the State Securities Commission or other authorities (if any), in accordance with applicable laws and the Company's Charter, and report such amendments at the next General Meeting of Shareholders;
- Select the specific timing of the offering and carry out all necessary procedures to finalize the offering plan, obtain approval for the public offering, and implement the plan in accordance with the Company's Charter and prevailing laws, ensuring the interests of shareholders;
- Select consulting firms and service providers to support the offering process;
- Approve the plan to ensure that the share offering complies with foreign ownership ratio regulations;
- Determine the criteria and list of investors eligible to purchase fractional shares and unsubscribed shares, and proactively execute the allocation plan for these shares in a manner that safeguards the rights and interests of all shareholders in accordance with applicable laws;
- Develop a detailed plan for the use of proceeds and make adjustments to the use-of-funds plan from the offering (if necessary and in line with the Company's business operations), and carry out relevant disclosure procedures in strict compliance with Decree No. 155/2020/ND-CP dated December 31, 2020, and other relevant legal provisions;
- Complete all required procedures to report the offering results to the State Securities Commission of Vietnam (SSC);
- Register the additional shares with the Vietnam Securities Depository and Clearing Corporation (VSDC), and carry out additional listing on the Hanoi Stock Exchange for all common shares offered under the approved plan;
- Carry out the necessary procedures to amend the Company's Charter, register the change in charter capital, and revise the Company's Enterprise Registration Certificate with competent authorities upon completion of the offering;
- The Board of Directors is authorized to delegate specific tasks among those listed above to the Chairman of the Board in order to execute the public offering of shares in accordance with applicable laws on delegated authority;
- In addition to the above authorizations, during the implementation of the offering plan, the General Meeting of Shareholders authorizes the Board of Directors to supplement, amend, and finalize the offering plan (including making decisions on matters not yet specified in this capital increase plan) in accordance with requests from regulatory authorities and the Company's actual conditions, ensuring the capital raising is



conducted legally, in compliance with regulations, and in a manner that protects the interests of both shareholders and the Company.

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

Recipients:

- As above;
- Board of Directors;
- Filing archive;

**ON BEHALF OF THE BOARD
OF DIRECTORS**

CHAIRMAN



TRAN DUC HUY

