SAIGON – HANOI SECURITIES J.S.C

SOCIALIST REPUBLIC OF VIETNAM

Independence-Freedom-Happiness

No.: 14-2024 /TTr-SHS

Hanoi, 7th May 2024

PROPOSAL

(On the issuance/offering plan of shares to increase charter capital in 2024 of Saigon – Hanoi Securities Joint Stock Company)

To: General Meeting of Shareholders of Saigon - Hanoi Securities Joint Stock Company

Base

- Law on Enterprises No. 59/2020/QH14 on 06/17/2020 and implementing documents;
- Law on Securities No. 54/2019/QH14 on 11/26/2019 and implementing documents;
- Decree No. 155/2020/ND-CP dated December 31, 2020 of the Government detailing a number of articles of the Law on Securities;
- Circular No. 121/2020/TT-BTC dated December 31, 2020 of the Ministry of Finance regulating activities of securities companies;
- The current charter of Saigon Hanoi Securities Joint Stock Company;

The Board of Directors would like to propose General Meeting of Shareholders to consider and approve the issuance plan of shares to increase charter capital in 2024 of the Company as follows:

I. NECESSITY OF IMPLEMENTING THE PLAN OF INCREASING CHARTER CAPITAL

In the context of the rapidly developing financial market in Vietnam, increasing the charter capital for SHS is not only a strategic step but also a necessary initiative to take advantage of opportunities and promote growth. Specifically:

- The stock market in Vietnam is currently experiencing a booming phase in scale, with the number of securities accounts increasing by about 5 million from 2020 to 2023. As of December 31, 2023, Vietnam had nearly 7.3 million individual securities accounts, equivalent to about 7.3% of the population. According to the stock market development strategy until 2030, Vietnam aims to reach 9.0 million securities trading accounts by 2025 and 11 million by 2030. This demonstrates significant potential for market development. Furthermore, the demand for financial products is increasing due to strong growth in household disposable income in Vietnam in recent years.
- Besides, the Government is also actively implementing specific measures to upgrade Vietnam's stock market to emerging market status by 2025. Upgrading the market status will bring a new position for Vietnam's stock market and attract significant investment capital from foreign investment funds.

- SHS needs to supplement additional resources to expand its business capital, increase the scale of margin lending, capital business and investment activities amid the vibrant market conditions.
- SHS requires strengthening financial capabilities, enhancing competitiveness and building a robust reserve buffer to cope with risks in business operations.
- SHS is currently developing and launching several new service products to attract more customers and increase market share. Additionally, infrastructure and information technology systems also need to be invested in, upgraded and expanded to serve new service and products.

It is clear that increasing the charter capital is both a critical necessity and an important opportunity for SHS to make breakthroughs in this new phase. By seizing market opportunities and enhancing competitive capabilities, SHS can achieve long-term development goals and increase shareholder value.

II. THE PLAN OF INCREASING CHARTER CAPITAL IN 2024

With the aim of further enhancing financial capacity, creating a strong and comprehensive growth foundation and implementing the Company's development direction in the coming years, the Board of Directors would like to propose General Meeting of Shareholders to consider and approve the plan of increasing charter capital in 2024 with the following key points:

>	The charter capital before the issuance:	VND 8,131,567,480,000
>	Estimated maximum increase in the charter capital:	VND 8,994,724,240,000
\triangleright	Estimated number of shares to be issued:	899,472,424 shares
	In which:	
	- Issuing shares to pay dividends in 2023:	40,657,838 shares, issuance rate of 5%
	- Issuing shares to increase share capital	40,657,838 shares, issuance rate of 5%
	from the owner's equity:	
	- Offering additional shares to the public	813,156,748 shares, issuance rate of 100%
	for existing shareholders:	
	- Issuing shares under the Employee	5,000,000 shares
	Stock Ownership Plan (ESOP 2024):	

- Estimated charter capital after maximum increase: VND 17,126,291,720,000
- > Detailed content: Accroding to "The issuance plan of shares to increase charter capital in 2024 of Saigon Hanoi Securities Joint Stock Company" attached.
- > Expected implementation time: In 2024 2025 and/or after reporting/being approved by relevant State management agencies.

III. THE GENERAL MEETING OF SHAREHOLDERS AUTHORIZES THE BOARD OF DIRECTORS

Respectfully submit to the General Meeting of Shareholders to delegate/authorize the

Board of Directors with the following related matters:

- Making decisions and carrying out necessary tasks and procedures to complete the issuance of shares to increase charter capital;
- Supplementing, amending, finalizing and/or approving all revised and complete documents of the plan of increasing the charter capital, ensuring compliance with operational needs of the Company and legal regulations, safeguarding shareholders' rights, following the guidance of relevant State management agencies, proceeding with the submission to State management agencies for consideration, approval and implementation of the issuance procedures as required;
- Completing and implementing the Employee Stock Ownership Plan (ESOP 2024) in detail:
 - + Establishing criteria and list of employees eligible to purchase shares.
 - + Principles for determining and approving the allocation of shares to each employee.
- Determine the timing of the share issuance, deciding on appropriate issuance plans, including **determining the issuance ratio** for each issuance period based on the planned number of shares to be issued and the number of shares outstanding at the time of issuance, prioritizing the rights of existing shareholders;
- Handling odd shares and shares that are not fully distributed (if any);
- Developing a detailed capital utilization plan for each intended purpose of the funds raised from the offering. Balancing and utilizing capital in accordance with the Company's business situation, ensuring effective capital use and shareholder benefits; adjusting the allocation of funds raised from the issuance for approved purposes and/or modifying the utilization of funds raised from the issuance according to legal regulations to align with actual circumstances and reporting to the latest General Meeting of Shareholders on adjustments related to this capital utilization plan;
- Approving a plan to ensure compliance with foreign ownership limits for the issuance of shares;
- Registering and listing all newly issued shares in accordance with securities laws and stock market regulations;
- Amending the business registration certificate, establishment and operation license and modifying provisions related to charter capital and shares in the Company's Charter after completing the issuance of the newly increased charter capital scale and reporting to the latest General Meeting of Shareholders;
- In addition to the delegated content above, during the implementation of the issuance plan, the General Meeting of Shareholders authorizes the Board of Directors to supplement, amend and finalize the issuance plan (including decisions on matters not covered in this capital increase plan) as required by State management agencies to ensure that the

Company's capital raising is conducted legally, in compliance with regulations and safeguarding shareholders' and Company's rights and interests./.

Respectfully submitted to the General Meeting of Shareholders for approval.

Sincerely!

O.B.H. THE BOARD OF DIRECTORS CHAIRMAN

Recipients:

- As above;
- Archived by: Document department, the Board of Directors' Office.

DO QUANG VINH

SOCIALIST REPUBLIC OF VIETNAM

Independence – Freedom – Happiness

Hanoi, 7th May 2024

THE ISSUANCE PLAN OF SHARES TO INCREASE CHARTER CAPITAL

(Attached to Proposal No. 14-2024/TTr-ĐHĐCĐ dated 7th May 2024 on approving the issuance plan of shares to increase charter capital in 2024 of Saigon - Hanoi Securities Joint Stock Company (SHS))

I. THE ISSUANCE PLAN OF SHARES TO INCREASE CHARTER CAPITAL IN 2024

1.	Issuer:	Saigon – Hanoi Securities Joint Stock Company
2.	Name of shares issued:	Shares of Saigon – Hanoi Securities Joint Stock Company
3.	Type of shares issued:	Common shares
4.	Par value:	VND 10,000/share
5.	Charter capital before issuance:	VND 8,131,567,480,000
6.	Number of outstanding shares:	813,156,748 shares
7.	Number of treasury shares:	0 shares
8.	Estimated number of shares issued:	899,472,424 shares
>	Issuing shares to pay dividends in 2023:	40,657,838 shares
>	Issuing shares to increase share capital from the owner's equity:	40,657,838 shares
>	Offering additional shares to the public for existing shareholders:	813,156,748 shares
>	Issuing shares under the Employee Stock Ownership Plan (ESOP 2024):	5,000,000 shares

1. THE ISSUANCE PLAN OF SHARES TO PAY DIVIDENDS IN 2023

1.	Estimated number of shares isssued:	40,657,838 shares (Forty million six hundred fifty-seven thousand eight hundred thirty-eight shares).
2.	Total expected issuance value according to par value:	VND 406,578,380,000 (Four hundred six billion five hundred seventy-eight million three hundred eighty thousand dong).
3.	Issuance method:	Issuing shares to pay dividends in 2023.

4.	Issuance rate:	5%, corresponding to a 100:5 exercise ratio. Based on the last registration date for right allocation, existing shareholders own 01 share will be entitled to receive 01 right to purchase shares, and for every 100 rights, they will receive 05 new issued shares.	
5.	Capital used to issue shares:	From the profit after tax in 2023, based on the 2023 Audited Financial Statements and ensuring compliance with legal regulations.	
6.	Issuance subject:	Existing shareholders according to the shareholder list on the last registration date for exercising the right to receive shares issued to pay dividends in 2023.	
7.	Right transfer:	The right to receive shares issued to pay dividends in 2023 is not allowed to be transferred. Treasury shares (if any) do not have the right to exercise this entitlement.	
8.	Plan for handling odd shares (if any):	Shares issued to pay dividends in 2023 to existing shareholders will be rounded down to the nearest unit. The fractional shares resulting from rounding down (if any) will be cancelled. For example: A shareholder - Nguyen Van A owning 157 SHS shares will be entitled to receive additional shares as follows: 157*5/100 = 7.85, rounded down to 7 SHS shares, the fractional shares will be cancelled.	
9.	Plan for using proceeds from the issuance:	After completing the issuance, the additional increased charter capital will be used to supplement the Company's business operating capital.	
10.	Expected issuance time:	In 2024 – 2025 and/or after SHS completes the reporting to the State Securities Commission regarding the issuance of shares to pay dividends in 2023.	
11.	Related restrictions:	The shares issued to pay dividends in 2023 are not restricted from transfer. Shares subject to transfer restrictions will still receive shares from the issuance.	

2. THE ISSUANCE PLAN OF SHARES TO INCREASE SHARE CAPITAL FROM THE OWNER'S EQUITY

1.	Estimated number of shares isssued:	40,657,838 shares (Forty million six hundred fifty-seven thousand eight hundred thirty-eight shares).
2.	Total expected issuance value according to par value:	VND 406,578,380,000 (Four hundred six billion five hundred seventy-eight million three hundred eighty thousand dong).

3.	Issuance method:	Issuing shares to increase share capital from the owner's equity.	
4.	Issuance rate:	5%, corresponding to a 100:5 exercise ratio. Based on the last registration date for right allocation, existing shareholders own 01 share will be entitled to receive 01 right to purchase shares, and for every 100 rights, they will receive 05 new issued shares.	
5.	Capital used to issue shares:	From the charter capital supplementary reserve fund and the share premium as of December 31, 2023, based on the 2023 Audited Financial Statements and ensuring compliance with legal regulations. <i>Priority will be given to using the charter capital supplementary reserve fund to fully handle the fund in accordance with the provisions of Circular 114/2021/TT-BTC dated December 17, 2021.</i>	
6.	Issuance subject:	Existing shareholders according to the shareholder list on the last registration date for exercising the right to receive shares issued to increase share capital from the owner's equity.	
7.	Right transfer:	The right to receive shares issued to increase share capital from the owner's equity is not allowed to be transferred. Treasury shares (if any) do not have the right to exercise this entitlement.	
8.	Plan for handling odd shares (if any):	Shares issued to increase share capital from the owner's equity to existing shareholders will be rounded down to the nearest unit. The fractional shares resulting from rounding down (if any) will be cancelled. For example: A shareholder - Nguyen Van A owning 157 SHS shares will be entitled to receive additional shares as follows: 157*5/100 = 7.85, rounded down to 7 SHS shares, the fractional shares will be cancelled.	
9.	Plan for using proceeds from the issuance:	After completing the issuance, the additional increased charter capital will be used to supplement the Company's business operating capital.	
10.	Expected issuance time:	In 2024 - 2025 and/or after SHS completes the reporting to the State Securities Commission regarding the issuance of shares to increase share capital from the owner's equity.	
11.	Related restrictions:	The shares issued to increase share capital from the owner's equity are not restricted from transfer. Shares subject to transfer restrictions will still receive shares from the issuance.	

3. OFFERING ADDITIONAL SHARES TO THE PUBLIC FOR EXISTING SHAREHOLDERS

1.	Estimated number of offering shares:	813,156,748 (Eight hundred thirteen million one hundred fifty-six thousand seven hundred forty-eight) shares.	
2.	Total estimated offering value according to par value	VND 8,131,567,480,000 (Eight trillion one hundred thirtyone billion five hundred sixty-seven million four hundred eighty thousand dong).	
3.	Offering method:	Offering additional shares to the public for existing shareholders	
4.	Estimated offering rate:	The offering rate at the time of drafting this plan is 100%, corresponding to a 1:1 exercise ratio. Accordingly, based on the last registration date for rights allocation, existing shareholders owning 01 share will be entitled to 01 purchase right and each purchase right will be purchased 01 new share. The General Meeting of Shareholders authorizes the Board of Directors to determine the specific offering rate at the time of	
		a. The price determination prin - The book value of Saigon - Hand Company's shares as of December . Financial Statements. Book value = Owner's equity/The shares = 10,263,510,744,618/813,1	oi Securities Joint Stock 31, 2023, on the Audited number of outstanding
		= 12,621 VND/share	
5.	Offering price and price determination principle:	- The market value of Saigon - Han Company's shares traded on the (HNX): is calculated based on the av 20 trading sessions (from 04/03/202 is 19,945 VND/share.	Hanoi Stock Exchange verage closing price over
		The average share price according t	to two methods:
		Method	Share price (VND/share)
		Book value method	12,621
		Market value method Average price	19,140 15,880
		b. Determining the offering prior	, , , , , , , , , , , , , , , , , , ,
		Based on the capital-raising needs and to enefficiency of capital mobilization, the Board of proposes a offering price of 10,000 VND/share .	

6.	Offering subject:	Existing shareholders according to the shareholder list on the last registration date for exercising the right to purchase shares	
7.	Purchase right transfer:	Shareholders have the right to transfer their rights to purchase shares to others, but this transfer can only occur once within the specified timeframe. The recipient of the transferred purchase right cannot further transfer the right to a third party.	
8.	Plan for handling shares of existing shareholders not fully purchased (remaining shares)	 For the shares that are not fully sold due to existing shareholders declining to purchase part or all during the offering period, the General Meeting of Shareholders authorizes the Board of Directors to distribute the remaining shares to other parties under offering conditions and conditions on investors' rights and obligations that are not more favorable compared to those offered to existing shareholders (including the offering price not lower than that offered to existing shareholders), with a transfer restriction period of 01 year from the end of the offering. The handling of remaining shares must comply with provisions of Article 42 of Decree No. 155/2020/ND-CP dated December 31, 2020, and other provisions as stipulated in Section 2, Article 195 of the Law on Enterprises and relevant regulations under current laws. In the event that the distribution period for shares expires according to legal regulations (including any extensions granted (if any)), if there are still shares remaining undistributed, these remaining shares will be canceled and the Board of Directors will make a decision to conclude the offering period. 	
9.	Plan for using proceeds from the offering:	After completing the issuance, the additional increased charter capital will be used to supplement the Company's business operating capital, as follows: + 40% for margin lending and cash advances activities. + 60% for securities investment activities (stocks and/or	
10.	Minimum successful offering rate	bonds). Minimum successful offering rate: not specified. In the event that the shares are not fully distributed as planned and the mobilized capital amount does not reach the expected level,	

	the General Meeting of Shareholders authorizes the Board of
	Directors to consider the mobilization of other additional
	capital or flexibly using existing capital sources.
	a. Dilution of share price
	In the offering, Saigon - Hanoi Securities Joint Stock Company offers 813,156,748 shares to existing shareholders. After the amount of shares is issued, the Company's share price will experience a certain level of dilution. The diluted share price is calculated using the following formula:
	$P_{tc} = \frac{PR_{t-1} + (I_1 \times P_{r1})}{1 + I_1}$
	$\begin{array}{c} \textit{In which:} \\ P_{tc} & : & \text{Reference price on ex-rights date.} \\ PR_{t-1} & : & \text{Closing price of the share on the nearest trading day before the ex-rights date.} \\ P_{R1} & : & \text{The offering price for existing shareholders.} \\ & & \text{The capital increase ratio resulting from} \\ I_{1} & : & \text{the issuance of share purchase rights for existing shareholders.} \\ \end{array}$
11.	For example: if the closing price of SHS shares on the last trading day before the ex-rights date is 20,000 VND/share and the additional shares are offered at 10,000 VND/share, the diluted price of SHS share after the issuance can be calculated using the formula:
	Ajusted price = $\frac{20,000 + (1 \times 10,000)}{1 + 1} = \frac{15,000}{\text{VND/share}}$
	Though a decision of allicianal above will

Therefore, the issuance of additional shares as above will dilute the share price of the Company.

b. Dilution of earnings per share (EPS)

From an accounting perspective, earnings per share (EPS) is calculated as the ratio of net income to the weighted average number of shares outstanding.

Therefore, the share offering will increase the number of the Company's outstanding shares, impacting the Company's earnings per share (EPS). This metric will decrease if the rate of profit growth is lower than the rate of increase in the number of shares.

c. Dilution of book value

	After completing the offering, the book value per share may change if the offering price is lower than the book value per share at the time of the offering.
12. Expected offering time	In 2024 – 2025 and/or after SHS completes the reporting to the State Securities Commission regarding the offering additional shares to the public for existing shareholders and and is granted permission to offer additional shares to existing shareholders in accordance with regulations.
	+ All shares offered to existing shareholders based on the exercise ratio are freely transferable.
13. Related restrictions:	+ The shares distributed to other parties are restricted from transfer for a period of 1 year from the end of the offering, as stipulated in Section 2, Article 42 of Decree No. 155/2020/ND-CP dated December 31, 2020 of the Government.

4. ISSUING SHARES UNDER THE EMPLOYEE STOCK OWNERSHIP PLAN (ESOP 2024)

1.	Estimated number of shares isssued:	5,000,000 shares (Five million shares).
2.	Total expected issuance value according to par value:	VND 50,000,000,000 (Fifty billion dong).
3.	Issuance method:	Issuing shares under the Employee Stock Ownership Plan
		Employees of Saigon - Hanoi Securities Joint Stock Company.
4.	Issuance subject:	The General Meeting of Shareholders authorizes the Board of Directors to approve criteria, list of employees eligible to participate in the plan, principles for determining and allocating the shares issued after the General Meeting of Shareholders approves the issuance plan of shares of the ESOP.
5.	Criteria, list of participating employees in the program and principles for determining the number of distributed shares.	The General Meeting of Shareholders authorizes to the Board of Directors to implement the plan for issuing shares under the Employee Stock Option Program: - Establishing criteria and list of eligible employees for purchasing shares.

		- Principles for determining and approving the number of shares allocated to each employee.		
		c. The price determination principle:		
		- The book value of Saigon - Hanoi Securities Joint Stock Company's shares as of December 31, 2023, on the Audited Financial Statements.		
		Book value = Owner's equity/The shares	number of outstanding	
		= 10,263,510,744,618/813,1	56,748	
		= 12,621 VND/share		
6.	Offering price and price determination principle:	- The market value of Saigon - Hanoi Securities Joint Stock Company's shares traded on the Hanoi Stock Exchange (HNX): is calculated based on the average closing price over 20 trading sessions (from 04/03/2024 to 05/06/2024), which is 19,945 VND/share.		
		The average share price according t	to two methods:	
		Method	Share price (VND/share)	
		Book value method	12,621	
		Market value method	19,140	
		Average price	15,880	
		d. Determining the offering price	ce:	
		Based on the capital-raising need efficiency of capital mobilization, proposes a offering price of 10,000 To the capital raising need efficiency of capita	the Board of Directors	
7.	Right transfer:	Employees are not allowed to tr purchase rights to others.	ansfer the ESOP share	
8.	Plan for handling unexercised rights:	In the event that employees relinquish the allocated share purchase rights, resign, or submit resignation during the share issuance period, the General Meeting of Shareholders authorizes the Board of Directors to decide on reallocating these shares to other employees at a price not lower than the issuance price for corresponding individuals, depending on the decision of the Board of Directors.		
9.	Plan for using proceeds from the issuance:	After completing the issuance, the additional increased charter capital will be used to supplement the Company's business operating capital.		

10. Expected issuance time:	In 2024 and/or after SHS completes the reporting to the State Securities Commission (SSC) regarding the issuance of shares under the Employee Stock Ownership Plan.	
11. Related restrictions:	The shares issued under the Employee Stock Ownership Plan of the Company are restricted from transfer for a period of 01 year from the end date of the issuance.	

II. REGISTRATION OF ADDITIONAL SECURITIES AND LISTING OF ADDITIONAL ISSUED SHARES

All newly issued shares to increase charter capital will be registered at the Vietnam Securities Depository and Clearing Corporation and listed for trading on the Stock Exchange in accordance with legal regulations.

III. AMENDMENT OF CHARTER FOLLOWING INCREASED CAPITAL AFTER COMPLETING THE ISSUANCE

Amending the section of Charter Capital in the Company's Charter according to the new capital structure following the completion of each issuance of shares to increase the charter capital.

IV. THE STOCK PRICE OF SHS

The closing price of SHS' stock over 20 trading sessions from 04/03/2024 to 05/06/2024

No.	Trading session	Closing price (VND)	Trading volume (shares)
1	05/06/2024	18,800	24,460,632
2	05/03/2024	18,200	12,955,428
3	05/02/2024	18,200	10,885,550
4	04/26/2024	18,300	15,190,042
5	04/25/2024	18,700	15,203,995
6	04/24/2024	18,600	23,529,347
7	04/23/2024	17,900	17,849,311
8	04/22/2024	18,400	24,252,185
9	04/19/2024	17,400	44,790,623
10	04/17/2024	18,600	20,102,153
11	04/16/2024	19,300	38,201,121
12	04/15/2024	19,000	50,495,135
13	04/12/2024	20,800	29,052,672
14	04/11/2024	20,100	19,549,798
15	04/10/2024	19,800	11,612,702
16	04/09/2024	20,200	19,822,622
17	04/08/2024	19,500	15,242,040
18	04/05/2024	19,800	27,480,207
19	04/04/2024	20,400	20,892,897
20	04/03/2024	20,800	23,464,149
	Average price	19,140	