

No. 16/2018/NQ-HDQT

*Ho Chi Minh City, May 07<sup>th</sup>, 2018*

## **RESOLUTION**

Regarding issuance of shares to increase charter capital

### **BOARD OF DIRECTORS**

#### **SAI GON THUONG TIN REAL ESTATE JOINT STOCK COMPANY**

- *Pursuant to Enterprise Law No. 68/2014/QH13 issued by the National Assembly of the Socialist Republic of Vietnam on November 26<sup>th</sup>, 2014 and documents guiding the implementation of the Law on Enterprises;*
- *Pursuant to the Certificate of Business Registration and Tax Registration of Saigon Thuong Tin Real Estate Joint Stock Company No. 0303315400 issued by the Department of Planning and Investment of Ho Chi Minh City on March 29<sup>th</sup>, 2004; the 28th amendment on December 02<sup>nd</sup>, 2017;*
- *Pursuant to the Charter of Sai Gon Thuong Tin Real Estate Joint Stock Company dated on April 24<sup>th</sup>, 2018;*
- *According to the Minute of the General Meeting of Shareholders No. 01/2018/BBH-DHDCD dated on April 24<sup>th</sup>, 2018;*

### **DECIDES:**

**Article 1.** The Board of Management of the Company agrees on the issuance of shares to increase its charter capital, specifically as follows:

#### **I. Plan to offer additional shares to the public (offered to existing shareholders):**

- Name of issuer: Sai Gon Thuong Tin Real Estate Joint Stock Company
- Name of shares offered for sale: Saigon Thuong Tin Real Estate Joint Stock Company
- Stock code: SCR
- Type of stock: Common stock
- Face value of shares: VND 10,000/ share
- Estimated charter capital at the time of issuance: VND 3,170,337,940,000
- Number of outstanding shares expected to be issued at the time of issuance: 317,032,605 shares
- Number of treasury shares: 1,189 shares
- Total number of shares to be issued: 212,411,845 shares

The number of shares offered depends on the number of SCR shares outstanding after the Company completes the issuance of shares under the plan of offering to existing shareholders and offering for sale separately by the extraordinary shareholders'

meeting in 2017. / 12/2017 approved and at the exercise ratio of stock options below.

- Total value of shares offered by par value: VND 2,124,118,450,000
- Exercise Ratio: 67% (Shareholders holding 100 shares at the last registration date will have 100 rights and 100 rights will be entitled to buy 67 new shares).
- Offering price for existing shareholders: VND 10,000 / share

*Price calculation basis:*

✓ Book value:

- + As of 31/12/2017, the book value of SCR shares (according to the audited financial report of the Company in 2017) is 13,481 dong/ share
- + Market value of SCR shares: determined as the average closing value of the last 10 trading sessions of SCR shares at Ho Chi Minh Stock Exchange (02/04 – 13/04/2018): VND 13,660 / share

Book value and market value of SCR shares will be diluted after the company completes the offering to existing and existing shareholders.

Thus, the offering price is determined as 74.18% of book value of the Company and equal to 73.21% of the market value of SCR shares. At the same time, in order to ensure the interests of shareholders, the Company's Board of Directors would like to ask the General Meeting of Shareholders to approve the plan of offering to existing shareholders at the price of VND 10,000/ share.

- Offering: Selling shares to the public for existing shareholders.
- Subjects of the offer: Existing shareholders named in the list of shareholders set up by the Vietnam Securities Depository Center on the last day of exercising the right to buy shares.
- Rounding method: The number of shares offered to existing shareholders will be rounded down to the units to ensure that the number of shares to be issued does not exceed the volume specified above.

***For example:*** On the last day of exercising stock options, shareholder A holds 101 shares, equivalent to 101 rights to buy new shares, 101 right to buy  $101 \times 67\% = 67,67$  shares, rounded down is 67 shares. Thus, shareholder A will buy 67 new shares.

- Regulations on the transfer of rights to buy: The right to buy can be transferred at the agreed price of two parties and can only transfer 01 (one) times (not transferable to third parties).
- Expected offer time: After the company completes the issuance of shares under the plan of offering to existing shareholders and offering for sale by the extraordinary shareholders' meeting in 2017 dated 18/12/2017 approved and after when approved by

the State Securities Commission (SSC) by the certificate of registration of offering shares to the public.

- Plans for dealing with odd shares arising (if any) and shares not offered for sale (if any): Number of odd shares arising (if any) due to rounding down to units and shares of shareholders Existing refusal to buy will be offered by the Board to other subjects at a price not lower than the offer price for existing shareholders.

In cases where investors purchase shares under this issuance plan (offer of odd number of shares (if any) and shares are not offered for sale), the ownership of the total number of voting shares exceeds The rate for public bids as prescribed by law is not required to carry out the procedures for public bids.

The list of investors who are entitled to buy 10% or more of the Company's chartered capital in this offering (offering of odd-numbered shares (if any) and shares not offered for sale) or in shares offered for sale in the last 12 months of the Company as follows:

No.	Investor
1	Thanh Thanh Cong Investment Joint Stock Company

- Restrictions on transfer: Shares offered to existing shareholders are freely transferable. In the case that the number of odd shares arising from the rounding (if any) and the number of shares that the existing shareholders do not buy all the shares offered to other investors, these shares are restricted from transfer within 01 (one) year from the completion of the offering.
- Estimated dilution of shares expected after the offering:
  - ✓ Dilution of share price in case the share price is lower than the market price at the time of offering. The price of SCR shares at the ex-date of right to purchase additional shares will be adjusted according to the following formula:

$$\text{Market price (adjusted)} = \frac{\text{PR}(t-1) + (I * \text{PR})}{(1 + I)}$$

*In which:*

- + PR (t-1): Transaction price of shares before ex-rights date
- + PR: Additional issue price for existing shareholders
- + I: Increased capital ratio due to issuance of right to buy
- ✓ Diluted earnings per share (EPS): The diluted EPS (diluted) ratio can be attributed to the increase in the total number of outstanding shares and the use of proceeds

from the issuance. Immediate revenue and profit

- Plan to use the proceeds from the issue: The total proceeds from the offering are VND 2,124,118,450,000, which are used as follows:

No.	Item	Amount (VND 1.000)
01	Acquired 79.82% of the capital of To Hai Van JSC	1,596,400,000
02	Purchased 11% capital of Thanh Thanh Cong Joint Stock Company (increasing the ownership to 50.05% of charter capital)	137,500,000
03	Purchased 51% capital of Dang Huynh Industrial Park	367,200,000
04	Additional working capital	23,018,450
	<b>Total</b>	<b>2,124,118,450</b>

The Board of Directors instructs the Board of Directors to balance the use of proceeds from the offering in accordance with the actual situation of the Company.

- The minimum successful bid volume or the minimum amount required in this offering is 50% or VND 1,062.059.225.000. In cases where the minimum amount of money is not collected in the above-mentioned offering, the Board of Directors will consider mobilizing from other lawful sources such as loan capital ... to implement the investment plan.

- Commitment to deposit and additional listing:

The additional shares will be registered at the Vietnam Securities Depository (VSD) and listed on the Ho Chi Minh Stock Exchange. Ho Chi Minh City (HSX) in accordance with the law.

- Other relevant contents:

Approving the amendment of the charter capital in the Charter of the Company as a result of the share offering to existing shareholders.

- Implementation:

For the implementation of the offering of shares to existing shareholders quickly and smoothly, the Board of Directors directs the Board of Directors to perform the following tasks:

- + To carry out procedures for working with state agencies in order to implement the offer plan in accordance with the provisions of law;
- + Decide the detailed plan for the issuance including the addition, modification,

completion or change of this plan at the request of the State management agencies so that the mobilization of capital of the company implemented and completed legally and in accordance with regulations;

- + Decision on the detailed plan of the issuance includes modification or change of this plan according to the number of shares actually circulated at the time of issuance, ensuring that the number of issued shares does not exceed the number The above mentioned issued shares (*212,411,845 shares*);
- + Making and deciding in detail the plan for using the proceeds from the issue and to flexibly adjust the allocation and use of mobilized capital from this issue; Change the purpose of using capital (if necessary) to suit the actual situation to ensure the interests of the Company, shareholders and report to the nearest Shareholder Meeting on the adjustments related to this plan of using capital.
- + To mobilize other lawful capital sources to invest in the purchase of shares in 03 (three) companies according to the above-said plan.
- + To negotiate and decide terms and conditions, determine the criteria and list of investors and decide on the price offered for sale of odd shares (if any) and the number of shares not offered for sale by the stock Existing buyers refuse to buy.
- + To carry out the necessary work to change the contents of the enterprise registration certificate and to amend the charter of the company related to the new charter capital after the issuance of the certificate;
- + To carry out the necessary procedures for registration of additional subscriptions and additional listing of additional shares issued under the above-mentioned plan at VSD and HSX in accordance with the provisions of law.
- + To carry out all other necessary procedures as prescribed by law and at the request of the State management agency to complete the issuance of additional shares.

## **II. Issuance of shares to pay dividends**

- Time of implementation: After the company completes the issuance of shares under the plan of offering to existing shareholders and offering to individual shareholders approved by the extraordinary shareholders' meeting in 2017 on 18/12/2017 and after State Securities Commission (SSC).
- Issuer: According to the list of shareholders as at the last registration date
- Estimated charter capital at the time of issuance: VND 3,170,337,940,000
- Number of shares outstanding at the time of issuance: 317,032,605 shares

- Number of treasury shares at the time of issuance: 1,189 shares
- Number of additional shares to be issued: 22,192,282 shares
- The value of issuance at par value: VND 10,000
- Exercise ratio: 7%. Shareholders whose shares are listed on the last registration date for closing the list of shareholders to exercise their rights to receive dividends by shares shall be entitled to receive dividends by shares for every 100 shares corresponding to 100 rights, 100 rights will be received 7 new shares.
- Rounding and settlement of odd stocks: Shares for dividend payment to existing shareholders will be rounded down to units, odd shares will be deducted.

***For example:*** At the closing date of shareholder list, shareholder A holds 110 shares corresponding to 110 rights. Shareholder A will receive  $110 * 7\% = 7.7$  shares, rounded down to 7 shares. Odd share is discarded.

- Source of share issuance: Dividend is not distributed
- The right to receive dividends by shares is not transferable.
- Transfer restrictions: Shares issued for dividend payment are freely transferable shares.
- Depository and listing of shares: Additional shares will be registered for depository at the Vietnam Securities Depository (VSD) and listed on the Ho Chi Minh Stock Exchange. Ho Chi Minh City (HSX) in accordance with the law.
- The Board of Directors directs the Board of Directors:
  - + To decide on the detailed plan for the issuance, including the addition, modification, completion or change of this plan according to the number of shares actually circulated at the time of issuance to ensure the quantity The number of issued shares is not higher than the number of issued shares (22,192,282 shares); at the request of the State management agencies so that the issuance of the Company is done and completed in a legal and proper manner;
  - + To carry out the necessary work to change the contents of the enterprise registration certificate and to amend the charter of the company related to the new charter capital after the issuance of the certificate;
  - + To carry out the necessary procedures for registration of additional subscriptions and additional listing of additional shares issued under the above-mentioned plan at VSD and HSX in accordance with the provisions of law.
  - + To carry out all other necessary procedures as prescribed by law and at the request of the State management agency to complete the issuance of additional shares.

**Article 2.** Members of the Board of Directors, members of the Board of General Directors and heads of units shall be responsible for the implementation of this Resolution.

**ON BEHALF OF THE BOARD OF DIRECTORS  
CHAIRMAN**

**Recipients:**

**(Signed)**

- *As Article 2 (to implement);*
- *BOD (to report);*
- *Archiving: Secretariat.*

**PHAM DIEN TRUNG**