

No: 06/TTr/HDQT/2025

Ho Chi Minh City, March 11, 2025

PROPOSAL

Regarding the submission to the General Meeting of Shareholders for approval of the orientation, roadmap and implementation plan for the Group's operational model restructuring policy

Respectfully submit to: the General Meeting of Shareholders of the Group

- *Pursuant to the Resolutions of the General Meeting of Shareholders (“AGM”) at the previous meetings on approving the policy of restructuring and professionalizing the Group’s operating model;*
- *Pursuant to the Proposal No. 04/TTr/HDQT/2025 dated 24/02/2025 of the Board of Directors, submitted to the General Meeting of Shareholders for approval of the orientation, roadmap and implementation plan for the Group’s operational model restructuring policy;*
- *Pursuant to the Resolution of the Board of Directors No. 11/NQ/HDQT/2025 dated March 11, 2025 on adjusting the content of the Proposal of the Board of Directors, submitting to the General Meeting of Shareholders the orientation, roadmap and implementation plan for the Group’s operational model restructuring policy;*
- *Based on the production and business situation of Hoa Sen Group.*

The Board of Directors (“BOD”) of Hoa Sen Group (“Group”) respectfully submits to the General Meeting of Shareholders (“GMS”) for consideration and approval the Proposal regarding the orientation, roadmap and plan for the implementation of the policy of restructuring the Group's operation model, Specifically, as follows:

I. General context and orientation for the policy of restructuring the operating model of Hoa Sen Group

1. Proposal Context

The BOD forecasts that the economic situation in general and the steel sheet and steel market in particular will experience complex fluctuations, creating numerous challenges for Hoa Sen Group specifically and other companies within the same industry in general:

- ***In the global market:*** Globalization is severely disrupted. Many countries and territories (such as the USA, Europe, India...) are implementing strict production protection policies. Geopolitical instability in some countries has not yet stopped. In the context of the political power transition in the United States, the risk of a trade war is very high. Therefore, the export of steel sheet and steel will face numerous challenges, making it difficult to ensure market share stability.

- ***In the domestic market:*** Domestic consumption demand is low. The supply of steel sheet and steel products is currently excessive. Competition among businesses within the same industry is becoming increasingly intense, making it difficult to ensure profit margins.

2. Orientation for restructuring the Group's operational model

The orientation to restructure the Group's operational model for the coming years, including the following production and business segments:

- ***Traditional production and business segment (Steel Sheet, Steel):*** In the current context, the traditional production and business segment focuses on stabilizing the efficiency of production and business activities to respond to market fluctuations, Hoa Sen Group (stock code: HSG) plays the parent company's role. Traditional subsidiaries and production plants are 100% owned or controlled by the parent company.

- ***Building Materials & Furniture Distribution segment:*** The development strategy of Hoa Sen Home Network is the main focus. At this meeting, The BOD submits to the General Meeting of Shareholders for approval the policy on establishing Hoa Sen Home Joint Stock Company to focus on developing Hoa Sen Home Network. In the initial phase, Hoa Sen Group will own over 99% of Hoa Sen Home Joint Stock Company. In the next 5 years, Hoa Sen Home Joint Stock Company will gradually take over the entire Hoa Sen Home Network from the Group, entering into a stable and profitable business. In the future, if the situation is favorable and at an appropriate time, the BOD will continue to complete the plan and roadmap for an initial public offering and listing of Hoa Sen Home Joint Stock Company's shares on the stock market, to be presented to the General Meeting of Shareholders for approval. The preliminary orientation of the issuance roadmap for Hoa Sen Home Joint Stock Company is to prioritize issuing shares to existing shareholders, followed by a public offering and listing on the stock market. Details will be presented to the General Meeting of Shareholders of Hoa Sen Group for decision.

- ***Plastic production and business segment:*** According to the strategic orientation, Hoa Sen Group will focus its capital on developing Hoa Sen Home Network. In the plastics industry, growth has reached its peak. Based on assessments from consulting firms, the shares of many plastics companies in the stock market lack liquidity. Therefore, the Board of Directors has determined that Hoa Sen Plastics Joint Stock Company is an unlisted joint stock company with an orientation to become an affiliated company (with Hoa Sen Group owning less than 50% of charter capital). The Board of Directors will submit to the General Meeting of Shareholders for consideration and approval the policy of allowing Hoa Sen Plastics Joint Stock Company to implement the plan to issue HSN's shares to strategic investors (through a private placement).

- ***For other areas of expansion investment:*** Hoa Sen Group continues to research, promote and collaborate with potential partners to expand its land reserves and leverage investment advantages, aiming to capitalize on infrastructure development opportunities in various provinces and cities.

Based on the above contexts and strategic direction, the BOD respectfully submits to the General Meeting of Shareholders for consideration and approval of the following contents:

II. Policy on the establishment of Hoa Sen Home Joint Stock Company

1. *Company Name:* HOA SEN HOME JOINT STOCK COMPANY

2. *Operational objectives:* Engaging in the business of distributing building materials and furniture. The BOD is authorized to decide the company's specific business sectors to ensure alignment with the business objectives approved by the General Meeting of Shareholders.

3. *Ownership rate of Hoa Sen Group at the time of establishment:* In the initial phase, Hoa Sen Group will own over 99% of the charter capital of Hoa Sen Home Joint Stock Company. If the conditions are favorable when Hoa Sen Home Joint Stock Company implements a public offering and lists shares on the stock market, Hoa Sen Home Joint Stock Company will gradually become an affiliated company (with Hoa Sen Group owning less than 50% of charter capital).

4. *Charter capital for establishment:* Based on the actual production and business performance of the Group and the capital needs of Hoa Sen Home Joint Stock Company, the BOD will determine the level of charter capital required to establish the Company. In case the charter capital falls within the authority of the General Meeting of Shareholders under the Law on Enterprises (*from 35% or more of the total consolidated asset value of the Group according to the latest financial statements*), the General Meeting of Shareholders will authorize the BOD to make the decision.

5. *Time of establishment:* From 2025 to 2027. The General Meeting of Shareholders authorizes the BOD to decide on the appropriate establishment time.

6. *Other corporate registration information (shareholder structure, head office, legal representative, etc.):* The General Meeting of Shareholders authorizes the BOD to make decision to ensure the most optimal operation of the Company.

7. *Roadmap for receiving Hoa Sen Home Network:* After its establishment, Hoa Sen Home Joint Stock Company will gradually take over the entire Hoa Sen Home Network from Hoa Sen Group and bring it into a stable and profitable operation. The General Meeting of Shareholders authorizes the BOD to decide on the appropriate timing and roadmap for the transfer and reception of Hoa Sen Home Network.

8. *Implementation organization:* The General Meeting of Shareholders authorizes the BOD to decide and perform other related tasks, procedures regarding the establishment of Hoa Sen Home Joint Stock Company, ensuring compliance with the current Law on Enterprises and Securities Law.

III. Policy and plan for issuing shares of Hoa Sen Plastics Joint Stock Company to strategic investors

1. *Issuer:* Hoa Sen Plastics Joint Stock Company (HSN).
2. *Issuance types:* HSN's common shares.
3. *Issuance forms:* Issuance of shares to strategic investors, in accordance with the provisions of Article 125 of the current Law on Enterprises (private placement).
4. *Issuance purpose:* Currently, HSN has undistributed retained earnings after tax, therefore HSN will pay dividends to Hoa Sen Group so that the Group can supplement its capital for the Hoa Sen Home development strategy. After paying dividends, HSN will issue shares to strategic investors to supplement capital in order to enhance production capacity, support business operations, and settle remaining debts owed to Hoa Sen Group. After completing the issuance at HSN, Hoa Sen Group will recover additional receivables from HSN to focus on the development of Hoa Sen Home.
5. *Maximum number of shares HSN expected to be issued:* 35,000,000 (thirty-five million) shares.
6. *Total expected number of HSN shares after the issuance completion:* 65,000,000 (sixty-five million) shares.
7. *HSN's expected charter capital after the issuance completion:* VND 650,000,000,000 (six hundred and fifty billion).
8. *Issuance price:* Comply with the provisions of the Law on Enterprises. The General Meeting of Shareholders authorizes the General Meeting of Shareholders/BOD of HSN to consider and decide on the issuance price to ensure the interests of HSN.
9. *Issuance Subject:* Organizations and individuals are interested in and committed to accompanying the development of HSN. Authorize the HSN General Meeting of Shareholders/Board of Directors to review, select and decide on the issuance subjects suitable to the development needs of HSN, ensuring the principle: not to issue to direct competitors in the same industry; and organizations and individuals who directly or indirectly own those competitors.
10. *Ownership rate of Hoa Sen Group after issuance completion:* Less than 50%. After completing the issuance, HSN will become an affiliated company.
11. *Implementation timing:* The General Meeting of Shareholders authorizes the General Meeting of Shareholders/BOD of HSN to consider and decide on the specific implementation timing to ensure the best interests of HSN. The latest implementation time is December 31, 2028.
12. *Implementation organization:*
 - Based on the approved policy, the General Meeting of Shareholders will authorize the BOD of Hoa Sen Group to approve the representative of the Group's capital at HSN to vote in favor of the plan, roadmap and issuance plan of HSN's shares to strategic investors, in the forms specified in Article 125 of the current Law on Enterprises (private placement).
 - The General Meeting of Shareholders/BOD of HSN is authorized to decide and implement other Contents related to the policy of issuing HSN shares to strategic investors, in the form specified in Article 125 of the current Law on Enterprises (private placement), ensuring compliance with the policy approved by the General Meeting of Shareholders of Hoa Sen Group and the current legal regulations.

IV. Policy to continue researching, promoting and implementing investment expansion production and business sectors of the Group

The Board of Directors respectfully submits to the General Meeting of Shareholders for approval the policy of continuing to authorize the Board of Directors to research and select appropriate and feasible business and production sectors for the Group's expansion investments, with the following contents:

- Approval of the policy to research, promote, and implement investment in expanding new production and business sectors that are potential and feasible, including but not limited to the following sectors: real estate; development of office projects, residential buildings, residential areas, urban areas, etc.

- In cases where the total investment for each business sector or field selected for expansion and development falls within the authority of the GMS, the GMS authorizes the BOD to make investment decisions. For the field of real estate project development, the maximum total investment is VND 5,000 billion. The specific investment value details are authorized for the BOD to consider, decide, and implement.

- In cases where the selected business sector or field is subject to specific conditions or related legal procedures such as corporate law, planning, investment, construction, land regulations, etc, the GMS authorizes the BOD to decide, approve, and carry out the necessary legal procedures to ensure that the sectors, fields, and projects being expanded comply with current legal regulations.

- To implement the approved policy, the General Meeting of Shareholders authorizes the Board of Directors to decide on and carry out the following tasks:

- + Make decision on the selection of suitable and feasible sectors or areas; decide on the investment capital for each sector or area; decide on the form and method of investment that is reasonable and optimal; decide on the appropriate timing for implementation to ensure the effective execution of the Group's development strategy;

- + Make decision on matters and organize the implementation of necessary legal procedures to support activities for investment expansion, project development, and land reserve expansion to anticipate future development potentials.

- + Hire qualified consulting firms to support the development and refinement of ideas; conduct pre-feasibility studies; propose projects; conduct feasibility studies, finalize legal procedures, and carry out other tasks to effectively implement the investment and development of projects in accordance with the policy approved by the General Meeting of Shareholders.

- + Make decision and implement other necessary tasks and legal procedures to ensure the Group's strategy for expanding its business sectors and fields complies with current legal regulations, bringing benefits to the Group and its shareholders.

Above is the Proposal of the Board of Directors, submitted to the General Meeting of Shareholders for consideration, approval of the orientation, roadmap and implementation plan for the Group's operational model restructuring policy.

This Proposal replaces Proposal No. 04/TTr/HDQT/2025 which was signed and approved by the Board of Directors on February 24, 2025.

The BOD respectfully submits./.

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

Recipients:

- As above;
- The Members of the BOD;
- Archive: Assistant Office for the BOD.

(Signed)

Le Phuoc Vu