

KIENLONG COMMERCIAL

JOINT STOCK BANK

No: 10/TTr-HĐQT

SOCIALIST REPUBLIC OF VIETNAM

Independence – Freedom – Happiness

Rach Gia, June 19, 2025

## PROPOSAL

**Re: Plan to increase chartered capital through the issuance of shares to pay dividends**

### **To: THE GENERAL MEETING OF SHAREHOLDERS**

- Pursuant to the Law on Credit Institutions No. 32/2024/QH15 dated January 18, 2024;
- Pursuant to the Law on Enterprises No. 59/2020/QH14 dated June 17, 2020 and Law No. 03/2022/QH15 dated January 11, 2022 amending and supplementing a number of articles of Law on Public Investment, Law on Investment under Law on Public-Private Partnership Investment, Investment Law, Law on Housing, Law on Bidding, Law on Electricity, Law on Enterprise, Law on Special Consumption Tax and Law on Enforcement of Civil Judgment;
- Pursuant to the Law on Securities No. 54/2019/QH14 dated November 26, 2019 and Law No. 56/2024/QH15 dated November 29, 2024 amending and supplementing a number of articles of the Law on Securities, Law on Accounting, Law on Independent Audit, Law on State Budget, Law on Management and Use of Public Properties, Law on Tax Administration, Law on Personal Income Tax, Law on National Reserves, and the Law on Handling of Administrative Violations;
- Pursuant to Circular No. 50/2018/TT-NHNN dated December 31, 2018 and Circular No. 22/2024/TT-NHNN dated June 28, 2024 amending and supplementing a number of articles of Circular No. 50/2018/TT-NHNN dated December 31, 2018 regulating the dossier, order and procedures for approving a number of changes of commercial banks and foreign bank branches;
- Pursuant to Circular No. 22/2019/TT-NHNN dated November 15, 2019 regulating the limits and prudential ratios of banks and foreign bank branches, Circular No. 41/2016/TT-NHNN dated December 30, 2016 prescribing the capital adequacy ratio for operation of banks and foreign bank branches and amending and supplementing documents;
- Pursuant to Circular No. 118/2020/TT-BTC dated December 31, 2020 of the Ministry of Finance providing guidance on offering and issuance of securities, tender offer, share repurchase, registration and delisting of public companies;
- Pursuant to the Charter of Kien Long Commercial Joint Stock Bank;
- Pursuant to the business plan of Kien Long Commercial Joint Stock Bank in 2025.

Board of Directors of Kien Long Commercial Joint Stock Bank (KienlongBank) respectfully submits to the General Meeting of Shareholders for consideration and approval of the Chartered capital Increase Plan, specifically as follows

1. Approving the Plan for Chartered capital Increase of KienlongBank from VND 3,652,818,780,000 (Three thousand six hundred fifty-two billion eight hundred





eighteen million seven hundred eighty thousand VND) to VND 5,821,710,040,000 (Five thousand eight hundred twenty one billion seven hundred ten million forty thousand VND) with the form of capital increase being the issuance of shares to pay dividends to existing shareholders at a rate of 60% according to the detailed content of the attached Plan for Chartered capital Increase.

2. Approving the registration of securities depository and registration of additional securities trading of all additional shares issued at the Vietnam Securities Depository and register for supplementary trading of all additional issued shares on the Unlisted Public Company Market (UPCoM) organized by the Hanoi Stock Exchange (HNX) (in case KienlongBank has not yet completed listing transfer before the issuance date), or on the listed securities trading system organized by the Stock Exchange (if KienlongBank has completed the listing transfer prior to the dividend issuance).

3. The General Meeting of Shareholders authorizes and assigns the Board of Directors to perform the following tasks:

a. Review, amend and decide on the issuance plan and the timing of issuing shares in accordance with the reality and instructions of the competent State management agency.

b. Carry out necessary procedures to register the issuance of shares with the State Securities Commission and explain (if any).

c. Decide on amending and supplementing the dossier for registration of depository and registration of additional securities transactions in accordance with the instructions of the competent State management agency.

d. Handle odd shares arising from rounding.

e. Supplement or amend the Chartered capital Increase Plan, the issuance plan at the request of the State Bank of Vietnam, the State Securities Commission or for the purpose of complying with relevant legal regulations (if any).

g. Choose the appropriate time to close the list of shareholders exercising rights and deploy the distribution of shares.

h. Carry out necessary procedures to register the depository of all shares after issuance.

i. Amend the terms related to chartered capital, shares, and stocks in the KienlongBank Charter after completing the issuance according to the actual results of the issuance.


k. Carry out the procedures for registering the adjustment of the operating license and the Certificate of Business Registration after completing the issuance.

l. Carry out the procedures for information disclosure according to the provisions of law.

m. Select the Issuance Consulting firm (if any).

n. Other related tasks.

o. The Board of Directors is authorized to re-authorize other relevant organizations and individuals to perform the above authorized tasks.

Board of Directors respectfully submit this for the General Meeting of Shareholders to consider and approve. 

Sincerely!

**ON BEHALF OF BOARD OF DIRECTORS  
CHAIRMAN**

**Recipients:**

- As above;
- SBV, SSC;
- Archived at: BOD Office.



  
**Tran Ngoc Minh**







## APPENDIX 01- PLAN TO INCREASE CHARTERED CAPITAL THROUGH THE ISSUANCE OF SHARES TO PAY DIVIDENDS

*(Attached to the Proposal 10/TTr-HDQT date June 19, 2025 of the Board of Directors at the 2025 Extraordinary General Meeting of Shareholders)*

### I. THE NECESSITY TO INCREASE CHARTERED CAPITAL:

- To improve financial capacity, operational capacity and increase competitiveness of KienlongBank.
- To improve risk management capacity, compliance and meet safety standards in KienlongBank's operations.
- To supplement capital for profitable business operations for KienlongBank, meeting customers' borrowing needs.
- To supplement capital for investment in fixed assets, information technology systems, equipment of facilities, improvement and development of KienlongBank's operating network.

### II. PLAN TO INCREASE CHARTERED CAPITAL:

#### 1. Overview:

a. Chartered capital at the time of preparing the chartered capital increase plan is VND 3,652,818,780,000, equivalent to 365,281,878 common shares with a par value of VND 10,000/share.

- |   |  |
|---|--|
| - Stock name  | : Kien Long Commercial Joint Stock Bank shares |
| - Stock code  | : KLB  |
| - Stock type  | : Common stock                                 |
| - Par value   | : 10,000 VND/share                             |
| - Chartered capital as of December 31, 2024           | : 3,652,818,780,000 VND                        |
| - Chartered capital at the time of preparing the plan | : 3,652,818,780,000 VND                        |
| - Number of issued shares                             | : 365,281,878 shares                           |

*In which:*

- |                                |                      |
|--------------------------------|----------------------|
| - Number of treasury shares    | : 3,800,000 shares   |
| - Number of outstanding shares | : 361,481,878 shares |

b. The total expected chartered capital increase is up to VND 2,168,891,260,000, equivalent to 216,889,126 common shares with a par value of VND 10,000/share.

c. Expected chartered capital after completing the chartered capital increase in 2025: Maximum VND 5,821,710,040,000, equivalent to 582,171,004 common shares with a par value of VND 10,000/share.

#### 2. Implementation for Issuing shares to pay dividends to existing shareholders:

- a. Issuing organization: Kien Long Commercial Joint Stock Bank.
- b. Stock code: KLB.





c. Type of shares issued: Common shares.

d. Par value of shares: VND 10,000/share.

e. Number of outstanding shares: 361,481,878 shares.

g. Number of shares expected to be issued: maximum 216,889,126 shares.

h. Total issuance value at par value: maximum VND 2,168,891,260,000.

k. Expected issuance time: To be decided by the Board of Directors after the General Meeting of Shareholders approves and after receiving approval from competent State management agencies. Expected completion time is in 2025.

l. Form of capital increase: Issuing shares to pay dividends to existing shareholders at a rate of 60% on the number of shares outstanding at the time of issuance.

m. Issuance subjects: Existing shareholders whose names are on the list at the closing date of the shareholder list to exercise rights (Treasury shares are not allowed to exercise the right to receive dividends).

n. Implementation source: Undistributed profit after tax as of December 31, 2024 according to the audited Consolidated Financial Statement for 2024 after setting aside funds in accordance with the regulations of the State Bank of Vietnam and the law.

o. Ratio of rights exercise for existing shareholders: Ratio 100:60, on the date of closing the shareholder list to exercise rights, shareholders owning 100 shares will receive 60 new shares.

p. Handling of arising fractional shares: Shares issued to pay dividends to existing shareholders will be rounded down to the nearest unit, the fractional shares arising due to rounding (if any) will be cancelled.

For example: On the date of closing the shareholder list to exercise rights, shareholder A owns 1,818 shares on the date of closing the shareholder list. With the ratio of rights exercise 100:60, shareholder A will receive an additional  $1,818 \times 60\% = 1,090.8$  new shares.

According to the above principle, shareholder A will receive an additional 1.090 new shares, the fractional shares under 01 unit will be cancelled (0.80 shares).

q. The right to receive dividends in shares is not transferable.

r. Shares issued to pay dividends are not subject to transfer restrictions.

**3. Information on the chartered capital supplementary reserve fund, capital surplus, undistributed profit after tax and other funds are determined according to the Consolidated Financial Statements audited by an independent auditor:**

Unit: million VND

No	Indicator	As of December 31, 2024	Fund allocation, dividend distribution from 2024 profit	After making fund allocations
1	Chartered Capital	3,652,819		3,652,819
2	Treasury shares	(34,200)	-	(34,200)
3	Funds of credit institutions	573,838	222,126	795,964
3.1	Reserve for supplementary chartered capital	128,970	88,749	217,719



3.2	<i>Financial reserve fund</i>	444,865	88,749	533,614
3.3	<i>Other funds</i>	3	44,627	44,630
4	Undistributed profit	2,412,495		2,190,368
	<b>Tổng cộng</b>	<b>6,604,952</b>		<b>6,604,952</b>

According to the audited consolidated financial report of KienlongBank in 2024, the undistributed profit as of December 31, 2024 is VND 2,412,495 million. After allocating VND 222,126 million to funds (VND 88,749 million to the Reserve for supplementary chartered capital, VND 88,749 million to the financial reserve fund, and VND 44,627 million to other funds), the remaining amount is VND 2,190,368 million. KienlongBank has enough profit to issue shares to pay dividends at a rate of 90%, equivalent to VND 2,168,891,260,000 at par value.

**4. Bond-to-share conversion plan:** KienlongBank has no plan to convert bonds into shares.

**5. List of shareholders and ownership ratios of those holding 5% or more of voting shares and chartered capital at the current and projected post-capital-increase times:** Refer to the attached Appendix 02.

**6. List of shareholders and related persons with a shareholding ratio of 15% or more compared to the current and expected chartered capital after the capital increase:** Refer to the attached Appendix 02.

**7. List of shareholders and related persons holding 15% or more of the chartered capital at the current and projected post-capital-increase times:** Refer to the attached Appendix 02.

**8. Registration for depository and trading of additional issued shares:**

KienlongBank will register the additional issued shares with the Vietnam Securities Depository (VSD) and register for supplementary trading of all additional issued shares on the Unlisted Public Company Market (UPCoM) organized by the Hanoi Stock Exchange (HNX) (in case KienlongBank has not yet completed listing transfer before the issuance date), or on the listed securities trading system organized by the Stock Exchange (if KienlongBank has completed the listing transfer prior to the dividend issuance).

## 9. Information disclosure

KienlongBank shall disclose information in accordance with the provisions of law and instructions of competent authorities (if any).

## III. PLAN FOR UTILIZATION OF INCREASED CHARTERED CAPITAL:

The increased chartered capital in 2025 amounts to VND 2,168,891,260,000 (Two trillion one hundred sixty-eight billion eight hundred ninety one million two hundred sixty thousand dong). The funds raised from the additional share issuance to existing shareholders are expected to be used as follows:

- Supplement capital for investment in fixed assets, information technology systems, infrastructure equipment, and expansion of KienlongBank's operational network.
- Supplement capital for profit-generating investment activities of KienlongBank.

The General Meeting of Shareholders authorizes the Board of Directors to proactively adjust and allocate capital for the above activities based on actual conditions and market opportunities to ensure alignment with the Bank's overall development strategy.

#### IV. BUSINESS PERFORMANCE BASED ON THE NEW CHARTERED CAPITAL:

Unit: Billion VNDs

Indicator	Actual 2024	Plan 2025		
		Plan 2025	Increase/Decrease (+/-) compared to actual 2024	
			Amount	Percentage change (%)
1. Chartered capital	3,653	5,822	2,169	60.00
2. Total consolidated assets	92,176	102,000	9,824	10.66
3. Total consolidated mobilized capital	82,575	93,000	10,425	12.62
4. Credit outstanding	61,432	71,000(*)	9,568	15.58
5. Non-performing loan (NPL) ratio (%)	1.52	< 2.50		
6. Consolidated profit before tax	1,112	1,379	267	24.00
7. Dividend (%)	-	60.00(**)		
8. Corporate income tax	224.56	275.8	51	22.82
9. Profit after tax	887	1,103	216	24.31
10. Return on average equity (ROAE) (%)	14.36	15.46		
11. Return on average assets (ROAA) (%)	0.99	1.14		

(\*) Credit growth plan: To be implemented in accordance with the limit approved by the State Bank of Vietnam.

(\*\*) Dividend plan: To be implemented in accordance with the rate approved by the competent State authority.

After the capital increase, KienlongBank will continue to strictly comply with all safety limits and ratios as prescribed by the State Bank of Vietnam.





## APPENDIX 02

*(Attached to the Proposal No:10/TTr-HDQT June 1, 2025 of the Board of Directors at the 2025 Extraordinary General Meeting of Shareholders)*

### 1. 1. List of shareholders holding 5% or more of the voting shares and chartered capital at present and projected after capital increase:

Stt	Shareholder / Related Individual / Related Organization	Citizen ID/Business registration number	Date of issue	Place of issue	Address	Legal Representative				Current situation (date June 06, 2025)			After Capital Increase		
						Name	ID/Passport number	Date of issue	Place of issue	Number of shares owned	Ownership ratio in voting shares (%)	Ownership ratio in chartered capital (%)	Number of shares owned	Ownership ratio in voting shares (%)	Ownership ratio in chartered capital (%)
1	None														

### 2. List of shareholders and related persons holding 15% or more of the chartered capital at present and projected after capital increase:

Stt	Shareholder / Related Individual / Related Organization	Citizen ID/Business registration number	Date of issue	Place of issue	Address	Legal Representative				Current situation (date June 06, 2025)			After Capital Increase		
						Name	ID/Passport number	Date of issue	Place of issue	Number of shares owned	Ownership ratio in voting shares (%)	Ownership ratio in chartered capital (%)	Number of shares owned	Ownership ratio in voting shares (%)	Ownership ratio in chartered capital (%)



1	None														
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**3. Information on the total foreign investor ownership at present and projected after capital increase:**

Stt	Shareholder's Name	Thời điểm hiện tại (Ngày 06/6/2025)			After capital increase		
		Number of shares owned	Ownership ratio in voting shares (%)	Ownership ratio in chartered capital (%)	Number of shares owned	Ownership ratio in voting shares (%)	Ownership ratio in chartered capital (%)
1	Foreign shareholder	4,576,426	1.27	1.25	7,322,281	1.27	1.26

Note:

- Total number of current shares : 365,281,878 shares.
- Number of current voting shares : 361,481,878 shares.
- Total number of projected shares after capital increase : 582,171,004 shares.
- Number of projected voting shares after capital increase : 578,371,004 shares.

