

**CHUONG DUONG BEVERAGES JOINT STOCK COMPANY**

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No.: 07 /2025/TTr-HDQT

HCM City, April 10, 2025

PROPOSAL**Re: Approval of new loan from Sabeco in 2025 - 2026****Respectfully To:** Shareholders of Chuong Duong Beverages Joint Stock Company

The Board of Directors of the Company respectfully proposal to the General Meeting of Shareholders for consideration and approval of a new loan from SABECO with the following contents:

1. Current situation of CDBECO**1.1 Difficulties CDBECO is facing:**

- CDBECO has been incurring losses since 2021 (with the peak loss of 119 billion in 2023). The main reasons are the increase in costs when the factory was relocated to Nhon Trach, changes in senior management level; MP3 project yet to reach full capacity due to construction permit issues, leading to lower revenue than expected, etc. causing a cashflow shortage, and the biggest impact being the increase in land rental costs from the new land laws implemented in August 2024.

The land lease costs are summarized by year as follows:

Đvt: tỷ đồng					
Địa điểm	2022A	2023A	2024A	2025BG	2026FC
Quận 1 (606 VVK)	13.3	57.5	26.1	43.7	43.7
Quận Tân Phú	0.3	0.3	0.5	0.7	0.7
Quận Thủ Đức	1.1	1.4	2.1	2.7	2.7
Quận 6	0.3	0.5	2.0	1.4	1.4
Tổng cộng	15.0	59.7	30.7	48.5	48.5

- The land lease costs for 2026 are projected to be similar to Budget 2025.
- FY 2024 has reflected some recovery in performance with a +34% increase in sales volume versus 2023, and the losses reduced to -65 billion (from -119 billion).
- The average warehouse lease rate from the MP3 project remains low (51% occupancy rate in 2024 but expected to increase to 65% in 2025). năm 2024; kỳ vọng tăng đến 65% trong năm 2025).

1.2 Business plan 2025 – 2026 and forecasted cashflow:**➤ CDBECO business plan 2025 – 2026:**

In 2025, CDBECO has projected to increase sales volume by 38% (equivalent to +4.1 million liters) with specific targets for implementation as follows:

- Expand the distribution network to the Eastern, Western, and Central regions; it is expected to open 12 new distributors (contributing to an increase of 3.4 million liters in sales volume for 2025).

- Categorize the distribution system by sales capacity, including distributors at levels 1, 2, and agents. The goal is to open 30 new agents, contributing an additional 700,000 liters in sales volume for 2025.

- Develop a "Club" program for distributors to promote the image and support distributors in selling Chương Dương products.

Additionally, CDBECO is striving to increase the occupancy rate at MP3 to boost revenue and optimize cash flow.

These activities mainly will bring in operating cashflow to cover operating expenses but unable to cover the significant increase in land lease costs, more so in 2025 and potentially 2026 as imposed by the government. The provision of new loans is mainly support the payment of these costs.

Categories	Unit	2024 Actual (A)	2025 Plan (B)	Grow rate % (B-A)/(A)
Net Revenue	Billion VND	183.28	260.34	42%
Profit After Tax	Billion VND	(65.59)	(80.49)	- 23%

➤ Estimated cashflow:

- With the business plan of 2025 as outlined in Table 1, the estimated cash flow will have a shortfall of 45 billion VND in 2025 and 15 billion VND in 2026.

- However, we would like to consider a more prudent scenario, where the beverage business segment is projected to achieve a +29% increase in revenue (Table 2), and the warehouse occupancy lease rate in 2025 is expected to be the same as 2024 i.e. 51%. Based on this, CDBECO's cashflow are estimated to require an additional 65 billion VND for 2025 and another 45 billion VND for 2026.

- The basis for the assumption comes from a limited product portfolio, current market development, and a slower distribution drive across different geographies. Additionally, the occupancy rate is moderated based on existing warehouse lease contracts at the end of 2024.

- CDBECO cashflow shortfall will occur in May and October 2025 when the company has to pay land rental costs per the annual practice.

2. Loan repayment solution:

- CDBECO will accelerate business growth according to the plan and increase the coverage rate at MP3 to boost revenue and optimize cash flow.

- CDBECO is carrying out company restructuring to focus on core business activities, optimize resources, and enhance the efficiency of core business operations

3. Loan approval content from SABECO

Article 1: Approval of new loans to CDBECO from SABECO with the main terms of the loan as follows:

Item	Details
Lender	SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION (“SABECO”)
Borrower	CHUONG DUONG BEVERAGES JOINT STOCKS COMPANY (“CDBECO”)
Facility limit	2025: 65 billion VND (Sixty-five billion VND) 2026: 45 billion VND (Forty-five billion VND) A maximum of 2 disbursements per year, when the actual working capital is insufficient. The actual disbursed amount ("Loan") through these disbursements must not exceed the yearly limit stated above.
Loan currency	In VND
Loan Purpose	To ensure CDBECO’s working capital needs, excluding the payment of interest and repayments of existing loan agreements with SABECO.
Loan term	12 months from the actual disbursement date of each installment.
Loan repayment	The principal will be paid once at the end of the Term or pay partial or all of the principal before the due date (if any) and no penalty for early payment. When prepaid, the Borrower pays the principal plus interest in proportion to the loan principal.
Loan interest payment	Interest on the principal of the Loan will be paid on the payment date based on the actual number of days arising in the year (365 days/year).
Interest Rate (*)	- Is the interest rate shown and confirmed by the Lender on the Disbursement Request. - At the time CDBECO announces the need for the disbursement, SABECO will refer to loan rate and term deposit rate corresponding to the loan term at authorized banks. Internal loan interest rate is the interest rate agreed between the two Parties so that it is neither lower than the lowest loan interest rate nor lower than the highest deposit interest rate corresponding to the reference loan term from the panel banks' offers at the disbursement date.
Source to pay back	CDBECO commits to using all available capital/financial sources it has to repay the loans to SABECO.
Security	Unsecured

Điều 2: Assign the Legal Representative at “CDBECO” to execute essential works to:

Signing the Loan Agreement and all relevant documents/ agreements/ documents required to complete the loan transaction of the credit facility specified in above Article 1 between SABECO and CDBECO; control the loan as the policy.

Amending the Loan Agreements if deemed necessary and reasonably worth doing, signing other relevant documents/agreements/documents required to amend the Loan Agreements. *thien*

Yours respectfully,

Recipients:

- As above;
- Saved at BOD Office.

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



Tan Teck Chuan Lester