



Số: 09/2018/TT- HĐQT

Ho Chi Minh City, 09 April 2018

THE FY2017 ANNUAL GENERAL MEETING PROPOSAL

*Subject: - Issuance of shares for existing shareholders
and issuance of shares for Employee Stock Ownership Plan (ESOP)*

Pursuant to:

- *The Law on Enterprises No.68/2014/QH13 issued by the National Assembly of the Socialist Republic of Vietnam on 26 November 2014 and the documents guiding the implementation of Law on Enterprise;*
- *The Law on Securities No.70/2006/QH11 issued by the National Assembly of the Socialist Republic of Vietnam on 29 June 2006 and Amendment, Law amending and supplementing a number of articles of Securities Law No.62./2010/QH12 issued by the National Assembly of the Socialist Republic of Vietnam on 24 November 2010 and some documents guiding the implementation of Securities Law;*
- *The eleventh amendment of HSC Charter according to the AGM Resolution No.01/2017/NQ-ĐHĐCĐ dated 24 April 2017,*

I. SHARE ISSUANCE FOR EXISTING SHAREHOLDERS

A. Share issuance for existing shareholders using capital resources of owners' equity to increase charter capital (Issuance of bonus shares)

1. Name of securities: Share of Ho Chi Minh City Securities Corporation (HCM)
2. Type of share: Ordinary share
3. Par value: VND10,000/ share (*Ten thousand dong per share*)
4. Total number of issued shares: 129,756,758 (*One hundred twenty-nine million seven hundred fifty-six thousand seven hundred fifty-eight*) shares
5. Number of outstanding shares: 129,569,168 shares (*One hundred twenty-nine million five hundred sixty-nine thousand one hundred sixty-eight*) shares
6. Number of treasury shares: 187,590 shares (*One hundred eighty-seven thousand five hundred ninety*) shares (*at 31 March 2018*)
7. Estimated number of issued shares: 86,379,445 shares (*Eighty-six million three hundred seventy-nine thousand four hundred forty-five*) shares
8. Total value of issuance at par value: VND 863,794,450,000 (*Eight hundred sixty-three billion seven hundred ninety-four million four hundred fifty thousand dong*)
9. Issuance rate (*total estimated number of issued shares/ number of outstanding shares*): 66,67%
10. Offering target: Existing shareholders include domestic and foreign shareholders, whose names are in the list of HSC's shareholders as at the record date issued by Vietnam Securities Depository – HCMC Branch, are entitled to to exercise the right to receive bonus shares.

11. Subscription ratio 3:2 (*A shareholder who owns three (03) shares is entitled to the right of receiving two (02) bonus shares*)
12. Additional issued shares are not subjected to transfer restrictions
13. The right to receive additional issued shares is not transferable
14. Processing with arising odd stocks (*if any*): The number of shares issued to existing shareholders will be rounded down to the unit. The decimal fraction (*if any*) will be canceled.
15. Capital sources: Undistributed earnings and Share premium based on the FY2017 Audited Financial Statement
In which:
 - Value of the Undistributed earnings: VND 533,450,651,501 (*Five hundred thirty-three billion four hundred fifty million six hundred fifty-one thousand five hundred and one dong*)
 - Value of the Share premium: VND 330,343,798,499 (*Three hundred thirty billion three hundred forty-three million seven hundred ninety-eight thousand four hundred ninety-nine dong*)
16. Expected time of issuance: 2nd Quarter of 2018 after receiving the approval from the State Securities Commission

B. Share issuance offering to existing shareholders

1. Name of securities: Share of Ho Chi Minh City Securities Corporation (HCM)
2. Type of share: Ordinary share
3. Par value: VND10,000/ share (*Ten thousand dong per share*)
4. Total number of issued shares: 129,756,758 (*One hundred twenty-nine million seven hundred fifty-six thousand seven hundred fifty-eight*) shares
5. Number of outstanding shares: 129,569,168 (*One hundred twenty-nine million five hundred sixty-nine thousand one hundred sixty-eight*) shares
6. Number of treasury shares: 187,590 (*Eighty-six million three hundred seventy-nine thousand four hundred forty-five*) shares (*at 31 March 2018*)
7. Estimated number of issued shares: 86,379,445 (*Eighty-six million three hundred seventy-nine thousand four hundred forty-five*) shares
8. Total value of issuance at par value: VND 863,794,450,000 (*Eight hundred sixty-three billion seven hundred ninety-four million four hundred fifty thousand dong*)
9. Issuance rate (*total estimated number of issued shares/ number of outstanding shares*): 66,67%
10. Offering target: Existing shareholders include domestic and foreign shareholders, whose names are in the list of HSC's shareholders as at the record date issued by Vietnam Securities Depository – HCMC Branch, are entitled to exercise the right to purchase shares.
11. Offering method: In accordance with shareholders' purchasing rights
12. Subscription ratio 3:2 (*A shareholder who owns three (03) shares is entitled to the right of purchasing two (02) additional shares*)
13. Offering price: VND 14,000/ share (*Fourteen thousand dong per share*)

14. Total value of issuance at offering price: VND 1,209,312,230,000 (*One thousand two hundred and nine billion three hundred and twelve million two hundred thirty thousand dong*)
15. The right to purchase additional issued shares is transferable only one time.
16. Shareholders restricted in transferability are still entitled to purchase shares. The number of additional shares purchased from the right to purchase shares is not restricted.
17. Dealing with the remaining of shares from existing shareholders that do not carry out the purchasing right (*if any*):
For the number of unissued shares refused to be purchased by the existing shareholders, the Annual General Shareholders' Meeting ("AGM") authorizes the Board of Directors ("BoD") to continue offering them to other investors which will be chosen and decided by the BoD, with the offering price not lower than the one offered for existing shareholders.
18. Processing with arising odd stocks (*if any*): The number of shares existing shareholders receive will be rounded down to the unit. The decimal fraction (*if any*) will be canceled.
For example: Nguyen Van A owns 154 HCM shares, according to the issuance ratio 3:2, Nguyen Van A will be entitled to the right of purchasing $(153 \times 2) / 3 = 102,6$ additional shares. Thus, Nguyen Van A will be entitled to the right of purchasing 102 shares. Odd share (0.6 shares) will be canceled.
19. Expected time of issuance: 2nd Quarter of 2018 after receiving the approval from the State Securities Commission.

C. Authorization for the Board of Directors

The Annual General Shareholders' Meeting ("AGM") authorizes the Board of Directors to:

- Select the record date for the list of shareholders to the issuance shares to increase the owner's equity (*bonus shares*) and the right to purchase shares under the issuance plan for the existing shareholders as soon as possible after the State Securities Commission announced to receive the stock issuance profiles for the existing shareholders while ensuring the benefits of shareholders in accordance with the provisions of law.
- Conduct necessary procedures to process and to complete the share issuance plan for existing shareholders in accordance with regulations of the Company Charter and the documents guiding the implementation of Law;
- Register and list all of issued shares for existing shareholders at Vietnam Securities Depository ("VSD") and Ho Chi Minh Stock Exchange ("HOSE") after completing the issuance;
- Assign the Board of Directors and the Board of Management to amend the Company Charter accordingly in charter capital related articles upon the result of the issuance; execute the registration of increased charter capital to amend Business Registration Certification of HSC at State Securities Commission ("SSC") after completing the issuance.

II. ISSUANCE OF SHARES FOR EMPLOYEE STOCK OWNERSHIP PLAN (ESOP)

1. Name of securities: Share of Ho Chi Minh City Securities Corporation (HCM)

2. Type of share: Ordinary share
3. Par value: VND10,000/ share (*Ten thousand dong per share*)
4. Total number of issued shares: 129,756,758 (*One hundred twenty-nine million seven hundred fifty-six thousand seven hundred fifty-eight*) shares
5. Number of outstanding shares: 129,569,168 (*One hundred twenty-nine million five hundred sixty-nine thousand one hundred sixty-eight*) shares
6. Number of treasury shares: 187,590 (*Eighty-six million three hundred seventy-nine thousand four hundred forty-five*) shares (*at 31 March 2018*)
7. Estimated number of issued shares: 6,500,000 (*Six million five hundred thousand*) shares
8. Issue price: VND 14,000/ Share (*Fourteen thousand dong per share*)
9. Total value of issuance at par value: VND 65,000,000,000 (*Sixty-five billion dong*)
10. Total value of issuance: 91,000,000,000 (*Ninety-one billion dong*)
11. Subscription ratio: 5,02%
12. Capital sources: The Company's Welfare and Reward Fund as at 30 April 2018 and the employees' payments
In which:
 - Total value of the Welfare and Reward Fund: VND 34,000,000,000 (*Thirty-four billion dong*)
 - Total value of the employees' payment: VND 57,000,000,000 (*Fifty-seven billion dong*)
13. Applicable employees: Company's management employees
14. Transfer restriction: Shares issued to the Company employees shall be restricted in accordance with the Rules - Policies on Employee Share Ownership Plan 2018 adopted by the Board of Directors of Ho Chi Minh City Securities Corporation.
15. Transfer ratio and time frame:
 - At the end of the first year (*12 months after the completed issuance of ESOP 2018*), the employees shall only be allowed to transfer up to 40% of the total Issued and Transferred Shares.
 - At the end of the second year (*24 months after the completed issuance of ESOP 2018*), the employees shall only be allowed to transfer up to 30% of the total Issued and Transferred Shares.
 - At the end of the third year (*36 months after the completed issuance of ESOP 2018*), the employees shall be allowed to transfer up to 30% all of the remaining Issued and Transferred Shares.
16. Dealing with non-exercised shares: In case the employees refuse to exercise the rights to buy their allocated shares, the Board of Directors shall allocate total number of non-exercised shares to other employees depending on his/her years' seniority.
17. Revocation of issued and transferred shares
 - If an employee resigns, the Company will buy his or her remaining transfer-restricted shares at the price which equals his or her contribution amount to purchase those shares plus non-term interest for the period from issue date to the re-purchase date. These shares will be

available for transfer once Vietnam Securities Depository (VSD) – Ho Chi Minh City Branch approves the ownership transfer.

- The treatment of other cases will be applied in accordance with the Rules - Policies on Employee Share Ownership.
18. Estimated time of issuance: 2nd Quarter of 2018 after receiving the approval from the State Securities Commission.
19. Authorization: Submit to the AGM to authorize the Board of Directors to:
- Decide the list of the employees who are allowed to purchase shares and the allocation of shares for each employee;
 - Conduct necessary procedures to process and to complete the issuance of ESOP 2018 in accordance with regulations of the Company Charter and the documents guiding the implementation of Law;
 - Register and list all of issued shares of ESOP 2018 at Vietnam Securities Depository ("VSD") and Ho Chi Minh Stock Exchange ("HOSE") after completing the issuance;
 - Assign the Board of Directors and the Board of Management to amend the Company Charter accordingly in charter capital related articles upon the result of the issuance; executing the registration of increased charter capital to amend Business Registration Certification of HSC at State Securities Commission ("SSC") after completing the issuance.

III. CAPITAL USING PLAN

Total value of expected additional issued shares VND 1,266,312,230,000 (*One thousand two hundred sixty-six billion three hundred and twelve million two hundred thirty thousand dong*).

Additional capital gained from the share issuance will be allocated to

- Additional capital for margin trading: VND 1,000,000,000,000
(*A thousand billion dong*)
- Additional capital for using proprietary investment: VND 266,312,230,000
(*Two hundred sixty-six billion three hundred twelve million two hundred thirty thousand dong*)

The AGM authorize the Board of Directors to adjust the using plan of capital gained from the offering to accord with the Company's actual need of using capital and to ensure the shareholders' maximum benefits.

The BoD would like to submit to the AGM for your respective approval.

**ON BEHALF OF THE BOARD OF DIRECTORS
MEMBER**



JOHAN NYVENE

To:

- As mentioned above :
- BoD Office for record.