

**REPORT**  
**ANNUAL GENERAL MEETING OF SHAREHOLDERS FY 2023**  
**HO CHI MINH CITY SECURITIES CORPORATION**

**Subject: Activities in 2023 and Plan in 2024 of the Board of the Directors**

The Board of Directors (“BOD”) of Ho Chi Minh Securities Corporation (“HSC” or the “Company”) would like to report to the Annual General Meeting of Shareholders (“AGM”) activities in 2023 and the plan in 2024 of the BOD.

**A. REPORT ON ACTIVITIES IN 2023 OF THE BOARD OF DIRECTORS**

**I. Activities of the BOD in 2023**

**1. Structure of the BOD of HSC**

HSC’s BOD is comprised of seven (07) members with two (02) independent members and five (05) non-executive members.

At the FY 2022 AGM of HSC, shareholders approved the dismissal of Mr. Nguyen Hong Van as a member of the BOD and the dismissal of Ms. Nguyen Thi Thu Thanh as a member of the Board of Supervisors (“BOS”). These two executives are representatives of Ho Chi Minh City Finance and Investment State-owned Company (“HFIC”). In the AGM, shareholders also approved the appointments of Ms. Phan Quynh Anh as a member of the BOD and Mr. Tran Thai Phuong as a member of the BOS. These two executives are also representatives of HFIC. Therefore, after the dismissals and appointments, the structure of the BOD for the term V (2021-2025) remained unchanged.

**2. General activities of the BOD**

The BOD fulfilled its commitment and responsibilities as all members participated in all BOD meetings and made important decisions in 2023.

In 2023, the BOD held twenty-five (25) meetings, including regular meetings, extraordinary meetings, and meetings in the form of collecting written opinions. The BOD meetings were convened and organized in compliance with relevant procedures and formalities and had all members of the BOD and BOS participated. In the meetings, the BOD approved quarterly, six-month, and full year business results; analyzed the market condition; reviewed the strategic plan for the next quarters and approved other matters under its authority to ensure that the Company's businesses are properly managed. After each BOD meeting, meeting minutes were recorded, and resolutions were issued and promptly disclosed in accordance with applicable laws and HSC’s charter and regulations.

Periodically at the first meeting of a year, the BOD evaluates the domestic and global market conditions and then considers the feasibility of the Company's business plan. At the last meeting of the year, the BOD reviewed schedules of the meetings that are to be held in the next year to ensure that all members of the BOD, the BOS and the Board of Management (BOM) could attend.

In addition to the aforementioned meetings, the BOD also held meetings with the BOM to analyze and evaluate the operations and performances of each department, thereby developing viable strategies based on the Company’s capabilities and current market conditions. Besides, to set strategic direction for the next phase of sustainable development, in 2023, the BOD and the BOM maintained continuous dialogues to discuss various business aspects and pivotal matters. These were invaluable opportunities for HSC to holistically analyze the Company’s capabilities and market





landscape to develop long-term business strategies. Particularly in the meetings in 2023, the BOD and the BOM made various important decisions to further enhance HSC's key strengths in technology, product development and human resources.

In 2023, the BOD made important decisions related to the Company's operations and development. The key ones are as follows:

- Executed the plan of issuing shares to existing shareholders in accordance with the certificate of public offering registration No. 411/GCN-UBCK issued by the State Securities Commission of Vietnam ("SSC") on 07 December 2023, and the decision No. 09/ Decision-UBCK issued by the SSC on 04 January 2024 which approved the extension of the certificate of public offering registration of HSC.
- Distributed FY 2021 stock dividend at a rate of 15% and paid FY 2022 cash dividend at a rate of 7.5% of par value.
- Approved contents related to Employee Stock Ownership Program ("ESOP").
- Approved in principle all contracts and transactions that HSC and its related parties expected enter in 2023.
- Approved contracts between HSC and Dragon Capital VietFund Management ("DCVFM") that are related to the Voluntary Supplementary Pension Program of HSC.
- Approved regulations and policies that are under the approval authority of the BOD; and
- Made other important decisions under the authority of the BOD.

#### Details of Resolutions/Decisions of the BOD in 2023

No.	Resolution No.	Date	Contents	Approval rate
1	02/2023/NQ-HĐQT	02 February 2023	Approved bank credit line, which was less than 10% of the Company's total assets recorded in the FY2022 reviewed interim financial statements.	100%
2	03/2023/NQ-HĐQT	09 March 2023	- Approved time, venue, and agenda of FY2022 AGM - Approved the record date to finalize the list of shareholders who were eligible to attend the FY2022 AGM.	100% 100%
3	04/2023/NQ-HĐQT	20 March 2023	Approved bank credit line, which was less than 10% of the Company's total assets recorded in the FY2022 reviewed interim financial statements.	100%
4	05/2023/NQ-HĐQT	20 March 2023	Approved bank credit line, which was less than 10% of the Company's total assets recorded in the FY2022 reviewed interim financial statements.	100%
5	06/2023/NQ-HĐQT	03 April 2023	Approved the agenda and documents of the FY2022 AGM.	100%
6	07/2023/NQ-HĐQT	14 April 2023 For seeking BOD's writing approval	- Approved the addition of new contents to the agenda of FY 2022 AGM. - Approved the list of candidates for members of the BOD and BOS for the term V (2021-2025)	100% 100%
7	08/2023/NQ-HĐQT	11 May 2023	Approved bank credit line, which was less than 10% of the Company's total assets recorded in the FY2022 audited financial statements.	100%
8	09/2023/NQ-HĐQT	11 May 2023	Approved bank credit line of VND1,800 billion, which was more than 10% of the Company's total assets recorded in the FY2022 audited financial statements. (the information was disclosed in the Information Disclosure No 20/2023/CV-CBTT on 12 May 2023).	100%
9	10/2023/NQ-HĐQT	18 May 2023 For seeking BOD's written approval	Approved the final registration date and payment date of the FY2022 2nd cash dividend.	100%



No.	Resolution No.	Date	Contents	Approval rate
10	11/2023/NQ-HĐQT	19 June 2023	Approved bank credit line of VND5,000 billion, which was more than 10% of the Company's total assets recorded in the FY2022 audited financial statements. (this information has been disclosed in Information Disclosure No 27/2023/CV-CBTT on 20 June 2023).	100%
11	12/2023/NQ-HĐQT	19 June 2023	Approved bank credit line of VND4,000 billion, which was more than 10% of the Company's total assets recorded in the FY2022 audited financial statements. (the information was disclosed in Information Disclosure No 28/2023/CV-CBTT on 20 June 2023).	100%
12	13/2023/NQ-HĐQT	19 June 2023	Approved bank credit line of VND2,000 billion, which was more than 10% of the Company's total assets recorded in the FY2022 audited financial statements. (the information has been disclosed in the Information Disclosure No 29/2023/CV-CBTT on 20 June 2023).	100%
13	14/2023/NQ-HĐQT	13 June 2023 For seeking BOD's written approval	Approved issuances of covered warrants: FPT-HSC-MET13, HPG-HSC-MET12, MBB-HSC-MET13, MSN-HSC-MET08, MWG-HSC-MET14, POW-HSC-MET01, STB-HSC-MET09, TCB-HSC-MET12, VHM-HSC-MET11, VPB-HSC-MET12, VRE-HSC-MET13. (the information was disclosed in the Information Disclosure No 24/2023/CV-CBTT on 14 June 2023).	100%
14	15/2023/NQ-HĐQT	06 July 2023 For seeking BOD's written approval	Approved issuances of covered warrants: FPT-HSC-MET14, HPG-HSC-MET13, MBB-HSC-MET14, MWG-HSC-MET15, STB-HSC-MET10, TCB-HSC-MET13, VHM-HSC-MET12, VNM-HSC-MET10, VPB-HSC-MET13, VRE-HSC-MET14, FPT-HSC-MET15, HPG-HSC-MET14, MBB-HSC-MET15, MSN-HSC-MET09, MWG-HSC-MET16, STB-HSC-MET11, TCB-HSC-MET14, VHM-HSC-MET13, VPB-HSC-MET14, VRE-HSC-MET15 (the information was disclosed in the Information Disclosure No 34/2023/CV-CBTT on 06 July 2023).	100%
15	16/2023/NQ-HĐQT	08 August 2023	<ul style="list-style-type: none"> <li>- Approved contracts (including contracts, contract appendices, contract termination) between HSC and Dragon Capital VietFund Management that are related to the Voluntary Supplementary Pension Program of HSC. (this information was disclosed in the Information Disclosure No 51/2023/CV-CBTT on 08 August 2023).</li> <li>- Approved of the Information Security and Personal Transactions Policy, effective from August 8, 2023.</li> <li>- Approved procurement approval authority of the BOD in the Procurement Policy signed by the CEO, effective from 08 August 2023.</li> </ul>	100% 100% 100%
16	17/2023/NQ-HĐQT	31 August 2023	Approved the bank credit limit, which was less than 10% of HSC's total assets in the FY2023 reviewed interim financial statements.	100%
17	18/2023/NQ-HĐQT	31 August 2023	Approved the bank credit limit, which was less than 10% of HSC's total assets in the FY2023 reviewed interim financial statements.	100%
18	19/2023/NQ-HĐQT	12 September 2023 For seeking BOD's writing approval	Approved in principal contracts and transactions that the Company and its related parties expected to enter into in 2023	100%
19	20/2023/NQ-HĐQT	02 October 2023	Approved the bank credit limit, which was less than 10% of HSC's total assets in the FY2023 reviewed interim financial statements.	100%
20	22/2023/NQ-HĐQT	04 December 2023 For seeking BOD's	Approved the correction of the number of shares, total value of issuance and plan for using capital obtained from the offering to existing shareholders in Article 9.I.8, Article 9.I.9 and Article 9.I.9.9.II in the Plan of	71,43%



No.	Resolution No.	Date	Contents	Approval rate
		written approval	share issuance to existing shareholders in Resolution No. 01/2022/NQ-DHDCD dated 08 August 2022 of the FY2021 Annual General Meeting of Shareholders.	
21	23/2023/NQ-HĐQT	15 December 2023 For seeking BOD's written approval	Approved the final registration date, timeline and venue for transferring purchase rights, subscriptions and payment to purchase offered shares to existing shareholders according to Certificate of registration for public offering of shares No. 411 /GCN-UBCK issued by the State Securities Commission on 07 December 2023.	100%
22	24/2023/NQ-HĐQT	15 December 2023 For seeking BOD's written approval	Extended the time to distribute shares to existing shareholders from 90 days to 120 days from the date the Company was granted in the Certificate of registration for public offering of shares No. 411/GCN-UBCK by the State Securities Commission, in accordance with the provisions of Clause 4, Article 77 of Decree 155/2020/ND-CP detailing the implementation of the Securities Law	100%
23	25/2023/NQ-HĐQT	18 December 2023	<ul style="list-style-type: none"> <li>- Approved the Regulation of shares issuance according to the 2022 Employee Stock Ownership Program (ESOP). 60%</li> <li>- Approved the list of employees eligible to participate in the 2022 ESOP plan. 60%</li> <li>- Approved the dossier of ESOP share issuance submitted to the State Securities Commission under the provisions of Article 65 of Decree 155/2020/ND-CP guiding the Securities Law. 60%</li> <li>- Approved the implementation of share issuance plan under the Company's 2022 Employee Stock Ownership Program (ESOP) approved by the General Meeting of Shareholders in Resolution No. 01/2022/NQ-DHDCD dated August 8/ August 2022. 60%</li> </ul>	

### 3. Activities of independent members of the BOD and independent members' evaluation of the activities of the BOD

The two independent members of the BOD of HSC are veterans in the banking and securities industries, in both domestic and international markets. Since joining the BOD, the two independent members have collaborated closely with other members of the BOD, members of the BOS and members of the Board of Management (BOM) and actively made important contributions to strategic decisions of HSC. The independent members evaluated, discussed, and challenged business matters constructively and comprehensively to help HSC improve its corporate governance and operations. Particularly in 2023, with their skills and experiences, the independent members made significant contributions to strategic directions, operations, and risk management activities to help HSC proactively respond and overcome challenges and enhance its competencies.

The independent BOD members acknowledged that all members of the BOD as well as the BOD collectively worked with a strong sense of responsibility towards shareholders, investors, partners, employees, and other stakeholders. Besides, the BOD acted in a timely manner in 2023, providing the Company with sensible instructions and feedback when necessary. Additionally, the BOD demonstrated transparency in corporate governance and fully complied with all laws and regulations applicable to public companies and listed companies in 2023. Periodically, the BOD reviewed, assessed, and proposed solutions for matters related to business strategies, execution of business plans, risk management, technology investments and management process enhancement. The BOD held meetings in a timely manner and in accordance with procedures outlined in the Company's internal regulations and charter. The BOD's decisions were made based on the majority rule. Meeting minutes were fully prepared and signed by all the BOD members who attended the meetings.



In last year, the BOD regularly monitored and directed the execution of 2023 business plan as approved by shareholders in the FY2022 AGM. In addition, the BOD established a framework for the BOS to effectively carry out its duties so that activities of the BOD in particular and operations of the Company in general were closely supervised, thereby improving transparency and ensuring that the Company acts in the legitimate and best interests of shareholders.

Although the Vietnamese stock market performed reasonably well in 2023, it experienced considerable turbulences at some points over the past year as a result of monetary tightening in world major economies and geopolitical risks. Driven by sustainable development goal and HSC's prudent approach to business of balancing profit growth with risk management and social and environmental development, the BOD collaborated closely with the BOM to help HSC not only overcome difficulties but also deliver encouraging business results. Although HSC could not accomplish the business guidance in 2023, the Company was able to solidify key strengths and therefore is well-positioned for long-term sustainable growth.

Thus, independent BOD members acknowledged that, in 2023, the BOD fully complied with applicable laws, the Company's charter and internal regulations, and resolutions of the AGM when carrying out its roles and responsibilities. The BOD also effectively exercised its supervisory role over the activities of the CEO and the BOM.

#### 4. Activities of committees under the BOD

The BOD set up three (03) committees directly under the BOD: the Risk Management Committee, the Internal Audit Committee, and the Nomination - Remuneration Committee.

The committees are responsible for advising and supporting the BOD in monitoring and strengthening the Company's internal control activities.

#### Structure of committees under the BOD

Committees under the BOD are comprised of independent members and non-executive members of the BOD. Two independent members of the BOD and one member of the BOS were appointed chairmen of the committees. The Chairman and Vice Chairman of the BOD participate in the committees.

No.	Name	Position	Risk Management Committee	Internal Audit Committee	Nomination - Remuneration Committee
1	Johan Nyvene	Chairman Non-executive board member	√		√
2	Le Anh Minh	Vice Chairman Non-executive board member	√	√	√
3	Le Hoang Anh	Member Non-executive board member	√	√	
4	Andrew Colin Vallis	Member Independent board member	Chairman	√	
5	Nguyen Thi Hoang Lan	Member Independent board member			Chairman
6	Dang Nguyet Minh	Member The Board of Supervisors		Chairwoman	

#### Activities of the committees under the BOD in 2023

In 2023, the committees under the BOD accomplished their tasks and duties in providing effective advice on important issues to the BOD.

#### The Risk Management Committee

In 2023, the Risk Management Committee continued to perform its roles and duties effectively after HSC successfully implemented its risk management system. Particularly, the committee submitted



to the BOD regulations and policies which aim to control and minimize risks. The committee also regularly reviewed risk and compliance reports, risk portfolio and key risks of major businesses and assessed the overall business environment and factors that might affect HSC's operations.

#### **The Internal Audit Committee**

In last year, the Internal Audit Committee inspected the interim and annual financial statements of the Company, supervised operations of the Internal Audit department and approved the 2023 audit plan in accordance with the risk management direction for the 2023 – 2025 period.

Besides, the committee successfully accomplished its mandated roles and responsibilities. Particularly, the committee conducted several thematic audits intensively and identified limitations and weaknesses. Moreover, after the audits, the committee recommended corrective actions to ensure that HSC's management system is properly operated and is aligned with the Company's existing business conditions.

#### **The Nomination - Remuneration Committee**

In 2023, the Nomination - Remuneration Committee reviewed and proposed salary, bonus, and other benefits of each member of the BOD and the BOS. The committee also reviewed HSC's annual employee budget.

In addition, the Nomination - Remuneration Committee approved the list of employees who are entitled to participate in the 2022 Employee Stock Ownership Program before it was submitted to the BOD for final approval.

### **5. Remuneration, expenses, and other benefits of the BOD and BOS and of each member of the BOD and BOS**

#### **Total remuneration and other expenditures of the BOD and BOS in 2023**

Contents	(VND)
Budget at the beginning of 2023	18,571,557,097
BOD remuneration	6,269,743,591
BOS remuneration	1,146,666,667
BOD & BOS bonus	0
Other expenses	8,097,242,461
Budget at the end of 2023	3,097,904,378

#### **Details of remuneration of each member of the BOD in 2023**

No.	Name	Position	Remuneration (VND)	Notes
1	Mr. Johan Nyvene	Chairman	2,963,076,924	
2	Mr. Le Anh Minh	Vice Chairman	706,666,667	
3	Mr. Le Hoang Anh	Member	573,333,333	
4	Mr. Tran Quoc Tu	Member	306,666,667	
5	Mr. Andrew Colin Vallis	Independent member	773,333,333	
6	Mrs. Nguyen Thi Hoang Lan	Independent member	640,000,000	
7	Mrs. Phan Quynh Anh	Member	230,000,000	From 25/04/2023
8	Mr. Nguyen Hong Van	Member	76,666,667	Until 25/04/2023
	<b>Total</b>		<b>6,269,743,591</b>	

#### **Details of remuneration of each member of the BOS in 2023**

No.	Name	Position	Remuneration (VND)	Note
1	Mr. Pham Nghiem Xuan Bac	Chairman	493,333,333	
2	Mrs. Dang Nguyet Minh	Member	426,666,667	



No.	Name	Position	Remuneration (VND)	Note
3	Mr. Tran Thai Phuong	Member	170,000,000	From 25/04/2023
4	Mrs. Nguyen Thi Thu Thanh	Member	56,666,667	Until 25/04/2023
	<b>Total</b>		<b>1,146,666,667</b>	

### Salary of Chief Executive Officer in 2023

No.	Name	Position	Remuneration (VND)	Note
1	Mr. Trinh Hoai Giang	Chief Executive Officer	9,600,000,000	
	<b>Total</b>		<b>9,600,000,000</b>	

### Other benefits offered to members of the BOD and BOS

Members of the BOD and BOS are entitled to receive management liability insurance and travel expenses and allowances. Health check-ups, car and phone allowances and other benefits and allowances according to the Company's policy are only offered to the Chairman of the BOD.

#### 6. Supervisory activities of the BOD

In 2023, the BOD supervised activities of the Chief Executive Officer (“CEO”) and the BOM in implementing the resolutions of the AGM and the BOD through monitoring and inspecting daily operations of the Company and reviewing quarterly business result reports as well as ad-hoc reports.

The BOD acknowledged that the CEO and the BOM exercised their assigned rights and duties in accordance with provisions of current laws and regulations as well as HSC's charter and resolutions of the AGM. The CEO and the BOM made their best efforts to deliver encouraging business results, to enhance corporate culture and working environment of HSC towards sustainable development and to further improve corporate governance and risk management of the Company.

#### 7. Report on transactions between the Company and members of the BOD and their related parties

In 2023, members of the BOD, the BOM and the BOS did not have any transactions with the Company.

#### Buying shares or subscribing rights to buy shares of the Company by internal persons and their affiliated persons

In 2023, transaction of HCM stock of internal persons and their affiliated persons were disclosed and detailed in the 2023 Corporate Governance Report.

#### Transactions between the Company and its related parties

In 2023, transactions between HSC and related organizations were disclosed and detailed in the 2023 Corporate Governance Report.

## II. Results of the implementation of AGM Resolutions in 2023

In 2023, the BOD directed the implementation of AGM decisions stated in the Resolution No. 01/2022/NQ- DHDCD dated 08 August 2022 and the Resolution No. 01/2023/NQ-DHDCD dated 25 April 2023.

#### 1. Business plan in 2023

In last year, the BOD regularly reviewed and discussed business activities of HSC with the CEO and offered timely guidance and direction. As regards business result in 2023, HSC delivered VND2,254 billion in revenue and VND842 billion in pre-tax profit; both declined approximately by 21% YoY. Thus, HSC only accomplished 93% of the profit guidance approved by the AGM.



The BOD and the BOM analyzed holistically the root causes of the decline in earnings in 2023, market landscape and have set clear business plans for 2024 as well as the following years.

## **2. Dividend**

### **2.1. Cash dividend**

Based on the authorization of the FY 2022 AGM, the BOD made the decision to pay cash dividends of 7.5% of par value (or VND750 per share) in total. Details are as follows:

- The first 2022 cash dividend payment of 2.5% of par value was paid on 08 February 2023.
- The second 2022 cash dividend of 5.0% of par value was paid on 21 June 2023.

### **2.2. Stock dividend**

Based on actual results and business outlook, HSC would consider distributing stock dividend to shareholders in addition to paying cash dividend. The combination of the two types of dividends on one hand rewards shareholders with attractive yield and on the other hand helps HSC reserve cash to pursue growth and increase stock liquidity.

In 2023, the BOD implemented the AGM decision as stated in the Resolution No. 01/2022/NQ-DHDCD dated 08 August 2022 of paying the second 2021 dividend in form of stock dividend at a rate of 15% i.e. a shareholder who owned 100 shares at the record date received 15 new shares. Subsequently, the new shares issued were deposited at the Vietnam Securities Depository and Clearing Corporation and listed on the Ho Chi Minh City Stock Exchange. As of 19 February 2024, the total number of outstanding shares of HSC increased by 68,579,931 shares, from 457,211,949 shares to 525,791,880 shares.

## **3. Share issuance**

The BOD has been implementing the share issuance plan approved by shareholders in the FY2021 AGM as stated in Resolution No. 01/2022/NQ-DHDCD dated 08 August 2022. Details are as follows:

- HSC has offered existing shareholders rights to buy additional shares in accordance to the certificate of registration for public offering No. 411/GCN-UBCK issued by the SSC on 07 December 2023 and the Decision No. 09/QD-UBCK issued by the SSC on 04 January 2024 which approved the extension of the certificate of registration for public offering previously granted to HSC. Accordingly, the timeline for distributing new shares to existing shareholders was extended from 90 days to 120 days, ending on 04 April 2024.
- On 18 January 2024, HSC also submitted the dossier of share issuance to employees in accordance with the approved ESOP for SSC's approval.

## **B. OPERATION PLAN OF THE BOD IN 2024**

The year of 2024 is considered a turning point for the Vietnamese stock market in its journey to emerging market status as the Government as well as market participants have been making tremendous efforts to promote the upgrade. To capture the opportunities upon the emerging market upgrade, the BOD focuses on the followings:

- Continue to solidify HSC's leading position in the foreign investor segment to connect global investors to high quality Vietnamese businesses, especially companies that have strong ethical, social, and environmental ("ESG") practices;
- Integrate digital technology into all areas of HSC's operations, especially the operating system, to boost productivity and strengthen our competitive edge. That will also allow HSC to serve our clients better upon stock market upgrade when transactions of foreign investors are foreseen to increase significantly and be more complex;



- Strengthen capabilities of our people so that we can serve our clients better and stay ahead in the stock market;
- Diversify our client and investor base with more focus on institutional investors and professional investors;
- Expand our product and service portfolios to cater client demands in all market segments. Further enhance services to offer our clients exceptional experiences and quality advice;
- Accelerate our path to adopting global best risk management practices to manage risks and mitigate damages upon risk occurrence to gain and retain client trust;
- Enhance HSC's corporate governance towards global best practices by applying the G20/OECD Principles of Corporate Governance, and
- Develop and introduce ESG practices to all employees of HSC with an aim of creating positive spillover effect at all three pillars – environmental, social and governance to our clients, investors and other stakeholders.

The Board of Directors of HSC would like to submit the above report on activities in 2023 and plan in 2024 of the BOD to the Annual General Meeting of Shareholders.

On behalf of the Board of Directors of HSC, we would like to thank our shareholders, investors, clients, employees and other stakeholders for their continuing trust and support. The Board of Directors believes that with the strong capabilities and endless efforts of our people and the trust of our shareholders, investors, clients and other stakeholders, HSC will be able to deliver exceptional performances in 2024 and beyond and solidify its position as a leading institution and most trusted partner in the capital markets in Vietnam.

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



**JOHAN NYVENE**

**To:**

- *As aforementioned*
- *BOD's office for record*