

**REPORT**  
**ANNUAL GENERAL MEETING OF SHAREHOLDERS FY2023**  
**HO CHI MINH CITY SECURITIES CORPORATION**

**Subject: FY 2023 Business Performance**

The Board of Management (“BOM”) would like to report to the General Meeting of Shareholders (“AGM”) the business performance of HSC in 2023.

**A. The Vietnamese stock market**

Against the global and regional economic been complex and unpredictable which deeply affect the domestic economic and financial situation, the Vietnamese stock market 2023 is evaluated as having positive growth compared to other countries in the region and globally. In 2023, the VN Index increased by 12%, the market capitalization reaching over USD 240 billion, increased 10% compared to 2022.

The Vietnamese stock market Unit: trillion VND	FY 2023	FY 2022	% Change
Trading value	4,381	5,021	-13%
Daily trading value	17.6	20.2	-13%
Foreign market share (%)	8%	7%	
Net foreign flow	-23	29	-179%

**B. Business Performance of HSC in 2023**

In an unfavorable market conditions, HSC achieved a profit before tax of VND 842 billion in 2023, decreased 21% compared to 2022, and completed 93% approved guidance. In which:

- Revenue was VND 2,255 billion (-21% YoY).
- Operating expenses were controlled effectively and reduced by 21% YoY.
- Earnings per share (EPS) was VND 1,475.
- Return on average equity (ROAE) was 8.3%.

Business Performance Unit: billion VND	FY 2023	FY 2022	% Change
Revenue (*)	2,255	2,854	-21%
Operating expenses (*)	1,413	1,786	-21%
Profit before tax	842	1,068	-21%
Profit after tax	674	852	-21%
Return on average equity (ROAE)	8.3%	11.2%	
Shares at the end of the year (million shares)	457	457	0%
Earnings per share (EPS) – (VND)	1,475	1,865	-21%
Book value per share (VND)	18,180	17,261	5%

(\*) Profit and loss of the proprietary investments are presented on a net basis for comparison purpose.

Revenue breakdown by major business is as follows:

Revenue Unit: billion VND	FY 2023	FY 2022	% Change
Securities brokerage services fee	672	882	-24%
Margin loan interest income	1,066	1,273	-16%
Proprietary investments	473	623	-24%
Financial advisory services fee	22	54	-59%
Other revenue	22	22	0%
<b>Total revenue</b>	<b>2,255</b>	<b>2,854</b>	<b>-21%</b>

### 1. Securities Brokerage Services

Securities brokerage services remained the core business of HSC. HSC's securities brokerage business achieved a revenue of VND 672 billion, decreased 24% YoY and accounted 30% of total revenue in 2023 (2022: 31%). In an unfavorable market conditions, the overall market liquidity decreased 13% that affects the results of this business segment.

- Revenue of securities brokerage services provided to retail investors was VND 395 billion, decreased 30% YoY. HSC continues to maintain its position in Top 5 largest brokerage companies by market share on the Ho Chi Minh City Stock Exchange (HOSE). In 2023, HSC implements preferential fee programs for each customer segment and follow the reduction trend in the market.
- Revenue of securities brokerage services provided to institutional investors was VND 277 billion, decreased 12% YoY. HSC was able to maintain high market share in total trading value of foreign investors in 2023.

### 2. Margin Lending

Thanks to the flexibility in the risk management model of margin lending, HSC's margin loan balance reached over VND 12 trillion, increased 64% YoY. Interest income from margin loans reached VND 1,066 billion, accounted for 47% of total revenue in 2023.

HSC margin loan balance grew in all customer segments, the strongest increase in big customer segments. HSC still strictly adhered to its prudent margin lending approach and thus regularly assessed the risks of securities in its margin loan portfolio.

### 3. Financial Advisory Services

FY2023 was another challenging year for the Financial Advisory business. The business segment achieved revenue of VND 22 billion, decreased 59% YoY. Revenue of Financial Advisory business in 2023 did not as expectation because the deals were slower than the schedule. The delayed revenue is expected to be recorded in 2024.

### 4. Proprietary Investments and Treasury Management

- **Proprietary Investments:** HSC's proprietary investments primarily focus on market-making activities for exchange-traded funds (ETF) and market-making for covered warrants. These two businesses have minimal risk while could generate attractive returns. In 2023, the market is highly volatile and unpredictable with not many clear opportunities for proprietary investment activities. Revenue of this business segment achieved VND 473 billion, decreased 24% YoY.



- **Treasury management:** The goal of capital adequacy and maintain liquidity for all businesses throughout the year were effectively implemented in 2023. Capital was raised and mobilized to help HSC optimize capital structure and costs of capital.

### C. Financial position

- Total asset value was nearly VND 18 trillion at the end of 2023, increased 16% YoY. The balance was primarily comprised of margin loans and short-term deposits and financial assets.
- Debt to equity ratio increased to 1.2x from 1.0x at the end of 2022.

No.	Balance sheet Unit: billion VND	FY 2023	FY 2022	% Change
<b>A</b>	<b>Current assets</b>	<b>17,728</b>	<b>15,262</b>	<b>16%</b>
I	Financial assets	17,545	15,196	15%
1	Cash and cash-equivalents	2,825	5,641	-50%
2	Financial assets	2,222	1,424	56%
3	Margin loans	12,135	7,379	64%
4	Other receivables	363	752	-52%
II	Other current assets	183	66	176%
<b>B</b>	<b>Long-term assets</b>	<b>182</b>	<b>184</b>	<b>-1%</b>
	<b>Total Assets</b>	<b>17,911</b>	<b>15,447</b>	<b>16%</b>
<b>A</b>	<b>Liabilities</b>	<b>9,599</b>	<b>7,555</b>	<b>27%</b>
I	Short-term liabilities	9,599	7,555	27%
1	Short-term borrowings	9,160	6,938	32%
2	Other payables	438	617	-29%
<b>B</b>	<b>Owners' equity</b>	<b>8,312</b>	<b>7,892</b>	<b>5%</b>
I	Shareholders' equity	8,312	7,892	5%
	<b>Total Liabilities &amp; Equity</b>	<b>17,911</b>	<b>15,447</b>	<b>16%</b>



Above is the summary of 2023 business performance of Ho Chi Minh City Securities Corporation for the consideration and approval of the shareholders at the Annual General Meeting.

ON BEHALF OF HSC  
**TRINH HOAI GIANG**  
 CHIEF EXECUTIVE OFFICER

**To:**

- As above-mentioned
- BOD's office for archiving