

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

**Subject: FY2024 Business Plan**

The Board of Management (“BOM”) would like to submit to the General Meeting of Shareholders (“AGM”) the business plan of HSC in 2024.

**A. The Vietnamese stock market in 2024**

Based on the economic and stock market situation in 2023, HSC predicts Vietnam's stock market in 2024 will growth thanks to the following factors:

- The local bank borrowing rate has cooled down and can be decreased, continuing to support cash flow go back to the market and increase liquidity in the stock market;
- Other investment channels such as real estate or gold will continue to be difficult or unfavorable;
- The new KRX trading system will soon be deployed in 2024 that will provide new tools to attract investors' trading and increase market liquidity;
- Besides, the State Securities Commission of Vietnam (SSC) continue to provide solutions to meet the requirements for upgrading Vietnam's stock market to bring net foreign flow into the stock market for the next following years.

Stock market Unit: trillion VND	2024F	2023A	YoY	1Q2024 Forecast
Total market trading value	4,992	4,381	14%	1,408
Average daily trading value	20.0	17.6	18%	23.1
Trading value of local investors	9,025	8,079	12%	2,572
<i>% of total market trading value</i>	<i>90%</i>	<i>92%</i>		<i>91%</i>
Trading value of foreign investors	959	683	40%	244
<i>% of total market trading value</i>	<i>10%</i>	<i>8%</i>		<i>9%</i>

**B. Annual Operating Plan 2024**

In 2024, HSC targets to achieve profit before tax of VND 1,450 billion, increased 72% YoY, in which:

- HSC plans to reach a revenue of VND 3,182 billion in 2024, increased 41% YoY.
- Operating expenses in 2024 are expected to increase 23% YoY. The ratio of operating expenses over revenue is estimated at 54%, better than this ratio in 2023 at 63%.
- A VND 2,400 billion of capital increase will be available from mid-2024.

Return on average equity (ROAE) is forecasted to reach 12.4% pa with expected growth from business segments.

Earnings per share (EPS) is forecasted to reach 1,890 VND/share, an increase of 28% compared to 2023.

Business plan Unit: billion VND	2024F	2023A	YoY	1Q2024 Forecast
Revenue (*)	3,182	2,255	41%	724
Operating expenses (*)	1,732	1,413	23%	378
Profit before tax	1,450	842	72%	346
Profit after tax	1,160	674	72%	278
Return on average equity (ROAE)	12.4%	8.3%		
Shares at the end of the year (million shares)	770	457	68%	
Earnings per share (EPS) – (VND)	1,890	1,475	28%	
Book value per share (VND)	14,323	18,180	-21%	

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

Business targets of each business are as follows:

Revenue Unit: billion VND	2024F	2023A	YoY	1Q2024 Forecast
Securities brokerage fee	824	672	23%	217
Margin loan interest income	1,532	1,066	44%	339
Proprietary investments	556	473	18%	163
Financial advisory services fee	248	22	1,027%	0
Other revenue	22	22	0%	5
<b>Total revenue</b>	<b>3,182</b>	<b>2,255</b>	<b>41%</b>	<b>724</b>

### 1. Securities brokerage services

HSC plans to achieve VND 824 billion of securities brokerage fee in 2024, an increase of 23% YoY. Securities brokerage activities are expected to grow thanks to:

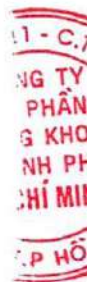
- Market liquidity will improve.
- HSC will promote preferential fee and interest programs to increase transactions of existing customers and especially attracting new customers.
- HSC will apply an attractive incentive policy to motivate the brokerage team to develop new customers to achieve market share goals.

### 2. Margin Lending

Based on the forecast liquidity of the stock market in 2023, the margin lending business in this year is expected to be increased YoY. The implementation of the new margin lending management model from the beginning of 2024 is expected to support customers' transactions and increased the flexibility in HSC's loan management. HSC will continue to pursue our robust risk management policies to manage margin lending risk as effectively as we did during the times of market turbulence in 2023.

### 3. Financial Advisory Services

The financial advisory business of HSC is well-positioned, both in terms of human resources and deal pipeline, to capture opportunities from better market conditions in FY2024. Financial advisory services are forecasted to achieve high revenue with a good pipeline in 2024 based on the deals that the Investment Banking team has secured.



#### 4. Proprietary Investments and Treasury Management

- **Proprietary Investments:** HSC will continue to pursue our unique business model in proprietary investments to primarily focuses on market making activities, risk hedging and supporting clients' transactions. In 2024, with additional capital being utilized for margin lending and proprietary investments, the return rate will reach 17% pa, higher than the growth rate of the VN30 index (increased by 10% in 2024).
- **Treasury Management:** The goal of capital adequacy and maintain liquidity for all businesses throughout the year is continuing to be implemented.

#### C. Forecast Financial Position of HSC in 2024

Total assets are forecast to reach over VND 25 trillion at the end of 2024, an increase of 41% YoY. Assets will primarily comprise of margin loans, financial assets and short-term deposits. HSC's plans to deploy and raise additional capital in 2024 are as below:

- Optimize the new capital base to scale up the margin lending business and proprietary investments with a focus on market making and risk hedging activities once the stock market rebounds.
- Restructure the proportion of loan sources to optimize borrowing costs.
- Debt to equity ratio increased to 1.3x from 1.2x at the end of 2022 due to the assumption of additional new capital sources and structuring asset allocation by focusing on lending activities and proprietary investments.

No.	Balance Sheet Unit: billion VND	31/12/2024 (Forecast)	31/12/2023	YoY
<b>A</b>	<b>Current assets</b>	<b>25,070</b>	<b>17,728</b>	<b>41%</b>
<b>I</b>	<b>Financial assets</b>	<b>24,887</b>	<b>17,545</b>	<b>42%</b>
1	Cash and cash-equivalents	3,586	2,825	27%
2	Financial assets	2,777	2,222	25%
3	Margin loans	18,401	12,135	52%
4	Other receivables	123	363	-66%
<b>II</b>	<b>Other current assets</b>	<b>183</b>	<b>183</b>	<b>0%</b>
<b>B</b>	<b>Long-term assets</b>	<b>195</b>	<b>182</b>	<b>7%</b>
	<b>Total assets</b>	<b>25,265</b>	<b>17,911</b>	<b>41%</b>
<b>A</b>	<b>Liabilities</b>	<b>14,040</b>	<b>9,599</b>	<b>46%</b>
<b>I</b>	<b>Short-term liabilities</b>	<b>14,040</b>	<b>9,599</b>	<b>46%</b>
1	Short-term borrowings	13,732	9,160	50%
2	Other payables	309	438	-29%
<b>B</b>	<b>Owners' equity</b>	<b>11,225</b>	<b>8,312</b>	<b>35%</b>
<b>I</b>	<b>Shareholders' equity</b>	<b>11,225</b>	<b>8,312</b>	<b>35%</b>
	<b>Total Liabilities &amp; Equity</b>	<b>25,265</b>	<b>17,911</b>	<b>41%</b>

Above is the summary of 2024 business plan of Ho Chi Minh City Securities Corporation for the consideration and approval of the shareholders at the Annual General Meeting.

ON BEHALF OF HSC

CHIEF EXECUTIVE OFFICER

  
  
TRINH HOAI GIANG

To:

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