



## REPORT

### ANNUAL GENERAL MEETING OF SHAREHOLDERS 2025

### HO CHI MINH CITY SECURITIES CORPORATION

#### Re: Evaluation of Independent Board Members on the performance of the Board of Directors in FY 2024

Pursuant to the Law on Enterprises 2020, the Law on Securities, related guiding documents, and the Company's Charter, the independent members of the Board of Directors ("BOD") would like to report to the Annual General Meeting of Shareholders ("AGM") 2025, evaluating the BOD's performance in FY 2024 as follows:

#### I. Evaluation of the performance of the BOD in FY 2024

##### 1. Organizational structure

- The BOD consists of seven (07) members, including two (02) independent members, ensuring compliance with Decree 155/2020/ND-CP guiding the Law on Securities.
- The BOD's subcommittees include both independent and non-executive members. The chairman of the three (03) subcommittee are two (02) independent BOD members and one (01) Head of the Supervisory Board ("BOS"). The Chairman and Vice Chairman of the BOD participate in all subcommittees.

##### 2. Operation of the BOD

The BOD and its subcommittees operated in accordance with the Company's Charter, internal corporate governance regulations, the BOD's operating regulations, and the subcommittee's regulations. Specifically:

- In 2024, the BOD held fifty-seven (57) meetings, including forty-seven (47) in-person/online meetings and ten (10) meetings via written consultation. All meetings followed clear schedules, with comprehensive materials prepared in compliance with the Company's Charter, internal regulations, and applicable laws. The meetings facilitated open discussions, constructive debates, and independent opinions to ensure fair treatment of shareholders and protect the legitimate rights and interests of both HSC and its shareholders.
- The BOD's subcommittees actively supported the BOD through advisory, governance reviews, risk management, compliance, accounting standards, financial supervision, human resources, and remuneration policies. Subcommittees submitted quarterly reports to the BOD and provided ad-hoc reports upon request.

The BOD adhered to all applicable laws, the Company's Charter, Internal Regulations, and AGM Resolutions. Detailed as follows:

- The BOD worked with a strong sense of responsibility toward shareholders, investors, partners, employees, and other stakeholders. Governance practices adhered to principles of fairness and transparency, ensuring equal access to information for shareholders, investors and compliance with applicable laws and regulations for public/listed companies in Vietnam's securities market.
- The BOD effectively executed strategies and business plans as approved by the AGM. Matters related to strategies, business plan execution, capital management, risk governance, technology investments, and system enhancements were regularly reviewed and assessed in BOD meetings. In 2024, the BOD carried out the following key activities:



- FY 2024 Business performance: Achieved VND 3,311 billion in revenue and VND 1,296 billion in pre-tax profit, a 54% increase from 2023, completing 89% of the AGM-approved business plan.
  - Completed share issuance rounds as per AGM Resolution No. 01/2022/NQ-AGM dated August 8, 2022. The Company's charter capital increased from VND 4,580,532,670,000 to VND 7,208,115,320,000.
  - Conducted the AGM via written consultation to approve the dismissal of Mr. Pham Nghiem Xuan Bac from the Supervisory Board and the appointment of Ms. Nguyen Thi Xuan Dung for the remainder of Term V (2021 – 2025), effective from June 28, 2024.
  - Held an Extraordinary General Meeting on December 4, 2024, approving the Plan of share issuance to existing shareholders with a 50% subscription ratio and offering price of VND 10,000 per share, raising approximately VND 3,500 billion to fund margin lending and proprietary trading.
  - Paid cash dividends at 11.78% of par value (equivalent to VND 1,178 per share) on August 8, 2024, including a 6.56% payout for the second tranche of 2022 and a 5.22% payout for 2023.
  - Appointed PwC Vietnam as the independent auditor for 2024 with an audit fee of VND 1,412,640,000.
  - Ensured flexible capital utilization to optimize the Company's efficiency, strengthened negotiations with commercial banks to increase short-term and foreign borrowings, and actively sought appropriate fundraising methods to maintain stable business operations while complying with financial safety regulations and internal policies.
  - Accelerated comprehensive digitalization in line with strategic directions.
- The BOD closely monitored market developments to provide strategic direction and coordinated implementation of solutions to enhance brokerage, advisory, and proprietary trading activities. Efforts focused on improving products, accelerating comprehensive digitalization, enhancing service quality, improving customer experience, and ensuring flexible capital utilization to optimize the Company's efficiency.
  - The BOD convened regular and ad-hoc meetings to provide timely guidance and make decisions aligned with the Company's actual situation. Meetings followed due processes, with full participation from BOD and Supervisory Board members. Discussions, voting, and independent opinions were recorded on matters within the Board's authority. Decisions were made based on majority votes, with meeting minutes duly recorded and signed by attendees.

The subcommittees fulfilled their tasks and duties in accordance with their respective Operating Principles in a timely and comprehensive manner. They actively and effectively provided advisory support to the BOD on key matters in 2024, including:

- Completed the Human Resource Process Review Project using the HR Target Operating Model (HR TOM) framework, with advisory support from KPMG. The project delivered practical and feasible solutions to enhance human resource management processes, align with the best international practices, and strengthen corporate governance.
- Implemented the AML Watch system, an automated screening tool for anti-money laundering compliance using Dow Jones data. This marks a significant step for HSC in ensuring strict compliance with Vietnamese regulations and enhancing governance standards in line with international anti-money laundering practices.

### 3. Supervision activities

The BOD exercised its supervisory role over the activities of the Chief Executive Office (“CEO”) and the Board of Management (“BOM”) in:

- Implemented the Company’s strategies within a transparent governance framework.
- Executed AGM and BOD resolutions through quarterly and ad-hoc reporting mechanisms.
- Reviewed regularly the business performance, products, services, technology, risk management, and capital utilization.
- Discussed operational challenges and strategic solutions, including investments in technology, digitalization, product innovation, key personnel development, and regulatory engagement.
- Reviewed business performance and critical issues of each division to propose solutions for technology investment, digital transformation, product development, key personnel strengthening, partnership expansion, and regulatory engagement.
- Discussed risk management and corporate governance matters.

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

In 2024, the BOD fulfilled its compliance when approving transactions between the Company and its related parties. After the BOD approved, decisions on transactions between the Company and its related parties were disclosed in accordance with applicable law.

## II. Conclusion on the BOD’s performance in 2024

As independent members, we affirm that the BOD has fulfilled its duties with integrity and diligence, providing strategic oversight while supporting the Executive Management in navigating challenges in 2024. The BOD demonstrated a high level of responsibility toward shareholders, investors, employees, and partners.

The aforementioned matters are evaluation of independent members on the performance of BOD in 2024.

### FOR AND BEHALF OF THE BOARD OF DIRECTORS

INDEPENDENT BOARD MEMBER



ANDREW COLIN VALLIS

INDEPENDENT BOARD MEMBER



NGUYEN THI HOANG LAN



**To:**

- As above-mentioned;
- BOD Office for archiving.