

**REPORT****ANNUAL GENERAL MEETING OF SHAREHOLDERS 2025  
HO CHI MINH CITY SECURITIES CORPORATION****Re: Review of the Company's Operations in 2024 by the Board of Supervisors****I. ACTIVITIES OF THE BOARD OF SUPERVISORS IN 2024****1. Personnel and Meetings of the Board of Supervisors**

The Board of Supervisors ("BOS") consists of three (3) members, including one (1) head of BOS and two (2) members, who act as shareholder representatives to oversee, monitor, and propose necessary changes in risk management and corporate governance at HSC.

In 2024, the BOS underwent personnel changes as follows:

No.	The BOS member	Position	Date of appointment	Date of dismissal
1	Ms. Dang Nguyet Minh	Head of BOS	April 22, 2021	
2	Mr. Tran Thai Phuong	Member	April 25, 2023	
3	Ms. Nguyen Thi Xuan Dung	Member	June 28, 2024	
4	Mr. Pham Nghiem Xuan Bac	Member	April 22, 2021	June 28, 2024

The BOS fulfilled its duties as stated in the charter and regulations of HSC on the organization and operation of the BOS, assisting the Board of Management ("BOM") in executing business plans and other matters that were approved at the Annual General Meeting of Shareholders ("AGM").

In 2024, the BOS held three (3) meetings, with full attendance by its members. Discussions were conducted to reach a consensus on supervisory matters.

**2. Remuneration of the BOS**

Total remuneration of the BOS in 2024 was VND1,090,256,406 (One billion, ninety million, two hundred fifty-six thousand, four hundred and six VND) (inclusive of personal income tax).

**3. Activities of the BOS**

- Supervised the activities of the Board of Directors ("BoD") and the implementation of resolutions approved at the AGM.
- Supervised HSC's business operations and financial performances in 2024.
- Supervised reports and collaborated with the independent auditor - PwC Vietnam.
- Supervised internal audit activities in 2024.
- Supervised the Company's compliance with disclosure regulations in 2024.

**II. RESULTS OF SUPERVISION IN 2024****1. Supervision of activities of the BOD and the implementation of resolutions approved at the AGM**

In 2024, the BoD convened fifty-seven (57) meetings, of which forty-seven (47) were in-person/online and ten (10) meetings were in the form of collecting written opinions. In these meetings, the

BOS reviewed the Company's performance, along with the BOD and BOM, contributed opinions and initiatives to help the Company achieve the business plan approved by the AGM FY2023.

Key matters discussed:

- 2023 annual business performance report and 2024 quarterly business performance reports.
- Approved the agenda and contents of the AGM FY2023 and the Extraordinary General Meeting ("EGM") 2024.
- Approved the payment of the second cash dividend for 2022 (change from stock to cash) and cash dividends for 2023.
- Approved bank credit limits in 2024.
- Approved issuances of covered warrant issuances in 2024.
- Approved all issues related to the public offering to existing shareholders under the Certificate of registration of public offering of shares No. 411/GCN-UBCK issued by the Chairman of the State Securities Commission (SSC) on December 7, 2023 and Decision No. 09/QĐ-UBCK issued on January 4, 2024.
- Approved all issues related to the implementation of 2022 Employee Stock Ownership Plan (ESOP).
- Approved the Charter capital updates and amendments to the Company Charter under Adjustment Certificate No. 10/GPĐC-UBCK issued by the SSC on March 1, 2024, Adjustment Certificate No. 41/GPĐC-UBCK issued on June 10, 2024, Adjustment Certificate No. 85/GPĐC-UBCK issued on November 15, 2024.
- Approved all issues related to the implementation of the share issuance plan for existing shareholders, as approved by the EGM 2024 under Resolution No. 03/2024/NQ-ĐHĐCĐ issued on December 4, 2024.
- Approved candidates for the BOS for the remaining term of Term V (2021–2025) and the plan/documents for obtaining shareholder's votes in written ballot regarding the dismissal and election of additional BOS members for Term V (2021–2025).
- Approved the investment in Tier 2 capital bonds of commercial banks in 2024.

The BOS closely coordinated with the BoD to ensure that the decisions were made in compliance with applicable legal regulations, the Company's charter and in the best interests of all stakeholders.

## **2. Supervision of business activities and financial performance in 2024**

In 2024, the BOS participated in the 2023 year-end and 2024 interim meetings with HSC's external auditor, PwC Vietnam Limited (PwC), to discuss audit scope and findings. HSC's operations were conducted in a transparent manner and had no significant violations in accounting, finance, and operational processes.

The BOS conducted analyses of quarterly and year-end financial statements and reviewed capital adequacy reports. Regarding financial safety, HSC maintained high liquidity standards and capital structure ratios. The financial safety ratio, as regulated by the Ministry of Finance, stood at 603% as at the end of 2024 (December 31, 2023: 965%), 3.4 times higher than the 180% requirement of the State Securities Commission of Vietnam.



In 2024, PwC provided the following audit services to HSC:

<b>Audit and assurance services</b>	<b>Service fees (inclusive of 8% VAT)</b>
Review interim financial statements and interim capital adequacy report, audit annual financial statements and year-end capital adequacy report	VND1,088,640,000
Audit the owner's invested capital report related to the second dividend share issuance for 2021 as of January 19, 2024	VND32,400,000
Audit the owner's invested capital report related to the public share offering as of May 27, 2024	VND43,200,000
Audit the owner's invested capital report related to the 2022 ESOP share issuance as of October 22, 2024	VND32,400,000
Audit the Report on the use of proceeds from the public share offering from January 16, 2024, to May 27, 2024, under Certificate No. 411/GCN-UBCK and Decision No. 09/QĐ-UBCK	VND216,000,000
<b>Total audit and assurance service fees</b>	<b>VND1,412,640,000</b>
<b>Non-audit and assurance services</b>	
Consult to develop a credit risk rating model for institutional clients	VND1,425,600,000
<b>Total Non-audit and assurance service fees</b>	<b>VND1,425,600,000</b>

Beyond the aforementioned services, PwC did not provide any additional non-audit services to HSC.

#### **HSC's financial performance in 2024:**

- Revenue: VND3,311 billion, up 47% YoY, achieving 104% of the 2024 plan (VND3,182 billion).
- Profit after tax: VND1,040 billion, up 54% YoY, achieving 90% of the 2024 plan (VND1,160 billion)

The BOS acknowledged that all major businesses of HSC operated stably and did not have any critical risks. Specifically:

- In 2024, trading activity and market liquidity improved, with the average daily trading value reaching approximately VND20,999 billion, up from VND17,595 billion in 2023 (representing a 19% increase), positively impacting HSC's business operations.
- Brokerage fee revenue reached VND848 billion, an increase of VND176 billion or 26% YoY, accounting for 26% of total revenue.
  - In which: brokerage fees from the underlying market was VND819 billion, up 32% YoY, while brokerage fees from the derivatives market was VND29 billion, down 45% YoY.
- The margin lending business delivered a revenue of VND1,714 billion, an increase of VND648 billion or 61% YoY, contributing 52% to total revenue.
  - The average margin lending rate decreased by 1.8% to 10% p.a. from the level of 11.8% p.a. in 2023, aligning with HSC's 2024 business plan.
  - The average margin loan balance in 2024 was VND17,179 billion, an increase of VND8,122 billion or 90% YoY.
- The proprietary investment business posted a revenue of VND666 billion, which translates to an average return of 18%, an increase of VND193 billion or 41% from 2023, contributing 20% to total revenue.
- The financial advisory services delivered a revenue of VND60 billion, which was VND38 billion or 171% increase YoY, driven by the completion and recognition of a significant advisory deal in 2024.



The BOS acknowledged that, in line with revenue growth, total operating expenses in 2024 increased by 16% compared to the plan, which is deemed reasonable. Management expenses rose by 17% YoY due to adjustments in the structure of support functions to align with the Company's operations.

Since Q4.2023, as the stock market showed positive trends, HSC's management promptly intensified competitive margin lending and fee policies to meet customer demand while providing flexibility to the brokerage team. From Q1 to Q4.2024, HSC achieved notable business growth:

- Acquired a significant number of new clients.
- Improved significantly brokerage market share, reaching 6.41% on HOSE in 2024. HSC ranked 2nd among securities companies in market share growth, with an increase of 1.09% on HOSE.

In 2024, HSC conducted system trial runs in collaboration with HOSE and successfully met all system compatibility requirements. Additionally, HSC successfully implemented non-prefunding transactions for foreign institutional investors.

The BOS believes that 2025 will bring significant innovations to the stock market, with expectations of Vietnam's upgrade to emerging market status. The new system rollout with HOSE is also expected to boost market liquidity, providing HSC with a favorable foundation for growth.

On December 4, 2024, HSC successfully held an EGM to approve the share issuance plan to increase charter capital from VND7,200 billion to VND10,800 billion, under Resolution No. 03/2024/NQ-ĐHDCĐ. The BOS was informed that on December 13, 2024, the Company submitted its application and is awaiting SSC's approval. This capital increase is expected to enhance HSC's financial capacity, support business expansion, strengthen competitiveness, and seize market opportunities.

### Key Financial Indicators

No.	Indicators	2024	2023
<b>1</b>	<b>Capital safety ratio</b>	603%	965%
<b>2</b>	<b>Liquidity ratio</b>		
a	Current ratio (times)	1,5	1,8
b	Total debt to Total assets ratio (times)	0,7	0,5
<b>3</b>	<b>Capital structure ratios</b>		
a	Shareholder's capital to Total resources (times)	0,3	0,5
<b>4</b>	<b>Profitability ratios</b>		
a	ROAE (Net profit after tax/ Owner's equity)	11,1%	8,3%
b	ROAA (Net profit after tax/ Total assets)	4,2%	4,0%

### HSC's Governance capacity in 2024

In 2024, HSC's BoM advanced digitalization in governance and risk management by:

- Closely monitored the operations of each department, issued business policies and procedures aligned with legal requirements, development strategy, and the Company's risk appetite.
- Integrated technology into governance and business operations to optimize processes and enhance efficiency with a continuous improvement mindset, striving for a better version.

The BOS assessed that these initiatives have enhanced HSC's corporate governance capabilities and minimized business risks.

Since July 2024, the automated screening system for terrorist, criminal, and anti-money laundering lists, utilizing Dow Jones data, has been officially operational. HSC selected Lucid Groupe – Singapore as our implementation partner. The BOS considered this system a significant step forward in ensuring strict compliance with Vietnamese regulations and elevating governance with international anti-money laundering standards.



The BOS acknowledged HSC management's efforts in maintaining a robust financial position and fostering a professional work environment that attracts talent for sustainable development.

### 3. Supervision of Internal audit activities in 2024

The BOS worked closely with the Internal Audit Department and the Board Audit Committee to supervise internal audits of business processes. In 2024, the Internal Audit Department reviewed HSC's human resource management processes using the HR Target Operating Model (HR TOM) methodology. The BOS acknowledged that KPMG Tax and Advisory Limited (Vietnam) was the co-executing partner for the HR TOM internal audit. Based on the findings, the Internal Audit Department proposed practical and feasible solutions to BOM to enhance human resource management processes in line with international best practices.

To improve operational efficiency, the BOS recommends that the Internal Audit Department innovate its approach, methodology, and collaboration through:

- Adopting a new approach aligned with trends such as IT modernization and artificial intelligence, alongside HSC's technological solutions in business operations.
- Strengthening collaboration with the first and second lines of risk management to enhance flexibility, eliminate blind spots, and develop new perspectives for sustainable business growth.
- Partnering with external experts from leading audit firms to supplement staffing, skills, and expertise in critical risk areas.

In 2024, Internal Audit progressed from manual audit procedures to data analytics and technology-based review models. Fundamentally, a risk-based approach and independent perspective remain key pillars in identifying overlooked issues across end-to-end processes. This enables Internal Audit to optimize business operations and system processes at HSC effectively.

#### Internal Audit direction in 2025

To assess the effectiveness of risk management and internal control systems, provide reasonable assurance to the BOD's Audit Subcommittee, the BOS suggests that the Internal Audit work focuses on the followings:

- Review, consolidate, and update plans to implement recommendations based on findings from various internal audit reports.
- Perform internal audit functions and duties in compliance with Vietnamese regulations in coordination with relevant authorities.
- Conduct audits in accordance with the 2025 Internal audit plan as approved by the Internal Audit Committee.

### III. PLAN OF THE BOS IN 2025

In 2025, the BOS will continue to exercise its rights and duties as assigned by the General Meeting of Shareholders in an honest, prudent and most effective manner for the best interest of the Company as follows:

No	The BOS's Plan
1	Monitor activities of the BoD in 2025 and the implementation of the resolutions of the AGM FY2024.
2	Monitor HSC's business operations and financial performance in 2025.
3	Review HSC's 2024 audited financial statements and 2025 reviewed interim financial statements.



No	The BOS's Plan
4	Monitor activities of the Internal Audit Department in 2025.
5	Monitor HSC's information disclosure activities in 2025.
6	Review the business performance of HSC in 2025 to report to shareholders at the AGM 2026.

**ON BEHALF OF THE SUPERVISORY BOARD  
HEAD OF BOS**



**ĐANG NGUYET MINH**

**To:**

- *As above-mentioned*
- *BOS's office for record*
- *BOD's office for record*