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TP. Hồ Chí Minh, ngày 08 tháng 04 năm 2019
Ho Chi Minh City, 08 April 2019

CÔNG BỐ THÔNG TIN

INFORMATION DISCLOSURE

Kính gửi / To:

- Ủy ban Chứng khoán Nhà nước
The State Securities Commission
- Sở Giao dịch Chứng khoán TP.Hồ Chí Minh
Ho Chi Minh Stock Exchange
- Sở Giao dịch Chứng khoán Hà Nội
Ha Noi Stock Exchange

Công ty: **Công ty Cổ phần Chứng khoán TP.Hồ Chí Minh**
Name of Company: Ho Chi Minh City Securities Corporation

Mã chứng khoán: **HCM**
Securities symbol: HCM

Địa chỉ trụ sở chính: Tầng 5&6, Tòa nhà AB, 76 Lê Lai, P. Bến Thành, Quận 1, TP.Hồ Chí Minh
Headquarter address: Level 5&6, AB Tower, 76 Le Lai Str., Ben Thanh Ward, Dist., 1, HCM City

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Người thực hiện công bố thông tin: Ông Lê Anh Quân
Submitted by: Mr. Le Anh Quan

Chức vụ: Giám đốc Điều hành Phát triển Quan hệ hợp tác
Position: Chief Partnership Officer

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Loại công bố thông tin: 24 giờ định kỳ bất thường theo yêu cầu
Information disclosure type: 24 hours Periodic Irregular On demand

Nội dung thông tin công bố:
The content of information disclosure:

Tài liệu Đại hội đồng cổ đông thường niên năm tài chính 2018 của Công ty Cổ phần Chứng khoán TP. Hồ Chí Minh.
Documents of The Annual General Meeting FY2018 of Ho Chi Minh City Securities Corporation (HSC).



Thông tin này đã được công bố trên trang thông tin điện tử của công ty vào ngày 08/04/2019 tại đường dẫn <http://www.hsc.com.vn/vn/investor/information-disclosure>
This information was disclosed on HSC webpage on 08 April 2019 and available at
<https://www.hsc.com.vn/en/investor/information-disclosure>

Chúng tôi xin cam kết các thông tin công bố trên đây là đúng sự thật và hoàn toàn chịu trách nhiệm trước pháp luật về nội dung các thông tin đã công bố.

We declare that all information provided in this paper is true and accurate; and that we shall be held liable for any misrepresentation.

Người được ủy quyền CBTT

For and on behalf of HSC

Representative authorized to disclose information



Lê Anh Quân

Giám đốc Điều hành Phát triển Quan hệ hợp tác

Chief Partnership Officer



No. 06/2019/TB-HĐQT

Ho Chi Minh City, 08 April 2019

ANNOUNCEMENT

OF THE ANNUAL GENERAL MEETING FY2018

To: HSC Shareholders

The Board of Directors hereby announce The Annual General Meeting FY2018 of Ho Chi Minh City Securities Corporation (HSC) as follows:

1. Time and Venue

- Time: **Thursday, 25 April 2019 from 13:30pm**
- Venue: Mekong Ballroom – First Floor – New World Saigon Hotel,
76 Le Lai Street, Dist.1, Ho Chi Minh City

2. Agenda

- Report of 2018 activities of the Board of Directors
- Report of 2018 business performance of the Board of Management
- Business plan 2019
- Report of the Supervisory Board on Company's operation 2018
- Progress report on the shares issuance to existing shareholders using owners' equity to increase charter capital, the shares issuance offering to existing shareholders and the shares issuance for employee stock ownership plan (ESOP 2018)
- Proposals to approve:
 - o The Audited Financial Statements for the year ended 31 December 2018
 - o FY2018 final cash dividend rate
 - o FY2019 dividend plan
 - o FY2018 profit distribution plan
 - o Appointment of the independent audit firm for the fiscal year 2019
 - o Issuance of covered warrant products
- Other proposals to be approved by AGM (*if have*)

3. Eligibility

All shareholders, whose names are in the list of HSC's shareholders as at the record date (12 March 2019) issued by Vietnam Securities Depository – HCMC Branch, are entitled to attend the AGM FY2018.

4. Registration

The shareholders are kindly requested to present the Invitation Letter and the ID card/ Passport (*for individual shareholders*) or Introduction Letter (*for institutional shareholders*) at the entrance of the AGM FY2018. In the delegation, the delegated person should bring Proxy Letter (*per HSC's form*), a copy of the shareholder 's ID card/ Passport and his/ her own ID card/ Passport.

5. Documents

Please access our webpage www.hsc.com.vn to download the AGM FY2018 documents for your further information from **08 April 2019**.

6. Registration for attendance

The shareholders are kindly requested to confirm your attendance/ authorization with the AGM Organizing Committee via Telephone No. +(84 28) 3823 3299, or Fax No. +(84 28) 3823 3301 or mail the confirmation letter or Proxy to AGM Organizing Committee **before 16:30 – 22 April 2019**.

The Notice is in lieu of an Invitation Letter in the event of that the shareholders who are entitled to attend the meeting have not received the Invitation Letter.

Best Regards.

For and on behalf of the Board of Directors

CHAIRMAN



DO HUNG VIET

To:

- As mentioned above;
- BOD Office for record,

DOCUMENTS

THE ANNUAL GERNERAL MEETING FY2018

1. Agenda of the Annual General Meeting FY2018
2. Draft of the FY2018 AGM regulations on organization and activities
3. Report of 2018 activities of the Board of Directors
4. Report of 2018 business performance of the Board of Management
5. Proposal for business plan 2019
6. Report of the Supervisory Board on Company's operation 2018
7. Progress report on the shares issuance to existing shareholders using owners' equity to increase charter capital, the shares issuance offering to existing shareholders and the shares issuance for employee stock ownership plan (ESOP 2018)
8. Proposal for the Audited Financial Statements for the year ended 31 December 2018
9. Proposal for FY2018 final cash dividend rate
10. Proposal for FY2019 dividend plan
11. Proposal for FY2018 profit distribution plan
12. Proposal for appointment of the independent audit firm for the fiscal year 2019
13. Proposal for covered warrant products
14. Draft of Resolution of the Annual General Meeting FY2018
15. Voting card 1 (sample)
16. Voting card 2 (sample)
17. Attendance Confirmation Letter/ Proxy



THE 2018 ANNUAL GENERAL MEETING AGENDA HOCHIMINH CITY SECURITIES CORPORATION

Time: 13:30 – Thursday, 25 April 2019

Venue: Mekong Ballroom – First Floor – New World Saigon Hotel, 76 Le Lai Street, Dist., 1, HCMC

TIME	CONTENTS OF THE MEETING	Presenter
13g30-14g00	I. <u>Welcome delegates and Shareholders' registration</u>	Receptionist Shareholder's Eligibility Checking Committee
14g00-14g30	II. <u>Meeting Opening</u>	
14g00-14g05	1. Opening the Meeting and introducing delegates	Ms. Vu Thi Dung
14g05-14g10	2. Report on the verification of qualifications of shareholders attending the Meeting	Mr. Vo Van Chau
14g10-14g20	3. Approval for "The AGM FY2018 regulations on organization and activities"	Ms. Vu Thi Dung
14g20-14g30	4. Nominating and approval of the members of the Chairman and the Vote – counting Committee 5. Chairman nominates the members of the Secretary Committee	Ms. Vu Thi Dung
14g30-16g50	III. <u>Presentations</u>	
14g30-14g40	1. Approval of the agenda of the Annual General Meeting FY2018	Mr. Do Hung Viet
14g40-14g50	2. Report of 2018 activities of the Board of Directors	Mr. Do Hung Viet
14g50-15g10	3. Report of 2018 business performance of the Board of Management	Mr. Johan Nyvene
15g10-15g30	4. Business plan 2019	Mr. Johan Nyvene
15g30-15g40	5. Report of the Supervisory Board on Company's operation 2018	Mr. Vo Van Chau
15g40-15g50	6. Progress report on the shares issuance to existing shareholders using owners' equity to increase charter capital, the shares issuance offering to existing shareholders and the shares issuance for employee stock ownership plan (ESOP 2018)	Mr. Le Anh Minh
15g50-16g10	<u>Tea Break</u>	
16g10-16g50	7. Proposals to approve:	
	+ The Audited Financial Statements for the year ended 31 December 2018	Mr. Le Anh Minh
	+ FY2018 final cash dividend rate	Mr. Le Anh Minh
	+ FY2019 dividend plan	Mr. Le Anh Minh
	+ FY2018 profit distribution plan	Mr. Pham N X Bac
	+ Appointment of the independent audit firm for the fiscal year 2019	Mr. Pham N X Bac
	+ Issuance of covered warrant products	Mr. Trinh Hoai Giang
16g50-17g20	IV. <u>Discussion and approval of proposals</u>	Mr. Le Anh Minh
17g20-17g30	V. <u>Meeting Closing</u>	
17g20-17g25	1. Approval of the Meeting Minutes and Resolution	Mr. Le Anh Minh
17g25-17g30	2. Closing	Mr. Do Hung Viet



[Draft]

REGULATION ON THE ORGANIZATION AND ACTIVITIES AT THE ANNUAL GENERAL MEETING FY2018 HOCHIMINH CITY SECURITIES CORPORATION

Pursuant to:

- The Law on Enterprises No.68/2014/QH13 issued by the National Assembly of the Socialist Republic of Vietnam on November 26th, 2014 and the documents guiding the implementation of Law on Enterprise;
- The Law on Securities No.70/2006/QH11 issued by the National Assembly of the Socialist Republic of Vietnam on June 29th, 2006 and Amendment, Law amending and supplementing a number of articles of Securities Law No.62./2010/QH12 issued by the National Assembly of the Socialist Republic of Vietnam on November 24th, 2010 and some documents guiding the implementation of Securities Law;
- The twelfth amendment of HSC Charter according to the AGM Resolution No.01/2018/NQ-ĐHĐCĐ dated 26 April 2018,

CHAPTER I GENERAL PROVISIONS

Article 1: Scope and subjects of application

1. These Regulations shall apply to the Annual General Meeting FY2018 (hereinafter referred to as the "**Meeting**" or "**AGM**") of Ho Chi Minh City Securities Corporation (hereinafter referred to as the "**the Company**").
2. These Regulations set forth provisions on the rights and obligations of shareholders, proxies and relevant parties participating in the AGM, and on conditions and procedures of the Meeting.
3. Shareholders and proxies attending the Meeting and relevant parties shall be responsible for implementation in line with the provisions in these Regulations.

CHAPTER II RIGHTS AND OBLIGATIONS OF THE MEETING PARTICIPANTS

Article 2: Rights and Obligations of the shareholders or their proxies

1. Eligibility requirements for participating in the Meeting:
Participants must be shareholders or their proxies as confirmed in writing by one or more shareholders named in the Company's List of Shareholders on the record date for the Meeting.
2. Rights of the shareholders at the Meeting:

- a. Shareholders have the right to participate in the Meeting on their behalf or delegate in writing for another person to represent them at the Meeting.
 - b. Shareholders may discuss and vote on all matters within the framework of the Meeting in accordance with the Law on Enterprises, other legislative documents and the Company Charter.
 - c. Shareholders have the right to be provided with the Meeting agenda and related materials by the Organizing Committee.
 - d. Each shareholder or proxy will be issued a voting card and materials by the Shareholder's Eligibility Checking Committee after registering to participate in the Meeting.
 - e. Any shareholders or proxy arriving late to the Meeting is entitled to register and vote on the matters yet to be presented or voted. The Chairperson is not responsible for stopping the Meeting and the previously matters voted on will not be affected.
3. Obligations of shareholders at the Meeting:
- a. Shareholders and proxies must present the invitation letter and their identity card or citizen identity card or passport (*for individual shareholders*); or Introduction Letter of the company (*for institutional shareholders*). In the delegation, the delegated person must bring Proxy Letter (*per HSC's form*), a copy of the shareholder's identity card or citizen identity card or passport and his/her own identity card or citizen identity card or passport.
 - b. All Meeting participants must be dressed appropriately.
 - c. All voice recordings or images taken during the Meeting must be publicly disclosed and are subject to the approval of the Meeting Chairperson.
 - d. All opinions expressed and votes shall be in line with the Organizing Committee's guidance and the Chairperson's steering of the meeting shall be respected.
 - e. All participants must strictly adhere to these regulations and respect the results the Meeting' work.

Article 3: Rights and Obligations of the Shareholder's Eligibility Checking Committee

1. The Shareholder's Eligibility Checking Committee shall consist of one Chief and members decided by the Chairman of the Directors ("**BOD**") and will be responsible for the following functions and tasks:
 - a. Checking shareholder and proxy eligibility: asking shareholders and proxies participating in the Meeting to present their ID or citizen identity card or passports, invitation letters, and letter of proxy (*in the case of delegation*);
 - b. Ensuring shareholders and proxies have voting cards and other related Meeting documents;
 - c. Reporting the results of the eligibility checks of participating shareholders and proxies before the Meeting begins or prior to each voting session at the Meeting if there is any change in the number of the shareholders participating in the Meeting (*such as latecomers and late registrations*).
2. The Shareholder's Eligibility Checking Committee has the right to establish an administrative team to assist in relevant matters of the Committee's completion of its

tasks.

Article 4: Rights and Obligations of Vote Counting Committee

1. The Vote Counting Committee consists of one Chief and members nominated by the Meeting Chairperson and approved by voting taken at the Meeting;
2. The Vote Counting Committee is responsible for providing guidance on the use of voting cards, voting procedures and voting counting;
3. The Chief of the Vote Counting Committee shall report to the Meeting on the results of the voting counting;
4. The Vote Counting Committee has the right to establish an administrative team to assist it in accomplishing its various tasks;
5. The Vote Counting Committee shall be ultimately responsible for the accuracy and integrity of the released results.

Article 5: Rights and Obligations of the Meeting Chairman and Secretariat

1. The election of the meeting chairperson and Secretariat as follows:
 - In case of the Meeting is convened by the BoD, the Chairman will preside at the Meeting.
 - If the chairperson is absent or is temporarily unable to work, the remaining members of the BoD shall elect, with the majority principle, one of them to act as the chairperson of the meeting.
 - If they fail to elect one who is able to act as chairperson, the head of the Supervisory Board shall arrange for the AGM to elect the chairperson of the meeting and the person with the highest number of votes shall act as chairperson of the meeting.
 - In other cases, the person who signed the document convening the AGM shall arrange for the AGM to elect the meeting chairperson and the person with the highest number of the votes shall act as chairperson of the meeting.
 - The meeting chairperson shall nominate one or a number of persons to act as the secretary(ies) of the meeting. The Secretariat will record the minutes of the Meeting and perform other tasks as assigned by the Chairman.
2. The Chairman's decisions will carry the most weight regarding procedures and the sequence of the agenda, as well as matters arising from the Meeting's agenda;
3. The Chairman shall steer the Meeting in an appropriate and orderly manner and allow the Meeting to reflect the wishes of the majority of participating;
4. At the Chairman's discretion, the Meeting may be postponed or held in another location, if he or she deems that:
 - a. The location of the Meeting is not large enough to hold the appropriate number of seats for all participants,
 - b. The behaviour of some participants causes disorder and disruptions that hinder the meeting from proceeding in a fair and legitimate fashion.
 - c. It is necessary to postpone the scheme of the Meeting in order to conduct the Meeting in the process.



5. The Chairman has the right to not respond or just note down comments and suggestions from shareholders if the content of such comments and suggestions are beyond the scope of what was asked.

CHAPTER III MEETING PROCEDURE

Article 6: Condition for holding the Meeting

1. The Meeting shall be conducted if the number of attending shareholders represents at least 51 percent of the total votes.
2. If the first meeting cannot take place because the condition provided in Clause 1 of this Article is not satisfied, the Meeting may be convened for the second time within 30 days of the intended opening of the first meeting in accordance with the Law on Enterprises.

Article 7: Conduct of the Meeting

1. The Meeting shall be conducted as per the agenda adopted by the Meeting.
2. The contents on the agenda will be discussed and voted on in the allocated sequence as regulated in Article 10 of these Regulations.
3. The Meeting will be deemed closed after the Meeting Minutes and the Meeting Resolution have been approved.

Article 8: Adopting Decisions at the Meeting

1. A resolution on the following contents shall be adopted when approved by a number of shareholders representing at least 65 percent of the total votes of all attending shareholders:
 - Types of shares and total number of shares of each type;
 - Change in business sectors, trades and fields;
 - Change in organizational and management structure of the company;
 - Investment projects or sale of assets equal to or more than 35 percent of the total value of assets recorded in the latest financial statements of the company, or a smaller percentage or value provided by the company charter.
 - Reorganization or dissolution of the company
2. Other resolutions shall be adopted when approved by a number of shareholders representing at least 51 percent of the total votes of all attending shareholders, except the cases specified in Clauses 1 this Article.

Article 9: Voting cards

Each shareholder or proxy attending the Meeting is provided the voting cards as HSC form 1 and form 2.

1. Voting cards (form 1) are provided for all shareholders and proxies attending the Meeting contain the shareholder's name, the shareholder's depository registration number (*ID card/ Citizen identity card/ Passport/ Certificate of business registration number*), the shareholder's code, the number of shares which the shareholders held at the record date, the number of shares which the shareholders is delegated.
2. Voting cards (form 2) are provided for all shareholders and proxies attending the Meeting

contain the shareholder's name, the shareholder's depository registration number (*ID card/ Citizen identity card/ Passport/ Certificate of business registration number*), the shareholder's code, the number of shares which the shareholders held at the record date, the number of shares which the shareholders is delegated and the proposals that require voting at the Meeting.

Article 10: Voting procedures for approving decisions at the Meeting

Voting on matters at the Meeting shall, according to specific cases, be conducted in the following manner:

1. Shareholders or proxies shall vote directly on matters at the Meeting that require opinions by raising their voting card as approved by the Chairman. The Voting Counting Committee will record the approvals, non- approvals and no comments then announce the results at the Meeting.
2. Items up for vote recorded on the voting card shall be approved by shareholders and proxies by choosing "Agree", "Disagree" or "No opinion" for those particular items
3. The following voting cards will be considered invalid and will not be counted:
 - The voting cards that do not comply with the sample issued by the Organizing Committee;
 - Torn, erased, scratched or corrected voting cards;
 - The voting cards containing additional information and symbols;
 - The voting card with two or more votes on the same item.
4. Votes for each item on the voting card are independent and their validity will not affect other item up for vote on the Meeting agenda.
5. The Vote Counting Committee will collect the voting cards from the shareholders and their proxies after approving all the items.

Article 11: Expressing opinions at the Meeting

Shareholders or proxies attending the Meeting may offer their opinions by raising their voting cards and obtaining permission from the Chairman. Comments should be brief and relevant to the topic under discussion. Shareholders should not repeat what has already been expressed by the other shareholders and only applicable to the agenda will be recorded in the minutes of the Meeting.

Article 12: Minutes of the Meeting

1. The Meeting shall be recorded in minutes and may be sound-recorded or stored in other electronic forms
2. The minutes of the Meeting shall be completed and approved prior to the closing of the Meeting;
3. The chairperson and secretary of the Meeting must be jointly liable for the truthfulness and accuracy of the contents of the minutes.
4. The minutes of the Meeting shall be sent to all shareholders within 15 days of the closing of the Meeting. The sending of minutes of results of vote counts may be replaced by posting them on the website of the Company.

5. The minutes of the Meeting, the shareholder's eligibility check, vote count and other materials on the proceedings and the Meeting results will be archived at the Company's head office.
6. The minutes of the Meeting will form the basis of the Meeting's resolution.

Article 13: Resolutions of the Meeting

1. The Chairman shall make resolutions on items approved at the Meeting. Resolutions of the Meeting shall be notified to shareholders entitled to attend the Meeting within 15 days from the date of adoption thereof; for a company that has a website, the sending of resolutions may be replaced by posting them on the website of the company.
2. If a shareholder or a group of shareholders holding 10 percent of the total ordinary shares for a consecutive of at least 6 months or more requests a court or an arbitration to revoke a resolution of the Meeting in accordance with the Law on Enterprise, such resolution must continue to be effective until otherwise determined by the court or arbitration, except the case of application of a provisional urgent measure under a decision of a competent agency.

Article 14: Effectiveness of these Regulations

1. These Regulations, consisting of three Chapters and fourteen Articles, will take effect immediately upon being approved by a vote at the meeting.
2. Any amendments or supplements to these regulations must be approved by the General Shareholders' Meeting.

For and on behalf of the Board of Directors

CHAIRMAN

HoChiMinh City, 08 April 2019

REPORT OF THE BOARD OF DIRECTORS AT THE 2018 ANNUAL GENERAL MEETING

I. FY2018 PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS

A. Evaluation of BOD Performance in 2018

Vietnam Stock Market in 2018

Vietnam's economy grew impressively in 2018, achieving a GDP growth of 7.1%, the highest in the last 10 years. However, Vietnam's stock markets witnessed strong volatility last year. In the first quarter, the VN-Index increased by more than 19.3% as investors remained bullish about the Vietnamese economy, and as foreign investors continued to pour capital into the market. As a result, many stock prices, especially those of large capitalization companies, increased to all-time highs, both in terms of market price and P/E valuations.

The trade dispute between the U.S. and China, even though it started in early 2017, became more intense in 2018. On March 23 the U.S. started to impose tariffs on aluminum products imported from China. China retaliated by applying tariffs on products exported from the U.S., including soybean and automobiles. These tit-for-tat tariffs between the two largest global economies negatively impacted on investor sentiment in global markets. In addition, on March 21 the U.S. Federal Reserve (the "Fed") increased its key interest rate and signaled another two hikes within the remainder of 2018. Higher interest rates triggered capital outflows from emerging markets, including Vietnam. Facing these headwinds, Vietnam's stock markets plunged significantly in the second quarter of the year, dropping by almost 20%.

The stock market recovered slightly in the third quarter, but again turned bearish in the last quarter of the year. Investors were concerned about a decelerating global economy, as a result of the on-going trade war and Fed rate hikes. Weak economic data from the Chinese economy in the fourth quarter also intensified investor concerns. The VN-Index closed the 2018 calendar year at 892 points, a drop of 9% over the year-end result in 2017. The HNX-Index also plunged by 11% to 104 points.

Although Vietnam's stock markets corrected for the first time in the last seven years, size and liquidity continued to reach new highs in 2018. Total market capitalization increased by 10.6% to VND 3.9 trillion, which was equivalent to 70.2% of Vietnam's GDP. The average daily trading value was VND 6,500 billion, increasing 29% y-o-y. The derivatives market, despite being in an early stage of development, and having simplicity with only one product, the VN30 Index Futures

Contract, was able to attract investors and had an impressive year in 2018. The total number of successful contracts was 78,800, an increase of nearly a seven-fold.

HSC 2018 Performance Overview

In 2018, HSC continued to deliver impressive performance, with total revenue of VND 1,702 billion and a net profit of VND 675 billion, representing strong growth of 23% and 22% respectively over 2017 results. All of HSC's key businesses grew in 2018. However, both actual revenue and net profit underperformed result's guidance by the Company. As analyzed earlier, investors turned cautious and accordingly reduced trading activities from the second quarter of the year, in light of the above-mentioned external factors, even though Vietnam's economy remained robust.

HSC continued to prove its leading position in the market, with an 11.4% market share that was higher than that of 11.3% in 2017, and in line with the Company target. HSC was also the market leader in the derivatives market, securing a sizable 22.6% market share. Being a pioneer in developing the market and leveraging its competitive advantages including its state-of-the-art information technology system, HSC was well-positioned to capture this opportunity in the derivatives market.

B. BOD's Supervision of the Chief Executive Officer and Board of Management

In 2018, the BOD maintained close supervision over the CEO and BOM in implementing the resolutions approved by the AGM and BOD, with details as follows.

1. Methods of Supervision

The BOD and the Supervisory Board (BOS) cooperated closely and examined HSC's business operations. This high level of understanding has enabled the two Boards to support and guide the CEO and BOM in implementing the corporate plan and fulfilling their core responsibilities.

The committees of the BOD regularly met and reported to the BOD. The sub-committees and their reporting activities are listed:

- The Risk Management Committee reported on all significant risks, such as liquidity risks, credit risks, and capital risks arising in each quarter, and proposed recommendations and necessary actions for risk mitigation.
- The Internal Audit Committee reported on the number of internal audits conducted in each quarter, the audit findings, and any audit recommendations for strengthening internal operational processes, procedures, systems and the technology environment.
- The Remuneration Committee considered, evaluated, and approved compensation, benefits, and remuneration policies for 2018.

At all times, the BOD and the BOS assessed the feasibility of action plans and recommendations, thereby proposing solutions that were more practical and appropriate for the Company's operations.

The BOD issued resolutions after each periodic meeting and upon special request, as well as to approve business results and business plans for each quarter. At the same time, the BOD also provided strategic guidance, assessments of the market and overall economic circumstances to support reviews of business plans for the subsequent quarter. There was regular communication and interaction between the CEO, the BOM and the BOD, which supported the implementation of policies and monitoring of the results of those policies to ensure that the overall objectives of HSC were achieved.

2. Supervision results

The summary of 2018 financial performance is as follows.

Unit: VND million

<i>Target</i>	<i>2018</i>	<i>2017</i>	<i>Change ratio (%)</i>	<i>2018 Plan</i>	<i>Plan Completion Ratio (%)</i>
Revenue	1,702,001	1,381,633	23%	2,110,156	81%
Profit before tax	842,186	692,601	22%	1,039,373	81%
Profit after tax	675,480	554,059	22%	818,717	83%

3. Conclusion

In accordance with HSC's Company Charter, as well as company policies and procedures, the BOD authorized the CEO and BOM to implement and manage the day-to-day operations of HSC, and to ensure the deployment of resources to achieve the strategic decisions aligned with the business plans. Through the mechanism of reporting on periodical inspection, supervision, financial performance, the daily operation of the Company, and reporting on unexpected affairs as required, the BOD concluded that the CEO and The BOM had exercised its rights and duties in accordance with the prevailing laws, as well as the Company Charter and other resolutions as discussed in the 2017 AGM. Additionally, the BOD has exercised its assigned rights and responsibilities in a manner that was prudent, professional and demonstrated integrity to ensure the maximum legitimate interests of the Company and its shareholders were attained. Moreover, the CEO and BOM have done their best to meet and exceed the business objectives approved by the 2017 AGM. At the same time, the CEO and the BOM also did well in building a great business environment where the main focuses were sustainable development, strong corporate governance, and the enhancement of risk management enhancement and control.

C. The Vision and Strategic Plans of the Board of Directors

In 2019, it is believed that Vietnam's economy will continue its growth momentum on the back of strong fundamentals. The Government particularly set a growth target of 6.6%-6.8% in 2019. With a bright macroeconomic backdrop, Vietnam's stock markets are expected to perform better in 2019 than last year. There are other factors that could impact stock market performance in 2019 as noted below.

- The global economy is anticipated to grow at a slower pace, but with less uncertainty and volatility. Talks in the trade dispute between the U.S. and China has progressed positively, as the two countries remain set to continue their trade negotiations in the first quarter of 2019. Also, the Fed has recently become more dovish, signaling a less aggressive rate hike path in 2019.
- The Prime Minister promised a push for state-owned enterprise privatizations in 2019. Big privatizations and listings will attract investment capital and increase the size of the stock market.
- The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) took effect on January 14, 2019. This trade agreement is expected to benefit the Vietnamese economy in general, and several sectors specifically.
- The derivatives markets had a successful year in 2018 and are expected to continue to attract investor attention in 2019 and subsequent years. New products such as futures contracts on other indices, futures contracts on government bonds, and covered warrants are under development. Upon their availability, these products will offer investors effective tools to diversify their portfolios, hedge risk, and explore attractive investment opportunities.
- The legal framework for Vietnam's stock markets will be enhanced as a revision of the Securities Law is underway. The new Securities Law is expected to further facilitate transparency within the stock market, and the monitoring process by authorities, as well as the protection of investor interests. Those are important factors in increasing the attractiveness of the stock market as an effective capital raising channel for companies.

Given an optimistic outlook for the stock market in 2019, the BOD shall focus on the following initiatives.

- Developing a strategic business development plan.
- Strengthening and promoting core business activities of the Company by diversifying products and improving service quality. We aim to develop and diversify products to maximize customer benefits and enhance their experience, as well as seizing new opportunities in the stock market.
- Enhancing corporate governance, risk management and risk control systems, especially in financial management, accounting and business auditing functions by improving the competencies of the Committees under the BOD.
- Continuing to seek higher levels of transparency in business operations and to enhance the role of Independent Directors.
- Standardizing processes, systems, and procedures to improve efficiency and ensure compliance with legal regulations, especially in the areas of information security, risk management, internal control, internal audit and margin lending.
- Increasing the efficiency of capital utilization through enhancing current financial products and services and investing in research and development, to create new products and services that meet international standards, regulatory requirements and client needs.

- Promoting corporate values of sustainable development in the drafting and promulgation of the CSR strategy and initiatives.
- Developing a succession plan for the next generation of leaders.

II. CORPORATE GOVERNANCE IN 2018

Strong and compliant corporate governance is one of the key factors for building a strong corporate foundation that delivers sustainable business value. HSC's approach to strong corporate governance development is to promote a set of values and behaviours that directs its day-to-day operations, provides transparency and accountability, and maximizes financial value for shareholders, stakeholders, and partners. We are committed to maintaining high standards of corporate governance, financial accountability, and financial transparency that will ensure long term sustainability.

We have strong commitment to the excellence in corporate governance standards, which we believe the foundation of the development of our business. In order to maximize business value, HSC focuses not only on business development goals for revenue and profit growth, but also on enhancing corporate governance in line with international practices. The combination of growth strategy and good corporate governance will help us maximize our resources and effectively exploit opportunities to create sustainable value in the long run.

1. Board of Directors

The BOD is responsible for ensuring that the best corporate governance practices are applied throughout the Company. The BOD has been and is going to implement the best corporate governance standards from the highest level of management board to every HSC employee as the foundation to achieve the Company's goals. Not only that, it is empowered by HSC to carry out its role and responsibilities and fulfil its obligations to shareholders, as well as to enhance corporate value.

HSC's BOD is accountable to the shareholders for the operations of the Company. The BOD is mandated to not only fulfil its roles and duties in formulating growth strategies for the Company and managing risks facing its operations, but also be the pioneers in promoting HSC's corporate culture and values both internally and externally to the shareholders and other stakeholders.

BOARD OF DIRECTORS	Board Members	
	<i>Non-executive</i>	<i>Executive</i>
	Mr. Do Hung Viet	
	Mr. Le Anh Minh	
	Mr. Lam Hoai Anh	
	Mr. Le Thang Can	
	Mr. Pham Nghiem Xuan Bac	
	Mr. Le Hoang Anh	
		Mr. Johan Nyvene

**COMMITTEES UNDER THE
BOARD OF DIRECTORS**

Risk Management Committee

Audit Committee

Remuneration Committee

Members of the Board of Directors

HSC's BOD comprises seven members, including the Chairman, five non-executive Directors and one executive Director.

All of the members of HSC's BOD are senior executives, who have strong managerial capabilities and in-depth knowledge and experience in law, corporate finance, and Vietnamese capital markets. The structure of HSC's BOD has a good balance of non-executive and executive members, and complies with the Enterprise Law in terms of the number of independent board members

Roles and responsibilities of the Board of Directors

Under the Enterprise Law and HSC's Charter, the BOD is the governing BOD of the Company and has full authority to act on behalf of the Company to exercise its rights and obligations beyond the authority of the Company's Annual General Shareholder Meetings. The BOD is responsible for monitoring HSC's operations to ensure that the Company complies with all applicable laws and its Charter, as well as internal regulations, and to assure the rights of its shareholders and stakeholders.

Accordingly, the major roles of the BOD are:

- Developing the Company's long-term strategic plan,
- Building and enhancing the Company's competitive advantages,
- Responding to major business challenges when they arise,
- Developing the Company's core competencies, and
- Creating and enhancing value for Company stakeholders.

When carrying out their functions and tasks, the BOD must strictly comply with the provisions of law, the Charter of the Company and resolutions of the Annual General Meeting of Shareholders. In the event where decisions made by BOD contravene the law or the Company's Charter, thereby causing detriment to HSC, the members who voted in favour of these decisions are jointly and individually liable for any damages in accordance with the relevant laws.

Activities of the Board of Directors in 2018

<i>The Roles of the Board of Directors</i>	<i>Activities of the Board of Directors in 2018</i>
Finance	
Business Plan	<ul style="list-style-type: none"> ▪ Reviewed and approved 2018 Business Plan (Resolution 07/2018).
Financial Performance	<ul style="list-style-type: none"> ▪ Reviewed and approved 2017 actual financial performance (Resolution 01/2018). ▪ Reviewed and approved actual financial performance in the first six months of 2018 (Resolution 18/2018). ▪ Reviewed and approved actual financial performance for the first 10 months of 2018 (Resolution 24/2018).
Share Issuance Plan	<ul style="list-style-type: none"> ▪ Approved the adjusted plans to issue shares to existing shareholders and employees under the employee stock ownership plan (ESOP 2018) (Resolution 19/2018). The initial plans were approved by shareholders at HSC's 2017 Annual General Shareholder Meeting on April 26, 2018. ▪ Approved documents for share issuance plans (Resolution 23/2018). ▪ Approved the criteria for distributing shares under the 2018 ESOP program to qualified employees (Resolution 23/2018). ▪ Approved changes to the number of shares to be issued under the 2018 ESOP program, which was approved by the 2017 AGM (Resolution 23/2018).
Covered Warrant Issuance	<ul style="list-style-type: none"> ▪ Approved the issuance of covered warrants on underlying shares of Hoa Phat Group (Resolution 07/2018). ▪ Approved the selection of banks to issue payment guarantees for the covered warrants (Resolution 09/2018)
Corporate Bond Issuance and Dividend Payment	<ul style="list-style-type: none"> ▪ Approved the issuance of HSC bonds via private placement (Resolution 10/2018). ▪ Approved the first advance of 2018 dividends (Resolution 24/2018).
Operation Monitoring	<ul style="list-style-type: none"> ▪ Approved changes to proprietary trading limits (Resolution 01/2018). ▪ Approved change in total margin lending limits (Resolution 01/2018). ▪ Approved the total debt limit for the Company in 2018 (Resolution 01/2018).
Bank Loan Monitoring	<ul style="list-style-type: none"> ▪ Approved proposals to obtain bank credit, which were within the approved limit (Resolutions 02, 03, 04, 16, 17,

	20, 21, 22/ 2018).
Quan hệ với công ty kiểm toán	<ul style="list-style-type: none"> ▪ Approved the selection of PricewaterhouseCoopers Vietnam as the statutory auditor for its 2018 financial statements (Resolution 14/2018).
Risk Management	
Charter and Internal Regulations	<ul style="list-style-type: none"> ▪ Approved the draft charter of organization and operation of the Company (Resolution 07/2018). ▪ Approved the adopting of the charter of organization and operation of the Company (Resolution 07/2018).
Human Resources	<ul style="list-style-type: none"> ▪ Approved the employee reassignment of Mr. Arnold Villanueva Pangilinan, from Risk Management Managing Director to Risk Management Advisor on November 15, 2018 (Resolution 24/2018). ▪ Approved the appointment of Ms. Nguyen Anh Xuan Trang to Risk Management Managing Director on November 15, 2018 (Resolution 24/2018).
Corporate Governance	
	<ul style="list-style-type: none"> ▪ Approved the time, venue, content and drafts of proposals for the 2017 Annual General Shareholders' Meeting (Resolution 01/2018). ▪ Approved the establishment of the Nam Sai Gon transaction office (Resolution 01/2018).

Activities of Non-executives and Independent Members of the Board of Directors

1. Assessing the independence and tenure of independent members of the Board of Directors

The independence of a member is not based on the length of time served on the Board of Directors, such as five or nine consecutive years, as stipulated by Vietnamese statutes. There are many other factors including the skills and knowledge, quality of advice, experience, ethical standards, and especially integrity and objectivity. The strengths of independent members are their understanding and insights regarding the core business, and their depth of analysis and critical thinking in making the right decisions. These competencies can only be acquired with time, exposure to, and experience in the industry.

There are two independent board members, Mr. Do Hung Viet and Mr. Pham Nghiem Xuan Bac, who have served more than 10 years, and have exceeded the statutory limit of nine years. After consulting the current legal regulations, as well as international practices, HSC's BOD recognizes that the independence of the two members in making decisions related to HSC operations remained intact. The board members have still been able to review HSC's operations and to make recommendations from an independent perspective. Additionally, they have made valuable contributions to the development of the Company. Therefore, the Company decided that, even though the re-appointment of these two members were not in compliance with the current

regulations on independent members of the Board of Directors, in terms of nature, they do play an important role as independent members of the board.

Although HSC is evaluating the independence of the members of the BOD from the perspective of their roles and contributions to the development of the Company, the BOD is also building a roadmap for selecting and appointing qualified independent BOD members to align their contributions with the requirements of the applicable laws and HSC's internal regulations.

2. Assessing the independence non-executive members of the Board of Directors

The non-executive members of HSC's BOD are representatives of two major HSC shareholders: Ho Chi Minh City Finance and Investment State-owned Company (HFIC) and HSC's strategic investor, the Dragon Capital Group (DC).

HSC's assessment of the independence of its non-executive BOD members is based on their capabilities, knowledge and experience on law, corporate finance, and the capital markets, as well as on their soft skills. Their decisions and contributions to the development of the Company are made from their independent standpoints. Although they have dual roles and dual responsibilities, they have been able to separate these roles when making relevant and important management decisions.

3. Separation of the role of the Chairman and the CEO

The separation of the role of the Chairman and the CEO reflects independence and a clear division of responsibilities between the BOD and the BOM to ensure a fair division of powers in decision-making, increased accountability and enhanced governance. The powers and duties of the Chairman and the CEO are clearly stated in the Company Charter.

HSC's Chairman has been on the BOD since its inception. He was appointed in 2007 and is currently in his fourth term on the Board.

Overall Assessment of the Operational Effectiveness of the Board of Directors

The BOD has made great efforts to improve corporate governance and align standards with current regulations and international best practices, examples of which are set out below.

- The Board of Directors maintains regular activities in accordance with the Company Charter, ensuring that regular meetings are held and that all Board members attended the meetings to meet legal requirements.
- Clearly defined the roles for independent and non-executive members have been made to maximize the interests of all shareholders.
- Supervision of the implementation of the BOD' decisions and resolutions are made at the AGM.
- Direction and supervision of the implementation of various important projects at HSC, including projects related to risk management, internal audit, new product development,

share issuance to existing shareholders, employee stock ownership plans and bond issuances via private placement.

- Supervision of Committee activities to ensure compliance with the operating principles and the Company Charter.

Meetings of Board of Directors in 2018 and Attendants

Board Members	Position	Date of Appointment	Number of Meetings	Number of Meeting Attended	Attendance Ratio
Do Hung Viet	Chairman		25 ¹	24 ³	96%
Le Anh Minh	Vice Chairman		25	25	100%
Lam Hoai Anh	Non-executive member	26/04/2018	15 ²	15	100%
Pham Nghiem Xuan Bac	Non-executive member		25	25	100%
Le Hoang Anh	Non-executive member		25	25	100%
Le Thang Can	Non-executive member		25	24 ³	96%
Johan Nyvene	Executive member		25	25	100%

¹ In 2018, there were 25 BOD meetings, of which there 22 face-to-face meetings and three BOD meetings held in the form of written ballot. Meeting agendas and documents were made available to all the members of the board no later than five days before the meetings. In the situations of written ballot, all the information, proposals, and ballots were sent to all the members no later than seven days before the ballot deadlines.

At the first meeting of the year, the BOD discussed macroeconomic conditions and the local and global stock market outlooks; thereby reviewing the feasibility of the Company's business plan and targets for the year and considering any necessary revision of the Company's long-term plan and vision. In each regular quarterly meeting, the BOD reviewed and approved the Company's actual quarterly financial performance. The BOD also discussed prevailing market conditions and reviewed and revised (if necessary) the strategic plans for upcoming quarters. The board also approved other matters falling under its responsibility and authority.

In 2018, all BOD members fulfilled their responsibilities in terms of BOD meeting participation. Furthermore, the BOD made important decisions, which were greatly beneficial to the performance of the Company during the year. A BOD resolution was only ratified when more than half of the members of the board voted for it.

² Mr. Lam Hoai Anh was appointed to be a member of the BOD at the 2017 AGM to replace Mr. Nguyen Thanh Liem, who was HFIC's representative at HSC.

³ The BOD member was not able to attend the meeting due to a previously scheduled business trip.

Board of Directors member role at other companies

HSC's Board of Directors is committed to comply with current laws, which concurrent service as a board member in more than five other companies. This regulation encourages BOD members to have more time to focus on efforts to develop HSC.

2. The Board Committees

There are three committees reporting to the BOD. They are the Risk Management Committee, the Audit Committee, and the Remuneration Committee.

The three committees are tasked with advising and assisting the Board in maintaining and enhancing internal control operations. All three committees have non-executive and executive members. The members were selected based on expertise and experience as well as their contribution to the committees.

Name	Position	Risk Management Committee	Internal Audit Committee	Remuneration Committee
Do Hung Viet	Chairman Independent Board member	√	Chairman √	√
Le Anh Minh	Vice Chairman Non-executive Board member	Chairman √		Chairman √
Le Thang Can	Member Non-executive Board member		√	
Le Hoang Anh	Member Non-executive Board member	√		
Johan Nyvene	Member Executive Board member			√
Vo Van Chau	Head of Supervisory Board			√
Dang Nguyet Minh	Member Member of Supervisory Board		√	

Activities of the Committees under the Board of Directors

1. Board Risk Management Committee

The Risk Management Committee was established in 2013. The Risk Management Committee is responsible for advising the Board on the issuance of risk management strategies, processes and policies. The Risk Management Committee is also responsible for analyzing and issuing warnings about the Company's safety against potential risks, as well as recommending preventative measures. Further, the Committee must analyze the Company's overall level of risk, measuring the risk tolerance level of every business function, as well as HSC's overall operations, monitor the implementation of policies and examine the Company's capital, liquidity and capital mobilization. The Risk Management Committee is responsible for reviewing and changing the risk management structure of the Company to meet the risk management requirements of its

regulatory authorities. In addition, the Risk Management Committee must evaluate the performance of the Risk Manager.

Activities of the Risk Management Committee in 2018.

- In 2018, the Risk Management Division reviewed and revised annexures on the policies covering limits for margin lending, proprietary trading and treasury management.
- The following changes in senior executives of the Committee were effective on November 15, 2018:
 - Mr. Arnold Villanueva Pangilinan was reassigned to become Risk Management Advisor; and
 - Ms. Nguyen Anh Xuan Trang was appointed to become Risk Management Managing Director.
- The Legal Department was separated from the Risk Management Department.
- The Risk Management Department modified its organizational structure to align its structure with key HSC business functions.
- On a monthly and quarterly basis, the Risk Management Department prepared and circulated a risk management report to the Risk Management Committee. The reports summarized the major risks identified in the reporting period and an action plans for the Risk Management Committee.
- The Risk Management Committee scheduled regular meetings to review and approve transactions under its responsibility and authority.

2. Internal Audit Committee

The Internal Audit Committee was founded in 2014. The Internal Audit Committee acts in accordance with principles set out in the Code of Conduct and the Charter, which have been approved by the BOD.

The Internal Audit Committee continue to cooperate on internal audit activities with KPMG Vietnam Limited in 2018.

Activities of the Internal Audit Department and follow-up on Internal Audit Findings.

- In 2018, the Internal Audit Department issued the following audit reports:
 - The anti-money laundering review report
 - The first audit on Human Resource Management Processes
 - The second audit on Retail Client Brokerage Processes
 - The second audit on Margin Lending Processes
- Currently the Internal Audit Department is conducting audits on the following processes:
 - The second audit on Information Technology Systems and Network Administration Processess
- The Internal Audit Progress Report was reported at the periodic meeting of the Internal Audit Committee.

3. Board Remuneration Committee

The Board Remuneration Committee was officially established in 2016. The Remuneration Committee was established with the aim of advising and proposing compensation, remuneration and benefits for the members of BOD, BOS and BOM. The committee also reviews the annual budget for staff compensation and decides on issues related to the Employee Selection Program for selected employees.

In 2018, the Remuneration Committee reviewed and adjusted remuneration for the members of the BOD and the BOS to the current market pay levels. The Committee also paid remuneration to the members of the BOD and BOS who were also members of the committees under the BOD, and to the secretary of the BOD.

3. Participation of the Board of Director members in corporate governance programs

All members of the BOD and the BOS participated in a "Corporate Governance" training course, except for Mr. Pham Nghiem Xuan Bac who could not due to unforeseen circumstances. HSC will arrange time as is reasonable for him to join a similar training in the future.

4. Engaging Shareholders, Investors and Partners

Annual General Meeting

In addition to information provided in the Quarterly Financial Statements, the Annual Report, and newsletters, the Annual General Meeting (AGM) of Shareholders is an important opportunity for the Company to disseminate information, and engage with shareholders, investors and partners. At the AGM, the BOD presents the financial results and initiatives undertaken in the past year, the business plan for the next financial year, and other information deemed important to seek decisions by all shareholders.

On April 26, 2018, HSC held its 2017 Annual General Meeting (2017 AGM) in Ho Chi Minh City. The AGM followed and complied with current statutory regulations, to ensure the protection of shareholder benefits and rights.

- All shareholders whose registrations were undertaken by March 9, 2018, at the latest as provided for by the Ho Chi Minh City Branch of the Vietnam Securities Depository, received full and clear information relating to the 2017 AGM as detailed in their notice of invitation. The notice of invitation clearly specified the time, venue, agenda and basic information about registration for the meeting. The full 2017 AGM documents were published on HSC's website, in both Vietnamese and English languages, twenty-one (21) days before the date of the 2017 AGM. In addition, the notice of invitation for the 2017 AGM was broadly published in the *Dau Tu Chung Khoan* newspaper.
- In order to facilitate attendance by all shareholders and their authorized representatives, the 2017 AGM was held on a working day, with the registration and admission desk opened one hour prior to the meeting. HSC used barcodes to confirm shareholder identification and other supporting documents, as well as for calculating the voting and election ratios.

- The Chairman of the BOD, BOD members, Committee Chairs, and the BOM chaired the 2017 AGM. In addition, representatives of the independent audit firm were in attendance. Representatives of minority shareholders were entitled to nominate themselves in the Vote Tally Committee to count the votes.
- Those chairing the meeting were responsible and available to respond to any questions and encouraged shareholders or authorized representatives to comment in order to jointly build sustainable growth for HSC.
- Each of proposals by the BOD was presented separately to facilitate review and approval by shareholders at the AGM. The voting results for each proposal were announced immediately and recorded in the AGM minutes.
- The minutes of the meeting, a voting results report, and resolutions from the 2017 AGM were published on HSC website in both English and Vietnamese languages within 24 hours after the AGM.

General Meeting of Shareholders by Written Ballot

On September 18, 2019, HSC held a General Meeting of Shareholders by Written Ballot to seek shareholders' approval on the share issuance plans which included the issuing of stock bonus to the existing shareholders to increase charter capital, the issuing of new shares to the existing shareholders, and the issuing of new shares to employees under an approved Employee Stock Ownership Plan. The issuance plans were ratified at the 2017 AGM and stated at Clause 12, Clause 13, and Clause 14 of the Company's AGM Resolution 01/2018/NQ-DHDCD dated April 26, 2018.

HSC strictly followed any procedures required by applicable laws to protect the rights and interests of shareholders.

- On September 18, 2018, HSC sent the share issuance proposal by its BOD and the ballot papers to all shareholders who were in the shareholder list finalized on August 31, 2018 provided by the Vietnam Depository Centre, Ho Chi Minh City Branch. The ballot clearly stated all important and required information, such as the Company's name, shareholder details, the purpose and content of obtaining shareholders's votes by written ballots, voting options, i.e. "for", "against", and "abstention", the deadline and method by which shareholders were to send their votes back to HSC. The proposal and ballot were sent to shareholders by guaranteed mail and email (if shareholder emails were available). The documents were also available on HSC's website, both in Vietnamese and English 30 days prior to the voting deadline, which was October 18, 2018.
- Representatives of the BOD counted the votes and the Vote Counting Minutes were prepared under the supervision of the Head of the BOS. The Voting Counting Minutes contained all information that required by law and internal regulations of the Company, including the total number of "for" votes, the total number of "against" votes, and the total number of "abstention" votes for each proposal.

- The Vote Counting Minutes and AGM Resolutions were posted on HSC's website and were available in both Vietnamese and English within 24 hours after the vote counting process was completed.

Dividend Payout

HSC's shareholders are entitled to receive its profit in proportion to their holding. We believe that our attractive and transparent dividend policy is one of the main reasons behind investor decision to investing in HSC's stock.

HSC's dividend policy is reviewed by the Board of Directors on an annual basis. However, HSC's practice is to maintain a dividend payout ratio of at least 50%. Over the last few years, HSC has distributed annual dividends of 12% to 20% of par value depending on its financial performance in each year. It is worth noting that HSC's actual dividends are often higher than the dividends approved at its AGM. Dividend payment announcements are transparent and come with detailed information. Also, the Company always honors its dividend payment schedule, which is usually within 30 days from the date of BOD approval.

At the 2017 AGM, shareholders approved an ordinary share dividend payment rate of 15%. The execution plan for the 2018 dividend payment is summarized as follows.

- HSC paid the first 2018 cash dividend of 6% on December 21, 2018 following approval by the Board of Directors in Resolution No. 24/2018/NQ-HĐQT dated November 15, 2018.
- The BOD plans to propose a final cash dividend payment at the 2018 AGM in accordance with the dividend approved in the 2017 AGM.

Investor relations

HSC is always proactive in engaging shareholders, investors, and its wider partnership community networks to provide timely, useful, complete, reliable and accurate information. The data and information are provided through a number of communication and media channels, such as, the website, the AGM, newsletters, videos and direct email blasts to the investment community at registered email addresses.

HSC encourages all shareholders, investors, and partners to discuss, share ideas, provide questions and engage in all possible forms of contributing information to HSC by emailing the Director of Communications.

5. Equal Treatment of Shareholders and Protection of their Rights

Appointing a proxy to the Annual General Meeting

HSC strongly encourages shareholder participation at the AGM. Should a shareholder be unable to attend the AGM, they may nominate an authorized representative, such as a BOD member or BOS member, to vote on their behalf and to decide on any resolutions and issues discussed at the AGM.

Voting at the AGM and Voting by Written Ballot

Voting at the AGM

Each shareholder or their authorized representative attending the AGM are given voting cards and voting forms printed by HSC. The cards and forms have barcodes so that the vote counting process can be more efficient and accurate. Shareholders shall use their voting cards to vote for resolutions raised at the AGM. Key information content for the AGM is sent to shareholders prior to the meeting. The shareholders must confirm their vote by marking a cross in one of the three boxes provided. The contents of the three boxes are "For", "Against" and "Abstention". Shareholders are required to sign the form to confirm and validate the vote.

Voting by Written Ballot

The written ballots and other relevant documents will be sent to each of HSC's shareholders by guaranteed mail and email (if applicable) to the addresses the shareholders have registered with the Vietnam Securities Depository Centre, Ho Chi Minh City branch. To facilitate shareholder review and voting, in 2018, HSC delivered the written ballot and materials to shareholders 30 days prior to the deadline by which shareholders had to send back their votes.

Election of BOD Members

The election, dismissal, removal, and additional election of members of the Board of Directors must be approved by the AGM. The selection of candidates and the election of new members to the BOD are carried out in accordance with the procedures stated in HSC's Charter, governance regulations, and election regulations.

In the 2017 AGM, HSC dismissed Mr. Nguyen Thanh Liem, a member of HSC's BOD and the representative from HFIC, and concurrently elected a new board member as his replacement. The election of new members of the Board of Directors is carried out using a secret ballot and adopting a cumulative voting method. Accordingly, each shareholder or authorized proxy was given a total number of votes which was equal to the total number of shares they owned or represented multiplied by the number of candidates being elected. Shareholders or authorized proxies were entitled to cast all of their votes for one candidate or proportionally to a number of candidates. The list of candidates and candidate resumes were posted on the Company's website no later than seven (07) working days prior to the 2017 AGM so that shareholders had sufficient time to consider and select qualified candidates.

Conflicts of Interest Management

There is a need to prevent conflicts of interest in operations and decision making. Recognizing this need resulted in the development of internal policies, procedures, systems of control and monitoring at HSC. Systems and processes serve to prevent or mitigate "conflict of interest" situations. The risks that are to be prevented or mitigated include actions for personal gain but that cause loss to shareholders, investors, partners and/ or HSC.

Right now, HSC is compliant with “conflict of interest avoidance” regulations under Vietnam law. The BOD has plans to raise HSC's compliance to follow international benchmarks and best practices.

1. Related Parties Transactions

Related party transactions, which are not conducted at arm's length but for personal gain, have often led to the collapse of many large corporations and the erosion of shareholder value and investor confidence in the transparency and integrity of the capital markets. This issue has become one of the biggest challenges for the business community in Vietnam in recent years.

Aware of the risk associated with illegal related party transactions, HSC is introducing a related-party-transaction policy, which is an integral part of HSC's corporate governance framework. The policy will be designed and implemented to ensure that any potential conflicts of interest hidden in related party transactions are identified and monitored and closely controlled.

2. Transactions of managers and executives of the Company and related parties

Members of the BOD, the BOM, and BOS, as well as related parties who want to execute transactions in HSC shares must report and disclose all required information at least three business days prior to the transaction date. They also have to report their trading results to the State Securities Commission of Vietnam and the Ho Chi Minh Stock Exchange (“HOSE”) within three (03) business days after the registered trading period.

Members of the BOD, the BOM, and BOS must report to the BOD any potential conflict of interest with HSC's interests from the benefits that they might receive from any transaction in HSC shares that are executed by themselves or by any related legal entity or individual. Members of the BOD, the BOM, and BOS are not allowed to use any internal information regarding HSC's operations obtained by virtue of their position to serve their personal interests, or the interests other legal entities or individuals.

HSC does not provide loans or guarantees to any members of the BOD, the BOM, the BOS or related parties unless otherwise approved at the AGM.

HSC is not allowed to engage in any transaction that has a value equal to or greater than 35% of the total asset value of the Company as stated in its latest financial statements, with any member(s) of the BOD, the BOM, the BOS or related parties, or with shareholders, their proxies or related parties who collectively own more than 10% of HSC's total outstanding shares unless otherwise approved at the AGM.

6. Role of Stakeholders

1. Role of Stakeholders

Investors

To thrive in the time of globalization and cross-border competition, as business professionals, we must pursue a sophisticated approach to understanding and responding to clients's expectations. Therefore, HSC measures its success by the satisfaction of investors who are also its clients.

Having a good understanding on the sophisticated demands of investors, along with our strong team of highly experienced, dynamic, and enthusiastic professionals and our proven track records and credits, we have been able to provide our clients right services at the state-of-the-art quality and attractive investment opportunities.

In order to strengthen our reputation and enhance the trust from our clients, we have been pursuing rigorous information security policies and implementing new applications and technologies from the "industrial revolution 4.0" to our securities information technology.

In addition to following the market in the development of new products, HSC also strives to create its own products and services to attract professional investors.

Shareholders

HSC has always been willing to provide necessary information to our shareholders on transparent and adequate maners. Furthermore, in our principle of equality, there is no discrimination amongst major shareholders, strategic shareholders or minor shareholders.

All necessary information on HSC's operations and performance such as the quarterly, semi-annual and annual performance results, as well as our business plans, are provided to all shareholders. Through these information disclosure sessions, HSC hopes to meet and interact directly with shareholders and investors in order to for them to understand more about our business operations, so that they can make appropriate investment decisions. This is also an opportunity for HSC to get the most meaningful feedbacks and contributions from shareholders and investors, which are then discussed in our internal meeting for further analysis and considerations.

We believe the trust from our shareholders is a concrete foundation for HSC's subtaintable development.

Human Resources

At HSC, employees are considered the most important factor determining and fostering our path to prosperity and sustainable development. By creating a strong corporate culture and a professional, dynamic, and cretative working environment, we aim to offer our employees not only a right place to work and to devote but also an environment in which they can maximize their capabilities. In addition, HSC applies a transparent and compitive policies on salary, bonus, and

welfare to ensure employees are rewarded properly for their contributions and commitment, which are measured and appraised through the implementation of KPIs in HSC's Employee Performance Management. Besides, the close relationship between leaders and staffs at HSC is also one of the factors help attract and retain talent and enhance employee loyalty and commitment.

2018 marked HSC's 15-year journey in the stock market. 15 years are not too long and also not too short, but rather enough for HSC to build its own culture – a culture that nurtures and promotes "Next Generation" and "Succession". These unique cultural factors define HSC's corporate culture.

The best way to build and strengthen corporate culture is that leaders have to pioneer in demonstrating how to act and behave appropriately to promote that culture. The culture of "Next Generation" was initiated in 2018 and was reflected in the first corporate activity – The Ceremony honoring employees who have been with HSC over the past 15 years. The next corporate activity is the formulating and executing a succession plan, in which the existing top management gradually handovers decision making power to the next generation, who were trained and promoted several years ago.

Community

The sense of shared community has been built and promoted throughout the Company's history since its early days. At the corporate level, HSC is committed to contribute to the development of Vietnam by creating jobs and paying taxes. At the same time, there have also been volunteer activities, sharing and helping the less privileged and disadvantaged groups of people. This has become a moral tradition at HSC. Above all, HSC is a cradle for spreading "community sharing" inspiration to all employees. The sense of sharing has continued to spread to their relatives and friends and has since been communicated throughout society.

HSC endeavors to implement initiatives that have long lasting impact on communities where HSC is located. HSC is dedicated to contributing to all aspects of community development. Community development is at the core of CSR where HSC believes will be an essential component for long term success.

Environment

Contributing to the development of the capital markets in Vietnam has been one of the most important targets in the development of HSC.

HSC has always been a pioneer and a bridge between the leading companies in Vietnam and the global investment community through the hosting of forums and conferences dedicated to the Vietnamese markets in general and the stock market in particular (Vietnam Investment Professionals Forum 2018, Emerging Vietnam 2018) or through organizing conferences

discussing new products (the Global Futures Symposium). With a spirit of enthusiasm and a willingness to impart experience and try to learn advanced knowledge, HSC has not only contributed to the market shaping and developing process and the nurturing the international investors's trust but also created its own opportunities to seek and approach potential investors.

Moreover, HSC is also an active member of associations and organizations in the stock market in particular and in the financial sector in general. The participation in the Vietnam Securities Trading Association (VASB), Vietnam Bond Market Association (VBMA) and Vietnam CEO Club, also helps us understand more about the markets and allows us to contribute to develop the markets.

2. Audit firm

HSC is committed to select one of the Big 4 Audit Firms in Vietnam for the interim and annual statutory audit of its financial statements. The selected auditor must be approved by the State Securities Commission of Vietnam to provide the statutory auditing services to listed companies and securities companies in Vietnam.

PricewaterhouseCoopers (PwC) VietNam Limited was re-selected as an external auditor of HSC for the 2018 fiscal year.

The 2018 audit fee amounted to VND1,221,000,000 (One billion two hundred and twenty-one million Vietnamese Dong) payable to PricewaterhouseCoopers Vietnam. The contracted audit works include the followings:

- The review of the interim financial statements;
- The review of the interim Liquidity Ratio Report;
- The audit the year end financial statements;
- The audit of the year end Liquidity Ratio Report; and
- The special audit of HSC's year end financial information, which were prepared in accordance with the International Financial Reporting Standards (IFRS).

In addition to the above audit works, PwC also issued the review report on HSC's first quarter 2018 financial statements. The review report was a required document for the share issuance plans in accordance with the regulatory requirements. Therefore, the 2018 audit fee increased by 30% compared to than in 2017.

In addition, HSC also paid a non-audit fee of VND495,000,000 (Four hundred and ninety-five million Vietnamese Dong) to KPMG Vietnam Limited, which was a joint internal auditor of HSC in 2018.

3. Contact for Media Inquiries

Currently, the only point of contact for media inquiries to HSC is the Communications Department. Any questions from stakeholders will be forwarded to the relevant department

head. Their responses will be sent to the Communications Department which shall represent HSC in responding by phone or email.

4. Information Disclosure

Policy and implementation of information disclosure

The information disclosure framework at HSC has been developed and implemented in compliance with statutory regulations, internal policies and corporate governance policies. Information disclosure must be in accordance with the following fundamental principles.

- The disclosed information should be accurate, complete, clear and must be disclosed within the agreed time frame.
- The disclosed information must comply strictly with current statutory regulations.
- All stakeholders have the right to access the disclosed information.
- Information that may have a significant impact on HSC's share price, or possibly influence investor decisions, affect shareholder rights, or may cause a serious event that may adversely affect the legitimate interests of investors, should be disclosed in timely manner, and shall be disclosed in HSC's official website, to the Ho Chi Minh City Stock Exchange (HOSE) and to the State Securities Commission (SSC).

7. Transactions between the Company and major shareholders

1. Remuneration of the Board of Directors and the Supervisory Board

The operating fund of HSC's BOD and BOS in 2018 amounted to 1.5% of after-tax profit, as approved at the 2017 AGM.

In Q1 2018, remuneration that the members of the BOD and BOS were entitled to receive were adjusted to market pay levels. The Company also started to pay remuneration to board members who were also members of committees under the BOD and to the secretary of the BOD in accordance with Minute 01/2018/BB-RC of the Remuneration Committee dated 22 January 2018.

Remuneration for members of the BOD in 2018

<i>Position</i>	<i>Monthly Remuneration for BOD Members (after tax) (VND)</i>	<i>Monthly Remuneration for Committee Members (after tax) (VND)</i>
BOD Members	20,000,000	
BOD Members and Committee Chairman		20,000,000
Executive Members		10,000,000

Remuneration for members of the BOS in 2018

<i>Position</i>	<i>Monthly Remuneration for BOS Members (after tax) (VND)</i>	<i>Monthly Remuneration for Committee Members (after tax) (VND)</i>
Members	15,000,000	
Head		10,000,000

Remuneration for members of the Committees under the BOD in 2018

Position	Monthly Remuneration (after tax) (VND)	Note
Head	15,000,000	
Members	10,000,000	

Based on the remuneration presented above and the prevailing number of members of the BOD and BOS at specific times, the payment of remuneration and operating expenses to the members of the BOD and BOS was as detailed below.

BOD and BOS remuneration and operating expenses in 2018

Item	VND
The opening balance of Operation fund of the BOD & Supervisory Board	1,019,184,416
Operation fund of the BOD & BOS in 2018 (accounting for 1.5% of profit after tax in 2017)	8,310,887,456
Operating expenses for the BOD & BOS	8,428,529,830
In which:	
1. Remuneration for BOD & BOS in 2018	3,868,000,000 (*)
2. Other operating expenses	4,560,529,830
Unused funds of the BOD & Supervisory Board	901,542,042

Note: (*) Total BOD & BOS remuneration was VND 3,868,000,000 (including personal income tax). BOD and BOS remuneration increased over that in 2017 due to adjustments to market pay levels in Q1 2018. The Company also started to pay remuneration to board members who were also members of committees under the BOD and the secretary of the BOD.

2. Regulation on Bonuses for Members of BOD and BOS

Independent BOD members and non-executive BOD and BOS members do not receive any income or bonuses from the Company's bonus and welfare funds in addition to the remuneration for members of the BOD and BOS mentioned above.

3. Regulation Governing Benefits for Members of BOD and BOS

Currently, HSC's cost benefit regime (the Company's car use regime, telephones, social, medical and other insurance, annual health check, and other items specified in the Company's policies) and other benefits in internal policies are only applicable to the Chairman of the Board of Directors. Only business travel expenses for other members of the BOD and BOS are charged to HSC (if costs are incurred).

4. Share trading transactions of internal shareholders and related parties

In the year 2018, HSC announced HSC share transactions undertaken by members of the BOD and related organizations on the HCM City Stock Exchange to the authorities within three working days. Under current regulations, they were reported as follows.

Name	Relationship with internal shareholders	Number of shares owned initially		Number of shares owned at the end period		Reasons for increase, decrease
		Number of shares	%	Number of shares	%	
Le Anh Quan	Individual related to Mr. Le Anh Minh – Vice Chairman	26,000	0.02%	0	0%	Bought 26,000 shares from 22 November 2017 to 04 December 2017 and sold 26,000 shares from 30 January 2018 to 02 February 2018
Pham Nghiem Xuan Bac	Board of Directors	290,000	0.22%	240,000	0.19%	Registered to sell 100,000 shares from 10 July 2018 to 08 August 2018 and sold 50,000 shares from 10 July 2018 to 08 August 2018.
Cong Huong Joint Stock Company	Company related to Pham Nghiem Xuan Bac - Member of the Board of Directors	450,442	0.35%	360,442	0.28%	Registered to sell 150,000 shares from 10 July 2018 to 08 August 2018 and sold 90,000 shares from 10 July 2018 to 08 August 2018.
Johan Nyvene	Chief Executive Officer and member of the Board of Directors	661,666	0.51%	461,666	0.36%	Registered to sell 200,000 shares from 02 October 2018 to 31 October 2018 and sold 200,000 shares 02 October 2018 to 23 October 2018.

5. Transactions between the Company and major shareholders

HSC and Dragon Capital Markets Limited (DC) have signed a contract to provide business consulting services, in which DC advises HSC on market research, institutional client brokerage, mergers and acquisitions, etc. The contract term is three years from 2017 to 2019.

In 2017, HSC paid an advisory fee to DC as stated in the Contract. However, in 2018, HSC terminated the Contract as the Company had no demand for these advisory services. Therefore, there was no related party transaction between HSC and DC in 2018.

<i>Related parties</i>	<i>Relationship</i>	<i>Headquarter</i>	<i>Date of transaction ty</i>	<i>The Board of Directors Resolution No.</i>	<i>Quantity, percentage of shares after transactions</i>	
					<i>Quantity</i>	<i>%</i>
Dragon Capital Markets Limited (DC)	Related parties	Room1501, 15th Floor, Me Linh Point, No 02 Ngo Duc Ke Street, District 1, HCMC	Not applicable	No. 01/2017/NQ-HĐQT dated 17/01/2017	39,278,810	30.29

The report of the Board of Directors is presented. On behalf of the Board of Directors, I would like to thank to Shareholders, Customers, Partners and Employees of HSC who have tried their best to overcome the challenges and to complete HSC's mission successfully.

Best regards.

For and on behalf of the Board of Directors
CHAIRMAN



DO HUNG VIET

To:

- As mentioned above;
- BOD Office for record,



REPORT

2018 ANNUAL GENERAL MEETING

Subject: HSC Business Performance 2018

A. VIETNAM SECURITIES MARKET IN 2018

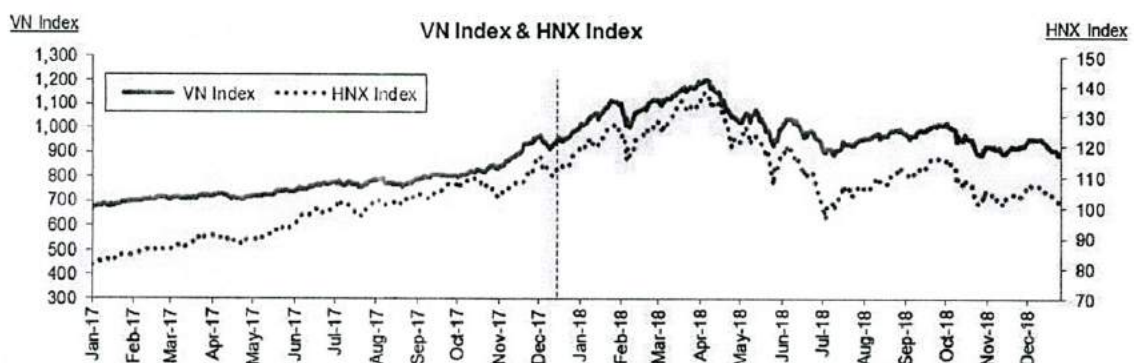
Vietnam Stock Market:

Vietnam's economy grew impressively in 2018, achieving GDP growth of 7.1%, the highest in the last 10 years. However, Vietnam's stock markets witnessed marked volatility last year. In the first quarter, the VN-index increased by more than 19.3%, as investors remained bullish about the favorable conditions surrounding the Vietnamese economy and as foreign investors continued to pour capital into the market. As a result, many stock prices, especially companies with large market capitalizations, increased to all-time highs, both in terms of market price and P/E valuations.

The trade dispute between the U.S. and China, although started in early 2017, intensified in 2018. On March 23 the U.S. started to impose tariffs on aluminum products imported from China. China retaliated by applying tariffs on products exported from the U.S., including soybean and automobiles. These tit-for-tat tariffs between the world's two largest economies negatively impacted investor sentiment in the global markets. In addition, on March 21, 2018, the U.S. Federal Reserve (the "Fed") increased its key interest rate and signaled another two hikes by the end of 2018. Higher interest rates triggered capital outflows from emerging markets, including Vietnam. Facing these headwinds, Vietnam's stock markets plunged significantly in the second quarter of the year, dropping by almost 20%.

The stock market recovered slightly in the third quarter but again turned bearish in the last quarter of the year. Investors were concerned about a decelerating global economy as a result of the ongoing trade war and Fed rate hikes. Weak economic data from the Chinese economy in the fourth quarter also intensified investor concerns. The VN-Index closed the year at 892 points, a drop of 9% over 2017. The HNX-Index also plunged by 11% to 104 points.

The average daily trading value was VND6,535 billion, which was an increase of 30% y-o-y, and was only 82% of the figure targeted by HSC for 2018 at the level VND8,000 billion per day. In line with stock market volatility, market liquidity was also high at VND9,000 billion per day in the first quarter, reducing to VND7,200 billion in the second quarter, and then further to a stable level of approximately VND5,100 billion in the last two quarters of 2018.



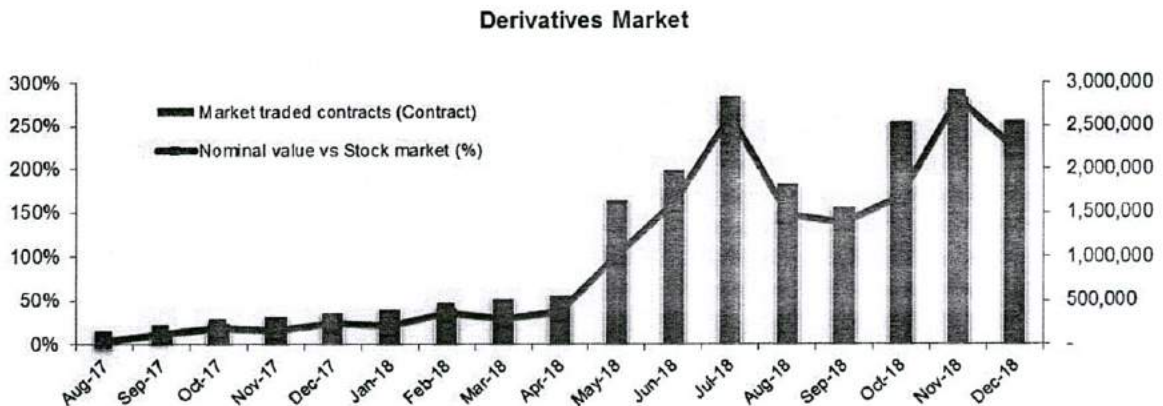


Changes in stock market liquidity were primarily driven by the trading activities of local investors. The trading activities of foreign investors were relatively balanced in 2018 if large put-through transactions of several stocks including VHM, MSN, VRE and YEG were excluded. Local investors remained the dominant traders; their trading value accounting for 84% of total market trading volumes and increasing 25% y-o-y. The stocks that the local investors traded the most included VHM, MSN, VIC, VRE, HPG, HDB, VJC, and VCB. As investors were concerned about the negative impacts of the trade dispute and Fed rate hikes on the global and Vietnamese economies, they became more cautious and reduced their trading activity accordingly, as well as demand for margin lending from the second quarter of 2018.

Foreign investor trading values accounted for 16% of total market trading values in 2018, higher than that of 13% in 2017, and in line with HSC expectations. Foreign investors remained net buyers in 2018, with a total net buy value of VND44,000 billion. A sizable chunk of foreign investor trading value, however, was from large put-through transactions, with total value of VND46,300 billion represented by several stocks including VHM, MSN, VRE and YEG.

Vietnam Derivatives Market

The derivatives market was only opened in August 2017 yet successfully attracted investor attention. In 2018, the total trading volume in terms of the number of executed contracts increased remarkably, especially from the second quarter of the year. Furthermore, the nominal market trading values at several times were almost triple the trading value of the stock market.



The activeness on the derivatives market also lured other securities companies. The number of trading members increased from just four members including HSC, SSI, VND, and VPBS when derivative trading commenced to 14 trading members by the end of 2018. That led to intensified competition, especially as some of the new members pursued an unsustainable strategy of lowering brokerage fees significantly, or even cutting them to zero to attract clients.

B. HSC BUSINESS PERFORMANCE REVIEW

BUSINESS PERFORMANCE	FY2018	FY2017	% change	Plan 2018	% Plan 2018
Income statement (VND million)					
Revenue (*)	1,702,011	1,381,633	23%	2,110,156	81%
Operating expenses (*)	859,927	689,310	25%	1,070,783	80%
Profit before tax	842,186	692,601	22%	1,039,373	81%
Profit after tax	675,480	554,059	22%	818,717	83%
Balance sheet (VND million)					
Total Assets	5,256,305	6,680,572	-21%	6,322,331	83%
Total Equity	3,060,536	2,791,161	10%	3,347,678	91%
Financial indicators					
Return on average assets (ROAA)	11.3%	10.8%		12.9%	
Return on average equity (ROAE)	23.1%	21.4%		24.5%	
Per share financial indicators					
Outstanding share	129,554,168	129,570,368	0%	171,237,035	76%
Earning per share (EPS) - VND	5,214	4,289	22%	4,649	112%
Book value per share – VND	23,624	21,542	10%	19,738	120%

(*) In accordance with the accounting policies of securities companies, income from proprietary trading activities (when selling prices are higher than the cost of securities sold) are recorded as revenue and losses from trading activities (when selling prices are lower than the cost of securities sold) are recorded as operating expenses in the income statement. Therefore, the effective performance of proprietary trading activities should be measured as the net of revenue and operating expenses for these activities. Accordingly, for the purpose of comparison, revenue and operating expenses in 2018 and 2017 were restated by reducing the losses from proprietary trading activities by VND650 billion and VND158 billion, respectively.

In 2018, HSC continued to deliver impressive performance with VND1,700 billion in revenue and VND675 billion in net profit, representing increases of 23% and 22% y-o-y, respectively. The earnings per share (EPS) in 2018 grew in line with profit growth to VND5,214 per share. The return on equity ratio (ROE) was high at 23.1% (versus 2017's 21.4%).

As the performance of the stock market was not in line with HSC's expectations for the reasons noted above, the Company only achieved 82% of its net profit target in 2018, despite the impressive y-o-y growth of 23%. Cautious investor sentiment from the second half of 2018 negatively impacted market liquidity, as well as investor demand for margin loans.

- The actual average daily trading value was VND6,535 billion, only at 82% of HSC's expectations of VND8,000 billion per day.
- The actual average margin lending balance was VND3,933 billion, or 87% of HSC's expectation of VND4,500 billion.

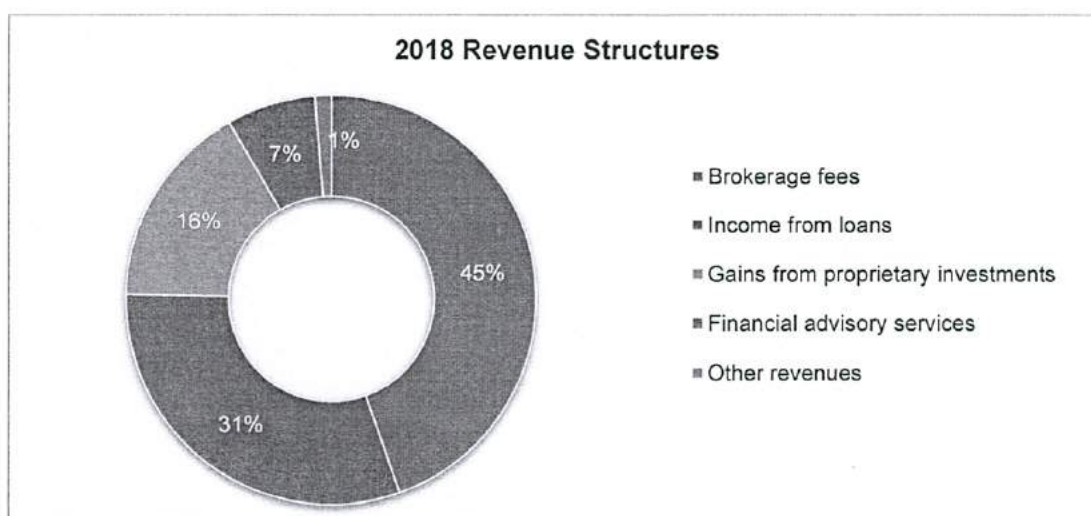
The actual EPS was higher than HSC's target mainly because the number of outstanding shares remained almost unchanged; the Company has not issued shares to raise capital as had been planned in September 2018. The share issuance plan will be completed in 2019 as announced publicly to shareholders.

I. BUSINESS PERFORMANCE

REVENUE (VND million)	FY2018	FY2017	% change	Plan 2018	% Plan 2018
Brokerage fee	758,849	601,942	26%	911,862	83%
Income from loans	523,064	439,219	19%	607,500	86%
Gains from proprietary investments	278,344	269,839	3%	435,999	64%
Financial advisory services	119,217	45,179	164%	137,620	87%
Other revenue	22,536	25,455	-11%	17,175	131%
Total revenue	1,702,011	1,381,633	23%	2,110,156	81%

In 2018, total revenue grew impressively by 23% y-o-y. All major business segments delivered higher performance than in last year, with details as set out below:

- Revenue from brokerage fees reached VND759 billion, an increase of 26% y-o-y, at 45% accounting for the largest share of total revenue. The Company remained one of the leading companies in the industry in terms of brokerage market share on both Stock Exchanges in 2018.
- Income from margin loans was VND523 billion, accounting for 31% of revenue and an increase of 19% y-o-y. Income growth was primarily attributable to the increase in the average margin loan balance of 21%, as the average margin lending rate declined slightly y-o-y.
- Proprietary trading activities generated total revenue of VND278 billion, or 3% y-o-y growth and a contribution of 16% to total revenue. HSC divested most of its investment portfolio to realize profit in the first half of 2018 and followed a prudent investment strategy for the rest of the year to protect shareholder interests.
- The corporate finance advisory business was extremely successful in 2018, completing several landmark transactions for clients such as HDBank and YEG. The successes of these transactions created a strong resonance and enhanced HSC's reputation in a market which shows good potential. The business generated a record revenue of VND119 billion, a strong increase of 2.6 times y-o-y.



1. Brokerage fee

Brokerage fee	(%)	FY2018	FY2017	% change	Plan 2018	% Plan2018
Retail Clients	64%	485,956	310,053	57%	561,627	87%
Stock brokerage		409,766	307,521	33%	537,531	76%
Derivatives brokerage		76,190	2,532	2909%	24,096	316%
Institutional Clients	36%	272,893	291,889	-7%	350,235	78%
Total brokerage fee	100%	758,849	601,942	26%	911,862	83%

Securities brokerage is HSC's core business, and a business in which the Company enjoys strong competitive advantages, including human resources, technology, and financial capability. In 2018, revenue from brokerage fees contributed the largest portion of total HSC revenues at 45%. The total trading value executed by HSC of retail and institutional investors both increased by 23% y-o-y.

In addition to the brokerage fees from the stock market, in 2018, brokerage fees from the derivatives market started to contribute meaningfully to total brokerage fees for the Company.

a. Retail client brokerage

Stock brokerage:

HSC's brokerage market share	FY2018	FY2017	Plan 2018
By Exchanges			
HOSE	12.2%	11.9%	
HNX	8.3%	7.1%	
UpCom	6.4%	7.9%	
Total HSC	11.4%	11.3%	11.3%
Market share by clients			
% HSC's Retail Client / Local Investors	9.7%	8.6%	9.5%
% HSC's Institutional Client / Foreign Investors	23.1%	32.7%	28.0%

In 2018, HSC's brokerage market share in the stock market was 11.4%, which was slightly higher than both its 2017 market share and the 2018 target.

HSC's brokerage market share in the stock market by client group in 2018 are illustrated below.

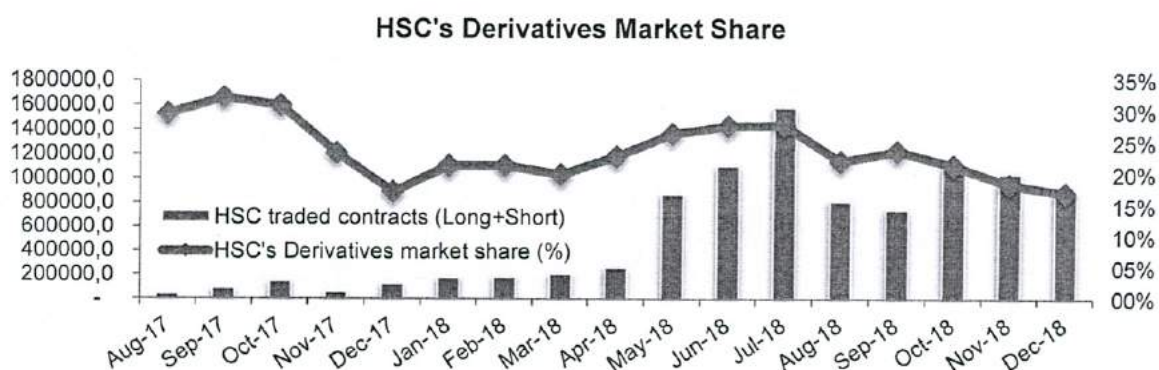


In 2018, the increase in revenue from brokerage fees in the stock market was mostly attributable to higher trading values, as HSC kept the brokerage fee rates almost unchanged over the last two years.

The retail client brokerage generated revenue of VND410 billion, or 33% y-o-y growth, which was primarily driven by a surge in trading value by HSC's retail clients of 32% in 2018. The increase in trading value was also higher than the 25% growth across the broader market, lifting HSC's share in the retail client brokerage market to 9.7% from 8.6% in 2017.

The group of retail client's 30 most traded stocks in 2018 accounted for nearly 60% of the total market trading value. This group primarily included big-cap stocks such as HPG, VIC, NVL, MSN, VPB and VNM. Some stocks in the group, however, were not eligible for margin lending, or were considered too risky for HSC to provide margin loans. Therefore, to prevent risks and to comply with HSC margin lending risk management policy, HSC proactively refrained from providing or reduced margin loans to trades in these stocks even though these decisions impacted HSC's trading value and market share.

Derivatives brokerage



HSC pioneered the development of the derivatives market since its outset, and became one of the first few trading members when the market was launched in August 2017. Being well prepared in respect of human resources, IT systems and business processes helped HSC stay ahead of the curve and capture opportunities when the trading value of the market increased significantly in 2018. Accordingly, HSC achieved a derivatives brokerage revenue of VND76 billion, far exceeding the expectation for VND24 billion at the beginning of 2018.

As demonstrated in the chart above, futures contract trading volumes started to increase from the beginning of 2018, before surging from July and remaining high for the rest of the year. With the above mentioned competitive advantages, HSC captured one third of total volumes. HSC's average brokerage market share in the derivatives market in 2018 was 23%, a marginal decline compared to the 25% market share in 2017. Market share declined mostly because there were more trading members joining the market and some of the new members pursued a fee reduction strategy to attract clients.

In 2018, there were approximately 20,000 new securities accounts opened, lifting the total number of securities accounts at HSC to more than 84,000. The number of derivatives accounts also increased significantly, from 1,200 accounts in 2017 to 3,600 accounts at the end of 2018.

Aiming to further increase its market share and pursue growth, the Brokerage Department will focus not only on providing appropriate training to help its broker team excel, but also focus on expanding and diversifying its business development channels. Specific strategies include offering investor relation services to listed companies and coordinating with the Corporate Finance Department to cross-sell the services of both businesses.

In 2018, HSC also developed and was in progress to implementing E-Broking, its online brokerage service channel, to tap into new market segments, as well as enhancing convenience and utility for existing clients. This channel aims to simplify the existing business procedures and maximize client time and value when they execute trades at HSC.

b. Institutional Client Brokerage

Revenue from institutional client brokerage fees in 2018 was VND273 billion, a 7% y-o-y decrease, which was mainly due to lower revenue from out-of-trading band and over-the-counter brokerage fees. Those sources of revenue, however; are non-recurring and depend on the occurrences of non-regular transactions. Notably, revenue from listed securities brokerage fees, the major and recurring source of revenue of the business, increased by 17% y-o-y.

In 2018, foreign investors were more active in the stock market and posted a total trading value of VND523 thousand billion, a surge of 56% y-o-y, which was higher than the 30% growth for the overall market. Therefore, the total trading value by foreign investors in 2018 contributed a bigger portion of 16% to overall market trading values than the 13% a year earlier.

HSC's overall foreign client trading value in 2018 increased by 10% y-o-y and reached VND124 thousand billion, most of which was contributed by institutional investors. The higher trading value lifted listed brokerage fee revenue by 17% y-o-y to VND250 billion.

Despite this growth, the trading value by HSC's foreign investors was lower than the overall market. One notable reason was that, in 2018, foreign investors executed large put-through transactions in some stocks including VHM, MSN, VIC, VRE and NVL. Some of these transactions were executed in the first trading days of newly listed stocks via other securities companies who acted as listing advisors. Therefore, HSC's market share in the foreign client brokerage business declined to 23% from 33% in 2017. HSC's market share would have been 25% if the transactions noted above were excluded.

One of the most important and most frequent requirements of institutional investors is corporate access. Therefore, HSC has been proactively holding various corporate access events to support clients and to enhance their investment success. In 2018, HSC successfully hosted the HSC Emerging Vietnam 2018 Conference, connecting more than 400 investors from global fund management companies and financial institutions with more than 40 leading companies in Vietnam. This annual conference is not only a prominent example of how HSC creates value for its clients, but also an effective way for the Company to contribute to the business community in Vietnam by connecting global investors with Vietnamese companies.

2. Income from loans

Income from loans (VND Million)	FY2018	FY 2017	% change	Plan 2018	% Plan 2018
Average margin loan balance	3,932,842	3,237,878	21%	4,500,000	87%
Income from margin loans	523,064	439,219	19%	607,500	86%

Income from margin loans was VND523 billion, an increase of 19% y-o-y, and a contribution of 31% to total revenue for HSC in 2018. This revenue increase was mainly attributable to higher average margin loan balances, as the average margin lending rate has remained stable over the last two years.

Revenue from margin loans in 2018 was only at 86% of HSC's business guidance as the average margin loan balance was lower than the target of VND4,500 billion, which had been built on a scenario where the average daily market trading value was VND8,000 billion.

HSC's margin loan balances were quite volatile in 2018, with the lowest balance being VND2,700 billion while the highest balance was VND5,600 billion. However, no bad debt arose as HSC strictly followed a prudent approach to margin lending and regularly reviewed and analyzed stocks in the margin lending list. The number of stocks for which investors could take out margin loans was shortened to 130 in 2018 from more than 200 in 2017, after HSC removed illiquid stocks, as well as stocks deemed unqualified under HSC's appraisal policy. The current margin lending list includes primarily stocks in the VN30 and highly liquid stocks.

In addition to adherence to applicable laws and regulations on margin lending activities, HSC still proactively maintains general provisions against margin lending of 0.75% of the year-end balance of margin loans.

3. Gains from proprietary investments

The performance of HSC's proprietary investments in 2018 was considered impressive given marked volatility in the stock market, and also as VietNam stock market indices had declined during the year. In particular, the closing point for the VN-Index was 9% below that at the end of 2017 and 26% below the peak in the first quarter of 2018. HSC's proprietary investment profit was VND280 billion, an increase of 3% y-o-y, representing a contribution of 16% to HSC's total revenue. The average investment value was VND610 billion and the return on capital was 31%, relatively in line with 2017 figures of VND580 billion and 39%, respectively.

The listed equity portfolio contributed VND125 billion in profit, contributing the largest share of proprietary investment profit at 45%. Although this profit was lower than that in 2017, the performance was considered a success in the context of a volatile and bearish market in 2018.

The derivatives investment portfolio delivered a nearly five-fold profit growth to VND49 billion, contributing 18% of total proprietary investment profit. As analyzed above, the total trading value of the derivatives market increased significantly in 2018. Leveraging its strong competitive advantages in technology, human resources and the first mover position, HSC recognized and captured opportunities to generate profit for shareholders.

4. Financial advisory services

2018 was a tough year for the stock markets in Vietnam and for investors, yet offered many opportunities for HSC's corporate finance business to create value for its clients. Vietnam's economy continued its high growth momentum which benefited the corporate finance business as more companies demanded high-quality advisory services to raise capital for expansion. In addition, privatizations of state-owned enterprises and private placements and listings of big private companies also lifted demand for advisory services from HSC's corporate finance business. On the other hand, the chaos in the global macroeconomy caused significant volatility in global capital markets in general, and Vietnam's stock markets specifically. As investor sentiment is weak amid uncertainties initial public offerings (IPO) and private placements may be negatively impacted.

The financial advisory services achieved remarkable milestones in 2018, when it successfully completed landmark transactions and generated a record revenue of VND119 billion, representing strong growth of 77% y-o-y. The major transactions were the IPO advisory service provided to HDBank in the first quarter, the M&A advisory service provided to DCL in the second quarter and the IPO advisory service provided to Yeah1 in the third quarter.

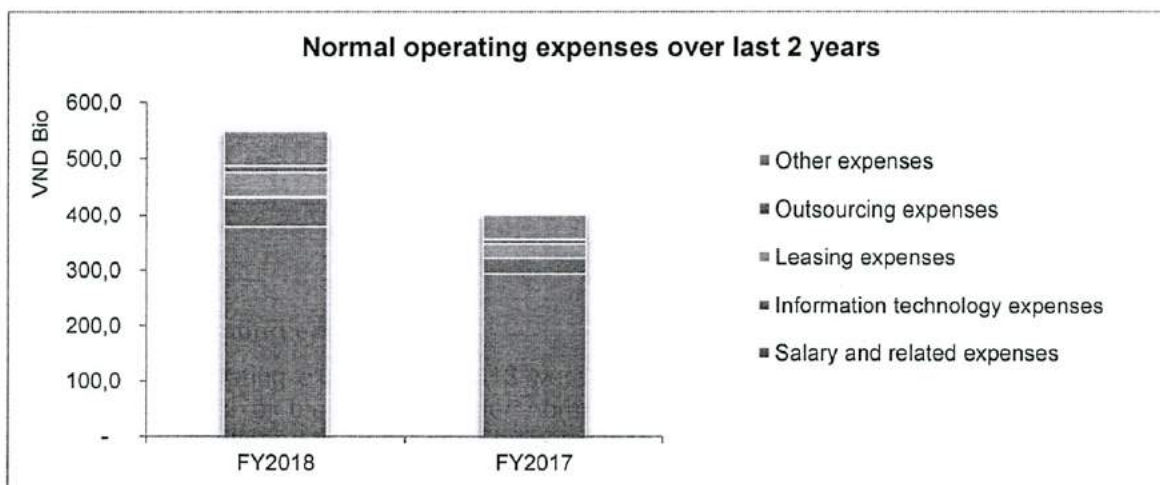
II. OPERATING EXPENSES

Operating expenses (VND Million)	FY2018	FY2017	% change	Plan 2018	% Plan 2018
Normal operating expenses	547,506	402,109	36%	645,048	85%
Brokerage expenses	158,121	127,798	24%	180,865	87%
Interest expenses	164,358	141,097	16%	233,500	70%
Provision for bad debts	-	4,673	n/a	-	n/a
General provision/ (reversal) for margin loans	(10,058)	13,634	n/a	11,369	-88%
Total	859,927	689,310	25%	1,070,783	80%

Total operating expenses in 2018 increased by 25% y-o-y but were only 80% of management's target.

1. Normal operating expenses

Total normal operating expenses in 2018 were VND547 billion, an increase of 36% y-o-y and equivalent to 85% of the target. Higher normal operating expenses in 2018 were primarily because HSC continued to invest in its human resources, its transaction office network, and its IT infrastructure to stay ahead of the curve. The composition of normal operating expenses over the last two years is demonstrated in the chart below:



Salary and other employee-related expenses accounted for the major portion total normal operating expenses in 2018 at 70% (versus 73% in 2017). Salary and other employee-related expenses increased approximately 30% y-o-y as HSC recruited senior executives for the Corporate Finance Department and the Institutional Client Brokerage Department. In addition, salary expenses also increased as HSC expanded its retail client broker team.

Office leasing expenses in 2018 increased significantly by 84% y-o-y, which was mainly attributable to the expansion of HSC's branch network. In particular, HSC opened its South Saigon transaction office in District 4 and reallocated the Cho Lon transaction office to a new venue in the Saigon Giai Phong office building in District 3 in Ho Chi Minh City. The Company also expanded space at its existing offices in Ho Chi Minh City and Hanoi.

Last year, HSC also continued to invest in its IT platform to maintain and enhance stability, safety, security, and promptness to enhance client confidence when executing trades at HSC in both the stock market and derivatives markets.

2. Brokerage and interest expenses

These are variable expenses associated with revenue generating activities at HSC and, therefore, vary in proportion with revenue.

- The total trading value by HSC's clients increased by 23% y-o-y, therefore, brokerage fees payable to the stock exchanges increased proportionately.
- Interest expenses in 2018 increased by 16% y-o-y as HSC raised more short-term loans to finance margin lending activities. As mentioned above, income from margin loans increased by 19% y-o-y.

3. General provision/ (reversal) for margin loans

In 2018, HSC managed risks related to margin lending activities appropriately, with no new bad debt incurred. Additionally, HSC reversed general provisions of VND10 billion that had been made previously, as the margin loan balance at the end of 2018 was lower than that at the end of 2017.

III. BALANCE SHEET

ITEMS (VND Million)	31/12/2018	31/12/2017	% change
A. CURRENT ASSETS & SHORT-TERM INVESTMENT	5,065,175	6,505,803	-22%
I. Financial assets	4,949,942	6,402,628	-23%
1. Cash	117,332	196,221	-40%
2. Financial assets	851,840	1,259,886	-32%
3. Lendings	3,262,015	4,501,592	-28%
4. Other receivables	718,755	444,929	62%
II. Other current assets	115,233	103,175	12%
B. FIXED ASSETS & LONG-TERM INVESTMENT	191,131	174,769	9%
I. Fixed assets	47,422	38,007	25%
II. Construction in progress	4,447	6,851	-35%
III. Other long-term assets	139,261	129,911	7%
TOTAL ASSETS	5,256,305	6,680,572	-21%
A. LIABILITIES	2,195,769	3,889,411	-44%
I. Short-term liabilities	2,195,769	3,874,368	-43%
1. Short-term borrowings	1,554,132	2,479,755	-37%
2. HSC's bond	150,000	800,000	-81%
3. Other liabilities	491,637	594,613	-17%
B. OWNER'S EQUITY	3,060,536	2,791,161	10%
I. Owner's equity	3,060,536	2,791,161	10%
TOTAL LIABILITIES AND OWNER'S EQUITY	5,256,305	6,680,572	-21%

HSC had total assets as of December 31, 2018 of VND5,256 billion, a 21% y-o-y decline, as due to the margin loan balance declining after investors turned more cautious, resulting in lower demand for margin loans at the end of the year. Total assets also declined due to the lower value of HSC's financial assets, following the divestment of most of the investment portfolio in the first half of 2018, which was not reinvested in the remainder of the year. Total assets at the end of 2018 mainly comprised margin loans, accounting for 63% of total assets, and financial assets, which accounted for 17% of total assets.

Shareholders' equity at the end of 2018 was VND3,060 billion, an increase of VND270 billion y-o-y, which was mainly contributed to by 2018 retained earnings.

HSC's financial health remained very robust and stable. HSC's financial safety ratio, which was reported following guidance by the Ministry of Finance, as of the end of 2018 was 502%, 2.8 times higher than the 180% required by the State Securities Commission of Vietnam.

Key ratios	FY2018	FY2017
<u>Operation ratios</u>		
Quick ratio	2.3	1.7
Current assets turnover	0.3	0.2
Total assets turnover	0.3	0.2
<u>Leverage ratios</u>		
Total debt/ Total equity	0.7	1.4
Total debt/ Total assets	0.4	0.6
Financial safety ratio	502%	526%
<u>Profitability ratios</u>		
Net profit margin	39.7%	40.1%
ROAE	23.1%	21.4%

In 2018, the share issuance plan was not executed as expected. However, HSC flexibly utilized other available sources of capital, including short-term bank loans and corporate bonds to finance its margin lending activities, enhancing its return on equity ratio over that in 2017.

Above is the business operating results of HSC in 2018 for the consideration and approval of the shareholders at the 2019 Annual General Meeting

(Signed and Seal)

Chief Executive Officer
Johan Nyvene





REPORT

2018 ANNUAL GENERAL MEETING

Subject: 2019 Business Plan

A. VIETNAM STOCK MARKET 2019

- Vietnam stock market witnessed high volatility and posted loss in 2018, which were primarily due to external factors such as the trade dispute between the U.S. and China and the interest rate hike of the U.S. Federal Reserve (the Fed). However, Vietnam stock market delivered good growths in market size (+10.6% y-o-y) and liquidity (+29.0%), which are two important aspects of the market. In addition, the listed companies continued to post impressive business performance with an average net profit growth of 20%. The profit growth, along with lower market prices, made the valuation of the stock market -16.2 P/E at the end of 2018 - more attractive to investors.
- In 2019, Vietnam economy is expected to maintain its high- and- stable growth trajectory. The Government particularly set a GDP growth target of 6.6% to 6.8% and an inflation target of below 4% for 2019. In addition to its strong fundamentals, the long-term growth of Vietnam economy will also benefit from the free trade agreements such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, which came into effect in November 2018 and the Vietnam-EU FTA, which is under negotiation. A stable economic growth is the prerequisite factor for the listed companies and the stock market to grow in the long run.
- The stock market in 2019 and in the long term will also benefit from the effort of the Government and the policy makers in providing more investment opportunities and products to investors. Particularly, the Government committed to accelerate the privatizations of state-owned enterprises in 2019. The privatizations and listings of the state-owned-enterprises will not only attract investor's attention and capital but also increase the stock market size. The derivatives market in 2019 will also welcome new products such as the Covered Warrant and Government Bond Futures Contract.

Besides the internal factors, Vietnam stock market will also be challenged by external factors as it was in 2018. After increasing interest rate by four times in 2018, the Fed has become more dovish in 2019. A stable interest rate in the U.S. is expected to reduce the capital outflow pressure that emerging markets including Vietnam have been facing over the last few years. Besides, the U.S. and China have been in talks at an attempt to reach mutual agreements on trades and intellectual properties. Investors will have to monitor this progress closely as an agreement between the nations will benefit global economy and stock markets, and vice versa. On the other hand, the global economy is forecasted to grow slower in 2019 as well as the following years. A lower global economic growth will create more challenges to the growth target of Vietnam, which has been benefiting from exports and foreign-direct-capital inflow. Also, global investors might reduce risky assets including stocks in their portfolios amid a stagnant global growth outlook.

- 2019 will present many challenges yet offer opportunities to HSC as well as other members in the stock market. HSC will focus on strengthening its operations, human resources, IT platform, and capital as well as expanding its service portfolio. With these solid competitive advantages, HSC is confident on maintaining its leading position in the capital markets in Vietnam.

B. KEY ASSUMPTIONS IN THE 2019 BUSINESS PLAN

Based on the above-mentioned market outlook, the Board of Management reached an assumption on stock market trading value and set a target market share for HSC's brokerage business as below.

The trading value and brokerage market share

The Stock Market

Stock brokerage market share	Plan 2019	FY2018	Change
Average trading value (VND million/day)	6,500,000	6,535,000	-1%
Total stock brokerage market share	12.3%	11.4%	
Market share by Clients			
HSC's Retail Client / Local Investors	10.8%	9.7%	
HSC's Institutional Client / Foreign Investors	25.0%	23.1%	

The average trading value is expected to be the same as in 2018. This assumption is considered reasonable on the back of the challenges and opportunities facing the stock market in this year.

To generate higher revenue in the expected no-growth market, HSC targets to increase its brokerage market share to 12.3% in 2019. In detail, HSC expects to achieve 10.8% market share in the local-investor segment and 25% market share in the foreign-investor segment. These are challenging targets given the increased competition in the securities brokerage market as foreign securities companies penetrating to the market.

The Derivatives Market

In 2019, HSC believes that the derivatives market will maintain the growth momentum and post higher trading volume, especially when the new products are launched. On the other hand, the number of members in the derivatives markets will also increase and as in last year, some companies will continue to pursue the unsustainable strategy, reducing or exempting trading fee to attract clients.

Derivatives brokerage	Plan 2019	FY2018	Change
Average daily number of executed contracts	120,000	78,791	52%
HSC's derivatives brokerage market share	20.0%	22.6%	

a. Margin loans

Margin loans	Plan 2019	FY2018	Change
HSC's average margin loan balance (VND million)	4,000,000	3,932,842	2%

The average margin loan balance in 2019 is expected to be VND4,000 billion on the back of the assumptions on the size and liquidity of the stock market in 2019.

b. Interest expense

Items	Plan 2019	FY2018
Average bank deposit rate (% pa)	5.5%	5.7%
Average borrowings rate (% pa)	8.2%	8.0%

C. HSC'S BUSINESS PLAN IN 2019

BUSINESS PERFORMANCE	Plan 2019	FY2018	% Change
Income statement (VND million)			
Revenue	1,666,107	1,702,011(*)	-2%
Operating expenses	814,716	859,927(*)	-5%
Profit before tax	851,391	842,186	1%
Profit after tax	681,113	675,480	1%
Balance sheet (VND million)			
Total assets	5,600,944	5,256,305 (**)	7%
Total equity	3,873,960	3,060,536 (**)	27%
Financial indicators			
Return on average asset (ROAA)	12.2%	11.3%	
Return on average equity (ROAE)	17.6%	23.1%	
Per share financial indicators			
Outstanding share	309,040,179	129,554,168	139%
Earnings per share (EPS) – VND	2,450	5,214	-53%
Book value per share – VND	12,535	23,624	-47%

(*) In accordance with the accounting policies of securities companies, incomes from proprietary trading activities (when selling prices are higher than costs of securities disposed) are recorded as revenue and losses of the trading activities (when selling prices are lower than costs of securities disposed) are recorded as operating expenses in the income statement. Therefore, the effective performance of the proprietary trading activities should be measured as the net of revenue and operating expenses of the activities. In the 2018 financial statements, there was a VND650 billion loss of the proprietary trading activity. Therefore, for the purpose of comparison, revenue and operating expenses in 2018 were restated by reducing the losses of the proprietary trading activities of VND650 billion.

(**) The number in 2018 was as of the end year end while the number in 2019 is the average number.

In 2019, HSC targets to achieve a total revenue of VND1,666 billion. The target revenue is slightly below the 2018 performance as HSC sets a prudent profit guidance for the proprietary trading activity in 2019; the stock investment portfolio might not generate the same favorable return as it did in last year. The target revenues of other business segments are expected to be the same as those in 2018.

HSC budgets a total expense of VND815 billion in 2019. The total budgeted expense is 5% lower than the number in 2018 mainly due to less interest expense. HSC will reduce bank loan after completing the share issuance plans in the second quarter of 2019.

The net profit after tax in 2019 is VND681 billion, a slight increase y-o-y. The return on average equity ratio (ROAE) in 2019 is estimated to be 17.6%. The number of the outstanding shares will double after the share issuance plans are completed; therefore, in the short-term, the ROAE will be lower than that in 2018.

The 2019 plan is presented by the key businesses and is compared with the 2018 performance as below:

I. REVENUE

REVENUE (VND million)	Plan 2019	FY2018	% Change
1. Brokerage fee	818,697	758,849	8%
2. Income from loans	520,000	523,064	-1%
3. Gains from proprietary investments	209,760	278,344	-25%
4. Financial advisory services	105,000	119,217	-12%
5. Other revenue	12,650	22,536	-44%
Total	1,666,107	1,702,011	-2%
% Total revenue			
Brokerage fee	49%	45%	
Income from loans	31%	31%	
Gains from proprietary investments	13%	16%	
Financial advisory services	6%	7%	
Other revenue	1%	1%	

In the light of the assumptions and targets presented above, the brokerage, margin lending, and proprietary trading businesses are expected to remain the key revenue drivers, contributing 49%, 31% and 13% respectively to the total revenue in 2019. The rest will be contributed by the corporate finance business.

1. Brokerage fee

Brokerage fee (VND million)	Plan 2019	FY2018	% Change
<u>Stock brokerage</u>			
Retail clients	495,207	409,766	21%
Institutional clients	241,679	272,893	-11%
<u>Derivatives brokerage</u>			
Retail clients	81,812	76,190	7%
Total brokerage fee	818,697	758,849	8%

Revenue from brokerage fee in 2019 is expected to increase by 8% y-o-y based on the average trading value assumption and HSC's target market share in 2019.

Stock brokerage

The major assumptions on the revenue of the stock brokerage fee in 2019 are presented below:

Stock brokerage (VND million)	Plan 2019	FY2018	% Change
Average trading value (VND million/day)	6,500,000	6,535,000	-1%
Total market trading value (VND million)	1,631,500,000	1,633,750,000	0%
<u>In which:</u>			
Local clients	1,174,680,000	1,110,659,518	6%
Foreign clients	456,820,000	523,090,482	-13%
% Total foreign market	14.0%	16.0%	
Stock brokerage market share			
HSC's Retail client / Local investors	10.8%	9.7%	
HSC's Institutional client / Foreign investors	25.0%	23.1%	
Revenue from brokerage fees			
Revenue from retail client (VND million)	495,207	409,766	21%
Revenue from institutional client (VND million)	241,679	272,893	-11%

After expanding the transaction office in 2018, the key focuses of the retail clients brokerage business in 2019 are enhancing client service quality and diversifying services. Following this strategy, the retail clients brokerage business is confident on its ability to boost the revenue per existing client and to attract more clients and accordingly increase total revenue as well as market share in 2019. Particularly, the retail client brokerage business expects to capture 10.8% of the total trading value of local private clients in 2019.

The institutional client brokerage business targets to achieve a 25% share in the total trading value of foreign investors in 2019. The target is set based on the assumption that the trading value of foreign investors accounts for 14% of the total trading value of the market, a decrease over the 16% in 2018. The target revenue from institutional client brokerage fee in 2019 is lower than that in 2018 as the total trading value of HSC's foreign clients and the successful brokerage fee are expected to be lower.

Derivatives brokerage

Based on the performance in 2018 and the 2019 outlook of the derivatives market, the expected trading value of the market and HSC's market share in 2019 are presented below:

Derivatives brokerage (VND million)	Plan 2019	FY2018	% Change
Average daily number of executed contracts	120,000	78,791	52%
HSC's market share	20.0%	22.6%	
Revenue from derivatives brokerage fee	81,312	75,982	7%

HSC expects that the derivatives market will continue to post higher a higher number of executed contracts in 2019. However, HSC's market share and brokerage fee revenue are expected to reduce in the short-term due to the on-going competition on fee from other securities companies.

2. Income from loans

Income from loans (VND million)	Plan 2019	FY2018	% Change
Margin loans balance	4,000,000	3,932,842	2%
Revenue from margin loans	520,000	523,064	-1%

The target average margin loan balance in 2019 is VND4,000 billion, which is flat y-o-y and is built on the expected trading value of the stock market in this year.

3. Gains from proprietary investments

Gains from proprietary investment (VND million)	Plan 2019	FY2018	% Change
Listed equity	60,568	125,285	-52%
ETFs	10,000	4,085	145%
Derivatives	60,000	49,270	22%
Deposits income	69,510	91,251	-24%
Bond	4,682	8,453	-45%
Covered Warrant	5,000	-	n/a
Income from proprietary investments	209,760	278,344	-25%

The proprietary investment activity in 2019 expects to post a profit of VND210 billion, a 25% decrease y-o-y as HSC set a prudent target return on the equity investment portfolio. This target is aligned with HSC's view about the stock market outlook in 2019 and the prudent investment approach the Company has been pursuing.

In addition to the expected profit of the existing portfolios, revenue in 2019 will also be contributed by the covered warrant portfolio as the derivatives product is scheduled to be available in the third quarter of 2019.

4. Financial advisory services

Financial advisory services <i>(VND million)</i>	Plan 2019	FY2018	% Change
Advisory fees	101,000	117,196	-14%
Other services	4,000	2,020	98%
Total	105,000	119,217	-12%

Financial advisory services expect to generate VND105 billion of revenue in 2019, a 12% decrease y-o-y. The revenue will still be contributed by the capital raising advisory service, the initial public offering and listing advisory services, and other client support services.

As in 2018, revenue of financial advisory services in 2019 will primarily come from the M&A and other advisory transactions in the consumer goods, real estate, consumer electronics, and pharmaceutical industries. These industries are considered highly potential for the advisory business on the back of several reasons including the size of the industries, the number of companies in the industries, the attention of foreign investors, and the state-owned company privatization plans of the Government in 2019.

In addition to the services above, in 2019, the financial advisory services will further develop its Investor Relation service, in which HSC helps listed companies strengthen their investor relation activity. The service will not only generate revenue but also be beneficial to the brokerage business of HSC both in terms of client and transaction.

5. Other revenue

Other revenue in 2019 is estimated at VND12.6 billion and will be contributed by other services that HSC provides to its clients including the securities depository service, securities transfer service, shareholder management service, stock distribution service and client account management service.

In the third quarter of 2018, HSC introduced a new service, E-Broking, which is an online trading channel and is available for trading activities in both the stock market and the derivatives market. Using E-Broking, HSC's clients can open trading accounts, participate in investment and trading training courses, and access to HSC's investment advisory service. As all these services are provided online, HSC's clients will not have to the transaction offices to execute orders.

Online trading is considered a potential business in the current technological era. The online trading has become the first choice of investors in other stock markets around the world. Therefore, HSC's online brokerage division is focusing on developing this service and offering it to the existing clients as well as prospective clients in the future.

II. OPERATING EXPENSES IN 2019

Operating expenses (VND million)	Plan 2019	FY2018	% Change
Normal operating expenses	612,101	547,506	12%
Brokerage expenses	134,714	158,121	-15%
Interest expenses	64,033	164,358	-61%
General provision/ (reversal) for margin loans	3,869	(10,058)	n/a
Total operating expenses	814,716	859,927	-5%
% Total expenses			
Normal operating expenses	75%	64%	
Brokerage expenses	17%	18%	
Interest expenses	8%	19%	
Provision/ reversal of general provision for margin loans	0%	-1%	
Total	100%	100%	

The total operating expenses in 2019 are expected at VND815 billion, a 5% y-o-y decrease. The normal operating expenses, the brokerage expenses, and the interest expense will remain the major items.

1. The normal operating expenses will account for approximately 75% of the total budgeted operating expenses in 2019 and include salary and employee-related expenses, office leasing expense, and information technology expenses.
 - a. The salary and employee-related expenses are expected to increase by 8% y-o-y as the expenses of the senior managers who joined HSC in 2018 will incur on a full-year basis in 2019. Besides, the salary and employee-related expenses in 2019 will also increase following the expected expansion of businesses and departments such as the Private Client Brokerage Department, the Institutional Client Department, and other back-office departments.
 - b. The office leasing expense is estimated to increase by 42% y-o-y as the rent for the additional office spaces in 2018 will incur on a full-year basis in 2019.
 - c. The expenses for IT are expected to increase by 20% y-o-y as HSC will continue to upgrade its IT platform, which is critical to the operations of securities companies in general and HSC in specific.
2. The brokerage expenses primarily include the expenses payable to the stock exchanges and to external brokers. The brokerage expenses in 2019 are expected to reduce by 15% y-o-y as the expenses payable to the external brokers are estimated to decrease by 30% y-o-y due to lower trading value and fee competition. The brokerage fee payable to the stock exchanges is estimated to increase by 8% y-o-y following the expected increase in trading value via HSC in 2019.
3. The interest expense is expected to decrease significantly in 2019 as HSC will reduce its bank loan balance and use the proceeds from the share issuances in the second quarter of 2019 to finance for its operations.
4. General provision for margin loans: This general provision is made by applying a ratio of 0.75% on the expected margin loan balance of VND4,000 billion at the end of 2019.

III. 2019 PROJECTED BALANCE SHEET

Balance sheet (VND million)	(%)	Average Balance 2019	(%)	Average Balance 2018	% Change
A. CURRENT ASSETS & SHORT-TERM INVESTMENT		5,393,944		5,489,433	-2%
I. Financial assets	95%	5,321,464	95%	5,416,953	-2%
1. Cash		107,858		471,551	-77%
2. Financial assets	14%	767,048	10%	566,061	36%
3. Lendings	71%	4,000,000	69%	3,932,783	2%
4. Other receivables		446,557		446,557	0%
II. Other current assets		72,481		72,481	0%
B. FIXED ASSETS & LONG-TERM INVESTMENT	4%	207,000	3%	189,519	9%
I. Fixed assets		62,000		45,000	38%
II. Construction in progress		5,000		4,611	8%
III. Other long-term assets		140,000		139,908	0%
TOTAL ASSETS		5,600,944		5,678,953	-1%
A. LIABILITIES		1,726,984		2,753,104	-37%
I. Short-term liabilities	31%	1,726,984	48%	2,753,104	-37%
1. Short-term borrowings		790,000		1,112,462	-29%
2. HSC's bond		-		858,781	-100%
3. Other liabilities		936,984		781,861	20%
B. OWNER'S EQUITY	69%	3,873,960	52%	2,925,849	32%
I. Owner's equity		3,873,960		2,925,849	32%
TOTAL LIABILITIES AND OWNER'S EQUITY		5,600,944		5,678,953	-1%

The total assets of HSC in 2019 will continue to be allocated to the margin lendings and the financial assets; the two items collectively account for approximately 85% of HSC's estimated total assets in 2019. The short-term bank loan and HSC's bond will reduce significantly as these sources of finance will be replaced by the proceeds from the share issuances in the second quarter of 2019.

The share issuances in 2019 will not only help HSC further strengthen its financial capability but also enhance its competitive advantage in offering new services to its clients as well as pursuing businesses that require capital adequacy. On the other hand, the share issuance will also require HSC to deliver higher financial performance to ensure and enhance the return on capital for shareholders.

Above is the business plan of HSC in 2019 for the consideration and approval of the shareholders at the 2019 Annual General Meeting.

(Signed and Seal)

Chief Executive Officer
Johan Nyvene

Ho Chi Minh City, 01 April 2019



REPORT OF THE SUPERVISORY BOARD AT THE ANNUAL GENERAL MEETING FY2018

Dear Shareholders of Ho Chi Minh City Securities Corporation ("HSC"),

On behalf of the Supervisory Board, I would like to report the activities of the board.

In 2018, Supervisory Board ("BoS") fulfilled the duties as stated in HSC's Charter and Governance Regulation on the organization and operation of the BoS, assisting the Board of Management ("BoM") in executing the business plan and other matters that were approved by annual general meeting of shareholders ("AGM"). The Supervisory Board consists of three members, including two independent members, who act together as shareholders' representatives to continue examining, supervising, and advising on risk management and corporate governance issues at HSC. In 2017, the main areas overseen by the Supervisory Board were as follows.

- The activities of the Board of Directors ("BoD"); and the implementation of resolutions passed at the FY2018 Annual General Meeting;
- Business activities and 2018 financial results; and
- Internal audit activities in 2018.

1. Supervising the activities of the BoD, and the implementation of resolutions passed at the FY2018 AGM.

In 2018, Board of Directors held twenty-five (25) meetings, of which twenty-two (22) were direct meetings, with three meetings in the forms of written consultations. Participating in the meetings, the BoS also reviewed the Company's performance and, along with the BoD and BoM, contributed strategic advice, and fostered the pursuit of business plans approved by the 2018 AGM.

Key issues discussed in the BoD's meetings include the following.

- The 2017 full-year business performance report and 2018 quarterly business performance reports.
- The use-of-capital plans for each business segment, and estimates of capital needs over the coming years, as well as the proposal regarding bank loans.
- The approval of the establishment of the Nam Sai Gon transaction office.
- The approval of the sell of Orient Commercial Joint Stock Bank (OCB) and Dong A Commercial Joint Stock Bank (DongA Bank) shares.
- The approval of the issuance of covered warrants on the shares of Hoa Phat Group Joint Stock Company (HPG), and approval for the appointment of the bank providing warrant payment guarantee.
- The approval of the registration of plans to issue shares to existing shareholders, issue shares to increase shareholder equity, and to issue shares to employees under the employee stock ownership plan.
- The approval of the first payment of 2018 cash dividend.

Inputs from the Supervisory Board in its roles as supervisors and representatives of investors, were all respected by, and considered in the decisions of the BoD.

2. Supervising business activities and 2018 financial results

In 2018, together with other members of the Board Audit Committee, the BoS participated in two meetings in the middle and end of the year with HSC's external auditor, PricewaterhouseCoopers Vietnam Limited, to discuss about

the audit scope, audit findings and other relevant matters detailed in the Management Letter. Accordingly, HSC's business operations were conducted in a transparent manner, with no violations in relation to its accounting, finance and operational processes. Moreover, PricewaterhouseCoopers Vietnam Limited only provided financial audit services to HSC, and did not provide any other advisory services, with total expenditure of VND 1,221,000,000 (one billion two hundred and twenty one million dong) (VAT included).

In addition, the BoS reviewed and analyzed the quarterly financial statements and the capital adequacy ratio review report for HSC. Regarding ratios of capital adequacy and financial safety, HSC maintained high liquidity and capital-related ratios. HSC's financial safety ratio, which was reported following guidance by the Ministry of Finance, as of the end of 2018 was 502% (2017: 526%), 2.8 times higher than the 180% requirement of the State Securities Commission of Vietnam.

In terms of financial performance targets, as the stock market and its liquidity were not as good as expected in the 2018 business plan, HSC's revenue and profit only met 81% and 83% of the Company's targets respectively. However, HSC's performance in 2018 still hit a record, with VND1,700 billion in revenue and VND675 billion in net profit, 23% and 22% y-o-y growth respectively.

- Revenue from securities brokerage fees reached VND759 billion, a VND157 billion or 26% increase y-o-y.
 - In which, revenue from brokerage fees from the stock market was VND683 billion, 14% y-o-y growth, and revenue from brokerage fees on the derivatives market was VND76 billion, a 2909% y-o-y growth.
 - Trading in derivatives market grew significantly in 2018. HSC was one of the first securities companies as the pioneer to be involved from the outset with the derivatives market that was officially launched on 10 August 2017. HSC was able to leverage its first-mover-advantage to secure a strong market share of 23% in the year. Most of the derivatives brokerage revenue came from private client brokerage.
- Revenue from margin lending and interest income was VND523 billion, a VND84 billion increase, or 19% growth over 2017.
 - The average margin lending balance in 2018 was VND3,933 billion, a 695 billion increase, or 21% y-o-y growth. The average margin lending rate was stable at 13.3%.
- Revenue of corporate finance business was VND119 billion, a VND74 billion or a 164% increase y-o-y.
 - The corporate finance business recorded all-time-high revenues in 2018.
 - Such impressive performance was attributable to the successes of high-profile transactions in the banking, communications, pharmaceutical, real estate, and retail industries.
- Revenue of the proprietary trading business was VND278 billion with a profit margin of 31%. The result is considered impressive in comparison with the performance of the stock market in 2018.
 - In which, revenue from trading derivatives was VND49 billion, a significant increase of VND39 billion, or 361% growth y-o-y. HSC's Proprietary Trading Department was able to leverage HSC's strengths as the market leader to capture opportunities in the derivatives market.
- Due to liquidity in the stock market, the 2018 business plan approved by AGM were less than expected with VND8,000 billion average daily trading value, the BoM pursued expense-optimizing initiatives to improve the bottom-line. Accordingly, total operating expenses in 2018 were only 80% of the budgeted number.
 - Despite pursuing cost optimization, HSC was still keen to investing in its IT infrastructure, transaction office network, and more importantly its human resources. In 2018, the Company continued upgrading its IT platforms to enhance client trading in both the underlying and derivatives markets. HSC also opened a new transaction office, expanded its office spaces in Ho Chi Minh City and Hanoi, and welcomed senior executives to its key businesses. Those investments are important for the Company to strengthen its foundation and to gear up for sustainable growth.

The BoS acknowledges the strong commitment and great efforts by the BoM and the businesses in delivering impressive growth despite the volatility in and weak performance by Vietnam's stock markets in 2018. Firstly, the Proprietary Trading Department was able to deliver an exceptional performance on the back of solid investment skills and a prudent approach by its investment team. Secondly, the BoS acknowledges the great efforts by the Corporate Finance Department in 2018 in winning and completing some high-profile transactions, and in hosting the HSC Emerging Market Vietnam Conference successfully. These successes helped HSC enhanced its reputation and corporate image to new highs, not only in the local but also in the global capital markets. Last but not least, the Brokerage sector was able to strengthen its leading positions in the market. HSC's total brokerage market share increased to 11.4% in 2018, within which the private brokerage market share increased to 9.7% from 8.6% in 2017.

Basic financial ratios

No.	Key ratios	FY2018	FY2017
1	Liquid Capital Safety Ratio	502%	526%
2	Liquidity and Solvency Ratios		
a	Current Ratio (times)	2.3	1.7
b	Total Debt to Total Assets Ratio (times)	0.4	0.6
3	Capital Structure Ratios		
a	Owner's Equity to Total Assets Ratio (times)	0.6	0.4
4	Profitability Ratios		
a	ROAE (Net Profit after Tax to Average Owners' Equity)	23.1%	21.4%
b	ROAA (Net Profit after Tax to Average Total Assets)	11.3%	10.8%

3. Supervising internal audit activities in 2018

In 2018, HSC's Internal Audit Department completed the following audit reports for issuance.

No.	Internal Audit Review
1	Anti-money Laundering Activities (annually)
2	Human Resources Management (1 st review)
3	Private Client Division (2 nd review)
4	Margin Lending Management (2 nd review)



The Internal Audit Department, together with the co-sourced internal audit partner, KPMG Vietnam Limited ("KPMG"), in 2018 focused on prioritizing most important risk areas at HSC. The audit progress, the audit work and the final audit reports were submitted to the BoM and the heads of business functions, as well as reported to the BoS and Board Audit Committee, in regular meetings.

The BoS noted that the processes in-scope are audited with no material violations. The remaining challenges for the Company and its departments are to better standardize their operational policies and procedures ("P&Ps"), so that every operational aspect of the Company is monitored closely and completely, with the following specific recommendations.

- Human Resources Management: The Company has not yet developed and implemented a comprehensive set of P&Ps for Human Resource Management processes. Current P&Ps were established and managed by various functions/departments in a sporadic manner. The BoS also noted that some practices have not been formally documented in P&Ps.
- Private Client Division: The P&Ps for user access right in IT systems should be reviewed and managed strictly on a regular basis to prevent risks that could potentially cause significant financial damage and negative reputational impact to HSC.
- Margin Lending Management: There was no documentation or summarized case profiles for incidents relating to the margin lending activities maintained within HSC. Therefore, the BoS recommend that the Company should develop and implement an incident reporting process so that the possibility of tracking the incident facts for lessons learnt and future improvement measures is advanced.

The BoS expect that the BoM should continue to strengthen the Company's already solid internal controls framework and encourage the development of a comprehensive set of P&Ps to reflect and monitor existing business practices. Accordingly, the P&Ps should be formalized, communicated to all staff for adherence, reviewed and revised where necessary e.g. when there're changes in regulations and on a periodic basis (at least annually).

4. BoS Remuneration in 2018

Total remuneration for the BoS in 2018 was VND 946,666,667 (inclusive of personal income tax). Specific remuneration to each member is as follows.

No.	Member	Position	Remuneration per month (after tax) (VND)
1	Mr. Vo Van Chau	Chairman	10,000,000
2	Mr. Doan Van Hinh	Member	6,000,000
3	Mrs. Dang Nguyet Minh	Member	6,000,000

5. Plan of the BoS for 2019

In 2019, the BoS continue to coordinate with Board Risk Management Committee and Board Audit Committee to review and update the Comprehensive Risk Profile for HSC. Additionally, the BoS continue to accompany and supervise the Internal Audit Department in completing the audits started in 2018, as well as new audit projects in the following Audit Plan for 2019.

No.	Internal Audit Review
1	Anti-money Laundering Activities (annually)
2	IT and Cybersecurity (2 nd review)
3	Risk Management (1 st review)

We would like to sincerely thank our shareholders for trusting and giving continuous support to the Supervisory Board, and we wish HSC new levels of prosperity.

Best Regards.

For and on behalf of the Board of Supervision

CHAIRMAN

(Signed)

VO VAN CHAU

To:

- As mentioned above;
- BoD Office for record,

No.02/2019/TT- HĐQT

Ho Chi Minh City, 08 April 2019

THE 2018 ANNUAL GENERAL MEETING PROPOSAL

Subject: The Audited Financial Statements for the year ended 31 December 2018

Pursuant to:

- The Law on Enterprises No.68/2014/QH13 issued by the National Assembly of the Socialist Republic of Vietnam on 26 November 2014 and the documents guiding the implementation of Law on Enterprise;
- The Law on Securities No.70/2006/QH11 issued by the National Assembly of the Socialist Republic of Vietnam on 29 June 2006 and Amendment, Law amending and supplementing a number of articles of Securities Law No.62./2010/QH12 issued by the National Assembly of the Socialist Republic of Vietnam on 24 November 2010 and some documents guiding the implementation of Securities Law;
- The twelfth amendment of HSC Charter according to the AGM Resolution No.01/2018/NQ-DHĐCĐ dated 26 April 2018;

The Board of Directors (*the "BOD"*) would like to submit the FY2018 Financial Statements audited by Price Waterhouse Coopers Vietnam Co., Ltd to the Annual General Meeting FY2018 (*"the AGM"*) for your respective approval.

The FY2018 Audited Financial Statements has been disclosed in accordance with the law regulations and posted on HSC's webpage, as follows:

1. Report of the Board of Managers;
2. Independent Auditors' Report;
3. Balance sheet as at 31 December 2018;
4. Income Statement for the year ended 31 December 2018;
5. Cash flow statement;
6. Statement of changes in equity;
7. Notes to the financial statements,

In which:

The FY2018 Financial Statements of HSC with basic financial indicators are as follows:

Unit: VND

No.	Items	Performance of FY2018	Performance of FY2017
1	Total assets	5,256,305,327,181	6,680,572,043,521
2	Net revenue	2,352,126,998,584	1,540,042,600,129
3	Profit before tax	842,185,654,984	692,600,803,982
4	Profit after tax	675,480,154,372	554,059,163,742

The BOD would like to submit to the AGM for your respective approval.

For and on behalf of the Board of Directors
CHAIRMAN



[Handwritten signature]
DO HUNG VIET

To:

- As mentioned above;
- BoD Office for record,

No.03/2019/TT- HĐQT

Ho Chi Minh City, 08 April 2019

THE 2018 ANNUAL GENERAL MEETING PROPOSAL

Subject: FY2018 final cash dividend rate

Pursuant to:

- *The Law on Enterprises No.68/2014/QH13 issued by the National Assembly of the Socialist Republic of Vietnam on 26 November 2014 and the documents guiding the implementation of Law on Enterprise;*
- *The Law on Securities No.70/2006/QH11 issued by the National Assembly of the Socialist Republic of Vietnam on 29 June 2006 and Amendment, Law amending and supplementing a number of articles of Securities Law No.62./2010/QH12 issued by the National Assembly of the Socialist Republic of Vietnam on 24 November 2010 and some documents guiding the implementation of Securities Law;*
- *The twelfth amendment of HSC Charter according to the AGM Resolution No.01/2018/NQ-ĐHĐCĐ dated 26 April 2018;*
- *The HSC's AGM Resolution No.01/2018/NQ-ĐHĐCĐ dated 26 April 2018 on the plan for FY2018 cash dividend rate of 15%,*

According to Resolution No.01/2018/NQ-ĐHĐCĐ dated 26 April 2018, the Annual General Meeting (*"the AGM"*) approved the FY2018 cash dividend rate of about 15% (*equivalent to VND1,500 per share*).

HSC has paid the FY2018 interim dividend as follows:

- Dividend pay-out rate: 6% of par value (*equivalent to VND 600 per share*)
- Payment method: In cash
- Record date: 30 November 2018
- Payment date: 21 December 2018

To ensure the HSC shareholders' income from capital investment and their maximum benefits, the BOD proposes the AGM to approve the FY2018 final cash dividend rate as follows:

- Name of securities: Share of Ho Chi Minh City Securities Corporation (HCM)
- Type of share: Ordinary share
- Par value: VND 10,000/ share
- Charter capital: VND 1,297,567,580,000
- Dividend pay-out rate: 19% of par value (*equivalent to VND 1,900 per share*)
- Payment method: In cash
- Implementation time:
 - Expected record date: 22 May 2019

- Expected payment date: 12 June 2019
- Personal income tax (PIT): The AGM authorizes the BOD to deduct the PIT of the shareholders for the dividend income, and on behalf of the shareholders, HSC will pay their deducted PIT to the Tax authority in accordance with the law regulations.

BOD would like to submit to the AGM for your respective approval.

For and on behalf of the Board of Directors
CHAIRMAN



DO HUNG VIET

To:

- As mentioned above;
- BOD Office for record,

No.04/2019/TT- HĐQT

Ho Chi Minh City, 08 April 2019

THE 2018 ANNUAL GENERAL MEETING PROPOSAL*Subject: FY2019 dividend plan**Pursuant to:*

- *The Law on Enterprises No.68/2014/QH13 issued by the National Assembly of the Socialist Republic of Vietnam on 26 November 2014 and the documents guiding the implementation of Law on Enterprise;*
- *The Law on Securities No.70/2006/QH11 issued by the National Assembly of the Socialist Republic of Vietnam on 29 June 2006 and Amendment, Law amending and supplementing a number of articles of Securities Law No.62./2010/QH12 issued by the National Assembly of the Socialist Republic of Vietnam on 24 November 2010 and some documents guiding the implementation of Securities Law;*
- *The twelfth amendment of HSC Charter according to the AGM Resolution No.01/2018/NQ-DHĐCĐ dated 26 April 2018;*

The Board of Directors (*the "BOD"*) would like to submit FY2019 dividend plan to the Annual General Meeting (*"the AGM"*) for your respective approval. Based on HSC financial performance in 2019, the plan for FY2019 dividend payment is as follows:

- **Dividend payout rate:** The AGM authorizes the BOD to decide FY2019 dividend rate based on HSC financial performance at the dividend payment time, in which the FY2019 dividend payout rate ranges from 15% (*equivalent to VND1,500 per share*).
- **Payment method:** In cash
- **Implementation time:** The AGM authorizes the BOD to choose the suitable date for paying FY2019 dividend.
- **Personal income tax (PIT):** The AGM authorizes the BOD to deduct the PIT of the shareholders for the dividend income, and on behalf of the shareholders, HSC will pay their deducted PIT to the Tax authority in accordance with the law regulations.

The BOD would like to submit to the AGM for your respective approval.

For and on behalf of the Board of Directors
CHAIRMAN

**ĐỖ HÙNG VIỆT****To:**

- As mentioned above;
- BOD Office for record,

No.05/2019/TT- HĐQT

Ho Chi Minh City, 08 April 2018

THE 2018 ANNUAL GENERAL MEETING PROPOSAL

Subject: FY2018 profit distribution plan

Pursuant to:

- The Law on Enterprises No.68/2014/QH13 issued by the National Assembly of the Socialist Republic of Vietnam on 26 November 2014 and the documents guiding the implementation of Law on Enterprise;
- The Law on Securities No.70/2006/QH11 issued by the National Assembly of the Socialist Republic of Vietnam on 29 June 2006 and Amendment, Law amending and supplementing a number of articles of Securities Law No.62./2010/QH12 issued by the National Assembly of the Socialist Republic of Vietnam on 24 November 2010 and some documents guiding the implementation of Securities Law;
- The twelfth amendment of HSC Charter according to the AGM Resolution No.01/2018/NQ-ĐHĐCĐ dated 26 April 2018;

Based on FY2018 Income Statement of the Board of Management; Report of the Supervisory Board on the Company's activities 2018; FY2018 Financial Statements audited by the independent audit firm to be approved by the Board of Directors (*the "BOD"*) and the regulations on appropriation rate to funds as set forth in HSC Charter, the BOD would like to submit FY2018 profit distribution plan to the Annual General Meeting (*"the AGM"*) for your respective consideration and approval.

The profit after tax for the fiscal year 2018 is VND **675,480,154,372**, the BOD would like to propose the profit distribution plan as follows:

Unit: VND

No	ITEMS	FY2018 PERFORMANCE		FY2017 PERFORMANCE	
		% of profit after tax	AMOUNT (VND)	% of profit after tax	AMOUNT (VND)
I	PROFIT BEFORE TAX		842,185,654,984		692,600,803,982
II	PROFIT AFTER TAX	100%	675,480,154,372	100%	554,059,163,742
III	PROPOSED PROFIT AFTER TAX DISTRIBUTION				
1	Appropriation to Equity Funds	5.00%	33,774,007,719	14.60%	80,893,588,970
	<i>Supplementary capital reserve (*)</i>		-	2.30%	12,743,836,298
	<i>Compulsory reserve fund (*)</i>		-	2.30%	12,743,836,298
	<i>Welfare and reward fund</i>	5.00%	33,774,007,719	10.00%	55,405,916,374

No	ITEMS	FY2018 PERFORMANCE		FY2017 PERFORMANCE	
		% of profit after tax	AMOUNT (VND)	% of profit after tax	AMOUNT (VND)
2	Cash dividend payment	47.92%	323,714,420,000	49.11%	272,095,972,800
	<i>Interim dividend (6% of per value)</i>	11.51%	77,732,500,800	14.03%	77,742,220,800
	<i>Proposed final dividend (19% of per value) (**)</i>	36.42%	245,981,919,200	35.08%	194,353,752,000
3	Remuneration and budget for the Board of Directors and the Supervisory Board	1.50%	10,132,202,316	1.50%	8,310,887,456
IV	RETAINED PROFIT (IV)=(II)-(III)	45.58%	307,859,524,338	34.79%	192,758,714,516
V	RETAINED PROFITS OF AT THE BEGINNING OF THE YEAR		574,242,321,450		381,483,606,934
VI	INCREASE CHARTER CAPITAL USING OWNERS' EQUITY		(533,338,591,501)		
VII	TOTAL RETAINED EARNINGS AT THE END OF THE YEAR (VII)=(IV)+(V)-(VI)		348,763,254,287		574,242,321,450

(*) According to Circular 146/2014/TT-BTC issued on 06 October 2014, the Company is required to make annual appropriation to the Supplementary capital reserve and Compulsory reserve fund at 5% of the profit after tax of the Company for each reserve in each of its profitable year until the accumulated balance of each reserve reaches 10% of the Company's Charter capital. HSC finished to make appropriation to the Supplementary capital reserve and Compulsory reserve fund in fiscal year 2017. Therefore, HSC is not required to make appropriation to these funds in fiscal 2018.

(**) Temporary figures depending to the AGM's decision on the FY2018 final dividend rate.

(***) Based on Resolution No.02/2018/NQ-ĐHĐCĐ dated 22 October 2018 and Licence No.08/GCN-UBCK dated 24 January 2019, HSC issued 86,368,239 shares (Total value of issuance at par value: VND 863.682.390.000) to existing shareholders to increase charter capital using owners' equity. Capital sources are extracted from the share premium and the undistributed earnings as at 31 December 2017. The details are as follows:

- The share premium: VND 330,343,798,499
- The undistributed earnings: VND 533,338,591,501

The BOD would like to submit to the AGM for your respective approval.

For and on behalf of the Board of Directors
CHAIRMAN



DO HUNG VIET

To:

- As mentioned above;
- BOD Office for record,

No. 06/2019/TT- HĐQT

Ho Chi Minh City, 09 April 2019

THE 2018 ANNUAL GENERAL MEETING PROPOSAL

Subject: Appointment of the independent audit firm for the fiscal year 2019

Pursuant to:

- The Law on Enterprises No.68/2014/QH13 issued by the National Assembly of the Socialist Republic of Vietnam on 26 November 2014 and the documents guiding the implementation of Law on Enterprise;
- The Law on Securities No.70/2006/QH11 issued by the National Assembly of the Socialist Republic of Vietnam on 29 June 2006 and Amendment, Law amending and supplementing a number of articles of Securities Law No.62./2010/QH12 issued by the National Assembly of the Socialist Republic of Vietnam on 24 November 2010 and some documents guiding the implementation of Securities Law;
- The twelfth amendment of HSC Charter according to the AGM Resolution No.01/2018/NQ-ĐHĐCĐ dated 26 April 2018,

The Board of Directors (*the "BOD"*) would like to propose that the Annual General Meeting (*"the AGM"*) delegates the BOD to appoint one of the Big 4 independent audit firms for the interim and annual statutory audit of its financial statements in accordance with the law regulations. The selected auditor must be approved by the State Securities Commission of Vietnam to provide the statutory auditing services to listed companies and securities companies in Vietnam.

Based on the quality and the reputation of such audit firms in Vietnam, the BOD would like to nominate the following list for your respective selection:

1. Ernst & Young Vietnam Co., Ltd.
2. KPMG Vietnam Co., Ltd.
3. Price Waterhouse Coopers Vietnam Co., Ltd.
4. Deloitte Vietnam Co., Ltd

The BOD would like to submit to the AGM for your respective approval.

For and on behalf of the Board of Directors
CHAIRMAN



Đỗ Hùng Việt
ĐỖ HÙNG VIỆT

To:

- As mentioned above;
- BOD Office for record

No.07/2019/TT- HDQT

Ho Chi Minh City, 08 April 2019

THE 2018 ANNUAL GENERAL MEETING PROPOSAL

Subject: To allow HSC to issue covered warrant products and amend the Charter

Pursuant to:

- *The Law on Enterprises No.68/2014/QH13 issued by the National Assembly of the Socialist Republic of Vietnam on 26 November 2014 and the documents guiding the implementation of Law on Enterprise;*
- *The Law on Securities No.70/2006/QH11 issued by the National Assembly of the Socialist Republic of Vietnam on 29 June 2006 and Amendment, Law amending and supplementing a number of articles of Securities Law No.62./2010/QH12 issued by the National Assembly of the Socialist Republic of Vietnam on 24 November 2010 and some documents guiding the implementation of Securities Law;*
- *The twelfth amendment of HSC Charter according to the AGM Resolution No.01/2018/NQ-ĐHĐCĐ dated 26 April 2018;*

At the 2016 Annual General Meeting, the Annual General Meeting passed the approval for HSC to participate in the covered warrant business. After a period of preparation, related laws and legislations for this product have been officially issued and current market conditions have improved for the launching of covered warrants in Vietnam.

Proposition

To allow the Company to participate in this covered warrant business in 2019, the Board of Directors proposes the Annual General Meeting to approve the following issues:

1. To allow HSC to participate in the covered warrant business as approved by the 2016 Annual General Meeting, as stipulated in the AGM Resolution No. 01/2017/NQ/ĐHĐCĐ ("Resolution 01/2017/NQ/ĐHĐCĐ"), which include:
 - a) To allow HSC to participate in the covered warrant business.
 - b) To amend the Charter to supplement related contents for covered warrant.
 - c) To approve the total limit of all issuances of covered warrants by HSC of up to 20% of HSC's liquid capital, calculated based on the most recent financial statement at the time of issuance. This total limit shall not exceed maximum value allowed by law.
 - d) To approve for a payment guarantee method for settlement obligation and other obligations of HSC to holders of covered warrants, in the case HSC is subject to insolvency, merger, acquisition, dissolution, and bankruptcy
 - e) To authorize the Board of Directors to decide on the timing of execution and complete all necessary prodedures to carry the aforementioned operations, including the amendment of the Charter as required by relevant regulations.

- f) To authorize the Board of Directors to decide on the details of each issuance round of covered warrants, including choosing underlying, issuance size for each round of issuance, and other related details.
- 2. To authorize the Board of Directors to decide on the timing and detailed terms of each issuance based on market conditions and related regulations, which include the completion of necessary procedures to issue warrants and the amendment of the current Charter to comply with related laws and regulations.
- 3. To amend the current Charter to comply with current legal requirements for the issuance of covered warrants as follows:

Article 21. Issuance of covered warrant

- a) The Company shall issue covered warrants subject to applicable laws and carry out relevant business activities.
- b) Relevant business activities that related to covered warrants include:
 - a) Issuance, distribution and listing of covered warrants;
 - b) Market making of covered warrants;
 - c) Hedging for covered warrants;
 - d) Brokerage and investment consulting for covered warrants.
- c) A holder of a covered warrant issued by the Company is a creditor of the debt partially secured by the Company and has the following rights:
 - a) Right to receive payments in cash or physical delivery of underlying assets as stipulated in the settlement terms in the prospectus of each issuance, and complied with related regulation;
 - b) Right to receive cash settlement when the covered warrants issued by the Company are delisted as stipulated by law;
 - c) Right to transfer, donate, bequest, pledge for loan in civil relationships in accordance with the law;
 - d) Right to receive priority in payment when the Company is dissolved or involved in bankruptcy process as stipulated by law;
 - e) And other rights as prescribed by law.

The BOD would like to submit to the AGM for your respective approval.

For and on behalf of the Board of Directors
CHAIRMAN



ĐỖ HÙNG VIỆT

To:

- As mentioned above;
- BOD Office for record,

No. 01/2019/NQ-ĐHĐCĐ

Ho Chi Minh City, 25 April 2019

DRAFT OF RESOLUTION
OF THE ANNUAL GENERAL MEETING FY2018 (AGM)
HO CHI MINH CITY SECURITIES CORPORATION (HSC)

Pursuant to:

- The Law on Enterprises No.68/2014/QH13 issued by the National Assembly of the Socialist Republic of Vietnam on 26 November 2014 and the documents guiding the implementation of Law on Enterprise;
- The Law on Securities No.70/2006/QH11 issued by the National Assembly of the Socialist Republic of Vietnam on 29 June 2006 and Amendment, Law amending and supplementing a number of articles of Securities Law No.62./2010/QH12 issued by the National Assembly of the Socialist Republic of Vietnam on November 24th, 2010 and some documents guiding the implementation of Securities Law;
- The twelfth amendment of HSC Charter according to the AGM Resolution No.01/2018/NQ-ĐHĐCĐ dated 26 April 2018;
- Minutes No. 01/2019/BB-ĐHĐCĐ dated 25 April 2019 of the AGM FY2018 of Ho Chi Minh City Securities Corporation.

RESOLUTION

Article 1.

The FY2018 AGM approved the report of 2018 activities of the Board of Directors of Ho Chi Minh City Securities Corporation.

- Votes in favor accounted for%.

Article 2.

The AGM FY2018 approved the report of 2018 business performance of the Board of Management, in which some main indicators as follows:

DESCRIPTION	Y2018	Y2017	% Change	Y2018 Plan	% Y2018 Plan
INCOME STATEMENT (VND mil)					
Revenues	1,702,011	1,381,633	23%	2,110,156	81%
Brokerage fee	758,849	601,942	26%	911,862	83%

DESCRIPTION	Y2018	Y2017	% Change	Y2018 Plan	% Y2018 Plan
Income from loans	523,064	439,219	19%	607,500	86%
Gain from proprietary investments	278,344	269,839	3%	435,999	64%
Financial advisory services	119,217	45,179	164%	137,620	87%
Other revenues	22,536	25,455	-11%	17,175	131%
Operating expenses	859,927	689,310	25%	1,070,783	80%
Profit before tax	842,186	692,601	22%	1,039,373	81%
Profit after tax	675,480	554,059	22%	818,717	83%
BALANCE SHEET AT THE YEAR END (VND mil)					
Total asset	5,256,305	6,680,572	-21%	6,322,331	83%
Owners' equity	3,060,536	2,791,161	10%	3,347,678	91%
FINANCIAL INDICATORS					
Return on average assets (ROAA)	11.3%	10.8%		12.9%	
Return on average equity (ROAE)	23.1%	21.4%		24.5%	
EQUITY'S VALUE					
Number of outstanding shares	129,554,168	129,570,368	0%	171,237,035	76%
Earnings per share EPS – VND	5,214	4,289	22%	4,649	112%
Book value per share – VND	23,624	21,542	10%	19,738	120%

➤ Votes in favor accounted for%.

Article 3.

The AGM FY2018 approved the business plan 2019 with the following assumptions:

1 The trading value, brokerage market share and brokerage market derivatives

	2019 Target	2018 Actual	% Change	Q1/2019 Actual
BROKERAGE MARKET SHARE				
Average daily trading value (VND million)	6,500,000	6,535,000	-1%	
Total brokerage market share	12.3%	11.4%		
Market share per client type				
- HSC's local/ Local market	10.8%	9.7%		
- HSC's foreign/ Foreign market	25%	23.1%		

	2019 Target	2018 Actual	% Change	Q1/2019 Actual
BROKERAGE MARKET SHARE				
BROKERAGE MARKET DERIVATIVES				
Average daily trading contracts	120,000	78,791	52%	
Total brokerage market derivatives	20.0%	22.6%		

2 Margin Lending

MARGIN LENDING (VND million)	2019 Target	2018 Actual	% Change	1Q/2019 Estimate	% 2019 Target
Average margin balance	4,000,000	3,932,842	2%		

3 Bank Interest Rates

BANK INTEREST RATE	2019 Target	2018 Actual
Average bank deposit rate (% p.a.)	5.5%	5.7%
Interest rate (% p.a.)	8.2%	8.0%

The financial indicators in the business plan 2019 of HSC are as follows:

DESCRIPTION (VND million)	2019 Target	2018 Actual	% Change	1Q/2019 Estimate	% 2019 Target
INCOME STATEMENT					
Revenues	1,666,107	1,702,011	-2%		
Brokerage fees	818,697	758,849	8%		
Income from loans	520,000	523,064	-1%		
Gian from proprietary investments	209,760	278,344	-25%		
Financial advisory services	105,000	119,217	-12%		
Other revenues	12,650	22,536	-44%		
Operating expenses	814,716	859,927	-5%		
Profit before tax	851,391	842,186	1%		
Profit after tax	681,113	675,480	1%		
BALANCE SHEET					
Total asset	5,600,944	5,256,305	7%		

DESCRIPTION (VND million)	2019 Target	2018 Actual	% Change	1Q/2019 Estimate	% 2019 Target
Shareholders' equity	3,873,960	3,060,536	27%		
FINANCIAL INDICATORS					
Return on average assets (ROAA)	12.2%	11.3%			
Return on average equity (ROAE)	17.6%	23.1%			
EQUITY'S VALUE					
Average number of shares	309,040,179	129,554,168	139%		
Earnings per share EPS – VND	2,450	5,214	-53%		
Book value per share – VND	12,535	23,624	-47%		

➤ Votes in favor accounted for%.

Article 4.

The AGM FY2018 approved the report of the Supervisory Board on Company's operation 2018.

➤ Votes in favor accounted for%.

Article 5.

The AGM FY2018 approved the Audited Financial Statements for the year ended 31 December 2018 including:

- Report of the Board of Managers;
- Independent Auditors' Report;
- Balance sheet as at 31 December 2018;
- Income Statement for the year ended 31 December 2018;
- Cash flow statement;
- Statement of changes in equity;
- Notes to the financial statements,

In which:

Some key items in the FY2018 Financial Statements of HSC are as below:

Unit: Vietnamdong

No.	Items	Performance of Y2018	Performance of Y2017
1	Total assets	5,256,305,327,181	6,680,572,043,521
2	Net revenue	2,352,126,998,584	1,540,042,600,129
3	Profit before tax	842,185,654,984	692,600,803,982

No.	Items	Performance of Y2018	Performance of Y2017
4	Profit after tax	675,480,154,372	554,059,163,742

➤ Votes in favor accounted for%.

Article 6.

The AGM FY2018 approved the FY2018 final cash dividend as detailed below:

- Name of securities: Share of Ho Chi Minh City Securities Corporation (HCM)
- Type of share: Ordinary share
- Par value: VND 10,000/ share
- Charter capital: VND 1,297,567,580,000
- Dividend pay-out rate: 19% of par value (*equivalent to VND 1,900 per share*)
- Payment method: In cash
- Implementation time:
 - Expected record date: 22 May 2019
 - Expected payment date: 12 June 2019
- Personal income tax (PIT): The AGM authorizes the BOD to deduct the PIT of the shareholders for the dividend income, and on behalf of the shareholders, HSC will pay their deducted PIT to the Tax authority in accordance with the law regulations.

➤ Votes in favor accounted for.....%

Article 7.

The AGM FY2018 approved the FY2019 dividend plan of HSC as follows:

- Dividend rate: The AGM authorizes the BOD to decide FY2019 dividend rate based on HSC financial performance at the dividend payment time, in which the FY2019 dividend payout rate ranges from 15% (*equivalent to VND1,500 per share*).
- Payment method: In cash
- Implementation time: The AGM authorized the BOD to choose the suitable date for paying the FY2019 dividend.
- Personal income tax (PIT): The AGM authorizes the BOD to deduct the PIT of the shareholders for the dividend income, and on behalf of the shareholders, HSC will pay their deducted PIT to the Tax authority in accordance with the law regulations.

➤ Votes in favor accounted for.....%

Article 8.

The AGM FY2018 approved the FY2018 profit distribution plan of HSC, which is set out below:

Unit: Vietnamdong

No	ITEMS	FY2018 PERFORMANCE		FY2017 PERFORMANCE	
		% of profit after tax	AMOUNT (VND)	% of profit after tax	AMOUNT (VND)
I	PROFIT BEFORE TAX		842,185,654,984		692,600,803,982
II	PROFIT AFTER TAX	100%	675,480,154,372	100%	554,059,163,742
III	PROPOSED PROFIT AFTER TAX DISTRIBUTION	54.42%	367,620,630,034	65.21%	361,300,449,226
1	Appropriation to Equity Funds	5.00%	33,774,007,719	14.60%	80,893,588,970
	<i>Supplementary capital reserve</i>		-	2.30%	12,743,836,298
	<i>Compulsory reserve fund</i>		-	2.30%	12,743,836,298
	<i>Welfare and reward fund</i>	5.00%	33,774,007,719	10.00%	55,405,916,374
2	Cash dividend payment	47.92%	323,714,420,000	49.11%	272,095,972,800
	<i>Interim dividend (6% of per value)</i>	11.51%	77,732,500,800	14.03%	77,742,220,800
	<i>Final dividend (19% of per value)</i>	36.42%	245,981,919,200	35.08%	194,353,752,000
3	Remuneration and budget for the Board of Directors and the Supervisory Board	1.50%	10,132,202,316	1.50%	8,310,887,456
IV	RETAINED PROFIT (IV)=(II)-(III)	45.58%	307,859,524,338	34.79%	192,758,714,516
V	RETAINED PROFITS OF AT THE BEGINNING OF THE YEAR		574,242,321,450		381,483,606,934
VI	INCREASE CHARTER CAPITAL USING OWNERS' EQUITY		(533,338,591,501)		
VII	TOTAL RETAINED EARNINGS AT THE END OF THE YEAR (VII)=(IV)+(V)-(VI)		348,763,254,287		574,242,321,450

➤ Votes in favor accounted for%.

Article 9.

The AGM FY2018 approved to delegate the BOD to appoint one of the Big 4 independent audit firms for the interim and annual statutory audit of its financial statements in accordance with the law regulations. The selected auditor must be approved by the State Securities Commission of Vietnam to provide the statutory auditing services to listed companies and securities companies in Vietnam. List of four independent audit firms is as below:

1. Ernst & Young Vietnam Co., Ltd.
2. KPMG Vietnam Co., Ltd.

3. Price Waterhouse Coopers Vietnam Co., Ltd
 4. Deloitte Vietnam Co., Ltd
- Votes in favor accounted for%.

Article 10.

The AGM FY2018 approved the following issues referring to the issuance of covered warrant products:

1. To allow HSC to participate in the covered warrant business as approved by the 2016 Annual General Meeting, as stipulated in the AGM Resolution No. 01/2017/NQ/ĐHĐCĐ (“Resolution 01/2017/NQ/ĐHĐCĐ”), which include:
 - a) To allow HSC to participate in the covered warrant business.
 - b) To amend the Charter to supplement related contents for covered warrant.
 - c) To approve the total limit of all issuances of covered warrants by HSC of up to 20% of HSC’s liquid capital, calculated based on the most recent financial statement at the time of issuance. This total limit shall not exceed maximum value allowed by law.
 - d) To approve for a payment guarantee method for settlement obligation and other obligations of HSC to holders of covered warrants, in the case HSC is subject to insolvency, merger, acquisition, dissolution, and bankruptcy
 - e) To authorize the Board of Directors to decide on the timing of execution and complete all necessary prodedures to carry the aforementioned operations, including the amendment of the Charter as required by relevant regulations.
 - f) To authorize the Board of Directors to decide on the details of each issuance round of covered warrants, including choosing underlying, issuance size for each round of issuance, and other related details.
2. To authorize the Board of Directors to decide on the timing and detailed terms of each issuance based on market conditions and related regulations, which include the completion of necessary procedures to issue warrants and the amendment of the current Charter to comply with related laws and regulations.
3. To amend the current Charter to comply with current legal requirements for the issuance of covered warrants as follows:

Article 21. Issuance of covered warrant

1. The Company shall issue covered warrants subject to applicable laws and carry out relevant business activities.
2. Relevant business activities that related to covered warrants include:
 - a) Issuance, distribution and listing of covered warrants;
 - b) Market making of covered warrants;
 - c) Hedging for covered warrants;
 - d) Brokerage and investment consulting for covered warrants.

3. A holder of a covered warrant issued by the Company is a creditor of the debt partially secured by the Company and has the following rights:
 - a) Right to receive payments in cash or physical delivery of underlying assets as stipulated in the settlement terms in the prospectus of each issuance, and complied with related regulation;
 - b) Right to transfer, donate, bequest, pledge for loan in civil relationships in accordance with the law;
 - c) Right to receive priority in payment when the Company is dissolved or involved in bankruptcy process as stipulated by law;
 - d) And other rights as prescribed by law.

➤ Votes in favor accounted for%.

Article 11.

This Resolution takes effect from the signing date, all shareholders of Ho Chi Minh City Securities Corporation, members of the BOD, members of the BOS and all the Company employees have responsible for the implementation of such Resolution.

**For and On behalf of the Board of Directors
CHAIRMAN**

DO HUNG VIET

To:
- HSC Shareholders;
- SSC;
- HOSE;
- BOD, BOS and BOM;
- BOD Office for record,



VOTING CARD

THE ANNUAL GENERAL MEETING FY2018 HOCHIMINH CITY SECURITIES CORPORATION

- Name of shareholder: *Kim Tae A*
- ID Card / Passport / Certificate of business registration No.: *IA1234*
- Shareholder' code: *HCM1000*
- Total number of votes: *1.000*
 - Number of shares owned: *1.000*
 - Number of shares representative: *0*

HCM 1000

SAMPLE



VOTING CARD

THE ANNUAL GENERAL MEETING FY2018

- Name of shareholder: *Kim Tae A*
- ID Card/Passport/
Certificate of business registration No.: *IA1234*
- Shareholder' code: *HCM1000*
- Total number of votes: *1,000*
 - Number of shares owned: *1,000*
 - Number of shares representative: *0*

Content 1: Report of 2018 activities of the Board of Directors

Favor



Against



Abstain



Content 2: Report of 2018 business performance of the Board of Management

Favor



Against



Abstain



Content 3: Business plan 2019

Favor



Against



Abstain



Content 4: Report of the Supervisory Board on Company's operation 2018

Favor



Against



Abstain



Content 5: The Audited Financial Statements for the year ended 31 December 2018

Favor



Against



Abstain



Content 6: FY2018 final cash dividend rate

Favor



Against



Abstaintion



Content 7: FY2019 dividend plan

Favor



Against



Abstaintion



Content 8: FY2018 profit distribution plan

Favor



Against



Abstaintion



Content 9: Appointment of the independent audit firm for the fiscal year 2019

Favor



Against



Abstaintion



Content 10: Issuance of covered warrant products

Favor



Against



Abstaintion



HoChiMinh City, 25 April 2019
SHAREHOLDER/ DELEGATED PERSON
(Signature with full name)

ATTENDANCE CONFIRMATION LETTER/ PROXY LETTER

The 2018 Annual General Meeting



To: Organizing Committee of HSC's Annual General Meeting

Name of Shareholder:

- ID Card/ Passport/ Certificate of business registration No:
- Shareholder's code:
- Permanent address:
- Total number of shares owned ⁽¹⁾:

According to the Invitation Letter of HSC's 2018 Annual General Meeting to be held on 25 April 2019, I/ We would like to confirm my/ our attendance or my/ our delegation at the Meeting as follow:

(Please tick "✓" in the appropriate box)

Direct attendance

Hereby delegate another person

- Name of delegated person:
- ID Card/ Passport/ Certificate of business registration No.:
- Date of issuance:
- Place of issuance:
- Permanent address:

Hereby delegate one of the members of Board of Directors (BOD) or Board of Supervision (BOS) as follows:

(Please tick "✓" in the box beside the name of the member whose shareholder would like to authorize)

- | | |
|---|----------------------|
| <input type="checkbox"/> Mr. Do Hung Viet | Chairman of BOD |
| <input type="checkbox"/> Mr. Le Anh Minh | Vice Chairman of BOD |
| <input type="checkbox"/> Mr. Lam Hoai Anh | Member of BOD |
| <input type="checkbox"/> Mr. Pham Nghiem Xuan Bac | Member of BOD |

SAMPLE

- | | |
|---|-----------------|
| <input type="checkbox"/> Mr. Johan Nyvene | Member of BOD |
| <input type="checkbox"/> Mr. Le Hoang Anh | Member of BOD |
| <input type="checkbox"/> Mr. Le Thang Can | Member of BOD |
| <input type="checkbox"/> Mr. Vo Van Chau | Head of the BOS |
| <input type="checkbox"/> Mr. Doan Van Hinh | Member of BOS |
| <input type="checkbox"/> Ms. Dang Nguyet Minh | Member of BOS |

For and on my/ our behalf, the delegated person has to right to attend HSC's 2018 Annual General Meeting which is held on 25 April 2019 to exercise the shareholder's voting right.

I/ We take responsibility for my/ our delegation. I/ We will undertake that I/ We comply with the regulations in accordance with the law as well as the HSC's charter. And I/ We committed not to sue the company for my/ our delegation.

Ho Chi Minh City, dated.....month.....year.....

Delegated Person

Shareholder

(Signature with full name, stamped if institutional shareholder)

(Signature with full name, stamped if institutional shareholder)

Please note:

- ⁽¹⁾ The number of shares which shareholder owned at the record date (12 March 2019).
- Shareholder has only right to delegate to one another person or one of the members of BOD/ BOS.
- Please fill in with the full name, ID Card/ Passport/ Certificate of business registration No. and date of its issued of the delegated person.
- Please fax or mail the Confirmation Letter or Proxy to Organizing Committee of HSC's Annual General Meeting via:

HoChiMinh Securities Corpation

Level 5 & 6, AB Tower, 76 Le Lai Street, Dist.1, HoChiMinh City

Tel: (+84 28) 3823 3299

Fax: (+84 28) 3823 3301

- The delegated person has to bring the proxy letter (the original proxy letter) when attending HSC's 2018 Annual General Meeting. This proxy letter has effective from the signed date to 25 April 2019.