



No.: 01/2017/NQ-DHĐCĐ

Ho Chi Minh City, 24 April 2017

[DRAFT]

## RESOLUTION

### OF THE 2016 ANNUAL GENERAL MEETING (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 tenth amendment of HSC Charter according to the AGM Resolution No.01/2016/NQ-DHĐCĐ dated 02 March 2017;
- Minute No. 01/2017/BB-DHĐCĐ dated 24 April 2017 of the 2016 AGM of Ho Chi Minh City Securities Corporation.

## RESOLVED

### Article 1.

The 2016 AGM approved the report on activities in 2016 of the Board of Directors (BOD) of Ho Chi Minh City Securities Corporation.

- Votes in favor accounted for 100%

### Article 2.

The 2016 AGM approved the Income Statement for 2016 of HSC, in which some main indicators as below:

Unit: VND mil

ITEM	FY2016	FY2015	% change	Plan 2016	% actual/plan 2016
<b>INCOME STATEMENT (VND mil)</b>					
Revenue	824,245	591,139	39%	734,593	112%

ITEM	FY2016	FY2015	% change	Plan 2016	% actual/ plan 2016
Brokerage	348,957	262,076	33%	347,573	100%
Margin and advances income	343,657	222,636	54%	286,000	120%
Proprietary investment	69,535	35,026	99%	35,373	197%
Interest income	30,569	54,719	-44%	34,947	87%
Corporate finance	24,602	11,155	121%	25,500	96%
Other revenues	6,926	5,527	25%	5,200	133%
<b>Operating expenses</b>	<b>439,651</b>	<b>319,667</b>	<b>38%</b>	<b>358,236</b>	<b>123%</b>
<b>Profit before tax</b>	<b>385,383</b>	<b>271,500</b>	<b>42%</b>	<b>376,357</b>	<b>102%</b>
<b>Profit after tax</b>	<b>304,531</b>	<b>213,310</b>	<b>43%</b>	<b>301,086</b>	<b>101%</b>
<b>BALANCE SHEET AT THE YEAR END (VND mil)</b>					
Total asset	3,616,842	3,103,574	17%	3,330,481	109%
Owners' equity	2,391,917	2,279,549	5%	2,468,163	97%
<b>FINANCIAL INDICATORS</b>					
Return on average assets (ROAA)	9.1%	6.6%		8.2%	
Return on average equity (ROAE)	13.0%	9.2%		12.6%	
<b>EQUITY'S VALUE</b>					
Number of outstanding shares	127,155,368	127,185,417		127,185,417	
Earnings per share EPS – VND	2,395	1,598	50%	2,367	101%
Book value per share – VND	18,811	17,923	5%	19,406	97%

➤ Votes in favor accounted for 100%

### Article 3.

The 2016 AGM approved the business plan for 2017 of HSC with the following assumptions:

#### 1 The trading value and brokerage market share

Brokerage market share	Plan 2017	FY2016	% change/ FY2016
<b>Client Division</b>	<b>3.600</b>	<b>3.046</b>	<b>18%</b>
Individual Clients/Market	12,3%	11,2%	
Institutional Clients/Market	7,9%	7,1%	

Brokerage market share	Plan 2017	FY2016	% change/ FY2016
<b>Client Division</b>	<b>3.600</b>	<b>3.046</b>	<b>18%</b>
Principal Investment/Market	4,3%	3,9%	
<b>HSC total market share</b>	<b>0,2%</b>	<b>0,2%</b>	
<b>Client Type</b>			
HSC Individual Clients/ Individual Clients of market	10,7%	9,6%	
HSC Foreign Institutional Clients/ Foreign Clients of market	31,0%	28,5%	

## 2 Margin Lending

Margin Lending	Plan 2017	FY 2016	Change
Average margin lending debt balance (VND bil)	3.100	2.599	19%
Individual Clients (VND bil)	2.899	2.432	19%
Institutional Clients (VND bil)	202	167	21%
Average interest rate of margin lending (%)	13,3%	13,3%	

## 3 Bank Interest Rates

Bank Interest Rates	Plan 2017	FY 2016
Average interest rates of savings (% per annum)	6.0%	5.5%
Interest rates of bank loans (% per annum)	9.0%	7.4%

The financial indicators in the business plan for 2017 of the Company as follow:

*Unit: VND bil*

ITEM	FY2017	FY2016	% actual/ plan 2016
<b>INCOME STATEMENT (VND bil)</b>			
<b>Revenue</b>	<b>1,011.9</b>	<b>824.2</b>	<b>23%</b>
Brokerage	456.1	349.0	31%
Margin and advances income	412.3	343.7	20%
Interest income	38.6	30.6	26%
Proprietary investment	72.1	69.5	4%
Corporate finance	32.9	24.6	34%

ITEM	FY2017	FY2016	% actual/ plan 2016
Other revenues	-	6.9	
<b>Operating expenses</b>	<b>561.1</b>	<b>439.7</b>	<b>28%</b>
<b>Profit before tax</b>	<b>450.8</b>	<b>385.4</b>	<b>17%</b>
<b>Profit after tax</b>	<b>361.1</b>	<b>304.5</b>	<b>19%</b>
<b>BALANCE SHEET AT THE YEAR END (VND bil)</b>			
Total asset	3,845,0	3,616.8	6%
Owners' equity	2,456.5	2,391.9	3%
<b>FINANCIAL INDICATORS</b>			
Return on average assets (ROAA)	9,4%	9,1%	4%
Return on average equity (ROAE)	14,7%	13,0%	13%
<b>EQUITY'S VALUE</b>			
Number of outstanding shares	129,655,368	127,155,368	2%
Earnings per share EPS – VND	2,645	2,395	10%
Book value per share – VND	18,946	18,811	1%

➤ Votes in favor accounted for 100%

#### **Article 4.**

The 2016 AGM approved the report on the Company's operations in 2016 of the Board of Supervision.

➤ Votes in favor accounted for 100%

#### **Article 5.**

The 2016 AGM approved the Financial Statements for the year 2016 including:

- Report of the Board of Managers;
- Independent Auditors' Report;
- Balance sheet as at 31 December 2016;
- Income Statement for the year ended 31 December 2016;
- Cash flow statement;
- Statement of changes in equity;
- Notes to the financial statements,

In which:

Some key items in the Financial Statements for the fiscal year 2016 of HSC as below:

*Unit: Vietnam dong*

No.	Items	Performance of Y2016	Performance of Y2015
1	Total assets	3,616,842,334,688	3,103,573,869,400
2	Net revenue	824,244,576,700	591,138,977,810
3	Profit before tax	385,383,289,422	271,500,191,481
4	Profit after tax	304,530,981,303	213,310,100,261

➤ Votes in favor accounted for 100%

#### **Article 6.**

The 2016 AGM approved the final cash dividend of 2016 as below:

- Dividend pay-out rate: 12% of par value (*equivalent to VND 1,200 per share*)
- Payment method: In cash
- Implementation time:
  - Expected record date: 16 May 2017
  - Expected payment date: 07 June 2017
- 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 100%

#### **Article 7.**

The 2016 AGM approved the dividend plan for 2017 of HSC as below:

- Dividend pay-out rate: Based on the Company's actual business result at the dividend payment time, the AGM authorizes the BOD to decide the 2017 dividend rate of 12% of the par value (*equivalent to VND1.200 per share*)
- Payment method: In cash
- Implementation time: The AGM authorizes the BOD to choose the suitable date to pay the 2017 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 100%

**Article 8.**

The 2016 AGM approved the 2016 profit distribution plan of HSC. The details as follow:

Unit: VND

No	ITEMS	PERFORMANCE Y2016		PERFORMANCE Y2015	
		% of profit after tax	AMOUNT (VND)	% of profit after tax	AMOUNT (VND)
I	<b>PROFIT BEFORE TAX</b>		<b>385,383,289,422</b>		<b>271,500,191,481</b>
II	<b>PROFIT AFTER TAX</b>	<b>100%</b>	<b>304,530,981,303</b>	<b>100%</b>	<b>213,310,100,261</b>
III	<b>PROPOSED PROFIT AFTER TAX DISTRIBUTION</b>	<b>93.47%</b>	<b>284,638,286,580</b>	<b>99.95%</b>	<b>213,207,524,078</b>
1	Appropriation to Equity Funds	20.00%	60,906,196,261	13.50%	28,796,863,535
	<i>Supplementary capital reserve</i>	<i>5.00%</i>	<i>15,226,549,065</i>	<i>5.00%</i>	<i>10,665,505,013</i>
	<i>Compulsory reserve fund</i>	<i>5.00%</i>	<i>15,226,549,065</i>	<i>5.00%</i>	<i>10,665,505,013</i>
	<i>Welfare and reward fund</i>	<i>10.00%</i>	<i>30,453,098,130</i>	<i>3.50%</i>	<i>7,465,853,509</i>
2	Cash dividend payment	71.97%	219,164,125,600	85.25%	181,850,939,340
	<i>Interim dividend (5% of per value)</i>	<i>20.88%</i>	<i>63,577,684,000</i>	<i>29.81%</i>	<i>63,592,708,500</i>
	<i>Proposed final dividend (12% of per value) (*)</i>	<i>51.09%</i>	<i>155,586,441,600</i>	<i>55.44%</i>	<i>118,258,230,840</i>
3	Remuneration and budget for the Board of Directors and the Supervisory Board	1.50%	4,567,964,720	1.20%	2,559,721,203
IV	<b>RETAINED PROFIT (IV)=(II)-(III)</b>	<b>6.53%</b>	<b>19,892,694,723</b>	<b>0.05%</b>	<b>102,576,183</b>
V	<b>RETAINED PROFITS OF AT THE BEGINNING OF THE YEAR</b>		<b>361,590,912,211</b>		<b>361,488,336,029</b>
VI	<b>TOTAL RETAINED EARNINGS AT THE END OF THE YEAR (VI)=(IV)+(V)</b>		<b>381,483,606,934</b>		<b>361,590,912,211</b>

(\*) Temporary figures and subject to the AGM's decision on the 2016 final dividend rate.

➤ Votes in favor accounted for 100%

**Article 9.**

The 2016 AGM approved the authorization to the BOD to appoint one of the Big 4 independent audit firms, approved by the State Securities Commission of Vietnam (SSC) of auditing issuing organization, listed and securities trading companies, to audit the Financial Statements for the year 2017 and review the quarterly Financial Statements of HSC in accordance with the law regulations.

List of 4 audit firms:

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 100%

**Article 10.**

The 2016 AGM approved the adjustment of the ownership ratio of foreign investors in HSC, as follows:

1. The ownership ratio of foreign investors in HSC is 100%.
2. The 2016 Annual General Meeting authorizes the BOD to supplement the article of the ownership ratio of foreign investors in the HSC Charter

- Votes in favor accounted for 100%

**Article 11.**

The 2016 AGM approved the following issues referring to the covered warrant products:

1. To allow HSC to issue covered warrant products that meet related law and regulations.
2. To amend the Charter to supplement the following contents:
  - a. HSC is allowed to participate in the covered warrant business, which include:
    - i. Issuance, distribution and listing of Covered Warrants;
    - ii. Market making of Covered Warrants;
    - iii. Hedging for Covered Warrants;
    - iv. Brokerage and investment consulting for Covered Warrants.
  - b. The rights of Covered Warrants holders include:
    - i. 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 regulations;
    - ii. Right to receive payments in cash in the case Covered Warrants are delisted as stipulated in related regulations;
    - iii. Right to transfer, donate, bequest, pledge for loan in civil relationships in accordance with the law;
    - iv. Right to receive priority in payment when HSC is dissolved or involved in bankruptcy process as stipulated by law;
    - v. And other rights as prescribed by law.
3. 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. At the same time, such issuance limit must also comply with the regulation of SSC on liquid capital requirements at the time of issuance.
4. 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. In particular:

- a. In the case HSC is subject to insolvency: to use the following resources for any settlement obligation of HSC to the holders of Covered Warrants:
    - i. Assets held for hedging purposes for Covered Warrants in proprietary account;
    - ii. Collateral assets deposit at the depository bank by HSC for the issuances of Covered Warrants;
    - iii. Payment guarantees for Covered Warrants (if available).In case these resources are not enough, the settlement for the remaining interests of Covered Warrants holders shall follow the provision of related laws as applied to partially secured creditors;
  - b. In the case HSC is subject to dissolution and bankruptcy: to apply the provision of law for the case of dissolution, bankruptcy for the payment obligations to partially secured creditors;
  - c. In the case HSC is subject to merger and acquisition: to apply the provision in the Law of Enterprise for the payment obligations to holders of Covered Warrants.
5. To authorize the BOD 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 the relevant regulations.
  6. To authorize the BOD to decide on the detail of each issuance of Covered Warrants, including chosing underlying asset, deciding issuance size for each round of issuance, and other related details

*Note: "Covered Warrants" shall mean all covered warrants issued by HSC*

- Votes in favor accounted for 100%

### **Article 13.**

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**

**(signed and seal)**

**DO HUNG VIET**

**To:**

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