

No.: 01/2018/NQ-ĐHĐCĐ

Ho Chi Minh City, 26 April 2018

RESOLUTION

OF THE FY2017 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 eleventh amendment of HSC Charter according to the AGM Resolution No.01/2017/NQ-ĐHĐCĐ dated 24 April 2017;*
- *Minutes No. 01/2018/BB-ĐHĐCĐ dated 26 April 2018 of the FY2017 AGM of Ho Chi Minh City Securities Corporation.*

RESOLUTION

Article 1.

The FY2017 AGM approved approved the following issues referring to the amendment of HSC Charter:

- To approve the draft of amended HSC Charter
- To authorize the BoD to amend some articles of HSC Charter, which covered the approval of the AGM.
- To authorize the legal representative to sign the amended HSC Charter. The amended HSC Charter shall be effective immediately at the date of AGM 's approval which is 26 April 2018 and applied from Article 2 of this Resolution. The current version of HSC Charter approved dated 24 April 2017 shall be replaced.

➤ Votes in favor accounted for 95.62%

Article 2.

The FY2017 AGM approved the report on the FY2017 activities of the Board of Directors of Ho Chi Minh City Securities Corporation.

- Votes in favor accounted for 99.77%

Article 3.

The FY2017 AGM approved the report on the FY2017 Business Performance of the Board of Management, in which some main indicators as below:

DESCRIPTION	Y2017	Y2016	% Change	Y2017 Plan	% Y2017 Plan
INCOME STATEMENT (VND mil)					
Revenues	1,540,043	824,245	87%	1,011,913	152%
Brokerage fee	601,942	348,957	72%	451,533	133%
Income from loans	439,219	343,657	28%	412,300	107%
Gain from proprietary investments	428,248	99,026	332%	110,630	387%
Financial advisory services	45,179	24,602	84%	32,900	137%
Other revenues	25,455	8,003	218%	4,550	559%
Operating expenses	847,720	439,651	93%	561,136	151%
Profit before tax	692,601	385,383	80%	450,778	154%
Profit after tax	554,059	304,531	82%	361,052	153%
BALANCE SHEET AT THE YEAR END (VND mil)					
Total asset	6,680,572	3,616,842	85%	3,845,039	174%
Owners' equity	2,791,161	2,391,917	17%	2,456,536	114%
FINANCIAL INDICATORS					
Return on average assets (ROAA)	10.8%	9.1%	18.7%	9.4%	
Return on average equity (ROAE)	21.4%	13.0%	64.6%	14.7%	
EQUITY'S VALUE					
Number of outstanding shares	129,570,368	127,155,368	2%	129,655,368	100%
Earnings per share EPS – VND	4,289	2,395	79%	2,785	154%
Book value per share – VND	21,542	18,811	15%	18,947	114%

- Votes in favor accounted for 99.77%

Article 4.

The FY2017 AGM approved the FY2018 Business plan with the following assumptions:

1 The trading value and brokerage market share

Based on the daily average trading value over the past 5 years and projection of market trends in the coming period, the Board of Management has made some assumptions on the trading value and brokerage market share of HSC in 2018 as follows:

BROKERAGE MARKET SHARE	2018 Target	2017 Actual	% Change	Q1/2018 Actual
Average daily trading value (VND million)	8,000,000	5,000,000	60%	8,936,000
Total brokerage market share	11.3%	11.3%		12.3%
Retail brokerage	7.0%	6.4%		7.3%
Institutional brokerage	3.8%	4.5%		3.8%
Proprietary trading of HSC	0.5%	0.4%		1.2%
Market share per client type				
HSC's local/ Local market	9.5%	8.6		10.2%
HSC's foreign/ Foreign market	28.0%	33.1%		26.5%

2 Margin Lending

MARGIN LENDING (VND million)	2018 Target	2017 Actual	% Change	1Q/2018 Estimate	% 2018 Target
Average margin balance	4,500,000	3,237,878	39%	4,667,000	104%
In which:					
Retail clients	4,240,000	3,024,778	40%	4,461,000	105%
Institutional clients	260,000	213,100	22%	206,000	79%

3 Bank Interest Rates

BANK INTEREST RATE	2018 Target	2017 Actual
Average bank deposit rate (% p.a.)	6.0%	5.7%
Interest rate (% p.a.)	8.5%	7.8%

The financial indicators in the FY2018 Business plan of HSC are as follow:

DESCRIPTION (VND million)	2018 Target	2017 Actual	% Change	1Q/2018 Estimate	% 2018 Target
INCOME STATEMENT					
Revenues	2,110,156	1,390,005	52%	621,619	29%
Brokerage fees	911,862	601,942	51%	232,946	26%
Income from loans	607,500	439,219	38%	152,340	25%
Gian from proprietary investments	435,999	277,932	57%	174,447	40%
Financial advisory services	137,620	45,179	205%	58,684	43%
Other revenues	17,175	25,733	- 33%	3,202	19%
Operating expenses	1,070,783	697,404	54%	232,261	22%
Profit before tax	1,039,373	692,601	50%	389,359	37%
Profit after tax	818,717	554,059	48%	311,749	38%
BALANCE SHEET					
Total asset	6,322,331	6,680,572	-5%	6,776,806	83%
Shareholders' equity	3,347,678	2,791,161	20%	3,090,910	81%
FINANCIAL INDICATORS					
Return on average assets (ROAA)	12.9%	10.8%		4.6%	
Return on average equity (ROAE)	24.5%	21.4%		10.6%	
EQUITY'S VALUE					
Average number of shares	189,405,505	129,570,368	47%	129,570,368	68%
Earnings per share EPS – VND	4,323	4,289	1%	2,406	56%
Book value per share – VND	17,675	21,542	-18%	23,855	135%

- Votes in favor accounted for 99.76%

Article 5.

The FY2017 AGM approved the report on FY2017 Company's operation of the Supervisory Board.

- Votes in favor accounted for 99.76%

Article 6.

The FY2017 AGM approved the Audited Financial Statements for the year ended 31 December 2017 including:

- Report of the Board of Managers;
- Independent Auditors' Report;
- Balance sheet as at 31 December 2017;
- Income Statement for the year ended 31 December 2017;
- Cash flow statement;
- Statement of changes in equity;
- Notes to the financial statements,

In which:

Some key items in the FY2017 Financial Statements of HSC as below:

Unit: Vietnamdong

No.	Items	Performance of Y2017	Performance of Y2016
1	Total assets	6,680,572,043,521	3,616,842,334,688
2	Net revenue	1,540,042,600,129	824,244,576,700
3	Profit before tax	692,600,803,982	385,383,289,422
4	Profit after tax	554,059,163,742	304,530,981,303

- Votes in favor accounted for 99.76%

Article 7.

The FY2017 AGM approved the FY2017 final cash dividend as below:

- Dividend pay-out rate: 15% of par value (equivalent to VND 1,500 per share)
- Payment method: In cash
- Implementation time:
 - Expected record date: 18 May 2018
 - Expected payment date: 08 June 2018
- 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 91.66%

Article 8.

The FY2017 AGM approved the FY2018 dividend plan of HSC as below:

- Dividend rate: The AGM authorizes the BoD to decide FY2018 dividend rate based on HSC financial performance at the dividend payment time, in which the FY2018 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 to pay the FY2018 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 91.67%

Article 9.

The FY2017 AGM approved the FY2017 profit distribution plan of HSC. The details are as follow:

Unit: Vietnamdong

No	ITEMS	Y2017		Y2016	
		% of profit after tax	AMOUNT (VND)	% of profit after tax	AMOUNT (VND)
I	PROFIT BEFORE TAX		692,600,803,982		385,383,289,422
II	PROFIT AFTER TAX	100%	554,059,163,742	100%	304,530,981,303
III	PROPOSED PROFIT AFTER TAX DISTRIBUTION	65.21%	361,302,249,226	93.47%	284,638,286,580
1	Appropriation to Equity Funds	14.60%	80,893,588,970	20.00%	60,906,196,261
	<i>Supplementary capital reserve</i>	2.30%	12,743,836,298	5.00%	15,226,549,065
	<i>Compulsory reserve fund</i>	2.30%	12,743,836,298	5.00%	15,226,549,065
	<i>Welfare and reward fund</i>	10.00%	55,405,916,374	10.00%	30,453,098,130
2	Cash dividend payment	49.11%	272,097,772,800	71.97%	219,164,125,600
	<i>Interim dividend (6% of per value)</i>	14.03%	77,742,220,800	20.88%	63,577,684,000
	<i>Proposed final dividend (15% of per value)</i>	35.08%	194,355,552,000	51.09%	155,586,441,600
3	Remuneration and budget for the Board of Directors and the Supervisory Board	1.50%	8,310,887,456	1.50%	4,567,964,720
IV	RETAINED PROFIT (IV)=(II)-(III)	34.79%	192,756,914,516	6.53%	19,892,694,723
V	RETAINED PROFITS OF AT THE BEGINNING OF THE YEAR		381,483,606,934		361,590,912,211
VI	TOTAL RETAINED EARNINGS AT THE END OF THE YEAR (VI)=(IV)+(V)		574,240,521,450		381,483,606,934

➤ Votes in favor accounted for 91.56%

Article 10.

The FY2017 AGM approved the authorization the BoD to appoint one of the Big 4 independent audit firms to audit HSC FY2018 Financial Statements and review HSC FY2018 quarterly Financial Statements in accordance with the law regulations. The four independent audit firms are the firms approved by the State Securities Commission of Vietnam (SSC) to audit issuing organizations, listed and securities trading companies. 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 99.76%

Article 11.

The FY2017 AGM approved the following issues referring to the amendment of HSC Corporation Governance Regulations:

- To approve the draft of HSC Corporation Governance Regulations.
- To authorize the Chairman to sign the amended regulations of HSC Corporation Governance.

➤ Votes in favor accounted for 95.62%

Article 12.

The FY2017 AGM approved the share issuance for existing shareholders using capital resources of owners' equity to increase charter capital (*Issuance of bonus shares*). The details are as below:

1. Name of securities: Share of Ho Chi Minh City Securities Corporation (HCM)
2. Type of share: Ordinary share
3. Par value: VND10,000/ share (*Ten thousand dong per share*)
4. Total number of issued shares: 129,756,758 (*One hundred twenty-nine million seven hundred fifty-six thousand seven hundred fifty-eight*) shares
5. Number of outstanding shares: 129,569,168 shares (*One hundred twenty-nine million five hundred sixty-nine thousand one hundred sixty-eight*) shares
6. Number of treasury shares: 187,590 shares (*One hundred eighty-seven thousand five hundred ninety*) shares (*at 31 March 2018*)
7. Estimated number of issued shares: 86,379,445 shares (*Eighty-six million three hundred seventy-nine thousand four hundred forty-five*) shares
8. Total value of issuance at par value: VND 863,794,450,000 (*Eight hundred sixty-three billion seven hundred ninety-four million four hundred fifty thousand dong*)
9. Issuance rate (*total estimated number of issued shares/ number of outstanding shares*): 66,67%

10. Offering target: Existing shareholders include domestic and foreign shareholders, whose names are in the list of HSC's shareholders as at the record date issued by Vietnam Securities Depository – HCMC Branch, are entitled to exercise the right to receive bonus shares.
11. Subscription ratio 3:2 (*A shareholder who owns three (03) shares is entitled to the right of receiving two (02) bonus shares*)
12. Additional issued shares are not subjected to transfer restrictions
13. The right to receive additional issued shares is not transferable
14. Processing with arising odd stocks (*if any*): The number of shares issued to existing shareholders will be rounded down to the unit. The decimal fraction (*if any*) will be canceled.
15. Capital sources: Undistributed earnings and Share premium based on the FY2017 Audited Financial Statement
In which:
 - Value of the Undistributed earnings: VND 533,450,651,501 (*Five hundred thirty-three billion four hundred fifty million six hundred fifty-one thousand five hundred and one dong*)
 - Value of the Share premium: VND 330,343,798,499 (*Three hundred thirty billion three hundred forty-three million seven hundred ninety-eight thousand four hundred ninety-nine dong*)
16. Expected time of issuance: In 2018 after receiving the approval from the State Securities Commission.
17. The Annual General Shareholders' Meeting ("AGM") authorizes the Board of Directors to:
 - Select the record date for the list of shareholders to the issuance shares to increase the owner's equity (bonus shares) for the existing shareholders as soon as possible after receiving Approval Certificate from the State Securities Commission while ensuring the benefits of shareholders in accordance with the provisions of law.
 - Conduct necessary procedures to process and to complete the share issuance plan for existing shareholders in accordance with regulations of the Company Charter and the documents guiding the implementation of Law;
 - Register and list all of issued shares for existing shareholders at Vietnam Securities Depository ("VSD") and Ho Chi Minh Stock Exchange ("HOSE") after completing the issuance;
 - Assign the Board of Directors and the Board of Management to amend the Company Charter accordingly in charter capital related articles upon the result of the issuance; execute the registration of increased charter capital to amend Business Registration Certification of HSC at State Securities Commission ("SSC") after completing the issuance.

➤ Votes in favor accounted for 63.71%

Article 13.

The FY2017 AGM approved the share issuance offering to existing shareholders. The details are as below:

1. Name of securities: Share of Ho Chi Minh City Securities Corporation (HCM)
2. Type of share: Ordinary share
3. Par value: VND10,000/ share (*Ten thousand dong per share*)
4. Total number of issued shares: 129,756,758 (*One hundred twenty-nine million seven hundred fifty-six thousand seven hundred fifty-eight*) shares
5. Number of outstanding shares: 129,569,168 (*One hundred twenty-nine million five hundred sixty-nine thousand one hundred sixty-eight*) shares
6. Number of treasury shares: 187,590 (*Eighty-six million three hundred seventy-nine thousand four hundred forty-five*) shares (*at 31 March 2018*)
7. Estimated number of issued shares: 86,379,445 (*Eighty-six million three hundred seventy-nine thousand four hundred forty-five*) shares
8. Total value of issuance at par value: VND 863,794,450,000 (*Eight hundred sixty-three billion seven hundred ninety-four million four hundred fifty thousand dong*)
9. Issuance rate (*total estimated number of issued shares/ number of outstanding shares*): 66,67%
10. Offering target: Existing shareholders include domestic and foreign shareholders, whose names are in the list of HSC's shareholders as at the record date issued by Vietnam Securities Depository – HCMC Branch, are entitled to exercise the right to purchase shares.
11. Offering method: In accordance with shareholders' purchasing rights
12. Subscription ratio 3:2 (*A shareholder who owns three (03) shares is entitled to the right of purchasing two (02) additional shares*)
13. Offering price: VND 14,000/ share (*Fourteen thousand dong per share*)
14. Total value of issuance at offering price: VND 1,209,312,230,000 (*One thousand two hundred and nine billion three hundred and twelve million two hundred thirty thousand dong*)
15. The right to purchase additional issued shares is transferable only one time.
16. Shareholders restricted in transferability are still entitled to purchase shares. The number of additional shares purchased from the right to purchase shares is not restricted.
17. Dealing with the remaining of shares from existing shareholders that do not carry out the purchasing right (*if any*):
For the number of unissued shares refused to be purchased by the existing shareholders, the Annual General Shareholders' Meeting ("AGM") authorizes the Board of Directors ("BoD") to continue offering them to other investors which will be chosen and decided by the BoD, with the offering price not lower than the one offered for existing shareholders.
18. Processing with arising odd stocks (*if any*): The number of shares existing shareholders receive will be rounded down to the unit. The decimal fraction (*if any*) will be canceled.

For example: Nguyen Van A owns 154 HCM shares, according to the issuance ratio 3:2, Nguyen Van A will be entitled to the right of purchasing $(154 \times 2) / 3 = 102,7$ additional shares. Thus, Nguyen Van A will be entitled to the right of purchasing 102 shares. Odd share (0.7 shares) will be canceled.

19. Expected time of issuance: In 2018 after receiving the approval from the State Securities Commission.
20. The Annual General Shareholders' Meeting ("AGM") authorizes the Board of Directors to:
 - Select the record date for the list of shareholders to the right to purchase shares under the issuance plan for the existing shareholders as soon as possible after receiving Certificate of share issuance offering to the existing shareholders from the State Securities Commission while ensuring the benefits of shareholders in accordance with the provisions of law.
 - Conduct necessary procedures to process and to complete the share issuance plan for existing shareholders in accordance with regulations of the Company Charter and the documents guiding the implementation of Law;
 - Register and list all of issued shares for existing shareholders at Vietnam Securities Depository ("VSD") and Ho Chi Minh Stock Exchange ("HOSE") after completing the issuance;
 - Assign the Board of Directors and the Board of Management to amend the Company Charter accordingly in charter capital related articles upon the result of the issuance; execute the registration of increased charter capital to amend Business Registration Certification of HSC at State Securities Commission ("SSC") after completing the issuance.

➤ Votes in favor accounted for 63.71%

Article 14.

The FY2017 AGM approved the share issuance for employees stock ownership plan (ESOP 2018). The details are as below:

1. Name of securities: Share of Ho Chi Minh City Securities Corporation (HCM)
2. Type of share: Ordinary share
3. Par value: VND10,000/ share (*Ten thousand dong per share*)
4. Total number of issued shares: 129,756,758 (*One hundred twenty-nine million seven hundred fifty-six thousand seven hundred fifty-eight*) shares
5. Number of outstanding shares: 129,569,168 (*One hundred twenty-nine million five hundred sixty-nine thousand one hundred sixty-eight*) shares
6. Number of treasury shares: 187,590 (*Eighty-six million three hundred seventy-nine thousand four hundred forty-five*) shares (*at 31 March 2018*)
7. Estimated number of issued shares: 6,478,000 (*Six million four hundred seventy-eight thousand*) shares
8. Issue price: VND 14,000/ Share (*Fourteen thousand dong per share*)

9. Total value of issuance at par value: VND 64,780,000,000 (*Sixty-four billion seven hundred eighty million dong*)
10. Total value of issuance: 90,692,000,000 (*Ninety billion six hundred ninety-two million dong*)
11. Subscription ratio: 5%
12. Capital sources: The Company's Welfare and Reward Fund as at 30 April 2018 and the employees' payments
In which:
 - Total value of the Welfare and Reward Fund: VND 34,000,000,000 (*Thirty-four billion dong*)
 - Total value of the employees' payment: VND 56,692,000,000 (*Fifty-six billion six hundred ninety-two million dong*)
13. Applicable employees: Company's management employees
14. Transfer restriction: Shares issued to the Company employees shall be restricted in accordance with the Rules - Policies on Employee Share Ownership Plan 2018 adopted by the Board of Directors of Ho Chi Minh City Securities Corporation.
15. Transfer ratio and time frame:
 - At the end of the first year (*12 months after the completed issuance of ESOP 2018*), the employees shall only be allowed to transfer up to 40% of the total Issued and Transferred Shares.
 - At the end of the second year (*24 months after the completed issuance of ESOP 2018*), the employees shall only be allowed to transfer up to 30% of the total Issued and Transferred Shares.
 - At the end of the third year (*36 months after the completed issuance of ESOP 2018*), the employees shall be allowed to transfer up to 30% all of the remaining Issued and Transferred Shares.
16. Dealing with non-exercised shares: In case the employees refuse to exercise the rights to buy their allocated shares, the Board of Directors shall allocate total number of non-exercised shares to other employees depending on his/her years' seniority.
17. Revocation of issued and transferred shares
 - If an employee resigns, the Company will buy his or her remaining transfer-restricted shares at the price which equals his or her contribution amount to purchase those shares plus non-term interest for the period from issue date to the re-purchase date. These shares will be available for transfer once Vietnam Securities Depository (VSD) – Ho Chi Minh City Branch approves the ownership transfer.
 - The treatment of other cases will be applied in accordance with the Rules - Policies on Employee Share Ownership.
18. Estimated time of issuance: In 2018 after receiving the approval from the State Securities Commission.
19. Authorization: Submit to the AGM to authorize the Board of Directors to:

- Decide the list of the employees who are allowed to purchase shares and the allocation of shares for each employee;
- Conduct necessary procedures to process and to complete the issuance of ESOP 2018 in accordance with regulations of the Company Charter and the documents guiding the implementation of Law;
- Register and list all of issued shares of ESOP 2018 at Vietnam Securities Depository ("VSD") and Ho Chi Minh Stock Exchange ("HOSE") after completing the issuance;
- Assign the Board of Directors and the Board of Management to amend the Company Charter accordingly in charter capital related articles upon the result of the issuance; executing the registration of increased charter capital to amend Business Registration Certification of HSC at State Securities Commission ("SSC") after completing the issuance.

➤ Votes in favor accounted for 63.71%

The FY2017 AGM approved the total value of expected additional issued shares VND 1,266,004,230,000 (*One thousand two hundred sixty-six billion four million two hundred thirty thousand dong*). Additional capital gained from the share issuance for existing shareholders and HSC's employees will be allocated to

- Additional capital for margin trading: VND 1,000,000,000,000
(*A thousand billion dong*)
- Additional capital for using proprietary investment: VND 266,004,230,000
(*Two hundred sixty-six billion four million two hundred thirty thousand dong*)

The AGM authorize the Board of Directors to adjust the using plan of capital gained from the offering to accord with the Company's actual need of using capital and to ensure the shareholders' maximum benefits.

➤ Votes in favor accounted for 55.43%

Article 15.

The FY2017 AGM approved the dismissal of member cum Vice Chairman of the Board of Directors and the list of candidates to nominate to the Board of Directors for the term IV (2016 – 2020). The details are as below:

- Mr. Nguyen Thanh Liem is dismissed from a member cum Vice Chairman of HSC's Board of Directors effectively on 26 April 2018. (*On 07 March 2018, the BoD has received the resignation letter of Mr. Nguyen Thanh Liem, in which Mr. Nguyen Thanh Liem would like to resign from the position of member cum Vice Chairman of HSC's Board of Directors.*)
- The list of candidates nominated as a member of the Board of Directors for the term IV (2016 – 2020) as below:

Full name: Mr. Lam Hoai Anh

Date of birth: 23 October 1972

Nationality: Vietnamese

Citizen identity card number: 001072008603 dated 01 June 2016 at Police Department

Permanent address: 290/9 Nam Ky Khoi Nghia Street, Ward 8, District 3, HCM City

- Votes in favor accounted for 95.63%

The FY2017 AGM approved that Mr. Lam Hoai Anh (001072008603 dated 01 June 2016 at Police Department) is elected as a member of the BOD for the term IV (2016 – 2020)

- Votes in favor accounted for 94.07%

Article 16.

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,