

No. 01/2019/NQ-ĐHĐCĐ

Ho Chi Minh City, 25 April 2019

**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 99.99%.

**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
<b>INCOME STATEMENT (VND mil)</b>					
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%
<b>Operating expenses</b>	<b>859,927</b>	<b>689,310</b>	<b>25%</b>	<b>1,070,783</b>	<b>80%</b>
<b>Profit before tax</b>	<b>842,186</b>	<b>692,601</b>	<b>22%</b>	<b>1,039,373</b>	<b>81%</b>
<b>Profit after tax</b>	<b>675,480</b>	<b>554,059</b>	<b>22%</b>	<b>818,717</b>	<b>83%</b>
<b>BALANCE SHEET AT THE YEAR END (VND mil)</b>					
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%
<b>FINANCIAL INDICATORS</b>					
Return on average asset (ROAA)	11.3%	10.8%		12.9%	
Return on average equity (ROAE)	23.1%	21.4%		24.5%	
<b>PER SHARE FINANCIAL INDICATORS</b>					
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 100%.

### Article 3.

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

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

	Plan 2019	FY2018	% Change	Q1/2019
<b>STOCK BROKERAGE MARKET SHARE</b>				
Average daily trading value (VND million)	6,500,000	6,535,000	-1%	4,656,899
Total stock brokerage market share	12.3%	11.4%		11.0%
Market share by Clients				
- HSC's Retail Client/ Local Investors	10.8%	9.7%		8.9%
- HSC's Institutional Client/ Foreign Investors	25%	23.1%		22.9%



	Plan 2019	FY2018	% Change	Q1/2019
<b>DERIVATIVES BROKERAGE MARKET SHARE</b>				
Average daily trading number of executed contracts	120,000	78,791	52%	123,566
HSC's derivatives brokerage market share	20.0%	22.6%		13.1%

## 2 Margin Lending

<b>MARGIN LENDING</b> (VND million)	Plan 2019	FY2018	% Change	1Q/2019
HSC's average margin loan balance	4,000,000	3,932,842	2%	3,279,759

## 3 Bank Interest Rates

<b>BANK INTEREST RATE</b>	Plan 2019	FY2018
Average bank deposit rate (% p.a.)	5.5%	5.7%
Average borrowings rate (% p.a.)	8.2%	8.0%

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

<b>BUSINESS PERFORMANCE</b>	Plan 2019	FY2018	% Change	1Q/2019
<b>INCOME STATEMENT (VND million)</b>				
Revenues	1,666,107	1,702,011	-2%	268,158
Brokerage fees	818,697	758,849	8%	111,166
Income from loans	520,000	523,064	-1%	102,624
Gian from proprietary investments	209,760	278,344	-25%	49,945
Financial advisory services	105,000	119,217	-12%	1,956
Other revenues	12,650	22,536	-44%	2,468
Operating expenses	814,716	859,927	-5%	165,926
Profit before tax	851,391	842,186	1%	102,232
Profit after tax	681,113	675,480	1%	81,966
<b>BALANCE SHEET (VND million)</b>				
Total assets	5,600,944	5,256,305	7%	5,714,740
Total equity	3,873,960	3,060,536	27%	3,102,370
<b>FINANCIAL INDICATORS</b>				

BUSINESS PERFORMANCE	Plan 2019	FY2018	% Change	1Q/2019
Return on average asset (ROAA)	12.2%	11.3%		1.5%
Return on average equity (ROAE)	17.6%	23.1%		2.7%
<b>PER SHARE FINANCIAL INDICATORS</b>				
Outstanding shares	309,040,179	129,554,168	139%	129,554,168
Earnings per share EPS – VND	2,450	5,214	-53%	633
Book value per share – VND	12,535	23,624	-47%	23,947

- Votes in favor accounted for 99.97%.

#### Article 4.

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

- Votes in favor accounted for 99.98%.

#### 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	FY2018 Performance	FY2017 Performance
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

- Votes in favor accounted for 100%.



#### 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 100%

#### 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 99.98%

#### 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

No	ITEMS	FY2018 PERFORMANCE		FY2017 PERFORMANCE	
		% of profit after tax	AMOUNT (VND)	% of profit after tax	AMOUNT (VND)
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 99.97%.

#### 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 99.99%.



## 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 procedures 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;
  - e) And other activities related to covered warrants as stipulated by law.
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 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.

➤ Votes in favor accounted for 99.98%.

**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,