

No. 01/2020/NQ-ĐHĐCĐ

Ho Chi Minh City, 23 June 2020

RESOLUTION

OF THE ANNUAL GENERAL MEETING FY2019 (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;
- HSC Charter according to the AGM Resolution No.01/2019/NQ-ĐHĐCĐ dated April 25, 2019;
- Minutes No. 01/2020/BB-ĐHĐCĐ dated June 23, 2020 of the AGM FY2019 of Ho Chi Minh City Securities Corporation.

RESOLUTION

Article 1.

The FY2019 AGM approved the report of 2019 activities of the Board of Directors of Ho Chi Minh City Securities Corporation.

- Votes in favor accounted for 99.99%.

Article 2.

The AGM FY2019 approved the report of 2019 business performance of the Board of Management, in which some main indicators as follows:

BUSINESS PERFORMANCE	FY2019	FY2018	% Change	2019 Plan	% Completion
INCOME STATEMENT (VND mil)					
Revenues	1,262,261	1,702,011	-26%	1,666,107	76%
Brokerage fee	478,283	758,849	-37%	818,697	58%
Margin loans	495,989	523,064	-5%	520,000	95%

BUSINESS PERFORMANCE	FY2019	FY2018	% Change	2019 Plan	% Completion
Proprietary investments	222,453	278,344	-20%	209,760	106%
Financial advisory services	53,628	119,217	-55%	105,000	51%
Other revenues	11,908	22,536	-47%	12,650	94%
Operating expenses	730,950	859,927	-15%	814,716	90%
Profit before tax	531,406	842,186	-37%	851,391	62%
Profit after tax	432,565	675,480	-36%	681,113	64%
BALANCE SHEET AT THE YEAR END (VND mil)					
Total assets	7,488,678	5,256,305	42%	5,600,944	134%
Total equity	4,304,143	3,060,536	41%	3,873,960	111%
FINANCIAL INDICATORS					
Number of outstanding shares (million shares)	306	130	136%	309	99%
Return on average equity (ROAE)	11.7%	23.1%		17.6%	
Earnings per share EPS – VND	1,596	5,214	-69%	2,450	65%
Book value per share – VND	14,088	23,624	-40%	12,535	112%

➤ Votes in favor accounted for 99.99%.

Article 3.

The AGM FY2019 approved 2020 business plan with the following assumptions:

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

	2020 Plan	2019 Actual	1H2020 Estimate
Stock brokerage market shares			
Daily average trading value (VND billion)	5,000	4,650	5,370
Stock brokerage market share	10.7%	10.8%	10.6%
Derivatives brokerage market share			
Daily average trading value (contract)	146,000	88,741	167,617
Derivatives brokerage market share	9.5%	9.4%	9.3%

2 Margin loans

	2020 Plan	2019 Actual	1H2020 Estimate
HSC's average margin loan balance (VND billion)	4,275	4,225	4,200

The key business targets of HSC in 2020 are as follows:

Items (VND million)	2020 Plan	2019	% Change	1H2020 Estimate	% 2020 Plan
Revenues	1,297,586	1,262,261	3%	655,073	50%
Brokerage fees	480,631	478,283	0%	239,240	50%
Margin loans	439,277	495,989	-11%	225,677	51%
Proprietary investments	309,408	222,453	39%	185,987	60%
Financial advisory services	66,282	53,628	24%	3,182	5%
Other revenues	1,987	11,908	-83%	987	50%
Operating expenses	730,702	730,950	0%	348,337	48%
Profit before tax	566,883	531,406	7%	306,736	54%
Business income tax	113,377	98,841	15%	61,210	54%
Profit after tax	453,507	432,565	5%	245,526	54%
Return on average equity (ROAE)	10.8%	11.7%		5.8%	
Earnings per share EPS – VND	1,482	1,596	-7%	789	53%
Book value per share – VND	13,725	14,088	-3%	13,725	100%

➤ Votes in favor accounted for 99.99%.

Article 4.

The AGM FY2019 approved the report of the Supervisory Board on Company's operation 2019.

➤ Votes in favor accounted for 99.99%.

Article 5.

The AGM FY2019 approved the Audited Financial Statements for the year ended 31 December 2019 including:

- Report of the Board of Managers;
- Independent Auditors' Report;
- Balance sheet as at 31 December 2019;

- Income Statement for the year ended 31 December 2019;
- Cash flow statement;
- Statement of changes in equity;
- Notes to the financial statements,

In which:

Some key items in the FY2019 Financial Statements of HSC are as below:

Unit: Vietnamdong

No.	Items	FY2019 Performance	FY2018 Performance
1	Total assets	7,488,678,629,348	5,256,305,327,181
2	Net revenue	1,562,250,773,160	2,352,126,998,584
3	Profit before tax	531,405,779,182	842,185,654,984
4	Profit after tax	432,564,918,377	675,480,154,372

- Votes in favor accounted for 99.99%.

Article 6.

The AGM FY2019 approved the FY2019 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 3,058,822,630,000
- Dividend pay-out rate: 7% of par value (*equivalent to VND 700 per share*)
- Payment method: In cash
- Implementation time:
 - Expected record date: July 10, 2020
 - Expected payment date: July 31, 2020
- 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 99.99%.

Article 7.

The AGM FY2019 approved the FY2020 dividend plan of HSC as follows:

- Dividend rate: The AGM authorizes the BOD to decide FY2020 dividend rate based on HSC financial performance at the dividend payment time, in which the expected FY2020 dividend payout rate about 12% (*equivalent to VND1,200 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 99.95%.

Article 8.

The AGM FY2019 approved the FY2019 profit distribution plan of HSC, which is set out below:

Unit: Vietnamdong

No	ITEMS	FY2019 PERFORMANCE		FY2018 PERFORMANCE	
		% of profit after tax	AMOUNT (VND)	% of profit after tax	AMOUNT (VND)
I	PROFIT BEFORE TAX		531,405,779,182		842,185,654,984
II	PROFIT AFTER TAX	100%	432,564,918,377	100%	675,480,154,372
III	PROPOSED PROFIT AFTER TAX DISTRIBUTION	99.81%	431,760,408,357	54.42%	367,620,630,034
1	Appropriation to Equity Funds	13.50%	58,396,263,981	5.00%	33,774,007,719
	Supplementary capital reserve (*)	5.00%	21,628,245,919		
	Compulsory reserve fund (*)	5.00%	21,628,245,919		
	Welfare and reward fund	3.50%	15,139,772,143	5.00%	33,774,007,719
2	Cash dividend payment	84.81%	366,875,670,600	47.92%	323,714,420,000
	Interim dividend (6% of per value)	35.31%	152,758,086,500	11.51%	77,732,500,800
	Proposed final dividend (7% of per value) (*)	49.50%	214,117,584,100	36.42%	245,981,919,200
3	Remuneration and budget for the Board of Directors and the Supervisory Board	1.50%	6,488,473,776	1.50%	10,132,202,316
IV	RETAINED PROFIT (IV)=(II)-(III)	0.19%	804,510,020	45.58%	307,859,524,338
V	RETAINED PROFITS OF AT THE BEGINNING OF THE YEAR		348,763,254,287		574,242,321,450
VI	INCREASE CHARTER CAPITAL USING RESOURCES OF OWNERS' EQUITY		-		(533,338,591,501)
VII	TOTAL RETAINED EARNINGS AT THE END OF THE YEAR (VII)=(IV)+(V)-(VI)		349,567,764,307		348,763,254,287

➤ Votes in favor accounted for 99.98%.

Article 9.

The AGM FY2019 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 FY2019 approved the change of address of head office as follows:

- Original Information (*before change*)
Address of head office: Level 5 & 6, AB Tower, 76 Le Lai Street, District 1, Ho Chi Minh City
- Final Information (*after change*)
Address of head office: Level 2, 5, 6, 11 & 12, AB Tower, 76 Le Lai Street, District 1, Ho Chi Minh City
- To authorize Chief Executive Officer to execute necessary legal documents, including documents and application to be submitted to authorities, related to changing the address of head office.

➤ Votes in favor accounted for 98.50%.

Article 11.

The AGM FY2019 approved the amendments and supplements of HSC Charter as follows:

- To approve the amendments and supplements of HSC Charter (*Attached The contents of amendments and supplements of HSC Charter*)
- To authorize the BOD to amend the 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 from the date of AGM's approval. The current version of HSC Charter approved dated April 25, 2019 shall be replaced. Particularly, Clause 3, Article 2 of HSC Charter shall take effective from the date of the State Securities Commission's approval referring to the adjustment of address of HSC head office.

➤ Votes in favor accounted for 99.99%.

Article 12.

The AGM FY2019 approved the supplements to HSC Business Registration Certificate referring to English name and abbreviation of company name as follows:

- To approve the supplements to HSC Business Registration Certificate referring to English name and abbreviation of company name as follows:

Name of the Company

a) *English name: Ho Chi Minh City Securities Corporation*

b) *Abbreviation: HSC*

- To assign the Board of Management:
 - To conduct necessary procedures to complete these supplements submitted to authorized government agencies.
 - To disclose HSC Business Registration Certificate after receiving approval.

➤ Votes in favor accounted for 99.99%.

Article 13.

The AGM FY2019 approved approved HSC Regulations on Conducting Virtual General Meeting and Online Voting as follows:

- To approve HSC Regulations on Conducting Virtual General Meeting and Online Voting (*Attached Regulations on Conducting Virtual General Meeting and Online Voting*)
- To authorize Chairman to sign and to issue HSC Regulations on Conducting Virtual General Meeting and Online Voting.

➤ Votes in favor accounted for 99.91%.

Article 14.

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



ĐO HUNG VIET

To:

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