



*Turning Opportunities
into Value*

SAIGON – HANOI SECURITIES JOINT STOCK COMPANY

Headquarters: Floor 1-5, Unimex Building, 41 Ngo Quyen Street, Hoan Kiem District, Hanoi

Tel: 024.3.8181.888 Fax: 024.3.8181.688 Website: www.shs.com.vn

*Business License No. 66/UBCK-GP dated November 15, 2007, and latest amended License No.
16/DPĐK-UBCK dated March 23rd, 2024 issued by the State Securities Commission*

BUSINESS PERFORMANCE IN 2023

AND

BUSINESS PLAN FOR 2024

Hanoi
April 2024

PART 1: REPORT ON BUSINESS PERFORMANCE IN 2023

I. OVERVIEW OF THE BUSINESS ENVIRONMENT IN 2023

- In 2023, the world experienced significant and unusual fluctuations. Political conflicts escalated with the Israel-Hamas conflict erupting and the ongoing military campaign by Russia in Ukraine. The financial systems in the US and Europe were turbulent in the early part of the year with a series of bank failures in the US and Europe. Global interest rates continued to rise and remained at very high levels (the Fed increased interest rates three times in 2023 totaling 0.75%, while the ECB increased interest rates four times totaling 1.5%). Global stock markets, excluding China, witnessed a considerable recovery, notably the Nasdaq (+43.4%) and Nikkei (+28.2%) indices. While many basic commodity prices decreased in 2023, the price of gold surged by 13.2%, reaching a new peak at \$2,072/ounce.
- Vietnam's economy experienced a slowdown in growth momentum as industrial production and import-export activities faced difficulties due to reduced orders, domestic consumption growth remained low, and the real estate market was sluggish. GDP growth in the first six months of the year was 3.72%, the lowest rate in the period from 2011 to 2023, and reached 5.05% in 2023, failing to meet the set target of 6.5%. The decrease in lending interest rates was slow, and the low absorption capacity of enterprises led to sluggish credit growth, with a significant increase only in the last quarter of the year (increasing by 13.7% in 2023). Many financial support programs did not have the expected impact (a 2% interest support package worth 40 trillion VND disbursed only 2%, a 120 trillion VND package for social housing loans disbursed only 105 billion VND, etc.). Exchange rate fluctuations led the State Bank to conduct 34 issuances of treasury bills to support with a total value of 360.345 trillion VND.
- The bright spot in the economy was that inflation was controlled and maintained below the target level of 4%. In addition, disbursement of public investment by the end of January 2024 reached 625 trillion VND, achieving 95% of the plan and increasing by 21% compared to 2022. FDI registered in 2023 increased by 32.1%, and disbursement increased by 3.5% compared to the same period. Vietnam was among the few countries upgraded in credit ratings by Fitch Ratings.

Some economic indicators in 2023

Indicator	2019	2020	2021	2022	2023
GDP Growth (%)	7,02	2,91	2,58	8,02	5,05
Average CPI Growth (%)	2,79	3,23	1,84	3,15	3,25
Credit Growth (%)	13,6	12,13	12,97	14,5	13,7
Central Exchange Rate (USD/VND)	23.155	23.131	23.145	23.612	23.866
Foreign Exchange Reserves (USD billion)	80	92	105	84	100
Budget Deficit/Surplus as of GDP (%)	2,62	-1,99	-3,76	2,34	-0,14

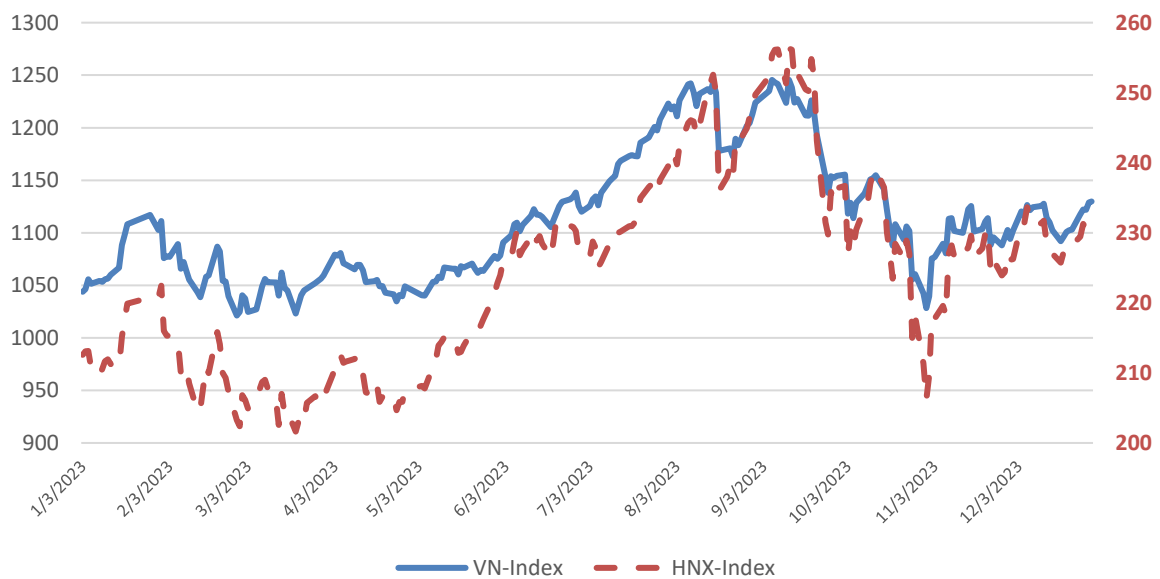
Source: GSO, WB, HSBC, SBV, SHS Research

- The Vietnamese stock market in 2023 experienced a recovery in January, followed mainly by sideways movement in the first five months of the year and only showing signs of vitality from June to August. However, two consecutive months of sharp declines afterward erased all the gains from this increase. At the end of 2023, the VN-Index increased by 12.2% compared to the end of 2022, closing at 1,129.93 points. The HNX-Index closed at 231.04 points, up 12.5%, and the

Upcom-Index was 87.04 points, up 21.4%. Many stocks in the VN-30 group even experienced significant declines compared to the end of 2022, such as MSN (-28%), VIC (-17.1%), VHM (-10%), VRE (-11.4%), BVH (-13.2%), etc

- Market liquidity in 2023 decreased by 12.5% compared to 2022, with the average transaction value across all three exchanges reaching 17.653 trillion dong per session. Foreign investors turned strongly net sellers with a total of 22.818 trillion dong. Listing activities were sluggish with only nine new listed companies on two exchanges, mainly small-scale companies that had previously traded on the Upcom exchange.
- The process of equitization and state divestment continued to stagnate in 2023, with 77 companies approved for restructuring projects throughout the year but none of them approved for equitization plans. Regarding state divestment, five companies were divested with a value of 11.65 billion dong, earning 22.68 billion dong; state-owned corporations, groups, and enterprises divested from seven companies with a value of 53.5 billion dong, earning 206.3 billion dong.
- The corporate bond market in 2023 was nearly frozen in the first half of the year and only showed more positive developments in the last six months. The value of corporate bonds issued in 2023 increased by 21% (311.240 trillion dong), with 275.028 trillion dong issued privately, up 12.4% compared to 2022, and 37.071 trillion dong issued to the public, up 249.7% compared to 2022. The value of repurchased bonds was 231.000 trillion dong, up 8.5%.

Vietnam Stock Market in 2023



II. EVALUATION OF BUSINESS OPERATION IN 2023

1. General assessment

Business Performance in 2023

Unit: Billion VND

No	Indicator	2023 Plan	2023 Actual	%Actual vs Plan
I	Total Revenue	1.942,2	1.464,8	75,4
II	Total Expense	838,8	780,6	93,1
III	Pre-tax Profit	1.103,4	684,2	62,0

Comparison of 2023 Business Results with 2022

Unit: Billion VND

No	Indicator	2022	2023	2023 / 2022
1	Total Assets	10.899,6	11.457,2	105,1%
2	Total Equity	9.435,9	10.263,5	108,8%
3	Operating Income	1.542,5	1.460,1	94,7%
	<i>Securities Trading & Investment</i>	495,3	618,4	124,9%
	<i>Interest Income from Loans & Receivables</i>	567,9	547,2	96,4%
	<i>Brokerage Fees Income</i>	332,9	222,4	66,8%
	<i>Underwriting income and placing fee income</i>	26,8	37,7	140,6%
	<i>Investment Consultancy Service Income</i>	11,9	2,2	18,5%
	<i>Securities Custody Income</i>	23,5	15,5	65,8%
	<i>Financial Consultancy Service Income</i>	83,6	16,3	19,5%
	<i>Other Operating Income</i>	0,7	0,4	64,6%
4	Operating Expense	1.088,8	606,4	55,7%
5	Total Financial Income	5,0	4,7	94,8%
6	Total Financial Expenses	163,3	58,7	36,0%
7	General and Administrative Expenses	98,2	115,5	117,6%
8	Operating Result	197,1	684,1	347,1%
9	Net Other Income	0,2	0,1	47,6%
10	Net Accounting profit before tax	197,3	684,2	346,8%
11	Net Profit after tax	162,2	559,3	344,8%

- Summarizing 2023, SHS recorded total income of 1,464.8 billion VND, equivalent to 75.4% of the annual plan. Total expenses amounted to 780.6 billion VND, representing 93.1% of the annual plan, of which total operating expenses were 665.1 billion VND and General and Administrative expenses were 115.5 billion VND. SHS's pre-tax profit reached 684.2 billion VND, corresponding to 62% of the annual plan
- In the revenue structure, Brokerage activities (including custody) reached 237.9 billion VND, accounting for 16.3%. Interest income from loans and receivables reached 547.2 billion VND, accounting for 37.3% of total revenue. Investment activities recorded 618.4 billion VND,



accounting for 42.2% of total revenue. Financial consultancy & underwriting activities amounted to 54 billion VND, accounting for 3.7% of total revenue, and investment consultancy was 2.2 billion VND.

- Compared to the action plan targets set at the beginning of the year, the company achieved some results and still had some unachieved tasks as follows:

Achieved Results:

- ✓ Bond trading activities maintained positive results. SHS's market share in government bond brokerage remained among the top 10% at HNX in 2023
- ✓ Key IT projects were accelerated, and the company completed providing derivative securities trading services; Mobile Trading (MTS) software was upgraded, Web Trading integrated with derivative trading; Deployed a privately-issued bond trading management system listed on HNX and custody at VDSC;
- ✓ For the 5th consecutive year, the company ranked in the TOP 10 Best Annual Reports. Especially, SHS was in the TOP 10 Financial Group including large banks and securities companies with a more stringent selection criterion than Mid-cap Group as in previous years. SHS was also the only securities company on the HNX exchange in the TOP 10;

Unachieved Results:

- ✓ Business results did not meet the set targets as per the AGM;

2. Evaluation of SHS Business Activities

2.1. Proprietary Investment

- In 2023, seizing opportunities as the market recovered, the company focused on deploying funds into fundamentally strong stocks with growth potential while divesting from stocks that did not meet expectations. Revenue in 2023 reached 618.4 billion VND, a 24.9% increase compared to 2022, with a gross profit of 257.7 billion VND compared to a loss of 264.2 billion VND in 2022.
- Investment operation management ensured compliance with standardized investment procedures and documentation. Investment procedures and data technology systems were improved to ensure work efficiency.
- For some significant holdings, the company proactively updated and monitored business activities of these enterprises.

2.2. Brokerage and Financial Services

- In 2023, amidst reduced market liquidity and competitive pressure from other securities firms, the company's brokerage revenue (including custody) recorded 237.9 billion VND, a 33.2% decrease from 2022.
- Financial service activities recorded 549.4 billion VND, a slight decrease of 5.2% from 2022.
- Total revenue from brokerage and financial service activities amounted to 787.2 billion VND, a 15.9% decrease from 2022.
- After preparation, SHS officially launched derivative securities trading products, allowing customers to easily allocate resources among different financial asset classes, maximizing opportunities and hedging risks in unfavorable market conditions.



- In 2023, the company implemented several initiatives to improve service quality, technology, and streamline processes for customer convenience while ensuring risk management in brokerage and financial services.

2.3. Investment Banking

- In 2023, market conditions continued to be unfavorable, significantly impacting SHS's advisory activities. Advisory, underwriting, and issuance revenue recorded 54 billion VND, a 51.1% decrease from 2022.
- SHS successfully advised on 1 out of 3 IPO deals approved by the State Securities Commission, with a total capital mobilization value of 135 billion VND. In listing advisory activities, the company successfully advised on the listing of 200 million shares of TKV Mineral Corporation - JSC (stock code KSV) on the Hanoi Stock Exchange, and successfully advised on the Upcom trading registration of 100 million shares of Saigon - Hanoi Insurance Corporation (stock code BHI)... Additionally, the company also participated in advising on various segments of the DB Insurance transaction involving the transfer of shares of Vietnam National Insurance Corporation (VNI) and Saigon - Hanoi Insurance Corporation (BHI) with a total transaction value of up to 2,900 billion VND. Several other advisory deals are still ongoing, promising positive results in the future.
- The company continued to maintain a network of advisory clients including large corporations, conglomerates, financial institutions, and commercial banks.
- In addition to traditional advisory products, SHS is deploying advisory services for bond issuance with payment guarantees from international credit guarantors, as well as actively connecting buyers and sellers to provide M&A advisory services in the future.

2.4. Treasury Management

- In 2023, the company balanced its capital sources, ensuring good liquidity and meeting capital needs for business operations and providing financial services to customers.
- Capital management activities were organized scientifically and reasonably, with a focus on governance, resulting in high capital utilization efficiency and contributing to improving the overall financial performance of the company.

2.5. Other Activities

- In 2023, the company maintained stable and secure core securities trading systems, meeting changing requirements and upgrading software for the two stock exchanges HSX, HNX, and VSD. Alongside the operation of the derivatives trading system, the company also upgraded mobile trading software (MTS), web trading to integrate derivatives trading across all platforms.
- Collaborating with partners to deploy a privately-issued bond trading management system listed on the Hanoi Stock Exchange (HNX) and custody at VDSC.
- Regarding personnel, as of the end of 2023, the company had 262 employees, of which 254 had signed official labor contracts, and 8 were in the probationary period.
- Labor relations (planning, appointments, dismissals, disciplinary actions...) and employee compensation and benefits (salary, social insurance) were well-implemented, with no disputes or complaints. Employees with positive contributions were promptly rewarded and encouraged.
- In 2023, control measures for high-risk operations were implemented meticulously, ensuring



compliance with procedures and regulations. Errors were detected and corrected in a timely manner, in accordance with regulations. Regular inspections were conducted in departments and branches, ensuring thorough and timely oversight.

- The company ensured accurate, complete, and timely reporting and disclosure of information, in compliance with regulations.

PART TWO: BUSINESS OPERATION PLAN FOR 2024

I. GENERAL ASSESSMENT FOR 2024

1. General Outlook for 2024

- The global economic growth in 2024 is expected to slow down as developed economies continue to be affected by tight monetary policies in 2022-2023. However, emerging and developing countries in Asia are forecasted to have a more positive growth. Global inflation is expected to decrease gradually due to weakened demand and falling prices of many commodities.

However, there are still many risks that make these forecasts uncertain, such as: 1/ Ongoing military campaigns, particularly between Russia and Ukraine, and escalating conflicts in the Middle East, which could disrupt global trade flows, oil and gas supplies; 2/ Inflation reduction, although trending downward, might be slower than expected, potentially delaying interest rate cuts in many countries, tightening global financial conditions, and diverting capital flows to safe havens, affecting economic recovery; 3/China's economic slow growth risk due to declining production activities and difficulties in the real estate market; 4/ Increasing debt burdens in countries after period of expansionary fiscal policies.

- The Vietnamese economy in 2024 is expected to recover with a growth rate forecasted to be between 5.5% and 6.3%. The driving force for growth comes from FDI inflows into the manufacturing industry, as Vietnam remains attractive for global FDI thanks to its stable economic, political, and social environment and 19 signed free trade agreements (FTAs). Public investment will continue to be a key driver with a planned amount of 657.3 trillion VND (77.5 trillion VND higher than disbursements amount in 2023), with many investment projects having completed investment procedures and can be expedited. Additionally, global trade recovery will also help Vietnam's import-export activities in 2024. However, risks to the Vietnamese economy include: 1/Slower-than-expected global economic recovery; 2/Global inflation reduction may be slow, putting pressure on domestic exchange rates.
- At the end of the first quarter of 2024, Vietnam's GDP increased by 5.66% YoY, the highest level in the 2020-2023 period. Industrial production value increased by 6.18% (compared to a 0.73% decrease in 1st quarter of 2023), with the manufacturing industry leading with a growth of 6.98% (compared to a 0.45% decrease in 1st quarter of 2023). Export turnover increased by 17% YoY, reaching 93 billion USD, with a trade surplus of 8.08 billion USD. Registered FDI reached 6.17 billion USD, up by 13.4%, and implemented FDI reached 4.63 billion USD, up by 7.1% compared to the same period in 2023. International tourist arrivals to Vietnam increased by 72% YoY. The Consumer Price Index (CPI) in the first quarter increased by 3.77%, and core inflation increased by 2.81%. Credit growth in the first two months of the year was negative, although there was improvement in March, but by March 25, 2024, it increased by 0.26%, compared to the full-year target of 15%. Due to the significant increase in the value of the US dollar globally, domestic exchange rates showed signs of tension from mid-March, prompting the State Bank of Vietnam

to resume issuing notes and selling US dollar to support the market.

- The stock market performed quite positively in the first quarter after the VN-Index surpassed the resistance level of 1,150 points and had three consecutive months of gains. By the end of March 29, 2024, the VN-Index reached 1,284.09 points, up by 13.64% compared to the end of 2023 and exceeded the highest price level of 2023. The HNX-Index recorded 242.58 points, up by 5%, and the Upcom-Index was at 91.57 points, up by 5.2%. Liquidity on all three exchanges increased, with the average trading value per session at 23.895 trillion VND, 2.1 times higher than the same period in 2023. Foreign investors net sold 11.55 trillion VND, of which matched orders were 14.33 trillion VND. However, since the beginning of April, the market unexpectedly entered a strong correction phase and returned to price levels at the end of January 2024.

2. Business Plan in 2024

- The stock market outlook in 2024 is positive but still with uncertainties and risks, the SHS Executive Board proposes the following business plan for 2024:

Market Assumption

Content	2023	2024
VN-Index (points)	1.121	1.250 – 1.300
Average Trading Value/Session (billion dong)	17.653	21.183

Business Plan in 2024

Unit: billion VND

STT	Indicator	2023 Actual	2024 Plan	% Plan vs 2023 Actual
I	Total Income	1.464,8	1.844,7	125,9
II	Total Expenses	780,6	809,4	103,7
III	Net Profit before tax	684,2	1.035,3	151,3

3. Departmental Objectives

Department	Objective for 2024
Management Organization	<ul style="list-style-type: none"> ▪ Perfect the new organizational model based on market best practices and maximize the effectiveness of management tools, optimizing the functions and tasks of corresponding departments within the new model; ▪ Intensify recruitment activities, establish policies to retain and attract high-quality personnel; ▪ Enhance training activities to provide necessary skills to meet job requirement; ▪ Create a dynamic, modern, and comfortable working environment to foster employees' creativity;



Department	Objective for 2024
Information Technology (IT)	<ul style="list-style-type: none"> ▪ Ensure the safe and secure operation of systems, ready for the timely Go-live of the KRX system according to the management agency's plan; ▪ Upgrade software to immediately meet infrastructure and technology needs serving the company's business areas; ▪ Develop and implement a capable technology management model to meet immediate and long-term needs;
Brokerage	<ul style="list-style-type: none"> ▪ Resolutely build a synchronized system to create a competitive advantage for brokerage activities; ▪ Increase both the quantity and quality of brokerage teams; enhance investment advisory capabilities;
Financial Service	<ul style="list-style-type: none"> ▪ Maintain product stability; diversify service delivery methods; develop new flexible and competitive products; ▪ Strengthen risk control activities; enhance capital utilization efficiency; comply with legal regulations and the Company's Charter;
Treasury Management	<ul style="list-style-type: none"> ▪ Ensure liquidity throughout the Company; ▪ Ensure safety and maximize the efficiency of capital utilization; ▪ Meet the maximum capital needs of business units; ▪ Expand credit relationships with large and reputable financial institutions.
Proprietary Investment	<ul style="list-style-type: none"> ▪ Realize invested funds and seek safe and efficient investment portfolios; ▪ Continue to seek suitable investment opportunities within SHS's capabilities.
Investment Banking	<ul style="list-style-type: none"> ▪ Identify clients in sectors with good growth potential in the medium and long term; establish partnerships with large investors and investment funds domestically and internationally to execute M&A and IPO deals; ▪ Focus on advising on the issuance of green bonds, sustainable development bonds for institutional clients; ▪ Develop specialized consulting procedures tailored to new situations; enhance training in expertise to improve advisory quality.
Fixed-Income Products Business	<ul style="list-style-type: none"> ▪ Continue to develop issuance products, expand distribution channels; ▪ Diversify customer base; ▪ Utilize bond trading opportunities.

4. Implementation Solution

4.1. Brokerage and Financial Service

- Restructure the operating model of the Brokerage segment along with appropriate policies to attract high-quality personnel, motivate them, and increase the efficiency of Brokerage staff.



Intensify training to enhance the quality of customer advisory activities professionally.

- Promote the development of the existing network, especially in Ho Chi Minh City, and expand customer development in other potential regions.
- Utilize digital solutions in operations to increase customer service capabilities, reduce errors in transactions.
- Maintain the stability of financial products, continue to improve the quality of service, develop new products to enhance competitiveness, standardize internal regulations, simplify product procedures. Prepare the necessary conditions to issue Covered Warrants when market conditions are favorable.
- Continue to upgrade the IT system to enhance the stability of the trading system, add advanced features to the SHWeb, and Mobile trading software. Consider developing new features, building new service products to meet customer needs while ensuring risk management.

4.2. Proprietary Investment

- Seize opportunities in the listed market cautiously, capital preservation. Enhance digitalization in operations to help identify opportunities and early warning of risks.
- Seek value investment opportunities through M&A, PE, strategic shareholder participation, auctioning SOEs to be IPOed, or state divestment. Focus on investing in leading companies in potential sectors in the medium and long term.
- Continuously improve staff quality through internal training on investment-related topics such as technical analysis, appraisal, real estate valuation, enterprise accounting, derivatives trading, etc.

4.3. Investment Banking

- Maintain relationships with existing bond customers (financial institutions, banks, credit organizations, companies with regular bond capital mobilization needs) while seeking new customers to provide services.

Diversify customer types in various industries, potential business areas. Expand relationships with groups of foreign institutional investors. Develop new products to meet the needs of special clients, especially foreign institutional investors.

- Enhance the exploitation of traditional advisory services such as privatization, divestment, share offering, listing, issuance, and underwriting with existing clients, especially from state-owned enterprises and private enterprises with strong financials and promising prospects.
- Strengthen promotion of clients for in-depth consultation such as restructuring, capital mobilization, M&A.
- Continue to provide other advisory services such as organizing shareholder meetings, stock valuation, investor relations consultancy... During the provision of advisory services to clients, seek out companies with stable industries, feasible business strategies, and sustainable cash flows to propose executing M&A deals.
- Train and recruit quality staff to meet high-demand tasks.
- Implement solutions to seek and provide advisory services to customer in Ho Chi Minh City and Da Nang.



4.4. Fixed-Income Products Business

- Maintain existing customers while seeking new ones, including corporations, banks, to open trading accounts at SHS..
- Review business processes, update and supplement reports, forms, proposals, databases to ensure the progress and quality of departmental documents. Implement software system construction for operational purposes.
- Continue to enhance training activities, ensuring compliance with business requirements, agility, and efficiency.

4.5. Treasury Management

- Expand credit relationships with many commercial banks to ensure loan scale.
- Develop plans and bond issuance programs to expand capital mobilization, focus on issuing to large foreign financial institutions to enhance SHS's reputation in the market.
- Implement the increase of SHS's charter capital to enhance the financial capacity of the company.
- Monitor market trends, forecast scenarios to proactively source funds, ensure liquidity for the entire company. Implement measures to manage risks and increase capital utilization efficiency.
- Researching and developing new products in compliance with legal regulations, regulations of the State Securities Commission of Vietnam (SSC), and the Company's Charter

4.6. Other Activities

- Continue to upgrade the IT system to meet new requirements, operate the KRX system on schedule as directed by the authorities, ensuring safe and secure operations. Upgrade new features for Mobile Trading products to increase trading volume through this channel. Implement technology systems to support the issuance of Covered Warrants when conditions are favorable.
- Develop a new company organization model towards modern, lean, efficient, and professional, consistent with the development strategy and commensurate with the company's position.
- Enhance the company's operational management capabilities through the construction and implementation of BSC - KPI systems (Balanced Scorecard - Key Performance Indicators) in strategic management and performance management, implementation of the company's plans as well as to each Division/Department/Unit and individual to create a foundation for sustainable development in subsequent stages.
- Promote the recruitment efforts to meet the company's development needs, including mid-level and senior leadership personnel to enhance operational efficiency.
- Enhance knowledge and working skills for employees and management skills for mid-level leaders through internal and external training.
- Strengthen both the quality and quantity of research and analysis activities to serve both internal needs and the company's customers.
- Relocate the Head Office, upgrade facilities of branches to meet development needs, create a new appearance for SHS and a good working environment for employees. Standardize SHS brand identity. Implement marketing programs on various platforms to enhance customer recognition of SHS products and services.



Biến cơ hội thành giá trị

- Strengthen risk management activities, meet the requirements of risk management as well as regulations of the State Securities Commission of Vietnam.
- Regularly control to ensure the commitments, agreements, contracts, and documents of the Company are drafted, issued, and signed in compliance with the law. Perform well in reporting and disclosing information according to regulations.

This concludes the Report on the business performance in 2023 and the Business Plan for 2024 of Saigon - Hanoi Securities Joint Stock Company.

Submitted for consideration by the General Meeting of Shareholders.

Sincerely yours!

Hanoi, April 23rd, 2024

**ON BEHALF OF SAIGON-HANOI SECURITIES J.S.C
CHIEF EXECUTIVE OFFICER**

(signed)

THANH, NGUYEN CHI (Mr.)