

CÔNG TY CPCK SÀI GÒN – HÀ NỘI
SAIGON – HA NOI SECURITIES JSC.,

Số/No: 653 /2019/CV - SHS
(V/v: Công bố thông tin Báo cáo thường niên
năm 2018 bằng tiếng Anh)
(Ref: Information disclosure of the Annual
Report of 2018 in English)

CỘNG HÒA XÃ HỘI CHỦ NGHĨA VIỆT NAM
THE SOCIALIST REPUBLIC OF VIETNAM

Độc lập – Tự do – Hạnh phúc
Independence - Freedom - Happiness

Hà Nội, ngày 10 tháng 07 năm 2019
Hanoi, July 10th, 2019

Kính gửi/To: Ủy ban Chứng khoán Nhà nước/The State Securities Commission
Sở Giao dịch Chứng khoán Hà Nội/Ha Noi Stock Exchange
Sở Giao dịch Chứng khoán Tp. Hồ Chí Minh/Hochiminh Stock Exchange

1. Tên công ty/ *Organization name*: Công ty Cổ phần Chứng khoán Sài Gòn - Hà Nội/ *Sai Gon - Ha Noi Securities JSC.,*
2. Mã chứng khoán/ *Securities Code*: SHS
3. Mã thành viên/ *Member code*: 069
4. Địa chỉ trụ sở chính/ *Address of head office*: Tầng 1-5, Toà nhà Unimex Hà Nội, số 41, Ngô Quyền, Hoàn Kiếm, Hà Nội/ *1st -5th Floors, Unimex Hanoi Building, No. 41, Ngo Quyen road, Hoan Kiem district, Hanoi city.*
5. Điện thoại/ *Telephone*: 024.38.181888 Fax/ *Fax*: 024.38.181688
6. Người thực hiện công bố thông tin/ *Spokesman*: Vũ Đức Tiến – Tổng Giám đốc đồng thời là Người đại diện pháp luật/ *Vũ Đức Tiến-General Director and Legal Representative*
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- Báo cáo thường niên năm 2018 bằng tiếng Anh/ *Annual Report of 2018 in English.*
9. Địa chỉ website đăng tải thông tin công bố/ *The website's address of the disclosures*:
<https://www.shs.com.vn/News/2019710/1010173/dinh-chinh-bao-cao-thuong-nien-2018-bang-tieng-viet-va-cong-bo-thong-tin-bao-cao-thuong-nien-2018-bang-tieng-anh.aspx>

Chúng tôi xin cam kết các thông tin công bố trên đây là đúng sự thật và hoàn toàn chịu trách nhiệm trước pháp luật về nội dung thông tin công bố/ *We hereby certify that the information provided is true and correct and we will bear the full responsibility to the law.*

Trân trọng/ *Best regards./.*

Tài liệu kèm theo/Attached documents:

- Báo cáo thường niên năm 2018 bằng tiếng Anh/ *Annual Report of 2018 in English.*

Recipients:

- Như trên / *As stated above;*
- Lưu VT, P.PC&QTRR/ *Kept at Archives and Legal&Risk Management Department.*



VŨ ĐỨC TIẾN
General Director



SAIGON - HANOI SECURITIES

COMPREHENSIVE
REFORM
FOR
SUSTAINABLE
SUCCESS

ANNUAL
REPORT
2018

COMPREHENSIVE
REFORM
FOR
SUSTAINABLE
SUCCESS

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INTRODUCTION

MESSAGE FROM THE CHAIRMAN OF BOARD OF DIRECTORS ●

2018 HIGHLIGHTS ●

GENERAL INFORMATION ●

BASIC INDICATORS ●



2019
2019 is determined to be the year of innovation with breakthrough solutions, based on a sustainable development strategy that is consistently planned whose core values are brand reputation and success of the participants.

Mr. Do Quang Hien
 Chairman of the Board of Directors

MESSAGE FROM THE CHAIRMAN OF BOARD OF DIRECTORS

Dear Shareholders, Investors and Clients!

Over the last year, we have seen many unfavorable fluctuations in the economy in general and in the Vietnam stock market in particular. In that context, I am delighted to share with you the remarkable achievements of SHS in 2018.

Total revenue and total assets reached their highest level for many years, achieving VND1,247.9 billion and VND4,869.0 billion, respectively. This indicates that SHS's scale of operation has reached new heights. Along with the stock-for-stock merger of SHBS, the Company's charter capital also reached its highest-ever level of VND1,054.0 billion. SHS reported a pre-tax profit of VND410.7 billion, reduce in comparison with 2017 but nevertheless a significant figure. This result is more meaningful in the broader context of 2018, when both the economic condition in general, and the stock market in particular, experienced unfavorable and unpredictable changes. Along with maintaining growth and profitability, SHS also gradually improved its financial safety ratio to a record high of 351.6%. Meanwhile, book value per share continued to increase, reaching nearly VND 17,700. This is clear evidence that the Company is adding value for shareholders. However, we should not be satisfied with this progress or rest on our laurels. Signs of internal instability have appeared along with increasingly intense competition among securities companies. This requires us to seriously review and evaluate our business and implement comprehensive and extensive innovations to maintain the momentum of success in 2019 and the following years.

The merger with SHBS is a first and unprecedented merger between an unlisted and a listed securities company. Therefore, it has been complicated and prolonged, and has partly delayed the plan for derivative operations to be deployed. We have also been slow in upgrading trading software and product innovations. This has partly affected client satisfaction with our services, resulting in a decline in the Company's market share in absolute terms, even though market share has been mostly maintained. In the face of competition from foreign capital with cheap costs as well as the growth in market size towards the goal of reclassification, the improvement of financial capacity is a vital factor. In addition, improving governance quality to match the new size and stature is essential. We will also improve the process of reviewing and adjusting the remuneration mechanism and issuing ESOP to attract high-quality human resources as well as to retain current talents in the Company.

On behalf of the Board of Directors and the Board of Management, I would like to sincerely thank our valued shareholders and customers who have been with us on this journey and witnessed the development of the Company. We commit to doing our best to apply the most advanced governance practices to ensure the Company's sustainable success.

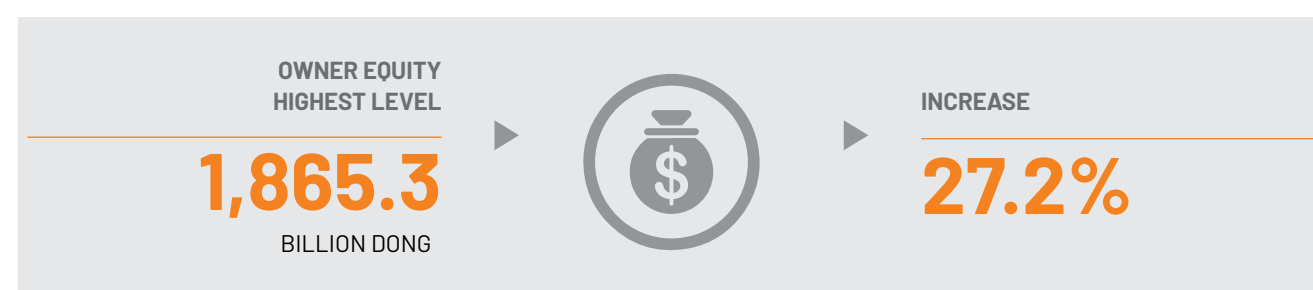
We wish you good health, happiness, and success in 2019!

Sincerely!

On behalf of the Board of Directors
 Chairman

Do Quang Hien

2018 HIGHLIGHTS



BROKERAGE MARKET SHARE

| | | | |
|-----|-----------------|-----|-------------------------------|
| # 4 | ON HNX - LISTED | # 8 | ON HNX - GOVERNMENT BONDS |
| # 6 | ON HSX - LISTED | # 7 | ON THE HSX - GOVERNMENT BONDS |
| # 7 | ON UPCOM | | |

THE MERGER OF SHBS INTO SHS WAS COMPLETED.

GENERAL INFORMATION

Saigon-Hanoi Securities Joint Stock Company (SHS), directly under the SSC, was established in 2007 by founding shareholders T&T Group Joint Stock Company, Saigon-Hanoi Commercial Joint Stock Bank, Group Coal-

Minerals of Vietnam, and Vietnam Rubber Group. In the development process, SHS has inherited the prestige, experience, and financial strength of the leading banks, corporations, and economic groups in Vietnam.

Transaction name:
Saigon-Hanoi Securities Joint Stock Company

Stock code: SHS

License of establishment and operation:

66/UBCK-GP issued by SSC on November 15th, 2007

Member code: 069

Charter capital: **1,054 billion**

Owner's investment capital: **1,125 billion**

Address:

1-5 Floor, Unimex Hanoi Building, No. 41, Ngo Quyen, Hang Bai, Hoan Kiem, Hanoi

Phone:

84-24-38 181 888

Website:

www.shs.com.vn

Fax:

84-24-3 8181 688



VISION

To become a multi-functional securities company under the leading investment bank model in Vietnam and a prestigious brand in the Asian stock market.



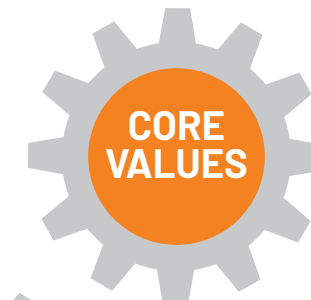
MISSION

To create maximum profits for shareholders; contribute to, build, and develop Vietnam's stock market safely and effectively; to create a good working environment, high income, and promotion opportunities for officials and employees; to provide diversified and quality financial services and securities to customers and partners.



CREATIVITY

Appreciate creativity. Creative ideas help SHS to continuously improve, solve problems more effectively, raise service quality and bring the Company closer to its customers.



INTEGRITY

Integrity - including security, honesty, and trust - is the foundation to build trust in and the reputation of SHS. Each SHS officer and employee should always comply with standards of professional ethics through their actions and behavior.



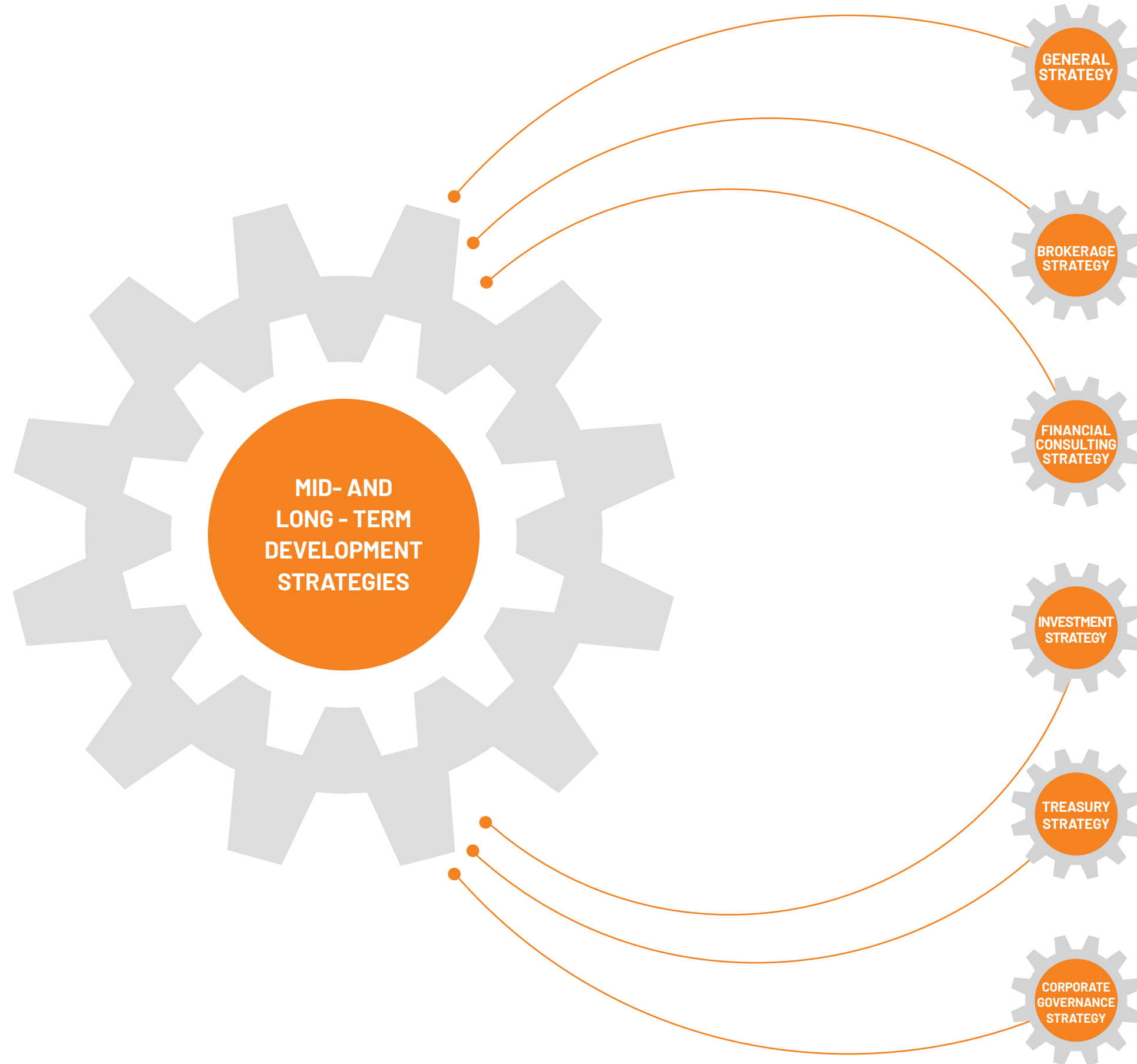
PROFESSIONALISM

The excellence and professionalism of each member of the Company is the foundation to build SHS into a strong organization.



CUSTOMER SATISFACTION

Continually try to improve service quality and find new, breakthrough solutions to better serve customers. The Company should be grateful and willing to listen to customers' opinions to improve themselves.



To equally develop the traditional activities of a versatile securities company taking brokerage and financial advisory services as its foundation.

Continue to maintain the Company's presence in the top-five securities companies with the largest brokerage market share on both exchanges, taking the growth of net asset value of customers as a driving force, focusing on improving the quality of customer services goods and the quality of investment advice on the basis of modern, convenient, user-friendly technology and a comprehensive risk - management system.

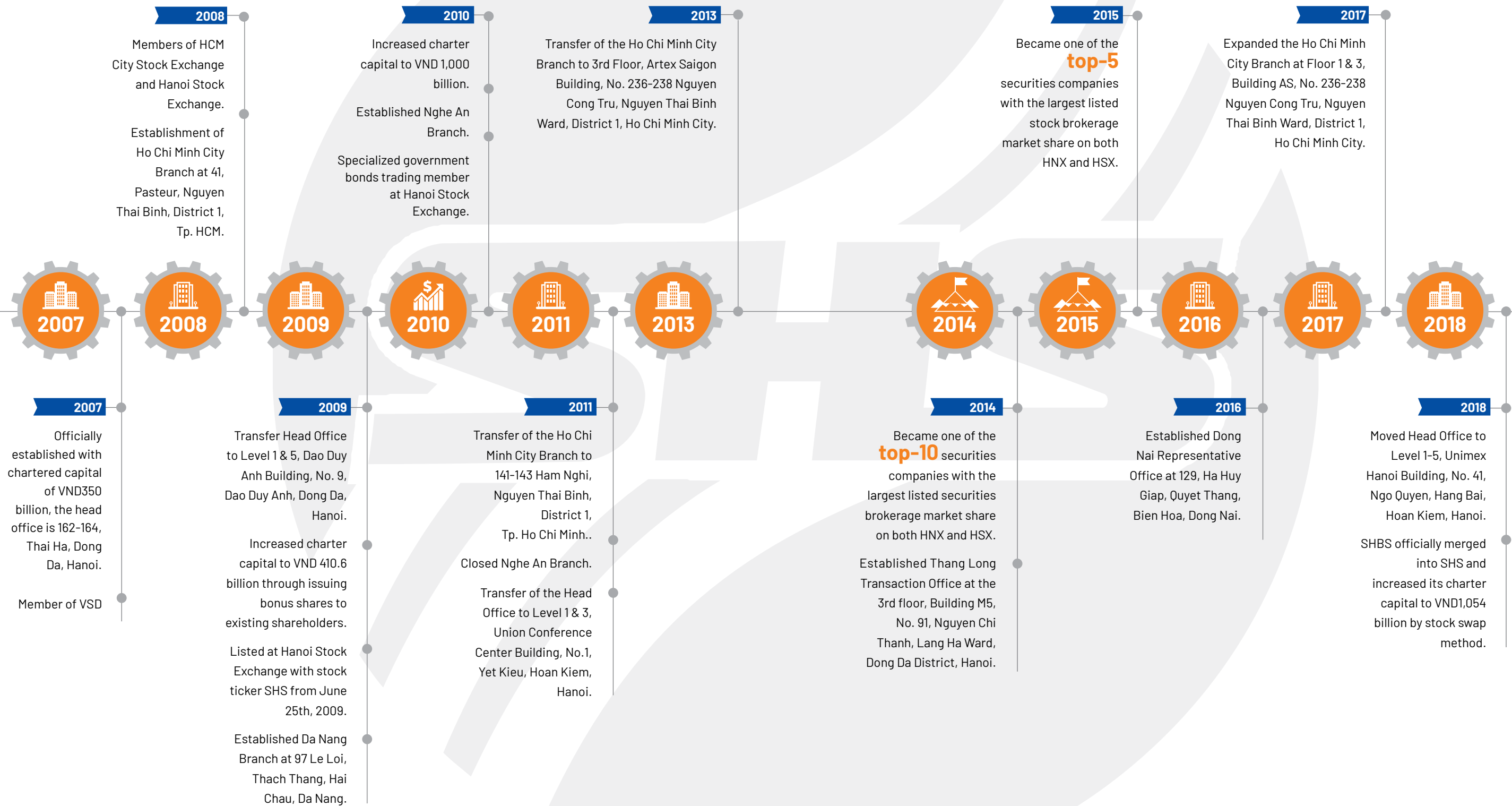
Develop equitization and corporate bond advisory services as a foundation to build a sustainable, quality customer base that aims to provide investment banking services with high levels of gray matter and price, as well as value - added services such as underwriting, mergers and acquisitions, and corporate restructuring thereby positioning SHS as one of the leading financial consulting and capital brokerage companies in Vietnam.

Restructure the investment portfolio in the direction of shifting the proportion of long - term investment into good enterprises, having a solid foundation, providing capital and leading experts to accompany the sustainable development support enterprises. The short-term portfolio is invested in accordance with general market trends and good risk management.

Diversify cooperation channels to spread risks based on financial autonomy by gradually raising the size of the Company's equity.

Complete the corporate governance model on the basis of strategic direction throughout the provisions of the current law and the best modern governance practices.

HISTORY OF FORMATION AND DEVELOPMENT



ACHIEVEMENTS AND AWARDS



HONORS BY THE MANAGEMENT AUTHORITY OF THE STATE

HANOI PEOPLE'S COMMITTEE

Merit certification for achievements in the movement of the Association of Small and Medium Enterprise 2015, 2016, 2017, 2018.

Merit certification for achievements in the movement thematic budget 2017.

STATE SECURITIES COMMITTEE

Certificate of merit for contribution to the development of the SSC in the period of 1996-2016, and 2017.

HO CHI MINH STOCK EXCHANGE

Top 50 Best Annual Reports awarded in 2013, 2016, and 2017.

Top 30 Best Annual Reports and Top 20 Best Management Reports Capitalization team awarded in 2018.

Typical securities company in the period of 2017-2018.

MINISTRY OF PLANNING AND INVESTMENT

Typical SOE Equitization and Equitization Consultant in 2015 and 2016-2017.

Prestigious securities company in 2015.

HANOI STOCK EXCHANGE

Typical securities companies in the period 2005-2015, 2015-2016, and 2017-2018.

The best listed corporate governance company in 2016-2017.

VIETNAM SECURITIES DEPOSITORY CENTER

Typical securities companies in securities depository activities in 2016 and 2017.

Typical members in payment activities in 2018.

HONORS BY OTHER ENTITIES

INTELLECTUAL PROPERTY OF VIETNAM

Top 50 famous brands in 2016, 2017, 2018.

HANOI SMALL AND MEDIUM ENTERPRISES ASSOCIATION

Typical entrepreneurs, enterprises in Hanoi gold 2015.

VIETNAM CHAMBER OF COMMERCE AND INDUSTRY

Top 100 enterprises with good financial management capacity index in 2016, 2017, and 2018.

The company achieved the best financial management capability index of Vietnam securities industry in 2018.

HANOI TAX DEPARTMENT

Taxpayer who implement well tax law policies in 2017



FIELDS OF OPERATION

SHS participates in all securities trading activities in the Vietnam stock market including, but not limited to, the following activities:



STOCK BROKERAGE

SHS provides a variety of securities brokerage services such as listed and unlisted stocks, bonds and fund certificates in accordance with current laws. SHS is also a supplier of auction services in many different forms (such as directly holding auctions, and acting as auction agents of the Stock Exchange). SHS is a reputable and reliable securities brokerage service provider for tens of thousands of domestic and foreign customers and individuals with outstanding technology and professional staff.



ANALYSIS AND INVESTMENT ADVISORY

To support customer investment activities, SHS provides a variety of analytical reports and investment advisory services through newsletters, macro analysis reports, market commentary, industry analysis reports, business analysis reports, stock analysis reports, investment recommendation reports, investment opportunity seminars, organization visits and businesses exploration, and stock quotes.



DEPOSITORY AND MANAGEMENT OF SHAREHOLDERS' BOOK

Depository and management of shareholders' book are indispensable services for securities companies with securities brokerage services. Therefore, SHS offers a variety of depository services to customers including, but not limited to, securities custody and re-custody; exercise rights for shareholders; securities transfer and settlement; giving and inheriting securities; blockade and release securities; and odd-lot securities trading.

SHS is also a professional shareholder management service provider for many issuers, contributing to saving costs and time for businesses, and increasing the liquidity of managed securities through typical services such as tracking and managing transfers and exercising rights for shareholders.



FINANCE ADVISORY

SHS offers a wide range of financial advisory services from a team of professional and experienced consultants. These services include issuance consulting (private and public); listing consulting; equitization consulting; bond issuance advice; and consulting on form conversion, enterprises, divestment and share auctions; corporate restructuring; consulting on mergers and acquisitions; and other consultations (organization of the General Meeting of Shareholders, information disclosure, annual report, post signing public companies, registering transactions, managing shareholders, and raising capital).



UNDERWRITING

Underwriting is an important service of SHS, in which the Company provides underwriting services in different forms (such as guarantee with firm commitment and guarantee with highest effort). In addition, SHS also provides auction consulting services in different forms (such as directly organizing auctions and acting as auction agents of the Stock Exchange).



SECURITIES INVESTMENT

SHS uses its own capital to make investments for profitability purposes on the basis of compliance with the principle of not conflicting with the interests of customers. The Company's portfolio is very diverse, including listed and unlisted stocks, bonds, and fund certificates in various sectors and industries and enterprises of different sizes on the basis of potential growth, assets with good quality, and high profitability potential for SHS.



FINANCIAL SERVICES

In order to meet the capital needs for securities investment purposes of customers, SHS offers a variety of financial services such as buying the right to sell securities, lending to margin trading, investment advisory and management, and guaranteed assets for third parties providing SHS financial services to customers. SHS ensures that financial services are provided with fast and flexible procedures and records suitable for many customers.

NETWORK OF OPERATIONS



HEADQUARTERS

Address : 1-5 Floor, Unimex Hanoi Building, No. 41, Ngo Quyen Street, Hang Bai Ward, Hoan Kiem District, Hanoi City

Phone : 84-24-38181 888

Fax : 84-24-38181 688

Email : contact@shs.com.vn

Website : <http://www.shs.com.vn>

With a network of operations across the three regions of the country, SHS has a business scope covering the whole country.



HO CHI MINH CITY BRANCH

Address : Floor 1 & 3, AS Building No. 236-238, Nguyen Cong Tru Street, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City

Phone : 84-28-3945 1368

Fax : 84-28-3915 1369

Email : contact-hcm@shs.com.vn



DA NANG BRANCH

Address : No. 97, Le Loi Street, Hai Chau District, Da Nang City.

Phone : 84-236-3525 777

Fax : 84-236-3525779

Email : contact-dn@shs.com.vn

DONG NAI REPRESENTATIVE OFFICE

Address : No. 129, Ha Huy Giap street, Ward Wins Decision, Bien Hoa City, Dong Nai Province

Phone : 84-251-3819989

THANG LONG TRANSACTION OFFICE

Address : 3rd Floor, Building M5, No. 91, Nguyen Chi Thanh Street, Dong Da District, Hanoi City

Phone : 84-24-32696 666

Fax : 84-24- 32919 999

Email : contact-thanglong@shs.com.vn

BASIC INDICATORS (KPLS)

BALANCE SHEET INDICATORS (Unit: Billion dong)

| INDICATOR | 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------------------------------|------------|------------|-------------|-------------|-------------|
| Total assets | 3,173.0 | 2,875.6 | 3,314.4 | 4,134.5 | 4,869.0 |
| Liabilities | 2,265.2 | 1,847.6 | 2,200.9 | 2,668.5 | 3,003.6 |
| Owner's equity | 907.8 | 1,028.0 | 1,113.5 | 1,466.0 | 1,865.3 |
| Charter Capital | 1,000.0 | 1,000.0 | 1,000.0 | 1,000.0 | 1,054.0 |
| Number of outstanding shares (shares) | 99,845,000 | 99,845,000 | 100,000,000 | 100,000,000 | 105,395,674 |

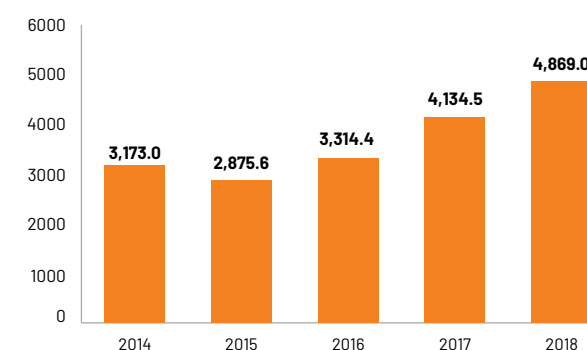
INCOME STATEMENT INDICATORS (Unit: Billion dong)

| INDICATOR | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|--------|--------|-------|---------|---------|
| Total revenue and other incomes | 399.8 | 518.8 | 566.0 | 1,093.7 | 1,247.9 |
| Total revenue CAGR and other income | 198.4% | 96.8% | 61.6% | 69.0% | 56.2% |
| Total expenses | 277.7 | 400.6 | 479.4 | 643.0 | 837.2 |
| Profit before tax | 122.1 | 118.2 | 86.6 | 450.7 | 410.7 |
| Profit after tax | 122.1 | 118.2 | 86.6 | 369.6 | 358.1 |
| After-tax profit CAGR | 952.6% | 219.2% | 95.4% | 135.7% | 98.6% |

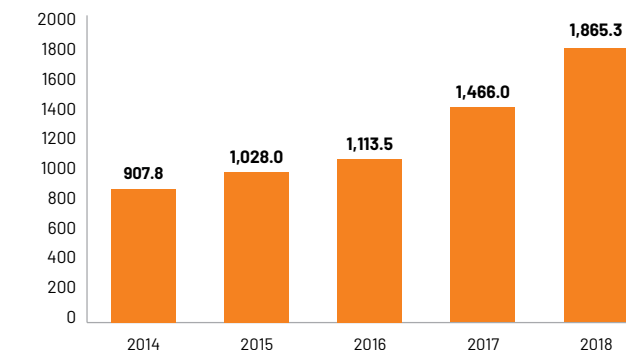
OTHER SPECIAL INDICATORS

| RATIOS | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|--------|--------|--------|--------|--------|
| Quick ratio | 70.8% | 27.1% | 28.7% | 4.0% | 66.0% |
| Current ratio | 138.9% | 228.2% | 261.7% | 192.3% | 375.5% |
| Return on Equity (ROE) | 14.4% | 12.2% | 8.1% | 28.7% | 21.5% |
| Return on Assets (ROA) | 4.8% | 3.9% | 2.8% | 9.9% | 8.0% |
| Book value per share (BVPS) | 9,078 | 10,279 | 11,135 | 14,659 | 17,698 |
| Basic earnings per share (EPS) | 1,223 | 1,183 | 866 | 2,925 | 2,746 |
| Capital adequacy ratio available at 31/12/2018 | 215.7% | 23.0% | 236.7% | 294.2% | 351.6% |

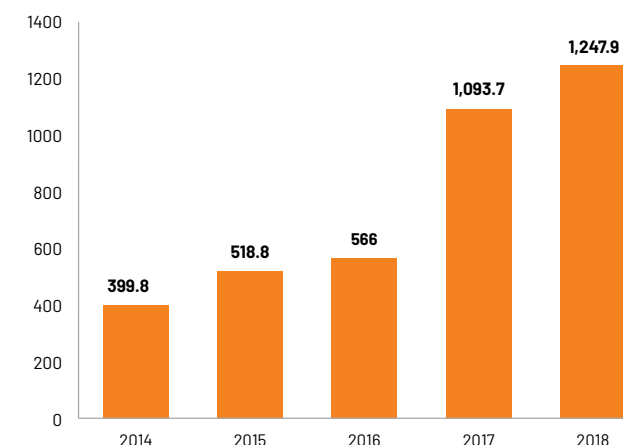
TOTAL ASSETS (BILLION DONG)



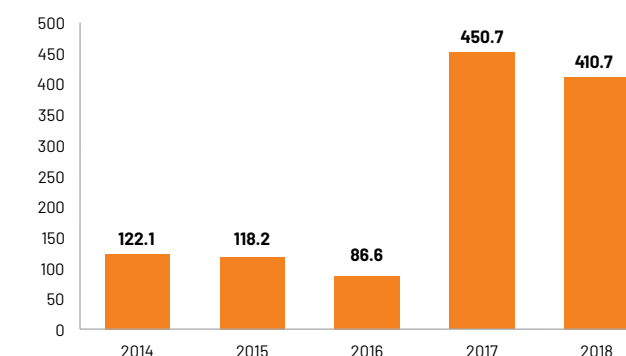
OWNER'S EQUITY (BILLION DONG)



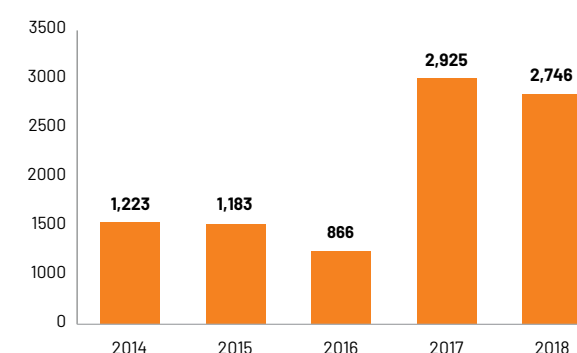
TOTAL REVENUE AND OTHER INCOMES (BILLION DONG)



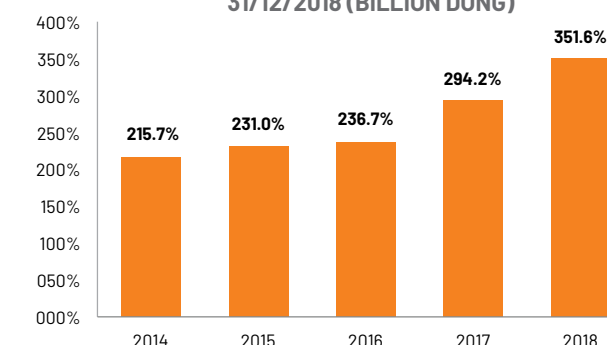
PROFIT BEFORE TAX (BILLION DONG)




BASIC EARNINGS PER SHARE (BILLION DONG)



CAPITAL ADEQUACY RATIO AVAILABLE AT 31/12/2018 (BILLION DONG)



Source: SHS Research



REPORT ON THE OPERATIONAL SITUATION IN 2018

- OVERVIEW OF THE ECONOMIC AND SECURITIES MARKET IN 2018 •
- REPORT OF THE BOARD OF DIRECTORS •
- BOARD OF MANAGEMENT'S REPORT •
- COMPANY FINANCIAL REVIEW ON REFERENCING THE CAMEL REGULATION •

OVERVIEW OF THE ECONOMIC AND SECURITIES MARKET IN 2018

WORLD ECONOMIC OVERVIEW

The world economy in 2018 did not grow as expected. Growth rates reached 3.7% (according to the IMF) and 3.1% (according to the World Bank) compared to 3.8% and 3.1%, respectively, in 2017. The main reason was deceleration in Europe (down from 2.4% to 1.8% in 2018) and in some major economies in Asia, typically Japan, where growth fell to 0.8% compared to 1.9% in 2017. China's economic growth continued to decline, as it only reached 6.6%, down from 6.8% in 2017. In 2018, China recorded its lowest growth rate since 1990.

The bright spot in 2018 was the US economy as it continues its recovery, growing 2.9% compared to 2.2% in 2017. The US was a key driver for the global economy in 2018.

Meanwhile, world oil prices fluctuated strongly in 2018, even though the trend of recovery remains stable after the shock of 2015-2016 when, at one point, oil prices reached over \$80/barrel before a huge drop of 38% in quarter 4 of 2018.

Elsewhere, the US-China trade war was a key highlight in 2018, with both sides imposing retaliatory duties on each other's imports after several unsuccessful rounds of negotiation. By the end of 2018, the US was applying a 25% tax rate for US\$50 billion and 10% for US\$200 billion of other goods imported from China. For its part, China was applying a 25% tax rate for US\$50 billion and 5%-10% for US\$60 billion of other goods imported from the US.

WORLD STOCK MARKET

Global stock markets witnessed strong volatility in 2018. Financial markets were affected by investors' concerns over US-China trade tensions, unusual movements in oil prices, tight monetary policy after the FED raised interest rates four times, a debt crisis in Turkey, and Britain's Brexit process.

In the US stock market, after setting up two record levels, Dow Jones witnessed a sharp decline. This was particularly

true in 4th quarter of 2018, with the loss of all the momentum in 2018 dragging other markets down, with some even falling into a "bear" market.

Among emerging markets, Chinese stocks had the strongest decline of 25% while Korean stocks also dropped 17%. In the money markets, while the dollar appreciated thanks to rising interest rates, the yuan depreciated due to trade tensions with the US.

GROWTH OF SOME STOCK INDEXES IN 2018



VIETNAM'S ECONOMY

Vietnam's economic picture saw many bright spots in 2018. GDP increased by 7.1%, exceeding the target of 6.7% and reaching its highest level since 2007, with the recovery of the agricultural, forestry and fishery sectors. Meanwhile, the manufacturing industry maintained its momentum, thanks to the FDI sector (including major companies such as Samsung, Formosa, and others). The average consumer price index in 2018 increased by 3.5%, equivalent to 2016 and lower than the target of 4.0%. FDI attraction in 2017 decreased by 13.9% in registered capital with 25.6 billion USD. However, implemented capital increased 9.1% to US\$19.1 billion. In addition, the trade balance reached a surplus for the third consecutive year, with a record US\$7.2 billion, remittances remained high (nearly US\$16 billion) and indirect investment inflows increased by 59.8% (US\$9.89 billion). This helped Vietnam's foreign exchange reserves continue to rise to a high of US\$60 billion, equivalent to over 12 weeks of imports, thereby helping to stabilize the whole-year exchange rate, which only increased by 1.2%. The liquidity of the banking system is generally abundant, the interest rate level is stable, and the internal NPL ratio, as of the end of 2018, had fallen to 1.9% from 2.0% at the end of 2017.

The process of equitization and divestment of SOEs was also unsatisfactory, with only 11 out of 85 enterprises being equitized and only 18 divestments sold compared to the target of 181 enterprises, mainly due to the inadequacies in the newly promulgated legal provisions relating to auction and enterprise valuation.



SOME OF VIETNAM'S ECONOMIC INDICATORS - 2018

| Indicators | 2015 | 2016 | 2017 | 2018 | 2019 KH |
|--|--------|--------|--------|--------|-------------|
| GDP growth | 6.7% | 6.2% | 6.8% | 7.1% | 6.6% - 6.8% |
| Inflation | 0.6% | 4.7% | 2.6% | 3.0% | 4.0% |
| Credit growth | 17.3% | 18.7% | 18.2% | 14.0% | 14.0% |
| Exchange rate (USD/VND) | 21,890 | 22,159 | 22,425 | 22,825 | |
| Foreign exchange reserves (bil. USD) | 30.3 | 40.0 | 51.5 | 60.0 | |
| Deficit/budget surplus (compared to GDP) | -4.3% | -4.3% | -2.3% | -3.6% | |

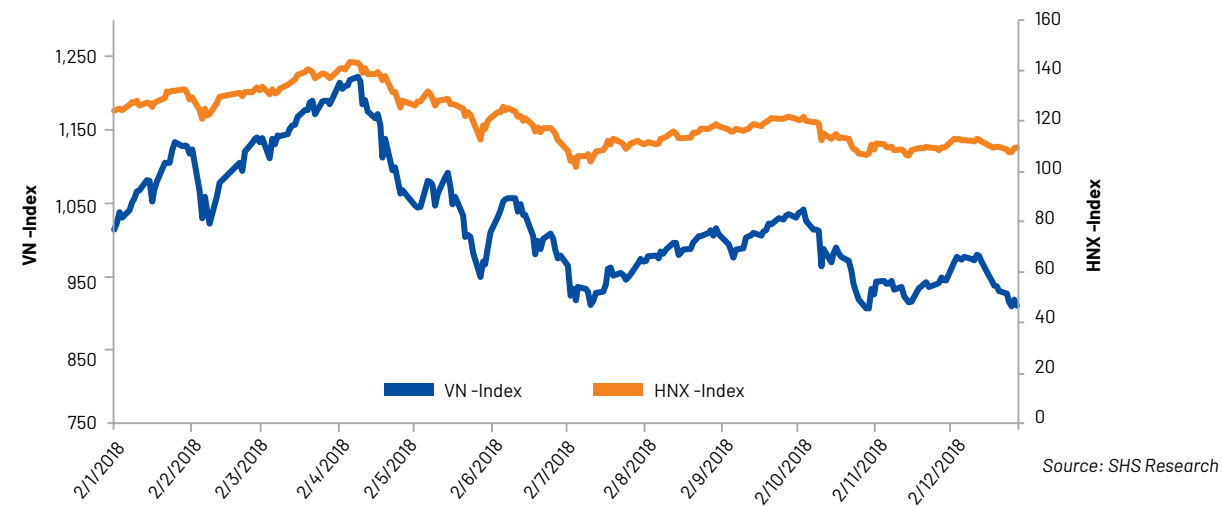
Source: TCTK, WB, HSBC, NHNN, SHS Research

VIETNAM'S STOCK MARKET

Vietnam's securities market recorded a strong fluctuation in scores in 2018. Following the upward momentum of 2017, VN-Index strongly increased in 1st quarter of 2018 and set a new, historic peak at 1,211 points. However, the market then entered a dramatic correction in the second quarter of 2018 with a bottom of 885 points. Despite a rebound in 3rd quarter

of 2018, the negative impact from the rise in intensity during the US-China trade war has caused this index to continue its decline and close the end of the year at 892.5 points, down 9.3% compared to the end of 2017. This is the first year since 2011 that the VN-Index dropped in scores.

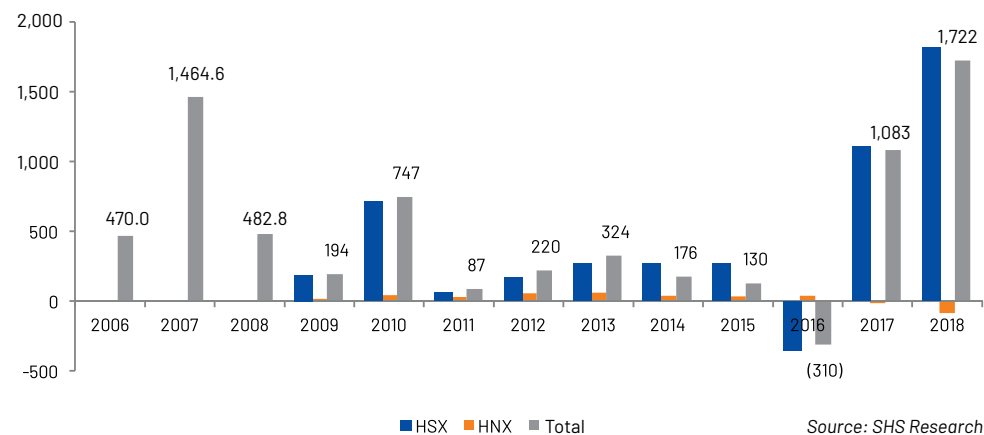
MOVEMENTS OF VIETNAM'S STOCK MARKET IN 2018



Market liquidity in 2018 increased by 28.7% compared to 2017, and average trading value reached nearly VND 6,200 billion/session. Foreign capital continued to pour into the market with the net buying value on two stock exchanges reaching US\$1.8 billion, a rise of about 67% compared to 2017. This is the highest level in history, in which the largest transaction record belongs to VHM with nearly VND 26,000 billion and MSN with VND 13,300 billion. Furthermore, foreign investors also actively

participated in the issuance deals before IPO, divesting state capital with big deals such as Techcombank (total 29,500 billion VND), PVOil, PVPower, Binh Hoa Petrochemical Paint (BSR) and others. The market capitalization value at the end of 2018 reached VND 3.9 trillion, the highest level ever and equivalent to 71.6% of GDP. The Vietnam stock market is also listed on the watch list by FTSE Russel to upgrade from marginal to emerging type 2.

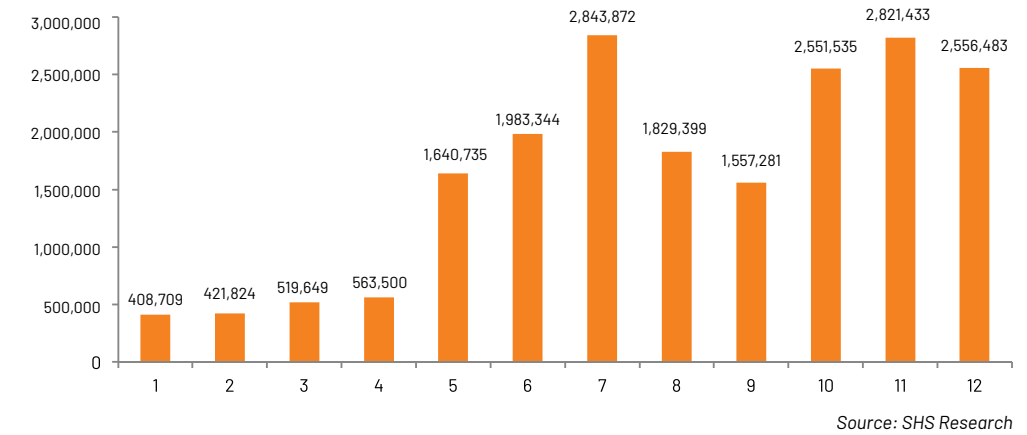
NET BUYING/SELLING VALUE OF FOREIGN INVESTORS (MILLION USD)



After coming into operation in 2017, the Derivative Securities Market saw strong growth in 2018 both in terms of liquidity as well as new open account numbers. The average trading volume in the year reached 78,791 contracts/session, increasing 7 times compared to 2017. At one point, liquidity reached nearly

VND 15,000 billion of trading scale (equivalent to a real trading session of about 2,000 billion dong). The number of derivative trading accounts reached 57,677, 3.4 times higher than the end of 2017.

NUMBER OF DERIVATIVE CONTRACTS TRADED IN 2018, BY MONTH



In general, listed activities were quite quiet in the whole year with only 29 new listed businesses, down 45% compared to 2017. Trading registration activities on the Upcom of OTC enterprises after further equitization was quite busy with 112

new enterprises, thereby bringing the number of registered codes on Upcom to 804, including some big enterprises such as Viettel Global, Veam, Viettel Post, and Vietnam Rubber Industry Group.

THE STATISTICS OF VIETNAM'S STOCK MARKET

| | 2017 | 2018 | +/- compared with 2017 |
|--|-------|-------|------------------------|
| VN-Index | 984.2 | 892.5 | -9.3% |
| HNX-Index | 116.9 | 104.2 | -10.8% |
| Upcom-Index | 54.9 | 52.8 | -3.8% |
| Equity market capitalization (trillion VND) | 3,475 | 3,960 | +14.0% |
| Capitalization/GDP | 69.4% | 71.6% | |
| Number of accounts (million accounts) | 1.9 | 2.2 | +13.5% |
| Total shares & CCQ listed (billion shares & fund certificates) | 740 | 754 | +1.9% |
| P/E VN-Index | 19.4 | 15.5 | -20.3% |
| P/B VN-Index | 10.7 | 4.1 | -61.2% |
| P/E VN30-Index | 22.9 | 16.8 | -26.8% |
| P/B VN30-Index | 6.6 | 4.8 | -27.3% |

Source: SHS Research

► SOME IMPORTANT POLICIES RELATED TO THE SECURITIES MARKET IN 2018

| Agency issued | Number of documents | Content | Enforcement |
|----------------------------|----------------------------------|--|--|
| The Government | 126/2017/NĐ-CP dated 16/11/2017 | Transfer of State-owned enterprises and one-member limited liability companies invested by State enterprises into 100% charter capital into official joint-stock companies. | 01/01/2018 |
| | 32/2018/NĐ-CP dated 08/03/2018 | Amending and supplementing a number of articles of Decree 91/2015/NĐ-CP dated October 13, 2015 of the Government on investment of State capital in enterprises and management, use of capital, assets at enterprises. | 01/05/2018 |
| | 95/2018/NĐ-CP dated 30/07/2018 | Regulations on issuance, registration, depository, listing and trading of Government debt instruments on Vietnam's stock market. | 01/07/2018 |
| | 151/2018/NĐ-CP dated 07/11/2018 | Amending and supplementing a number of decrees regulating investment and business conditions under the State management scope of the Ministry of Finance, including Decree No. 58/2012/NĐ-CP dated July 20, 2012 detailing and guiding the implementation of a number of articles of the Law on Securities and the Law amending and supplementing a number of articles of the Law on Securities and Decree No. 86/2016/NĐ-CP dated July 1, 2016 stipulating conditions on securities investment and trading. | 07/11/2018 |
| | 163/2018/NĐ-CP dated 04/12/2018 | Regulating the legal framework for the corporate bond market. | 1/2/2019 |
| | 165/2018/NĐ-CP dated 24/12/2018 | Regulations on electronic transactions in financial activities. | 10/02/2019 |
| Ministry of Finance | 134/2017/TT-BTC dated 19/12/2017 | Guidance on electronic trading on the stock market. | 01/3/2018 Replacing Circular No. 87/2013/TT-BTC dated June 28, 2013 |
| | 15/2018/TT-BTC dated 07/02/2018 | Regulations on issuance, swapping, repurchase, payment of principal and interest on Government bonds, Government guaranteed bonds and local government bonds. | 01/04/2018 |
| | 1468/BTC-CST dated 05/02/2018 | Tax policy for covered warrants. | |
| | 23/2018/TT-BTC dated 12/03/2018 | Guiding the accounting of covered warrants for securities companies being issuers. | 27/04/2018 |

| Agency issued | Number of documents | Content | Enforcement |
|----------------------------|----------------------------------|--|--|
| Ministry of Finance | 424/QĐ-BTC dated 29/03/2018 | Announcing administrative procedures to be replaced in the field of securities within the scope of management functions of the Ministry of Finance on registration of providing online securities trading services. | 29/03/2018 |
| | 803/QĐ-BTC dated 28/5/2018 | Decision No. 803/QĐ-BTC on the announcement of newly promulgated administrative procedures and amendments, supplements in the field of securities under the management functions of the Ministry of Finance. | 28/05/2018 |
| | 950/QĐ-BTC dated 19/6/2018 | Amending and supplementing a number of articles of the Minister of Finance's Decision No. 538/QĐ-BTC of March 22, 2016, defining the tasks, powers and organizational structure of the Departments and Offices under the State Security Commission of Vietnam. | 19/06/2018 |
| | 111/2018/TT-BTC dated 15/11/2018 | Guidance on issuance and payment of Government debt instruments in the domestic market. | 01/01/2019 Replacing: - Circular No. 111/2015/TT-BTC dated July 28, 2015 - Joint Circular No. 92/2016/TTLT-BTC-NHNN dated June 27, 2016 - Part of Circular No. 15/2018/TT-BTC dated February 7, 2018 |
| | 127/2018/TT-BTC dated 27/12/2018 | Regulations on service prices in the field of securities applied in the Stock Exchange and VSD. | 15/02/2019 Replacing Circular No. 241/2016/TT-BTC dated 11/11/2016 |
| | 128/2018/TT-BTC dated 27/12/2018 | Regulating prices of services in the securities sector applied at securities business organizations, commercial banks participating in VSD. | 15/02/2019 Replacing Circular No. 242/2016/TT-BTC dated 11/11/2016. |

| Agency issued | Number of documents | Content | Enforcement |
|-----------------------------------|--|--|--|
| State Securities Committee | 1202/QĐ-UBCK dated 25/12/2017 | Promulgating the Regulation on Examination and Examination for Securities Practitioner Certification by the SSC. | 01/01/2018 |
| | 1205/QĐ-UBCK dated 27/12/2017 | Amending Regulations on guiding margin trading transactions issued together with Decision No. 87/QĐ-UBCK dated January 25, 2017. | 02/01/2018 |
| | 72/QĐ-UBCK date 18/01/2018 | Regulation guiding the offering and risk prevention. | 18/01/2018 |
| | 583/QĐ-UBCK dated 06/07/2018 | Model regulation on auction by State capital transfer lot, and capital of State-owned enterprises invested in joint-stock companies. | 06/07/2018 Replacing Decision No. 999/QĐ-UBCK dated November 19, 2015. |
| | 584/QĐ-UBCK dated 06/07/2018 | Model regulation on auction of shares among strategic investors. | 06/07/2018 |
| | 585/QĐ-UBCK dated 06/07/2018 | Model regulation on auction of shares to the public. | 06/07/2018 Replacing Decision No. 895 / QĐ-UBCK dated October 29, 2012. |
| | 586/QĐ-UBCK dated 06/07/2018 | Model regulations on auctioning are usually transferred State capital, and capital of State-owned enterprises invested in joint stock companies. | 06/07/2018 |
| Hanoi Stock Exchange | 653/QĐ-SGDHN dated 12/10/2018 | Regulation on securities trading listed on the Hanoi Stock Exchange. | 05/11/2018 |
| HCM Stock Exchange | 66/QĐ-SGDHCM dated 2/3/2018 | Regulations on securities trading in the Ho Chi Minh Stock Exchange. | 02/03/2018 Replacing Decision No. 341/QĐ-SGDHCM on August 22, 2016. |
| | 67/QĐ-SGDHCM dated 2/3/2018 | Regulating trading time, price fluctuation range, trading unit, and type of order applied in the Ho Chi Minh Stock Exchange. | |
| | 68/QĐ-SGDHCM dated 2/3/2018 | Regulation on market creation and risk prevention activities of guaranteed issuers in the Ho Chi Minh Stock Exchange. | 02/03/2018 |
| | 69/QĐ-SGDHCM dated 2/3/2018 | Regulations on listing and disclosing information for CW in the Ho Chi Minh Stock Exchange. | 02/03/2018 |
| | 85/QĐ-SGDHCM dated 19/3/2018 | Issuing regulations on listing on the Ho Chi Minh Stock Exchange. | Replacing Decision No. 346/QĐ-SGDHCM on August 23, 2016. |
| | 01/QĐLT- SGDHCM- GDHN dated 28/12/2018 | Issuing rules to build and manage the VNX-Index. | 28/12/2018 Replacing 01/QĐLT- SGDHCM- SGDHN on 30/05/2017. |

| Agency issued | Number of documents | Content | Enforcement |
|---|----------------------------|---|---|
| Vietnam Securities Depository Center | 32/QĐ-VSD dated 15/03/2018 | Regulations on registration, depository, clearing, settlement of transactions and covered warrants. | 15/03/2018 |
| | 54/QĐ-VSD dated 23/05/2018 | Provisions guiding the handling of operations through online communication portal of Vietnam Securities Depository Center. | 23/05/2018 Replacing Decision No. 79/QĐ-VSD June 19, 2015. |
| | 87/QĐ-VSD dated 19/07/2018 | Amending and supplementing the Regulation on deposit, clearing and payment of derivatives securities issued together with Decision No. 96/QĐ-VSD dated March 23, 2017 of General Director of VSD. | 01/08/2018 |
| | 86/QĐ-VSD dated 19/07/2018 | Amending and supplementing the Regulation on clearing members issued together with Decision No. 95/QĐ-VSD dated March 23, 2017 of the General Director of VSD. | 01/08/2018 |
| | 127/QĐ-VS dated 10/09/2018 | Promulgating the Regulation on organization of providing transfer agent services to the Fund at the Vietnam Securities Depository Center. | 10/09/2018 Replacing Decision No.151/QĐ-VSD on September 12, 2013. |

Thus, the system of legal documents effective immediately in 2018 or early 2019 focuses on creating a legal corridor for the following important issues:

- Model regulation on share auction
- Investing State capital into enterprises and managing and using capital and assets at enterprises
- Managing Government debt instruments in the Vietnam stock market
- Administrative procedures in the field of securities
- Conditions for securities investment and trading
- Electronic transactions in the field of finance and securities
- Training and certification of derivative securities operations
- Derivatives market
- The covered warrant market
- Corporate bond market

In addition to the legal documents issued, the draft amendment of the Securities Law has created a loud buzz in 2018. It is expected to create a legal environment for stable and sustainable development of the stock market, meeting the integration requirements and contributing to the macroeconomic stability and safety of the financial system. It is also expected to protect the legitimate rights and interests of organizations and individuals participating in investment

and operations in Vietnam's securities market. However, some important points such as loosening room for foreign investors have not yet been resolved.

Besides a series of new policies and products such as T + 0, guaranteed warrants (CW), and future contracts with Government Bonds have not been issued or implemented as expected.

OPERATION OF SECURITIES COMPANIES AND MARKET SHARE

OPERATION OF SECURITIES COMPANIES

By the end of 2018, the number of securities companies operating in Vietnam was 75 (reducing by about 29% the total number of securities companies established in Vietnam). The financial situation of securities companies has gradually improved and become healthier, and the ability to access and raise capital has many more advantages. A series of securities companies planned to or officially increased their equity in 2018, especially companies with foreign capital.

However, the business activities of securities companies were more or less affected by unfavorable market movements after the VN-Index reached the highest peak in its history on April 10, 2018.



- Stock brokerage market share: Listed fund certificates continue to focus highly in the top 10 securities companies (accounting for about 65-70% of market share). Therefore, about 65 remaining securities companies compete for the remaining 30% of market share. On the other hand, in response to the decline in the underlying stock market, there has been an explosive year on the derivatives market. So that, in the top 10, some securities companies have high derivatives brokerage market share such as VND, HCM, and MBS. These companies still achieved high growth in brokerage revenue. In contrast, other securities companies are in the top 10 but have not yet implemented this service with a sharp decline in brokerage revenue.

- For investment activities: Although more or less affected by market movements, some securities companies still achieved large investment activities thanks to their early, long-term and sustainable investment portfolio (such as SSI, HSC, and VCSC), or re-evaluated investments (like FPTs).

- For advisory and underwriting activities: Securities companies achieved high revenue, focusing mainly on companies that have advantages in securities guarantee and issuing agents (such as TCBS) or have a long-term reputation for advising domestic and foreign organizations and funds (such as SSI, HSC, and VCSC).

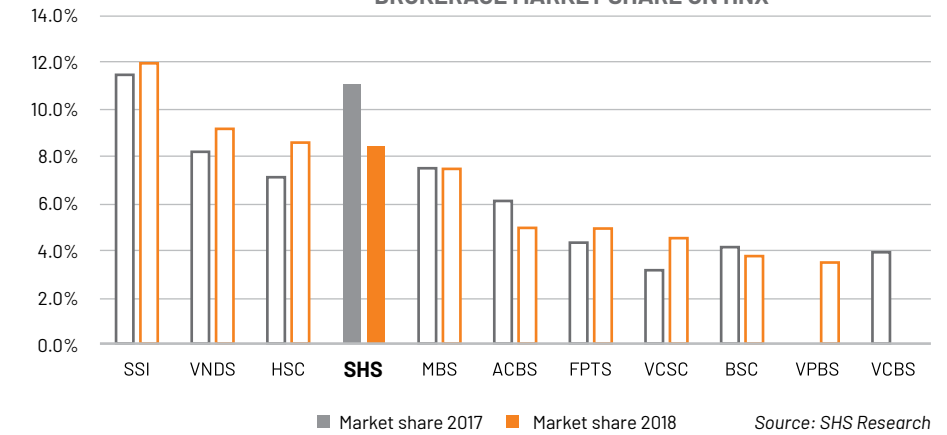
THE BROKERAGE MARKET SHARE OF SECURITIES COMPANIES

STOCK BROKERAGE MARKET SHARE, LISTED FUND CERTIFICATES AND REGISTERED FOR TRADING

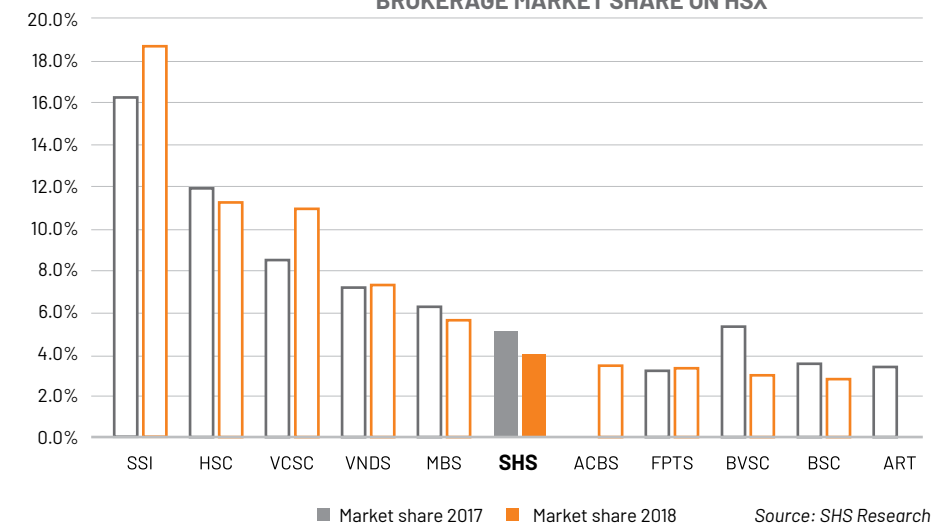
Competitive pressure in 2018 continued to increase. In addition to the pressure from regular companies at the top with great advantages in providing services to institutional customers, some securities companies, especially companies with foreign capital, after obtaining the shareholders' increased

capital in 2018 also participated in fierce competition in market share. Moreover, the divergence between leading securities companies in terms of market share (SSI) with the last ranked company of the top 10 tends to be wider.

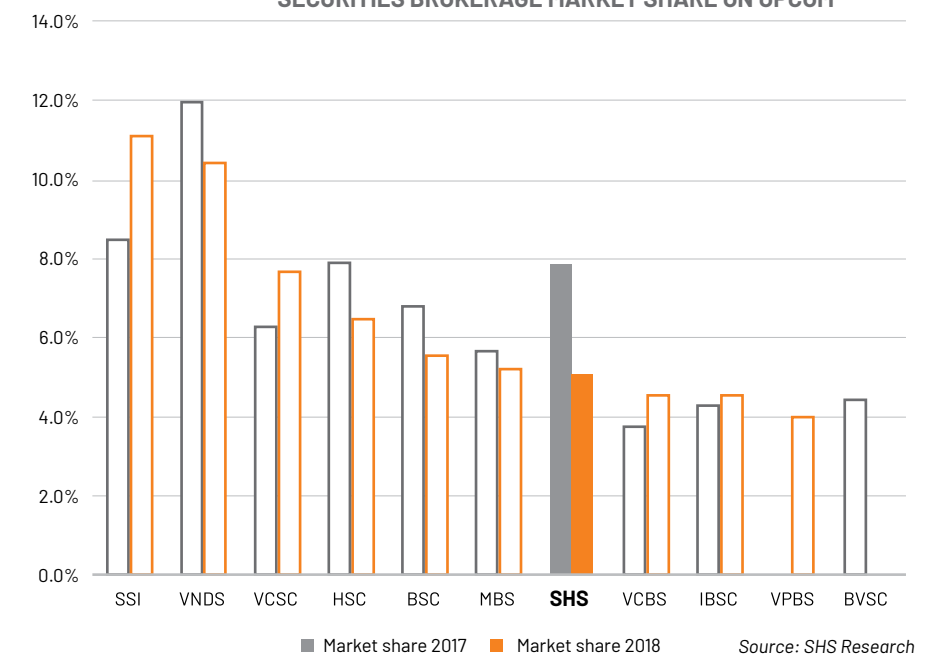
TOP-10 SECURITIES COMPANIES WITH THE LARGEST LISTED SECURITIES BROKERAGE MARKET SHARE ON HNX



TOP-10 SECURITIES COMPANIES WITH THE LARGEST LISTED SECURITIES BROKERAGE MARKET SHARE ON HSX



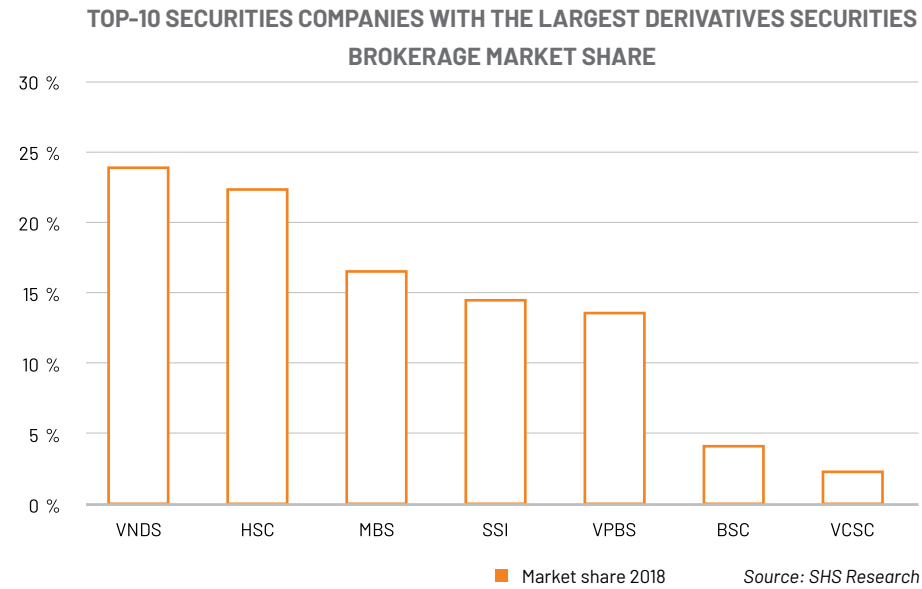
TOP-10 SECURITIES COMPANIES WITH THE LARGEST REGISTERED SECURITIES BROKERAGE MARKET SHARE ON UPCOM



MARKET SHARE OF DERIVATIVES SECURITIES BROKERAGES

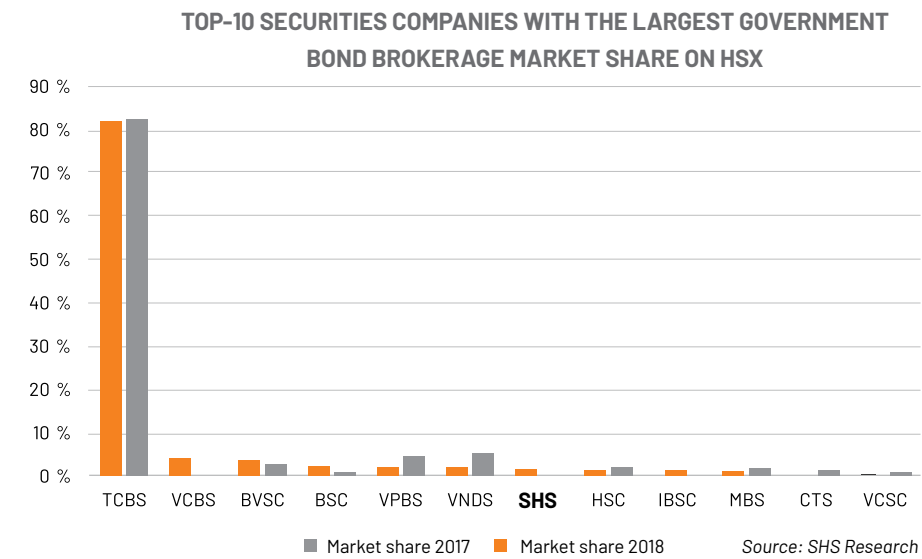
In 2018, the Vietnam securities market was marked by the deployment of the derivative securities market. At the end of the year, there were 13 securities companies licensed to provide brokerage services.

However, the top 8 companies had 98.8% market share. SHS did not participate in providing this service in 2018.



GOVERNMENT BOND BROKERAGE MARKET SHARE

The Government bond market share in 2018 did not change much compared to the previous year because the customers of this market are mainly banks, organizations, large investment funds and securities companies backed by banks. Although the top 10 securities companies by Government bond market share in 2018 held up to 98.7% of the market, TCBS alone held 81.7%. SHS returned to the top 10 ranking by Government bond brokerage market after many years of not participating.



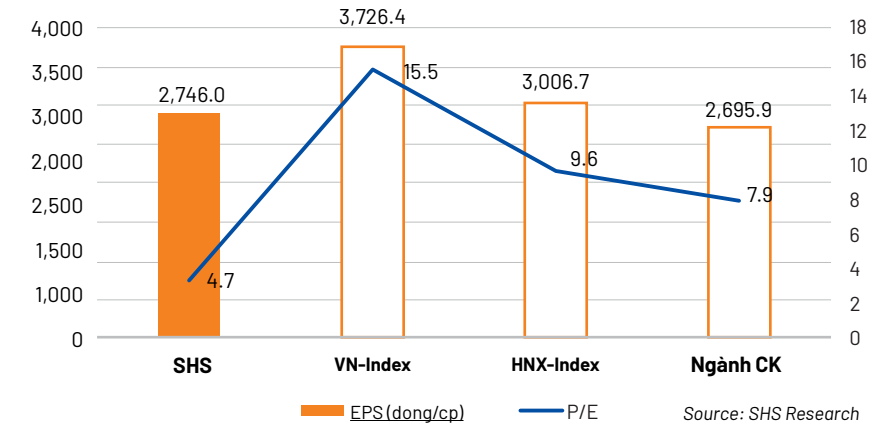
TOP-10 SECURITIES COMPANIES WITH THE LARGEST GOVERNMENT BOND BROKERAGE MARKET SHARE ON HNX

| Grouping | 2018 | 2017 |
|----------------------------------|----------------------|----------------------|
| Group with over 10% weight | BSC, BVSC, VCBS, HSC | BSC, VCBS, BVSC, HSC |
| Group with weight from 5% to 10% | VCSC | Other companies |
| Group with weight of 5% or less | Other companies | |

Source: SHS Research

POSITIONING SHS

COMPARING SHS TO THE MARKET AND TO THE SECTOR



Compared to the stock market and to the securities industry, the profit of SHS after tax/share is usually lower than the overall market. However, it is higher than the average level on the HNX and also much higher than the average level of the securities industry. On the contrary, the P/E of SHS is lower than the average of the whole market, HNX as well as the securities industry. This shows that SHS's stock price is undervalued and there will be plenty of room to increase in 2019.

COMPARING SHS WITH SECURITIES COMPANIES OPERATING IN VIETNAM

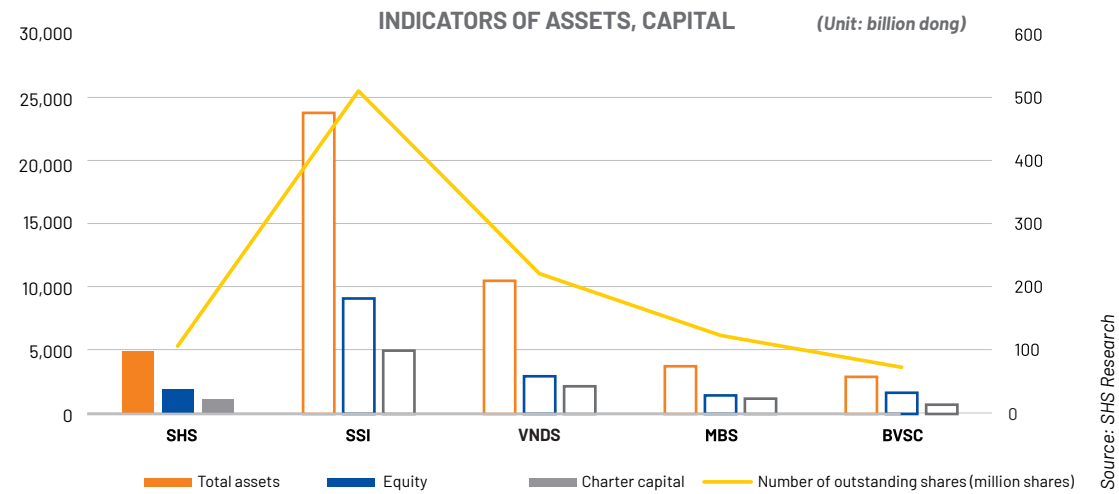
| Criteria | Value (billion VND) | Ranking |
|----------------------------|---------------------|---------|
| Total assets | 4,869.3 | 7 |
| Total liabilities | 3,004.0 | 4 |
| Equity | 1,865.3 | 11 |
| Charter capital | 1,054.0 | 19 |
| Debt/Total assets ratio | 61.7% | 3 |
| Debt/Equity ratio | 161.0% | 3 |
| Debt/Charter capital ratio | 285.0% | 4 |

Source: SHS Research

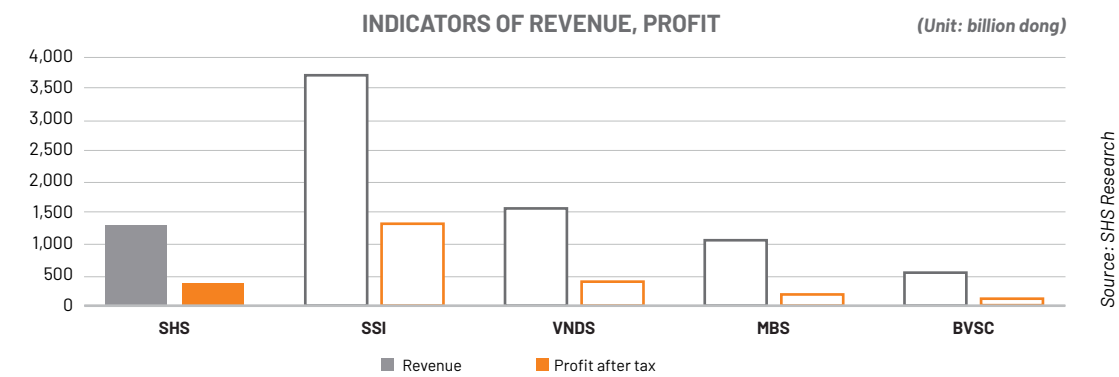
When SHS is compared with 75 securities companies operating in Vietnam in terms of total assets and capital, we can see that total assets and liabilities are in the top 10 but the charter capital stands in 19th position. This illustrates that SHS's chartered capital is currently very low and it is necessary to complete capital increase soon to improve financial capacity and limit risks.

COMPARING SHS WITH OTHER SECURITIES COMPANIES IN THE SAME GROUP

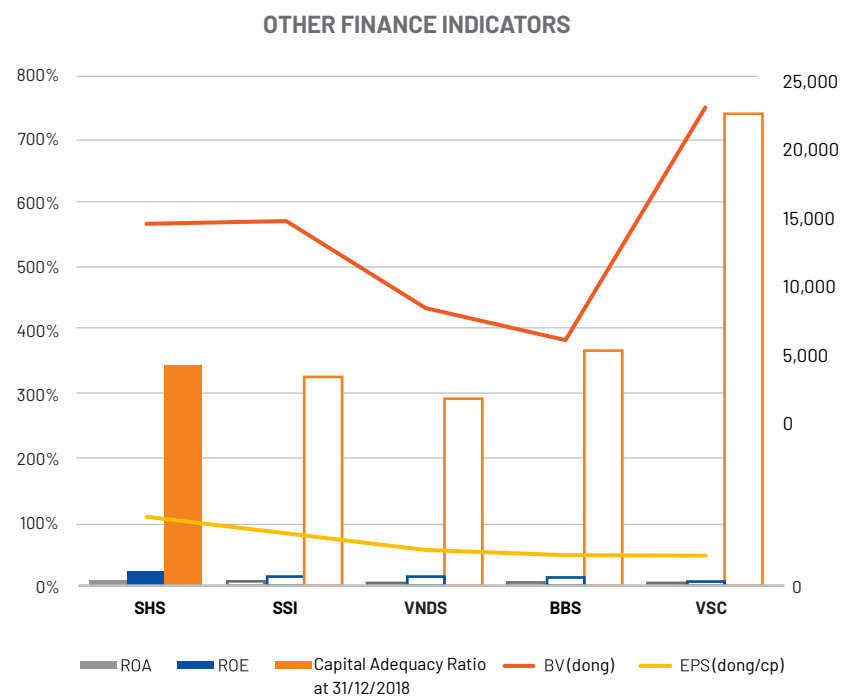
To continue considering the position of SHS, based on a number of different criteria, SHS selected 4 securities companies with many similarities with SHS for comparison. Below is the comparison result:



Source: SHS Research



Source: SHS Research



Source: SHS Research

SHS is ranked 3rd among the group of 5 securities companies in terms of total assets, equity, revenue, profit after tax, book value, and financial safety ratio. However, SHS's ROA, ROE and EPS are all at the top of the group and far away from the remaining securities companies. This shows SHS's level of business efficiency compared to a co-asset, 1 dong of capital or 1 share in circulation. In addition, the book value of SHS at December 31, 2018 is VND 17,698 while SHS shares traded at the closing price of VND 12,800/share. This implies that SHS's share price is being traded below book value and there will be plenty of room for its share price to improve in 2019.

REPORT OF THE BOARD OF DIRECTORS

EVALUATION OF THE OPERATIONS OF THE COMPANY

IMPLEMENTATION OF THE BUSINESS PLAN UNDER THE RESOLUTION OF THE 2018 ANNUAL GENERAL MEETING

ASSUMPTIONS:

- Stable macroeconomic situation
- Average trading value of the whole market: VND **5,000** billion/session

PLAN FOR 2018:

| | | |
|-------------------------------------|----------------------------|-------------------|
| - Market share on the | HNX ▶ 11.5% | HSX ▶ 5.2% |
| - Plan: | | |
| DRevenue and other income: | VND 1,370.0 billion | |
| Total cost: | VND 909.6 billion | |
| Total accounting profit before CIT: | VND 460.4 billion | |

Pursuant to the Resolution of the AGM 2018, the Board of Directors has directed the Board of Management to take the initiative, actively seize market opportunities, and implement synchronous measures to achieve the business plan that the AGM has approved. In the process of implementation, the Board of Directors regularly checks and supervises to ensure that the Board of Management has fully and seriously implemented the instructions of the Board.

In summary, SHS achieved satisfactory business results in 2018 in light of the complicated Vietnam securities market. This is thanks to the relatively correct assessment of the situation, the Company's flexible response, along with the efforts of all officials and employees.

- Market share on HNX is 8.4%, ranking 4th, down 2 grades and 4.0% on the HSX, up 1 grade.
- Total revenue and other income reached VND 1,247.9 billion, up 14.1% compared to 2017 and

equivalent to 91.1% of the year plan.

- The total cost is VND 837.2 billion, equivalent to 95.4% of the plan and up 35% on the previous year.
- Profit before tax was VND 410.7 billion, reaching 92.0% of the plan and down 8.0% compared to the previous year.
- Earnings on equity (EPS) reached 2,746 VND, profit on total assets (ROA) reached 8.0%, interest on equity (ROE) reached 21.5%, and net profit after tax revenue reached 28.8%.

These results show that, although SHS did not complete its business plan in 2018, the Company nevertheless made great efforts in its business activities within the strong fluctuations of Vietnam's stock market. Indeed, after setting the highest score in history at 1,211 points on April 10th, 2018, the market fell sharply many times in 2018. Many large-cap stocks in the investment portfolio of institutions had a close price at the end of 2018 lower than one year before, leading to high provisioning. In addition, for SHS, loans from credit institutions in 2018 decreased while interest rates rose sharply compared to the previous year. This is also a big difficulty for SHS in implementing the Company's business plan due to the General Meeting of Shareholders approved.

THE COMPLETION OF THE SYSTEM AND RISK MANAGEMENT

In 2018, the activities of the operation division strictly complied with the provisions of the law and the Company's Charter. Completing the process system and internal regulations has also been focused on, including the Charter, Governance Regulations, Investment Regulations, the process system for implementing business activities and controlling based on changes in the Enterprise Law, the Securities Law and their guiding documents. In order to proceed to derivative securities operations, the Company has been drafting procedures related to this profession.

Developing a more competitive training and remuneration mechanism to attract human resources with high qualifications and professional experience is also identified as an important goal of the Company. The Company has built a KPI system to encourage the contribution of officials and employees, increase labor efficiency and more accurately evaluate labor results.

The Company has implemented synchronous solutions to improve its financial capability in merging businesses, increasing charter capital, and controlling significant risks. Business risk management, internal control and internal audit continue to be strengthened to protect the achievements of business operations.

IMPROVEMENT OF BUSINESS COMPETITIVENESS AND REPUTATION

The Board of Management, along with the staff and employees, have made great efforts and implemented solutions to gradually improve the competitiveness of enterprises. Examples include conducting corporate mergers, increasing charter capital, and grasping the efficiency of market orientation as well as all opportunities of the market to improve investment efficiency, strengthen business processes to minimize records, shorten procedures to create more favorable conditions for customers, and increase the quality of products and services. SHS's products and services maintain their pioneering position, leading the market with their flexibility to meet the diverse needs of investors.

With positive results achieved in business operations as well as in improving competitiveness, the Company has gradually affirmed its brand and reputation with customers, partners and management agencies. In 2018, the Company continued to be honored by agencies and organizations and awarded many prestigious titles, such as:

- Hanoi Stock Exchange (HNX), Ho Chi Minh Stock Exchange (HOSE) and Depository Center (VSD) honored SHS as a typical securities company of the year and SHS was awarded Certificates of Merit by the Hanoi People's Committee.
- The Association of Small and Medium Enterprises in Hanoi awarded SHS the Certificate of Merit for excellent enterprises, noting the Company's achievements in the emulation movement of the association and its contributions to the development of the capital business community in 2019.
- The Vietnam Chamber of Commerce and Industry awarded SHS the Certificate of Company to Achieve the Best Financial Management Capability of the Securities Industry.

IMPLEMENTATION OF ENVIRONMENT AND SOCIAL RESPONSIBILITIES

In 2018, the Company remained focused on community work, environmental protection and social security in daily working conditions. It also participated in community activities, with some programs in 2018 including: "Spring of Love for Highland Children", "Light Up Your Beliefs", and "Support Tet for the Poor".

For the younger generation, besides facilitating and working with short-term contracts, the Company has been a regular sponsor of the "Investor's Bravery" contest of the Banking Academy. This is a useful playground for good students who want to have a real experience in the field of securities and contribute to career orientation for the younger generation.

In terms of physical activities, SHS participated in and won the Northern Football Championship in 2018, and strongly developed the South Football Team, Women's Football Team, Tennis Team, and Sports Team for health of the Company, with activities including jogging, yoga, sports, dancing and more.



It is clear that, in 2018, SHS achieved many successes in business operations. These include completing the merger with SHBS, completing the relocation of the Company's headquarters, and ensuring that the total real estate, equity, revenue, profit after tax, and financial safety ratio all reached their highest levels in 11 years of operation. However, these results have not been as expected. Specifically, the stock brokerage market shares and listed fund certificates decreased. Meanwhile, plans to increase equity by issuing ESOP and more shares, to implement derivative and covered warrant securities, to develop a strong market in the South, to organize customers, to innovate the core software system of securities trading, and to renew the salary payment mechanism according to KPIs have not been implemented as planned. Corporate governance, while generally performing better than the previous year, has not yet reached the desired standard: The money management of investors was violated, dividends were not paid to shareholders in a timely manner as per international practice, and Board members have not been granted corporate governance certificates. These plans need to continue to be implemented and completed in 2019.

EVALUATION OF THE ACTIVITIES OF THE BOARD OF MANAGEMENT

The Board of Directors acknowledges the great efforts of the Board of Management in managing and administering the Company. In particular, for their efforts to search for and develop customers and partners; arrange capital sources, develop products and structure investment portfolios to bring positive effects to the Company and its shareholders; and for their organizational stability and good governance of risk. The Board of Management has to promote the role pumper for the staff and employees of the Company, promote creativity and initiative in their work, constantly learn new knowledge, accumulate experience and gain access to markets and customers goods, while mobilizing a lot of resources for the Company to operate effectively.

➤ BUSINESS PLAN AND ORIENTATION OF THE BOARD OF DIRECTORS IN 2019

There are many advantages and disadvantages, as well as opportunities and challenges for the Vietnamese stock market in general, and SHS in particular, in 2019. The Board of Directors recognizes that SHS needs a comprehensive change and a new organization in terms of both quantity and quality based on available resources and minimizing inherent limitations. This change should exploit more opportunities to develop, especially in the areas of brokerage, financial services, investment, and consultancy. The reason for this change is increasing competition, especially among leading domestic and foreign securities companies. Moreover, due to the increasing awareness of customers in the fields of finance, banking, and securities, customer demand for quality products and services provided by securities companies is growing. An important factor to mention in the age of the 4th Industrial Revolution is that technology changes constantly, and the application of technology without good governance can bring great risks to SHS in general and the areas of brokerage, consulting, and financial services in particular. The increasingly tight management of State agencies is also an important factor that will force SHS to change comprehensively, to more fully meet the requirements of management agencies in operation.

Therefore, the Board of Directors directs the business operations of the Company in 2019 to comprehensively innovate its operational, human, system, technology, financial and business objectives as follows:

- To complete the implementation of increasing charter capital with reasonable conditions and timelines to increase competitive advantage for SHS in the context of being subject to competitive pressure from other securities companies with more abundant capital;
- To complete the implementation of solutions to increase the competitive advantage of SHS through innovation, developing service quality, and continuing to invest in human resources and technology;
- To complete the implementation of a solution group to maintain and increase market share in the context of foreign investors' cash flow, especially foreign institutional customers into the market growing recently;
- To find and exploit new solutions and services in business activities, breaking through traditional business activities, traditional markets, traditional products, and traditional customers;
- To deploy the plan to trade derivative securities and covered warrants, investment activities, advisory, brokerage and bond product development;
- To continue to invest in listed securities, realize unlisted investments, and restructure investment portfolios through participating in equitization auctions, in the IPO of SOEs, through divesting the non-core businesses of corporations, and debt restructuring activities of banks. In addition, the issuance and listing of evaluated shares will continue to be promoted, thereby creating great opportunities for SHS investment, brokerage, advisory and underwriting activities;
- To complete the implementation of a solution group related to controlling operating costs and financial safety indicators of SHS in the context of the restructuring process of the securities industry along with many new regulations;
- To complete the implementation of solutions to cope with potential challenges, ensuring the Company's operations are flexible, responsive and able to seize new opportunities.

In 2019, SHS is dedicated to the Company's goal of being "All for Customers' Net Asset Growth". SHS is committed to maintaining its position as one of the leading securities brokers in Vietnam – among the top-five securities companies – and strives to be in the top-three securities companies with the largest listed stock brokerage market share, maintaining its leading position on HNX in terms of brokerage market share. The Company aims to continue developing sustainably, and to supply diversified and unique financial products and services. The BOD directs the BOM to deliver the following tasks:

- Implement the strategic objectives adopted by the General Meeting of Shareholders, complying with legal regulations, the Company's Charter and the orientation of the State Management Agency;
- Continue applying measures to improve management capacity according to international standards of corporate governance, risk management and financial safety;
- Continue to improve the system of regulations and professional processes, creating a legal corridor for the Company's business activities on the basis of complying with legal regulations and improving professionalism;
- Enhance the spirit of "Integrity - Solidarity - Responsibility - Discipline" for each officer and employee in the Company to create and maintain collective strength, and;
- Ensure the Company's sustainable development, focusing on community work, environmental protection and social security, demonstrating high responsibility for society and the community.



BOARD OF MANAGEMENT'S REPORT

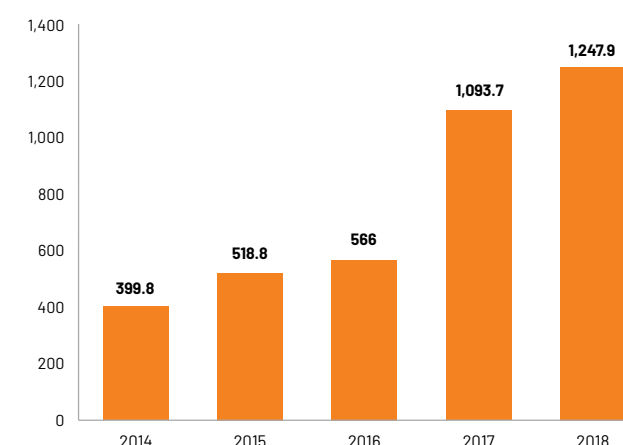
BUSINESS PERFORMANCE REVIEW

(Unit: VND Billion)

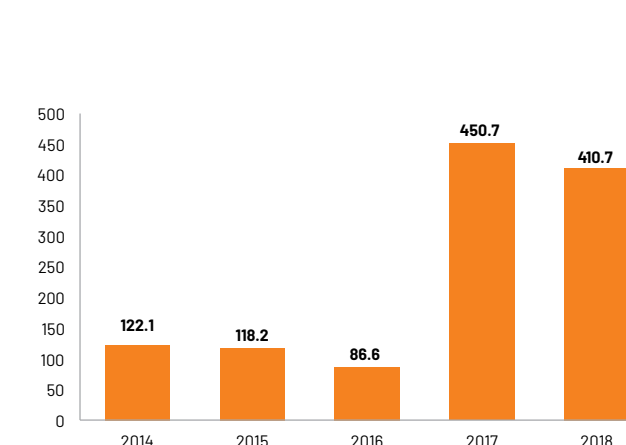
| Target | 2018 Plan | 2018 Actual | 2017 Actual | Different between 2018 Actual and 2018 Plan | | Different between 2018 Actual and 2017 Actual | |
|--|----------------|----------------|----------------|---|--------------|---|--------------|
| | | | | Số tiền | % | Số tiền | % tăng |
| I. Total revenue, in which: | 1,370.0 | 1,247.9 | 1,093.8 | (122.1) | 91.1% | 154.1 | 14.1% |
| 1. Operating income | 1,370.0 | 1,243.6 | 1,089.6 | (126.4) | 90.8% | 154.0 | 14.1% |
| - Gain from financial assets at fair value through profit and loss | 514.2 | 484.6 | 416.8 | (29.6) | 94.2% | 67.8 | 16.3% |
| - Gain from held-to-maturity investments | - | - | - | - | 0.0% | - | 0.0% |
| - Gain from loans and receivables | 416.0 | 375.1 | 337.5 | (40.9) | 90.2% | 37.6 | 11.1% |
| - Gain from financial assets available for sale | - | - | - | - | 0.0% | - | 0.0% |
| - Gain from risk prevention derivatives tools | - | - | - | - | 0.0% | - | 0.0% |
| - Revenue from brokerage services | 295.0 | 245.8 | 248.4 | (49.2) | 83.3% | (2.6) | -1.0% |
| - Revenue from securities underwriting and issuance agent services | 15.5 | 50.2 | 3.0 | 34.7 | 323.9% | 47.2 | 1,573.3% |
| - Revenue from securities investment advisory services | 93.0 | 59.7 | 58.2 | (33.3) | 64.2% | 1.5 | 2.6% |
| - Revenue from securities custody services | 13.3 | 18.7 | 13.3 | 5.4 | 140.6% | 5.4 | 40.6% |
| - Revenue from financial advisory services | 6.5 | 8.3 | 11.3 | 1.8 | 127.7% | (3.0) | -26.5% |
| - Revenue from other activities | 16.5 | 1.2 | 0.9 | (15.3) | 7.3% | 0.3 | 33.3% |

| | | | | | | | |
|--|--------------|--------------|--------------|----------------|--------------|---------------|---------------|
| 2. Finance income | - | 3.2 | 3.7 | 3.2 | 0.0% | (0.5) | -13.5% |
| 3. Other income | - | 1.1 | 0.5 | 1.1 | 0.0% | 0.6 | 120.0% |
| II. TOTAL EXPENSE, in which: | 909.6 | 837.2 | 643.0 | (72.4) | 92.0% | 194.2 | 30.2% |
| 1. Operating expense | 861.9 | 581.1 | 452.8 | (280.8) | 67.4% | 128.3 | 28.3% |
| 2. Selling expense | - | - | - | - | 0.0% | - | 0.0% |
| 3. General and administrative expense | 47.7 | 53.1 | 41.2 | 5.4 | 111.3% | 11.9 | 28.9% |
| 4. Finance expense | - | 202.7 | 149.0 | 202.7 | 0.0% | 53.7 | 36.0% |
| 5. Other expense | - | 0.3 | 0.0 | 0.3 | 0.0% | 0.3 | 136,397.7% |
| III. PROFIT BEFORE TAX | 460.4 | 410.7 | 450.7 | (49.7) | 89.2% | (40.0) | -8.9% |
| IV. CORPORATE INCOME TAX (CIT) EXPENSE, in which: | - | 52.6 | 81.1 | 52.6 | 0.0% | (28.5) | -35.1% |
| 1. Current CIT expense | - | 52.7 | 69.8 | 52.7 | 0.0% | (17.1) | -24.5% |
| 2. Deferred CIT expense | - | (0.1) | 11.3 | (0.1) | 0.0% | (11.4) | -100.9% |
| V. PROFIT AFTER TAX | 460.4 | 358.1 | 369.6 | (102.3) | 77.8% | (11.5) | -3.1% |
| VI. OTHER COMPREHENSIVE INCOME | - | - | 68.9 | - | 0.0% | (68.9) | 0.0% |

TOTAL REVENUE AND OTHER INCOMES (VND BILLION)



PROFIT BEFORE TAX (VND BILLION)



Source: SHS Research

REVENUES

In 2018, total revenues reached VND 1,247.9 billion, increasing 14.1% year-on-year and fulfilling 91.1% of the yearly target.

Almost all activities increased compared to the previous year, except financial advisory revenue and financial revenue dropped sharply by 26.5% and 13.5%, respectively. Among the activities that increased in revenue in 2018, underwriting and issuance agent services increased the most (by VND 47.2 billion, or 1,573.3%),

Only the custody, financial advisory, underwriting and issuance agent services exceeded 40.6%, 27.7%, 223.9% of the yearly target, respectively.

This is because, in 2018, the Vietnam stock market fell in contrast to the initial assessment of a positive trend, despite some challenges at the time of planning. In addition, in 2018, other securities companies have promoted derivatives brokerage activities which attracted a large number of investors to move their assets from the stock market to the derivatives market, while SHS did not offer this service. Other securities companies with foreign capital also competed intensely with SHS in brokerage and financial services, because their cheaper lending rates attracted a large number of SHS's customers shift to those companies. However, in 2008, SHS established a brokerage, advisory and investment in corporate bonds division. Therefore, SHS will provide package services from brokerage, financial advisory, underwriting and issuance agent services to find buying partners related to corporate bonds and commercial bank bonds. This activity has significant potential in the future, especially when stock exchanges are trying to bring officially listed corporate bonds onto the stock market from 2019. In addition, SHS has also boosted the stock auction activities for enterprises held at SHS, so other operating revenues in the form of agency fees at SHS have increased significantly.

EXPENSES

Thanks to good expense control measures, the total cost in 2018 was only VND 837.2 billion. Although the total cost increased by 30.2% compared to the previous year, it only reached 92.0% of the expense plan. Expenses in 2018 increased mainly due to the increase in interest expenses arising from rising capital through issuing corporate bonds in order to finance investment and lending activities of the Company; in accrued expenses on the payable opportunity cost of brokerage contracts; in an additional provision was made when it was reversed in the previous year; in accounting for the entire remaining value of the assets and tools received from SHBS due to the merger, which cannot be used.

PROFIT BEFORE TAX

Profit before tax in 2018 was VND 410.7 billion, decreasing 8.9% compared to the previous year and reaching 89.2% of the yearly target. Profit after taxes reached VND 358.1 billion, decreasing 3.1% compared to the previous year and reaching 77.8% of the yearly target. This is because total revenues increased by 14.1%, however total costs increased by 30.2% compared to the previous year. Furthermore, in 2018, SHS recorded an increase of VND 11.5 billion in deferred income tax, and a decrease of VND 68.9 billion in comprehensive income after corporate income tax in compared with previous year.



FINANCIAL ANALYSIS REPORT

ANALYSIS OF THE ASSET STRUCTURE

(Unit: VND billion)

ASSET STRUCTURE

| Target | 31/12/2018 | | 31/12/2017 | | Change | |
|---------------------------|----------------|---------------|----------------|---------------|-----------------|---------------|
| | Amount | Weighting | Amount | Weighting | Absolute change | % change |
| CURRENT ASSETS | 4,773.9 | 98.0% | 4,104.8 | 99.3% | 669.1 | 16.3% |
| Cash & cash equivalents | 838.8 | 17.2% | 85.9 | 2.1% | 752.9 | 876.5% |
| Short-term investments | 1,006.5 | 20.7% | 897.7 | 21.7% | 108.8 | 12.1% |
| Receivables | 2,924.0 | 60.1% | 3,091.0 | 74.8% | (167.0) | -5.4% |
| Other current assets | 4.6 | 0.1% | 30.2 | 0.7% | (25.6) | -84.8% |
| NON-CURRENT ASSETS | 95.1 | 2.0% | 29.7 | 0.7% | 65.4 | 220.2% |
| Fixed assets | 2.9 | 0.1% | 2.3 | 0.1% | 0.6 | 26.1% |
| Long-term investments | - | 0.0% | - | 0.0% | - | 0.0% |
| Other long-term assets | 92.2 | 1.9% | 27.4 | 0.7% | 64.8 | 236.5% |
| TOTAL ASSETS | 4,869.0 | 100.0% | 4,134.5 | 100.0% | 734.5 | 17.8% |

ASSET STRUCTURE

SHS's 2018 assets are mainly formed from short-term assets. Short-term assets accounted for 98.0% of total assets, decreasing 1.2% of its weight compared to 2017. The Company's short-term assets mainly include:

- Short-term receivables include receivables from loans for financial services, pre-paid expenses, receivables and accruals dividend and interest income and other receivables. Short-term receivables of the Company accounted for 60.1% of total assets, decreasing 14.7% of its weight compared to previous year. The reason is that, although the total assets of the Company increased significantly compared to the previous year, this year's loan size of the Company did not increase.
- Short-term investments include short-term investments,

listed and unlisted securities investments such as stocks, corporate and government bonds, and certificates of bank deposits. Short-term investments of the Company in 2018 accounted for 20.7% of total assets, decreasing 1.0% of its weight compared to previous year.

- Cash and cash equivalents include cash, bank deposits in the form of payment accounts, deposit accounts with less than 3 months, deposits for selling underwriting securities, and clearing deposits...Cash and cash equivalents in 2018 accounted for 17.2% of total assets, increasing 15.1% of its weight compared to previous year. The reason is that, at the end of the year, SHS collected VND 500 billion from corporate bond issuance in 4th quarter of 2018 and from an increase in bank deposits to be ready for investment and lending activities if the market changed positively.

CHANGES IN ASSETS COMPARED TO THE PREVIOUS YEAR

The total assets of SHS in 2018 were VND 4,869.0 billion, increasing 17.8% over the previous year. Of these total assets, short-term assets accounted for VND 4,773.9 billion, increasing 16.3% and long-term assets accounted for VND 95.1 billion, increasing 220.4%. This is because, in 2018, the market had many advantages, so SHS continued to promote its business activities.

For short-term assets, while short-term receivables and other short-term assets decreased compared to the previous year, cash, cash equivalents, and short-term investments increased significantly. Cash and cash equivalents increased by VND

752.9 billion, equivalent to an increase of 875.9% compared to the previous year. Short-term investments increased by VND 108.8 billion, equivalent to 12.1% compared to the previous year, because the Company increased its investment by VND 220 billion and made a provision of VND 21.7 billion, while in the previous year SHS assessed an increase of VND 88.2 billion.

SHS' long-term assets increased mainly due to the increase in other long-term assets of VND 65.2 billion, equivalent to 238.2%. This is because SHS recorded more than VND 64 billion in goodwill and increased the amount of payments for the Settlement Assistance Fund by about VND 2.7 billion due to the merger with SHBS.

LIABILITIES AND EQUITY ANALYSIS**LIABILITIES AND EQUITY STRUCTURE**

Unit: VND billion

| Target | 31/12/2018 | | 31/12/2017 | | Change | |
|---|----------------|---------------|----------------|---------------|-----------------|--------------|
| | Amount | Weighting | Amount | Weighting | Absolute change | % change |
| LIABILITIES | 3,003.6 | 61.7% | 2,668.5 | 64.5% | 335.1 | 12.6% |
| Current liabilities | 1,271.4 | 26.1% | 2,134.2 | 51.6% | -862.8 | -40.4% |
| Non-current liabilities | 1,732.2 | 35.6% | 534.3 | 12.9% | 1,197.9 | 224.2% |
| OWNER'S EQUITY | 1,865.3 | 38.3% | 1,466.0 | 35.5% | 399.3 | 27.2% |
| Share capital | 1,125.5 | 23.1% | 1,000.3 | 24.2% | 125.2 | 12.5% |
| Funds and undistributed profit | 739.8 | 15.2% | 465.7 | 11.3% | 274.1 | 58.9% |
| TOTAL LIABILITIES AND OWNER'S EQUITY | 4,869.0 | 100.0% | 4,134.5 | 100.0% | 734.5 | 17.8% |

LIABILITIES AND EQUITY STRUCTURE

The capital of the Company is formed from liabilities and owners' equity. In 2018, liabilities accounted for 61.7% of total capital, decreasing 2.9% of its weight compared to 2017, equity accounted for 38.3% of the total capital, increasing 2.9% of its weight compared to 2017. This shows that, in 2018, the Company made many efforts to take the initiative in owner's equity rather than relying on borrowing.

SHS's liabilities are as follows:

- Short-term liabilities include short-term borrowings, long-term bonds issued but with a term of less than 1 year, payables for securities trading activities, statutory obligation, payable to employees, short-term accrued expenses, short-term deposits, bonus and welfare funds, and other short-term payables. Short-term liabilities accounted for 26.1% of the total capital, decreasing 25.5% of its weight compared to the previous year. This is due to the fact that SHS can access capital at low interest rates from issuing long-term corporate bonds. In doing so, it reduced bank loans by about VND 500 billion, reduced long-term bond payments due in 1 year by about VND 160 billion, and reduced the deposit of securities brokerage contracts by about VND 230 billion.

- Long-term liabilities include payable long-term bonds, long-term advances from customers, and long-term collateral and deposits. Long-term liabilities accounted for 35.6% of the total capital, decreasing 22.7% of its weight compared to the previous year. The main reason is due to the Company promoting the issuance of long-term corporate bonds, increasing about VND 1,200 billion compared to the previous year.

SHS's equity is as follows:

- Owner's equity includes contributed capital and share premium. Owner's equity accounted for 23.1% of the total capital, decreasing 1.1% of its weight compared to the previous year because SHS issued additional shares to swap for SHBS shares (VND 53.9 billion) and recorded a surplus of VND 71.5 billion of equity due to the merger of SHBS and SHS, making the owner's equity increase by VND 125.5 billion.

- Funds and undistributed profit include Charter capital supplementary reserve, operational risk and financial reserve and undistributed profit. Funds and undistributed profit accounted for 15.2% of the total capital, increasing 3.9% of its weight compared to the previous year. The reason is that, in 2018, the Company recorded positive profit, so the undistributed profit increased accordingly. In addition, in 2018, the Company also appropriated additional funds for Charter capital, financial provisions and operational risks in accordance with the Resolution of the 2018 AGM regarding the distribution of profit in the fiscal year 2017.

**CHANGES IN LIABILITIES AND EQUITY COMPARED TO THE PREVIOUS YEAR**

The total capital at the end of 2018 was VND 4,869.0 billion, an increase of 17.8% compared to the previous year. The total capital rose because liabilities increased 12.6% and equity increased 27.2% year-on-year.

The increase in liabilities is mainly due to the increase in long-term liabilities of 224.2%, in the form of issuing long-term bonds four times in 2018. The total issued bond size was VND 2,300 billion. Meanwhile, short-term liabilities at the end of 2018 decreased by 40.4% compared to the previous year, mainly because SHS collected money from issuing bonds with lower interest rates, then reduced bank loans.

The equity increased due to the increase of the Charter capital by 12.5%, and the increase of funds and undistributed profits of 58.9%. In particular, the Charter capital increased because the Company issued additional shares to swap for SHBS shares, which made the Charter capital increase by VND 53.9 billion and recorded a surplus of VND 71.5 billion due to merging SHBS into SHS. Funds and undistributed profits in 2018 increased mainly because the Company made a profit, therefore the undistributed profits increased.

KEY RATIO ANALYSIS

| | 2018 | 2017 | % change |
|--|--------|--------|----------|
| LIQUIDITY RATIOS | | | |
| Quick ratio | 66.0% | 4.0% | 61.9% |
| Current ratio | 372.0% | 192.3% | 180.0% |
| LEVERAGE RATIOS | | | |
| Debt-to-asset ratio | 61.7% | 64.5% | -2.9% |
| Debt-to-equity ratio | 161.0% | 182.0% | -21.0% |
| OPERATIONAL RATIOS | | | |
| Account receivable turnover | 41.3% | 40.7% | 0.6% |
| Working capital turnover | 45.4% | 54.4% | -8.9% |
| Asset turnover | 27.6% | 29.3% | -1.6% |
| PROFITABILITY RATIOS | | | |
| Operating profit/Revenue | 53.3% | 58.4% | -5.2% |
| Profit before tax/Revenue | 33.0% | 41.4% | -8.3% |
| Profit after tax/Revenue | 28.8% | 33.9% | -5.1% |
| Profit before tax/Owner's equity (ROE) | 19.2% | 28.7% | -9.5% |
| Profit before tax/Total asset (ROA) | 7.9% | 9.9% | -2.0% |
| Earning per share (EPS) | 2,747 | 2,925 | (178) |
| CAPITAL ADEQUACY RATIO | | | |
| Capital Adequacy Ratio as at 31/12 | 351.6% | 294.2% | 57.4% |

The solvency ratios in 2018, such as quick ratio and current ratio, have increased significantly compared to the previous year. This indicates that the Company placed more emphasis on liquidity and short-term assets which are easy to convert into money to ensure solvency for due debts and to ensure that they can be paid as soon as necessary. In addition, the proceeds from corporate bond issuance in 4th quarter of 2018 also contributed significantly to increasing the payment ratios in 2018.

The capital structure indicators in 2018 all decreased. This indicates the enhancement of capital compared to the previous year. In 2018, SHS merged with SHBS through the issuance of additional shares to swap SHBS shares, thereby enhancing the equity capacity of SHS.

Receivables turnover increased slightly, as did working capital turnover and total asset turnover. This indicates that operating

capacity was relatively stable compared to the previous year.

The profitability ratio in 2018 was 2% to 10% lower than the previous year, of which the highest reduction was profit before tax/revenue and profit after tax/equity ratio (ROE). This indicates that the increase in equity in 2018 from the merger of SHBS has not had a positive impact on SHS's after-tax profit in 2018. Moreover, the increase in the deferred income taxes expense in 2018, while the previous year recored a decrease, is also a cause for these indicators to drop significantly.

Capital adequacy ratio on December 31st, 2018 has increased significantly, reaching 351.6% instead of 294.2% in the previous year. This shows that the financial situation of the Company is becoming healthier. In addition to achieving good business results, SHS has better controlled market, payment, and operational risks.

OPERATIONAL ACTIVITIES REPORT

BROKERAGE AND CUSTODY

In 2018, although the general capital source for securities investment continued to face difficulties, the interest rate tended to increase along with the intense competition of top securities companies and securities companies with foreign capital, and the strong development of the derivatives market which SHS was not eligible to participate in. Brokerage revenue (including custody and trust auction) reached VND 264.5

billion, completing 85.8% of the yearly target and 101% of the previous year. However, the brokerage fees in 2018 increased sharply compared to the target because SHS promoted activities to enhance its competitive position in brokerage activities. The total profit of brokerage activities in 2018 reached VND 73.1 billion, equivalent to 110.9% compared to 2017, and achieving 30.5% of the yearly target.

BROKERAGE PERFORMANCE

| Target | 2017 | 2018 | | % change | |
|--------------------------------|--------------|--------------|--------------|---------------|---------------|
| | Actual | Plan | Actual | % yoy | % plan 2018 |
| Revenues (billion dong) | 261.7 | 308.3 | 264.5 | 101.1% | 85.8% |
| - Brokerage | 248.4 | 295.0 | 245.8 | 99.0% | 83.3% |
| - Custody | 13.3 | 13.3 | 18.7 | 140.6% | 140.6% |
| Expenses (billion dong) | 195.8 | 68.7 | 191.4 | 97.8% | 278.7% |
| - Brokerage | 184.6 | 55.7 | 176.8 | 95.8% | 317.6% |
| - Custody | 11.2 | 13.0 | 14.6 | 130.4% | 112.3% |
| Profits (billion dong) | 65.9 | 239.6 | 73.1 | 110.9% | 30.5% |
| - Brokerage | 63.8 | 239.3 | 69.0 | 108.2% | 28.8% |
| - Custody | 2.1 | 0.3 | 4.1 | 195.2% | 1,366.7% |

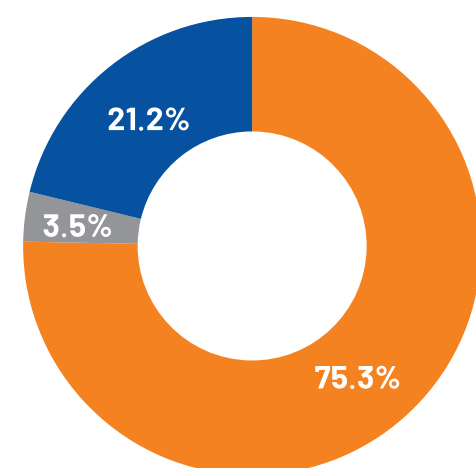
Peers comparison

Unit: VND billion

| Target | SHS | SSI | VNDS | MBS | BVSC |
|----------------------|--------------|----------------|--------------|--------------|--------------|
| Brokerage | 245.9 | 1,130.9 | 520.2 | 398.7 | 171.6 |
| Custody | 18.7 | 16.2 | 11.2 | 11.5 | 6.5 |
| Total revenue | 264.6 | 1,147.1 | 531.4 | 410.2 | 178.1 |
| Ranking | 4 | 1 | 2 | 3 | 5 |

Thus, the total brokerage and custody revenue of SHS in 2018 is **VND264.6 billion**, ranking 4th among 5 companies.

BROKERAGE REVENUE BREAKDOWN IN 2018



■ Headquarter ■ HCM branch ■ Danang branch

SHS has the right strategic orientation, focusing on exploiting brokerage services arising from consulting and underwriting activities of the Company as well as fully exploiting the prestige, brand, and relationships in the financial system to develop Government bond brokerage activities.

Brokerage revenue breakdown

The brokerage revenue of Head Office was VND 185.1 billion, accounted for 75.3% and of the HCM and Da Nang branches were VND 52.1 billion and 8.6 billion, accounted for 21.2% and 3.5% of the Company's brokerage revenue, respectively.

Market share

SHS's market share in 2018 recorded a decline. However, SHS still placed fourth with 8.4% on HNX (declining by 2 levels), and sixth on HSX with a market share of 4.0% for equity brokerage (listed equity and ETFs).

The market share of SHS on Upcom and the Government bond market had a breakthrough compared to the previous year. From not being in the top 10, SHS ranked 7th with 5.1% market share on UPCOM, ranking 8th among the group of under 5% market share on the Government bond market on HNX and 7th with a market share of 1.3% on the Government bond market on HSX. The reason is that

| Stock Exchanges | 2018 | | | | | 2017 |
|----------------------------|------|------|------|------|-----------|-----------|
| | Q1 | Q2 | Q3 | Q4 | Full year | Full year |
| HNX | | | | | | |
| Market share | 8.6% | 9.5% | 7.3% | 7.9% | 8.4% | 11.0% |
| Place | 4 | 2 | 5 | 3 | 4 | 2 |
| HSX | | | | | | |
| Market share | 4.2% | 3.7% | 3.9% | 4.5% | 3.9% | 4.0% |
| Place | 6 | 6 | 6 | 6 | 6 | 6 |
| UPCOM | | | | | | |
| Market share | 4.2% | 4.7% | 6.2% | | 5.1% | |
| Place | 10 | 7 | 4 | | 7 | |
| Government bond-HNX | | | | | | |
| Market share | | | <5% | <5% | <5% | |
| Place | | | 8 | 4 | 8 | |
| Government bond-HSX | | | | | | |
| Market share | | | | 2.9% | 1.3% | |
| Place | | | | 3 | 7 | |

Number of accounts

The number of accounts in 2018 was 42,655 accounts, an increase of 15,445 equivalent accounts. This equates to an increase of 56.8% over the previous year, partly due to SHS receiving more than tens of thousands of investor accounts from SHBS.

13,895 accounts had transactions in 2018, accounting for 32.6% of the total accounts at SHS. Meanwhile, the comparable number for 2017 was 6,252 accounts, accounting for 23.0% of the total. Compared to 2017, the number of accounts traded in 2018 increased by 7,643, equivalent to 122.2%. This shows that, not only has the effort to open new accounts been a success, but that SHS has made great efforts to activate idle accounts, increasing market liquidity and transactions.

| Type of customer | No. of accounts | | | No. of trading accounts | | | |
|------------------|-------------------|---------------|---------------|-------------------------|---------------|---------------|--------|
| | Beginning of year | End of year | % change | 2017 | 2018 | % change | |
| Domestic | Individual | 26,930 | 42,289 | 157.0% | 6,183 | 13,790 | 223.0% |
| | Institutional | 254 | 310 | 122.0% | 65 | 94 | 144.6% |
| Foreign | Individual | 19 | 45 | 236.8% | 3 | 9 | 300.0% |
| | Institutional | 7 | 11 | 157.1% | 1 | 2 | 200.0% |
| Total | 27,210 | 42,655 | 156.8% | 6,252 | 13,895 | 222.2% | |

Other results

In 2018, the Securities Brokerage Center cooperated with the Advisory and Underwriting Department to encourage more customers who are shareholders of the Group and SOEs that SHS has advised on IPOs to open accounts. Typically, these are enterprises belonging to Vietnam National Coal-Mineral Industries Holding Corporation, the Ministry of Transport, Vietnam Oil and Gas Group, and the Ministry of Industry and Trade.

DRAWBACKS

- A derivative securities brokerage service has not been implemented as planned because SHS only met the conditions on CAR since July, 2018. Moreover, the merger process of SHBS did not comply with the plan, leading to SHS being unable to deploy this service in 2018.
- The quality of brokerage has improved but not yet reached levels planned and expected, especially in foreign customer consulting, managing, and monitoring activities.
- The application of information technology in improving customer advisory activities, increasing customer transactions, and developing current customers on advanced technology platforms is limited.
- SHS has not fully exploited the advantages and potential of the Southern market yet.

INVESTMENT

INVESTMENT'S PERFORMANCE

In 2018, despite difficult and unpredictable fluctuations in market conditions, thanks to the timely sale of stocks in the portfolio investment activities positively contributed to results of SHS. Specifically, the investment segment recorded VND 515.3 billion in revenue, achieving 100.2% of the yearly target – an increase of 23.6% compared to 2017. Operational expenses were VND 185.2 billion, or 103.3% of the plan and up 5.6% compared to 2017. This was because the Company had to make provisions instead of being reversed as in the previous year. Profit before tax was recorded at VND 330.1 billion, equaling 98.6% of the plan and up 36.7% on 2017.

Unit: VND billion

| Target | 2017 | 2018 | | Change | |
|----------|--------|--------|--------|--------|---------------|
| | Actual | Target | Actual | % yoy | % year target |
| Revenues | 416.8 | 514.2 | 515.3 | 123.6% | 100.2% |
| Expenses | 175.4 | 179.3 | 185.2 | 105.6% | 103.3% |
| Profits | 241.4 | 334.9 | 330.1 | 136.7% | 98.6% |

Peer comparison

Unit: VND billion

| Target | SHS | SSI | VNDS | MBS | BVS |
|--------------------|-------|---------|-------|-------|-------|
| Investment revenue | 515.3 | 1,572.4 | 544.3 | 185.8 | 167.1 |
| Ranking | 3 | 1 | 2 | 4 | 5 |

Thus, SHS's investing revenue in 2018 was VND **515.3** billion, ranking third among five companies.

Change in investment activities in 2018

Investment activities in 2018 had a strong shift whereby SHS spent a significant amount of money for trading Government bonds, corporate bonds and monetary market instruments in which there were many opportunities in 2018. In addition, SHS also prioritized investment promotion through auctions and M&A as planned. These are potential markets only available to reputable financial institutions. These investments were mostly realized in 2018 and contributed significantly to the overall business results of SHS.

For listed securities, SHS followed the plan that kept or reduced investment in listed securities due to there being not much room for growth. In case of investment, there was a focus on investing in listed stocks with growth potential with a high weighting in the long-term.

Unit: VND billion

| Target | At 31/12/2017 | Increase | Decrease | At 31/12/2018 |
|-----------------------|---------------|-----------------|-----------------|----------------|
| FVTPL asset | 660.9 | 29,506.9 | 29,139.6 | 1,028.2 |
| Listed securities | 521.8 | 3,447.7 | 3,202.4 | 767.1 |
| Unlisted securities | 139.1 | 448.4 | 471.4 | 116.1 |
| Listed bond | - | 15,227.5 | 15,227.5 | - |
| Unlisted bond | - | 5,277.0 | 5,277.0 | - |
| Monetary market tools | - | 5,106.3 | 4,961.3 | 145 |
| AFS assets | 148.6 | 573.6 | 722.2 | - |
| Listed securities | 148.6 | 573.6 | 722.2 | - |
| Total | 809.5 | 30,080.5 | 29,861.8 | 1,028.2 |

Other results

- In short, the Company has strictly complied with the provisions of the current law on investment restrictions stipulated in Circular 210 and Circular 07.
- The portfolio continues to be restructured and focused on investments through Private Equity (PE), auctions, and M&A with many potential stocks.
- At the peak of the market in 2018, investment activities actively made profits, paid a significant part of listed stocks, helped to retain investment profits and minimize losses from the down-trend in the market between April and mid-October 2018. Some businesses that SHS holds have a great value.
- The company has regularly shared information and engaged more deeply in their business activities, even appointing experts to directly participate in the management work, to ensure the rights of SHS. In this regard, the Company has performed well according to the plan.
- The investment division has been supplemented with four staff according to the plan, including one deputy head in Hanoi and one officer in Ho Chi Minh City, to achieve the goal of reaching Southern businesses. One officer directly in charge of monitoring and synthesizing reports has helped the management of investment activities to be more accurate and timely.
- The management of investment activities is increasingly standardized in terms of procedures to ensure compliance with the current legal procedures and internal regulations of the Company.

DRAWBACKS

- In brief, SHS strictly complied with the current legal regulations on investment restrictions. However, one violation did occur due to errors in the calculation and tracking of investment experts.
- Although the Company has restructured strongly and made good use of market opportunities, it has not been able to properly handle stocks without potential in the investment portfolio as planned.
- No effective monitoring and evaluation mechanism has been developed for each employee.
- Researching and proposing new investment channels requires some improvement.
- The ability to grasp market opportunities is limited.

FINANCIAL SERVICES**OPERATION RESULT**

In 2018, although the general capital for securities investment continued to face difficulties, and while the interest rate increased along side intense competition from securities companies with foreign capital and lower lending rates, financial services revenue still reached VND 375.1 billion.

This equalled 90.2% of the plan, and represented a rise of 11.1% over the previous year. However, operation expenses increased sharply, so the profit of the segment was only VND 178.4 billion, reaching 78.3% of the plan and equaling 66.4% compared to the previous year.

Unit: VND billion

| Target | 2017 | 2018 | | Change | |
|----------|--------|--------|--------|--------|--------|
| | Actual | Target | Actual | % yoy | % plan |
| Revenues | 337.5 | 416.0 | 375.1 | 111.1% | 90.2% |
| Expenses | 68.7 | 188.2 | 196.7 | 286.3% | 104.5% |
| Profits | 268.8 | 227.8 | 178.4 | 66.4% | 78.3% |

Peer comparison

| Target | SHS | SSI | VNDS | MBS | BVS |
|---------------------------------|-------|-------|-------|-------|-------|
| Revenue from financial services | 375.1 | 710.9 | 434.9 | 309.6 | 168.8 |
| Ranking | 3 | 1 | 2 | 4 | 5 |

Thus, SHS's financial services revenue in 2018 was VND **375.1** billion, ranking third among five companies.

**Other results**

Risk management in financial services remains focused and well maintained. In 2018, there was no additional bad debt from financial services.

SHS's financial services products are maintained with a variety of products and are competitive in the market to help customers use them flexibly.

In 2018, the Company has promoted IT applications in financial services activities, making the reporting and customer management process better, especially for large and institutional customers.

DRAWBACKS

- Credit risk management is still limited, although in 2018 there was no additional bad debt from financial services.
- Some business processes have not yet been standardized, procedures have been reduced but remain complicated, causing difficulties for customers and risks for SHS.
- Researching and building new products that meet the requirements of investors is limited.

FINANCIAL ADVISORY AND UNDERWRITING

OPERATION RESULT

The advisory activities of securities companies in general, and SHS in particular, continued to be affected by changes in the policies of State management agencies, such as equitization & divestment of SOEs, in 2018. Therefore, traditional consulting revenue was only 73.5% compared to 2017, reaching VND 8.3 billion.

However, thanks to a strong service restructuring policy, the revenue from intensive consultancy activities, especially

advisory and corporate bond issuance, has shown remarkable growth, recorded at over VND 50.2 billion, equal to 323.9% of the plan and equal to 1,673.3% compared to 2017.

In general, advisory and underwriting activities achieved VND 58.5 billion in revenue, equaling 409.1% compared to 2017 and 265.9% of the plan. Profit reached 405.9%, equal to 3,530.8% compared to 2017 and 208.6% of the yearly plan.

Unit: VND billion

| Target | 2017 | 2018 | | Change | |
|---|--------|--------|--------|-----------|----------|
| | Actual | Target | Actual | % yoy | % target |
| Financial advisory services | | | | | |
| Revenues | 11.3 | 6.5 | 8.3 | 73.5% | 127.7% |
| Expenses | 15.6 | - | 12.6 | 80.8% | 0.0% |
| Profits | (4.3) | 6.5 | (4.3) | 100.0% | -66.2% |
| Underwriting and issuance agent services | | | | | |
| Revenues | 3.0 | 15.5 | 50.2 | 1,673.3% | 323.9% |
| Expenses | - | - | - | 0.0% | 0.0% |
| Profits | 3.0 | 15.5 | 50.2 | 1,673.3% | 323.9% |
| Total | | | | | |
| Revenues | 14.3 | 22.0 | 58.5 | 409.1% | 265.9% |
| Expenses | 15.6 | - | 12.6 | 80.8% | 0.0% |
| Profits | (1.3) | 22.0 | 45.9 | -3,530.8% | 208.6% |

Peer comparison

(Unit: VND billion)

| Target | SHS | SSI | VNDS | MBS | BVS |
|--|-------------|--------------|-------------|-------------|------------|
| Financial advisory services revenue | 8.3 | 125.2 | 0 | 0.2 | 0.3 |
| Underwriting and issuance agent services revenue | 50.2 | 2.3 | 17.9 | 88.5 | 7.3 |
| Total | 58.5 | 127.5 | 17.9 | 88.7 | 7.6 |

Therefore, SHS's financial services, underwriting and issuance agent services revenue in 2018 was VND **58.5** billion, ranking third among five companies.



Results of contract exploitation

Contract revenue in 2018 continued to grow compared to 2017. In 2017, revenue reached VND 29.3 billion with 114 contracts, in 2018 revenue reached VND 48.8 billion with 93 contracts. Thus, the average value of each contract in 2018 increased 2 times compared to 2017. This is also consistent with the direction implemented in recent years: a step-by-step shift to specialized consulting services.

Other results

Consultant staff specialized in two main operations: traditional financial and intensive financial consultancy. In 2018, revenue from intensive consultancy activities reached more than 80% of the total operating revenue (excluding consultancy fees according to the possibility of successful M&A investments deals).

In addition to the main business, consulting activities in 2018 actively supported other activities of the Company: creating products for investment activities, and developing a customer network for brokerage activities and financial services as well as the custody and management of the shareholder register.

The customer base and advisory reputation of SHS is increasing.

DRAWBACKS

- The ability to exploit contracts of some consultants is still limited.
- The relationship with major organizations or financial partners has improved significantly but is still limited.
- The corporate bond market and the Southern market have not been well exploited.

TREASURE

BALANCING RESOURCE MANAGEMENT ACTIVITIES

The Company has ensured liquidity for the entire system of SHS in 2018.

The Company has also met the capital demand for business activities of SHS and financial support for investors.

The capital surplus has been limited by promoting the use of capital for lending activities in accordance with the actual size of capital at different times.

CAPITAL MOBILIZATION ACTIVITIES

Loans from credit institutions account for 14.9% of the total mobilized capital of the whole Company. Besides maintaining the relationship with traditional partners such as SHB, An Binh Bank, OCB Bank and others, the Company has expanded to some new partners such as VPBank, CTBC, and Indovinabank.

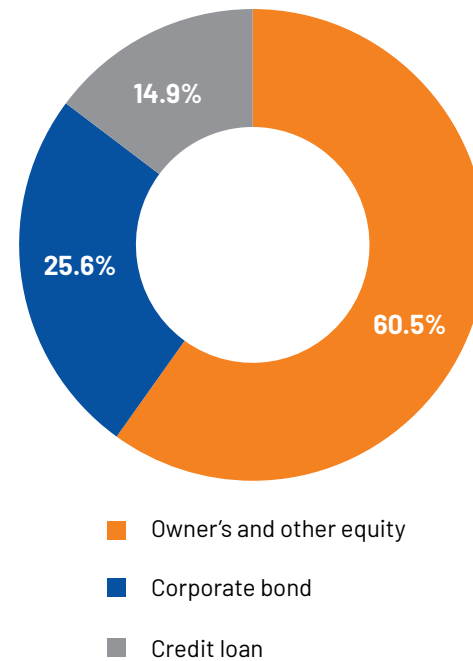
Capital mobilized from bond issuance accounted for 25.6% of the total mobilized capital. Due to the impact of Circular 36, the ability to mobilize capital from credit institutions has been limited. The promotion of corporate bond issuance is a timely solution to supplement long-term capital for the activities of the Company. Accordingly, the Company has issued bonds with the value of VND 2,300 billion to compensate gradually for the matured bond flow as agreed.

Owner's capital accounts for about 25.0% and mobilized capital from other forms have also significantly contributed to helping the Company maintain a stable source of capital for business activities as well as financial support for investors. This has helped to reduce the cost of capital of the Company.

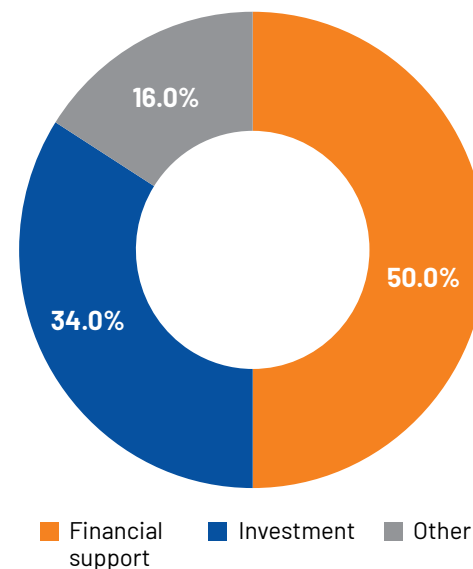
USE OF CAPITAL

Capital is mainly used for financial support activities for investors (about 50%), investment activities (accounting for 34%), and the rest for other activities. The use of capital in 2018 can be said to be relatively effective, contributing to the strong increase in revenue of the Company.

STRUCTURE OF MOBILIZED CAPITAL



STRUCTURE OF USED CAPITAL



Source: SHS Research

DRAWBACKS

- The key mobilized capital sources for business activities are still short-term capital sources that lack stability; long-term source structure accounts for a small proportion. Moreover, the capital for operation is mainly mobilized in the market with high-interest rates and depends on market fluctuations. Since then, the output interest rate is difficult to compete with other securities companies, especially companies with foreign capital and cheap prices.
- The plan to raise capital in 2018, with its focus on increasing charter capital and competitiveness while reducing capital costs and increasing CAR has not been implemented as planned.
- The initiative to build contingency plans for the Company's capital has been gradually implemented but not comprehensively.

SUPPORTING ACTIVITIES

INFORMATION TECHNOLOGY

In 2018, the core software of SHS remained relatively stable, fully and timely updated with changes of the stock exchange and VSD. Internal software such as CRM, HRM, and the reporting system are still updated according to job requirements. Moreover, the Company has developed portfolio management software to replace the old software of the investment department.

Regarding the moving of the Head Office in January 2018, the Company's Data Center was successfully transferred from Yet Kieu to Ngo Quyen. The infrastructure/network/security system meets the essential needs of customers and users.

The Company's voice system has successfully transitioned to VoIP infrastructure. In addition, the Company has successfully integrated all IP Phone Cisco devices received from SHBS - helping to save huge amounts of VoIP terminal equipment. Currently, the system is operating stably.

For hardware, projects under the annual plan have been adjusted to suit the progress of merging a large amount of IT

assets from SHBS to ensure maximum utilization of resources and expansion scale of the post-merger system.

The Company has extended the warranty/update to upgrade hardware, software systems and security software to ensure the stable operation of the IT system.

Various measures have been implemented to monitor core software systems, networks and other important system parameters via email and monitoring screens for administrators.

Professional processes for the operation of IT systems have been supplemented.

However, the project of deploying derivatives trading software and stock core software upgrade has been built as planned but has not yet been approved. The stability of the system, although improved, needs further work to meet the development needs of the Company.

RESEARCH

In 2018, research activities were promoted and focused on analyzing and evaluating enterprises, and supporting business divisions such as brokerage and consulting. Daily and weekly market assessment activities are well maintained. In addition to the three-region online meetings that assess market trends and stock advisory brokerage activities weekly, stock evaluation and recommendation activities are implemented on a daily basis, promptly updating customers about market fluctuations. Generally, reviews are recognized to be good, especially during the period of market adjustment.

In 2018, SHS also continued to exploit the demand of providing analytical products to evaluate stocks according to the needs of institutional customers.

Besides, research activities also focused on internal needs to improve the effectiveness of other activities and serve the direction and administration work of the Board of Directors. Examples include the research and assessment of enterprises for the investment department, the coordination with consultancy activities to provide services to customers, and the carrying out of activities related to building and managing the margin portfolio.

However, the analytical activities in 2018 still had limitations and further work needs to be completed in 2019, such as:

- The products provided for brokerage, investment, and the BOM need to improve further in quality.
- The products of macro analysis, industry, enterprises or impact assessment of new policies are still not sufficient to meet requirements.
- The form, frequency, and quality of products need further improvement to attract customers.
- Staff need to continue improving their knowledge.

BAD DEBT HANDLING

The total amount of bad receivables at December 31, 2018 was VND 495.5 billion, of which the Company made provision for VND 432.8 billion.

Bad debt handling in 2018 continued to focus on the completion of documents and the monitoring and handling of bad debts, urging customers to repay debts even though the Company has made an almost full provision for them. For debts in which litigation is ongoing, the Company continues to provide information and carry out proceedings according to notice of the Court.

However, the handling of bad debts in 2018 has not yet achieved the desired results. For example, the length of legal proceedings is too long, the value of bad debts recovered is too low, and the number and qualifications of legal experts are still limited.



REPORT ON INVESTMENT PERFORMANCE

MAJOR INVESTMENT

Financial Investment

In 2018, SHS's investment activities changed in both quantity and quality. The capital allocated for investment activities increased significantly. If, in the past, SHS's investment structure only had listed shares and fund certificates, now there is a diversification and allocation of large capital sources for investment in unlisted stocks and bonds of all kinds and tools on the money market, contributing to improving the investment efficiency of SHS in 2018.

Change in financial investment as of 31/12/2018, compared to the previous year (Unit: VND billion)

| Target | On 31/12/2018 | On 31/12/2017 | | |
|--------------|----------------|---------------|-----------------|--------------|
| | | | Absolute change | % change |
| FVTPL assets | 1,006.5 | 680.2 | 326.3 | 48.0% |
| AFS assets | - | 217.5 | (217.5) | -100.0% |
| Total | 1,006.5 | 897.7 | 108.8 | 12.1% |

Change in financial investment in 2018 (Unit: VND billion)

| Target | On 31/12/2017 | Increase | Decrease | On 31/12/2018 |
|------------------------|---------------|-----------------|-----------------|----------------|
| FVTPL assets | 680.2 | 29,543.1 | 29,216.8 | 1,006.5 |
| Buy price | 660.9 | 29,506.9 | 29,139.6 | 1,028.2 |
| Revaluation difference | 19.3 | 36.2 | 77.2 | (21.7) |
| AFS assets | 217.5 | 504.7 | 722.2 | - |
| Buy price | 148.6 | 573.6 | 722.2 | - |
| Revaluation difference | 68.9 | (68.9) | - | - |
| Total | 897.7 | 30,047.8 | 29,939.0 | 1,006.5 |

SHS' financial investment structure in 2018

| Target | On 31/12/2017 | Investment in year | On 31/12/2018 |
|-----------------------|---------------|--------------------|---------------|
| Listed shares | 83% | 13% | 75% |
| Unlisted shares | 17% | 1% | 11% |
| Listed bonds | - | 51% | - |
| Unlisted bonds | - | 18% | - |
| Monetary market tools | - | 17% | 14% |
| Total | 100% | 100% | 100% |

Some large financial investments (from VND 20 billion or more) in the year:

| Company | Start of the year | End of the year |
|--|-------------------|-----------------|
| Shares | | |
| The Vietnam Rubber Group | 282.0 | 198.5 |
| Vietnam Urban and Industrial Zone Development Investment Corporation | 89.3 | 89.3 |
| Saigon Beer-Alcohol-Beverage Corporation | 51.8 | 51.1 |
| Viglacera Corporation | 58.9 | 91.2 |
| Petro Vietnam Technical Services Corporation | 95.3 | 170.6 |
| Development Investment Construction J.S Corporation | 28.8 | 28.8 |
| VietinBank | 25.8 | 25.8 |
| Asia Commercial Joint Stock Bank | 60.3 | 60.3 |
| Military Commercial Joint Stock Bank | 42.0 | 42.0 |
| Railway Construction Corporation Joint Stock Company | 68.9 | 16.0 |
| Khanh Hoa Sanest Soft Drink Joint Stock Company | 32.4 | - |
| VRC Real Estate and Investment JSC | 50.1 | 2.9 |
| The Hoa Phat Group | 56.1 | 39.3 |
| Binh Duong Mineral and Construction Joint Stock Company | 44.5 | 60.7 |
| Ha Do Group | 60.4 | 52.2 |
| BIDV Securities Company | 36.6 | - |
| Hai Phat Invest | 67.3 | 107.8 |
| Bien Hoa Packaging Company | 22.8 | - |
| Tien Bo Group JSC | 31.0 | 30.9 |
| Ha Thanh Development and Investment JSC | 210.0 | - |
| My Xuan Port and Service Joint Stock Company | 75.0 | - |
| Nha Trang Trade Tourism Joint Stock Company | 26.0 | 18.1 |
| Bonds | | |
| Government - underwritten Bonds | 1,368.3 | 1,368.3 |
| Government Auction Bonds | 12,044.2 | 12,044.2 |
| VINACOMIN | 100 | 100 |
| EVNNPT | 303.4 | 303.4 |
| VIB | 500.0 | 500.0 |
| BIDV | 3,730.9 | 3,730.9 |
| Vietnam Development Bank | 384.4 | 384.4 |
| Vietnam Bank for Social Policies | 801.8 | 801.8 |
| NCB | 450.0 | 450.0 |
| SeaBank | 200.0 | 200.0 |
| DXG | 180.0 | 180.0 |
| TTB | 300.0 | 300.0 |
| MSN | 50.5 | 50.5 |
| Monetary Market Tools | | |
| Certificate of Deposit | 5,106.3 | 4,961.3 |

Project Investment

The company had no project investments in 2018.

SUBSIDIARIES AND ASSOCIATED COMPANIES

The company has no subsidiaries or affiliates.

➤ PROGRESS MADE DURING THE YEAR

COMPLETING THE MERGER OF SHBS AND SHS

SHS has completed the merger of SHBS into SHS in a short time. This included the successful transfer of tens of thousands of customer accounts and handling many complex issues related to the assets, finance, and liabilities of SHBS. The successful merger has contributed significantly to the orientation of improving the capacity of securities companies by the State management agency. This is the first merger of its kind in Vietnam between a listed securities company and an unlisted securities company.

MAINTAINING HIGH GROWTH

Although the Company's profit before taxes achieved only 89.2% of the yearly target, because in 2018 the market was more unfavorable than expected, SHS still maintained a high growth rate. Specifically, revenue and profit were the highest in the history of the Company's over 10 years of operation. The average earning per share in 2018 still reached VND 2,746 per share.

MAINTAINING THE MARKET SHARE AND HOLDING A POSITION ON THE STOCK MARKET

In 2018, SHS ranked fourth in the brokerage market share listed on HNX and sixth on HOSE. Combining both exchanges, SHS is still in the top five, although 2018 witnessed intense competition between securities companies.

The bright spot in 2018 is the fact that SHS is gradually positioning itself in the listed Government bond market and the corporate bond market. SHS has returned to the top 10 Government bond brokerage market share on HNX after nearly two years and on the HSX after nearly four years of absence. Consultancy activities gradually shifted to intensive advice, especially corporate bond issuance consultancy, which brought positive revenue in 2018 for consulting and underwriting. Investment activities have changed drastically with a significant proportion of investment in the Government bond market, corporate bonds, and monetary market instruments. In doing so, the Company has been able to grasp timely opportunities and show SHS's outstanding development in terms of strategic direction.

In 2018, SHS also moved its head office from No. 1 Yet Kieu, Hoan Kiem, Hanoi to 41 Ngo Quyen, Hoan Kiem, Hanoi. This relocation aimed to position SHS as one of the leading professional and reputable securities companies in Vietnam. The new address is a busy, central street, surrounded by a lot of banks, securities companies and large financial institutions that have contributed to raising the position of SHS on the stock market.

GREATER AUTONOMY ON CAPITAL SOURCE

The additional issuance to swap stocks due to the SHBS merger has contributed to improving the autonomy of SHS. Moreover, during the course of the year, SHS successfully issued four rounds of corporate bonds with a value of VND 2,300 billion mobilized with the advantage of lower interest rates and cheaper credit loans than those available at banks, which contributed to reducing interest expenses and improving the business performance of SHS.

CONFIRMATION OF PRESTIGE AND BRAND POSITIONING IN THE MARKET

The successful issuance of all four rounds of corporate bonds worth up to VND 2,300 billion shows that SHS has increasingly affirmed its reputation in the Vietnam stock market. Many customers and major partners in the financial and foreign markets have come to SHS to express their desire to cooperate in various capacities such as strategic partners, major shareholders, investment cooperation, and providing products, services and loans. In fact, in 2018, SHS successfully implemented many unprecedented and significant deals in the Company's history regarding brokerage, investments, guarantees, and auctions with new and traditional partners. These achievements also showed that SHS increasingly affirmed its brand on the stock market. Many accolades and awards from agencies and departments, including certificates of merit for many years by the SSC, 2 Stock Exchanges and Securities Trading Center, have reaffirmed the belief not only of customers and partners in SHS but also of the State management agency.

➤ IMPROVEMENTS IN THE STRUCTURE OF THE ORGANIZATION AND MANAGEMENT POLICY

In 2018, SHS initially built a work evaluation system (KPI) which is expected to be applied in 2019. To build this system, the Council worked seriously on the basis of listening, analyzing and evaluating. The KPI system is expected to further improve the performance of staff, who are evaluated on the basis of their effectiveness in the market. It should also encourage officials and employees to work diligently and stick with the Company on the ground. Through this system, the department will accurately assesses the contribution of each individual to the overall development of the Company.

➤ EXPLANATION OF THE COMMENTS OF THE INDEPENDENT AUDIT

In 2018, the Independent Auditor fully accepted the Financial Statement and CAR report. Therefore, there is no explanation required from the Board of Management for the opinion of the Independent Auditor.

➤ COMPANY FINANCIAL REVIEW ON REFERENCING THE CAMEL REGULATION

Decision No. 617/QĐ-UBCK dated October 9th, 2013 of the SSC issued regulations on the classification of securities companies for the purpose of evaluating and classifying securities companies in Vietnam in both financial and administrative aspects. This Decision takes into account the following elements: sufficient capital; asset quality; profitability; and liquidity quality to evaluate financial aspect of securities companies.

Based on this decision, SHS conducted its own performance assessment in 2018 and compared it with the previous year to see the financial change of the Company, thereby giving management suitable solutions. The self-assessment results are as follows:

TABLE OF FINANCIAL INDICATORS

| No. | Name of criteria | Value | Point | | Total points 2018 | Total point 2017 |
|-------------|---|----------------------|-------|-----|-------------------|------------------|
| I. | Mức độ đủ vốn | | | | | |
| 1 | Equity/Total assets | From 0% to under 51% | 20 | 10% | 2 | 2 |
| 2 | Equity/Legal capital | 200% or more | 100 | 10% | 10 | 10 |
| 3 | Net available capital ratio | 300% or more | 100 | 10% | 10 | 8 |
| II. | Asset quality | | | | | |
| 4 | Ratio of total assets after adjusting risk/ Total assets (excluding fixed assets) | From 80% to 90% | 80 | 5% | 4 | 4 |
| 5 | Provision rate/(short-term investment + long-term investment + receivables) | 10% or more | 0 | 10% | 0 | 5 |
| 6 | Accounts receivable/Total assets ratio | From 50% to 75% | 50 | 10% | 5 | 0,2 |
| III. | Profitability | | | | | |
| 7 | Profit after tax/Total revenue | 20% or more | 100 | 10% | 10 | 10 |
| 8 | Profit after tax/average equity | From 5% to under 25% | 70 | 10% | 7 | 10 |
| IV. | Quality of liquidity | | | | | |
| 9 | Short-term assets/Short-term liabilities | 150% or more | 100 | 15% | 15 | 15 |
| 10 | Cash and cash equivalents/Short-term liabilities | 30% or more | 100 | 10% | 10 | 0 |
| | Total | | | | 73 | 64 |

FINANCIAL INDICATORS: INCREASED FROM 64 POINTS TO 73 POINTS.

The financial self-assessment results of the Company, according to the Camel regulations, show that the Company's system of financial indicators has made remarkable progress, increasing by 9 points compared to the previous year. This is mainly due to the Company actively increasing its holdings of highly-liquid assets, reducing relative receivables on total assets, and improving financial safety ratios. However, this year the reserve ratio on investments and receivables has increased, while the average rate of after-tax profit on equity has been somewhat reduced. An important factor here is the direct impact of the stock market's strong fluctuation in the second half of 2018.



BUSINESS PLAN IN 2019

- OVERVIEW OF 2019 •
- BUSINESS PLAN IN 2019 •

OVERVIEW OF 2019

MACROECONOMIC ENVIRONMENT

POLITICS

Political stability is one of the indispensable factors contributing to Vietnam achieving peace and prosperity and, at the same time, maintaining its policy of economic development. It is clear that, except for Singapore, since 1990 most countries in the region have experienced political turmoil or crisis. Meanwhile, Vietnam's politics has remained stable, and this has guaranteed the success of economic innovation in the country.

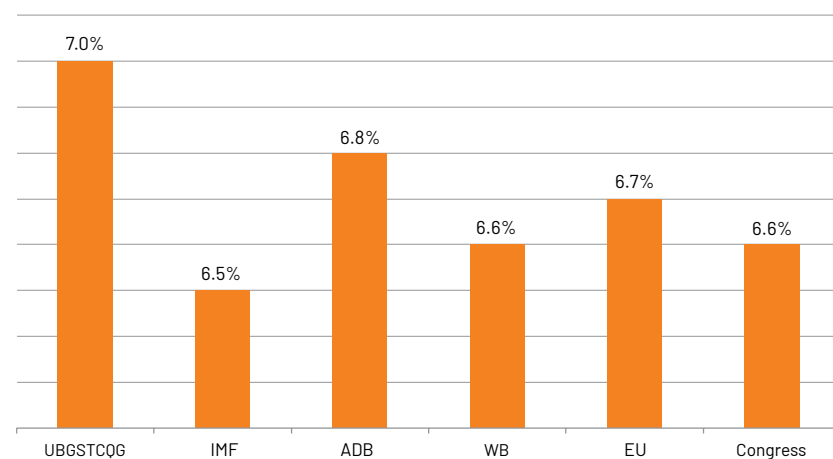
ECONOMY

GDP growth

World economic growth in 2019 is estimated to slow down compared to 2018. According to the IMF, world economic growth dropped by 0.2% to 3.5% due to deceleration in most major economic sectors such as the US, Japan, Europe and emerging economies including China. Reasons for this include the impact of global trade decline, the gradual reduction of monetary and fiscal policies to push up economic growth in many countries, and indirect effects of trade wars between major economies like the US-China and the US-EU.

With the results achieved in 2018, even though Vietnam's economy has been judged more cautiously, it still remains positive in 2019 and is among the countries with the highest growth rates in the region and the world. Growth in 2019 is expected to continue to remain positive at 6.6% - 6.8%. The driving force for the economy in 2019 will come from the growth of domestic demand. Meanwhile, exports and the manufacturing industry will benefit from the process of increasing FDI and shifting investment flows from the countries which are currently out of favor due to trade wars. Sectors such as agriculture, forestry and fisheries are expected to recover, and there is set to be an increase in international integration and opportunities for products in which Vietnam has a competitive advantage when the Free Trade Agreements (FTA) on the horizon are implemented.

FORECAST GDP GROWTH OF VIETNAM - 2019



Source: SHS research



Inflation

Inflation in 2019 is forecast to be higher than in 2018, but still below 4.0% due to the pressure from global interest rates which tend to increase and the price adjustment of some domestic public services such as health, education, and electricity.

Interest rate - Exchange rate

In 2019, the domestic financial and monetary markets will not suffer from any sudden changes from the FED, following a recent announcement by FED Chairman Jerome Powell. The FED is not expected to raise interest rates in 2019 (while according to his announcement at the end of 2018, it will increase twice in 2019). The credit rate for 2019 is forecast to continue to be controlled with the target of 14.0% growth as of 2018 due to the impact of rising inflation and the control of capital invested in risky fields; however, the interest rate is expected to remain stable.

In general, in 2019, the US dollar is expected to be stronger. As a result, the USD/VND exchange rate in the country will be under pressure to rise. This pressure also indirectly

comes from the fluctuation of the renminbi in the context of international markets continuing to fluctuate unpredictably. However, foreign capital inflows are at a positive level and foreign exchange reserves increase rapidly (US\$ 60 billion), so the exchange rate is not expected to fluctuate strongly but adjust within a range of 2.0%.

In addition, the State Bank of Vietnam (SBV) has taken flexible measures to regulate policies through tools and products on both exchange rates and interest rates to stabilize the interest rate and exchange rate markets.

Equitization of State-owned organizations and settlement of bad debts

The process of arranging and equitizing State-owned organizations, divesting non-core investment capital, and the process of handling the bad debts of VAMC shall be drastically implemented. For the banking sector, in addition to continuing the process of handling bad debts, the work of strengthening credit quality control will also be focused on.

SOCIETY

Population and population growth speed

Vietnam's population stood at 97,169,729 people on March 22nd, 2019, according to the latest figures from the United Nations. The country currently accounts for 1.3% of the world's population, ranking 14th in the countries and territories ranking. At present, 35.9% of the Vietnamese population live in urban areas. The average age in Vietnam is 31 years old and Vietnam belongs to the group of countries with young populations.

It is forecast that, in 2019, Vietnam's population will increase by 937,915 and the total population will reach 97,894,859 people in early 2020. Natural population growth is predicted to be nearly 1% per year.

Population with a securities trading account

According to the Vietnam Securities Depository (VSD), the number of securities trading accounts of domestic and foreign investors on 31st December 2018 was 2,182,327 accounts. This was an increase of 13.6% compared to the previous year. As of the end of 2018, Vietnam's population was 96.98 million people, so only 2.2% of the population own a securities trading account. This is a considerably low number compared to the US stock market where nearly 50% of households invest in stocks (According to data released by the US Federal Reserve in September 2014, 48.8% of US households own shares and 87.0% buy stocks through retirement accounts, such as IRA accounts or 401(k).) Therefore, there are plenty of opportunities to increase the number of people who have securities trading accounts.

Per capita income

Vietnam's per capita income in 2018 is estimated at VND 58.5 million, equivalent to US\$2,587, an increase of US\$198 compared to 2017. Compared to the Government's expectation, the per capita income in 2018 is over US\$47, due to 2018's GDP growth of 7.1% compared to last year. Meanwhile, according to a report of General Statistic Office of Vietnam, the labor productivity of the whole economy at 2018 prices is estimated at VND 102 million/labor, equivalent to 4,512 USD/labor, an increase of US\$346 compared to 2017. Labor productivity in 2018 increased 5.9% compared to 2017, much higher than the increase of 5.3% in 2016 and approximately the same increase of 6.0% in 2017. The supplemented workforce and an increase in the number of employed workers in 2018 were said to be the reasons for this.

According to a World Bank report in 2018, 70.0% of Vietnamese people are economically secure. Of these, 13.0% of the population (12.4 million people) belong to the middle class, according to global standards (consuming over 15 USD per day). By 2020, Vietnam's middle class is expected to reach 33 million people, equivalent to 33.5% of the population. The rapid rise of the middle class not only shows great potential for

the development of the Vietnamese market, but also creates huge purchasing power and a break through consumption in the future, as this class has a higher rate of spending increase than other social classes.

Saving rate

According to market research company Nielsen's Consumer Confidence Index, in 2nd quarter of 2018, Southeast Asian consumers are leading in saving. In particular, the Philippines is the country with the highest savings rate in the world (71.0%), followed by Vietnam (70.0%), Singapore (69.0%) and Indonesia (66.0%). Vietnamese consumers continue to be optimistic about their personal financial status, with 76% of survey participants saying their personal financial status is good or will be much better in the next 12 months. However, around half said that this was not a good time for purchasing and spending.

In Vietnam, securities are still a relatively unfamiliar investment channel outside the large cities and retirement plans are still associated with saving cash or gold and foreign currencies kept in the house. Therefore, it will take a long time to change this practice, starting with the legal incentives created for savings accounts investing in securities to be exempted from income tax and other incentives for the fund management industry. The motivation to implement these practices shall come from historical research, as investments in stock have always brought a better rate of interest in the long run compared to savings held in the bank which are only enough to withstand inflation.

TECHNICAL – TECHNOLOGY

The Fourth Industrial Revolution is changing global financial markets everyday. This new foundation is gradually replacing traditional ones, including innovations such as blockchain, artificial intelligence, big data, robotics, and automation, among others.

The Fourth Industrial Revolution is changing global financial markets based on 3 main pillars: digital, biotechnology and physics. The core elements of the Fourth Industrial Revolution are Artificial Intelligence (AI), the Internet of Thing (IoT), Big Data, Robotics, and 3D.

In Vietnam, the Fourth Industrial Revolution in finance is quite unfamiliar. However, the Government has issued Decree No. 165/2018/NĐ-CP dated 24th December 2018 on electronic transactions in finance activities. The Decree shall take effect on 10th February 2019, replacing Decree No. 27/2007/NĐ-CP dated 23rd February 2017 and Decree No. 156/2016/NĐ-CP dated 21st November 2016. With detailed regulations on electronic documents and the use of digital and electronic signatures, Decree 165/2018/NĐ-CP is creating a solid and advantageous legal foundation for expanding and implementing electronic transactions in Vietnam, especially in the field of finance.

INDUSTRY ENVIROMENT

The consideration for upgrading the Vietnam Securities Market

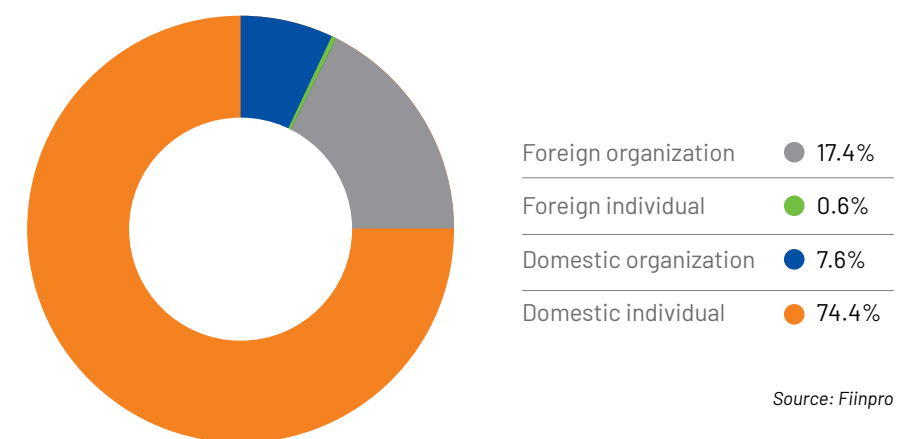
During the review in September 2016, the Vietnam Securities Market was listed by FTSE to upgrade to a secondary emerging market for at least 1 year. When being upgraded to emerging markets, Vietnam's stock market can attract more than US\$1.2 billion from the funds currently invested under the FTSE and MSCI indexes. Besides, the upgrade also helps Vietnam attract more investors and new funds.

The bottlenecks of the securities market and supporting policies

The bottlenecks of the securities market can be mentioned as follows:

- The scale of Vietnam's Securities Market is still small compared to other countries in the region, although its market capitalization has increased rapidly and reached 112% of GDP in 2018. The VN-Index in 2018 was erratic and unable to ensure sustainability, along with the uncertain sentiment of investors.
- The finance of intermediaries and market support organizations is still inadequate. Although securities companies have issued additional shares to increase the charter capital from their owner (for securities companies affiliated to commercial banks), but in general, the charter capital is still not high, and as such, affected companies' ability to participate in the market. Moreover, companies also have to face risks due to low available capital.
- The infrastructure, technical and information technology facilities of securities companies are limited. The staff, especially high-level personnel in securities companies, are still lacking and weak in securities business expertise as well as legal knowledge.
- Although the number of new open accounts has increased rapidly, they are mainly individual accounts, buying and selling stocks in the short-term and are affected and dominated by large investors in the market. Most individual investors lack the necessary skills of investment and market analysis, thus affecting the stability of the market in general. Professional investors account for a modest proportion of 25.0% (of which foreign organizations account for 17.4% and domestic organizations account for 7.6%).
- The legal system for the securities market is still inadequate and remains incomplete, at the same time there is a lack of synchronization in accordance with other relevant legal documents, such as the Enterprise Law, Law on Credit Organization, and the Insurance Business Law.
- The State authorities in the securities market as well as the market participants lack practical experience in management and operation activities.

STRUCTURE OF SECURITIES TRADING



Source: Fiinpro

TOTAL TRANSACTION VALUE (BUY + SELL)

Policies to support Vietnam Securities Market include immediate and long-term solutions:

- **Immediate solutions:** Develop market scale, improve quality and diversify goods to meet market demand; complete the capital market structure step-by-step to ensure the State's management and supervision capability; develop intermediary institutions and market services; develop the system of domestic and foreign investors; complete the legal framework and improve the effectiveness and efficiency of State management and supervision, and; ensure national financial security.

- **Long-term solutions:** develop capital markets toward a modern and complete structure; strongly develop channels to supply capital both from internal and foreign sources to the market, expand the system of investors, especially organized investors; fully develop intermediary institutions; diversify provided services to ensure sufficient elements constituting a developed capital market in the region; closely combine monetary and fiscal policy, and; harmonize the goal of capital mobilization for economic growth and the sustainable development of the capital market with macroeconomic stability, curbing inflation, and ensuring national financial security. State management should also be strengthened, effectively implementing the function of inspection and supervision of legal compliance of organizations and individuals participating in the market.

Competitive trends

It is clear that there are some competitive strategies used by securities companies currently including differentiation, cost-leading and centralization strategies. Securities companies may use one or a combination of several different competitive strategies in their business operations. Of these:

- A differentiation strategy focuses mainly on analysis, investment advisory and providing financial services, which creates differences in products, analytical services, investment and financial consultancy compared to other competitors in the market. Those securities having a qualified workforce in education, work experience and professionalism such as HSC, VCSC, and others, tend to concentrate on this strategy to compete.



- A cost-leading strategy focuses on the brokerage field. Accordingly, securities companies will compete with each other fiercely by reducing brokerage fees. However, this strategy is implemented in two different ways: reducing maximum costs to gain market share and reducing fees by improving governance efficiency as well as applying modern information technology. Securities companies that implement the strategy by the first method are usually the lower-ranked securities companies, which hold an insignificant market share. On the contrary, those implementing the second method are focused on corporate governance as well as the application of modern information technology, and are usually securities companies with a foreign element.

- A centralization strategy focuses on brokerage or financial advisory and underwriting. Following this strategy, securities companies focus on serving a specific target, such as a group of customers, a segment of product, a specific market segment, or a specific geographical location. A typical securities company applying this strategy is TCBS.

Regulation on securities service fee

The Ministry of Finance has issued Circular No. 128/2018/TT-BTC, replacing Circular No. 242/2016/TT-BTC regulating service fee in securities sector applied in securities trading organizations, commercial banks participating in Vietnam Securities Market. This Circular takes effect from February 15, 2019, and includes the following important points:

- Underwriting fee used when implementing the equitization of a State-owned enterprise: from 0.5% to 2% of the total underwriting value of shares.
- Brokerage fee for buying and selling of shares, fund certificates and guaranteed warrants (applicable to listed securities and trading registered securities): Maximum of 0.5% of the transaction value. Previously, according to Circular 242/2016/TT-BTC, the minimum tariff applied was 0.15% and the maximum was 0.5%.
- Brokerage fee for buying and selling of shares, listed or trading registered fund certificates and guaranteed warrants in case of selling (withdrawing) the State's capital and State-owned enterprises' capital through the transaction system of the stock exchange: Maximum of 0.03% of transaction value and not exceeding VND 3 billion/01 transaction/01 organization selling (withdrawing) capital. The fee does not include the money that the securities company shall submit to the stock exchange and Vietnam Securities Depository according to regulations.
- Service fee for management of public securities investment fund, public securities investment companies: Maximum of 2% per fund NAV or portfolio NAV per year.
- Service fee for issuance of open fund certificate or ETF: Maximum of 5% of transaction value.
- Service fee of rebuying, exchange of open fund certificate or ETF: Maximum of 3% of transaction value.
- Brokerage fee for future contracts: Up to VND 15,000/index future contract; up to 25,000 VND/Government Bond Future Contract (these fees do not include the price of derivatives securities trading services, position management services, deposited asset management services that securities companies must submit to the stock exchange and Vietnam Securities Depository in accordance with regulations).

This Circular has supplemented the missing provisions on service fees on the Vietnam stock market and has met the market members' requirements related to service fee policies. On the other hand, abolishment of the minimum fee regulation for brokerage of listed shares and fund certificates will lead to a race to reduce brokerage fees between securities companies. In order to ensure brokerage revenue, securities companies will tend to increase asset management fees in brokerage activities.

Trend of electronicization in the securities trading system

In Vietnam, new technologies gradually shape the securities services, including three main trends: using technology to reduce transaction costs, connect social idle resources and form a closed ecosystem.

- Using technology to support business model is no longer new to securities companies in the market, but the business model determined by technology has just begun to appear recently. Automatic technology from account opening to care and provide advices for customers, etc, and applying Blockchain technology in which money is encrypted, changing payment methods, transferring money and storing assets that contribute to pushing up transaction speed of services, eliminating operational and administrative costs, thereby reducing real cost per customer and providing high security.

- The question of connecting idle resources in society with capital markets remains open. The demand for optimization of intellectual property and capital always exists. Taking the experience of Uber/Grab, securities companies could create a similar connection platform in which consultants with knowledge, experience, and technology performs Uber/Grab drivers. Investors would be like passengers who need to raise their financial capital from low to high, while customers and advisers would have their own identification numbers. Customers could choose advisers or make referrals for their friends and relatives to use the system using an identification referral code, with each referral code earning bonus points. With this model, securities companies are not the owner, but have hundreds or thousands of customers and consultants in the market. As a result, securities companies could not only connect idle resources in society but also minimize costs, contributing to improving business efficiency.



- A closed ecosystem is a new direction in the financial market whereby each institution tries to build adiversified investment product ecosystem. However, unlike traditional financial products, technology can create superior effectiveness in term of costs. Accordingly, securities companies use technology to clear capital flows by connecting with banks, insurance companies, and others. In doing so,an investor need only log in to any system to perform all relevant activities in their bank or securities accounts, thus optimizing cash flow and profit for customers. A customer's cash flow will be profitable through this channel.

The trend of using robots to replace people (especially in investment advisory)

In short, automated robotic consulting is a software system written to help financial institution customers make decisions about their portfolios. The consulting robot provides financial advice or portfolio management via the Internet or a smartphone application. Instead of using people to build portfolios, people will use algorithms to determine which areas are worth investing in and select stocks that match profitability/risk-management criteria. Meanwhile, users also have easy access to this technology platform by taking a few minutes to set up an account and establish investment conditions. Convenience will help this kind of financial advisory service become popular and grow strongly. In the field of asset management, this approach is most clearly expressed in ETF funds. The benefit of this approach is the elimination of human factors that help to save costs by not using financial advisers or brokers, its 24/7 accessibility instead of depending on the working time of advisors, and the elimination of emotional factors in the advisory process that lead to a subjective portfolio. However, instead of relying heavily on people or robots, a hybrid model can be used, in which advisers can use digital tools to improve the quality of their advisory services.

INTERNAL ENVIRONMENT

HUMAN RESOURCES

The total number of employees of the Company as of the end of 2018 was 235, with an average age of 25 to 40. The workforce is considerably young, well-educated and experienced, however, it is not yet professional and standardized.

FINANCE

On the 31st of December, 2018, the Company's total assets were VND 4,869.0 billion, ranked 7th, charter capital was VND 1,054.0 billion, ranked 19th, total debt was VND 3,003.6 billion, ranked 4th among 75 securities companies operating in Vietnam. Thus, the Company's charter capital is low, and the operation mainly uses funds from loans, which contains potential risks.

The debt-to-assets, debt-to-equity, and debt-to-charter capital ratios of SHS as of the 31st of December 2018 were 61.7%, 161.0% and 266.9%, respectively, which are high among companies in the market (ranked 3rd and 4th). Therefore, the changes in interest rate will greatly affect the business results of the Company.

In assets structure, there are some investment items and outstanding receivables previously inherited from SHBS which needed to be handled.

The Company has had strong growth in revenue and profit in recent years but this has not yet become sustainable.

TECHNOLOGY

The Company has been using the trading software of TYHPT since 2011, which, at that time, was one of the most modern software in South Korea. However, after 7 years of utilization, this software has reached its limitations, revealing many shortcomings, especially in monitoring and managing customers, products, and services. This has forced the Company to build many external applications to monitor and manage customers, products, and services. This, in turn, increases Company costs, reduces labor efficiency, and increases processing time. Moreover, the development of modern technology-based applications to keep up with the trend of the 4th Industrial Revolution has met with difficulties. Therefore, the Company needs to decide whether to continue using the current core software or to replace it.

The Company's website is upgraded periodically. However, it lack utilities and professional, hard-to-find information. This reduces efficiency in information disclosure and communication.

MATERIAL BASE

The Company has one headquarters and one transaction center in Hanoi, two branches in Da Nang and Ho Chi Minh city, and one representative office in Dong Nai. All meet the requirements of the SSC in material base to fully implement securities trading operations.

CONNECTIONS

The Company has strong support from SHB and T&T Group in term of financial capital, customer system, strategic orientation and management ability. These are big competitive advantages for SHS in the market.

With the orientation of developing wholesale activities, SHS is gradually expanding its connections with other securities companies, organizations, and large investment funds to find cooperation opportunities and to utilizemutual advantages.

BRANDNAME

SHS is a long-standing brandname with 11 years of operation and growth. The Company is currently managing 42,655 customer accounts, of which 99.2% are individual accounts. The market share is always ranked among the top 10 securities companies.

CORPORATE GOVERNANCE

The Company has focused on enhancing its management. However, the management system has not yet fully met the standards of international best practice.

The risk management system has been built and gradually improved but has not yet been standardized.

➤ EVALUATION OF INFLUENCES ON THE COMPANY'S OPERATION



OPPORTUNITIES

- The stability of the political and economic climate – particularly inflation, interest rates and exchange rates – will contribute to creating a convenient business environment for organizations in general, and SHS in particular. Securities trading has the potential to continue growing along with the growth of GDP, market capitalization, and market promotion.
- With policies to support the resolution of stock market bottlenecks and the continued enhancement of control criteria for securities companies' operations, the strong elimination process of the market will reduce the number of securities companies, especially weak ones, as well as the number of unprofessional customers. This will strengthen the market and support the operation of the remaining securities companies, including SHS.
- With the consideration of upgrading the Vietnam securities market, the opportunity to cooperate with foreign partners in terms of capital, technology, and customer development will be enhanced.
- Factors such as a young population, a high population growth rate, rapidly increasing per capita income, a high savings rate, and a low rate of population with securities trading accounts will create great opportunities for developing new markets and new customers, both internal and in foreign markets.
- The 4th Industrial Revolution opens up opportunities in the Company's business operations, such as:
 - + Improving product and service quality using appliances from the 4th Industrial Revolution.
 - + Enhancing business management quality, risk management, customer service and customer development based on the application of Big Data.
 - + Creating new tools and products from Robotics and Blockchain applications.
- The securities market is expected to be more stable in 2019, following strong fluctuations in 2018. This is creating many opportunities for SHS activities such as brokerage, investment, advisory and financial services. Moreover, the process of arranging and equitizing State-owned enterprises, divesting non-core investment capital, and handling bad debts of VAMC will continue to be implemented, contributing to new opportunities for activities such as investment, advisory, and underwriting as well as encouraging foreign organizations to participate strongly in the process of arranging and equitizing State-owned enterprises and dealing with bad debts. With the results achieved and positive market prospects, SHS's investment activities are expected to continue to record good results through listing investment, realizing unlisted investment opportunities and portfolio restructure through auction participation in IPO of State-owned enterprises, divestment of non-core businesses of corporations, and debt restructuring from banks. Moreover, the issuance and listing of shares will continue to be promoted, thereby creating opportunities for investment, brokerage, advisory, and underwriting activities.

CHALLENGES

- Circular No. 36 and Circular No. 07 continue to affect credit capital for securities investments and trading of securities companies, including SHS. If the SSC does not permit the implementation of tripartite cooperation for securities lending, securities companies like SHS shall encounter many disadvantages.
- Competitive pressure is increasing as many companies have been planning to increase their charter capital in order to meet new requirements on trading capital, and to provide new products related to derivatives. With large amounts of new capital being raised, especially from those companies with foreign capital, the competition in products, deposit interest rate and lower transaction fees for both fundamental and derivatives markets (after the cancellation of the lowest brokerage fees) shall increase.
- In the context of a strong increase of foreign cashflow coming from foreign corporate investors recently, those securities companies belonging to lower groups, such as SHS, shall meet difficulties in retaining market share, as the top 3 securities companies (SSI, HSC, and Viet Capital) hold almost all market share for this group of customers.
- The process of restructuring the securities industry is being implemented with many new regulations which shall have an effect on the operation expenses and financial safety ratios of SHS. This, in turn, will affect flexibility in the management and business operations of SHS.
- Competitive pressures increase when competitors invest heavily in technology. Many potential competitors have appeared, and alternative products are competing with traditional models. The cost of investing in technology is enormous and risky.
- Competition between securities companies, in addition to expanding the scale of capital and operation, continues to deepen through improvements in service quality and the application of modern information technology. Competitive pressures increase when competitors invest heavily in technology. There is an appearance of many potential competitors and alternative products competing with traditional models. The cost of investing in technology is huge and risky. All of these require SHS to continue to invest more in human resources and technology to maintain and improve market share, image, and position. This will make the Company's operating costs increase, putting pressure on the Company in short-term.

STRENGTHS

- SHS is a securities company with strong brandname recognition and a high reputation in the market.
- The Company has a large customer system with 42,655 trading accounts.
- SHS has strong support from SHB and T&T in terms of financial capital, customer system, strategic orientation and management ability.
- The Company has a well-educated and experienced workforce.

WEAKNESSES

- Despite their experience and knowledge, the Company's human resources are not yet professionalized and standardized.
- The growth of business operations is unsustainable.
- The business results from main activities such as brokerage, financial service, and advisory greatly depends on the market situation.
- The Company's total assets and charter capital are not large, and debt is high, so there is a potential risk of liquidity and the business results depends largely on the fluctuation of interest rates in the market.
- Some investments and outstanding receivables still need to continue being handled.
- 99.2% of the Company's customers are individuals, thus, there is a limitation to implementing a centralization strategy.
- The current trading software system has reached its critical point, revealing many shortcomings in monitoring and managing customers, products, and services as well as difficulties in upgrading and developing applications to keep up with the trend of the 4th Industrial Revolution.
- The Company's website lacks utilities and professional, hard-to-find and research for information. This, in turn, reduces its efficiency in information disclosure and communication.
- The Company's management system is good, however, it has not yet met the requirements according to international best practice.
- The risk management system has not yet been standardized.

BUSINESS PLAN IN 2019

PRIORITIES IN THE BUSINESS PLAN

Based on an evaluation of internal and external factors affecting the Company's business operation, together with its strengths, weaknesses, opportunities and threats, the Company has identified five innovations that need to be implemented in order to achieve sustainable growth in the future. These include the Company's objective, finance, mindset and human resources, technology, and systems. In particular:

- The objective of innovating the Company's operation is based on the current foundation, but with some adjustments to achieve development in the new period. Take brokerage activity, for example: Developing the activities of brokerage is not simply about brokerage, but also involves managing customer's assets using modern information technology.
- Innovation in finance is based on the development and highly effective use of capital, ensuring financial safety ratios and good risk management implementation.
- Innovation in mindset - human resources is based on two foundations including change in mindset and change in human capital, followed by change in strategic thinking, creating a different mindset and innovating humans into professionals in order to build a strong Company culture.
- Innovation in systems includes the innovation in management systems, controlling systems and risk management systems in accordance with advanced and modern practices.
- Innovation in technology includes innovation in trading systems to meet the requirements of fast and comfortable connections for customers, reducing operation expense, and maintaining the ability to keep strong connections and high security following the trend of the 4th Industrial Revolution.

The Company states its priority targets in the business plan for 2019 as follows:

- Maintain and strengthen brokerage position by promoting the development in both breadth of operating scale and depth of service quality. The important task is to improve the quality of brokers especially investment advisors and software systems to support investment advice. Besides, it is necessary to maintain the stability of financial resources to meet the demand of investors. The target of SHS in 2019 is to maintain in the top 5 securities companies with the largest brokerage market share on 3 exchanges of HNX, HSX and Upcom.
- Prepare to meet the requirements for implementing derivatives and secured warrants in 2019.
- Enhance financial service product quality, research new products that have competitive advantages in the market and which are suitable for different types of customers.
- Focus on exploiting services in organization bond market, as bonds shall become an important long-term means of capital mobilization for economic development investment, and one which is encouraged by the Government.
- Utilize all current opportunities in the market for listed stock investment. In particular search for valuable investment by becoming a strategic investor, participating in IPO auctions of State-owned enterprises in 2019.
- Strengthen qualified human resources for operation sectors, especially in IPO, M&A and organization restructuring advisories.
- Start and complete the implementation of a working evaluation system and salary payment based on KPIs.
- Strengthen cooperation with banks, insurance companies, organizations and other securities companies to utilize mutual strengths.
- Complete the capital increase for enhancing financial strength as well as financial safety ratios, thus, be able to meet the requirements of the State Securities Commission and provide sufficient capital for the Company's operation.
- Continue to research and invest in modern information technology in accordance with the trend of the 4th Industrial Revolution to build a strong foundation to enhance service quality.
- Internal control, risk management, strengthening financial safety, as well as a development in thinking and Company culture have to be focused on during the implementation of business operations.

BUSINESS PLAN IN 2019

SUPPOSITION

The macroeconomic context is stable

Some suppositions related to the stock market

| | 2018 | Estimated in 2019 | 2019/2018 |
|---|-------|-------------------|-----------|
| Total trading value (billion VND/session) | 6,200 | 5,580 | 90% |
| SHS market share | | | |
| HSX | 4.02% | 3.82% | |
| HNX | 8.44% | 8.02% | |

BUSINESS PLAN IN 2019

(Unit: VND billion)

| Seq. | CRITERIA (VND billion) | Results in 2018 | Plan for 2019 | Compared to 2018 |
|------|-------------------------|-----------------|---------------|------------------|
| 1 | Total Revenue | 1,246.8 | 1,291.0 | 103.6% |
| 2 | Total Expense | 836.1 | 870.7 | 104.1% |
| 3 | Gross profit before tax | 410.7 | 420.3 | 102.3% |

▶ PLAN FOR CORE OPERATIONS

BROKERAGE AND CUSTODY

- Re-orienting the goal of brokerage activities to manage assets instead of securities brokerage due to changes in the Ministry of Finance's regulations on brokerage fees.
- Hold 5th place on both stock exchanges, and reach the top three.
- Take advantage and exploit the potential of the Southern market by promoting financial advisory and underwriting activities, then exploit brokerage activities based on the clients developed from consulting and underwriting activities.
- Shortly complete the construction of KPI, comprehensively innovate the payment mechanism for brokers in the direction of competition with the top-five securities companies.
- Quickly deploy derivative brokerage services.
- Improve the quantity and quality of brokers, especially institutional brokers and brokers for foreign customers.
- Quickly change the core trading system to meet the needs of customer development and transactions, focusing on developing information technology applications based on advanced and modern technology.

INVESTMENT

- Continue to strictly implement the current legal provisions on investment restrictions. Balance capital to implement investment opportunities.
- Continue to restructure the investment portfolio in the direction of resolving investments with no potential.
- Promote and search for investment opportunities by M&A and PE in accordance with SHS's ability and implement other investment channels permitted by law and the Company's Charter.
- Continue to research and build a monitoring and evaluation mechanism for each employee.
- Continue to recruit and train experienced and skilled personnel to enhance the ability to grasp opportunities in the stock market.
- Goal: take advantage of opportunities to find short-term profits in conjunction with portfolio construction with good, sustainable, and long-term expectations.

FINANCIAL SERVICES

- Improve credit risk control and capital efficiency.
- Standardize business processes according to each product, and minimize unnecessary records and procedures.
- Maintain product stability but diversify forms of service delivery. Make products more flexible and convenient for customers while still ensuring safety for the Company.
- Consider the cross-selling of products with banks and securities companies with advantages in capital and interest rates in accordance with the current legal provisions.
- Continue to promote IT applications in financial services activities to make the reporting and customer management process better, especially for large and institutional customers.
- Goal: develop flexible, convenient and well-managed financial products on the basis of complying with legal regulations and the Company's Charter.

FINANCIAL ADVISORY AND UNDERWRITING

- Continue to improve the quality of individual consultants and the team as a whole.
- Maintain the implementation of traditional consulting services as a foundation and develop a customer network for other activities of the Company.
- Focus on consulting and underwriting operations related to corporate bonds.
- Advise on and be a intermediary to arrange capital with other IB operations.
- Exploit the advantages and potential of the Southern market.
- Goal: become the leading consultancy organization in Vietnam.

TREASURE

- Monitor the balance of capital to ensure the liquidity of the whole Company.
- Expand credit relations with many commercial banks to ensure loan size.
- Implement reasonable solutions to continue adding capital for the Company's activities, focusing on developing long-term capital sources and reasonable interest rates, especially equity.
- Consider issuing warrants with a reasonable roadmap to increase revenue and prevent risks.
- Keep track of the market, forecasting risks affecting the capital source of the Company.
- Continue to build and complete contingency plans for capital resources of the Company, contributing to good liquidity risk management.
- Goal: fully meet capital needs for business activities of the Company on the basis of optimal capital costs, good liquidity risk management and compliance with the provisions of the law.

SUPPORTING ACTIVITIES

Information technology

The focus of the Company's 2019 plan is to evaluate the current core software and propose a treatment plan to better support brokerage activities. The Company also aims to quickly deploy new stock core software once approved, focus on product development for investors on smart phones, and continue to focus on security and system management. In addition, Ho Chi Minh City Stock Exchange now has a plan to upgrade to new core software, which is expected to be put into operation in 2019. The Company will closely follow the progress of the Ho Chi Minh Stock Exchange and act accordingly to save resources.

Research

- Improve the products providing for brokerage, investment, and the BOM.
- Add more the products of macro analysis, industry, enterprises or impact assessment of new policies.
- Improve the form, frequency, and quality of products to attract customers.
- Add more research staff and continue improving their knowledge.

Bad debt handling

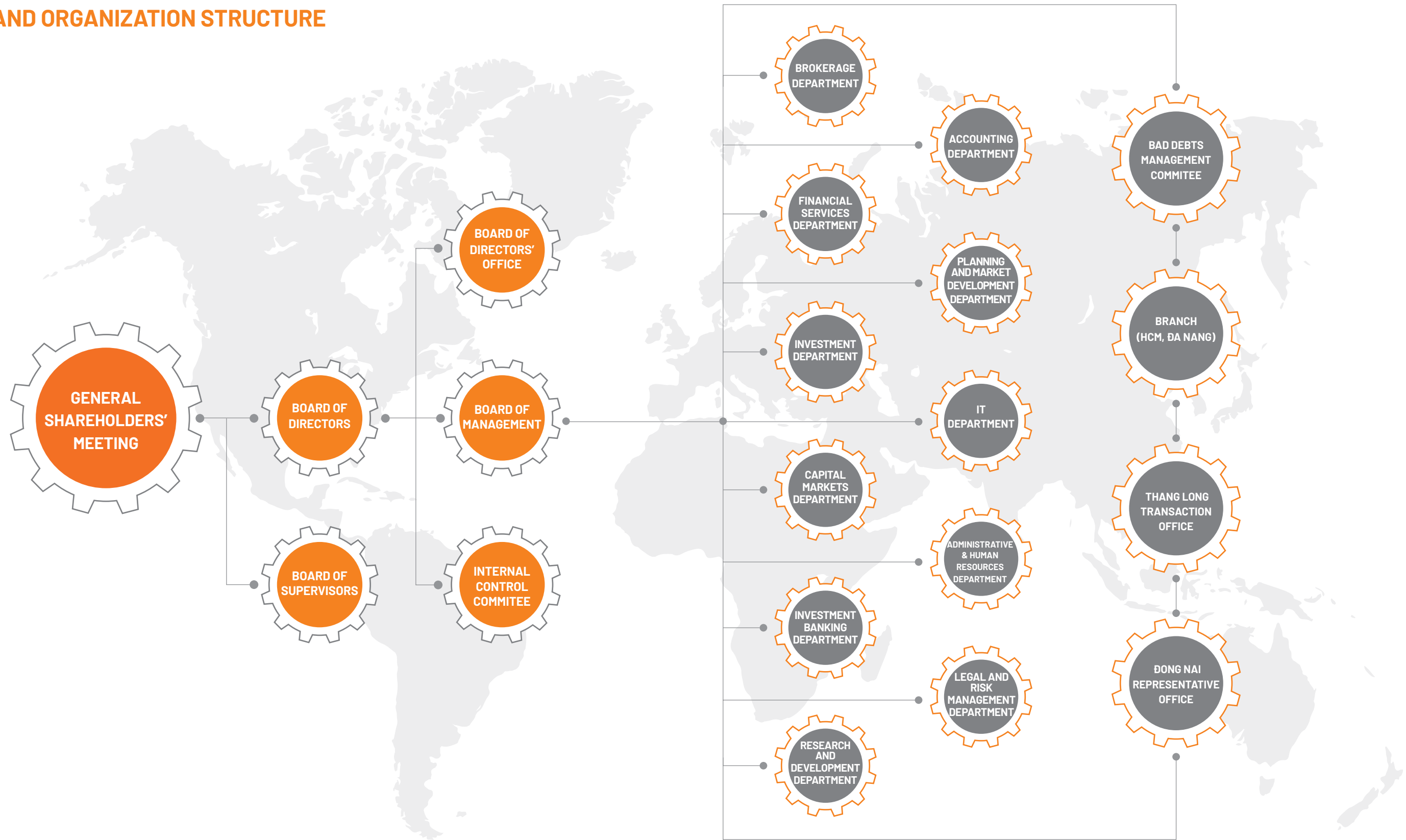
In 2019, the Company will focus on improving the procedural qualifications of legal experts and expanding cooperation with reputable and experienced legal offices in these proceedings and economic projects to ensure speedy and effective handling of bad debts of the Company.



CORPORATE GOVERNANCE

- MANAGEMENT MODEL AND ORGANIZATION STRUCTURE ●
 - KEY PERSONNEL ●
 - BOARD OF DIRECTORS ●
 - SUPERVISORY BOARD ●
 - INTERNAL AUDIT ●
 - RISK MANAGEMENT ●
- WAGES, REWARDS, REMUNERATIONS AND BENEFITS ●
- EXECUTION OF REGULATIONS ON CORPORATE GOVERNANCE ●
- INFORMATION FOR SHAREHOLDERS ●
 - INVESTOR RELATIONS ●
- REPORT AND DISCLOSURE OF INFORMATION ●
- ASSESSMENT OF CORPORATE GOVERNANCE ●
- ACCORDING TO THE SCORE CARD OF THE ASEAN REGION AND CAMEL REGULATIONS ●

MANAGEMENT MODEL AND ORGANIZATION STRUCTURE



KEY PERSONNEL BOARD OF DIRECTORS



MR. DO QUANG HIEN

*Chairman of the Board
Non-independent and non-executive member of the Board of Directors*

| | |
|-----------------------------|---|
| First appointment date: | 12/03/2007 |
| First re-appointment date: | 04/06/2012 |
| Second re-appointment date: | 04/26/2017 |
| Date of birth: | 10/29/1962 |
| Education: | Radio physics engineer - Vietnam National University, Hanoi |
| Ownership: | 25,000 SHS shares with voting rights (percentage 0.025%) |



MR. LE DANG KHOA

*Board member
Independent, non-executive member*

| | |
|----------------------------|--|
| First appointment date: | 03/22/2013 |
| First re-appointment date: | 04/26/2017 |
| Date of birth: | 08/18/1974 |
| Education: | Master of Business Administration National Economics University |
| | Bachelor of Accounting - Banking Academy |
| Ownership: | 0 SHS shares with voting rights (percentage 0%) |

The Board of Directors of SHS,
as of the 31st of December 2018, has five members, as follows:

Working experience

| | |
|----------------|---|
| 1984 - 1987 | Radio physics engineer, Head of the assembly team - Television repair factory - Radio Hanoi |
| 1987 - 1988 | Radio physics engineer, Head of assembly team - Hanoi Electronics Company |
| 1988 - 1993 | Physical Engineer, Officer of Optical Technology Department - National Institute of Technology Research |
| 2012 - 2015 | Chairman of the Board - Binh An Seafood Joint Stock Company |
| 2008 - 2016 | Chairman of the Board - Saigon-Hanoi Fund Management Joint Stock Company |
| 2005 - present | Vice-Chairman of the Board, Chairman of the Board of Directors - Saigon-Hanoi Commercial Joint Stock Bank |
| 2007 - present | Chairman of the Board - Saigon-Hanoi Securities Joint Stock Company |
| 1993 - present | Chairman of the Board, General Director - T&T Group Joint Stock Company |
| 2012 - present | Chairman of the Board - Saigon-Hanoi Insurance Joint Stock Corporation |
| 2010 - present | Chairman of the Board - SHB Urban Development and Industrial Joint Stock Company |
| 2007 - present | Chairman of the Board - T&T Ha Giang Mining and Processing Joint Stock Company |
| 2015 - present | Chairman of the Board - Transport Hospital Joint Stock Company |

Current positions at other companies

Listed companies:

Chairman of the Board - Saigon-Hanoi Commercial Joint Stock Bank

Other companies:

Chairman of the Board and General Director - T&T Group Joint Stock Company

Chairman of the Board - Saigon-Hanoi Insurance Joint Stock Corporation

Chairman of the Board - SHB Urban Development and Industrial Joint Stock Company

Chairman of the Board - T&T Ha Giang Mining and Processing Joint Stock Company

Chairman of the Board - Transport Hospital Joint Stock Company

Working Experience

| | |
|----------------|---|
| 2009 | Deputy Head, Head of Department, Director of Money Markets Department - Vietnam International Commercial Joint Stock Bank |
| 2009 - present | Deputy General Director - Saigon-Hanoi Commercial Joint Stock Bank |
| 2014 - present | Vice-Chairman of the Board - Saigon-Hanoi Insurance Joint Stock Corporation |
| 2013 - present | Member of the Board of Directors - Saigon-Hanoi Securities Joint Stock Company |

Current positions at other companies

At listed companies:

Deputy General Director - Saigon-Hanoi Commercial Joint Stock Bank

At other companies:

Vice Chairman of the Board - Saigon-Hanoi Insurance Joint Stock Corporation

**MR. VU DUC TIEN**

Member of the Board of Directors and General Director
Executive, non-independent Board member

| | |
|----------------------------|--|
| First appointment date: | 09/15/2014 |
| First re-appointment date: | 04/26/2017 |
| Date of birth: | 09/02/1973 |
| Education: | Bachelor of Banking and Finance – Banking Academy Bachelor of English – Hanoi University of Foreign Languages Certificate of financial analysis practice – SSC |
| Ownership: | 79,400 SHS shares with voting rights (percentage 0.0079%) |

Working Experience

| | |
|----------------|---|
| 1995-1998 | Deputy Head of Credit Department – Asia-Pacific Commercial Joint Stock Bank |
| 1998-2000 | Deputy Head of Import and Export Division 5 – TKV Coal Import Export Joint Stock Company (COALIMEX) |
| 2000-2008 | Director – Thanh Nhan Tourism Trade Joint Stock Company |
| 2008 – present | Chief of Office of the Board of Directors Office – Saigon-Hanoi Securities Joint Stock Company |
| 2012 – 2014 | Deputy General Director – Saigon-Hanoi Securities Joint Stock Company |
| 2014 – present | General Director – Saigon-Hanoi Securities Joint Stock Company |
| 2012- present | Member of the Board of Directors – Saigon-Hanoi Insurance Joint Stock Corporation |
| 2014 – present | Board member – Bien Hoa Packaging Company |
| 2015 – present | Vice Chairman of the Board – Thanh Hoa Petroleum Construction Joint Stock Company |
| 2014 – present | Board member – Petroleum Infrastructure Services Investment Joint Stock Company |

Current positions at other companies**At listed companies:**

None

At other companies:

Member of the Board of Directors – Saigon-Hanoi Insurance Joint Stock Corporation

Vice-Chairman of the Board – Thanh Hoa Petroleum Construction Joint Stock Company

Board member – Petroleum Infrastructure Services Investment Joint Stock Company

**MR. MAI XUAN SON**

Board member
Non-independent, non-executive Board member

| | |
|----------------------------|---|
| First appointment date: | 01/24/2014 |
| First re-appointment date: | 04/26/2017 |
| Date of birth: | 07/25/1974 |
| Education: | Bachelor of Business Administration – Hanoi University of Commerce Bachelor of English – Hanoi University of Foreign Languages |
| Represent: | 6,127,000 SHS shares with voting rights (percentage 6.127%) of T&T Group Joint Stock Company |
| Ownership: | 44 SHS shares with voting rights (percentage 0.000044%) |

Working Experience

| | |
|----------------|--|
| 1997 – 1999 | Sales Specialist – Hanoi Sieu Thanh Company |
| 2000 – 2004 | Expert of Export – Import Department – T&T Company Limited |
| 2005 – 2009 | Head of Registration Department – T&T Group Joint Stock Company |
| 2010 – present | Deputy General Director, Board member – T&T Group Joint Stock Company |
| 2005 – present | Chairman of the Board – Handicraft Import Export Joint Stock Company – Artexport Vietnam |
| 2015 – present | Chairman of the Board – Hanoi-Can Tho Seafood Joint Stock Company |
| | Chairman of the Board – Viet Ha Trading and Investment Joint Stock Company |
| 2011 – present | Director – T&T Motor Company Limited |

Current positions at other companies**At listed companies:**

None

At other companies:

Deputy General Director, Board member – T&T Group Joint Stock Company

Chairman of the Board – Handicraft Import Export Joint Stock Company – Artexport Vietnam

Chairman of the Board – Hanoi-Can Tho Seafood Joint Stock Company

Chairman of the Board – Viet Ha Trading and Investment Joint Stock Company

Director – T&T Motor Company Limited

**MR. NGUYEN VAN HUNG**

Member of the Board of Directors
Non-independent and non-executive members of the Board of Directors

| | |
|-------------------|--|
| Appointment Date: | 04/11/2018 |
| Date of birth: | 11/30/1979 |
| Education: | Master of Business Administration – Hanoi Foreign Trade University Bachelor of Business Administration – Hanoi University of Technology Bachelor of Organic Chemistry – Hanoi University of Technology |
| Represent: | 6,127,000 shares with voting rights (percentage 6.127%) of T&T Group Joint Stock Company |
| Ownership: | 0 SHS shares with voting rights (percentage 0%) |

Working Experience

| | |
|----------------|--|
| 2002 – 2007 | Engineer of Technical Department – Northern Food Corporation and General Sugar Corporation I |
| 2007 – 2009 | Specialist – Saigon Securities Joint Stock Company |
| 2009 – 2013 | Business Director, Assistant to the Chairman Wall Street Securities Joint Stock Company |
| 2014 – 2016 | Board member – Mekong Land Joint Stock Company |
| 2016 – 2018 | Vice-Chairman of the Board – KPF IB Joint Stock Company |
| 2018 – present | Deputy Director of Investment Department – T&T Group Joint Stock Company |
| 2018 – present | Board member – Saigon-Hanoi Securities Joint Stock Company |

Current positions at other companies**At listed companies:**

None

At other companies:

Deputy Director of Investment Department – T&T Group Joint Stock Company

➤ **CHANGE IN MEMBERS OF THE BOARD DURING THE YEAR**

The 2018 Annual General Meeting of Shareholders, held on April 24th 2018, passed Resolution No. 01-2018/NQ-DHDCD on changing the Board members from April 11th, 2018 as follows:

– Appoint: **Mr. Nguyen Van Hung.**

– Dismiss: **Mr. Nguyen Anh Tu.**

SUPERVISORY BOARD

The Supervisory Board of SHS, as of December 31st, 2018, consists of three members as follows:



MS. PHAM THI BICH HONG

Head of Supervisory Board (in charge)

| | |
|-----------------------------|--|
| First appointment date: | 01/15/2008 |
| First re-appointment date: | 04/06/2012 |
| Second re-appointment date: | 04/26/2017 |
| Date of birth: | 02/08/1968 |
| Education: | Master and Bachelor of Finance and Accounting – University of Finance and Accounting (now the Academy of Finance) Securities brokerage practice certificate – SSC |
| Ownership: | 21,740 SHS shares with voting rights (percentage 0.02%) |

Working Experience

| | |
|----------------|--|
| 1989 - 1995 | Accounting specialist - Textile production service company - Vietnam Textile and Garment Corporation |
| 1995 - 1999 | Specialist of Finance and Accounting Department - Commercial Service Company No. 1 - Vietnam Textile and Garment Corporation |
| 1999 - 2006 | Deputy Manager of Finance and Accounting Department - Commercial Service Company No. 1 - Vietnam Textile and Garment Corporation |
| 2006 - 2007 | Deputy Head of Finance and Accounting Department - Textile and Garment Import - Export Company - Vietnam Textile and Garment Group |
| 2007 - 2008 | Chief Accountant - Hanoi Securities Joint Stock Company |
| 2008 - present | Head of Supervisory Board - Saigon-Hanoi Securities Joint Stock Company |
| 2017 - present | Member of Supervisory Board - Saigon-Hanoi Commercial Joint Stock Bank |

Current positions at other companies

At listed companies:

Member of Supervisory Board - Saigon-Hanoi Commercial Joint Stock Bank

At other companies:

None



MR. VU DUC TRUNG

Member of Supervisory Board (non-in charge)

| | |
|----------------------------|---|
| First appointment date: | 04/06/2012 |
| First re-appointment date: | 04/26/2017 |
| Date of birth: | 12/25/1980 |
| Education: | Master of Business Administration - Edith Cowan Australia University Bachelor of Accounting and Auditing - National Economics University Certified practicing auditor - Vietnam Association of practicing auditors Certificate of fund management practice - SSC |
| Ownership: | 560,000 SHS shares with voting rights (percentage 0.56%) |

Working Experience

| | |
|----------------|--|
| 2002 - 2007 | Auditor - Deloitte Touche Tohmatsu Limited |
| 2007 - 2009 | Deputy Head of Financial Advisory and Underwriting Department - Seabank Securities Joint Stock Company |
| 2009 - 2011 | Head of Financial Advisory and Underwriting Department - Saigon-Hanoi Securities Joint Stock Company |
| 2011 - 2013 | Head of Investment Department - T&T Group Joint Stock Company |
| 2013 - present | Member of the Board of Directors, Deputy General Director - Saigon - Hanoi Insurance Joint Stock Corporation |
| 2012 - present | Member of Supervisory Board - Saigon-Hanoi Securities Joint Stock Company |
| 2014 - present | Head of Supervisory Board - Thang Long Corporation Joint Stock Company |

Current positions at other companies

At listed companies:

None

At other companies:

Member of the Board of Directors, Deputy General Director - Saigon-Hanoi Insurance Joint Stock Corporation
Head of Supervisory Board - Thang Long Corporation Joint Stock Company



MS. LUONG THI LUU

Member of Supervisory Board (non-in charge)

| | |
|----------------------------|---|
| First appointment date: | 04/27/2015 |
| First re-appointment date: | 04/26/2017 |
| Date of birth: | 11/09/1983 |
| Education: | Master in Banking and Finance - National Economics University Bachelor of General Accounting and Insurance Economics - National Economics University |
| Ownership: | 48 SHS shares with voting rights (percentage 0.000048%). |

Working Experience

| | |
|----------------|---|
| 2006 - 2008 | Accountant - T&T Company Limited |
| 2008 - 2011 | Chief Accountant - T&T Technology Development Company |
| 2008 - present | Accountant, General Accountant - T&T Group Joint Stock Company |
| 2013 - present | Member of the Supervisory Board - Handicraft Import-Export Company |
| 2015 - present | Member of the Supervisory Board - Saigon-Hanoi Securities Joint Stock Company |

Current positions at other companies

At listed companies:

None

At other companies:

Member of the Supervisory Board - Handicraft Import-Export Company

CHANGE OF THE MEMBERS OF THE SUPERVISORY BOARD DURING THE YEAR

- Appointed: None
- Dismissed: None

BOARD OF MANAGEMENT



MR. VU DUC TIEN

General Director and member of the Board of Directors

| | |
|----------------------------|--|
| Appointment date: | 11/01/2014 |
| First re-appointment date: | 11/01/2017 |
| Date of birth: | 09/02/1973 |
| Education: | Bachelor of Banking and Finance – Banking Academy Bachelor of English – Hanoi University of Foreign Languages Certificate of financial analysis practice – SSC |
| Ownership: | 79,400 SHS shares with voting rights (percentage 0.0079%) |

SHS's Board of Management, as of December 31st, 2018, consists of 6 members as follows:

Working Experience

| | |
|----------------|---|
| 1995-1998 | Deputy Head of Credit Department – Asia-Pacific Commercial Joint Stock Bank |
| 1998-2000 | Deputy Head of Import and Export Division 5 - TKV Coal Import Export Joint Stock Company (COALIMEX) |
| 2000-2008 | Director – Thanh Nhan Tourism Trade Joint Stock Company |
| 2008 - present | Chief of Office of the Board of Directors Office - Saigon-Hanoi Securities Joint Stock Company |
| 2012 - 2014 | Deputy General Director – Saigon-Hanoi Securities Joint Stock Company |
| 2014 - present | General Director – Saigon-Hanoi Securities Joint Stock Company |
| 2012- present | Member of the Board of Directors - Saigon-Hanoi Insurance Joint Stock Corporation |
| 2014 - present | Board member - Bien Hoa Packaging Company |
| 2015 - present | Vice Chairman of the Board - Thanh Hoa Petroleum Construction Joint Stock Company |
| 2014 - present | Board member - Petroleum Infrastructure Services Investment Joint Stock Company |

Current positions at other companies

| | |
|-----------------------------|---|
| At listed companies: | None |
| At other companies: | Member of the Board of Directors - Saigon-Hanoi Insurance Joint Stock Corporation Vice-Chairman of the Board - Thanh Hoa Petroleum Construction Joint Stock Company Board member - Petroleum Infrastructure Services Investment Joint Stock Company |



MR. TRAN SY TIEN

Deputy General Director and Chief Accountant

| | |
|------------------------|--|
| Appointment date | April 16, 2014 for the position of Deputy General Director September 20, 2011 for Chief Accountant |
| 1st reappointment date | 16/04/2017 for the position of Deputy General Director |
| Date of Birth | 06/05/1973 |
| Education | Bachelor of Banking and Finance Hanoi National Economics University Bachelor of Credit - Banking Academy Certificate of financial analysis practice – SSC |
| Ownership | 0 SHS shares with voting rights (0% rate) |

Working experience

| | |
|----------------|---|
| 1994 - 1999 | Financial Accounting Specialist - Vietnam Joint Stock Commercial Bank for Investment and Development. |
| 2000 - 2011 | Chief Accountant - Vietnam Securities and Banking Joint Stock Company |
| 2011 | Chief Accountant - Maritime Bank Securities Joint Stock Company |
| 2014 - 2017 | Head of Supervisory Board - Thanh Hoa Petroleum Construction Joint Stock Company |
| 2011 - present | Chief Accountant - Saigon - Hanoi Securities Joint Stock Company |
| 2014 - present | Deputy General Director - Sai Gon Ha Noi Securities Joint Stock Company |
| 2014 - present | Member of the Board of Directors - Aviation Insurance Joint Stock Company |

Current positions at other companies

| | |
|-----------------------------|---|
| At listed companies: | None |
| At other companies: | Member of the Board of Directors - Aviation Insurance Joint Stock Company |



MR. NGUYEN CHI THANH

Deputy General Director

| | |
|----------------------------|--|
| Appointment date: | 05/05/2014 |
| First re-appointment date: | 05/05/2017 |
| Date of birth: | 11/13/1980 |
| Education: | Master of Business Administration – Boston University (USA) Bachelor of Foreign Economics – Hanoi Foreign Trade University Certificate of fund management practice – SSC |
| Ownership: | 0 SHS shares with voting rights (percentage 0%) |

Working Experience

| | |
|----------------|---|
| 2003-2005 | Project Specialist - Center for Professional and Technical Cooperation with foreign countries |
| 2007-2009 | Senior Specialist, Corporate Finance Advisory Division - Ban Viet Securities Joint Stock Company - Hanoi Branch |
| 2009-2011 | Assistant General Manager - Saigon-Hanoi Securities Joint Stock Company |
| 2011 - 2014 | Deputy General Director - Ocean Securities Company |
| 2014 - present | Deputy General Director - Saigon-Hanoi Securities Joint Stock Company |

Current positions at other companies

| | |
|----------------------------|------|
| At listed companies | None |
| At other companies: | None |

**MS. TRAN THI THU THANH***Deputy General Director*

| | |
|-------------------|--|
| Appointment date: | 08/01/2018 |
| Date of birth: | 04/08/1975 |
| Education: | Bachelor of Banking and Finance – Banking Academy Bachelor of English – University of Foreign Language Education Certificate of fund management practice – SSC |
| Ownership: | 0 SHS shares with voting rights (percentage 0%) |

Working Experience

| | |
|----------------|---|
| 1995 - 2000 | Credit Officer – VPBank |
| 2000 - 2003 | Credit Officer-Vietnam Bank for Investment and Development – Transaction Office1 |
| 2003 - 2005 | Deputy Head of Credit Assessment and Management Division – Vietnam Bank for Investment and Development – Transaction Office 1 |
| 2005 - 2007 | Deputy Head, Head of Credit Assessment and Management Department – Vietnam Bank for Investment and Development – Quang Trung Branch |
| 2007 - 2008 | Head of Investment Banking Department – BIDV Securities Joint Stock Company |
| 2008 - 2017 | Deputy General Director -BIDV Securities Joint Stock Company |
| 2018 - present | Deputy General Director – Saigon-Hanoi Securities Joint Stock Company |

Current positions at other companies**At listed companies:**

None

At other companies:

None

**MS. TRAN PHUOC HA NHI***Director of Da Nang Branch*

| | |
|-------------------|--|
| Appointment date: | 08/09/2011 |
| Date of birth: | 03/29/1982 |
| Education: | Master of Business Administration – Columbia Southern University Bachelor of Accounting – Danang University of Economics Securities brokerage practice certificate – SSC |
| Ownership: | 9,400 SHS shares with voting rights (percentage 0.00094%) |

Working Experience

| | |
|---------------|---|
| 2006-2009 | Head of Corporate Financial Advisory Department – Da Nang Securities Joint Stock Company |
| 2009 - 2010 | Head of Securities Brokerage Department of Da Nang Branch – Saigon-Hanoi Securities Joint Stock Company |
| 2010-2011 | Deputy Director of Da Nang Branch – Saigon-Hanoi Securities Joint Stock Company |
| 2011- present | Director of Da Nang Branch – Saigon-Hanoi Securities Joint Stock Company |

Current positions at other companies**At listed companies:**

None

At other companies:

None

**MR. NGUYEN HONG DIEP***Director of Ho Chi Minh Branch*

| | |
|-------------------|---|
| Appointment date: | 04/19/2017 |
| Date of birth: | 10/07/1965 |
| Education: | PhD of Economics – Moscow Industrial University, Russian Federation Certificate of Fund Management – SSC |
| Số hũ: | 0 SHS shares with voting rights (percentage 0%) |

Working Experience

| | |
|----------------|--|
| 1992 - 1995 | Chairman of the Board – Effect-co Joint Stock Company, Russia |
| 1997 - 2006 | Member of the Board, Deputy Director – Saigon Music School |
| 2006 - 2008 | Member of the Board – Five Star Investment Joint Stock Company |
| 2008 - 2013 | General Director – An Pha Index Investment Joint Stock Company |
| 2013 - 2017 | VNDirect Securities Joint Stock Company |
| 2017 - present | Director of Ho Chi Minh Branch – Saigon-Hanoi Securities Joint Stock Company |

Current positions at other companies**At listed companies:**

None

At other companies:

None

CHANGE OF THE MEMBERS OF THE BOARD OF MANAGEMENT DURING THE YEAR**Appointed:** Ms. Tran Thi Thu Thanh – Deputy General Director since 08/01/2018.**Dismissed:** None.

BOARD OF DIRECTORS

ACTIVITIES OF SUB-COMMITTEES UNDER THE BOARD OF DIRECTORS

SUB-COMMITTEES UNDER THE BOARD OF DIRECTORS

The Board of Directors has established five sub-committees and assigned management responsibilities of the sub-committees to the Board members as follows:

| Sub-committee | Person in charge | Responsibilities |
|--|--|---|
| General governance and development of policy | Mr. Do Quang Hien - Chairman of the Board | - Set out the direction and solutions to develop business operations of the Company. - Supervise the compliance with the law and the implementation of the operational and business plans approved annually by the General Meeting of Shareholders. |
| Financial Accounting and Internal Control | Mr. Le Dang Khoa và Ông Nguyen Van Hung - Board Members | - Advise the BOD to issue internal documents related to financial accounting and internal control. - Directly supervise and manage financial accounting and internal control activities. - Appraise reports of the Accounting and Internal Control Department. - Advise the BOD on appropriate measures to deal with issues related to financial accounting and internal control. |
| Administration, human resources and salary | Mr. Vu Duc Tien - Board Member | - Research and propose to the BOD to issue internal documents related to human resources, salaries and bonuses. - Directly supervise and manage activities and reports of the HR Department, including on salaries and bonuses. - Advise the BOD on appropriate measures to deal with personnel, salary and bonus issues. |
| Risk Management and Internal Audit | Mr. Mai Xuan Son - Board Member | - Advise the Board on issuing internal documents related to risk management and internal audit. - Directly monitor and manage activities and reports of the Risk Management Department and Internal Audit Department. - Advise the Board of Directors on appropriate handling measures for issues related to risk management and internal audit. - Advise the Board of Directors on the appointment and dismissal of independent audits. |

In addition to the above sub-committees, the Board has also established the following supporting units:

| | |
|--------------------------------------|--|
| The Board of Directors Office | <p>Advise and support the Board on issues related to shareholders and the Board itself.</p> <p>Implement the direction of the Chairman of the Board of Directors in organizing the General Meeting of Shareholders and the work of the Board of Directors.</p> <p>Manage shareholders of the Company and support shareholders to exercise their rights.</p> <p>Prepare and store documents related to BOD resolutions, decisions, and reports.</p> |
| Internal Audit Department | <p>Perform internal audits of the Company's management and business management activities, reporting directly to the Board of Directors.</p> <p>Request and make proposals towards thoroughly resolving the Company's shortcomings and risks, contributing to improving the quality of the Company's business operations.</p> |

The Board has appointed the Company Secretary to be the person in charge of corporate governance:

MRS. **DOAN THI NHU QUYNH**

| | |
|---------------|---|
| • Education: | Bachelor at Foreign Studies University |
| • Experience: | 10 years of experience in finance, banking and securities. |
| • Position: | Deputy Chief of Office in charge of the Office of the Board |
| • Phone: | 02439413616 (312) |
| • Email: | quynh.dtn@shs.com.vn |

MEETINGS OF SUB-COMMITTEES UNDER THE BOARD OF DIRECTORS

| Sub-Committee | Number of meetings | Meeting details | Meeting results |
|---|--------------------|--|--|
| General governance | 08 | <ul style="list-style-type: none"> - Develop specific orientation for the Company's development strategy and annual business plan and submit it to the General Meeting of Shareholders for approval. - Implement the development strategy and annual business plan according to the Resolution of the General Meeting of Shareholders. - Develop and implement the direction and supervision activities of the Board of Directors. - Determine the role and limit of authority of the Board of Directors for business activities of the Company and for the Board of Management. | <ul style="list-style-type: none"> - Members of the Board of Directors agreed with 100% consensus. - Issued resolutions and decisions related to the Company's development strategy, business plan of the whole Company and each main business activity in 2018. |
| Development of policy | 04 | <ul style="list-style-type: none"> - Developing and implementing policies to develop the business activities of the Company, focusing on brokerage, capital, investment, financial consultancy and underwriting on the basis of exploiting the Company's strengths and advantages from macroeconomic policy and upward trend of Vietnam's stock market. | |
| Administrative, human resources and salary | 04 | <ul style="list-style-type: none"> - Review the Company's remuneration, salary, bonus, welfare and training policies for members of the Board of Directors, Supervisory Board, and Board of Management to adjust and improve to maximize human resources. - Search, evaluate and propose the recruitment of Deputy General Director in charge of bonds. - Consider increasing and reducing the scale of recruitment and training in some positions of mid-level officials to ensure the smooth and efficient operation of the system. | <ul style="list-style-type: none"> - Members of the Board of Directors agreed with 100% consensus. - Issued relevant resolutions and decisions to build and maintain a qualified and experienced team, consistent with the development orientation of the Company. |
| Financial accounting and internal control | 04 | <ul style="list-style-type: none"> - Evaluate the compliance and appropriateness of the financial accounting system and financial reports prepared by the Board of Directors and auditing units. - Review and evaluate the internal control system and the system of internal regulations and processes to ensure compliance with the law and synchronous and standardized operation. | <ul style="list-style-type: none"> - Members of the Board of Directors agreed with 100% consensus. - Approved statements and reports related to financial accounting and internal control activities. |
| Risk management and internal audit | 07 | <ul style="list-style-type: none"> - Develop, implement and adjust the risk management plan and internal audit plan in accordance with the business operation conditions of SHS. - Assess the appropriateness of policies, risk appetite as well as compliance with risk limits. - Check the risk management system and internal audit to ensure efficiency and efficiency. - Recommend the appointment and dismissal of independent auditors. | <ul style="list-style-type: none"> - Members of the Board of Directors agreed with 100% consensus. - Approved policies, risk appetite limits, risk management plans as well as internal audit plans. |

EVALUATION OF OPERATIONS OF THE SUBSIDIARIES UNDER THE BOARD

Sub-committees under the Board have done well in their roles and responsibilities in advising the Board in issuing important resolutions and decisions affecting the entire business operations of the Company as well as performing the directing, orienting and consulting role for the Board of

Directors in the Company's business activities. Through the activities of the sub-committees under the Board, the key issues of the Company arising in each area went through a process of communication, discussion and agreement on solutions.

ACTIVITIES OF THE BOARD OF DIRECTORS AND THE INDEPENDENT MEMBERS OF THE BOARD

In 2018, the Board implemented its functions and duties in accordance with the law, the Company's Charter and on the basis of the work plans and task assignments for 2018.

ACTIVITIES OF THE BOARD OF DIRECTORS IN 2018

The Board of Directors has done well in the role of directing, orienting and advising the Board of Management in administrating and managing all business activities of the Company. In 2018, the Board's activities focused on the following tasks:

Operation orientation of the Board

The Board focused on reviewing and learning from the experience in the Board of Directors' activities in 2017 and implementing the activities of 2018 according to the orientation of the Board of Directors for the 2017-2022 term and according to the operation and business plan of 2018 approved General Meeting of Shareholders; focus on assigning tasks to members and implement tasks effectively.

Discuss and approve the contents of the Annual and Extraordinary General Meeting of Shareholders

The Board discussed and approved the contents submitted to the Annual General Meeting 2018 such as:

- Report on SHS activities after the merger with SHBS;
- Report on issuing shares to pay dividends, increasing charter capital, and ESOP;
- Profit distribution plan and setting up funds in 2017;
- Selecting an independent auditing company in 2018;
- The remuneration fund for the Board of Directors and the Supervisory Board in 2018; plans to implement activities related to secured securities and warrants etc.

Direct, supervise and orientate all aspects of the Company's business activities

The Board of Directors found that 2018 was a year with many disadvantages and risks from market fluctuations and the world economy. However, it was also a year with significant opportunities for SHS to accelerate, surpass, and expand business capital in a favorable context of macroeconomics, politics, and the stock market. Therefore, the Board has strengthened the orientation and direction of the Board of Management in risk management, ensuring the safety and sustainability of financial resources. The Board of Directors also strengthened the supervision of financial services, financial advisory and underwriting, control of business management costs, and structured inventory of stocks and bad debts.

At the same time, the Board closely monitored investment strategy, stock portfolio, market volatility and macro policies to direct the Board of Directors, Investment Department and Department of Capital. In addition, the Board has directed the Board of Directors to continue to focus on maintaining the current high brokerage market share in parallel with ensuring the safety of capital of investors and the Company, alongside developing brokerage and service products. Financial diversity meets the needs of investors but must comply with the provisions of the law.

Review and approve the Company's strategic investments, salary and bonus issues, and issues of senior management personnel structure under the authority of the Board.

The Board of Directors reviews and approves the limits and portfolio of bonds, listed and unlisted stocks periodically and supervises and directs the Board of Management and Investment Department to implement investment according to market trends and the environment, business and risk management in compliance with the Company's investment regulations and the plans approved by the General Meeting of Shareholders and legal regulations.

The Board considered, through the development of personnel management policies, the salary and bonus policies of the Company. It did so according to the new management system which applied KPIs, reconsidered every 6 months. Consider recruitment, appointment, transfer, salary increase and related benefits of the personnel under the authority of the Board of Directors to recruit, appoint and manage, on the basis of the development orientation of Company's personnel, with the budget approved by the General Meeting of Shareholders, and stipulated by the Company's Wage Regulation and relevant laws.

Review the management system, checkpoints, critical control and the risk management system

In 2018, the Board of Directors and the Financial Accounting & Internal Control and Risk Management & Internal Audit sub-committees periodically coordinated with the Supervisory Board and Internal Audit Department to review the Company's management and risk management systems and its key inspection and control points. The Board of Directors is now considering implementing measures to improve these.

Appraising and approving other business proposals of the Board of Management

The Board of Directors issued six resolutions, 25 decisions, and signed and approved 35 statements of the Board of Management related to many key issues, as a basis and orientation for the Board of Management to implement the tasks.

Monitoring the activities of the Board of Management

The Board of Directors directs and supervises the operation of the Board of Management in accordance with the law and the Charter of the Company. It also reviews the report of the Internal Audit Department and the Supervisory Board's opinions to enhance the effectiveness of public relations. In so directing and orienting, it contributes to boosting the Company's business activities and ensuring financial safety, sustainable management systems, and legal compliance.

MEETINGS OF THE BOARD

In 2018, the Board of Directors conducted 15 meetings, focusing on the key issues of the Company as follows:

| No. | Date | Detail | Percentage of Board members attending |
|-----|------------|--|---------------------------------------|
| 1 | 18/01/2018 | Approving a number of plans to invest in stocks and bonds proposed by the Board of Directors Approving the individual corporate bond issuance plan for the January 2018 period | 100% |
| 2 | 20/03/2018 | Building and implementing the business plan for 2018 Organizing the Annual General Meeting of Shareholders Adopting bond issuance in the February 2018 period | 100% |
| 3 | 03/04/2018 | Providing a summary of operation reports of the Board of Directors and the Board of Management in 2017 Approving the business plan of the Company in 2018 Reviewing the report on the implementation situation of quarter 1, 2018, reviewing and assigning tasks to members of the Board of Directors. | 100% |
| 4 | 07/05/2018 | Reviewing and implementing the General Meeting of Shareholders in 2018 and the merger of SHBS Implementing the business plan for 2018 after its approval by the Annual General Meeting of Shareholders Developing capital sources, exploiting and raising capital, brokerage and financial services | 100% |
| 5 | 26/06/2018 | Implementing investment activities, financial advice, approving credit issues, developing funding sources for business activities Initiating the search for a Deputy General Director in charge of brokerage, business, and bond-related consulting | 100% |
| 6 | 09/08/2018 | Implementing investment activities and financial consultancy Adopting credit issues and developing capital for business activities | 100% |

| | | | |
|----|------------|--|------|
| 7 | 15/08/2018 | Implementing investment activities, financial consultancy, approving credit issues and developed capital sources for business activities and approving bond issuance plans for the 3rd phase of 2018 | 100% |
| 8 | 21/08/2018 | Deploying bond investment, stocks, financial consultancy, listing consultancy, and stock issuance | 100% |
| 9 | 23/08/2018 | Deploying investment activities, financial consultancy, through credit issues and developing capital sources for business activities | 100% |
| 10 | 16/10/2018 | Deploying investment activities, financial consultancy, through credit issues and developing capital sources for business activities | 100% |
| 11 | 19/11/2018 | Deploying investment activities, financial advisory, risk management activities, through credit issues and developing capital sources for business activities. | 100% |
| 12 | 15/11/2018 | The regular meeting of the Board of Directors in quarter 4, 2018 to discuss approving the issuance of bonds in the 4th phase of 2018 and some issues of personnel and organizational structure | 100% |
| 13 | 28/11/2018 | Implementing investment activities, financial advice, through credit issues and developing capital sources for business activities, deploying business results reports in 2018 and developing annual business plans 2019 | 100% |
| 14 | 28/11/2018 | Meetings and discussions on capital activities, credit and financial advisory, and underwriting. | 100% |
| 15 | 12/12/2018 | Preliminary review of business activities in 2018 Reviewing the draft report of business results for 2018 and draft business plan for 2019 Approving bank bond issuance underwriting | 100% |

CONTENTS APPROVED BY THE BOARD IN 2018

| | No. | Date | Detail |
|----------------------|-----------------|------------|---|
| I RESOLUTIONS | | | |
| 1 | 01-2018/NQ-HĐQT | 29/01/2018 | Approval of the plan to issue bonds in the first phase of 2018. |
| 2 | 02-2018/NQ-HĐQT | 28/03/2018 | Approval of the plan to issue bonds in the second phase of 2018. |
| 3 | 03-2018/NQ-HĐQT | 30/03/2018 | Implementing the merger and acquisition of SHBS. |
| 4 | 04-2018/NQ-HĐQT | 18/05/2018 | Implementing the merger and acquisition of SHBS (increasing charter capital, exchanging shares and amending the Charter). |
| 5 | 05-2018/NQ-HĐQT | 17/05/2018 | Approval of the plan to issue bonds in the third phase of 2018. |
| 6 | 06-2018/NQ-HĐQT | 12/12/2018 | Approval of the plan to issue bonds in the fourth phase of 2018. |
| II DECISION | | | |
| 1 | 01-2018/QĐ-HĐQT | 28/01/2018 | Establishing the Organizing Committee of the Annual General Meeting of 2018 |
| 2 | 02-2018/QĐ-HĐQT | 08/03/2018 | Appointing officials to go abroad for business trips |
| 3 | 03-2018/QĐ-HĐQT | 03/04/2018 | Establishing the Board of Shareholders' Examination at the 2018 Annual General Meeting |
| 4 | 04-2018/QĐ-HĐQT | 11/04/2018 | Change of Board Members |
| 5 | 05-2018/QĐ-HĐQT | 03/04/2018 | Borrow capital from the bank |
| 6 | 06-2018/QĐ-HĐQT | 26/04/2018 | Payment of remuneration for the Board of Directors and the Supervisory Board in the 2018 fiscal year |
| 7 | 07-2018/QĐ-HĐQT | 08/05/2018 | Borrow capital from the bank |
| 8 | 08-2018/QĐ-HĐQT | 27/06/2018 | Borrow capital from the bank |
| 9 | 09-2018/QĐ-HĐQT | 01/08/2018 | Recruit and appoint Deputy General Director Tran Thi Thu Thanh |
| 10 | 10-2018/QĐ-HĐQT | 01/08/2018 | Salary of Deputy General Director Tran Thi Thu Thanh |
| 11 | 11-2018/QĐ-HĐQT | 08/08/2018 | Commitment to acquire SHBS |
| 12 | 12-2018/QĐ-HĐQT | 09/08/2018 | Borrow capital from the bank |
| 13 | 13-2018/QĐ-HĐQT | 22/08/2018 | Invest in SHB bonds |
| 14 | 14-2018/QĐ-HĐQT | 27/08/2018 | Borrow capital from the bank |
| 15 | 15-2018/QĐ-HĐQT | 24/09/2018 | Detailed plan to implement the public offering of shares |
| 16 | 16-2018/QĐ-HĐQT | 24/09/2018 | Approving the profile of public offering of shares |
| 17 | 17-2018/QĐ-HĐQT | 24/09/2018 | Alternative approach to share distribution in SHS Employee Program. |
| 18 | 18-2018/QĐ-HĐQT | 22/10/2018 | Borrow capital from the bank |

| | | | |
|----|-----------------|------------|---|
| 19 | 19-2018/QĐ-HĐQT | 23/10/2018 | Borrow capital from the bank |
| 20 | 20-2018/QĐ-HĐQT | 19/11/2018 | Borrow capital from the bank |
| 21 | 21-2018/QĐ-HĐQT | 26/11/2018 | Handling odd shares and outstanding stocks when issuing |
| 22 | 22-2018/QĐ-HĐQT | 28/11/2018 | Change of location of SHB Headquarters - Da Nang Branch |
| 23 | 23-2018/QĐ-HĐQT | 28/11/2018 | Borrow capital from the bank |
| 24 | 24-2018/QĐ-HĐQT | 29/11/2018 | Borrow capital from the bank |
| 25 | 25-2018/QĐ-HĐQT | 12/12/2018 | Bond issuance underwriting |

MEETING RECORDS

| | | | |
|------------|------------------|------------|---|
| III | | | |
| 1 | 01-2018/BBH-HĐQT | 18/01/2018 | Board meeting for 1st quarter 2018 and approval of the issuance of SHS Bonds in the 1st phase of 2018 |
| 2 | 02-2018/BBH-HĐQT | 20/03/2018 | Issue SHS Bonds in the 2nd phase of 2018 |
| 3 | 03-2018/BBH-HĐQT | 03/04/2018 | Board meeting for 2nd quarter 2018 |
| 4 | 04-2018/BBH-HĐQT | 07/05/2018 | Borrow capital from the bank |
| 5 | 05-2018/BBH-HĐQT | 26/06/2018 | Borrow capital according to the 2018 credit limit |
| 6 | 06-2018/BBH-HĐQT | 09/08/2018 | Board meeting for 3rd quarter 2018 |
| 7 | 07-2018/BBH-HĐQT | 15/08/2018 | Issue SHS Bonds in the 3rd phase of 2018 |
| 8 | 08-2018/BBH-HĐQT | 21/08/2018 | Invest in SHB bonds |
| 9 | 09-2018/BBH-HĐQT | 23/08/2018 | Limited recourse loan |
| 10 | 10-2018/BBH-HĐQT | 16/10/2018 | Limited recourse loan |
| 11 | 11-2018/BBH-HĐQT | 19/11/2018 | Limited recourse loan |
| 12 | 12-2018/BBH-HĐQT | 15/11/2018 | Board meeting for 4th quarter 2018 and approval of the issuance of SHS Bonds in the 4th phase of 2018 |
| 13 | 13-2018/BBH-HĐQT | 28/11/2018 | Limited recourse loan |
| 14 | 14-2018/BBH-HĐQT | 28/11/2018 | Limited recourse loan |
| 15 | 15-2018/BBH-HĐQT | 12/12/2018 | Bank bond issuance underwriting |

PARTICIPATION OF MEMBERS OF THE BOARD

Report on the attendance of Board members in meetings in 2018 is as follows:

| No. | Full name | Position | Period of membership | Number of meetings attended/authorized to attend |
|-----|----------------------------|-----------------------|-----------------------|--|
| 1 | Mr. Do Quang Hien | Chairman of the Board | 12/03/2007-present | 15/15 |
| 2 | Mr. Le Dang Khoa | Board member | 03/22/2013-present | 15/15 |
| 3 | Mr. Vu Duc Tien | Board member - CEO | 09/10/2014-present | 15/15 |
| 4 | Mr. Mai Xuan Son | Board member | 01/24/2014-present | 15/15 |
| 5 | Mr. Nguyen Van Hung | Board member | 04/11/2018-present | 12/15 |
| 6 | Mr. Nguyen Anh Tu | Board member | 04/26/2017-04/11/2018 | 03/15 |

ACTIVITIES OF INDEPENDENT BOARD MEMBERS

In the structure of the Board of Directors in 2018, one-fifth of Board members are independent members and four-fifths of Board members are not executive. Therefore, the instructions of the Board always ensure objectivity and timeliness, keep up with daily business activities, and ensure the common interests of shareholders and the Company.

The Company does not distinguish between independent board members and regular board members. The independent members of the Board are proactive and active in implementing their responsibilities, contributing positively to the general decisions of the Board.

CORPORATE GOVERNANCE TRAINING

All members of the Board of Directors, Supervisory Board members, Company Secretary and authorized persons of information disclosure have participated in training courses and seminars on corporate governance, information disclosure, annual report preparation, and sustainability report preparation organized by the IFC, SSC, and stock exchanges.



PLAN AND ORIENTATION FOR OPERATIONS OF THE BOARD OF DIRECTORS IN 2019

With its roles of governance and strategic orientation, the Board of Directors prioritizes, develops and implements development strategies with a vision of effectiveness and sustainability, together with control and risk management. With the aim of maintaining the achievements and protecting the interests of investors and shareholders, the Board of Directors outlines its activities in 2019 as follows:

- The Board of Directors will continue to play a leading role in orienting the entire business strategy of the Company.
- The Board will maintain meetings and regularly discuss the issues under its authority and strategic issues for the development of the Company.
- All members of the Board of Directors must actively participate in the activities of the Board and its Sub-committees in order to keep up-to-date with fluctuations of the market and the Company's operations.
- Board sub-committees must actively promote activities and update, advise, and report to the Board on the status of the Company's activities to propose solutions and timely handling.
- The Board will continue to oversee and promotes the process of innovation and comprehensive reform of the Company's activities to improve operational efficiency and bring SHS to new heights both in scale and depth of core business activities.
- The Board will continue to support and advise in finding, accessing, and exploiting resources from outside, including from partners, customers, and enterprises to increase capital, expand business activities, and to increase customer and product development.

SUPERVISORY BOARD

SUPERVISORY BOARD'S ACTIVITIES DURING 2018

MEETINGS OF THE SUPERVISORY BOARD DURING 2018

The Supervisory Board held four quarterly meetings during 2018 in order to periodically examine supervisory activities and plan for the next quarter.

| No. | Date | Meeting | Number of members attending | Details |
|-----|---------------------------------|--------------------------------|-----------------------------|--|
| 1. | January 15 th , 2018 | First quarter regular meeting | 3/3 | <ul style="list-style-type: none"> - Assigned tasks to the members of the Supervisory Board. - Examined business activities during the fourth quarter of 2017 and consolidated business data of 2017. - Appraised the 2017 financial statements to submit to the 2018 Annual General Meeting. - Consolidated Annual Report of the Supervisory Board to submit to the 2018 Annual General Meeting. |
| 2. | April 22 nd , 2018 | Second quarter regular meeting | 3/3 | <ul style="list-style-type: none"> - Evaluated the Supervisory Board's activities during the first quarter of 2018 and prepared for the second quarter of 2018 - Selected an independent Auditor to audit the semi-annual and annual Financial Statements, report the financial safety ratio of 2018 and proposed to the Board of Directors for approval. |
| 3. | July 10 th , 2018 | Third quarter general meeting | 3/3 | <ul style="list-style-type: none"> - Evaluated the Supervisory Board's activities during the first half of 2018 and prepared for the third quarter of 2018. - Assessed business activities and financial activities of the Company during the first half of 2018. - Attended preliminary meetings, summarized the business activities of the Company during the first half 2018, consolidated the results of the meetings of the Board of Directors. |
| 4. | October 10 th , 2018 | Fourth quarter general meeting | 3/3 | <ul style="list-style-type: none"> - Evaluated the Supervisory Board's activities during the three quarters of 2018 and prepared for the fourth quarter of 2018. - Assessed the business situation and financial situation of the Company in the third quarter of 2018 and the first 9 months of the year through direct inspection or through reports of internal audit and internal control. - Assessed the implementation of the Resolution of the General Meeting of Shareholders and the Resolution of the Board of Directors in 2018, assessed the level of completion of the Company's plan. |

BOARD OF SUPERVISORS' OPERATIONS IN 2018

Supervise legal compliance, the execution of the Company's Charter and implementation of the Resolution of the Annual General Meeting of Shareholders

Throughout 2018, the Supervisory Board monitored compliance with legislative provisions and the Company Charter of members of the Board of Directors, Board of Management, and the Chief Accountant to ensure that the Company strictly complied with the provisions of law and the Company's Charter during its operations.

The Supervisory Board also closely monitored the implementation of Resolution No. 01-2018/NQ-DHDC dated April 24, 2018 of the Annual General Meeting of Shareholders. The issues raised in the Resolution were fully and seriously implemented by the Board of Directors and the Board of Management.

The Supervisory Board participated in counting votes at the Annual General Meeting of Shareholders in 2018 and provided comments on the scope of its responsibilities and powers.

The Supervisory Board also closely monitored the implementation of information disclosure obligations for listed companies, securities companies, major shareholders, internal shareholders, and related persons. In 2018, there were no serious violations related to information disclosure obligations in the Company

Monitor the Board of Directors' activities

The Supervisory Board participated in a number of regular meetings of the Board of Directors, checked the results of the opinions of Board of Directors' members on important issues of the Company as well as the meeting minutes, resolutions, and decisions issued by the Board of Directors.

Monitor the Company's activities

The Supervisory Board has supervised the activities of the Company through periodic inspections, directly at the Head Office of the Company and its branches, or indirectly through reports of the Board of Management, Internal Control Department, and Internal Audit department. Inspection and supervision activities focus on the following key areas:

- Checking and supervising compliance with legislation procedures, the resolution of the Annual General Meeting of Shareholders in 2018, the implementation of the business plan, as well as the financial situation and management of the Company.

- Checking and evaluating risk management in business activities.

- Checking compliance with the procedures and regulations in most departments of the Company as well as the effectiveness of inspection and control activities.

- Checking and evaluating the effectiveness of business operations.

Propose the selection of an independent auditing unit and assess the audited financial statements

The Supervisory Board has appraised and confirmed the matching of figures of the 2018 Financial Statements as well as reviewed the audited Financial Statements of the Company by AASC Auditing Company Limited. The Supervisory Board agreed on the data of AASC, confirming the Financial Statements, reflecting honestly and reasonably in terms of the key aspects of the Company's financial situation as of December 31st, 2018, business performance, cash flow situation and volatility of equity for the fiscal year ending December 31st, 2018. The report on the financial safety ratio as of December 31st, 2018 was consistent with current Vietnamese accounting standards, regimes and related legal regulations

Resolve shareholders' recommendations to the Company

In 2018, the Supervisory Board did not receive any inquiries from shareholders or groups of shareholders holding 5% or more of voting shares requesting a review of the Company's operations, the activities of the Board of Directors or the Board of Management.

THE SUPERVISORY BOARD'S EVALUATION

Regarding compliance with the law and accounting policies

The Company has strictly complied with the provisions of the current law in its business activities and with the current accounting regime in the preparation of financial statements and financial safety ratio reports.

Regarding the management activities of the Board of Directors, the Board of Management and other managers

The Board of Directors has strictly complied with the provisions of law, the Company's Charter, and corporate governance regulations in directing and supervising the Board of Management's activities. The Board has conducted meetings, and issued appropriate and timely resolutions and decisions, which positively affected the Company's business activities.

The Board of Directors has been united, active, creative, assertive, and flexible in management activities, has grasped business opportunities, and has made good efforts to implement the business plan agreed at the 2018 Annual General Meeting.

The managers have been dedicated and professional, making great efforts in management as well as completing their assigned work.

The Supervisory Board did not notice any unusual signs or any indications of non-compliance with the laws and regulations of the Company in directing, administrating, and management activities of the Board of Directors,

Board of Management, and managers.

Regarding the Company's performance

In 2018, the Board of Directors, the Board of Management, and all officials and employees of the Company maintained a good business performance. Besides, the Company has also effectively managed risks, did not incur more bad debts, and complied with the provisions of the law in business activities, financial work, accounting work and information disclosure. The Supervisory Board proposed that the Company continues to aim for the same results achieved in 2018.

Regarding coordination between the Supervisory Board and the Board of Directors, the Board of Management and shareholders

The Supervisory Board has maintained a good relationship with the Board of Directors and the Board of Management based on the principle of maximizing shareholders' interests, complying with the law and regulations of the Company.

In 2018, the Supervisory Board maintained a good relationship with the shareholders and did not receive any complaints from the shareholders regarding the direction, administration and management activities of the Board of Directors, Board of Management, and managers of the Company as well as business activities of the Company.

Regarding the Supervisory Board's activities

Within its authority, the Supervisory Board has fully performed its

responsibilities in accordance with the provisions of law and the Charter of the Company.

The Supervisory Board's recommendations regarding the business activities of the Company

- The Board of Management needs to closely direct the departments, especially the Securities Trading Center, the Investment Department, the Financial Services Department, and the Capital Markets Department, to strengthen supervision and risk management in the operation of these Departments in order to effectively comply with the processes and regulations issued.

- For deferred account receivable and provisions for bad debts, it is recommended that the Company will continue to research and closely monitor to ensure SHS has debt collection measures as soon as possible.

OPERATION PLAN FOR 2019

In order to complete the supervising responsibilities under the Enterprise Law and the Company's Charter, the Supervisory Board has proposed the operation plan for 2019 as follows:

General plan

- Continue to inspect and supervise the operation and management activities of the Board of Directors and the Board of Management, and; check the rationality, legality, compliance, honesty and prudence in management and operation of the business, and the management of capital, supplies, and assets of the Company.

- Review plans and reports of the Company on its financial situation; business situation; development plans; management of organization, labor, salary, bonuses, and other policies related to the Company and its employees.

- Review the inspection and control results of the Internal Control Department and feedback of the Board of Directors and CEO of the Company.

- Coordinate with the Board of Directors to understand difficulties and problems in different areas of business activities to approach and resolve these issues.

- Maintain a smooth coordination in operation among the Board of Directors, Board of Management and the Departments in the Company.

Detailed plan

- Prepare the Annual Report of the Supervisory Board to be submitted to the Annual General Meeting of 2019.

- Attend the 2019 Annual General Meeting.

- Plan the implementation of the Resolution of the 2019 Annual General Meeting of Shareholders, as well as other resolutions and decisions of the Board of Directors in the year.

- Audit quarterly and annual financial statements.

- Audit operations of the whole Company.

Human resources plan

| No. | Full name | Position | Expected work assignment |
|-----|---------------------------|-----------------------------------|--|
| 1 | Pham Thi Bich Hong | Chairman of the Supervisory Board | Has overall responsibility. In charge of inspection and control of the Investment Department, Capital Markets Department, Accounting and Finance Department, Internal Auditing Department, Legal and Risk Management Department, as well as branches and transaction offices. |
| 2 | Vu Duc Trung | Member of the Supervisory Board | In charge of inspection and control of the Investment Banking Department, IT Department, PR & Marketing Department, Administration Department, and Debt Handling Board. |
| 3 | Luong Thi Luu | Member of the Supervisory Board | In charge of inspection and control of the Securities Trading Center, and Financial Services Department. |

INTERNAL AUDIT

INTERNAL AUDIT ACTIVITIES IN 2018

The Company has had in place an Internal Audit Department under the Board of Directors since 2014 in accordance with Circular No. 210/2012/TT-BTC dated November 30th, 2012 of the Ministry of Finance guiding the establishment and operation of a Public Securities Company. The Internal Audit Department is the second control level after the internal control system to detect the risks and errors that the internal control system does not or cannot detect and assess the effectiveness of the operating activities in the Company. The Internal Audit Department reports directly to the Board.

Internal audit activities are carried out according to the plan (quarterly) and as required on an ad-hoc basis at the request of the Board to implement the following specific objectives:

- Independent assessment of the appropriateness and compliance with the laws and policies of the State, the Company's Charter, decisions of the General Meeting of Shareholders, and of the Board of Directors.
- Evaluate the compliance of business activities with internal policies and procedures, thereby advising the Board of Directors to set up appropriate internal policies and procedures.
- Check, review and evaluate the completeness, effectiveness, and efficiency of the internal control system under the Board of Directors to advise and comment on completing this system.
- Evaluate the control of measures to ensure property safety and evaluate the effectiveness of business activities of the Company.

Using the audit results, the Internal Audit Department will inform, recommend, advise, and propose to the Board of Directors and the Board of Management several key issues related to the Company's operations as well as measures to overcome these issues.

In 2018, the Internal Audit Department performed an internal audit according to the plan based on the Statement approved by the Board of Directors, specifically as follows:



| No. | Audit contents | Subject of Audit | Results |
|-----|--|---|--|
| 1. | Audit of 1st quarter operations | Accounting - Finance Department, Financial Services Department, Investment Department, Securities Trading Center, Investment Banking Department, and Capital Markets Department | Issued 1st quarter audit report |
| 2. | Audit of 2nd quarter and first half of 2018 operations | All Departments at Head office | Issued semi-annual audit report |
| 3. | Audit of 3rd quarter operations | Accounting - Finance Department, Financial Services Department, Investment Department, Securities Trading Center, Investment Banking Department, and Capital Markets Department | Issuance of third audited report |
| 4. | Audit of 4th quarter operations | All Departments at Head office, branches and transaction offices | Issued 2018 annual audit report |
| 5. | Evaluated operations of Financial Services Department | Financial Services Department | Issued a performance report on specific financial service products |
| 6. | Evaluate the effectiveness of salary policy | The Company's salary and benefit policy | Issued a report comparing and evaluating salaries and benefits of officials and employees throughout the Company and in comparison with leading securities companies |
| 7. | Evaluate the effectiveness of contractual wage policy | Brokerage wages and commissions | Issued a report comparing and evaluating brokerage wages and commissions compared to leading securities companies |

The process of internal audit in 2018 uncovered some key issues related to credit operations and the failure to comply with the current accounting policies in the preparation and presentation of the financial statements

of the Accounting-Finance Department. However, after consulting the Internal Audit Department, the relevant departments have made corrections according to the internal audit opinion.

INTERNAL AUDIT PLAN FOR 2019

In 2019, in addition to completing the internal audit plan approved by the Board of Directors, the focus in the operation plan of the department is to seek and recruit the appropriate Head of Department, who possesses the required knowledge, experience, self-sufficiency, and objectiveness due to the lack of personnel in this position since 2018.

RISK MANAGEMENT

Risk management is the process of approaching risks in a scientific and systematic way. In doing so, enterprises can identify, control, prevent, and minimize the adverse effects of risks on the realization of their goals, giving them time to turn risks into opportunities for success.

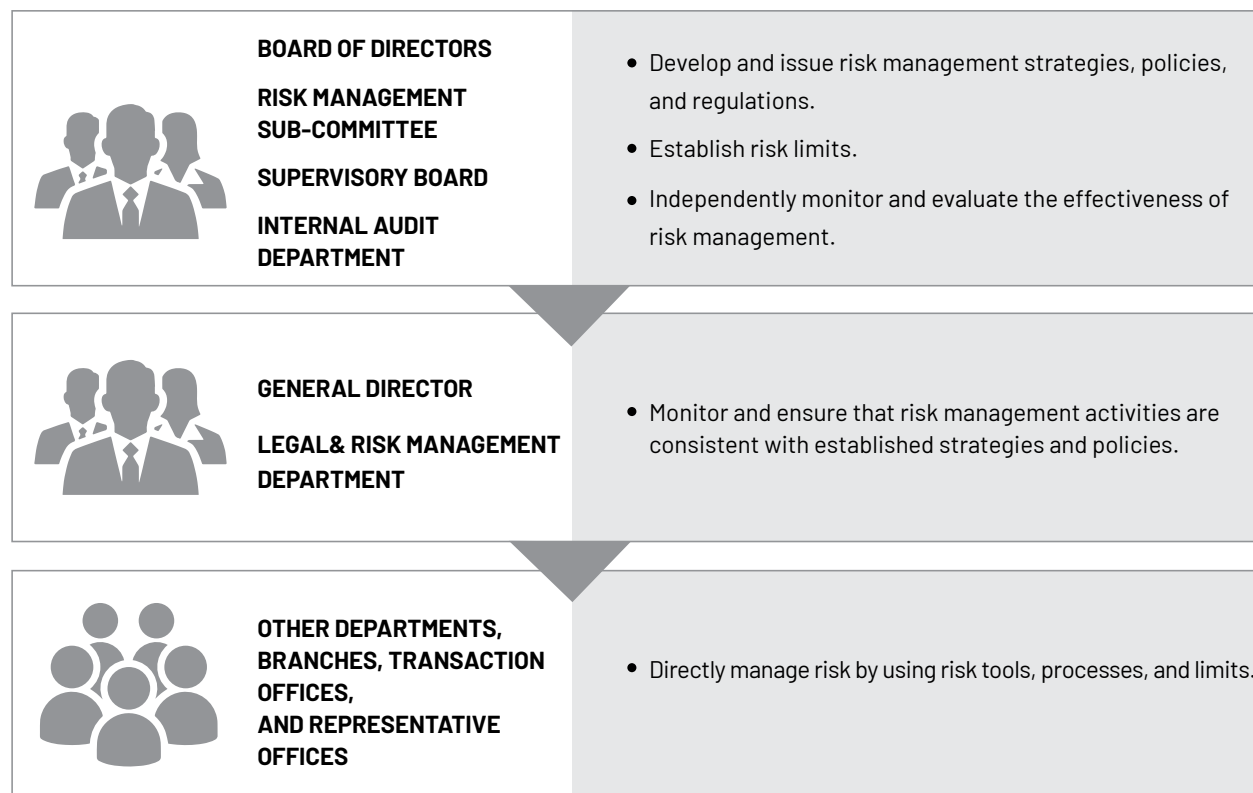
RISK MANAGEMENT OBJECTIVES AND MODEL

OBJECTIVES

- Full and timely identification of risks.
- Full measurement of the impact of risks.
- Effective decision making to handle risks promptly.
- Develop a monitoring mechanism and report risks fully and continuously.

RISK MANAGEMENT MODEL

Three-level risk management model:



RISK AND RISK MANAGEMENT SOLUTIONS

Six main types of risks have been identified and managed, including: legal risks, operational risks, market risks, credit risks, liquidity risks, and brand risks.

LEGAL RISKS

Legal risks can be identified from behaviors including:

- The Company does not correctly comply, either in full or in part, with the current legal regulations in the operation process.
- The Company operates and supplies products and services without legal provisions.
- The Company enters into illegal contracts, beyond its authority, missing important terms.
- Disputes or complaints related to economic contracts that the Company has signed with customers, partners, or employees.

Legal risks at SHS are assessed by the Company to be at an average level.

Measures adopted by the Company to mitigate legal risk include:

- Regularly updating, disseminating and assessing the influence of regulations and policies.
- Strengthening the quality of personnel and legal consultancy capacity of the Legal Department.
- All agreements, contracts, processes, and regulations must be reviewed and commented on by the Legal Department.
- Enhancing exchange and training on legal knowledge and experience between the Legal Department and the Leadership Board and departments.

OPERATIONAL RISK

Operational risk occurs due to the following situations:

- Technical or system errors of the information technology system.
- Incomplete, obsolete, or inappropriate business processor procedures.
- Human error through incorrect procedures or intentional mistakes.
- Delayed or erroneous financial controlling and reporting.
- Lack of capital.
- Objective reasons from outside.

Operational risk is assessed by the Company to be at an average level.

Measures applied by the Company to mitigate operational risk include:

- Issuing a Code of Professional Ethics and supervising compliance with this Code of Conduct.
- Regularly reviewing, amending, supplementing and updating internal processes and regulations.
- Increasing automation in providing products and services, minimizing manual manipulation.
- Regularly upgrading security software, and working with partners to provide software to ensure the stability and security of the trading software system.
- Clearly assigning, strengthening and cross-checking and mutual supervision mechanism among departments and individuals.
- Strengthening activities of checking and controlling compliance with internal processes and regulations.
- Developing a preventive mechanism to cope with arising risks

MARKET RISK

Market risk is the risk arising in activities such as investment in stocks, bonds, deposits, and loans, reducing the value of the Company's investments and collateral value of customers; causing adverse effects to the Company.

Market risk is assessed by the Company to be at a good level.

Measures applied by the Company to implement market risk mitigation include:

- Effectively performing the analysis and forecasting work.
- Closely monitoring market movements, stock prices, and deposit interest rates.
- Applying risk assessment tools.
- Making decisions quickly and promptly.

CREDIT RISK

Credit risk is the risk that customers or partners do not make timely payment for loans and deposits related to the provision of financial products and services, investment in debt instruments in the form of bonds, and term deposits.

Credit risk is assessed by the Company to be at a high level.

To prevent credit risks related to the provision of financial products and services, the Company applies the following management measures:

- Classifying customers to provide loan limits and credit policies in accordance with customers' credibility, solvency, and collateral assets.
- Developing a list of loan securities and lending rates, retention rates, and mortgage rates in accordance with the law and the Company's regulations.
- Effectively managing mortgage settlements, calling for additional collateral and debt recovery.

To prevent credit risks related to investment in bonds, including Government bonds and Corporate bonds, the Company applies the following management measures:

- Complying with the investment limit in accordance with the law, the Company Charter and the reports approved by the Board of Directors.
- Carefully assessing the credibility and solvency and collateral of issuers.
- Developing specific policies to handle the collateral assets of issuing organizations in case of risks of insolvency of issuers.

To prevent credit risks related to term deposits, the Company applies the following management measures:

- Complying with the annual deposit limit (if any) approved by the Board of Directors.
- Depositing money at highly-rated credit institutions.
- Using diversified terms.

LIQUIDITY RISK

Liquidity risk is the risk that occurs when the Company cannot pay its due financial obligations or cannot promptly convert assets into cash with reasonable value in a short amount of time.

Liquidity risk is assessed by the Company to be at a moderate level.

Measures adopted by the Company to mitigate credit risk include:

- Expanding the form and scale of mobilized capital such as mergers, capital raised, and corporate bond issuance.
- Expanding the number of credit institutions for business loans.
- Expanding the number and form of credit institutions to lend money to securities investors to reduce pressure on the use of equity for lending.
- Reasonably balancing the terms of loans.
- Reasonably allocating capital for investment and lending activities.
- Making use of idle deposits to maximize the efficiency of resource use as well as contribute to stabilizing liquidity.

BRAND RISK

Brand risk is the loss of or damage to the image and brand of the Company due to a change in the perception of customers and partners about the Company, which may greatly affect the demand for products or services of the Company as well as its entire operation.

Brand risk is assessed by the Company to be at a low level.

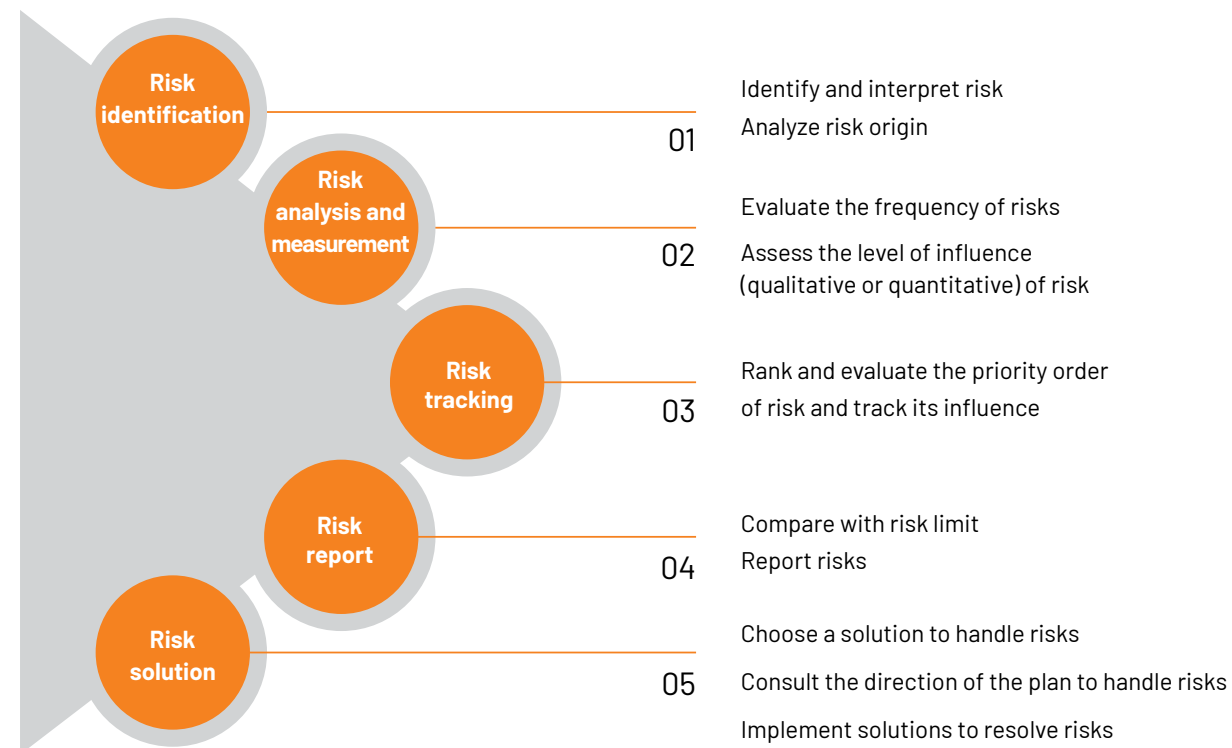
Measures applied by the Company to mitigate brand risk include:

- Constantly improving the quality of products and services.
- Completing the organizational structure and the operational apparatus.
- Constantly building good relationships with shareholders, customers, and partners.
- Ensuring effective internal and external communication through the diversification of information channels, proactive and consistent communication with the media, and publishing information in English regularly to enhance the knowledge of investors and international partners.
- Appointing full-time staff in charge of communication and reporting, and of disclosing information fully, promptly and transparently.
- Proactively preparing contingency plans to manage brand risk.

Besides the six main types of risk discussed above, some other risks have also been considered and evaluated by the Company in the process of operation. These include environmental risks, strategic risks, and competitive risks.

| No. | Risk | Level | Description | Mitigation Measures |
|-----|---------------------------|---------|--|--|
| 1. | Business Environment Risk | Average | The Company provides services in the financial sector and does not use natural resources, so the environmental risk is negligible. However, the risk from the business environment (political, economic, social, and cultural) has a significant impact on the activities of SHS. | Regularly update changes in the business environment and assess impacts on all aspects of SHS. Develop a sustainable development report to assess the two-way impact of the business environment on the business activities of enterprises. From that point on, timely respond with appropriate measures. |
| 2. | Strategic Risk | Low | Risk of not having an appropriate and effective business strategy. Risk of not implementing the business strategy properly. | Focus resources to build an appropriate and effective strategy. Regularly review and evaluate the effectiveness of the strategy and the implementation of the proposed strategy. |
| 3. | Competitive Risk | High | Risk of not holding position and market share. | Be persistent with set strategies. Flexible application according to developments of the market and competitors. |

RISK MANAGEMENT PROCESS



RISK MANAGEMENT OPERATIONS IN 2018 AND THE PLAN FOR 2019

| | Activities | Timeline |
|---|--|--|
| Implement risk management | Deploy the developed risk strategy and policies. | In 2019 |
| | Determine risk appetite. | December 2018 |
| | Build and monitor risk limits. | December 2018 |
| | Review, modify, supplement, improve, and issue risk management procedures. | Quarterly |
| | Register, review, and complete the portfolio of risks. | 1 st quarter 2019 |
| | Monitor and evaluate the state of risk concentration. | Daily |
| Coordinate to build a risk management system | Assess, measure, and handle arising risks (focusing on 6 main types of risks). | In 2019 |
| | Coordinate with the Financial Services and IT Departments to build automatic credit risk management tools. | 1 st and 2 nd quarter 2019 |
| | Coordinate with the Human Resources and IT Departments to build an automatic liquidity risk management tool. | 2 nd and 3 rd quarter 2019 |
| Risk management training | Coordinate with the Investment and IT Departments to build an automatic market risk management tool. | 3 rd and 4 th quarter 2019 |
| | Legal risk management training for managers. | 2 nd quarter 2019 |
| Risk management report | Credit risk management training for the Financial Services Department. | 3 rd quarter 2019 |
| | Report to the Board of Management on the implementation of risk management. | Monthly |
| | Report to the Board of Directors on the implementation of risk management, assess the appropriateness of policies, limits and risk management processes. | Monthly and annually |
| | Report to the SSC on the implementation of risk management. | Semi-annually |
| | Report to the SSC on risk management policy. | Annually |

WAGES, REWARDS, REMUNERATIONS AND BENEFITS

SALARY, BONUS AND REMEDY

PRINCIPLES OF PAYMENT

FOR MEMBERS OF THE BOARD OF DIRECTORS AND SUPERVISORY BOARD

The payment of remuneration and bonuses to members of the Board of Directors and the Supervisory Board complies with the provisions of the Company's Charter. The 2018 Annual General Meeting of Shareholders decided that the total remuneration and bonus paid to members of the Board of Directors and Supervisory Board in 2018 shall be 1.5% of profit after tax but not lower than the 2017 Remuneration Fund (3.9 billion dong). The level of detailed allocation for each member of the Board of Directors and the Supervisory Board shall be decided by the Board of Directors.

FOR MEMBERS OF THE BOARD OF DIRECTORS

The payment of salary to members of the Board of Management complies with the Company's Charter, Salary Regulation and Labor Contract. In addition, the Board of Directors will decide bonuses for members of the Board of Management based on the business results and performance of the Company.

FOR MANAGERS (Including Company Secretary)

Managers are paid according to the Company's salary regulation and labor contract. In addition, the Board of Management will decide bonuses for managers based on the business results and the assessment of performance in the year.

COLLECTING AND SPENDING FUND FOR THE BOARD OF DIRECTORS AND SUPERVISORY BOARD

(For 5 members of the Board of Directors and 3 members of the Supervisory Board)

| No | Criteria | Amount (dong) |
|----|---|----------------------|
| 1. | Funds balance as of 01/01/2018 | 7,784,306 |
| 2. | Setting up funds in 2017 according to the Resolution of the Annual General Meeting of Shareholders 2018 | 4,653,708,028 |
| 3. | Funds expenditures 2017(*) | 4,661,492,334 |
| 4. | Funds balance until 31/12/2018 | 0 |

(*) Of which:

Remuneration payment **3,674,045,282** dong

Bonuses payment: **987,447,052** dong

DETAILED EXPENSES FOR PAYMENT TO MEMBERS OF THE BOARD OF DIRECTORS AND SUPERVISORY BOARD

| No | Full Name | Title | Remuneration | Bonus |
|---|--------------------|--|--------------|-------|
| I. MEMBERS OF THE BOARD OF DIRECTORS | | | | |
| 1. | Do Quang Hien | Chairman of BOD | v | v |
| 2. | Le Dang Khoa | Member of BOD | v | v |
| 3. | Vu Duc Tien | Member of BOD | v | v |
| 4. | Mai Xuan Son | Member of BOD | v | v |
| 5. | Nguyen Anh Tu | Member of BOD | v | x |
| 6. | Nguyen Van Hung | Member of BOD (01/01/2018-11/04/2018) | v | v |
| II. MEMBERS OF THE SUPERVISORY BOARD | | | | |
| | Pham Thi Bich Hong | Prefect | v | v |
| 2. | Vu Duc Trung | Member | v | v |
| 3. | Luong Thi Luu | Member | v | v |

Salary and rewards of the Board of Management

| | | |
|--|----------------------|------|
| - Income from salary: | 3,403,757,279 | dong |
| - Income based on business results: | 2,804,241,819 | dong |
| - Allowances and additional payments per salary: | 169,556,704 | dong |

| No | Full Name | Title | Salary | Bonus | Allowances and deduction under salary |
|----|--------------------|--|--------|-------|---------------------------------------|
| 1. | Vu Duc Tien | General Director | v | v | v |
| 2. | Tran Sy Tien | Deputy General Director cum Chief Accountant | v | v | v |
| 3. | Tran Thi Thu Thanh | Deputy General Director | v | v | v |
| 4. | Nguyen Chi Thanh | Deputy General Director | v | v | v |
| 5. | Nguyen Hong Diep | Director of HCM Branch | v | v | v |
| 6. | Tran Phuoc Ha Nhi | Director of Da Nang Branch | v | v | v |

Wages and rewards of the manager

Number of manager(s): **18** persons

Total salary and bonus of managers:
11,182.024,776 dong

INSURANCE BENEFITS (Social Insurance, Health Insurance, Unemployment Insurance)

- Non-executive members of the Board of Directors and non-specialized members of the Supervisory Board: Those working on a part-time basis should enjoy insurance regimes at their full-time working units.

- Executive Board members, members of the specialized Supervisory Board, members of the Board of Management and department managers: Such persons are entitled to insurance regimes under the Company's policy.

OTHER BENEFITS

Permission mode

Non-executive members of the Board of Directors and non-specialized members of the Supervisory Board: Due to working part-time, these members are entitled to leave in accordance with the provisions of the law and regulations of the full-time working units.

Executive Board members, members of the specialized Supervisory Board, members of the Board of Management and managers: Such persons are entitled to leave as stipulated by the laws and regulations of the Company. Accordingly, they shall have 12 days of vacation each year. For every 3 years of work, there shall be an extra day of annual leave. The company facilitates the full annual leave entitlement being taken in accordance with the regulations. Annual leave is calculated to March 31 the following year. In the absence of all leave, they will not be entitled to receive money by changing the leave date.

Periodic health check up

Non-executive members of the Board of Directors and non-specialized members of the Supervisory Board: Due to part-time work, such persons are entitled to periodic health examination regimes at work units (if any).

Executive Board members, members of the specialized Supervisory Board, members of the Board of Directors and management staff: Such persons should obtain an annual health check at the Post Office Hospital.

Gasoline, telephone and working fee

-According to the financial regulations of the Company.

EXECUTION OF REGULATIONS ON CORPORATE GOVERNANCE

Our goal is to: “Complete the corporate governance model on the basis of a transparent strategic orientation according to the best modern governance practices”. Therefore, in 2018, SHS continued to strictly adhere to the best corporate governance practices as well as current corporate governance regulations in the Enterprise Law, Securities Law, Decree No. 71/2017/ND-CP, Circular No. 95/2017/TT-BTC, Circular No. 210/2012/TT-BTC providing guidance on the establishment and operation of securities companies and Circular No. 07/2016/TT-BTC amending and complementing Circular No. 210/2012/TT-BTC. In addition, SHS is also moving toward the international best practice levels of corporate governance of OECD and ASEAN. In particular:



- The Company has stipulated that the Company Secretary shall be the person in charge of corporate governance. The Company also publicly discloses information about the Company Secretary so that shareholders and interested investors can contact them. The Company Secretary is responsible for:

+ Reviewing current legal regulations and best practices on corporate governance in order to make proposals to the Board of Directors and Board of Management to amend, supplement and promulgate governance and other regulations as well as other documents related to corporate management.

+ Advising the Board of Directors on the order and procedures for organizing the Annual and Extraordinary General Meeting of shareholders.

+ Participating in meetings of the Board and making resolutions and decisions of the Board.

+ Providing information and data for meetings of the Board and copies of meeting documents, resolutions and decisions of the Board upon request.

+ Supervising and advising members of the Board of Directors, Supervisory Board and related people to publicize benefits and avoid conflicts of interest with the Company.

+ Supervising and reporting to the Board of Management on issues of Corporate Governance and disclosure of information about the Company.

+ Being a point-of-contact to answer any issues related to Corporate Governance.

- Since 2011, the Company has nominated a person to be in charge of information disclosure in order to properly implement the Company's reporting and information disclosure obligations. SHS also publicly discloses detailed information about this person so that shareholders can

contact them. The person in charge of information disclosure is responsible for:

+ Reviewing current legal regulations to make proposals to the Board of Directors to amend, supplement and issue internal regulations and regulations on the disclosure of information.

+ Urging relevant departments to make reports and official documents to submit to the General Director for full and timely issuance.

+ Being a point-of-contact to answer any questions from shareholders, investors, state management agencies and others related to reports and information published by the Company.

- The Company has reviewed, amended and supplemented its Regulations and Internal Control Regulation to ensure compliance with Decree No. 71/2017/ND-CP guiding management in a public company and Circular No. 95/2017/TT-BTC guiding Decree No. 71/2017/ND-CP. The new corporate governance rules and regulations were approved at the 2018 Annual General Meeting of Shareholders held on April 24, 2018 and posted on the Company's website.

- This successful AGM fully ensured the rights and interests of shareholders, such as the right to access information, the right to attend, the right to express opinions and the right to vote.

- The Board of Directors, Supervisory Board and Board of Management have strictly and fully implemented the current legal provisions on corporate governance during the process of meeting, directing, operating and monitoring the Company's activities.

- SHS has launched a website that operates 24/7. This website provides full and timely updates on Company information, notices for customers and shareholders as well as information disclosure.

- SHS has made full, timely and transparent reporting and information disclosure for all periodic reporting obligations (weekly, monthly, quarterly, semi-annual and annual).

- The Company has urged and supported information disclosure for major shareholders, internal shareholders and organizations/related people as well as supervised transactions of internal, institutional/related persons in 2018.

The Company also actively evaluates its business activities

under the Camel Regulation issued together with the State Securities Commission's Decision No. 617/QĐ-UBCK dated 9 October 2013 and self-assesses the implementation of regulations on corporate governance based on the ASEAN Corporate Governance Charter to achieve the following objectives:

+ Finding ways to improve and enhance corporate governance practices.

+ Enabling investors to evaluate and gain an overview of SHS's corporate governance.

+ Raising awareness and understanding of the best corporate governance practices.

(With regard to the detailed assessment of the implementation of the Company's governance regulations in 2018 according to the ASEAN Regional Management Scorecard and the Camel Regulation, please see the section: "Evaluation of Corporate Governance ASEAN Scorecards and Camel regulations").

There have been many efforts to implement regulations on corporate governance. However, SHS has found that although the Company's management is good, it is not fully qualified according to international practices. Therefore, it is necessary to further improve in order to contribute to sustainable profitability for the Company. Some issues need to be resolved, such as:

- Although the Company Secretary was also in charge of corporate governance, the Company has not issued a Decision to appoint them or published information about this. The Company shall do both in 2019.

- In 2018, the Company delayed paying stock dividends to existing shareholders pending the completion of the acquisition of SHBS and SSC approval for the issuance of additional shares to existing shareholders and ESOP shares at the same time as 2017 stock dividends. The Company will learn from this experience and separate these events in the future to ensure full and timely implementation of shareholders' rights receive dividends.

- In 2018, the Company did not provide information on salary and bonuses of the Board of Directors, Chief Accountant on the audited financial statements and reported at the Annual General Meeting of Shareholders. Therefore, in 2019, the Company resolves to implement these changes.

INFORMATION FOR SHAREHOLDERS

SHARE INFORMATION

TICKER: SHS

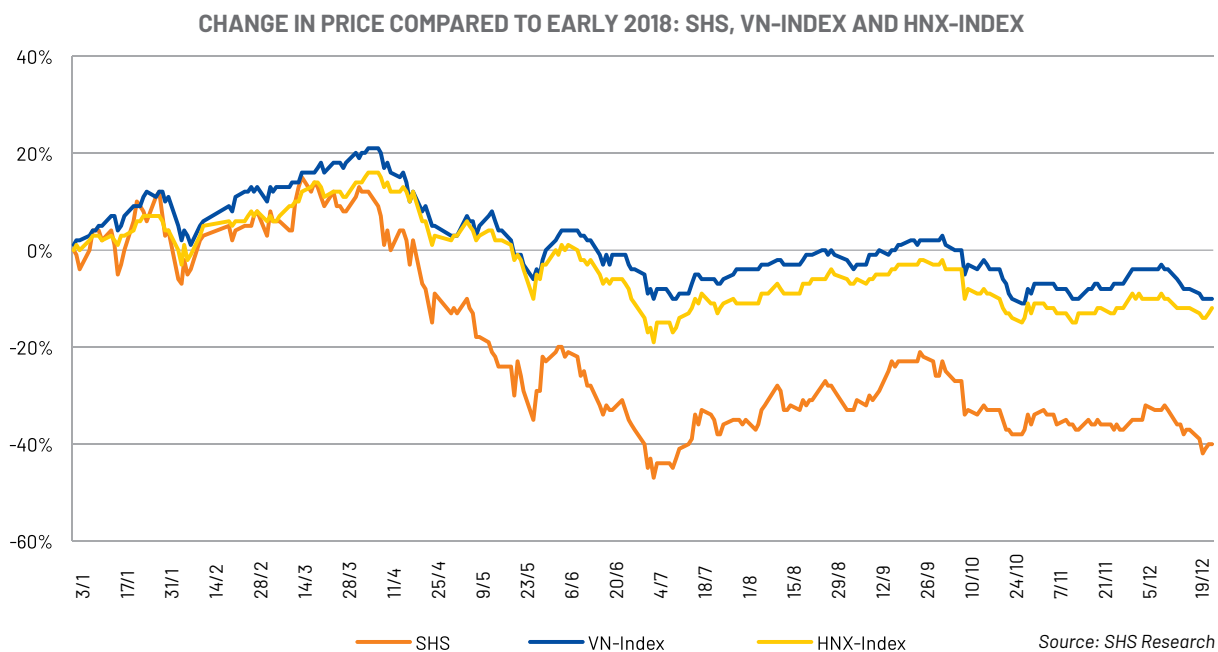
 Number of common shares (as of 31/12/2018): **105,395,674**

 Market cap (as of 31/12/2018) **1,222.6 billion dong.**

| Level | Price | | Volume | |
|--------------|------------|-----------------------|------------|----------------|
| | Date | Price (VND/share) (*) | Date | Volume (share) |
| Lowest | 06/07/2018 | 10,500 | 21/11/2018 | 471,900 |
| Highest | 04/04/2018 | 25,000 | 01/03/2018 | 5,718,701 |
| Closed | 28/12/2018 | 11,600 | 28/12/2018 | 622,630 |
| Average (**) | | 17,141 | | 1,761,815 |

(*) Calculated as adjusted price. In 2018, SHS paid no dividend.

(**) Calculated by weighted average method on closed price, with 250 trading days in 2018.

SHS stock price in 2018


Comparing price movements of SHS with VN-Index and HNX-Index, from late January 2018 to late March 2018, SHS stock price fluctuates in the same way as these indices. However, from late March 2018 onwards, the SHS price fluctuated in line with the market trend but fell deeper than the indices. This is

because the SHS share price surged more than other stocks in the market in 2017, so it will tend to fall deeper in 2018. In addition, in 2018, VN-Index and HNX-Index are supported by large-cap stocks which have better movements.

SHARES

| Total number of shares (105,395,674) | | |
|--------------------------------------|------------------------------------|-----|
| Common shares (105,395,674) | Preferred shares (0) | |
| Transferable shares (105,395,674) | Restricted transferable shares (0) | |
| Outstanding shares (105,395,674) | Treasury shares (0) | (0) |

SHAREHOLDER STRUCTURE

(On the list as of January 15, 2019 approved by the Vietnam Securities Depository Center)

| No. | Category | 2018 | | 2017 | | Change | | | | |
|--------------|----------------------------|--------------------|----------------|--------------|--------------------|--------------------|--------------|------------|--------------|-------------|
| | | No. of Shares | % of ownership | No. of share | No. of Shares (%) | % of ownership (%) | No of | | | |
| 1.1 | Major Shareholders | 11,346,700 | 10.8 | 2 | 17,922,766 | 17.9 | 3 | -36.7 | -7.2 | -33.3 |
| 1.2 | Small Shareholders | 94,048,974 | 89.2 | 4,208 | 82,077,234 | 82.1 | 3,102 | 14.6 | 0.8 | 35.7 |
| 2.1 | Institutional Shareholders | 30,912,640 | 29.3 | 55 | 21,237,017 | 21.2 | 37 | 45.6 | 21.2 | 48.7 |
| 2.2 | Individual Shareholders | 74,483,034 | 70.7 | 4,155 | 78,762,983 | 78.8 | 3,068 | -5.4 | 78.8 | 35.4 |
| 3.1 | Local Shareholders | 78,847,478 | 74.8 | 4,128 | 82,667,774 | 82.7 | 3,062 | -4.6 | 82.7 | 34.8 |
| 3.2 | Foreign Shareholders | 26,548,196 | 25.2 | 82 | 17,332,226 | 17.3 | 43 | 53.2 | 17.3 | 90.7 |
| 4.1 | State-owned Shareholders | 0 | 0.0 | 0 | 0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 |
| 4.2 | Other Shareholders | 105,395,674 | 100.0 | 4,210 | 100,000,000 | 100.0 | 3,105 | 5.4 | 100.0 | 35.6 |
| Total | | 105,395,674 | 100.0 | 4,210 | 100,000,000 | 100.0 | 3,105 | 5.4 | 100.0 | 35.6 |

The number of shareholders in 2018 was 4,210. This is an increase of 1,105 shareholders, equivalent to a rise of 35.6%. Meanwhile, the number of outstanding shares of the Company increased by only 5.4%. It can be said that, compared to the previous year, SHS shareholders tend to be more diluted:

For major shareholders: The number of shares held decreased by 36.7%, the proportion of ownership fell by 7.2%, and the number of shareholders decreased by 33.3%.

For institutional shareholders: The number of shares held increased by 45.6%, the proportion of ownership increased

by 21.2%, and the number of shareholders increased by 48.7%.

For foreigner shareholders: The number of shares held increased by 53.2%, the proportion of ownership increased 17.3%, and the number of shareholders increased by 90.2%.

Thus, although major shareholders (holding 5% or more of outstanding shares) decreased, institutional shareholders and foreign shareholders increased significantly. This shows that SHS is increasingly more attractive to foreign organizations and shareholders.

OWNERSHIP OF RELATED ORGANIZATIONS/INDIVIDUALS

| No. | Full Name | Position | No. of shares as of 31/12/2018 | Proportion (%) |
|---|---------------|--|--------------------------------|----------------|
| I. RELATED PERSONS OF MEMBERS OF THE BOD FOR 2017-2022 | | | | |
| 1. | Do Thi Thu Ha | Related person: Mr. Do Quang Hien - Chairman of BOD | 26,400 | 0.025 |
| 2. | T&T Group JSC | Related organization: Mr. Do Quang Hien - Chairman of BOD | 6,127,000 | 5.813 |
| 3. | Uông Văn Hạnh | Related person: Mr. Vu Duc Tien - Member of BOD | 31,980 | 0.030 |
| III. RELATED PERSONS OF MEMBERS OF BOARD OF MANAGEMENT | | | | |
| 1. | Uong Van Hanh | Related person: Mr. Vu Duc Tien - Member of BOD | 31,980 | 0.030 |

TRANSACTIONS OF INTERNAL SHAREHOLDERS AND RELATED ORGANISATIONS/PEOPLE

In 2018, no transactions of internal shareholders (including members of BOD, SB, BOM, Chief of Accountant, Company Secretary, Company spokesperson) and organizations/people.

TRANSACTIONS AND CONTRACTS WITH INTERNAL INDIVIDUALS AND RELATED ORGANIZATIONS/INDIVIDUALS

(see audited Financial Statements 2018).

INVESTOR RELATIONS

INVESTOR RELATIONS IN 2018

"SHS is a public listed company and also a securities company. Therefore, SHS will pay particular attention to ensuring shareholders' rights and interests. The overall goal of investor relations is to protect the legitimate rights and interests of shareholders and treat all shareholders fairly."



PROMOTING INFORMATION TRANSPARENCY

SHS has published on the SHS website a separate "Investor Relations" directory in order to provide and update information promptly to shareholders and to help shareholders access information quickly.

SHS has also nominated a Company Secretary and Information Publisher to promptly respond to shareholders' questions.

On 24 April 2018, SHS held its 2018 annual shareholders meeting. Invitation letters, agendas and meeting papers were sent by post to every shareholder. All documents were bilingual (English and Vietnamese) and published on the SHS website before the date of the AGM in accordance with regulations. An interpreter was arranged to directly serve foreign shareholders attending the meeting. Independent auditors were also invited to attend the meeting to answer shareholders' questions about the auditor's opinions, if any.

The minutes of the meeting, voting results report and the 2019 AGM Resolutions were read to all shareholders before voting for approval, and then disclosed on the SHS website within 24 hours.

At the AGM, shareholders had the right to ask questions during the meetings. The Chairs were available to respond to any questions. The Q&A was recorded in the minutes of the meeting and widely publicized.

During the course of the year, shareholders had the right to send letters, emails, phone calls or other communications to the Head of the Supervisory Board, General Director, or Company Secretary in order to ask about business performance and corporate governance issues. All questions were answered promptly and satisfactorily.

➤ INVESTOR RELATION STRATEGY FOR 2019

SHS has fully met the legal regulations on corporate governance -there is no important aspect or provision of corporate governance that the Company has not yet implemented. This achievement is the effort of the entire Board of Directors, Supervisory Board and Board of Management in reviewing and applying best practices as well as the law's provisions on corporate governance.

The fact that members of the Board of Directors of the Company do not have the SSC certificate of corporate governance is due to the fact that the SSC training program has not been rescheduled. However, members of the Board of Directors of the Company have participated in various training courses on corporate governance organized by international organizations and associations as well as state management agencies.

In 2019, SHS aims to improve its corporate governance and management still further. This will protect the rights and legitimate interests of shareholders, ensure all shareholders are treated fairly, meet Vietnam's legal regulations on corporate governance and best corporate governance practices around the world. These include continuing to improve the organization of the General Meeting of Shareholders; fully implementing the rights and legitimate interests of shareholders; coordinating with the SSC to organize training courses and certificates of corporate governance for members of the Board of Directors, Supervisory Board and Company Secretary; strengthening activities to connect with current and potential investors through various channels to share information about the orientation, business results and potential of SHS; and seeking cooperation opportunities to benefit both parties.

➤ INVESTOR RELATIONS DEPARTMENT (IR DEPT.)

The Investor Relations department, directly under the Board of Directors, is always a bridge between the Company, its shareholders and potential investors. In 2018, the Investor Relations department fully implemented its role in exercising the legal rights and interests of shareholders, such as the right to attend and vote at the AGM, the right to receive dividends, the right to access information about results of business performance, and the right to be re-issued the missing shareholder register.

The Investor Relations department conveyed the requests of shareholders to members of the Board of Directors and Supervisory Board. It also arranged appointments between shareholders and potential investors with the Board of Directors, and committed to provide information in English more regularly, in order to avoid certain disadvantages to foreign shareholders when receiving information.

The person in charge of shareholder relations is as follows:

MRS. DOAN THI NHU QUYNH

- Education: Bachelor at the Institute of International Relations
- Experience: 10 years of experience in finance, banking and the securities industry.
- Position at SHS: Deputy Secretary of BOD
- Tel: 024.3941.3616 (312)
- Email: quynh.dtn@shs.com.vn

➤ REPORT AND DISCLOSURE OF INFORMATION

➤ REPORT AND DISCLOSURE OF INFORMATION IN 2018

SHS always ensures full, timely and transparent reporting and disclosure of information. For the preparation and submission of reports, SHS complies with the regulations of the Government, Ministries, SSC, 2 SEs, VSD, NFSC, SBV, the Tax Authority and Statistics Agency relating to the securities sector. For the preparation and disclosure of information, SHS complies with Circular 155/2015/TT-BTC of the Ministry of Finance guiding the disclosure of information on the Vietnam Securities Market, as well as regulations on information disclosure of the SSC and the 2 Stock Exchange.

The Company website is an information disclosure media portal, including a section devoted to SHS Investor Relations to share information and data with shareholders in a complete and timely manner. All reports and information are sent in both hard and soft copies (unless otherwise stated). In 2018, no state management agency issued written reminders or sanctioned SHS for administrative violations on reporting and disclosure obligations.

➤ REPORTING DEPARTMENT AND INFORMATION DISCLOSURE

SHS's Information and Reporting department sits under the Legal & Risk Management department. The department is responsible for reviewing the legal regulations to update the periodic reporting list. On that basis, it is responsible for guiding and urging the department to prepare and submit reports on time to the state management agencies.

The person in charge of reporting and disclosing information is as follows:

Ms Nguyen Thuy Hanh Mai

- Education: Bachelor from the National Economic University
- Working experience: 11 years of experience in auditing and securities
- Position at SHS: Head of Legal & Risk Management Department
- Phone contact: 024.3818.1888 (318)
- Email: mai.nth@shs.com.vn

ASSESSMENT OF CORPORATE GOVERNANCE ACCORDING TO THE SCORE CARD OF THE ASEAN REGION AND CAMEL REGULATIONS

ASSESSMENT OF CORPORATE GOVERNANCE ACCORDING TO THE SCORE CARD OF THE ASEAN REGION

| STT | CONTENT OF QUESTION | PERFORMANCE 2018 | PERFORMANCE 2017 | ASSESSMENT |
|-------------|--|------------------|------------------|---|
| A. | CONTENT OF QUESTION | | | |
| A.1. | Basic rights of shareholders | | | |
| A1.1. | Does the Company pay fair and equitable dividends to shareholders within 30 days after the announcement of the interim dividends and after approval by the General Meeting of Shareholders for year-end dividends and within 60 days of the disclosure date for stock dividends? | Not Good | Good | - Annual General Meeting of Shareholders 2018 (24/04/2018) approved dividend payment in 2017 by 25% shares, ex-dividend date 15/01/2019. Slow due to objective reasons: to complete the merger of SHBS before paying dividends and at the same time issuing additional ESOP shares and existing shareholders. |
| A.2. | Participation rights in decisions related to the critical changes of the company | | | |
| A.2.1. | Amendment of the Company's Charter | Good | Not assessed | 2018: Amending the Charter and rules of internal governance approved at the Annual General Meeting of Shareholders 2018. |
| A.2.2. | Voting the additional shares issuance | Good | Not assessed | 2018: Issuance of additional shares approved at Annual General Meeting of Shareholders 2018. |
| A.2.3. | Are all or most of the assets of the Company | Not assessed | Not assessed | 2018: No transfer of all or most of the assets leading to the sale of the Company |
| A.3. | Effective participation right and voting at general meeting of shareholders and right to be informed about meeting regulations of general meeting of shareholders, including voting procedures | | | |
| A.3.1. | Do shareholders have an opportunity, expressed by the content of the agenda, to approve remuneration (fees, remuneration or other forms of entitlement or other perks) or any increase in remuneration for non-executive members of the BOM? | Good | Good | 2018: Shareholders approved the Proposal 09-2018/TTr-HĐQT at the Annual General Meeting of Shareholders 2018. |
| A.3.2. | Does the Company allow shareholders with control right to nominate members of the Board of Management? | Good | Good | All shareholders have the right to nominate members of the Board of Management. |
| A.3.3. | Does the Company allow shareholders to vote for each member of the Board of Management? | Good | Good | All shareholders have the right to nominate members of the Board of Management. |
| A.3.4. | Does the Company disclose the voting procedure to be used before the General Meeting of Shareholders? | Good | Good | The Company has a notice on the website and in the invitation to the Annual General Meeting of Shareholders to send to shareholders |
| A.3.5. | Does the latest shareholder meeting record clearly recognize that shareholders have the opportunity to ask questions and are the questions and answers recorded? | Good | Good | 2018: Minutes of meeting with questions and answers of shareholders. |
| A.3.6. | Does the Company disclose the voting results, including the number of votes for against and blank votes, for each of the contents of the nearest General Meeting of Shareholders? | Good | Good | 2018: Resolution of the General Meeting of Shareholders expressed the contents of this announcement. |
| A.3.7. | Does the Company disclose a list of the BOM members who attended the nearest General Meeting of Shareholders? | Good | Good | Yes |
| A.3.8. | Does the Company disclose all the members of the Board of Management and the CEO who attended the nearest General Meeting of Shareholders? | Good | Good | Yes |
| A.3.9. | Does the Company allow for absenteeism? | Good | Good | Absenteeism is allowed through the Authorized Person. |

| | | | | |
|-------------|--|------|------|---|
| A.3.10. | Does the Company use the form of resolutions based on the number of shareholders' votes (not by raising hands) for all resolutions at the latest General Meeting of Shareholders? | Good | Good | The Company only used a written voting form with all the resolutions in the AGM of Shareholders. |
| A.3.11. | Does the Company disclose the appointment of an independent party (checker/supervisor) to attend the vote counting and/or vote evaluation at the General Meeting of Shareholders? | Good | Good | Participating in the vote counting is a member of the Supervisory Board and the Head of the Internal Control Department. |
| A.3.12. | Does the Company publicly announce on the next business day the voting results for all resolutions in the nearest General Meeting of Shareholders? | Good | Good | Date of the General Meeting of Shareholders: 24/04/2018, Announcement date: 24/04/2018. |
| A.3.13. | Does the Company announce the Annual General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders within 21 days? | Good | Good | Announcement Date: 2/4/2018, Meeting Date: 24/4/2018. |
| A.3.14. | Does the Company provide the basis, information and explanation for each item in the proposed resolution to be approved by shareholders in the notice of the General Meeting of Shareholders/documents of the General Meeting of Shareholders/Draft and/or attached reports? | Good | Good | Each issue in the resolution to be adopted at the General Meeting of Shareholders is promulgated by an accompanying proposal of the BOM. The proposal indicates the basis, information and explanation of issues in the resolution. |
| A.3.15. | Have shareholders been given the opportunity | Good | Good | Yes. The minutes of meeting of AGM specify the questions of shareholders at the meeting. |
| A.4. | The Company's acquiring market must be allowed to operate effectively and transparently | | | |
| A.4.1. | In mergers, acquisitions and/or M&A requiring shareholder approval, does a member of the BOM propose the appointment of an independent party to appraise the merits of merger or acquisition pricing? | Good | Good | 2017: General Meeting of Shareholders of SHS approved the merger of SHBS into SHS expected to take place in 2018. SHS hired a valuation company and an auditing firm to assess the merits of the transaction price. |
| A.5. | Facilitating the execution of ownership for all the shareholders, including institutional investors | | | |
| A.5.1. | Does the Company have a public policy/practice to encourage shareholders' participation outside the General Meeting of Shareholders? | Good | Good | Available in Company charter. Shareholders have the right to contribute ideas to the BOD and BOM by sending letters, emails and in direct meetings. |
| B. | EQUALITY TREATMENT AGAINST SHAREHOLDERS | | | |
| B.1. | Shares and voting rights | | | |
| B.1.1. | Does each of the Company's common shares have a vote? | Good | Good | Yes |
| B.1.2. | Where the Company has more than one class of shares, does the Company disclose the number of votes associated with each type of share? | Good | Good | In 2018, the Company has only one class of common share. |
| B.2. | Notice of general meeting of shareholders | | | |
| B.2.1. | Does each resolution in the nearest General Meeting of Shareholders refer only to one part of the proposed resolution, i.e. does not include multiple content in the same resolution? | Good | Good | The Company only issues 1 resolution of the General Meeting of Shareholders but each piece of content in the resolution is represented by 1 separate Proposal. |
| B.2.2. | Are notices and documents of the nearest General Meeting of Shareholders fully translated into English and publicly available on the same day as local language versions? | Good | Good | Translated to English. |
| | Does the notice of the General Meeting of Shareholders have following details: | | | |
| B.2.3. | Is the profile of the Board member to be elected/re-elected available? | Good | Good | Yes. |
| B.2.4. | Is the auditor/audit Company prepared to be elected/re-elected clearly defined? | Good | Good | The General Meeting of Shareholders authorizes the Board of Management to decide. The Board of Management decided on the basis of the proposal of the Supervisory Board. Supervisory Board makes a recommendation based on quotations from at least 3 accounting firms. |
| B.2.5. | Is the letter of authorization to attend the General Meeting of Shareholders easily provided? | Good | | Good |
| B.3. | Prohibiting insider transaction and trading infringement for personal interests | | | |
| B.3.1. | Does the Company have policies and/or regulations prohibiting board members and employees from gaining from knowledge that is not publicly disclosed? | Good | | Good |

| | | | | |
|-------------|---|------|------|--|
| B.3.2. | Is the Board member required to report the Company's shares transactions within 3 working days? | Good | Good | Yes. Rule 28 of Proposal 155 concerns the publishing of information on the stock market. |
| B.4. | Related party transaction of BOM members and senior management staff | | | |
| B.4.1. | Does the Company have a policy to require BOM members to disclose relevant interests in transactions and any conflict of interest with the Company? | Good | Good | Provided by the Company's charter. |
| B.4.2. | Does the Company have a policy to require a subcommittee including independent BOM members to review critical/important related party transactions to determine whether such transactions serve the best interests of the Company and its shareholders? | Good | Good | Provided by the Company's charter. |
| B.4.3. | Does the Company have a policy to require BOM members not to attend meetings of the Board during meetings on operations or transactions in which the member has a conflict of interest? | Good | Good | Provided by the Company's charter. |
| B.4.4. | Does the Company have a policy on lending to the BOM members, providing the prohibition of this operation and ensuring that the lending is performed based on a reasonable transaction at market interest rate? | Good | Good | Provided by the Company's charter. |
| B.5. | Protection of minority shareholders before the infringement | | | |
| B.5.1. | Does the Company announce that related party transactions are made in a way that ensures that such transactions are reasonable and market-based? | Good | Good | Yes |
| B.5.2. | In cases where shareholder approval is required through related party transactions, the approval of the transaction must be resolved by the unrelated shareholders. | Good | Good | Yes |
| C. | ROLES OF THE PARTIES HAVING RELATED INTERESTS | | | |
| C.1. | Rights of the parties having related interests provided by the law or in accordance with bilateral agreements must be respected | | | |
| | Does the Company disclose the policies and practices regarding: | | | |
| C.1.1. | Disclosure of policies and practices to protect customer interests? | Good | Good | In the Sustainable Development Report. |
| C.1.2. | Disclosure of policies and practices, procedures and processes for selection of suppliers/contractors? | Good | Good | In the process of procurement, investment and asset management. |
| C.1.3. | Disclosure of policies and practices describing the Company's efforts to ensure that the Company's value chain is environmentally friendly or consistent with sustainable development? | Good | Good | In the Sustainable Development Report. |
| C.1.4. | Disclosure of policies and practices describing the Company's efforts to interact with the communities in which it operates. | Good | Good | In the Sustainable Development Report. |
| C.1.5. | Disclosure of policies and practices in anti-corruption of the Company? | Good | Good | In the Sustainable Development Report. |
| C.1.6. | Disclosure of policies and practices describing how to protect the interests of creditors? | Good | Good | In the Sustainable Development Report. |
| C.1.7. | Does the Company write a separate report/content describing its efforts on environmental/economic and social issues? | Good | Good | In the Sustainable Development Report. |
| C.2. | When interests of the parties having related interests are protected by the law, the parties having related interests must have an opportunity to make an effective claim if their rights are violated | | | |
| C.2.1. | Does the Company provide contact information on the Company's Website or Annual Report in order that the parties having related interests may use such information to raise concerns and/or grievances regarding possible violations against their interests? | Good | Good | In the Sustainable Development Report. |
| C.3. | Mechanisms to improve effective participation of the employees should be allowed to develop | | | |

| | | | | |
|-------------|---|------|------|---|
| C.3.1. | Does the Company clearly announce policies and practices, health efforts, safety and well-being to its employees? | Good | Good | In the Sustainable Development Report. |
| C.3.2. | Does the Company clearly announce policies and practices; efforts on training programs and staff development? | Good | Good | In the Sustainable Development Report. |
| C.3.3. | Does the Company have a policy of reward associated with the performance of the Company in the long term rather than in the short term? | Good | Good | In the salary and bonus regulations of the Company. |
| C.4. | Parties having related interests, including employees and their representatives, must be able to freely express their concerns on illegal or unethical issues to the Board of Management and such issues must not affect their interests | | | |
| C.4.1. | Does the Company have a policy to denounce, including complaints procedures for employees and stakeholders, unlawful behavior (including corruption) or ethical non-conformities and provide detailed complaint contact information as mentioned on the Company's Website or Annual Report? | Good | Good | In the Code of Professional Ethics and Process of Complaints and Denunciations. |
| C.4.2. | Does the Company have a policy or procedure to protect employees/individuals from retaliation for disclosing unlawful/unethical behavior? | Good | Good | In the Code of Professional Ethics and Process of Complaints and Denunciations. |
| D. | INFORMATION DISCLOSURE AND TRANSPARENCY | | | |
| D.1. | Transparent ownership structure | | | |
| D.1.1. | Is there information on shareholders disclosing the identity of the owners holding 5% or more of shares? | Good | Good | In the Annual Report. |
| D.1.2. | Does the Company disclose direct and indirect ownership of major shareholders? | Good | Good | In the Annual Report. |
| D.1.3. | Does the Company disclose direct and indirect shareholding of BOM members? | Good | Good | In the Annual Report. |
| D.1.4. | Does the Company disclose direct and indirect shareholding in the Board of Management? | Good | Good | In the Annual Report. |
| D.1.5. | Does the Company disclose specific information about its parent Company, subsidiaries, affiliates, joint ventures and companies/enterprises with special purposes? | Good | Good | In the Annual Report. |
| D.2. | Quality of annual statements | | | |
| | Do annual statements of the Company disclose the following contents: | | | |
| D.2.1. | The Company's goals | Good | Good | Yes |
| D.2.2. | Indicators of financial performance | Good | Good | Yes |
| D.2.3. | Indicators of non-financial performance | Good | Good | Yes |
| D.2.4. | Dividend policy | Good | Good | Yes |
| D.2.5. | Details of the members of the BOM | Good | Good | Yes |
| D.2.6. | Details on the participation of each member of the BOM in the meetings held during the year | Good | Good | Yes |
| D.2.7. | Total remuneration of each BOM member | Good | Good | Yes |
| | Statement on corporate governance | | | |
| D.2.8. | Statement on corporate governance | Good | Good | Yes |
| D.3. | Release of related party transactions | | | |
| D.3.1. | Does the Company disclose a policy on the review and approval of critical related party transactions? | Good | Good | In the Annual Report. |
| D.3.2. | Does the Company disclose the name of the related party relationship, and the nature and value of each important/critical related party transaction? | Good | Good | In the Annual Report. |

| | | | | |
|-------------|--|--------------|--------------|---|
| D.4. | BOM member trading shares of the Company | | | |
| D.4.1. | Does the Company disclose a share transaction of the Company conducted by an internal person of the Company? | Good | Good | In the Annual Report. |
| D.5. | Independent audit and audit report | | | |
| D.5.1. | Are audit and non-audit fees disclosed to the public? | Not Good | Not Good | Due to requirements on information confidentiality and to ensure competitiveness between audit companies. |
| D.5.2. | Is the non-audit service fee higher than the audit fee? | Not Assessed | Not Assessed | The Company does not engage non-audit services. |
| D.6. | Media | | | |
| | Does the Company use the following forms of communication: | | | |
| D.6.1. | Quarter-report | Good | Good | Yes |
| D.6.2. | Company website | Good | Good | Yes |
| D.6.3. | Evaluation by analyst expert | Good | Good | Yes |
| D.6.4. | Media information/press conference | Good | Good | Yes |
| D.7. | Submission/announcement of annual statements/financial statements on time | | | |
| D.7.1. | Is the annual financial statement disclosed publicly within 120 days from the end of the fiscal year? | Good | Good | Yes |
| D.7.2. | Is the annual report disclosed publicly within 120 days from the end of the financial year? | Good | Good | Yes |
| D.7.3. | Is the truthfulness and reasonableness of the annual financial statements confirmed by the BOM member and/or the Executive Board members of the Company? | Good | Good | Yes |
| D.8. | The Company's website | | | |
| | Does the Company have a website that publishes updates on: | | | |
| D.8.1. | Financial statement (latest quarter) | Good | Good | Yes |
| D.8.2. | Materials of analysts and media | Good | Good | Yes |
| D.8.3. | Annual statements which may be downloaded | Good | Good | Yes |
| D.8.4. | Notices and documents of the General Meeting of Shareholders and/or the Extraordinary General Meeting of Shareholders | Good | Good | Yes |
| D.8.5. | Minutes of the General Meeting of Shareholders and/or Extraordinary General Meeting of Shareholders | Good | Good | Yes |
| D.8.6. | Company charter which can be downloaded | Good | Good | Yes |
| D.9. | Investor relationship | | | |
| D.9.1. | Does the Company disclose contact information of the investor relations officer/department? | Good | Good | Yes. In the Annual Report. |
| E. | RESPONSIBILITIES OF THE BOARD OF MANAGEMENT | | | |
| E.1. | Roles and responsibilities of BOM members | | | |
| E.1.1. | Does the Company disclose the corporate governance regulation/charter of operations of the BOM? | Good | Good | Yes. On the website. |
| E.1.2. | Are types of decisions requiring approval of the Board members publicly disclosed? | Good | Good | Yes. On the website, and in the Annual Report and Management Report. |
| E.1.3. | Is the role and responsibility of the BOM members clear and transparent? | Good | Good | Yes |
| | Vision and mission of the Company | | | |
| E.1.4. | Does the Company disclose the vision and mission to be reviewed and updated? | Good | Good | Yes |

| | | | | |
|-------------|--|----------|----------|--|
| E.1.5. | Does the BOM member play a leadership role in the process of developing/tracking the Company's strategy for at least one year? | Good | Good | Yes |
| E.1.6. | Does the BOM member have a process to review, monitor and follow-up the implementation of the Company's strategy? | Good | Good | Yes |
| E.2. | Structure of the Board of Management | | | |
| E.2.1. | The details of the Code of Conduct or Ethics are publicly disclosed? | Good | Good | Yes. On the website. |
| E.2.2. | Does the Company disclose that all the BOM members, senior executives and employees must follow the code? | Good | Good | Yes |
| E.2.3. | Does the Company disclose the way to implement and monitor compliance with the Code of Ethics or Code of Conduct? | Good | Good | Yes |
| E.2.4. | Do the independent members of the Board of Directors account for at least 1/3 of the Board members? | Good | Good | Yes |
| E.2.5. | Does the Company limit a maximum term of 9 years or less or a maximum of 2 terms of 5 years for each independent member of the Board? | Good | Good | Yes |
| E.2.6. | Does the Company set a maximum limit of 5 BOM positions that an independent/non-executive Board member can hold simultaneously at other companies? | Good | Good | Yes |
| E.2.7. | Does the Company have an executive Board member serving on more than 2 BOMs of listed companies outside the group? | Good | Good | No |
| | Human Resources Subcommittee | | | |
| E.2.8. | Does the Company have Human Resources Subcommittee? | Good | Good | Yes |
| E.2.9. | Does the Human Resources Subcommittee include the majority of independent BOM members? | Not Good | Not Good | The Human Resources Subcommittee does not include an independent BOM member. |
| E.2.10. | Is the Chairman of the Human Resources | Not Good | Not Good | The Human Resources Subcommittee does not include an independent BOM member. |
| E.2.11. | Subcommittee an independent BOM member? | Not Good | Not Good | No |
| E.2.12. | Does the Company disclose the operational regulations/governance structure/charter of the Human Resources Subcommittee? | Good | Good | Yes |
| | Remuneration/salary and bonus subcommittee | | | |
| E.2.13. | Does the Company have a Remuneration Subcommittee? | Good | Good | Yes |
| E.2.14. | Does the Remuneration Subcommittee include the majority of independent BOM members? | Not Good | Not Good | The Remuneration Subcommittee does not include an independent BOM member. |
| E.2.15. | Is the Chairman of the Remuneration Subcommittee an independent BOM member? | Not Good | Not Good | The Remuneration Subcommittee does not include an independent BOM member. |
| E.2.16. | Does the Company disclose the operational regulations/governance structure/charter of the Remuneration Subcommittee? | Not Good | Not Good | No |
| E.2.17. | Members' participation in meetings of the Remuneration Subcommittee is publicly disclosed. If any, does the Remuneration Subcommittee hold a minimum of two meetings per year? | Good | Good | Yes |
| | Audit Subcommittee | | | |
| E.2.18. | Does the Company have an Audit Subcommittee? | Good | Good | Yes |
| E.2.19. | Does the Audit Subcommittee include total non-executive BOM members with the majority of independent BOM members? | Good | Good | Yes |
| E.2.20. | Is the Chairman of the Audit Subcommittee an independent BOM member? | Not Good | Not Good | No |

| | | | | |
|-------------|---|--------------|--------------|--|
| E.2.21. | Does the Company disclose the operational regulations/governance structure/charter of the Remuneration Subcommittee? | Not Good | Not Good | No |
| E.2.22. | Does at least 1 independent BOM member of the Audit Subcommittee have qualifications in accounting? | Not Assessed | Not Assessed | The Audit Subcommittee does not include an independent BOM member. |
| E.2.23. | Members' participation in meetings of the Remuneration Subcommittee is publicly disclosed. If any, does the Remuneration Subcommittee hold a minimum of 4 meetings per year? | Good | Good | Yes |
| E.2.24. | Remuneration Subcommittee is publicly disclosed. If any, does the Remuneration Subcommittee hold a minimum of 4 meetings per year? | Good | Good | Yes |
| E.3. | Procedures of the Board of Management | | | |
| | Meeting and attending BOM meetings | | | |
| E.3.1. | Is a BOM meeting scheduled before the start of the financial year? | Good | Good | Yes |
| E.3.2. | Do the Board members meet at least six times a year? | Good | Good | Yes |
| E.3.3. | Do the Board members meet at least six times a year? | Good | Good | Yes |
| E.3.4. | Does each member of the BOM attend at least 75% of the Board meetings in the year? | Good | Good | Yes |
| E.3.5. | Does the Company require minimum attendance of at least two-thirds of its BOM members for meetings requiring decision-making of the BOM? | Good | Good | No separate meeting. Causes: Non-executive Board members only account for one fifth of the Board, so it does not have a significant impact on the resolutions and decisions of the Board. Therefore, non-executive members do not need to meet separately |
| | Access to information | | | |
| E.3.6. | Is the document for the Board meetings provided to the BOM at least 5 business days prior to the Board meeting? | Good | Good | Yes |
| E.3.7. | Is the secretary of the Company playing an important role in supporting the BOM to fulfill their responsibilities? | Good | Good | Yes |
| E.3.8. | Is the Company secretary trained in legal, accounting or secretarial work practices and updated with new issues related to the above content? | Good | Good | Yes |
| | Appointment and re-election of members of the Board of Management | | | |
| E.3.9. | Does the Company disclose the criteria for selecting new BOM members? | Good | Good | Yes, on the website. |
| E.3.10. | Does the Company describe the process used in appointing new Board members? | Good | Good | Yes |
| E.3.11. | Are all members of the Board re-elected at least every 5 years for companies listed in countries with five-year terms under the law? | Good | Good | Yes |
| | Remuneration issues | | | |
| E.3.12. | Does the Company disclose a policy/practice of remuneration for executive BOM members and the general director? | Good | Good | Yes. In the Annual Report. |
| E.3.13. | Is the emuneration structure for non-executive BOM members disclosed publicly? | Good | Good | Yes. In the Annual Report. |
| E.3.14. | Do shareholders or the BOM approve remuneration of BOM members and/or senior management? | Good | Good | Yes. AGM of Shareholders approved. |
| E.3.15. | Does the Company have measurable policies and standards to incorporate the payment of remuneration based on the performance of the Executive Board members or the Executive Board with long-term benefits of the Company, such as applying the article withdrawal, deferred bonus policy? | Good | Good | Yes |
| | Internal audit | | | |
| E.3.16. | Does the Company have a separate internal audit department? | Tốt | Tốt | Yes |
| E.3.17. | Is the head of the internal audit department announced? Or, if outsourced, is the name of the outsourced Company publicly disclosed? | Tốt | Tốt | Yes |

| | | | | |
|---|--|---------|---------|---|
| E.3.18. | Is the appointment and dismissal of internal auditors approved by the Audit Subcommittee? | Tốt | Tốt | Yes |
| Risk monitoring | | | | |
| E.3.19. | Does the Company disclose the internal control process/risk management system and periodically review the effectiveness of the system it is undertaking? | Tốt | Tốt | Yes. In the Annual Report. |
| E.3.20. | Does the Annual Report/Corporate Governance Report state that Board members have reviewed the Company's key controls and risk management systems? | Tốt | Tốt | Yes. In the Annual Report. |
| E.3.21. | Does the Company disclose the way to manage critical risks? | Tốt | Tốt | Yes. In the Annual Report. |
| E.3.22. | Does the Annual Report/Corporate Governance Report state the statement of BOM members or the Audit Subcommittee on the adequacy of the Company's internal controls/risk management system? | Tốt | Tốt | Yes. In the Annual Report. |
| E.4. Personnel in the Board of Management | | | | |
| Chairman of the BOM | | | | |
| E.4.1. | Do two different people take the position of Chairman and CEO? | Good | Good | Yes |
| E.4.2. | Is the Chairman an independent BOM member? | NotGood | NotGood | No |
| E.4.3. | Is any BOM member the former CEO/Executive Manager of the Company two years ago? | Good | Good | No |
| E.4.4. | Is the role and responsibility of the Chairman publicized? | Good | Good | Yes. In the Company Charter. |
| Chief of independent BOM members | | | | |
| E.4.5. | If the Chairman is not an independent member of the BOM, does the BOD elect an independent BOM member and is the role of this position clearly defined? | Good | Good | The Company only has one independent BOD member so that person is also the Head independent BOD member. |
| Skills and competencies | | | | |
| E.4.6. | Does the Company have at least 1 non-executive Board member with previous work experience in the main field in which the Company is operating? | Good | Good | Yes |
| E.5. Efficiency of the Board of Management | | | | |
| BOM member development | | | | |
| E.5.1. | Does the Company have an orientation program for new Board members? | Good | Good | Yes |
| E.5.2. | Does the Company have a policy of encouraging Board members to attend continuous training or professional training? | Good | Good | Yes |
| Appointment and effectiveness of the Executive Board/CEO | | | | |
| E.5.3. | Does the Company disclose how Board members develop succession planning for a CEO/chief executive/manager position? | Good | Good | Yes |
| E.5.4. | Do the BOM members perform annual performance evaluations for CEO/chief executive/manager? | Good | Good | Yes |
| Assessment of the Board of Management | | | | |
| E.5.5. | Does the Company conduct an annual capacity assessment for the BOM and disclose the assessment process as well as the criteria used in the assessment? | Good | Good | Yes. The internal assessment process within the BOD is evaluated and published. |
| Assessment of BOM members | | | | |
| E.5.6. | Does the Company conduct an annual capacity assessment for each member of the BOM and disclose the assessment process as well as the criteria used in the assessment? | Good | Good | Yes. The internal assessment process within the BOD is evaluated and published. |
| Assessment of subcommittees under the BOM | | | | |
| E.5.7. | Does the Company conduct an annual capacity assessment for subcommittees under the BOM and disclose the assessment process as well as the criteria used in the assessment? | Good | Good | Yes. The internal assessment process within the BOD is evaluated and published. |

ASSESSMENT OF CORPORATE GOVERNANCE ACCORDING TO CAMEL REGULATIONS

Decision No. 617/QĐ-UBCK dated October 9, 2013 of the SSC issued regulations on the classification of securities companies for the purpose of evaluating and classifying securities companies in Vietnam in both financial and administrative aspects. This Decision uses administrative aspects to assess administrative activities của the Company.

Based on this Decision, SHS conducted its own performance assessment in 2018 and compared it with the previous year to see the level of changes in corporate governance, thereby providing management the well-suited solutions. The self-assessment results are as follows:

| No | Criteria | Points | Pro-portion | Total Points 2018 | Total Points 2017 |
|----|--|--------|-------------|-------------------|-------------------|
| 1 | Years of leadership (in the Board of Management/General Director) in the finance/securities sector of the Chairman of the BOM | 100 | 4% | 4 | 4 |
| 2 | Years of leadership (in the Board of Management/General Director) in the securities sector of the Director/General Director | 100 | 6% | 6 | 3.6 |
| 3 | Years of experience in the finance/securities sector of the Chairman of the Board | 100 | 4% | 4 | 4 |
| 4 | Years of experience in the securities sector of the Director/General Director | 100 | 6% | 6 | 6 |
| 5 | Stability of key leadership positions (Director (CEO, CFO), Deputy Director, heads of departments) for the past 3 years. Calculated with the total number of personnel changes in these positions (leaving the Company)/total of these positions | 30 | 4% | 1.2 | 0 |
| 6 | The adequacy of professional procedures in accordance with the law on securities and regulations of the Exchange and Securities Depository Center | 100 | 5% | 5 | 5 |
| 7 | Risk management policy for all operations | 100 | 5% | 5 | 5 |
| 8 | Evaluating the operational capability of the internal inspection and control department | 100 | 5% | 5 | 5 |
| 9 | Evaluating the control quality of investors' deposits for stock trading | 100 | 5% | 5 | 5 |

| | | | | | |
|--------------|--|-----|----|-------------|-------------|
| 10 | Transparency of financial information | 100 | 6% | 6 | 6 |
| 11 | Years of operation | 100 | 6% | 6 | 6 |
| 12 | The proportion of securities transaction turnover through the Company (on both exchanges)/total transaction turnover of the market (total transaction turnover of two exchanges) | 100 | 8% | 8 | 8 |
| 13 | Modernity of information technology systems | 100 | 5% | 5 | 5 |
| 14 | The size of the equity of the Company compared to the common ground of securities companies on the market | 70 | 5% | 3.5 | 3.5 |
| 15 | Stability and ability to increase (or decrease) equity over the next two years (plan to increase capital, profit or loss) | 100 | 4% | 4 | 4 |
| 16 | Stability and ability to increase (or decrease) equity over the next two years (plan to increase capital, profit or loss) | 100 | 6% | 6 | 6 |
| 17 | Stability and sustainability of growth, reflected by the average revenue growth rate in the last 3 reporting periods (6 months) | 100 | 5% | 5 | 5 |
| 18 | Using the settlement support fund of the Securities Depository Center due to lack of money for clearing securities transactions | 0 | 6% | 0 | 6 |
| 19 | Situation of compliance (violation) of legal regulations in the field of securities and securities market in the last 6 months | 100 | 5% | 5 | 5 |
| Total | | | | 89.7 | 91.1 |

Administrative indicators: Slightly decreased from 91.1 points to 89.7 points. The results of self-management of the Company, according to Camel statute, showed that the management target of the Company decreased slightly by nearly 2 points mainly because, this year, the Company

was sanctioned for administrative violations related to transactions and operations for securities loans. However, the Company corrected these errors immediately after obtaining the opinion of the inspection team of the SSC.



SUSTAINABLE DEVELOPMENT REPORT

- SUSTAINABLE DEVELOPMENT GOAL ●
- SUSTAINABLE DEVELOPMENT REPORT FOR 2018 ●
- SUSTAINABLE DEVELOPMENT PLAN IN 2019 ●
- EVALUATION OF THE COMPANY'S SUSTAINABLE DEVELOPMENT UNDER GRI STANDARDS ●

SUSTAINABLE DEVELOPMENT GOAL

Recognizing the importance of sustainable development, since its establishment SHS has set a sustainable development goal along with the development and existence of SHS in parallel with growing benefits of stakeholders.

Specifically, the sustainable development goals of SHS are as follows:

- To become a versatile operating securities company following the model of leading investment banks in Vietnam.

- To be a reputable securities company brand in Asian stock market.

- To contribute to, build, and develop Vietnam's stock market to work safely and effectively.

- To maximize profit for shareholders.

- To provide diversified and qualified financial and securities services to customers and partners.

- To create a good working environment that provides safety, high income and promotion opportunities for employees.

SUSTAINABLE DEVELOPMENT REPORT FOR 2018

SCOPE AND SUBJECTS OF THE REPORT

SHS has prepared this year's Sustainable Development Report based on the synthesis of information and data from the actual operation of the whole Company in the fiscal year 2018. The report was made by the Sustainable Development Report Group of the Company that comes from many different departments to provide the most complete and honest information and data. Subjects of the report are directed to each and every employee of the

Company as well as stakeholders involved in SHS's activities such as its partners, customers, suppliers, investors, shareholders, local communities and society, etc.

In this report, SHS focuses on evaluating the implementation of some typical criteria, consistent with the characteristics of the industry and business activities of SHS according to the GRI Standards, specifically as follows:

GENERAL STANDARDS

GRI 101 - OVERVIEW OF SUSTAINABLE DEVELOPMENT

GRI 102 - GENERAL DISCLOSURES

SPECIFIC STANDARDS

ENVIRONMENT STANDARDS

GRI 301 - MATERIALS

GRI 302 - ENERGY

GRI 303 - WATER

GRI 306 - EFFLUENCES AND WASTES

GRI 307 - COMPLIANCE WITH ENVIRONMENTAL PROTECTION REGULATIONS

ECONOMIC STANDARDS

GRI 201 - ECONOMIC PERFORMANCE

GRI 202 - MARKET PRESENCE

SOCIETY STANDARDS

GRI 401 - EMPLOYMENT

GRI 403 - OCCUPATIONAL HEALTH AND SAFETY

GRI 404 - EDUCATION AND TRAINING

GRI 405 - DIVERSITY AND EQUAL OPPORTUNITY

GRI 407 - FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

GRI 413 - LOCAL COMMUNITIES

GRI 418 - CUSTOMER PRIVACY

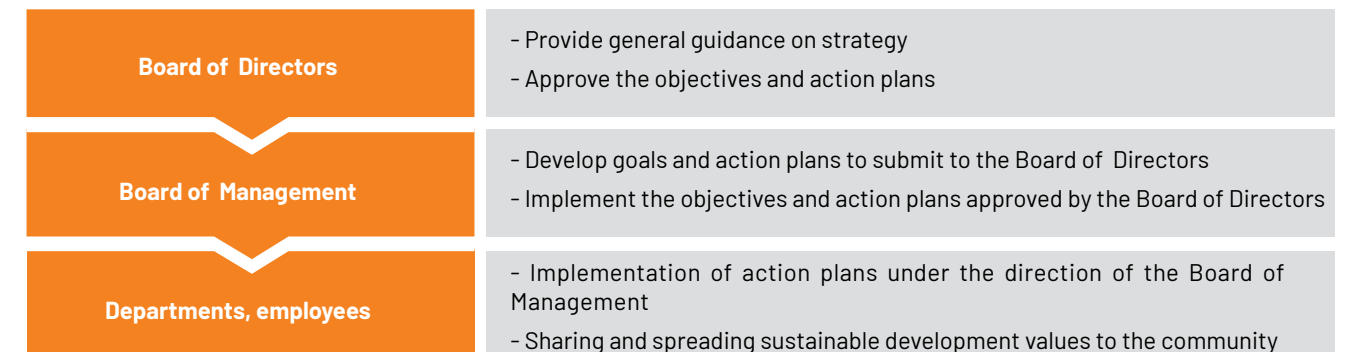
GRI 101 FOUNDATION OF SUSTAINABLE DEVELOPMENT

This Sustainable Development Report is designed to synthesize SHS's announcements and activities in 2018 towards the sustainable development of the Company. This is the fourth year in which SHS has made this report in accordance with the Global Reporting Initiative (GRI) guidelines for the Financial Sector. Accordingly, SHS selects the principles of "Participation of the Parties" and "Materiality" to determine the content of the report. At the same time, SHS also selects the principles of "Clarity" and "Reliability" to determine the quality of this year's Sustainable Development Report.

GRI 102 GENERAL DISCLOSURES

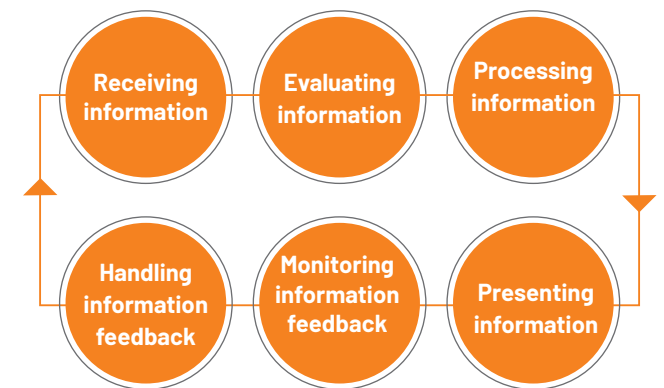
GRI 102 - 14: STRATEGY

SUSTAINABLE MANAGEMENT MODEL



MANAGEMENT FOR SUSTAINABLE DEVELOPMENT INFORMATION

SHS's sustainable development information management process consists of six steps to ensure the reliability, completeness and timeliness of information.



Address to send feedback relating to the sustainable development report of SHS:

| | |
|------------------|---|
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GRI 102 - 40, 42, 44: RECOGNIZING RELATED PARTIES AND INTERESTS

Through various survey channels, SHS identifies stakeholders and their concerns about SHS's sustainability issues as well as offers solutions to meet the expectations of related parties. Please see below for further details:

| Related party | Related party details | Channel for information access and feedback record | Concerns | | Solution to meet expectations | Results achieved in 2018 |
|---------------|---------------------------|--|--|--|--|---|
| Internal | Shareholders Investors | - At General Meeting of Shareholders - Via SHS website - Direct meetings - Via phone, post, email, Facebook | - Effective business operations. - Full, transparent, and timely publication of information - Ensure dividends and the legal rights of shareholders - Stock prices are stable and rising | | Complete and exceed the business plan approved by the General Meeting of Shareholders - Professionalize the activities of the Office of the Board of Directors, the Information Disclosure Department and the PR & Marketing Department - Strictly comply with commitments to shareholders on payment of dividends and other legal rights - Complete and constantly improve the corporate governance system in accordance with the laws and best governance practices | - Ranked No. 2 on HNX and No.6 on HSX in the top 10 brokerage market shares and listed fund certificates - Completed 89.2% of the pre-tax profit plan. - ROE (19.2%), ROA (7.9%), EPS (2,746), financial safety ratio (351.6%), dividend payment of 25% by shares for 2017 - Improved the corporate governance system under Camel statute, OECD and ASEAN best governance practices - Fully supported shareholders to exercise their legitimate rights and interests - Disclosed information fully, promptly and transparently |
| | Employees | - Through HR Department/union. - Through preliminary and summarizing conferences. - Through direct meeting, phone calls, mailing, email, Facebook. - Through internal training programs. | - Good working environment. - Stable employment. - Promotion and development opportunities. - Full and transparent payment of salary, bonus, and competitive benefits. - Good staff training and development policy. | | - Constantly expanding and improving business performance to create stable employment with increasing income for employees - Constantly improving the Company's culture to create an effective and competitive working environment - Planning and regularly organizing appropriate training programs inside and outside the Company - Regularly organizing personnel assessment, promoting and rewarding staff who perform their tasks well | - 12.4% increase in jobs, bringing the number of staff and employees to 235 in 2018 - Average salary reached VND28,868,633/person - Arranged for 71 employees to participate in the study and take exam of derivatives (accounting for 30.2% of the total number of the Company's employees) - Appointed 15 people, raised the salary of 12 people, re-evaluated the labor contract for 20 people and rewarded many excellent employees by quarter and year - Fully deducted and paid social insurance, health insurance, unemployment insurance and labor insurance for 100% of employees. - Organized periodic health examination for 100% of employees at the Traffic Hospital. |
| External | Customer | - Through the opinion of the brokerage team and employees in direct contact with customers - Direct contact at transaction floor, seminars, customer appreciation conferences ... - Customer care switchboard - Customer calls, mail, email, Facebook | - Satisfy the product quantity and quality, good and competitive service with reasonable price - Fast and modern IT application in providing products and services - Ensure the scale and stability of loan capital - Qualifications and professionalism of staff | | - Professionalize the product research and development department - Regularly research, update and upgrade IT systems - Actively use capital as well as link with other organizations and individuals to ensure the size of loan capital is growing and diverse - Regularly organize internal training courses, on-the-job training as well as appoint employees to participate in external training courses to improve customer care skills | - Provided diversified, flexible products and services packages, leading the market and having good competitiveness (in terms of order placement speed, loan size, lending interest rate ...) - Moved the head office to the city center (Ngo Quyen street, Hoan Kiem, Hanoi) in order to support investors to trade better - Organized weekly (Thursday and Friday afternoons) brokerage training and share of market information and brokerage knowledge as well as experience |

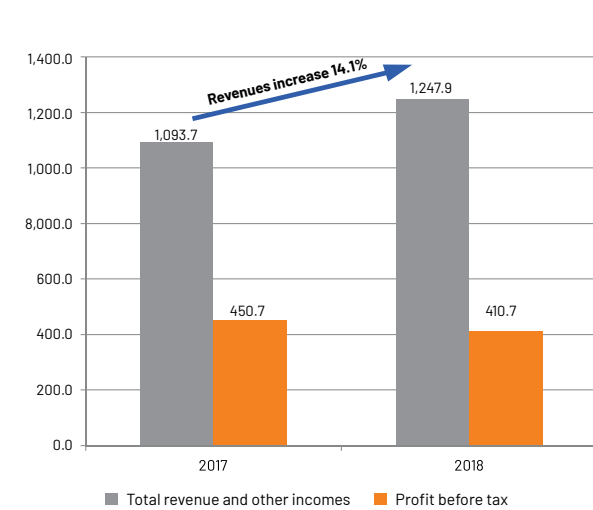
| | | | | | | |
|--|---|--|--|--|---|--|
| | Suppliers | <ul style="list-style-type: none"> - Direct meetings and negotiations - Through website, capacity assessment and other documents | <ul style="list-style-type: none"> - Supplier selection process ensures fairness and transparency - Prestige in payment | | <ul style="list-style-type: none"> - Develop a supplier evaluation and selection process - Establish a contractor selection council consisting of many departments to ensure righteous review - Promote inspection and control activities for the purchase process, also operate legal and accounting activities for contract review | <ul style="list-style-type: none"> - Established a bid evaluation team with members from many relevant departments and organized bidding according to the internal process of the Company for the purchase of large assets - Performed supplier selection on the basis of at least 3 suppliers for the purchase of small value assets. - Board of Supervisors, Internal Audit Department and Internal Control Department periodically check the purchase process |
| | Direct State management agencies and media agencies | <ul style="list-style-type: none"> - Direct contact - Through seminars, conferences, and training programs | <ul style="list-style-type: none"> - Compliance with the law - Effective business performance of the Company - Corporate governance and risk management - Contribution to the State budget - Sharing of ideas and views on the market and making suggestions | | <ul style="list-style-type: none"> - Promote corporate governance activities, internal legislation, inspection and internal control - Complete and exceed the business plan approved by the General Meeting of Shareholders - Actively send reports, provide information, comments and professional experience sharing | <ul style="list-style-type: none"> - The Company has always complied with the current legal regulations in its business activities - In 2018, the Company was honoured by SSC, HNX, HSX, VSD and many other agencies and organizations - Participated in all seminars and contributed ideas to build legal documents of the SSC, HNX, and HSX - Fully and in a timely manner complied with financial obligations in accordance with the regulations of the State management agency (membership fee, listing fee, transmission fee, and information supply fee) - Actively and promptly provided hundreds of news articles to media agencies |
| | Associations | Participate in meetings of association members, seminars, and forums | <ul style="list-style-type: none"> Participate fully in the meeting of the Association Contribute ideas to build and develop the Association's activities Fully comply with financial obligations towards the Association | | <ul style="list-style-type: none"> - Monitor and arrange personnel to fully participate in the Association's meetings - Actively contribute ideas and arrange personnel to fully engage with the comments initiated by the Association - Make full and timely financial contributions as notified by the Association | <ul style="list-style-type: none"> - Participated in all seminars and contributed ideas to develop legal documents organized by the Securities Investment Association and many other associations - Fully and in a timely manner complied with financial obligations as notified by the Securities Investment Association and Vietnam Association of Small and Medium Enterprises |
| | Tax agency | Through direct exchanges, phone calls, emails, and periodic inspections | Fully contribute to the State Budget | | Coordinating with departments to process regularly a review of activities and legal regulations to ensure the full calculation and payment of tax and fee obligations to the State budget | <ul style="list-style-type: none"> - Paid taxes fully and promptly (in 2018, VND 177.9 billion/ VND 190.5 billion was paid to the State budget) - Coordinated with the tax authorities to finalize and close SHBS tax codes for merging with SHS |
| | Young generation | Through Facebook and phone calls | Provide financial assistance programs and activities for the development of the young generation | | Develop a minimum annual limit amount to participate in supporting and sponsoring the development of the young generation | <ul style="list-style-type: none"> - The Company has been an annual Diamond Sponsor of the "Investor Skill and Spirit" contest of the Banking Academy - Created opportunities for short-term internships and work for many students who are studying and newly graduated |
| | Local communities and society | Through local government, local authorities Direct contact | <ul style="list-style-type: none"> - Complying with the law on environmental protection - Implement activities to improve the quality of community life - Implement volunteer activities - Implement investment and support investment activities in sustainable development areas | | <ul style="list-style-type: none"> - Implement programs and solutions to save energy and water resources at the office - Set a minimum annual limit to contribute, support and sponsor social security programs - Set a minimum annual limit to invest in stocks and green bonds | <ul style="list-style-type: none"> - Regularly communicated internally about the program "saving water and energy, keeping the environment green, clean, beautiful, minimizing environmental harm because of our green planet" - Increased investment in stocks and green bonds in 2018 |

GRI 201 SHS ECONOMIC PERFORMANCE

Implementing the Resolution of the 2018 Annual General Meeting of Shareholders, SHS has synchronously promoted all resources, implemented solutions, and taken advantage of every market opportunity to strive to complete the business plan set out. However, the movement of Vietnam's stock market in 2018 has many disadvantages and failed to meet the expectation of SHS. Therefore, the targets set out by SHS are almost, but not fully, completed. However, all other activities have witnessed comprehensive alterations, contributing to the sustainable development orientation of the Company.

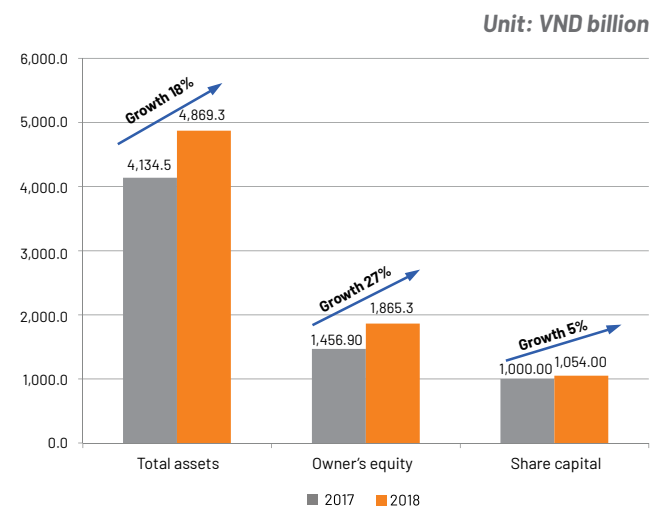
REVENUES AND PROFITS

Revenue and other incomes reached VND 1,247.9 billion, completing 91.1%. However, compared to the previous year, revenue and other incomes increased by 14.1%.



TOTAL ASSETS AND EQUITIES

Total assets of the Company increased by 18% over the previous five years, reaching VND 4,869.0 billion, in which owner equities increased by 27.2%, reaching VND 1,865.3 billion, and charter capital increased by 5%, reaching VND 1,054.0 billion.



Unit: VND billion

Source: SHS Research

BROKERAGE MARKET SHARE

Stock and fund certificates brokerage market share on HNX reached 8.4% and ranked 4th. Stock and fund certificates brokerage market share on HSX was 4.0%, ranking 6th, one step higher than the previous year.

However, there were some targets that SHS did not plan for in 2018, such as brokerage market share on UPCOM and Government bond, but where the Company achieved very good results. For the whole year, SHS's brokerage market share on UPCOM was 5.1%, ranked 7th, in which the best results fell in the third quarter of 2018 with 6.2%, ranking 4th. Government bond brokerage market share on HSX reached 1.3%, ranking the 7th with the best results falling in the fourth quarter of 2018 with 2.9%, ranking third. On the HNX bond brokerage market, SHS was also in the top position with less than 5% market share, ranking 8th in the market.

| | | | |
|-----|-----------------|-----|-------------------------------|
| # 4 | ON HNX - LISTED | # 8 | ON HNX - GOVERNMENT BONDS |
| # 6 | ON HSX - LISTED | # 7 | ON THE HSX - GOVERNMENT BONDS |
| # 7 | ON UPCOM | | |

CUSTOMER ASSETS SAFETY MANAGEMENT

In the face of fierce competition in the Vietnam Stock market, in addition to improving business efficiency, SHS has always strived to maintain credibility with customers by keeping the absolute safety of customers' assets in the form of information, money, and stock. With a business strategy focusing on "growth quality" rather than "growth rate", in 2018, SHS continued to focus on improving the quality of brokerage, investment advice, products, and services and especially on improving the quality of customer account risk management, so that the net asset value of customers was constantly being raised. As of December 31st, 2018:

- The Company was managing over 42,655 accounts, 56.8% higher than the previous year.
- The number of active accounts was 13,895, 122.2% higher than the previous year.
- The Company was also managing nearly VND 1,100 billion of deposits and about VND 24,900 billion worth of customer securities, an increase of 30.4% over the previous year, in a safe and transparent manner.

The number of accounts

42,655 accounts
▲ **56.8 %** compared with 2017

The number of active accounts

13,895 accounts
▲ **122.2 %** compared with 2017

Worth of customer securities

24,900 billion dong
▲ **30.4 %** compared with 2017

In 2018, no customer complained to SHS about the Company's management of information, data, its ways of managing customers' money or their securities. No bad debts arose at the Company.

OBLIGATIONS TO THE STATE BUDGET

In particular, in 2018, the taxes and fees of SHS and its investors amounted to VND 190.5 billion, of which SHS paid VND 177.9 billion to the State Budget.

| Seq. | Criteria | 2018 | 2017 | Increase/Decrease |
|------|-------------------------------|-------|-------|-------------------|
| 1. | Total taxes and fees incurred | 190.5 | 150.1 | 26.9% |
| 2. | Taxes and fees paid | 177.9 | 100.8 | 76.5% |

COMPANY CORPORATE GOVERNANCE

General views

SHS’s corporate governance system has been built based on the current regulations of Vietnam on the management of public listed companies, securities companies, and best practice on management. It is aimed at long-term development, balancing the interests of the Company and its stakeholders. Establishing a sustainable corporate governance system will help to realize the goal of being a transparent business focused on “growth quality” rather than “growth rate”, on development “depth” rather than “width”. For details, please see the section

“Implementation of Corporate Governance Regulations”.

Financial management

The Company’s average financial safety ratio in 2018 reached 291.8%, 12.4% higher than the previous year. The highest financial safety ratio achieved in 2018 was 351.6%, an increase of 19.5% compared to the highest level achieved in 2017. This shows that the Company has effectively implemented solutions to improve its financial strength, contributing to sustainable development.

Average financial safety ratio

291.8%

▲ **12.4 %** compared to 2017

Highest financial safety ratio

351.6%

▲ **19.5 %** compared to 2017

Critical risk management

The Company has built and operated a risk management system in accordance with the current law, with provisions including personnel, policies, regulations, processes, etc, which aim to prevent, limit and deal with critical risks arising in business operations.

point responsible for overseeing compliance throughout the Company. Control activities are carried out according to the plan (daily, monthly, quarterly, and annually). This is done in order to monitor compliance with the law of the Company and securities practitioners; to supervise the implementation of internal regulations, processes and regulations; to monitor potential conflicts of interests; to supervise the implementation of responsibilities of officials and employees; to supervise the authorized implementation of authorized persons; to monitor the financial safety ratios of the Company; and to monitor account separation and ensure customers’ money and securities. In addition, control activities are also performed ad-hoc, at the request of the Board of Management or under evaluation of the possibility of errors and risks of the department itself. Through the control process, the Internal Control Department has enabled the Board of Management and departments to deal with many issues related to business operations, corporate governance and control.

SHS’s risk management policy has been developed into a document whereby all officers and employees in the Company can access and firmly grasp this policy. In 2018, SHS actively prevented all kinds of risks, especially payment risks and market risks, which resulted in no additional bad debts for the Company, and the Company’s portfolio being profitable. For details of critical types of risks and how to prevent/handle them, please refer to the section “Risk Management”.

Internal audit activities are also carried out according to the plan (normally quarterly), and ad-hoc at the request of the Board of Directors. This is done to independently assess appropriateness and compliance with the State’s policies and laws, the Company Charter, decisions of the General Meeting of Shareholders and the Board of Directors; to check, review and evaluate the adequacy, efficiency and effectiveness of the internal control system under the Board of Directors; to assess the compliance of business operations with internal policies and procedures; to advise the BOD on the establishment of internal policies and procedures; to assess the control of measures to ensure property safety; and to evaluate the effectiveness of the business operations of the Company. Through the audit results, the Internal Audit Department will inform, recommend, advise and propose to the Board of Directors and the Board of Management many possible issues that could have a bad influence on the Company’s operations as well as measures to repair and overcome these.

Strengthening control activities

The Legal Department is established at the Head Office, under the Legal and Risk Management Department, which is responsible for providing legal advice and support to the Board of Management, departments, branches and transaction offices of the Company, its customers and partners. In 2018, the department contributed hundreds of pieces of advice, and drafted and reviewed hundreds of different documents. This is an important step in contributing to the prevention of legal risks for the Company.

In 2018, control activities continued to be strengthened in all 3 routes. Namely:

On-site control points in each department and for each professional were reviewed, completed, or given additional personnel to ensure that no important control points in the Company were not under control. In 2018, a number of control points at the Brokerage Center, Financial Service Department, and two branches were reviewed and completed.

The Internal Control Department is established at the Head Office, directly under the General Director, and is the focal

GRI 202 MARKET PRESENCE

In 2018, SHS continued to strengthen its presence on the Vietnam stock market through a number of important events:

- On January 23rd, 2018, the Company relocated its Head Office to No. 41, Ngo Quyen, Hoan Kiem, Hanoi - one of the busiest and most expensive streets of Hanoi and considered the street for financial and investment businesses.
- SHS continued to maintain its position as one of the top securities companies with the largest brokerage market share in Vietnam in 2018.
- The Company merged SHBS into SHS, contributing to increased financial capacity and tens of thousands of new trading accounts.

- SHS continued to receive many certificates of merit from the SSC, 2 SEs, VSD, and the Small and Medium Business Association for achievements in business operations as well as contributions to TTCKVN.

- SHS remained one of the top 30 listed capitalization companies with the best annual reports and the top 20 listed capitalization companies with the best management reports.

- SHS welcomed dozens of potential partners, foreign investors, and investment organizations interested in the Company’s business activities and who wished to cooperate with SHS in many areas such as capital contribution to shareholders strategy, investment, consulting, financial services, etc.

GRI 301 - MATERIAL

Like other securities companies, the main materials used by the Company are printing paper, printing ink, forms, books, documents, and all kinds of stationery with a small amount of annual use. Therefore, there is no significant impact on the environment. However, the Company still made efforts to implement effective measures to reduce material costs, so material costs in 2018 were down 22.5% over the previous year.

(Unit: VND billion)

| | Stationeries | Forms | Ink | Documents | Total |
|----------------|--------------|--------|--------|-----------|----------------|
| Năm 2018 | 197.4 | 123.3 | 224.0 | 238.2 | 782.9 |
| Năm 2017 | 207.0 | 321.4 | 280.9 | 200.3 | 1,010.6 |
| Difference (%) | -5.1% | -61.6% | -20.2% | 18.9% | -22.5% |

For the effective management of materials such as printing paper, ink, and stationery of all kinds, at the beginning of the year the Company promulgated consumption norms of materials according to departments based on the common consumption of previous years and informed the managers of the department to follow up throughout the year. Each month, all departments must send a proposal for materials to be used throughout the month to receive the Certificate of the Dispatching Department. In cases of sudden, unexpected demand in a month, the Head of Department must send an explanation of the purpose of use which has generated such demand. Particularly for printing paper, the Company encourages two-sided printing. In cases where printing on one side is necessary, the discarded paper will be used for

draft printing. For contracts, meanwhile, the Company always saves one copy and departments are concerned keep scans. Ink and other stationery are allocated for one-time use. The form is allocated according to the actual usage schedule.

For books and newspapers, the Company always encourages officers and employees to read online. However, for some types of documents and books that are not available online, at the beginning of the year, departments register books and newspapers necessary for their work. The Administration and HR Departments are responsible for reviewing these requests and for submitting them to the Board of Management for their consideration and approval. During the year, the Department allocates documents to other departments according to the approved type and quantity.

GRI 302 AND 303 ENERGY AND WATER

Just as with the materials, the Company does not use much electricity and water because it is a service company. According to the report on electricity and water, Company costs in 2018 amounted to about VND 1.2 billion, 64.6% higher than the previous year. The reason was that, at the beginning of 2018, the Company moved its head office to the new address of 41 Ngo Quyen, Hoan Kiem, Hanoi, resulting in the cost of completing and repairing the office before going into operation. However, the Company always considers environmental protection objectives in its business operations and raises awareness of environmental protection, saving energy and water resources amongst officials and employees.

For energy saving issues

- Moving to the new headquarters, with the energy saving policy, the Company installed the entire lighting system with energy saving devices.

- Departments are designed with many windows to increase the use of natural sunlight and air circulation.

- The air conditioning system always maintains a temperature of 25-26 degrees Celsius, avoiding excessive temperature differences compared to the outside.

- The Company does not encourage employees to work overtime to ensure the re-production of labor as well as saving energy for the Company. To work overtime, staff must register in advance before 19.00 daily. The Administration and Human Resources Department is responsible for checking and turning off the lighting equipment, air conditioning in the hallway and in the rooms if neglected.

- The Company signs a periodic maintenance contract for air conditioning systems and machines (computers, printers and others) to ensure the machine capacity is maintained, limiting power loss.

For water saving issues

- The Administration and Human Resources Department is assigned to regularly check the faucets to ensure no water leakage or waste from a tap being left on.

- Bottled drinking water is provided for each floor according to the limit.

Besides implementing policies and procedures to save electricity and water, the Company has also issued sanctions for departments, officials and employees violating regulations on electricity use and water such as not turn off lighting, air conditioning, or water taps and for the non-economical use of water.

GRI 306 EFFLUENCES AND WASTE

To minimize environmental pollution, the Company has also implemented many measures to minimize emissions and waste to the environment. Specifically:

For the air conditioning system

- The air conditioning system has new technology and is regularly checked to avoid leakage and the emission of gas that is harmful to the environment.

For waste

- Office waste is classified into organic waste, recyclable garbage, and hazardous waste. The garbage collector is required to sort the garbage before handing it over to the garbage collection company.

- For organic waste: at each department and hallway, toilets have garbage bins closed. Sanitation officers are required to collect garbage daily to avoid polluting the office.

- For recyclable waste such as paper, paperboard, bottles, plastic and glass bottles: cleaning staff will separate them for sale or reuse.

- For hazardous waste such as ink, batteries, and bulbs: this is separately collected to hand over to the ink supplier or garbage collection company.

GRI 307 COMPLIANCE WITH REGULATIONS ON ENVIRONMENTAL PROTECTION

In order to contribute to preserving a green, clean and beautiful environment, sanitation workers are asked to clean up twice a day in public areas and once a day for private areas. Officials and staff are required to regularly clean desks and used equipment and arrange neat and tidy documents. The Company has also hired a professional company to maintain plants throughout the office.

In 2018, the Company did not record any violations of environmental protection regulations.

GRI 401 EMPLOYMENT

Human resource structure of SHS

The total number of SHS employees as of December 31st, 2018 was 235 people, an increase of 12.4% compared to 2017. The SHS personnel structure chart below shows that the SHS workforce is mostly young, with high professional qualifications, a good gender balance, and a golden ratio of personnel structure according to seniority, qualifications and professional blocks.

| Criteria | Quantity | Ratio |
|-------------------------------|----------|--------|
| Country | | |
| Vietnam | 235 | 100.0% |
| Foreign countries | 0 | 0.0% |
| Gender | | |
| Male | 118 | 50.2% |
| Female | 117 | 49.8% |
| Age | | |
| Under 25 | 13 | 5.5% |
| 25-40 | 200 | 85.1% |
| Over 40 | 22 | 9.4% |
| Education | | |
| Higher education | 44 | 18.7% |
| Bachelor | 175 | 74.5% |
| College | 16 | 6.8% |
| Securities certificate | | |
| With | 115 | 48.9% |
| Without | 120 | 51.1% |
| Geography | | |
| North | 177 | 75.3% |
| Center | 13 | 5.5% |
| South | 45 | 19.2% |
| Management level | | |
| Executive | 6 | 2.6% |
| Middle | 32 | 13.6% |
| Staff | 197 | 83.8% |
| SHS working seniority | | |
| Under 3 years | 108 | 46.0% |
| 3-10 years | 101 | 43.0% |
| Over 10 years | 26 | 11.0% |
| Departments | | |
| Sales | 147 | 62.6% |
| Support | 66 | 28.1% |
| Management | 22 | 9.3% |

Recruiting talented, passionate and devoted employees dedicated to business strategies and company culture

The recruitment process of SHS is built scientifically and flexibly. In addition to human resources, who are notified to recruit through the mass media, the Company website, and personal introduction, SHS also cooperates closely with domestic and foreign education and training organizations and prestigious universities and other recruitment agencies. Therefore, SHS has many opportunities to approach and attract highly qualified and experienced staff. All recruiting personnel must go through a number of recruitment and interview rounds to ensure the most experienced and suitable candidates are selected for the Company's business strategy and culture. The Company absolutely does not use child or forced labor.

As of December 31st, 2018, the Company has 235 officials and employees working in its 5 business locations. The number of employees of the Company has increased by 26 people, equivalent to 12.4%, compared to the end of 2017, showing the Company's attraction in the labor market.

Professional personnel management

All officials and employees are fully informed of the Company's internal labor regulations right from the start of their employment to help them fully understand their rights and obligations when at work.

The Company manages employees according to the location of business and according to the departments. The Board of Management is responsible for managing the department managers, who in turn are responsible for managing their staff. Directors of branches and transaction offices and heads of representative offices are responsible for managing officials and employees of branches, transaction offices and representative offices. At the end of the month, officials and employees should complete additional timesheets and leave forms for non-fingerprinted days and submit them to

the competent authorities for approval and transfer to the Administrative Department.

The Company has also installed professional personnel management software. Officers and employees can access information on their salary, bonus, allowance, leave allowance, and time attendance on the system. The Human Resources Department can directly manage the Company's personnel through the software with various operating components such as salary calculation, bonus and salary deductions, timekeeping and leave management.

Appointment and transfers to meet the Company's business strategy

In 2018, the Company appointed 15 people, raised the salaries of 12 people, and re-evaluated the labor contracts of 20 people based on their personal aspirations, assessing their personal ability and suitability to realize their full potential, thereby contributing to improving the quality of products and services provided to customers.

Attractive salary and bonus regime

The salary and bonus regulations of the Company are issued based on the agreed principle to ensure competition, transparency, encourage employee retention and create motivation to improve quality and sense of responsibility at work.

The income of workers at SHS is monthly net income. The Company deducted and paid trade union fees, social insurance, health insurance, unemployment insurance, and personal income tax for employees before paying their salaries. The income structure of employees includes monthly basic salary, monthly business payroll, 13th month salary, bonuses based on business results, overtime pay, and salary for days off but not yet paid, shift and other income. Particularly for the brokerage center and support departments and individuals, the Company has a policy of sharing brokerage fees with brokers and revenue commission to support departments.

| Targets | 2017 (VND dong) | 2018 (VND dong) | Increase |
|--|-----------------------|-----------------------|-------------|
| Salary, bonus, overtime paid | 77,275,806,982 | 78,564,275,086 | 1.7% |
| Salary deduction (trade union, insurance, medical insurance, unemployment insurance) | 2,353,806,190 | 2,845,270,120 | 20.9% |
| Total cost | 79,629,613,172 | 81,409,545,206 | 2.2% |
| Employees at the end of the year | 209 | 235 | 12.4% |
| Average income/person/month | 30,811,725 | 28,868,633 | -6.3% |

Quarterly and annually, the Company organizes voting and commends excellent staff and employees who have made positive contributions to the Company's operations. In 2018, the Chairman of the Board of Directors rewarded 2 collectives, 2 individuals, and the General Director rewarded 3 collectives and 12 individuals with the total value of VND 270 million. The

Full support for allowance and welfare for employees and relatives

In addition to salaries and bonuses, employees are also entitled to allowances depending on each person's job characteristics, working position, working capacity and business performance results of the Company (such as phone allowance, gasoline, lunch, per diem, birthday, March 8th, October 20th, and allowance for officials and employees who have ever joined the army).

Female workers are entitled to a full 6-month leave during childbirth and a 1-hour reduction during pregnancy from the 7th month and after childbirth for 1 year. Male workers are entitled to 5-14 days leave when their wife give birth. During the year, the Company settled the maternity regime with 8 female cases, and 2 cases of male absenteeism due

to their wife giving birth. In addition, the Company also fully implemented other regimes such as sick leave, maternity leave, convalescence leave ecto ensure maximum benefits for employees. No complaints arose about the implementation of policies for employees in 2018.

The Company not only cares directly for officials and employees but also about their relatives and families. Every year, the Company commends and rewards staff member's children with good academic achievements in the year; organizing gifts on the occasion of Children's Day and the Mid-Autumn Festival. The Company also supports families with relatives who are sick, married, and who pass away with a level of VND 300,000 to VND 2 million/case.

GRI 403

OCCUPATIONAL HEALTH AND SAFETY

In addition to the financial compensation policies, the Company focuses on building a professional, efficient, equal, friendly and open working environment.

The Company ensures the best working conditions for its employees. The offices of the Company and its branches and transaction offices are designed to be spacious and airy, are equipped with personal computers and other tools, creating a comfortable feeling for workers. The Administrative and Human Resources Department is responsible for regularly urging and reminding employees to maintain a professional working environment.

Sports activities such as soccer, yoga and others are organized regularly to help officers and employees improve their health

to work and contribute better. In 2018, for the first time, SHS organized a women's football tournament which created a lively and cohesive atmosphere, with the enthusiastic support of male officials and employees. The total cost of sponsoring the men's and women's football tournaments in 2018 was VND 93 million.

Health care for employees has always been a priority. Every year, officials and employees are entitled to periodical health checks, at least once a year, with an average cost of VND 1 million/person/year. In 2018, 219 officials and employees participated in periodical medical examination and treatment with a total cost of over VND 217 million.

GRI 404 EDUCATION AND TRAINING

SHS believes training issues to be particularly important, because its officials and employees are considered an important internal element of the Company. The Company can only develop if its internal elements are regularly fostered. The training is oriented to develop the contingent of human resources, creating the initiative in the personnel issues of the Company.

In 2018, in order to work towards the implementation of derivatives, the Company arranged for 71 officers, accounting for 30.2% of employees to participate in the study and examination of derivatives certificates with a total training

cost of VND 154 million. In addition, the Company also sent many officials to participate in training courses, including SSC and Stock Exchange training, on information disclosure, annual and sustainability reports, updates of new provisions of law relating to securities, corporate governance and other securities practice certificates. The internal training courses are still held regularly to help improve the professional qualifications, communication ability, and customer service of staff and employees. Particularly, the brokerage sector held regular trainings (on Thursday and Friday afternoons) to assess the market and learn investment advice for customers.

GRI 405 DIVERSITY AND EQUAL OPPORTUNITY

The Company always ensures fairness in the working environment as well as development opportunities for female employees of the Company. The proportion of women in the Company is 49.8% and the proportion of women holding managerial positions in the Company has increased significantly compared to 2017 (up nearly 10%). The salary and

bonus regime for women of the Company has no discrimination compared to male workers. Women are always encouraged to comment and participate in management positions of the Company. In addition, the Company always complies with the law on women's policies such as working time and rest time when pregnant.

GRI 407 FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

The Company implements the labor regime in accordance with the Labor Law and current regulations of the Law. The collective labor agreement is approved by all employees of the Company and registered with the Department of Labor - Invalids and Social Affairs. All employees in the Company benefit from this Agreement. The life of officials and employees is taken care of through the Company's trade union party and reward and welfare fund. Any conflict of interest

between the Company and its employees (if any) shall be settled by the trade union party to ensure the legitimate rights and interests of employees.

Staff and employees are free to set up associations to improve their morale and health. Some associations have been newly established or maintained regularly in 2018 such as a yoga group, soccer club, athletic group, etc.

GRI 413 LOCAL COMMUNITY

Being a typical and responsible member for the direct management agencies and associations

In 2018, SHS actively participated in activities organized by direct management agencies and associations. Specifically:

- The Company contributed many important comments to the State management agencies (such as the SSC, SE, VSD, and VCCI) and Securities Investment Association, Association of Small and Medium Enterprises, and Bond Association on the improvement in the operation quality of securities companies, the process of equitization of State-owned enterprises, etc; which contribute to building a safe, efficient securities market in Vietnam and improving the quality of operations and competitiveness of small and medium enterprises.
- The Company participated in all workshops to revise legal documents organized by the SSC, in all seminars to disseminate legal documents and regulations on corporate governance and on making regular and sustainable reports.
- The Company provided comments and amendments to legal documents required by the SSC, Stock Exchange, and Securities Investment Association, such as the Draft Securities Law, draft amendments to margin trading regulations, survey and assessment of the corporate governance quality for listed companies.
- The Company has sent reports and disclosed information fully, promptly and transparently to various management agencies such as the State Securities Commission, 2 stock exchanges, VSD, National Financial Supervisory Commission, the State Bank, the Tax Authority, the Statistics Agency and Insurance Agency.
- The Company has explained fully and reasonably about the business, financial and customer situation upon requests of State management agencies.
- The Company has been a responsible investor on the Vietnam securities market, demonstrated through the brokerage, consulting, analyzing, and investment activities in stock, listed and unlisted bonds on the green capital market.
- The Company has continued to promote cooperation with many communication agencies and newspapers to provide proactive, complete, timely and responsible information to the public.

Because of its positive contributions, in 2018, the Company was honored to receive many certificates of merit and awards from the Association of Small and Medium Enterprises, the Ministry of Planning and Investment, SSC, Hanoi and HCM Stock Exchanges, and VSD to name just a few (Please see the Award section).

Contribute positively to the Green Capital Market

In 2018, SHS continued in its business strategy of more efficiently using existing resources to enhance the competitiveness of businesses towards sustainable development. One of the priorities of the sustainable development strategy is to devote a significant part of resources to invest in and support the green capital market through brokerage activities, providing financial services and investment advice.

Investment activities

In 2018, the Company invested more than VND 15,200 billion in Government bonds, underwritten Government bonds, and Government-guaranteed corporate bonds accounting for 51% of total investment capital in 2018, which was an increase of 153% over the previous year to indirectly finance the Government's green objectives, programs, and projects.

The Company has also spent hundreds billions of VND investing in green stocks (stocks of listed companies having a basic foundation, who tend to invest in green areas, produce products that protect or improve human health, save energy, are environmentally friendly or apply environmentally friendly technology solutions such as SKV, REE, KDC, SAB, LIX...

Brokerage and financial service activities

SHS has provided diversifically brokerage and financial services to investors who invest in listed green stocks such as: VIC, VNM, DHG, BVH, PAN, FPT, REE, DQC, GTN, SHI, DVN, BWE, SKV, AAA, DQC...; unlisted green stocks like: MED, HCB, THA, VEA...

The Company has also provided services to green organizations in order to improve their financial capacity and corporate governance. It has also assisted them in their transactions and helped to improve the liquidity of green stocks so that there will be more investors aware of stocks like SHI, SKV...

SHS is also an authorized stock auctioneer and auction agent of many green stocks like Quang Nam Water Supply and Drainage JSC, Bac Lieu Water Supply SJC, Bac Lieu Urban Service JSC, Quy Nhon Urban Environment Company, Nha Trang Urban Environment JSC, Khanh Hoa Water Supply and Drainage JSC... The operation of SHS has contributed to assisting the process of divesting and equitization of green organizations to enable them to be more efficient.

Investment analysis and advisory activities

Realizing the investment efficiency of green stocks, the Company often advises investors to prioritize their investment in these stocks by using the Company's analyzing reports. SHS is willing to share information and chances to invest in green stocks with its customers. In 2018, SHS provided many advisories to invest in green stock like SHI, SKH...

Financial Advisory and Underwriting activities

The Company has provided financial advisory and underwriting services to green organizations including advisory on equitization, divestment, listing, and issuance. Typical customers include:

| Seq. | Company | Lines of business |
|------|---|---|
| 1 | Vietnam Forestry Corporation (VINAFOR) | Participates in research and development of forest plant varieties. Besides, the company also plants economical forests to supply raw materials, intensive forest planting, and large timber plantations. |
| 2 | Asia Commercial Joint Stock Bank | Provides capital for businesses and individuals operating in production, business, and consumption, creating motivation for economic development. |
| 3 | Vegetable Export-Import JSC | Participates in the field of export and import of fruits and vegetables contributing to bringing clean fruits of Vietnam to the world. |
| 4 | Vietnam Post and Telecommunication Group | Specializes in investment, production, or business in the post and telecommunications sector that contributes to improving and expanding information to people. |
| 5 | Hanoi Clean Water Company Limited | Produces clean water that contributes to improving the quality of life of people in Hanoi. |
| 6 | Europe Plastic Energy JSC | Produces electricity through new forms of energy (solar and wind energy), contributing to limiting the destruction of natural resources and sustainable development. |
| 7 | Bac Giang Clean Water JSC | Produces clean water that contributes to improving the life quality of people in Bac Giang. |
| 8 | Northern Power Investment and Development 3 JSC | Produce electricity in order to enhance quality of life. |
| 9 | Vung Tau Urban Park and Urban Development JSC | Participates in the field of tree development and green space that helps to improve the quality of the public environment. |
| 10 | Son Ha International JSC | Produces solar water heaters which are environmentally friendly, safe from the risk of fire and electricity saving. |
| 11 | Northern Foods Corporation | Produces and supplies foods such as rice and agricultural products to serve people's daily needs. |

Contributing positively to the activities of the Northern securities company community

In 2018, for the first time, SHS organized and sponsored VND 20 million for a soccer tournament of Northern securities companies, which contributed to creating a useful playground and enhancing cooperation between securities companies. This tournament gathered many participating securities companies and should be a first step for future tournaments.

Contributing to the development of the young generation

To help develop the younger generation, in 2018, SHS continued to open internship and employment opportunities for many students or fresh graduates in some departments of the Company like Brokerage, Advisory, HR, Analysis and so on. The students had the chance to work realistically in the role of Company employees. They were trained and enjoyed themselves in cultural activities of the Company. Those who performed well receives an allowance of VND 2 million per month and will be considered for recruitment later.

Details of SHS funding in 2018:

| Seq. | Funding details | Organizer | Financial support (VND million) |
|--------------|---|---|----------------------------------|
| 1 | Funding for Blind Association of Hoan Kiem District | Blind Association of Hoan Kiem District | 1 |
| 2 | Light Up Your Beliefs program | Vietnam Relief Association for Disabled Children | 50 |
| 3 | Funding for New Year Art Program for poor children | Ministry of Labor- Invalids and Social Affairs coordinates the Journal of Family and Children | 100 |
| Total | | | 151 |

Besides, in 2018, the Company's employees continued to organize some volunteer programs such as raising money and materials to support disadvantaged and diseased children in big hospitals in Hanoi. The Company has always encouraged and reminded its employees about the importance of sharing love and supporting those who have unfortunate lives and considers it an integral part of the Company's culture.

GRI 418 CUSTOMER PRIVACY

As a company managing tens of thousands of customer accounts, including money and securities, the privacy of customer information is a top priority. The Company has issued internal regulations regarding customer privacy protection as well as outlined punishments for failing to meet these regulations. All the securities trading and accounting software is purchased from reputable partners. Furthermore, their use is decentralized and access to information and data is based on the written proposal of the department's head, and subject to the approval of the Board of Management and is decentralized and implemented by the IT Department. The Company has also bought software to protect the security of and prevent illegal access to the Company's website and software systems. The contracts, records, and documents related to customer information are managed by the concerned departments in locked cabinets, and should be destroyed when they are no longer in use, in accordance with the Company's regulations.

SUSTAINABLE DEVELOPMENT PLAN IN 2019

On the basis of assessing the results of sustainable development in 2018 and comparing it with the objectives and direction of action, SHS's proposed action plan for 2019 is as follows:

| Criteria | Objectives |
|--|--|
| ENHANCE BUSINESS EFFECTIVENESS | <ul style="list-style-type: none"> - Complete and exceed the 2019 business plan approved by the General Meeting of Shareholders. - Maintain a top-5 position, striving to be one of the top 3 securities companies with the largest brokerage market share in Vietnam. - Achieve other non-financial goals. |
| ENSURE COMMITMENTS WITH RELATED PARTIES | <p>To employees</p> <ul style="list-style-type: none"> + Increase salary and bonus by at least 10%. + Create an equal, professional working environment and promotion opportunities. <p>To shareholders</p> <ul style="list-style-type: none"> + Ensure dividend and other benefits of at least 20%. + Disclose information promptly, transparently and in a timely manner. <p>To customers and suppliers</p> <ul style="list-style-type: none"> + Complete and continue to improve the quality of products and services provided at competitive prices. + Be a regular, reliable partner and share benefits together. <p>To management agencies, associations and the media</p> <ul style="list-style-type: none"> + Fulfill obligations to the State budget. + Be an active member and contribute effectively to the development of Vietnam's stock market and its associations. + Cooperate in reporting, information disclosure and communication. <p>Develop a long-term strategy for environmental protection and volunteering</p> <p>To the environment</p> <ul style="list-style-type: none"> + Comply with legal regulations on environmental protection. + Implement solutions to save more energy and water resources, and further limit adverse environmental impacts. <p>To the young generation</p> <ul style="list-style-type: none"> + Create more opportunities for employment and study. + Increase financial support for the young generation. <p>To society</p> <ul style="list-style-type: none"> + Strengthen voluntary work and social security programs. |
| ENHANCE SOCIAL RESPONSIBILITIES | |

EVALUATION OF THE COMPANY'S SUSTAINABLE DEVELOPMENT UNDER GRI STANDARDS

| GRI | Describe | Reference | Note |
|------------------------------|--|--|--|
| STRATEGY AND ANALYSIS | | | |
| G4-1 | Declaration of senior manager | BCPTBV- Message from the General Director | |
| G4-2 | Describe main impacts, risks and opportunities | BCTN- Risk management | |
| COMPANY PROFILE | | | |
| G4-3 | Company name | BCTN-Company information | |
| G4-4 | Products and services | BCTN-Lines of business | |
| G4-5 | Head office | BCTN-Network operation | |
| G4-6 | Number of countries where the business operates | BCTN-Network operation | |
| G4-7 | Type of ownership, management model | BCTC-Management model and organizational structure | |
| G4-8 | Market served | BCTN-Network operation | |
| G4-9 | Business scale | BCTN-Company information | |
| G4-10 | Statistics on the labor force | BCPTBV-Report of sustainable development 2018 | |
| G4-11 | Percentage of employees entitled to collective labor agreement | BCPTBV-Report of sustainable development 2018 | |
| G4-12 | Supply chain of enterprises | BCTN-Lines of business | |
| G4-13 | Report changes in scale, structure, ownership and supply chain | BCTC-information for shareholders | |
| G4-14 | Report on whether a business has a preventive method or principle | BCTN- Risk management BCPTBV-Report of sustainable development 2018 | |
| G4-15 | List the economic, environmental and social terms, principles developed outside the organization or other initiatives that the organization endorses or supports | BCPTBV-Report of sustainable development 2018 | |
| G4-16 | Association member | BCPTBV-Report of sustainable development 2018 | Members of: - Small and medium business association - Bond Association - Securities business investment association |

3. DETERMINATION OF BOUNDARIES AND MAJOR FIELDS

| | | |
|-------|---|---|
| G4-17 | Units included in the consolidated financial statements or equivalent documents | BCTB-Audited financial report |
| G4-18 | Process of determining report content and field boundaries | BCPTBV-Report of sustainable development 2018 |
| G4-19 | List of identified key areas | BCPTBV-Report of sustainable development 2018 |
| G4-20 | For each critical area, report the field boundaries within the organization | BCPTBV-Report of sustainable development 2018 |
| G4-21 | For each critical area, report the boundary outside the organization | BCPTBV-Report of sustainable development 2018 |
| G4-22 | Report the impact of any re-representation of the information provided in the previous report and the causes of the re-representation | BCPTBV-Report of sustainable development 2018 |
| G4-23 | Big change compared to the previous reporting period | BCPTBV-Report of sustainable development 2018 |

4. CONSULTATION OF RELATED PARTIES

| | | |
|-------|--|---|
| G4-24 | List of related party | BCPTBV-Report of sustainable development 2018 |
| G4-25 | Foundations of selection and determination of related party | BCPTBV-Report of sustainable development 2018 |
| G4-26 | Approach for the related party | BCPTBV-Report of sustainable development 2018 |
| G4-27 | Key topics and concerns are raised in the stakeholder engagement process and firm feedback | BCPTBV-Report of sustainable development 2018 |

5. REPORT PROFILE

| | | |
|-------|--------------------------|---|
| G4-28 | Report period | BCPTBV-Report of sustainable development 2018 |
| G4-29 | The latest report time | BCPTBV-Report of sustainable development 2018 |
| G4-30 | Reporting cycle | BCPTBV-Report of sustainable development 2018 |
| G4-31 | Contact address (if any) | BCPTBV-Report of sustainable development 2018 |

6. GRI LIST OF CONTENTS

| | | |
|-------|---|---|
| G4-32 | Business report options | BCPTBV-Report of sustainable development 2018 |
| G4-33 | Contact points for questions related to the content of the report | BCPTBV-Report of sustainable development 2018 |
| G4-34 | Management apparatus | BCPTBV-Report of sustainable development 2018 |

7. ETHICS AND INTEGRITY

| | | |
|-------|--|---|
| G4-56 | The values, principles, standards and standards of organizational behavior | BCTN-Overview of SHS BCPTBV-Report of sustainable development 2018 |
|-------|--|---|

8. SPECIFIC CONTENTS**Impacts on Economic**

| | | |
|--------|------------------------------------|---|
| G4-EC1 | Direct economic values are created | BCPTBV-Report of sustainable development 2018 |
|--------|------------------------------------|---|

Impacts on the Environment

| | | |
|----------|---|---|
| G4-EN2 | Use recycled materials | BCPTBV-Report of sustainable development 2018 |
| G4-EN6 | Reduce energy consumption | BCPTBV-Report of sustainable development 2018 |
| G4-EN27 | Scope of mitigating the environmental impact of products and services | BCPTBV-Report of sustainable development 2018 |
| G4-EN 29 | The monetary value of the money due to non-compliance with environmental laws | BCPTBV-Report of sustainable development 2018 |

Impacts on Society

| | | |
|---------|--|---|
| G4-LA1 | Total labor force, proportion of types | BCPTBV-Report of sustainable development 2018 |
| G4-LA2 | Welfare for workers | BCPTBV-Report of sustainable development 2018 |
| G4-LA10 | Training programs | BCPTBV-Report of sustainable development 2018 |
| G4-LA12 | Details of employment | BCPTBV-Report of sustainable development 2018 |

Related impacts on human rights

| | | |
|--------|------------------------|-------------------------------|
| G4-HR5 | Use of children labour | SHS does not use child labor |
| G4-HR6 | Use of forced labor | SHS does not use forced labor |

Indicators by sector

| | | |
|--------|---|--------------------------------------|
| G4-S01 | Percentage of activities with local community participation | BCPTBV-SHS does not use forced labor |
| G4-S08 | Cash value of fines | BCPTBV-SHS does not use forced labor |
| G4-PR3 | Information about products and services | BCTN-Overview of SHS |



AUDITED FINANCIAL STATEMENT

AUDITED FINANCIAL STATEMENTS •

AUDITED FINANCIAL STATEMENTS

STATEMENT OF BOARD OF MANAGEMENT

The Board of Management of Saigon-Hanoi Securities JSC (“the Company”) presents its report and the financial statements of the Company for the financial year ending 31st December 2018.

COMPANY

Saigon-Hanoi Securities Joint Stock Company was established and operates under license No.66/UBCK-GP issued by the State Securities Commission on 15th November 2007 and the latest adjustment license No. 08/GPDC-A13UBCK issued by the State Securities Commission on 23rd January 2018.

Company Head Office: Floors 1-5, Hanoi Unimex Building, 41 Ngo Quyen Street, Hang Bai Ward, Hoan Kiem District, Hanoi City.

BOARD OF DIRECTORS, BOARD OF MANAGEMENT AND SUPERVISORY BOARD

Members of the Board of Directors during the year and on the date of this report:

| | | | |
|----|------------------------|----------------|----------------------|
| Mr | Do Quang Hien | Chairman | |
| Mr | Vu Duc Tien | Vice President | |
| Mr | Le Dang Khoa | Member | |
| Mr | Mai Xuan Son | Member | |
| Mr | Nguyen Van Hung | Member | Appointed 11/04/2018 |
| Mr | Nguyen Anh Tu | Member | Dismissed 11/04/2018 |

Members of the Board of Management who led the Company during the year and on the date of this report:

| | | |
|----|---------------------------|--|
| Mr | Vu Duc Tien | General Director |
| Mr | Tran Sy Tien | Deputy General Director cum Chief Accountant |
| Mr | Nguyen Chi Thanh | Deputy General Director |
| Ms | Tran Thi Thu Thanh | Deputy General Director Deputy General Director |

Members of the Supervisory Board:

| | | |
|----|---------------------------|----------------------------|
| Ms | Pham Thi Bich Hong | Chief of Supervisory Board |
| Ms | Luong Thi Luu | Member |
| Mr | Vu Duc Trung | Member |

AUDITORS

The AASC Auditing Co., Ltd. has audited the financial statements of the Company.

STATEMENT OF RESPONSIBILITIES OF BOARD OF MANAGEMENT FOR FINANCIAL STATEMENTS

The Board of Management is responsible for the preparation of financial statements which give a true and fair view of the financial position, results of operations, cash flow and changes in equity of the Company during the year. During the preparation of financial statements, the Board of Management has pledged to comply with the following requirements:

- Establishing and maintaining internal control that the Board of Management and the management of the Company determine as necessary to ensure that the preparation and presentation of the financial statements is free from material misstatements, whether due to fraud or error;
- Selecting suitable accounting policies and then applying them consistently;
- Making judgements in a rational and cautious manner;
- Stating whether the applicable accounting standards have been adhered to, whether there are material misstatements to be disclosed and explained in the Financial Statements;
- Preparing and presenting the financial statements in accordance with Accounting Standards, Vietnamese Accounting System for securities companies and applicable regulations governing the preparation and presentation of financial statements;
- Preparing the financial statements based on a business continuity basis unless it is inappropriate to assume that the Company will continue in business.

The Board of Management ensures that the accounting records are kept to reflect the financial position of the Company in an honest and reasonable manner at all times and to ensure that financial statements comply with the legal regulations of the State. It is also responsible for safeguarding the assets of the Company and taking measures to prevent and detect fraud and other violations.

The Board of Management commits that the financial statements give a true and fair view of the financial position of the Company on 31st December 2017; the results of operations, cash flows and changes in equity for the year ending 31st December 2017 in line with Accounting Standards and Vietnamese Accounting System applicable to securities companies and current regulations related to the preparation and presentation of financial statements.

Other commitments

The Board of Management is committed to complying with Decree 71/2017/ND-CP dated 06/06/2017 on corporate governance applicable to public companies and the Company has not violated the information disclosure obligation prescribed in Circular No. 155/2015/TT-BTC dated 06/10/2015 of the Ministry of Finance guiding the disclosure of information on the stock market.

On behalf of the Board of Management

Vu Duc Tien

General Director

Hanoi, March 20th, 2019

No: 250319.506/BCTC.KT2

INDEPENDENT AUDIT REPORT

To: Shareholders, Board of Directors and Board of Management of Saigon-Hanoi Securities JSC

We have audited the accompanying financial statements of Saigon-Hanoi Securities JSC prepared on 12th March 2019, from pages 06 to 49, including: Statement of Financial Position on 31st December 2018, Statement of Operational Results, Statement of Cash Flow, Statement of Changes in Equity for the year then ended and Notes on the Financial Statements.

Responsibilities of the Board of Management

The Board of Management is responsible for the preparation and fair and reasonable presentation of the Company's financial statements in accordance with Vietnamese Accounting Standards and Vietnamese Accounting Standards applicable to securities companies and legal regulations related to the preparation and presentation of financial statements. It is also responsible for internal control that the Board of Management determines as necessary to ensure that the preparation and presentation of the financial statements are free of material misstatement, whether due to fraud or error.

Responsibilities of auditors

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. These standards require that we comply with ethical standards and regulations, plan and implement audits to ensure reasonable assurance as to whether the Company's financial statements are free from material misstatement.

An audit includes completion of procedures to collect audit evidence supporting the figures and notes in the financial statements. The selected audit procedures are selected based on the judgment of the auditor, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error. When assessing these risks, the auditor considered internal control of the Company in relation to the preparation and presentation of a fair and reasonable financial statement in order to design appropriate audit procedures with the actual situation, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes assessing the appropriateness of audit principles used and the reasonableness of accounting estimates made by the Board of Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion of the auditor

In our opinion, the financial statements give a true and fair view of the financial position of Saigon-Hanoi Securities Joint Stock Company as of 31st December 2018, as well as its operating results, cash flow and changes in equity for the year then ended in accordance with Accounting Standards and Vietnamese Accounting Standards applicable to the securities companies and other legal documents related to the preparation and presentation of the financial statements.

Issues to be highlighted

We point the readers to Note 6 in the "Short-term Receivables" section of the Notes on the Financial Statements, whereby the figures disclosed in the Financial Statements are subject to change based on the final judgment of the Supreme People's Court.

This emphasis does not change our overall acceptance.

AASC Auditing Co., Ltd.



Vu Xuan Bien

Deputy General Director

Audit practice registration certificate

No: 0743-2018-002-1

Hanoi, March 25th, 2019

Truong Thi Hoai Anh

Auditor

Audit practice registration certificate

No: 2446-2018-002-1

STATEMENT OF FINANCIAL SITUATION

As of 31/ 12/ 2018

| CODE | ASSETS | Note | 31/12/2018 | 01/01/2018 |
|------------|--|------|--------------------------|--------------------------|
| | | | VND | VND |
| 100 | A. CURRENT ASSETS | | 4,773,903,146,557 | 4,104,810,267,573 |
| 110 | I. Financial Assets | | 4,769,306,051,715 | 4,074,632,507,349 |
| 111 | 1. Cash and cash equivalents | 4 | 838,785,387,863 | 85,945,680,803 |
| 111.1 | 1.1 Cash | | 838,785,387,863 | 85,945,680,803 |
| 112 | 2. Financial assets recognized through profit/loss (FVTPL) | 5 | 1,006,453,343,406 | 680,217,968,490 |
| 114 | 3. Loans | 5 | 2,051,008,965,835 | 2,322,600,119,143 |
| 115 | 4. Financial assets available for sale (AFS) | 5 | - | 217,474,875,700 |
| 117 | 5. Receivables | 6 | 93,173,312,756 | 26,880,749,385 |
| 117.1 | 5.1 Receivables selling financial assets | | 50,807,500,000 | - |
| 117.2 | 5.2 Receivables and estimated receivables of dividends and interests of financial assets | | 42,365,812,756 | 26,880,749,385 |
| 117.3 | 5.2.1 Receivable dividend, interest to payment date | | 42,365,812,756 | 26,880,749,385 |
| 118 | 6. Advance payment to the sellers | 7 | 741,970,854 | 87,511,060,597 |
| 119 | 7. Receivables from services provided by securities | 6 | 1,152,128,250,233 | 868,247,102,221 |
| 122 | 8. Other receivables | 6 | 59,862,400,297 | 52,438,794,592 |
| 129 | 9. Provision for impairment of receivables | 7 | (432,847,579,529) | (266,683,843,582) |
| 130 | II. Other current assets | | 4,597,094,842 | 30,177,760,224 |
| 131 | 1. Advance payment | | 3,041,944,389 | 26,454,280,223 |
| 132 | 2. Office supplies, tools and instruments | 9 | 237,121,841 | 237,001,918 |
| 133 | 3. Short-term prepaid costs | 10 | 1,315,278,612 | 3,483,728,083 |
| 134 | 4. Mortgages, pledges, deposits, short-term deposits | 11 | 2,750,000 | 2,750,000 |
| 200 | B. NON-CURRENT ASSETS | | 95,057,343,675 | 29,672,809,347 |
| 220 | II. Non-current financial assets | | 2,911,082,500 | 2,314,428,536 |
| 221 | 1. Tangible fixed assets | 12 | 2,874,075,323 | 2,136,641,055 |
| 222 | - Original price | | 31,459,531,443 | 17,141,060,068 |
| 223a | - Accumulated depreciation | | (28,585,456,120) | (15,004,419,013) |
| 227 | 2. Intangible fixed assets | 13 | 37,007,177 | 177,787,481 |
| 228 | - Original price | | 31,196,229,207 | 20,970,056,987 |
| 229a | - Accumulated depreciation | | (31,159,222,030) | (20,792,269,506) |
| 250 | V. Other current assets | | 92,146,261,175 | 27,358,380,811 |
| 251 | 1. Mortgages, pledges, deposits, long-term deposits | 11 | 897,532,343 | 2,168,295,918 |
| 252 | 2. Long-term prepaid costs | 10 | 74,761,131,339 | 11,386,494,423 |
| 254 | 3. Payment for Settlement Assistance Fund | 14 | 16,487,597,493 | 13,803,590,470 |
| 270 | TOTAL ASSETS | | 4,868,960,490,232 | 4,134,483,076,920 |

STATEMENT OF FINANCIAL SITUATION

As of 31/ 12/ 2018 (continued)

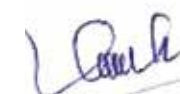
| CODE | EQUITY AND LIABILITIES | Note | 31/12/2018 | 01/01/2018 |
|------------|--|-----------|--------------------------|--------------------------|
| | | | VND | VND |
| 300 | C. LIABILITIES | | 3,003,646,101,986 | 2,668,547,244,457 |
| 310 | I. Current Liabilities | | 1,271,429,315,273 | 2,134,186,799,064 |
| 311 | 1. Short-term borrowings and financial leasing debts | 15 | 546,980,000,000 | 1,040,710,706,528 |
| 312 | 1.1 Short-term borrowings | | 546,980,000,000 | 1,040,710,706,528 |
| 316 | 2. Short-term bonds | 20 | 150,000,000,000 | 308,600,000,000 |
| 318 | 3. Payables from securities trading activities | 16 | 1,933,932,035 | 13,665,035 |
| 320 | 4. Short-term payables to the sellers | 17 | 22,644,494,436 | 12,000,000,000 |
| 321 | 5. Short-term prepayments of buyers | | 1,655,600,000 | 1,768,500,000 |
| 322 | 6. Tax and State payables | 18 | 45,588,288,300 | 44,590,321,946 |
| 323 | 7. Payables to employees | | 2,998,902,021 | 14,003,255,135 |
| 324 | 8. Deductions to pay employee welfare | | 296,220,507 | 236,240,745 |
| 325 | 9. Short-term payable costs | 19 | 65,489,100,310 | 61,158,472,728 |
| 328 | 10. Received short term deposits | 21 | 405,561,401,617 | 632,153,245,804 |
| 329 | 11. Other payables, short-term payables | 24 | 9,412,507,681 | 12,148,222,777 |
| 331 | 12. Reward, welfare funds | | 18,868,868,366 | 6,804,168,366 |
| 340 | II. Non-current liabilities | | 1,732,216,786,713 | 534,360,445,393 |
| 346 | 1. Long-term bonds | 20 | 1,721,000,000,000 | 523,000,000,000 |
| 347 | 2. Long-term payables to the sellers | 17 | 14,025,690 | 14,025,690 |
| 352 | 3. Receiving deposits, long-term deposits | 21 | 25,000,000 | 25,000,000 |
| 356 | 4. Payable deferred income tax | 42 | 11,177,761,023 | 11,321,419,703 |
| 400 | D. EQUITY | | 1,865,314,388,246 | 1,465,935,832,463 |
| 410 | I. Equity | 25 | 1,865,314,388,246 | 1,465,935,832,463 |
| 411 | 1. Investment capital of owners | | 1,125,489,636,800 | 1,000,310,000,000 |
| 411.1 | 1.1 Contributions of owners | | 1,053,956,740,000 | 1,000,000,000,000 |
| 411.1a | 1.1.1 Common shares with voting rights | | 1,053,956,740,000 | 1,000,000,000,000 |
| 411.2 | 1.2 Excess share capital | | 71,532,896,800 | 310,000,000 |
| 412 | 2. Difference from asset valuation by fair value | | - | 68,882,003,841 |
| 414 | 3. Chartered capital reserve funds | | 29,901,717,464 | 12,387,297,555 |
| 415 | 4. Financial and professional risk provision | | 29,901,717,464 | 12,387,297,555 |
| 417 | 5. Non-distributed profit | | 680,021,316,518 | 371,969,233,512 |
| 417.1 | 5.1 Profit after tax realized | | 681,893,377,170 | 352,689,749,293 |
| 417.2 | 5.2 Profit not realized | | (1,872,060,652) | 19,279,484,219 |
| 440 | TOTAL LIABILITIES AND EQUITY | | 4,868,960,490,232 | 4,134,483,076,920 |

STATEMENT OF FINANCIAL SITUATION

| CODE | ASSETS | Note | 31/12/2018 | 01/01/2018 |
|---|--|------|--------------------|--------------------|
| | | | VND | VND |
| A. ASSETS OF SECURITIES COMPANY AND ASSETS MANAGED UNDER COMMITMENT | | | | |
| 002 | 1. Valuable certificates held for safekeeping | | 1,500,000,000 | 1,500,000,000 |
| 003 | 2. Pledged asset | | 6,903,330,000 | 6,903,330,000 |
| 006 | 3. Shares in circulation | | 105,395,674 | 100,000,000 |
| 008 | 4. Financial assets listed/registered for trading at VSD of securities company | 26 | 572,659,310,000 | 423,463,740,000 |
| 009 | 5. Financial assets deposited at VSD and not traded of securities company | 27 | 1,501,490,000 | 1,500,600,000 |
| 010 | 6. TFinancial assets awaiting for securities companies | 28 | 8,025,000,000 | - |
| 012 | 7. TFinancial assets deposited at VSD and not traded of securities company | 29 | 108,924,040,000 | 108,022,300,000 |
| B. ASSETS AND PAYABLES RELATED TO ASSETS MANAGED UNDER COMMITMENT WITH CUSTOMERS | | | | |
| 021 | 1. Financial assets listed/registered for trading at VSD of investors | 30 | 23,818,185,330,000 | 18,289,981,360,000 |
| 021.1 | a. Freely transferable financial assets | | 18,635,568,100,000 | 15,269,053,790,000 |
| 021.2 | b. Limited transferable financial assets | | 2,836,585,260,000 | 1,442,161,060,000 |
| 021.3 | c. Financial assets pledged | | 2,012,928,610,000 | 1,252,255,380,000 |
| 021.4 | d. Financial assets blocked, withheld | | 50,000,000,000 | 32,000,000,000 |
| 021.5 | e. Financial assets with pending payment | | 283,103,360,000 | 294,511,130,000 |
| 022 | 2. Financial assets of investors deposited at VSD and not traded | 31 | 836,895,610,000 | 258,101,840,000 |
| 022.1 | a. Financial assets deposited at VSD and not traded, freely transferrable | | 631,803,410,000 | 52,713,640,000 |
| 022.2 | b. Financial assets deposited at VSD and not traded, limited transferrable | | 205,092,200,000 | 205,388,200,000 |
| 023 | 3. Financial assets of investors - currently pending | 32 | 277,880,837,800 | 649,145,274,500 |

OFF-BALANCE SHEET ITEMS

| CODE | CRITERIA | Note | 31/12/2018 | 01/01/2018 |
|-------|---|------|-----------------|-----------------|
| | | | VND | VND |
| 026 | 4. Deposit of customers | 33 | 558,016,415,263 | 902,803,138,674 |
| 027 | 4.1 Deposits of investors for securities trading under securities company's management | | 264,543,388,401 | 252,206,200,535 |
| 028 | 4.2 Deposit of general securities trading for customers | | 277,880,837,800 | 649,145,274,500 |
| 030 | 4.3 Deposit of securities issue organizations | | 15,592,189,062 | 1,451,663,639 |
| 031 | 5. Payables to investors of securities trading in the mode of securities company's management | 34 | 542,424,226,201 | 901,351,475,035 |
| 031.1 | 5.1 Payables to domestic investors of securities trading in the mode of securities Company's management | | 536,854,311,664 | 901,298,767,265 |
| 031.2 | 5.2 Payables to foreign investors of securities trading in the mode of securities company's management | | 5,569,914,537 | 52,707,770 |
| 035 | 6. Payable dividends, principals and interests of bonds | 35 | 15,592,189,062 | 1,451,663,639 |



Nguyen Thi Thuy

Preparer



Tran Sy Tien

Chief Accountant



Vu Duc Tien

General Director

Hanoi, March 20th, 2019

STATEMENT OF OPERATIONAL RESULTS

| CODE | CRITERIA | Note | 31/12/2018 | 01/01/2018 |
|------------|-----------------------------|---|--------------------------|--------------------------|
| | | | VND | VND |
| I. | OPERATIONAL REVENUE | | | |
| 01 | 1.1 | Profit from financial assets recognized through profit/loss (FVTPL) | 484,647,097,181 | 416,841,861,900 |
| 01.1 | a. | Profit from sale of financial assets FVTPL | 457,894,267,236 | 280,838,243,343 |
| 01.2 | b. | Increased difference from valuation of financial assets under FVTPL | (718,293,399) | 56,607,098,515 |
| 01.3 | c. | Dividend, interest from financial assets under FVTPL | 27,471,123,344 | 79,396,520,042 |
| 03 | 1.2 | Interest from loans and receivables | 375,127,431,396 | 337,484,027,134 |
| 06 | 1.3 | Revenue from stock brokerage activities | 245,847,834,316 | 248,423,336,378 |
| 07 | 1.4 | Revenue from stock guarantee and issuance service | 50,150,000,000 | 3,042,000,000 |
| 08 | 1.5 | Revenue from stock investment | 59,661,895,628 | 58,233,691,490 |
| 09 | 1.6 | Revenue from stock depository service | 18,710,377,182 | 13,294,048,180 |
| 10 | 1.7 | Revenue from financial consulting service | 8,325,280,304 | 11,343,996,818 |
| 11 | 1.8 | Other operational income | 1,122,704,304 | 896,351,114 |
| 20 | | TOTAL OPERATING INCOME | 1,243,592,620,311 | 1,089,559,313,014 |
| II. | OPERATIONAL EXPENSES | | | |
| 21 | 2.1 | Loss of financial assets recognized through profit/loss (FVTPL) | 148,479,403,879 | 170,741,820,115 |
| 21.1 | a. | Loss from sale of financial assets under FVTPL | 126,713,145,150 | 131,940,848,172 |
| 21.2 | b. | Decreased difference from valuation of financial assets FVTPL | 20,433,251,472 | 37,327,614,296 |
| 21.3 | c. | Costs of purchase for transactions of financial assets under FVTPL | 1,333,007,257 | 1,473,357,647 |
| 24 | 2.2 | Costs of provision for financial assets, handling losses of bad receivables and loss of impairment of financial assets and borrowing costs of loans | 196,710,033,029 | 68,691,731,058 |
| 26 | 2.3 | Proprietary operational costs | 6,053,535,290 | 4,648,059,955 |
| 27 | 2.4 | Costs of securities brokerage activities | 176,783,367,079 | 184,593,496,554 |
| 28 | 2.5 | Costs of securities guarantee and issuance service | - | 646,863 |
| 29 | 2.6 | Costs of securities investment consulting | 2,686,919,122 | 3,117,069,719 |
| 30 | 2.7 | Costs of securities depository | 14,615,129,488 | 11,222,962,613 |
| 31 | 2.8 | Costs of financial consulting activities | 12,574,063,869 | 15,560,279,559 |
| 32 | 2.9 | Costs of other services | 23,223,489,731 | (5,749,401,472) |
| 40 | | TOTAL OPERATIONAL EXPENSES | 581,125,941,487 | 452,826,664,964 |

| | | | | | |
|------------|--------------|---|-----------|------------------------|------------------------|
| | III. | REVENUE FROM FINANCIAL OPERATIONS | 39 | | |
| 42 | 3.1 | Revenue, accrued dividend, interests of flexible bank deposits | | 3,247,133,001 | 3,673,273,216 |
| 50 | | TOTAL REVENUE FROM FINANCIAL OPERATION | | 3,247,133,001 | 3,673,273,216 |
| | IV. | FINANCIAL EXPENSES | 40 | | |
| 52 | 4.1 | Loan interest expenses | | 202,726,366,390 | 148,927,809,300 |
| 55 | 4.2 | Other financial expenses | | - | 80,000,000 |
| 60 | | Total financial expenses | | 202,726,366,390 | 149,007,809,300 |
| 62 | VI. | TOTAL OPERATING EXPENSES OF SECURITIES COMPANY | 41 | 53,102,391,889 | 41,161,763,799 |
| 70 | VII. | OPERATING INCOME | | 409,885,053,546 | 450,236,348,167 |
| | VIII. | OTHER INCOME AND OTHER EXPENSES | | | |
| 71 | 8.1 | Other income | | 1,070,955,752 | 466,657,927 |
| 72 | 8.2 | Other expenses | | 268,175,227 | 219,784 |
| 80 | | Total other operational income | | 802,780,525 | 466,438,143 |
| 90 | IX. | Total accounting profit before tax | | 410,687,834,071 | 450,702,786,310 |
| 91 | 9.1 | Profit realized | | 431,839,378,942 | 431,423,302,091 |
| 92 | 9.2 | Profit not realized | | (21,151,544,871) | 19,279,484,219 |
| 100 | X. | CORPORATE INCOME TAX EXPENSE | 42 | 52,606,911,247 | 81,134,903,920 |
| 100.1 | 10.1 | Income tax | | 52,750,569,927 | 69,813,484,217 |
| 100.2 | 10.2 | Deferred corporate income tax expenses | | (143,658,680) | 11,321,419,703 |
| 200 | XI. | ACCOUNTING PROFIT AFTER CIT | | 358,080,922,824 | 369,567,882,390 |
| 300 | XII. | OTHER COMPREHENSIVE INCOME (LOSS) AFTER CIT | | | - |
| 301 | 12.1 | Profit/(loss) from valuation of financial assets available for sale | | - | 68,882,003,841 |
| 400 | | Total comprehensive income | | - | 68,882,003,841 |
| 500 | XIII. | NET INCOME ON COMMON SHARES | | | |
| 501 | 13.1 | 13.1 Basic interest on shares (VND/share) | 43 | 2,746 | 2,925 |



Nguyen Thi Thuy

Preparer



Tran Sy Tien

Chief Accountant



Vu Duc Tien

General Director

Hanoi, March 20th, 2019

STATEMENT OF CASH FLOWS

The year of 2018 (According to indirect method)

| CODE | CRITERIA | Note | 2018 | 2017 |
|-----------|--|------|--------------------------|----------------------------|
| | | | VNDD | VND |
| | I. Cash flow from business operations | | | |
| 01 | 1. Profit before corporate income tax | | 410,687,834,071 | 450,702,786,310 |
| 02 | 2. Adjustment for items | | 214,998,070,378 | 14,321,342,704 |
| 03 | - Appreciation of fixed assets | | 834,803,386 | 834,803,386 |
| 04 | - Provisions | | 14,994,124,513 | 14,994,124,513 |
| 06 | - Loan interest costs | | 202,726,366,390 | 202,726,366,390 |
| 07 | - Profit, loss from investment activities | | (3,557,223,911) | (3,557,223,911) |
| 10 | 3. Increase of non-monetary costs | | 3,432,336,472 | 37,327,614,296 |
| 11 | - Loss from valuation of financial assets recognized through profit/loss FVTPL | | 3,432,336,472 | 37,327,614,296 |
| 18 | 4. Decrease of non-monetary revenue | | 718,293,399 | (56,607,098,515) |
| 19 | - Profit from valuation of financial assets recognized through profit/loss FVTPL | | 718,293,399 | (56,607,098,515) |
| 30 | 5. Profit from business operations before changes in working | | (431,375,024,374) | (1,093,865,876,365) |
| 31 | - Increase (decrease) of financial assets recognized through | | (295,884,917,661) | 108,585,671,720 |
| 33 | - Increase (decrease) of loans | | 276,663,430,487 | (608,214,636,464) |
| 34 | - Increase (decrease) of financial assets available for sale AFS | | 148,592,871,859 | (148,592,871,859) |
| 35 | - (-)Increase. (+)decrease of receivables from sale of financial assets | | (50,769,008,700) | (89,750,850,000) |
| 37 | - (-)Increase. (+) decrease of receivable and accrued dividends, interests of financial assets | | (117,806,186,160) | (145,034,898,523) |
| 39 | - (-)Increase. (+) decrease of receivables from services provided by securities | | (7,110,105,705) | (51,397,133,312) |
| 40 | - Increase (decrease) of other assets | | 29,938,006,489 | (18,550,946,937) |
| 41 | - Increase (decrease) of payable costs (excluding loan costs) | | (50,354,427,448) | 30,755,317,076 |
| 42 | - Increase (decrease) of prepaid costs | | 11,563,250,022 | (12,515,651,558) |
| 43 | - Corporate income tax paid | | (49,388,864,829) | (21,499,043,097) |
| 44 | - Loan interest paid | | (161,853,763,241) | (162,539,170,313) |
| 45 | - Increase (decrease) in payables to the sellers | | 97,397,904,179 | 9,807,418,153 |
| 46 | - Increase (decrease) in deductions to pay employee welfare | | 59,979,762 | 143,507,445 |
| 47 | - Increase (decrease) in tax and payables to the State (excluding CIT) | | (4,998,872,811) | 115,991,297 |
| 48 | - Increase (decrease) in payables to employees | | (11,004,353,114) | 9,028,953,910 |

| | | | | |
|------------|------------|---|------------------------|--------------------------|
| 49 | - | Increase (decrease) must returned payables for mistaken transaction of financial assets | - | - |
| 50 | - | Increase (decrease) in payables, other payables | (229,270,367,707) | 16,329,773,183 |
| 51 | - | Other income from business operations | 1,444,689,115 | - |
| 52 | - | Other expenditures for business operations | (3,109,225,540) | (464,555,320) |
| 60 | | Net cash flow from business operations | 198,461,509,946 | (648,121,231,570) |
| | | II. Cash flows from investment activities | | |
| 61 | 1. | Expenditures for purchase, construction of fixed assets, investment real estate and other estates | (1.431.457.350) | (43.287.100) |
| 62 | 2. | Proceeds from liquidation, sale of fixed assets, real estate and other assets | 310.090.910 | - |
| 65 | 3. | Income from dividends and profits shared from long-term financial investments | 3.247.133.001 | 3.673.273.216 |
| 70 | | Net cash flow from investment activities | 2.125.766.561 | 3.629.986.116 |
| | | III. Cash flow from financial activities | | |
| 71 | 1. | Proceeds from the issuance of shares and capital contribution from owners | 6.598.972.811 | - |
| 73 | 2. | Principal loans | 7.298.763.174.874 | 4.091.936.909.375 |
| 73.2 | 2.1 | Principal loans | 7.298.763.174.874 | 4.091.936.909.375 |
| 74 | 3. | Payment for loan principal | (6.753.093.881.402) | (3.643.126.202.847) |
| 74.3 | 3.1 | Other payment for loan principal | (6.753.093.881.402) | (3.643.126.202.847) |
| 75 | 5. | Payments for principal lease finance | - | - |
| 76 | 4. | Dividends, profit paid to owner | (15.835.730) | (79.926.577.520) |
| 80 | | Net cash flow from financial activities | 552.252.430.553 | 368.884.129.008 |
| 90 | IV. | Net increase (decrease) during the year | 752.839.707.060 | (275.607.116.446) |
| 101 | V. | Cash and cash equivalent at the beginning of the year | 85.945.680.803 | 361.552.797.249 |
| 101.1 | - | Cash | 85.945.680.803 | 361.552.797.249 |
| 103 | VI. | Cash and cash equivalent at the end of the year | 838.785.387.863 | 85.945.680.803 |
| 103.1 | - | Cash | 838.785.387.863 | 85.945.680.803 |



Nguyen Thi Thuy
Preparer



Tran Sy Tien
Chief Accountant



Vu Duc Tien
General Director

CASH FLOW FROM BROKERAGE AND TRUST ACTIVITIES OF CUSTOMERS THE YEAR OF 2018

| CODE | CRITERIA | Note | 2018 | 2017 |
|---|---|--------------------------|------|------------------------|
| | | | VND | VND |
| I. Cash flow from brokerage, trust activities of customers | | | | |
| 01 | 1. Income from sale of brokerage securities for customers | 75,390,478,761,848 | | 76,675,858,599,010 |
| 02 | 2. Expenditure for purchase of brokerage securities for customers | (74,036,533,162,612) | | (74,006,473,733,750) |
| 07 | 3. Receiving deposits for payment of securities trades for customers | (1,674,059,684,917) | | (2,403,929,021,196) |
| 11 | 4. Payment of securities depository fees of customers | (10,532,112,307) | | (8,168,674,759) |
| 14 | 5. Income from Securities issuing organization | 3,353,754,320,333 | | 618,547,236,146 |
| 15 | 6. Payment to Securities issuing organization | (3,367,894,845,756) | | (617,310,499,407) |
| 20 | Net increase/decrease in the year | (344,786,723,411) | | 258,523,906,044 |
| 30 | II. Customers' cash and cash equivalent at the beginning of | 902,803,138,674 | | 644,279,232,630 |
| 31 | Bank deposit at the beginning of the year: | 902,803,138,674 | | 644,279,232,630 |
| 32 | - Deposit of investors of securities trading under the securities company's management | 252,206,200,535 | | 372,305,181,230 |
| 33 | - Deposit of general securities trading for customers | 649,145,274,500 | | 271,759,124,500 |
| 35 | - Deposit of issuing organizations | 1,451,663,639 | | 214,926,900 |
| 40 | III. Customers' cash and cash equivalents at the end of the | 558,016,415,263 | | 902,803,138,674 |
| 41 | Bank deposit at the end of the year: | 558,016,415,263 | | 902,803,138,674 |
| 42 | - Deposit of investors of securities trading in the mode of securities company's management | 264,543,388,401 | | 252,206,200,535 |
| 43 | - Deposit of general securities trading for customers | 277,880,837,800 | | 649,145,274,500 |
| 45 | - Deposit of issuing organizations | 15,592,189,062 | | 1,451,663,639 |

Nguyen Thi Thuy

Preparer

Tran Sy Tien

Chief Accountant

Vu Duc Tien

General Director

Hanoi, March 20th, 2019

STATEMENT OF CHANGES IN EQUITY THE YEAR OF 2018

| CRITERIA | Note | Balance at the beginning of the year | | 2017 | | 2018 | | Balance at the end of the year | |
|---------------------------------------|---|--------------------------------------|--------------------------|------------------------|-----------------------|------------------------|------------------------|--------------------------------|--------------------------|
| | | 01/01/2017 | 01/01/2018 | Increase | Decrease | Increase | Decrease | 31/01/2017 | 31/01/2018 |
| I. Investment capital of owner | | | | | | | | | |
| 1. | Common shares with voting rights | 1,000,310,000,000 | 1,000,310,000,000 | - | - | 125,179,636,800 | - | 1,000,310,000,000 | 1,125,489,636,800 |
| 1.1 | Common shares with voting rights | 1,000,000,000,000 | 1,000,000,000,000 | - | - | 53,956,740,000 | - | 1,000,000,000,000 | 1,053,956,740,000 |
| 1.2 | Excess share capital | 310,000,000 | 310,000,000 | - | - | 71,222,896,800 | - | 310,000,000 | 71,532,896,800 |
| 2. | Chartered capital reserve funds | 8,057,812,432 | 12,387,297,555 | 4,329,485,123 | - | 17,514,419,909 | - | 12,387,297,555 | 29,901,717,464 |
| 3. | Financial and professional risk provision | 8,057,812,432 | 12,387,297,555 | 4,329,485,123 | - | 17,514,419,909 | - | 12,387,297,555 | 29,901,717,464 |
| 4. | Difference from valuation of assets under fair value | - | 68,882,003,841 | 68,882,003,841 | - | - | - | 68,882,003,841 | - |
| 5. | Non-distributed profit | 97,060,321,368 | 371,969,233,512 | 369,567,882,390 | 94,656,970,246 | 368,080,922,824 | 50,028,839,818 | 371,969,233,512 | 680,021,316,518 |
| 5.1 | Profit after tax realized | 97,060,321,368 | 352,689,749,293 | 350,288,398,171 | 94,656,970,246 | 379,232,467,695 | 50,028,839,818 | 352,689,749,293 | 681,893,377,170 |
| 5.2 | Profit not realized | - | 19,279,484,219 | 19,279,484,219 | - | (21,151,544,871) | - | 19,279,484,219 | (1,872,060,652) |
| II. Other comprehensive income | | 1,113,465,946,232 | 1,465,935,832,463 | 447,108,856,477 | 94,656,970,246 | 518,289,399,442 | 118,910,843,659 | 1,465,935,832,463 | 1,865,314,388,246 |
| 1. | Profit/loss from valuation of financial assets available for sale | - | 68,882,003,841 | 68,882,003,841 | - | - | 68,882,003,841 | 68,882,003,841 | - |
| TOTAL | | | 68,882,003,841 | 68,882,003,841 | - | - | 68,882,003,841 | 68,882,003,841 | - |

Preparer

Chief Accountant

General Director

NOTES TO FINANCIAL STATEMENTS

1. General information

1.1. Operational characteristics of the securities company

Saigon-Hanoi Securities Joint Stock Company was established and operates under the Securities Business License No. 66/UBCK-GP issued by the State Securities Commission on 15 November 2007 and the latest adjustment license No. 08/GPDC-UBCK issued by the State Securities Commission on 29 August 2018.

Company head office: Floors 1-5, Hanoi Unimex Building, 41 Ngo Quyen Street, Hang Bai Ward, Hoan Kiem District, Hanoi City.

The chartered capital of the Company is VND 1,053,956,740,000 and the chartered capital actually contributed as of 31/12/2018 is VND 1,053,956,740,000 - equivalent to 105,395,674 shares.

The par value of a share is On 18/05/2018, according to Resolution No. 04-2018/NQ-HDQT, the Company has announced the result of issuing shares to swap shares of SHB Securities Joint Stock Company on the swap ratio in the merger plan between 2 companies: Total number of shares issued is 5,395,674, these stocks are restricted from being transferred for 01 Year from the date the State Securities Commission approved the result of the stock offering.

On 17/06/2009, SHS was officially listed on Hanoi Securities Trading Center (HNX) under Decision No. 245/QĐ-TTGDHN under the stock code SHS.

The subordinate units of the Company are as follows:

| Name | Place of establishment and operation |
|---|--|
| Branch of Saigon-Hanoi Securities Joint Stock Company in Ho Chi Minh City | 3rd floor, Artex Saigon Building, No. 236-238 Nguyen Cong Tru, Nguyen Thai Binh Ward, District 1, HCM City |
| Saigon-Hanoi Securities Joint Stock Company in Danang city | No. 97 Le Loi, Thach Thang Ward, Hai Chau District, Danang City |

1.2. Business lines

Business activities of the Company include: Securities brokerage; securities self-trading; underwriting; securities investment advisory; securities depository; financial advice and other financial services.

1.3. Operational characteristics of the business in the fiscal Year affecting the financial statements

In the general prosperity of Vietnam Securities Market in the past time, the general business activities of the Company achieved good results, with operating revenue increasing sharply compared to the same period last Year . However, since the end of the Year , the stock market continued to decline, resulting in the cost of financial asset revaluation. The provision for receivables deficit increased a lot compared to the previous Year .

On April 1st, 2018, the Company officially merged with SHB Securities Joint Stock Company according to the stock swap plan. The financial statements after the merger are based on the results of the financial statements of the two companies on March 31st, 2018, so the items on the Financial Statements are increased compared to the beginning.

2. ACCOUNTING STANDARDS AND POLICIES APPLIED IN THE COMPANY

2.1. Accounting period, currency used in accounting

The fiscal Year of the Company commences on 01/01 and ends on 31/12 of the Year .

The currency used in accounting records is Vietnam dong (VND).

2.2. Accounting standards and policies applied

Accounting policies applied

The Company applies the accounting policies applicable to securities companies issued in accordance with Circular No. 210/2014/TT-BTC dated 30/12/2014 of the Minister of Finance guiding the accounting applicable to securities companies (replacing Circular No. 95/2008/TT-BTC dated 24/10/2008, Decision No. 99/2000/QĐ-BTC dated 13/06/2000, and Circular No. 162/2010/TT-BTC dated 20/10/2010); Circular No. 334/2016/TT-BTC dated 27/12/2016 of the Minister of Finance amending, supplementing and replacing Appendixes 02 and 04 of Circular 210/2014/TT-BTC.

Statement on compliance with Accounting Standards and Policies

The Company has adopted Vietnamese Accounting Standards and guideline documents issued by the State. The financial statements are prepared and presented in accordance with all regulations of each standard and Circular guiding the implementation of current accounting standards and regulations.

Form of accounting applied.

The Company applies the form of computerized accounting.

2.3. Basis of financial statements

The financial statements are prepared on the original cost basis.

The financial statements of the Company are prepared on the basis of a combination of transactions and operations that are entered in the accounting books of dependent subsidiaries and at the office of the Company.

In the Company's financial statements, internal transactions and internal balances relating to assets, capital and liabilities, internal receivables and liabilities have been eliminated.

2.4. Cash and cash equivalents

Cash and cash equivalents include cash on hand, operating deposit of the securities company, short-term investments with a maturity or with a recovery term of three months or less, with a high degree of liquidity, ability to easily convert into defined amounts and not much risk in conversion into money.

Deposits for sale of underwriting securities are deposits earned from the sale of underwriting securities at designated commercial banks by the Company's performing their functions. Securities underwriting organizations (primary or auxiliary underwriting, including proceeds from securities sale agents) and principal, interest and dividend payments of the issue organizations.

Deposits for clearing payment for securities transactions are amounts ready for clearing and settlement of the Company and customers at T + x at the request of the Vietnam Securities Depository Center (VSD), may be opened at the nominated bank for payment of securities purchase or sale according to the net clearing result.

Investors' deposits for trading securities are presented at the indicators outside the financial situation (off balance sheet).

2.5. Financial assets and financial liabilities

a) Initial recognition

Financial assets

Financial assets of the Company include cash and cash equivalents, financial assets recognized through profit or loss (FVTPL), held-to-maturity investments (HTM), loans, financial assets available for sale (AFS) and receivables. At the time of initial recognition, financial assets are measured at their acquisition price/issue cost plus any costs incurred directly attributable to the acquisition, issue of such financial assets, unless financial assets recognized through profit/loss (FVTPL) are determined only at the acquisition.

Financial liabilities

Financial liabilities of the Company include loans, trade payables and other payables, fees payable. At the time of initial recognition, financial liabilities are measured at issue cost plus any costs directly attributable to the issue of the financial liabilities

b) Classification principles

Financial assets recognized through profit or loss (FVTPL): financial assets are classified according to FVTPL when such financial assets are held for the purposes of buying or selling in the financial market through research and analysis with lucrative expectations. Financial assets classified as other classes when sold need to be reclassified into FVTPL.

Financial asset FVTPL is a debt instrument upon maturity which must be recognized as receivable and provision for doubtful debts (if any).

Loans are non-derivative financial assets with fixed or determinable payments that are not listed in the perfect market.

Types of loan commitments are as follows:

- Escrow trading contract;
- Contract on advance of the sale of securities.

After initial recognition, loans are measured at amortized value using the effective interest rate method, except for loans to financial assets recognized at fair value through profit or loss. The financial liabilities arising from the transfer of a financial asset that is not eligible for stopping recognition or, if appropriate, in accordance with the continued relevant provisions or financial guarantee agreements.

Available-for-sale financial assets (AFS) are non-derivative financial assets that are designated as available for sale or are not classified as:

- Loans and receivables;
- Held-to-maturity investments;
- Financial assets recognized through profit or loss.

Financial assets are invested by the Company but have no short-term investment objectives and long-term objectives have not been identified. So, this is the type of limited financial assets classified in the Company's operations.

Financial liability recognized through profit or loss is a financial liability that satisfies one of the following conditions:

- Financial liabilities are classified by the Board of Management into the group Held-to-business;
- At the time of initial recognition, the Company classifies financial liabilities into the group recognized through

Financial liabilities are measured at amortized cost: Financial liabilities are not classified as financial liabilities recognized through profit or loss.

c) Principles for re-evaluation of financial assets

The re-evaluation of FTVPL and AFS financial assets at market value or fair value is done according to the method of valuation in accordance with the law. In the absence of market price at the most recent transaction date, the Company uses the fair value to re-evaluate its financial assets. The fair value is determined on the basis of respect for the principle, method or model of valuation theory of financial assets as defined in the Charter or valuation manual of the Company or after being given Boards of Directors approval in writing.

The fair value/market value of financial assets is determined in accordance with Circular No. 146/2014/TT-BTC as follows:

- The market value of securities listed on the Hanoi Stock Exchange and Ho Chi Minh City Stock Exchange is the closing price of the last trading day to the date of revaluation.
- For securities of companies that have not yet been listed on the stock exchange but have registered for trading on the trading market of unlisted public companies (UPCom), the market value shall be determined as average closing price at the last trading day to the date of revaluation.
- For listed securities that have been cancelled or suspended from trading or ceased trading from the trading day on Friday forwards, the actual securities price is the book value at the date of preparing the latest accounting balance sheet.
- For unlisted and unregistered securities on the trading market of unlisted public companies (UPCom), the actual price of securities on the market as the basis for re-evaluation is the average price of actual transaction prices at the quotation of three

(03) securities companies transacted at the latest time with the re-evaluation time but not more than one month prior to the re-evaluation date.

For securities with no reference price, the Company does not recognize the fair values of these securities as Vietnamese Accounting Standards and Vietnamese Accounting Policies applicable to securities companies do not have specific guidelines on revaluation of fair value. Accordingly, the fair value is estimated at the original cost of the investment.

For unlisted shares merged from SHB Securities Joint Stock Company, the basis for re-evaluation is the quotation provided at the time of merger, March 31st, 2018. As of December 31st, 2018, the Company did not collect the quotes of these stocks, thus maintaining the value of re-evaluation at the time of merger.

The difference of revaluation by market price or by the most authentic value (in case there is no market price) of financial assets recorded through profit/loss FVTPL is on the list of securities assets of securities companies at the end of the accounting period. This is separately monitored on the Level 2 account "Revaluation difference" of Account 121 - "financial assets are recognized through profits/losses" without any increase or decrease in the purchase price of the financial assets on the "Purchase Price" account and are specifically determined for each re-evaluation as follows:

- At the first re-evaluation, the fair value of the revaluation of financial assets recorded through profit/loss FVTPL on the list of securities companies' financial assets is reflected in Account 1212 "evaluation difference". This is the difference between the revaluation value of financial assets recognized through FVTPL profit/loss at the time of revaluation at market price or fair value and the initial purchase price of financial assets FVTPL recorded profit/loss through FVTPL on the list of securities companies' financial assets.
- At the second re-evaluation, the revaluation of financial assets recorded through profit/loss FVTPL on the list of securities companies' financial assets is reflected in Account 1212 "difference of revaluation". This is the difference between the purchase price of the financial assets recognized through FVTPL profit/loss and the revaluation price at the market price or fair value of this period. The difference between the assessments is recorded in Account 51112 - "The increase in revaluation of financial assets recognized through FVTPL profit/loss" or Account 63213 "Reduced difference in revaluation of assets of financial products recorded through FVTPL profit/loss".

Differences of increase or decrease due to revaluation of FVTPL are recorded according to the principle of non-offsetting and presented in the Statement of operational results according to 02 indicators:

- Reduced spread due to revaluation of financial assets recognized through profit/loss FVTPL reflects on the 'loss' and the cost of buying financial assets, FVTPL and self-trading details. The decrease in the revaluation of financial assets is recognized through profit/loss FVTPL.
- Increased gap due to revaluation of financial assets recognized through profit/loss FVTPL reflected in the 'income 'indicator, details'. Increased gap on re-evaluation - financial assets recorded through profit/loss.

The difference in increase or decrease due to revaluation of financial assets is recognized through profit/loss FVTPL belonging to the list of securities companies' financial assets that determine the unrealized profit or loss of the period (period of net asset value calculation) or accounting period.

Differences in increase or decrease due to revaluation of AFS are recognized according to the principle of non-offsetting and directly in equity of the statement of financial situation at the item "financial asset revaluation difference at fair value".

Loans are considered to have the ability of impairment at the balance sheet date. Provision for loans is set on the basis of estimated losses, which are calculated by the difference between the market value of securities used as collateral for loan and the balance of the loan. Increases and decreases to the provision balance is recorded in the statement of operational results at the item "costs of provision for financial assets, handling loss of bad debts, loss of impairment of financial assets and borrowing costs of loans.

2.6. Deposits receipts, short-term deposits, long-term deposits

Deposits receipts, short-term deposits, and long-term deposits reflect the Company's cash receipts and deposits with the subjects in the Company's operations in accordance with the relevant legal provisions. Deposits receipts and deposits are not part of the Company's assets, the Company must be responsible for managing them separately from the Company's cash assets.

2.7. Short-term and long-term receivables

Receivables from sale of financial assets: reflecting the total value of receivables when selling financial assets belonging to the financial asset portfolio of the Company (not through the Securities Exchanges), including due value of financial assets or liquidation of financial assets.

Receivables and accrued dividends and interests from financial assets: reflecting all receivables and accrued dividends and interests from financial assets belonging to financial assets portfolio of the Company.

Receivables of services provided by the Company: reflecting the receivables of the Company with the Stock Exchange, the Vietnam Securities Depository (VSD), the investors as the customer of the Company, with Securities issuers or underwriters of securities and receivables from securities trading activities.

Provision for impairment of receivables: Is extracted for debts and overdue payments recorded in economic contracts, the loan agreements, contractual commitments or debt commitments and debts which are not yet due but difficult to recover. In particular, the deduction for the provision of overdue receivables is based on the original repayment period according to the original purchase contract, regardless of the debt extension between the parties and undue receivables, but where the debtors have fallen into bankruptcy or are in the process of dissolving, going missing or fleeing.

The provision for doubtful debts is determined in accordance with Circular No. 228/2009/TT-BTC issued by the Ministry of Finance on 07/12/2009 as follows:

| Overdue time | Provision level |
|---|-----------------|
| From > six (06) months to < one (01) Year | 30% |
| From one (01) Year to < two (02) Year s | 50% |
| From two (02) Year s to < three (03) Year s | 70% |
| From three (03) Year s or more | 100% |

2.8. Fixed assets

Tangible fixed assets and intangible fixed assets are initially recognized at original cost. During their use, tangible fixed assets and intangible fixed assets are stated at original cost, accumulated amortization and depreciation.

Depreciation of fixed assets is calculated on a straight-line basis over the estimated depreciation time as follows:

| | | |
|---|---------|----------|
| - Machinery, equipment | 03 - 07 | Year (s) |
| - Means of transportation | 06 | Year (s) |
| - Management equipment, tools | 04 - 05 | Year (s) |
| - Transactional software, accounting software | 03 - 05 | Year (s) |

2.9. Prepaid expenses

Expenditures incurred in connection with business operations of more than one accounting period are included in the prepaid expenses which are amortized to the business operations results in the subsequent accounting periods.

The calculation and allocation of long-term prepaid expenses into business expenses in each accounting period is based on the nature and extent of each type of expense to select the method and criteria for rational allocation. Prepaid expenses are amortized on a straight-line basis.

2.10. Short-term and long-term payables

Payables are monitored by the maturity date, the payable subject, the type of currency payable and other factors at management requests of the Company.

Loans: reflect the situation of bond issuance and bond payment; reflect the temporary borrowings and repayment status of the loan with the Bank, the Vietnam Securities Depository Center, the Payment Support Fund or other creditors in accordance with the regulations on borrowing activities applicable to securities companies.

Payables for securities trading activities: reflect the payment status of fees for securities trading and services to the Stock Exchange, the Vietnam Securities Depository Center (VSD), and payables to the securities issue agent of the Company.

Payables to securities issuers: reflect the receipt and payment of securities payable to securities issues for issuance of securities underwritten by the Company at the primary or auxiliary underwriting Company, including the case where the underwriting Company sells the issued securities through agents.

2.11. Payable costs

Payables for goods and services received from the seller or provided to the buyer during the reporting period but unrealized and other payables such as interest expenses payable, brokerage fees, etc. are recognized in the operational expenses of the reporting period.

Recognition of payable costs in business operation activities under the Year is made in accordance with the principle of matching between revenue and expenses incurred in the Year s. Payable costs will be settled with actual costs incurred. The difference between the prepaid amount and the actual costs is reversed.

2.12. Equity

The owner's capital is recorded according to the owner's actual capital.

Equity surplus reflects the difference between par value, direct costs associated with stock issuance and stock issuance price (also for re-issuance of treasury shares) and can be a positive surplus (if the issue price is higher than the par value and direct expenses related to the issuance of shares) or a negative surplus (if the issue price is lower than par value and direct expenses related to the issuance of shares).

Differences in revaluation of assets at fair value are recognized when assets are revalued at fair value. Assets revalued include: financial assets available for sale.

Undistributed profits of the Company include realized profits and unrealized profits. The undistributed realized profit of the Company accumulated until the Year end before is the basis for distributing the profit to the owner. The profit not realized by the Year end before is the basis for distributing to the owner.

Realized profit is the difference between total revenue and income and total expenses incurred in the statement of operational results of the Company accumulated during the period. The profit used to distribute to owners must subtract the accumulated loss from the beginning of the current period and the accumulated loss not realized until the distribution of interest to the owner. The distribution of the Company's profits to the owner must be clear, transparent and in compliance with the provisions of the law on enterprises, securities and other relevant laws applicable to the securities Company, charter of the securities Company, and Resolution of the General Meeting of Shareholders. The realized profits shall be distributed to the capital contributing members or shareholders after subtracting the payable tax liability calculated on the income amounts to be enjoyed.

Dividend payable to shareholders is recognized as a liability on the Company's Balance Sheet after the dividend payment notice of the Company's Board of Management and the date of closing the right to receive dividend of the Vietnam Securities Depository Center.

2.13. Revenue, income

Revenue from service provision

Revenue from service provision is recognized when the outcome of such transactions is determined reliably. In case of service provision related to many Year s, the revenue is recognized in the Year in which the portion of the work completed as at the date of the financial statements of that Year . The outcome of a service provision transaction is determined when the following conditions are met:

- The revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The portion of the work completed at the date of making the financial statement can be determined;
- The costs incurred for the transaction and the cost of completion of the service delivery transaction

The completed service provision work is determined by the completed work assessment method.

Income from securities trading

Income from sales of FVTPL financial assets is determined as the difference between the selling price and capital cost on the basis of FVTPL's financial assets sold. Income from sale of financial assets is income realized.

Income from increased valuation of financial assets in FVTPL's financial asset portfolio at fair value. Revenue from financial assets under the FVTPL financial asset portfolio is unrealized income.

Income derived from self-traded financial assets FVTPL and HTM; loans include: loan interest arising from loans in accordance with the Law on Securities; dividends, profits distributed from shares, bond interests; interest arising from fixed deposits.

Dividends and profits distributed arising from financial assets belonging to the Company's investment portfolio: FVTPL, HTM and AFS are recognized when the Company is entitled to receive dividends from the ownership of the shares already

Revenue from business cooperation contract

Revenue is recognized in accordance with the provisions of the Contract.

2.14. Operational expenses and Company management costs

Cost is recognized to the extent that it is likely to decrease the economic benefits at the arising time or possibly determined to arise, notwithstanding payment.

2.15. Financial revenue, financial operational expenses

Financial revenue includes

- Revenue from non-fixed bank deposit interest;
- Bonus shares or stock dividends: No income is recognized when the right to receive bonus shares or stock dividends is established.

Financial operational expenses include

- Loan interest expenses;
- Other financial expenses (money transfer fee, etc.).

2.16. Taxes

a) Deferred income tax payable

Deferred tax income tax payable is determined at the current CIT rate (or tax rates that are expected to be changed in the future if the repayment of the deferred tax liability is within the validity of new tax rate), based on tax rates and tax laws that have been enacted at the end of the financial Year .

Deferred tax assets and deferred income tax are compensated when the financial situation is prepared.

b) Current CIT expense and deferred CIT expense

The current CIT expense is determined on the basis of the taxable income in the current Year and the CIT rate in the current fiscal Year .

Deferred CIT expenses are determined on the basis of deductible temporary differences, taxable temporary incomes and corporate income tax rates.

No offset of current corporate income tax expenses with deferred corporate income tax expenses.

c) Current Year CIT rate

The company currently applies the CIT rate of 20% for all taxable income for the fiscal Year ending December 31, 2018.

2.17. Earnings per share

Basic earnings per share are calculated by dividing the profit or loss after tax attributable to the shareholders owning the common shares of the Company (after adjusting for the deduction of bonus, welfare and bonus fund and reward for the Executive Board) for the weighted average number of ordinary shares outstanding in the Year .

2.18. Related parties

A party is considered a related party if that party has the ability to control or otherwise has a material adverse effect on the other party in making a decision about financial and operating policies. The related parties of the Company include:

- Entities who, directly or indirectly through one or more intermediaries, have the power to control the Company or to be subject to the Company's control or joint control with the Company, including parent companies, subsidiaries, and affiliated companies;
- Individuals who, directly or indirectly, hold the Company's voting power and have a significant influence on the Company, the key management personnel of the Company, and close family members of these individuals;
- Businesses owned by the above individuals directly or indirectly hold an important part of voting rights or who have a significant influence on these businesses.

In considering each possible related party relationship for the preparation and presentation of the Financial Statements, the Company pays close attention to the nature of the relationship rather than the legal form of those relations.

2.19. Department information

A department is a component which can be determined separately by the Company engaged in providing products or services related (parts divided by operating activities), or providing products or services within a specific economic environment (divisions divided by geographic area). Each of these parts is subject to different risks and benefits compared to other parts.

Department information is prepared and presented in accordance with the accounting policies applicable to the preparation and presentation of the Company's financial statements in order to help the user of the financial statements understand and evaluate the operations of the company in a comprehensive way.

3. VALUE OF SECURITIES TRADING VOLUMES REALIZED IN THE YEAR

| | Securities trading volume in the Year | Value of securities trading in the Year |
|------------------------------|--|--|
| | | VND |
| Of Securities Company | 410,409,875 | 35,934,152,430,503 |
| - Shares | 136,811,369 | 2,642,222,672,200 |
| - Bonds | 273,598,506 | 33,291,929,758,303 |
| Of investors | 8,976,456,525 | 152,160,347,429,033 |
| - Shares | 8,942,053,996 | 148,304,270,130,418 |
| - Bonds | 34,339,879 | 3,855,167,817,315 |
| - Other securities | 62,650 | 909,481,300 |
| | 9,386,866,400 | 188,094,499,859,536 |

4. CASH AND CASH EQUIVALENT

| | 31/12/2018 | 01/01/2018 |
|--|------------------------|-----------------------|
| | VND | VND |
| Cash in hand | 48,231,185 | 111,256,467 |
| Bank deposits for the Company's operations | 838,465,832,700 | 85,383,266,506 |
| Deposits for clearing and paying securities transactions | 271,323,978 | 451,157,830 |
| | 838,785,387,863 | 85,945,680,803 |

5. TYPES OF FINANCIAL ASSETS**a) Financial assets recognized through profit/loss (FTVPL)**

| | 31/12/2018 | | 01/01/2018 | |
|-------------------|--------------------------|--------------------------|------------------------|------------------------|
| | Original price | Fair value | Original price | Fair value |
| | VND | VND | VND | VND |
| Listed shares | 767,061,797,970 | 765,189,214,610 | 521,801,348,271 | 541,081,687,490 |
| Unlisted shares | 116,138,367,248 | 96,264,128,796 | 139,137,136,000 | 139,136,281,000 |
| Term deposits (*) | 145,000,000,000 | 145,000,000,000 | - | - |
| | 1,028,200,165,218 | 1,006,453,343,406 | 660,938,484,271 | 680,217,968,490 |

(*) On December 31st, 2018, the maturity investment is a term of 376 days, deposited at Vietnam Prosperity Joint Stock Bank at an interest rate of 6.4%/Year .

b) Financial assets available for sale (AFS)

| | 31/12/2018 | | 01/01/2018 | |
|---------------|----------------|------------|------------------------|------------------------|
| | Original Price | Fair value | Original price | Fair value |
| | VND | VND | VND | VND |
| Listed shares | - | - | 148,592,871,859 | 217,474,875,700 |
| | - | - | 148,592,871,859 | 217,474,875,700 |

c) Loans

| | 31/12/2018 | 01/01/2018 |
|---------------------------------------|--------------------------|--------------------------|
| | VND | VND |
| Margin operations | 1,793,602,615,403 | 2,020,697,650,394 |
| Advance payment of sale of securities | 257,406,350,432 | 301,902,468,749 |
| | 2,051,008,965,835 | 2,322,600,119,143 |

d) Table of changes in market value (according to the method of financial assets revaluation)

| | Buying price | | Market price | | Increased valuation difference | | Decreased valuation difference | | Revaluation value | |
|--|--------------------------|------------------------|--------------------------|------------------------|--------------------------------|------------------------|--------------------------------|-------------------------|--------------------------|------------------------|
| | 31/12/2018 | 01/01/2018 | 31/12/2018 | 01/01/2018 | 31/12/2018 | 01/01/2018 | 31/12/2018 | 01/01/2018 | 31/12/2018 | 01/01/2018 |
| | VND | VND | VND | VND | VND | VND | VND | VND | VND | VND |
| FTVPL | 1,028,200,165,218 | 660,938,484,271 | 1,006,453,343,406 | 680,217,968,490 | 57,844,708,101 | 56,607,098,515 | (79,391,529,913) | (37,327,614,298) | 1,006,453,343,406 | 680,217,968,490 |
| Listed shares | 767,061,797,970 | 521,801,348,271 | 765,189,214,610 | 541,081,687,490 | 55,894,208,101 | 56,607,098,515 | (57,786,791,461) | (37,326,759,296) | 765,189,214,610 | 541,081,687,490 |
| - SHB | 137,065,831,349 | 137,065,831,349 | 133,824,787,200 | 160,797,232,500 | - | 23,731,401,151 | (3,241,044,149) | - | 133,824,787,200 | 160,797,232,500 |
| - PVS | - | 75,321,869,744 | - | 96,918,120,000 | - | 21,596,250,256 | - | - | 96,918,120,000 | - |
| - VGP | 17,781,752,779 | 17,781,752,779 | 13,943,275,700 | 17,882,407,400 | - | 100,654,821 | (3,838,477,079) | - | 13,943,275,700 | 17,882,407,400 |
| - ITD | 12,011,825,712 | 19,898,190,500 | 5,420,522,000 | 11,774,829,000 | - | - | (6,591,303,712) | (8,123,361,500) | 5,420,522,000 | 11,774,829,000 |
| - GVR | 83,461,934,417 | - | 100,907,040,000 | - | 17,445,105,583 | - | - | - | 100,907,040,000 | - |
| - RCC | 52,895,611,009 | - | 62,100,000,000 | - | 9,204,388,991 | - | - | - | 62,100,000,000 | - |
| - BSI | 36,574,984,000 | - | 36,394,285,000 | - | - | - | (180,719,000) | - | 36,394,285,000 | - |
| - VCC | 63,327,791,251 | - | 65,945,880,000 | - | 2,618,088,749 | - | - | - | 65,945,880,000 | - |
| - HPX | 34,593,683,478 | - | 42,669,432,000 | - | 8,075,748,522 | - | - | - | 42,669,432,000 | - |
| - VRC | 47,203,703,389 | - | 39,987,220,000 | - | - | - | (7,216,483,389) | - | 39,987,220,000 | - |
| - KTL | - | 18,661,784,800 | - | 15,079,008,000 | - | - | - | (3,572,776,800) | - | 15,079,008,000 |
| - EIB | - | 15,713,951,112 | - | 15,812,500,000 | - | 98,548,888 | - | - | 15,812,500,000 | - |
| - GMD | - | 32,556,546,018 | - | 33,561,023,650 | - | 1,004,477,632 | - | - | 33,561,023,650 | - |
| - Other listed shares | 282,144,680,586 | 204,811,421,969 | 263,996,792,710 | 189,256,568,940 | 18,550,876,256 | 10,075,785,967 | (36,698,784,132) | (25,630,620,996) | 263,996,792,710 | 189,256,568,940 |
| Unlisted shares (*) | 116,138,367,248 | 139,137,136,000 | 96,264,128,796 | 139,136,281,000 | 1,750,500,000 | - | (21,624,738,452) | (855,000) | 96,264,128,796 | 139,136,281,000 |
| - Hai Phat Investment Joint Stock Company | - | 75,000,000,000 | - | 75,000,000,000 | - | - | - | - | 75,000,000,000 | - |
| - Nha Trang Tourism Trade Joint Stock Company | 22,458,332,000 | 14,572,310,000 | 22,458,332,000 | 14,572,310,000 | - | - | - | - | 22,458,332,000 | 14,572,310,000 |
| - Saigon-Hanoi Insurance Joint Stock Corporation | 29,949,990,000 | 29,949,990,000 | 29,949,990,000 | 29,949,990,000 | - | - | - | - | 29,949,990,000 | 29,949,990,000 |
| - Other shares | 63,730,045,248 | 19,614,836,000 | 43,855,806,796 | 19,613,981,000 | 1,750,500,000 | - | (21,624,738,452) | (855,000) | 43,855,806,796 | 19,613,981,000 |
| Term deposits | 145,000,000,000 | 145,000,000,000 | 145,000,000,000 | 145,000,000,000 | - | - | - | - | 145,000,000,000 | 145,000,000,000 |
| - Vietnam Prosperity Joint Stock Commercial Bank | - | 148,592,871,859 | - | 217,474,875,700 | - | 68,882,003,841 | - | - | - | 217,474,875,700 |
| AFS | - | 148,592,871,859 | - | 217,474,875,700 | - | 68,882,003,841 | - | - | - | 217,474,875,700 |
| Listed shares | - | - | - | - | - | 88,882,003,841 | - | - | - | 88,882,003,841 |
| - HDG | - | 29,803,920,300 | - | 34,926,626,700 | - | 5,322,706,400 | - | - | - | 34,926,626,700 |
| - VCC | - | 95,613,140,693 | - | 146,058,000,000 | - | 50,444,859,307 | - | - | - | 146,058,000,000 |
| - Other shares | - | 23,375,810,866 | - | 36,490,249,000 | - | 13,114,438,134 | - | - | - | 36,490,249,000 |
| | 1,028,200,165,218 | 809,531,356,130 | 1,006,453,343,406 | 687,892,844,190 | 57,844,708,101 | 125,489,102,356 | (79,391,529,913) | (37,327,614,298) | 1,006,453,343,406 | 687,892,844,190 |

(*) Shares that are being re-evaluated according to market value in this list are shares merged from SHB Securities Joint Stock Company, the basis for re-evaluation is the quotation provided at the time of merger at March 31st, 2018, As of December 31st, 2018, the Company did not collect the quotes of these stocks, thus maintaining the value of re-evaluation at the time of merger.

6. SHORT-TERM RECEIVABLES**Short-term receivables**

| | 31/12/2018 | 31/12/2018 |
|---|--------------------------|------------------------|
| | VND | VND |
| Receivables for sale of investments | 50,807,500,000 | - |
| Receivable and accrued dividends, interests of investments | 820,000,000 | 1,106,279,451 |
| Accounts receivable from term deposits | 5,440,876,714 | - |
| Receivable interest from Margin operations | 36,104,936,042 | 25,774,469,934 |
| Receivable from services provided by the Securities Company | 1,128,450,150,233 | 857,104,853,721 |
| - Receivable from business cooperation contracts | 424,095,886,615 | 311,986,154,303 |
| - Receivable interest from business cooperation contracts | 61,963,493,316 | 22,783,491,137 |
| - Receivables must be paid in advance to pay dividends | 10,000,000,000 | 10,000,000,000 |
| - Receivables from other securities trading activities | 632,390,770,302 | 512,335,208,281 |
| Receivable of other financial services | 1,118,661,894,171 | - |
| Receivables from securities depository activities | 4,909,175,378 | - |
| Receipt of auction commissioning activities | 58,549,935 | - |
| Receiving advisory activities | 23,678,100,000 | 11,142,248,500 |
| Other receivables | 59,862,400,297 | 52,438,794,592 |
| - Receivables from self-trading auctions | 9,855,820,000 | 7,432,214,295 |
| - Agricultural Materials Joint Stock Company (*) | 45,006,580,297 | 45,006,580,297 |
| - Other receivables | 5,000,000,000 | - |
| | 2,428,793,582,770 | 947,566,646,198 |

(*) This is an amount of receivables related to the lawsuit between the Company and Agricultural Products Joint Stock Company on the handling of collateral for margin lending. On September 11, 2017, the Company submitted a request according to cassation procedures and is being handled by the Supreme People's Court in accordance with law. On January 16, 2019, the Company received a notice from the Supreme People's Court to answer the Court's receipt of the Company's application for consideration of review of cassation procedures and will notify the Company again when the final conclusion is available. With the documents submitted by the Company to the Court, the Board of Management believes that the outcome of the lawsuit can be changed and the data presented on the Financial Statements accordingly may change based on on the final ruling of the Supreme People's Court.

7. SHORT-TERM PREPAYMENT TO THE SELLERS

| | 31/12/2018 | 01/01/2018 |
|--|--------------------|-----------------------|
| | VND | VND |
| Prepayment for office construction investment contracts | - | 85,000,000,000 |
| T&D Construction and Interior Architecture Consulting JSC | - | 1,271,974,700 |
| Thuan An - Ascend Travel Tourism Service JSC Internal receivable Other prepayments | 741,970,854 | 639,085,897 |
| | 741,970,854 | 87,511,060,597 |

8. PROVISION FOR BAD RECEIVABLES

| | Value of bad receivables | Balance at the beginning of the year | Current year | | | Balance at the end of the year | Previous year |
|--|--------------------------|--------------------------------------|-----------------------|----------------------------|------------------------|--------------------------------|------------------------|
| | | | Set amount | Increase because of merger | Refunded amount | | |
| | | | VND | VND | VND | VND | VND |
| Provision for bad receivable and accrued dividend, interest due | 820,000,000 | 820,000,000 | - | - | - | - | 820,000,000 |
| -No 8 Construction and Investment JSC | 820,000,000 | 820,000,000 | - | - | - | - | 820,000,000 |
| Provision for bad receivable from margin contracts | 3,671,341,979 | 1,081,837,300 | 463,644,557 | - | - | - | 1,081,837,300 |
| Provision for other bad receivables | 491,034,718,006 | 264,782,006,282 | 17,283,792,705 | 151,169,611,434 | (2,753,312,749) | 432,847,579,529 | 264,782,006,282 |
| Receivable of principal and interest from securities trading cooperation contracts | 477,705,797,998 | 251,453,086,274 | 17,283,792,705 | 151,169,611,434 | (2,753,312,749) | 417,153,177,664 | 251,453,086,274 |
| Receivable from prepayment to pay dividends | 330,000,000 | 330,000,000 | - | - | - | 330,000,000 | 330,000,000 |
| Receivable from consulting activities | 2,998,920,008 | 2,998,920,008 | - | - | - | 2,998,920,008 | 2,998,920,008 |
| Receivable from other financial services | 495,526,059,985 | 266,683,843,582 | 17,747,437,262 | 151,169,611,434 | (2,753,312,749) | 432,847,579,529 | 266,683,843,582 |

9. OFFICE SUPPLIES, TOOLS AND INSTRUMENTS

| | 31/12/2018 | 01/01/2018 |
|--------------------|--------------------|--------------------|
| | VND | VND |
| Office supplies | 163,096,841 | 76,666,918 |
| Tools, instruments | 74,025,000 | 160,335,000 |
| | 237,121,841 | 237,001,918 |

10. PREPAID EXPENSES**a) Short-term prepaid expenses**

| | 31/12/2018 | 01/01/2018 |
|---|----------------------|----------------------|
| | VND | VND |
| Costs of tools and instruments with pending allocation | 1,414,165 | 275,008 |
| Rental costs pending allocation | 134,085,000 | 148,585,000 |
| Costs of telecommunication network with pending allocation | 12,320,000 | 211,422,500 |
| Costs of maintenance of machinery and equipment with pending allocati | 9,075,000 | 29,014,419 |
| Advertisement costs with pending allocation | 681,266,661 | 2,719,200,002 |
| Other short-term prepaid costs | 477,117,786 | 375,231,154 |
| | 1,315,278,612 | 3,483,728,083 |

b) Long-term prepaid expenses

| | 31/12/2018 | 01/01/2018 |
|--|-----------------------|-----------------------|
| | VND | VND |
| Goodwill when merging (*) | 64,972,712,024 | - |
| Costs of tools and instruments with pending allocation | 1,695,994,359 | 806,819,042 |
| Consulting costs with pending allocation | 472,233,219 | 449,465,219 |
| sts | 118,520,415 | 340,479,965 |
| Telecommunication costs with pending allocation | 1,057,051,541 | 145,411,638 |
| Office rental costs (**) | 4,368,367,796 | 9,530,984,270 |
| Maintenance costs with pending allocation | 1,947,578,095 | 68,212,500 |
| Other long-term prepaid costs | 128,673,890 | 45,121,789 |
| | 74,761,131,339 | 11,386,494,423 |

(*) All are goodwill advantages arising from the merger with SHB Securities Joint Stock Company, the Company has adjusted its allocation from 10 Years to 7 Years.

(**) Office prepayment fee at 41 Ngo Quyen, Hang Bai Ward, Hoan Kiem District, Hanoi City from November 29, 2017 to November 29, 2019.

11. MORTGAGE, PLEDGE, DEPOSITS**a) Short-term**

| | 31/12/2018 | 01/01/2018 |
|--------------------------|------------------|------------------|
| | VND | VND |
| Deposit for water bottle | 2,750,000 | 2,750,000 |
| | 2,750,000 | 2,750,000 |

b) Long-term

| | 31/12/2018 | 01/01/2018 |
|-------------------------|--------------------|----------------------|
| | VND | VND |
| Deposit for office rent | 893,132,343 | 2,166,295,918 |
| Other deposits | 4,400,000 | 2,000,000 |
| | 897,532,343 | 2,168,295,918 |

12. TANGIBLE FIXED ASSETS

| | Machinery and equipment | Transport, transmission means | Equipment, tools for management | Total |
|-----------------------------|-------------------------|-------------------------------|---------------------------------|-----------------------|
| | VND | VND | VND | VND |
| Original Price | | | | |
| As of 01/01/2018 | 11,218,025,988 | 5,714,096,582 | 208,937,498 | 17,141,060,068 |
| Purchase in the Year | 210,870,000 | 935,040,000 | 285,547,350 | 1,431,457,350 |
| Increase due to merger | 13,978,964,871 | 85,894,715 | 90,475,000 | 14,155,334,586 |
| Transfer or liquidation | (508,116,423) | (607,012,000) | (153,192,138) | (1,268,320,561) |
| As of 31/12/2018 | 24,899,744,436 | 6,128,019,297 | 431,767,710 | 31,459,531,443 |
| Accumulated deprecia | | | | |
| As of 01/01/2018 | 10,896,024,941 | 3,899,456,574 | 208,937,498 | 15,004,419,013 |
| Annual depreciation | 192,941,483 | 472,526,861 | 28,554,738 | 694,023,082 |
| Increase due to merger | 13,978,964,871 | 85,894,715 | - | 14,064,859,586 |
| Transfer or liquidation | (508,116,423) | (607,012,000) | (62,717,138) | (1,177,845,561) |
| As of 31/12/2018 | 24,559,814,872 | 3,850,866,150 | 174,775,098 | 28,585,456,120 |
| Remaining value | | | | |
| As of 01/01/2018 | 322,001,047 | 1,814,640,008 | - | 2,136,641,055 |
| As of 31/12/2018 | 339,929,564 | 2,277,153,147 | 256,992,612 | 2,874,075,323 |

Of which:

- The cost of fixed assets at the end of the Year has been fully depreciated but still in use: VND 27,136,077,992. The fair value of these fixed assets has not been determined due to Vietnamese Accounting Standards and Vietnamese Accounting System applicable to securities companies without specific guidance on determine resonable value.

13. INTANGIBLE FIXED ASSETS

Intangible fixed assets of the Company are transactional and accounting software, and the cost of these assets as of 31st December 2018 is VND 31,196,229,207, of which the value of intangible fixed assets received due to the merger with SHB Securities Joint Stock Company is VND 10,226,172,220. The remaining value as of 31st December 2018 is VND 37,007,177, of which the depreciated depreciation for the Year is VND 140,780,304.

The fair value of these fixed assets has not been determined due to Vietnamese Accounting Standards and Vietnamese Accounting System applicable to securities companies without specific guidance on determine reasonable value.

14. PAYMENTS TO PAYMENT SUPPORT FUNDS

| | 31/12/2018 | 01/01/2018 |
|---------------------------------|-----------------------|-----------------------|
| | VND | VND |
| Initial payment | 120,000,000 | 120,000,000 |
| Additional payment | 14,554,583,700 | 11,870,576,677 |
| Interests allocated in the Year | 1,813,013,793 | 1,813,013,793 |
| Balance at the end of the Year | 16,487,597,493 | 13,803,590,470 |

15. SHORT-TERM LOANS AND DEBTS

| | 01/01/2018 | Loans in the Year | Payments in the Year | 31/12/2018 |
|------------|--------------------------|--------------------------|----------------------------|------------------------|
| | VND | VND | VND | VND |
| | 1,040,710,706,528 | 5,498,763,174,874 | (5,992,493,881,402) | 546,980,000,000 |
| Bank loans | 1,040,710,706,528 | 5,498,763,174,874 | (5,992,493,881,402) | 546,980,000,000 |
| | 1,040,710,706,528 | 5,498,763,174,874 | (5,992,493,881,402) | 546,980,000,000 |

Detailed short-term loans

| | 31/12/2018 | 01/01/2018 |
|--|------------------------|--------------------------|
| | VND | VND |
| Saigon-Hanoi Commercial Joint Stock Bank | 276,980,000,000 | 890,710,706,528 |
| An Binh Commercial Joint Stock Bank | 70,000,000,000 | 50,000,000,000 |
| Phuong Dong Commercial Joint Stock Bank | - | 100,000,000,000 |
| Vietnam Prosperity Joint Stock Commercial Bank | 100,000,000,000 | - |
| CTBC Bank Ltd. Ho Chi Minh branch | 100,000,000,000 | - |
| | 546,980,000,000 | 1,040,710,706,528 |

As of December 31st, 2018, the Company has short-term loans with terms from 13 days to 12 months to supplement working capital, interest rates from 8.2%/Year to 10%/Year. Secured assets for these loans are listed and unlisted stocks, detailed by each credit contract or mortgage agreement.

16. PAYABLES OF SECURITIES TRADING ACTIVITIES

| | 31/12/2018 | 01/01/2018 |
|---|----------------------|-------------------|
| | VND | VND |
| Payable of auction deposits for individuals and organizations | 1,930,913,100 | 10,646,100 |
| Payable to other individuals and organizations | 3,018,935 | 3,018,935 |
| | 1,933,932,035 | 13,665,035 |

17. PAYABLES TO THE SELLERS**a) Detailed payables to the sellers by payment term**

| | 31/12/2018 | 01/01/2018 |
|------------------------------------|-----------------------|-----------------------|
| | VND | VND |
| Short-term payables to the sellers | 22,644,494,436 | 12,000,000,000 |
| Long-term payables to the sellers | 14,025,690 | 14,025,690 |
| | 22,658,520,126 | 12,014,025,690 |

b) Detailed payables to the seller by contents

| | 31/12/2018 | 01/01/2018 |
|--|-----------------------|-----------------------|
| | VND | VND |
| Payables of purchase of financial assets | 22,644,494,436 | 12,000,000,000 |
| Other payables to the sellers | 14,025,690 | 14,025,690 |
| | 22,658,520,126 | 12,014,025,690 |

18. TAX AND PAYABLES TO THE STATE

| | 31/12/2018 | 01/01/2018 |
|----------------------|-----------------------|-----------------------|
| | VND | VND |
| Value added tax | 341,517,342 | 821,950,495 |
| Corporate income tax | 40,054,737,086 | 36,125,992,590 |
| Personal income tax | 5,192,033,872 | 7,642,378,861 |
| | 45,588,288,300 | 44,590,321,946 |

Tax settlement of the Company will be subject to inspection by the tax authorities. Since the application of tax laws and regulations to a variety of transactions can be explained in different ways, the amount of taxes presented in the financial statements may be subject to change at the discretion of the tax authorities.

| 20. ISSUANCE BONDS | Increased in the year | | Decreased in the year | | 31/12/2018 VND |
|--|------------------------|------------------------------|---------------------------|--------------------------------|--------------------------|
| | 01/01/2018 VND | Loans during the year VND | Other increased(*) VND | Payment during the year VND | |
| Short-term debt | 308,600,000,000 | - | 195,300,000,000 | (308,600,000,000) | 150,000,000,000 |
| - Tien Phong Commercial Joint Stock Bank | 180,000,000,000 | - | - | (180,000,000,000) | - |
| - Vietnam Joint Stock Commercial Bank for Industry and Trade Fund Management Company Limited | 105,300,000,000 | - | - | (89,300,000,000) | (16,000,000,000) |
| - Other organizations and individuals | 23,300,000,000 | - | 195,300,000,000 | (39,300,000,000) | 150,000,000,000 |
| Long-term debt | 523,000,000,000 | 1,800,000,000,000 | 524,000,000,000 | (452,000,000,000) | 1,721,000,000,000 |
| - Tien Phong Commercial Joint Stock Bank | 320,000,000,000 | 500,000,000,000 | - | (320,000,000,000) | 500,000,000,000 |
| - Vietnam Joint Stock Commercial Bank for Industry and Trade Fund Management Company Limited | 16,000,000,000 | 100,000,000,000 | 94,000,000,000 | - | (210,000,000,000) |
| - FIDES XIN ZHAO PRIVATE INVESTMENT TRUST 1 | - | 700,000,000,000 | 100,000,000,000 | - | 800,000,000,000 |
| - FIDES XIN MOI B&I PRIVATE INVESTMENT TRUST 3 | - | 300,000,000,000 | - | - | (100,000,000,000) |
| - Other organizations and individuals | 187,000,000,000 | 200,000,000,000 | 330,000,000,000 | (132,000,000,000) | (364,000,000,000) |
| | 831,600,000,000 | 1,800,000,000,000 | 719,300,000,000 | (760,600,000,000) | 1,871,000,000,000 |

(*) Other increases/decreases due to switching from long-term debt to long-term debt on due date and by transfer of bonds between individuals and organizations.

The balance reflects the bonds sold to organizations and individuals according to the issuances of the Company, with the following details:

| | |
|---|--|
| + Face value: VND 1,000,000,000/bond (with 1,871 bonds): | + Collateral: No collateral: |
| + Term: 02 years: | + Interest rate: Regulated and adjusted in detail in each issuance period: |
| + Method of issuance: Issued separately through issuing agents: | + Purpose of issuance: Additional funding for securities deposit lending activities. |

| | 01/01/2018 VND | 31/12/2018 VND |
|---|-----------------------|-----------------------|
| Payable loan interest cost | 1,194,094,542 | 12,746,026,268 |
| Interest cost of securities brokerage contracts | 36,858,483,774 | 6,770,388,458 |
| Payable bonds interest cost | 10,064,750,000 | 39,385,421,423 |
| Payable costs of exchanges | 4,915,193,354 | 2,941,822,816 |
| Costs of introduction of product information | 5,513,714,400 | 3,089,516,865 |
| Office rent costs 2017 in No. 1 Yet Kieu. Hanoi | 1,292,694,731 | - |
| Office rental costs in 2018 at 41 Ngo Quyen - Hanoi | - | 325,600,000 |
| Other short-term payables | 1,319,541,927 | 230,324,480 |
| | 61,158,472,728 | 65,489,100,310 |

19. SHORT-TERM PAYABLE EXPENSES

21. RECEIVED DEPOSITS

| a) a) Short-term | 31/12/2018 | 01/01/2018 |
|--|------------------------|------------------------|
| | VND | VND |
| Receive deposit of securities brokerage contract (*) | 405,561,401,617 | 632,153,245,804 |
| | 405,561,401,617 | 632,153,245,804 |
| b) Long - term | 31/12/2018 | 01/01/2018 |
| | VND | VND |
| Other items | 25,000,000 | 25,000,000 |
| | 25,000,000 | 25,000,000 |

(*) The balance reflects the deposit received in accordance with the brokerage contracts to buy securities between the Company and customers. Accordingly, the Company is responsible for finding organizations and individuals wishing to sell securities and carrying out relevant procedures to transfer securities to customers. In case the Contract cannot be executed, the Company is responsible for repaying the deposit received and the opportunity fee calculated on the amount received by the deposit multiplied by the specified interest rate and the number of actual holding days.

24. OTHER SHORT-TERM PAYABLES

| | 31/12/2018 | 01/01/2018 |
|---|----------------------|-----------------------|
| | VND | VND |
| Dividend payable to shareholders | 354,974,799 | 370,810,529 |
| Payable of costs of market development and customer seeking | 1,278,044,015 | 8,249,973,173 |
| Dividend refunded to Aviation Insurance Corporation | 1,764,634,850 | 1,110,940,798 |
| Other payables | 6,014,854,017 | 2,416,498,277 |
| | 9,412,507,681 | 12,148,222,777 |

25. OWNER'S INVESTMENT CAPITAL

| a) Detailed investment capital of owners | Tỷ lệ | 31/12/2018 | Percentag | 01/01/2018 |
|--|--------|--------------------------|-------------|--------------------------|
| | (%) | VND | (%) | VND |
| PYN Elite Fund | 7.27% | 76,561,000,000 | 5.97% | 59,725,000,000 |
| T&T Group JSC | 5.81% | 61,270,000,000 | 6.13% | 61,270,000,000 |
| Other shareholders | 86.92% | 916,125,740,000 | 87.90% | 879,005,000,000 |
| | 100% | 1,053,956,740,000 | 100% | 1,000,000,000,000 |

| b) Profits not distributed | 31/12/2018 | 01/01/2018 |
|--|------------------------|------------------------|
| | VND | VND |
| Profits realized, not distributed | 681,893,377,170 | 352,689,749,293 |
| Profits not realized | (1,872,060,652) | 19,279,484,219 |
| | 680,021,316,518 | 371,969,233,512 |
| c) State of income distribution to shareholders or contributing members | 2018 | 2017 |
| | VND | VND |
| Profit realized, not distributed of the previous Year | 352,689,749,293 | 97,060,321,368 |
| Loss / Interest has not been realized until the end of the fiscal Year | (1,872,060,652) | 19,279,484,219 |
| Loss / Profit made this Year since the beginning of the Year | 379,232,467,695 | 350,288,398,171 |
| Distributed profit basis to shareholders or contributing members until the end of the financial Year | 731,922,216,988 | 447,348,719,539 |
| Setting funds from profit | (50,028,839,818) | (14,658,970,246) |
| - Reserve funds to supplement chartered capital | (17,514,19,909) | (4,329,485,123) |
| - Financial and professional risk provision funds | (17,514,419,909) | (4,329,485,123) |
| - Welfare and reward funds | (15,000,000,000) | (6,000,000,000) |
| Interest distributed to shareholders or contributing members this Year | - | (80,000,000,000) |
| Profit realized not distributed until the end of the financial Year | 681,893,377,170 | 352,689,749,293 |

According to the Resolution of General Meeting of Shareholders No. 01-2018/NQ-DHDCD dated 24/04/2018. The Company discloses the distribution of profit after tax not distributed in the Year 2017 as follows:

| | Percentage | Amount |
|---|------------|-----------------|
| | % | VND |
| Profit after Corporate Income Tax | 100.00% | 350,288,398,171 |
| Setting Chartered capital reserve funds | 5.00% | 17,514,419,909 |
| Setting financial and professional risk provision funds | 5.00% | 17,514,419,909 |
| Setting Welfare and reward funds | 4.28% | 15,000,000,000 |
| Dividend payment (equal to 25% of chartered capital) | 75.22% | 263,489,190,000 |
| Profit not distributed | 10.50% | 36,770,368,353 |

As of 31st December 2018, the Company has not yet paid stock dividends because there has been no announcement of closing the rights of the Securities Depository Center.

| d) Capital transactions with owners and dividend distribution, profit sharing | Year 2018 | Year 2018 |
|--|------------------------|------------------------|
| | VND | VND |
| Owner's investment capital | 1,125,489,636,800 | 1,000,310,000,000 |
| - Capital contributed at the beginning of the Year | 1,000,310,000,000 | 1,000,310,000,000 |
| - Contributed capital increased during the Year | 125,179,636,800 | - |
| - Capital contributed at the end of the Year | 1,125,489,636,800 | 1,000,310,000,000 |
| Dividends and profits shared | - | (80,000,000,000) |
| - Dividends, profit divided on profit last Year | - | (80,000,000,000) |
| Dividends announced after the end of the fiscal Year | 263,489,190,000 | - |
| - Dividends announced on common shares | 263,489,190,000 | - |
| e) Shares | 31/12/2018 | 01/01/2018 |
| Number of shares registered to issue | 105,395,674 | 100,000,000 |
| Number of shares sold to the public | 105,395,674 | 100,000,000 |
| - Common shares | 105,395,674 | 100,000,000 |
| Number of outstanding shares | 105,395,674 | 100,000,000 |
| - Number of outstanding shares | 105,395,674 | 100,000,000 |
| Face value of outstanding shares (VND) | 10,000 | 10,000 |
| 26. FINANCIAL ASSETS LISTED / REGISTERED TRANSACTIONS OF SECURITIES COMPANIES | 31/12/2018 | 01/01/2018 |
| | VND | VND |
| Financial assets free transferrable | 356,721,810,000 | 87,426,240,000 |
| Financial assets for mortgage transactions | 215,937,500,000 | 336,037,500,000 |
| | 572,659,310,000 | 423,463,740,000 |
| 27. FINANCIAL ASSETS DEPOSITED AT VSD AND NOT TRADED OF SECURITIES COMPANY | 31/12/2018 | 01/01/2018 |
| | VND | VND |
| Financial assets deposited at VSD and not traded, free transferrable | 1,501,490,000 | 1,500,600,000 |
| | 1,501,490,000 | 1,500,600,000 |
| 28. FINANCIAL ASSETS WAITING ON THE SECURITIES COMPANY | 31/12/2018 | 01/01/2018 |
| | VND | VND |
| Financial assets waiting for the Company | 8,025,000,000 | - |
| | 8,025,000,000 | - |

| 29. FINANCIAL ASSETS NOT DEPOSITED AT VSD OF SECURITIES COMPANY | 31/12/2018 | 01/01/2018 |
|--|---------------------------|---------------------------|
| | VND | VND |
| Financial assets not deposited at VSD of the Company | 108,924,040,000 | 108,022,300,000 |
| | 108,924,040,000 | 108,022,300,000 |
| 30. FINANCIAL PROPERTY LISTED / REGISTERED TRANSACTION OF INVESTORS | 31/12/2018 | 01/01/2018 |
| | VND | VND |
| Financial assets free transferrable | 18,635,568,100,000 | 15,269,053,790,000 |
| Financial assets limited transferrable | 2,836,585,260,000 | 1,442,161,060,000 |
| Financial assets under mortgage transactions | 2,012,928,610,000 | 1,252,255,380,000 |
| Financial assets blocked, withheld | 50,000,000,000 | 32,000,000,000 |
| Financial assets with pending payment | 283,103,360,000 | 294,511,130,000 |
| | 23,818,185,330,000 | 18,289,981,360,000 |
| 31. FINANCIAL ASSETS DEPOSITED AT VSD AND NOT TRADED OF INVESTORS | 31/12/2018 | 01/01/2018 |
| | VND | VND |
| Financial assets deposited at VSD and not traded, free transferrable | 631,803,410,000 | 52,713,640,000 |
| Financial assets deposited at VSD and not traded, limited transferrable | 205,092,200,000 | 205,388,200,000 |
| | 836,895,610,000 | 258,101,840,000 |
| 32. FINANCIAL ASSETS ON WAITING BY INVESTORS | 31/12/2018 | 01/01/2018 |
| | VND | VND |
| Financial assets waiting for investors | 277,880,837,800 | 649,145,274,500 |
| | 277,880,837,800 | 649,145,274,500 |
| 33. DEPOSITS OF INVESTORS | 31/12/2018 | 01/01/2018 |
| | VND | VND |
| Deposits of investors for securities trading in the mode of Securities Company's management | 264,543,388,401 | 252,206,200,535 |
| 1. Domestic investors | 258,973,473,864 | 252,153,492,765 |
| 2. Foreign investors | 5,569,914,537 | 52,707,770 |
| Deposit for general securities trading for customers | 277,880,837,800 | 649,145,274,500 |
| Deposits for issuing organizations | 15,592,189,062 | 1,451,663,639 |
| 1. Deposits for paying dividends of issue organizations | 15,592,189,062 | 1,451,663,639 |
| | 558,016,415,263 | 902,803,138,674 |

| | 31/12/2018 | 01/01/2018 |
|---|--------------------------|--------------------------|
| 34. PAYABLES TO INVESTORS | VND | VND |
| 1. Payables to investors - Deposits of investors for securities trading in the mode of Securities Company's management | 264,543,388,401 | 252,206,200,535 |
| 1.1 Domestic investor | 258,973,473,864 | 252,153,492,765 |
| 1.2 Foreign investor | 5,569,914,537 | 52,707,770 |
| 2. Payables to investors - Deposits for clearing and paying securities trades of investors | 277,880,837,800 | 649,145,274,500 |
| 2.1 Domestic investor | 277,880,837,800 | 649,145,274,500 |
| | 542,424,226,201 | 901,351,475,035 |
| 35. PAYABLE DIVIDEND, PRINCIPAL AND BONDS INTEREST | 31/12/2018 | 01/01/2018 |
| | VND | VND |
| Paying dividends, principal and bond interest to investors | 15,592,189,062 | 1,451,663,639 |
| | 15,592,189,062 | 1,451,663,639 |
| 36. LOAN PAYABLES TO SECURITIES COMPANY OF INVESTORS | 31/12/2018 | 01/01/2018 |
| | VND | VND |
| 1. Payables of margin operations | 1,829,707,551,445 | 2,046,472,120,328 |
| 1.1 Payables of margin principal | 1,793,602,615,403 | 2,020,697,650,394 |
| Domestic investors | 1,793,602,615,403 | 2,020,697,650,394 |
| 1.2 Payables of margin interest | 36,104,936,042 | 25,774,469,934 |
| Domestic investors | 36,104,936,042 | 25,774,469,934 |
| 2. Payables of advance payment for sale of securities | 257,406,350,432 | 301,902,468,749 |
| 2.1 Principal payables of advance payment for sale of securities | 257,406,350,432 | 301,902,468,749 |
| Domestic investors | 257,406,350,432 | 301,902,468,749 |
| | 2,087,113,901,877 | 2,348,374,589,077 |

| | a) Profit and loss of selling financial assets | | Profit and loss of selling securities this year | | Profit and loss of selling securities last year | | |
|--|--|---|---|------------------------|---|-------------------------|-------------------------|
| | Total sale value | Total cost of capital | Profit | Loss | Profit | Loss | |
| Listed shares | 3,343,703,838,000 | 3,305,213,687,548 | 164,788,828,875 | 126,298,678,423 | 127,483,831,398 | 96,577,467,549 | |
| Unlisted shares | 416,190,616,549 | 385,286,634,295 | 46,859,482,254 | (1,045,415,000) | 6,024,022,547 | 24,346,975,507 | |
| Listed bonds | 15,729,683,231,419 | 15,494,313,946,354 | 237,416,146,786 | 73,272,727 | 146,944,630,000 | 10,674,000,000 | |
| Unlisted bonds | 2,308,648,664,749 | 2,303,363,218,000 | 6,672,055,749 | 1,366,609,000 | 55,068,492 | - | |
| Money market instruments | 4,963,472,822,072 | 4,961,315,068,500 | 2,157,753,572 | - | 330,690,906 | 342,405,116 | |
| | 26,761,699,172,789 | 26,449,492,554,697 | 457,894,267,236 | 126,713,145,150 | 280,838,243,343 | 131,940,848,172 | |
| b) Differences in revaluation of financial assets | Market value/ Fairvalue | Revaluation difference on December 31, 2018 | Revaluation difference on January 1, 2018 | | Adjustment of accounting books | | |
| | | Evaluation increased | Evaluation decreased | Evaluation increased | Evaluation decreased | Evaluation increased | Evaluation decreased |
| FVTPL | VND | VND | VND | VND | VND | VND | VND |
| Listed shares | 861,453,343,406 | 57,644,708,101 | (79,391,529,913) | 56,607,098,515 | (37,327,614,296) | (718,293,399) | (20,433,251,472) |
| Unlisted shares | 765,189,214,610 | 55,894,208,101 | (57,766,791,461) | 56,607,098,515 | (37,326,759,296) | (35,728,347,852) | (26,099,274,699) |
| Term deposits | 96,264,128,796 | 1,750,500,000 | (21,624,738,452) | - | (855,000) | 35,010,054,453 | 5,666,023,227 |
| Terminate AFS | - | - | - | 68,882,003,841 | - | (68,882,003,841) | - |
| Listed shares | - | - | - | 68,882,003,841 | - | (68,882,003,841) | - |
| | 1,006,453,343,406 | 57,644,708,101 | (79,391,529,913) | 125,489,102,356 | (37,327,614,296) | (69,600,297,240) | (20,433,251,472) |

| c) Dividend and interests arisen from financial assets FVTPL, loans, HTM, AFS | | Năm 2018 | Năm 2017 |
|--|--|------------------------|------------------------|
| | | VND | VND |
| | From financial assets FVTPL | 27,471,123,344 | 79,396,520,042 |
| | From loans | 375,127,431,396 | 337,484,027,134 |
| | | 402,598,554,740 | 416,880,547,176 |
| 38. OTHERS EXPENSES RATHER THAN EXPENSES OF FINANCIAL ASSETS | | Year 2018 | Year 2017 |
| | | VND | VND |
| | Other service provision costs: | 23,223,489,731 | (5,749,401,472) |
| | - Property rental costs | - | 1,750,000 |
| | - Other financial services costs | 8,229,343,218 | 7,866,686,332 |
| | - Costs from repayment of bond principals, interests and dividends of issuing organizations | 22,000 | - |
| | - Provision for bad debts and handling bad receivable losses on securities service provision | 14,994,124,513 | (13,617,837,804) |
| | | 23,223,489,731 | (5,749,401,472) |
| 39. REVENUE FROM FINANCIAL ACTIVITIES | | Year 2018 | Year 2017 |
| | | VND | VND |
| | Revenue of interests of non-fixed deposits | 3,247,133,001 | 3,247,133,001 |
| | | 3,247,133,001 | 3,247,133,001 |
| 40. FINANCIAL EXPENSES | | Year 2018 | Year 2017 |
| | | VND | VND |
| | Loan costs | 202,726,366,390 | 148,927,809,300 |
| | Other investment costs | - | 80,000,000 |
| | | 202,726,366,390 | 149,007,809,300 |
| 41. COSTS OF MANAGEMENT OF SECURITIES COMPANY | | Năm 2018 | Năm 2017 |
| | | VND | VND |
| | Cost of salary and salary amounts | 26,395,673,182 | 26,884,581,141 |
| | Cost of union, social insurance, health insurance and unemployment insu | 880,050,082 | 744,368,846 |
| | Cost of office supplies | 657,864,527 | 542,836,491 |
| | Cost of tools, instruments | 570,941,847 | 260,823,377 |
| | Cost of depreciation of fixed assets, investment real estates | 684,637,285 | 757,014,470 |
| | Cost of tax, fees and charges | 224,087,767 | 165,997,720 |
| | Outsourcing service costs | 8,935,705,794 | 5,908,450,670 |
| | Other costs | 14,753,431,405 | 5,897,691,084 |
| | | 53,102,391,889 | 41,161,763,799 |

| 42. CURRENT CORPORATE INCOME TAX | | 2018 | 2017 |
|----------------------------------|--|-----------------------|-----------------------|
| | | VND | VND |
| | Total accounting profit before tax | 410,687,834,071 | 450,702,786,310 |
| | Increase adjustments | 604,761,891 | 136,586,667 |
| | - Invalid cost | 604,761,891 | 136,586,667 |
| | Decrease adjustments | (147,539,746,329) | (101,771,951,890) |
| | - Dividend, profit distributed | (22,030,246,630) | (45,164,853,375) |
| | - Loss transfer of previous Year s(*) | (126,227,793,098) | - |
| | - Increase difference from revaluation of financial assets FVTPL | 718,293,399 | (56,607,098,515) |
| | Income subject to corporate income tax | 263,752,849,633 | 349,067,421,087 |
| | - Remaining taxable income | | |
| | Cost of current corporate income tax (tax rate 20%) | 52,750,569,927 | 69,813,484,217 |
| | CIT from SHB Securities Joint Stock Company transferred due to merger | 567,039,398 | - |
| | Corporate income tax payable at the beginning of the Year | 36,125,992,590 | (12,188,448,530) |
| | Corporate income tax paid during the Year | (49,388,864,829) | (21,499,043,097) |
| | Corporate income tax which must be paid at the end of the Year | 40,054,737,086 | 36,125,992,590 |
| | (*) All transferred losses are accumulated losses that are eligible to be transferred by SHB Securities Joint Stock Company before the time of merger. | | |
| | | 31/12/2018 | 01/01/2018 |
| | Deferred income tax payable | VND | VND |
| | Increase difference from revaluation of financial assets FVTPL | (143,658,680) | 11,321,419,703 |
| | Deferred tax liabilities have been recognized from previous Years | 11,321,419,703 | - |
| | | 11,177,761,023 | 11,321,419,703 |
| | Deferred income tax charges are included in the statement of income | 2018 | 2017 |
| | | VND | VND |
| | CDeferred tax expense arising from temporary differences is taxable | (143,658,680) | 11,321,419,703 |
| | | (143,658,680) | 11,321,419,703 |

43. BASIC EARNINGS PER SHARE

The calculation of basic earnings per share for distributing to common shareholders of the Company is based on the following data:

| | Year 2018 | Year 2017 |
|--|-----------------|-----------------|
| | VND | VND |
| Total profit after tax | 358,080,922,824 | 369,567,882,390 |
| Profit distributed to common shares | 358,080,922,824 | 369,567,882,390 |
| Average ordinary shares in circulation in the Year | 104,065,234 | 100,000,000 |
| Additional circulating common shares (*) | 26,348,919 | 26,348,919 |
| Basic earnings per share | 2,746 | 2,925 |

(*) According to the Resolution of the General Meeting of Shareholders No. 01-2018/NQ-DHDCD dated April 24th, 2018, the Company announced the payment of dividends by shares equal to 25% of charter capital for shareholders in 2018. Hanoi Stock Exchange and Securities Depository Center announced the ex-right date for stock dividend payment as of January 14th, 2019. Therefore, basic earnings per share have been adjusted retroactively in accordance with the Vietnamese Accounting Standard No. 30 - earnings per share.

The company does not have a plan to extract bonus and welfare fund on profit after tax at the time of making financial statements.

44. DILUTED EARNINGS PER SHARE

The calculation of diluted earning per shares that can be distributed to shareholders owning common shares of the Company is based on the following data:

| | 2018 | 2017 |
|---|-----------------|-----------------|
| | VND | VND |
| Net profit after tax | 358,080,922,824 | 369,567,882,390 |
| Allocated profits for common stocks | 358,080,922,824 | 369,567,882,390 |
| Ordinary shares circulated on average during the Year | 104,065,234 | 100,000,000 |
| Ordinary shares expected to be issued | 70,263,783 | - |
| Ordinary shares supplemented from dividend payment | 26,348,919 | 26,348,919 |
| Average price of ordinary shares in circulation during the Year (*) | 18,427 | - |
| Expected issuing price | 12,000 | - |
| Diluted earning per share | 2,311 | 2,925 |

(*) The average order matching price of ordinary shares is circulating in 2018 on Hanoi Stock Exchange.

45. FINANCIAL INSTRUMENTS

Types of financial instruments of the Company include:

| | Value of accounting books | | | |
|---|-------------------------------|--------------------------|-------------------------------|--------------------------|
| | 31/12/2018 | | 01/01/2018 | |
| | Original price/ fair value | Provision | Original price/ fair value | Provision |
| | VND | VND | VND | VND |
| Cash and cashequivalent | 838,785,387,863 | - | 85,945,680,803 | - |
| Financial assets recognized through profit/loss | 1,006,453,343,406 | - | 680,217,968,490 | - |
| Financial assets available for sale | - | - | 217,474,875,700 | - |
| Loans | 2,051,008,965,835 | (1,545,481,857) | 2,322,600,119,143 | (1,081,837,300) |
| Receivables | 1,305,163,963,286 | (431,302,097,672) | 947,566,646,198 | (265,602,006,282) |
| | 5,201,411,660,390 | (432,847,579,529) | 4,253,805,290,334 | (266,683,843,582) |

| | 31/12/2018 | 01/01/2017 |
|--|--------------------------|--------------------------|
| | VND | VND |
| Financial liabilities | | |
| Loan and debt | 2,417,980,000,000 | 1,872,310,706,528 |
| Receivable to sellers, receivables from trading activities | 439,591,361,459 | 656,354,159,306 |
| Payable cost | 65,489,100,310 | 61,158,472,728 |
| | 2,923,060,461,769 | 2,589,823,338,562 |

According to the provisions of Circular 210/2009/TT-BTC, Circular 146/2014/TT-BTC, and Circular 334/2016/TT-BTC, financial assets and financial liabilities have been revalued at fair value as of the balance sheet date.

Financial risk management

The Company's financial risks include market risk, credit risk and liquidity risk. The Company has developed a control system to ensure a fair balance between the cost of risk incurred and risk management costs. The Board of Management is responsible for monitoring the risk management process to ensure a fair balance between risk and risk management.

Market risk

Business operations of the Company will mainly bear the risk of changes in prices and interest rates.

Price risk:

The Company bears a price risk for capital instruments arising from short-term and long-term securities investments due to uncertainty over the future price of the investment securities. Long-term securities investments are held for long-term purposes. At the end of the financial Year, the Company has no plans to sell its investments.

| | 1 Year or less | 1 - 5 Years | More than 5 Years | Total |
|---|------------------------|------------------------|-------------------|--------------------------|
| | VND | VND | VND | VND |
| As of 31/12/2018 | | | | |
| Financial assets recognized through | 861,453,343,406 | 145,000,000,000 | - | 1,006,453,343,406 |
| | 861,453,343,406 | 145,000,000,000 | - | 1,006,453,343,406 |
| As of 01/01/2018 | | | | |
| Financial assets recognized through profit/loss | 680,217,968,490 | - | - | 680,217,968,490 |
| Financial assets | 217,474,875,700 | - | - | 217,474,875,700 |
| | 897,692,844,190 | - | - | 897,692,844,190 |

Exchange rate risk:

The Company is exposed to exchange rate risk because the fair value of future cash flows of a financial instrument will fluctuate with the changes in the foreign exchange rates when loans, revenues and expenses of the company are made in currencies other than Vietnamese dong.

Interest rate risk:

The Company bears interest rate risk because the fair value of future cash flows of a financial instrument fluctuates in response to changes in market interest rates when the Company incurs deposits with or no term, loans and floating interest rate debt. The Company manages interest rate risk by analyzing the competitive situation in the market to get the interest rate favorable for the purpose of the Company.

Credit risk

Credit risk is the risk that a party to a financial instrument or contract is unable to meet its obligations resulting in a financial loss to the Company. The Company is exposed to credit risk from its business activities (principally for accounts receivable from customers) and financial activities (including bank deposits, loans and other financial instruments).

| | 1 Year or less | 1 - 5 Years | > 5 Year s | Total |
|--------------------------|--------------------------|-------------|------------|--------------------------|
| | VND | VND | VND | VND |
| As of 31/12/2018 | | | | |
| Cash and cash equivalent | 838,785,387,863 | - | - | 838,785,387,863 |
| Loans | 2,049,463,483,978 | - | - | 2,049,463,483,978 |
| Receivables | 873,861,865,614 | - | - | 873,861,865,614 |
| | 3,762,110,737,455 | - | - | 3,762,110,737,455 |
| As of 01/01/2018 | | | | |
| Cash and cash equivalent | 85,945,680,803 | - | - | 85,945,680,803 |
| Loans | 2,321,518,281,843 | - | - | 2,321,518,281,843 |
| Receivables | 681,964,639,916 | - | - | 681,964,639,916 |
| | 3,089,428,602,562 | - | - | 3,089,428,602,562 |

Liquidity risk

Liquidity risk is the risk that a Company may face when fulfilling financial obligations due to lack of funds. Liquidity risk arises mainly from the fact that financial assets and financial liabilities bear different maturities.

The maturity of the financial liabilities is based on the expected payments under the contract (based on the cash flow of the principal) as follows:

| | Từ 1 năm trở xuống | Trên 1 năm đến 5 năm | Trên 5 năm | Cộng |
|---|--------------------------|--------------------------|------------|--------------------------|
| | VND | VND | VND | VND |
| As of 31/12/2018 | | | | |
| Loan and debt | 696,980,000,000 | 1,721,000,000,000 | - | 2,417,980,000,000 |
| Payable to the sellers, payable from securities trading activities and other payables | 439,552,335,769 | 39,025,690 | - | 439,591,361,459 |
| Payable cost | 65,489,100,310 | - | - | 65,489,100,310 |
| | 1,202,021,436,079 | 1,721,039,025,690 | - | 2,923,060,461,769 |
| As of 01/01/2018 | | | | |
| Loan and debt | 1,349,310,706,528 | 523,000,000,000 | - | 1,872,310,706,528 |
| Payable to the sellers, payable from securities trading activities and other payables | 656,315,133,616 | 39,025,690 | - | 656,354,159,306 |
| Payable cost | 61,158,472,728 | - | - | 61,158,472,728 |
| | 2,066,784,312,872 | 523,039,025,690 | - | 2,589,823,338,562 |

The Company believes that the degree of risk concentration for debt repayment is low, and that the Company is able to repay its receivables due from cash flows from operating activities and proceeds from financial assets due.

46. DEPARTMENT REPORT
By business sector

| | Securities brokerage and depository | Self-investing investment activities | Business activities of capital and customer services | Other activities | Total |
|-------------------------------|-------------------------------------|--------------------------------------|--|------------------------|--------------------------|
| | VND | VND | VND | VND | VND |
| Operating revenues | 264,558,211,498 | 484,647,097,181 | 375,127,431,396 | 119,259,880,236 | 1,243,592,620,311 |
| Operating costs | 191,398,496,567 | 154,532,939,169 | 196,710,033,029 | 38,484,472,722 | 581,125,941,487 |
| Non-allocated revenues | - | - | - | - | 3,247,133,001 |
| Non-allocated costs | - | - | - | - | 255,828,758,279 |
| Operating results | 73,159,714,931 | 330,114,158,012 | 178,417,398,367 | 80,775,407,514 | 409,885,053,546 |
| Direct segment assets | 21,396,772,871 | 1,006,453,343,406 | 2,204,044,678,888 | 800,442,464,132 | 4,032,337,259,297 |
| Indirect segment assets | - | - | - | - | 836,623,230,935 |
| Total assets | 21,396,772,871 | 1,006,453,343,406 | 2,204,044,678,888 | 800,442,464,132 | 4,868,960,490,232 |
| Direct department liabilities | 9,982,364,508 | - | 2,725,672,849,308 | - | 2,735,655,213,816 |
| Non-allocated liabilities | - | - | - | - | 267,990,888,170 |
| Total liabilities | 9,982,364,508 | - | 2,725,672,849,308 | - | 3,003,646,101,986 |
| By geographic area | | | | | |
| | | Northern | Central | Southern | Total |
| | | VND | VND | VND | VND |
| Operating revenues | | 1,074,302,851,339 | 18,866,980,035 | 150,422,788,937 | 1,243,592,620,311 |
| Department assets | | 4,194,084,171,424 | 65,507,103,454 | 609,369,215,354 | 4,868,960,490,232 |
| Department liabilities | | 2,928,058,291,988 | 45,876,161,283 | 29,711,648,715 | 3,003,646,101,986 |

47. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

According to the Resolution of the General Meeting of Shareholders No. 01-2018/NQ-DHDCD dated April 24th, 2018, the Company plans to issue 101,872,702 shares to increase its charter capital. In particular, the number of issued shares for existing shareholders is 70,263,783 and the issuing price is VND 12,000/share. The number of shares to be paid dividends in 2017 is 26,348,919 and the number of shares issued under the employee selection program (ESOP) at face value is 5,260,000.

According to the certificate of registration of offering shares to the public No. 78/GCN-UBCK issued by the State Securities Commission on 13/12/2018, the final registration time for receiving dividends in shares 2017 is January 15, 2019. The time for registering and paying for newly issued shares to existing shareholders and employees is from January 21, 2019 to February 25, 2019. And the time for registering and paying money to buy shares ESOP votes is from January 21, 2019 to February 25, 2019.

By the date of this financial statement, the Company has completed the issuance of shares for existing shareholders and dividends for 2017 by shares. However, there has been no announcement about the approval of additional listing of shares from the Hanoi Stock Exchange.

In addition, no material events occurred after the Closing Date requiring adjustments or disclosures in the Financial Statements.

48. OPERATIONS AND BALANCE WITH RELATED PARTIES

In the Year, the Company has transacted with related parties as follows:

| | Relationship | 2018 | 2017 |
|---|----------------------|-------------------|-------------------|
| | | VND | VND |
| Brokerage revenue | | | |
| Saigon-Hanoi Insurance Corporation | Same Chairman of BOM | - | 26,360,512 |
| Receipt of loans | | | |
| Saigon-Hanoi Commercial Joint Stock Bank | Same Chairman of BOM | 2,317,763,174,874 | 2,232,000,000,000 |
| Payment of loans | | | |
| Saigon-Hanoi Commercial Joint Stock Bank | Same Chairman of BOM | 2,931,493,881,402 | 1,918,000,000,000 |
| Loan interest cost | | | |
| NSaigon-Hanoi Commercial Joint Stock Bank | Same Chairman of BOM | 45,910,738,060 | 54,301,532,707 |
| Deposit interest cost | | | |
| Saigon-Hanoi Commercial Joint Stock Bank | Same Chairman of BOM | 81,345,967,854 | 57,289,055,556 |

Balance with related parties at the end of the financial Year :

| | Relationship | 31/12/2018 VND | 01/01/2018 VND |
|--|----------------------|-------------------|-------------------|
| Stock investment | | | |
| Saigon-Hanoi Commercial Joint Stock Bank | Same Chairman | 137,065,831,349 | 137,065,831,349 |
| Saigon-Hanoi Insurance Corporation | Same Chairman of BOM | 29,949,990,000 | 29,949,990,000 |
| Receivable of securities trading activities | | | |
| T&T Group JSC | Same Chairman | - | 46,281,010 |
| Other receivables | | | |
| Saigon-Hanoi Commercial Joint Stock Bank | Same Chairman | - | 480,000,000 |
| T&T Group JSC | Same Chairman | - | 25,000,000 |
| Short-term loan | | | |
| Saigon-Hanoi Commercial Joint Stock Bank | Same Chairman | 276,980,000,000 | 890,710,706,528 |
| Receive deposit escrow | | | |
| Saigon-Hanoi Commercial Joint Stock Bank | Same Chairman | - | 250,000,000,000 |
| Saigon-Hanoi Insurance Corporation | Same Chairman | - | 130,000,000,000 |

In addition to information on the above related parties, transactions with other related parties are as follows:

| | 2018 VND | 2017 VND |
|----------------------------------|---------------|---------------|
| Income of General Director | 2,420,382,800 | 2,141,202,009 |
| Income of BOM and other managers | 9,202,733,954 | 8,769,682,972 |

49. COMPARATIVE FIGURES

Comparative figures are data on the Financial Statements for the fiscal Year ending 31st December 2017 audited by AASC Auditing Company Limited.



Nguyen Thi Thuy

Preparer



Tran Sy Tien

Chief Accountant



Vu Duc Tien

General Director

Hanoi, March 20th, 2019

