

No: 14.5/2025/BCTN-HBS

Ha Noi, 18. April 2025

ANNUAL REPORT

Year 2024

TO:

- The State Securities Commission
- Vietnam Stock Exchange.
- Hanoi Stock Exchange.
- Ho Chi Minh City Stock Exchange

I. General information.

1. General information.

- Name of listing company: Hoa Binh Securities Joint Stock Company
- Stock symbol: HBS
- Business registration certificate No.: License for establishment and securities business operation No. 82/UBCK-GP dated February 9, 2008 issued by the Chairman of the State Securities Commission and the latest adjustment license No. 51/GPĐC-UBCK issued by the Chairman of the State Securities Commission on December 18, 2013 on adjusting the operating license No. 82/UBCK-GP for HBS.
- Charter capital: 329,999,980,000 VND (*Three hundred twenty-nine billion, nine hundred ninety million, nine hundred eighty thousand dong*).
- Owner's investment capital: 329,999,980,000 VND (*Three hundred twenty-nine billion, nine hundred ninety million, nine hundred eighty thousand dong*).
- Address: Head office, 7th + 9th floor, building 46-48 Ba Trieu, Hang Bai, Hoan Kiem, Hanoi.
- Phone number: (8424)39368866
- Fax number: (8424)39368665
- Website: www.hbse.com.vn
- Formation and development process (establishment date, listing date, time of important milestones since establishment until now).

+ November 2, 2007: Hoa Binh Securities Joint Stock Company was approved in principle by the State Securities Commission in accordance with Official Letter No. 925/UBCK-QLKD. This is the premise for the establishment and future development of HBS.

+ February 29, 2008: The State Securities Commission granted the establishment and operation license No. 82/UBCK-GP to the company. On the same day, the State Securities Commission granted the certificate of registration for securities depository activities No. 15/UBCK-GCN to HBS.

+ April 14, 2008: The Vietnam Securities Depository issued code 082 to approve HBS as a securities depository member. On the same day, the Hanoi Stock Exchange issued Decision No. 136/GD-TTGDHN on recognizing HBS's trading membership, officially implementing trading on the Hanoi Stock Exchange from April 16, 2008.

+ April 18, 2008: The Ho Chi Minh City Stock Exchange signed Decision No. 82/QD-SGDHCM recognizing HBS's membership on the Ho Chi Minh City Stock Exchange with the official trading date being April 22, 2008.

+ April 24, 2008: HBS held an opening ceremony, officially starting operations on the Vietnam Stock Exchange

+ September 30, 2009: HBS was approved to increase its charter capital to 300 billion according to Decision No. 266/UBCK-GP of the Chairman of the State Securities Commission on adjusting the Establishment and Operation License No. 82/UBCK-GP dated February 29, 2008 for HBS.

+ July 16, 2010 marked an important event for HBS, HBS shares were officially listed on the Hanoi Stock Exchange, a great step forward for HBS in making its business and financial activities transparent on the Vietnam Stock Exchange, while affirming the popularity and great brand of HBS.

+ February 14, 2011: HBS was approved by the State Securities Commission to add securities underwriting services under the adjusted license No. 13/GPDC-UBCK.

+ March 26, 2011: HBS successfully organized the 2011 Annual General Meeting of Shareholders.

+ April 6, 2011: HBS received the decision approving the additional listing of shares from the Hanoi Stock Exchange No. 151/QD-SGDHN. On April 21, 2011, all additional listed shares were put into trading on the market.

+ August 26, 2011: HBS was approved by the State Securities Commission to increase capital under the adjusted license No. 50/GPDC-UBCK, accordingly, HBS's charter capital increased to VND 329,999,980,000.

- Other events:

- + In October 2010, HBS was honored to receive the awards "Prestigious Securities Brand" and "Outstanding Vietnamese Entrepreneur" organized by the Ministry of Industry and Trade.
- + In the second quarter of 2011, for the first time, HBS rose to the 3rd position in the top 10 securities companies with the largest brokerage market share on the HNX. And at the end of 2011, HBS rose to the 4th position in the top 10 securities companies with the largest brokerage market share on the HNX.
- + On December 18, 2013, the State Securities Commission issued Decision No. 51/GPDC-UBCK approving Hoa Binh Securities Joint Stock Company to move its head office to the 7th+9th floor, building No. 46-48 Ba Trieu, Hang Bai, Hoan Kiem, Hanoi.

2. Industry and business location:

- Business lines:
 - + Securities brokerage
 - + Securities investment consulting
 - + Securities underwriting and issuance
 - + Securities depository
- Business locations: Hanoi and Ho Chi Minh City.

3. Information on governance model, business organization and management apparatus.

- The governance model includes: General Meeting of Shareholders: Board of Supervisors. Board of Directors: Executive Board, headed by the General Director. The General Director manages and operates through decentralization and delegation of authority to directly handle specific tasks of the company through specialized Deputy General Directors.

- Management structure:

- **General Meeting of Shareholders (GMS):**

Consisting of all shareholders with voting rights, is the highest authority of the JSC, meets at least once a year. The GMS decides on issues within the rights and duties prescribed by law and the company's charter.

- **Board of Directors (BOD):** Is the company's management body, with full authority to decide on all issues related to the company's purposes and interests on behalf of the company, except for issues within the authority of the GMS that are not authorized to the BOD. The rights and obligations of the Board of Directors are stipulated by law, the company's charter, the company's internal regulations and resolutions of the General Meeting of Shareholders.

The term of the Board of Directors is 5 years and the members of the Board of Directors for the 2023-2028 term are 5 members, including the Chairman and other members:

Mr. Le Dinh Duong - Chairman of the Board of Directors

Mr. Trinh Thanh Giang - Member

Mr. Nguyen Phan Trung Kien - Member

Ms. Tran My Linh - Member

Mr. Le Xuan Tung - Member

- Board of Supervisors (BOS): Is an agency under the General Meeting of Shareholders, elected by the General Meeting of Shareholders. The BOS is responsible for checking the reasonableness, legality, honesty and level of prudence in the management and operation of business activities, in the organization of accounting, statistics and preparation of financial statements of the company. The BOS operates independently from the Board of Directors and the Board of General Directors. The BOS has 3 members, with a term of 5 years. The company's Board of Supervisors for the 2023-2028 term includes:

Mr. Doan Duc Giang - Head of the Board

Mr. Tran Hung Cuong - Member

Mr. Truong Duy Phong - Member

- Board of Directors: The General Director is the person who runs all daily business activities of the company, is supervised by the Board of Directors and is responsible to the Board of Directors and the law for the implementation of assigned rights and duties. The term of the General Director is not more than 5 years, and can be reappointed for an unlimited number of terms. The Deputy General Directors, Chief Accountant and heads of functional departments are the assistants to the General Director and are responsible to the General Director for the assigned work, proactively handling the work authorized and assigned by the General Director in accordance with the state policies and regulations and the company's charter.

The Board of Directors of HBS consists of 5 members:

Mr. Nguyen Phan Trung Kien - General Director

Mr. Le Tien Dung - Deputy General Director

Mr. Be Cong Son - Deputy General Director

Ms. Tran My Linh - Deputy General Director

- Departments:

The organizational structure and operations of the departments at the headquarters and branches are divided into 2 business blocks as follows:

The front office is the block that performs business transactions and securities services. This block generates revenue for HBS by meeting customer needs and creating appropriate products and services corresponding to the following business departments:

- Securities brokerage and investment consulting department
- Financial services department
- Securities depository department
- Corporate finance consulting and securities underwriting department
- Securities investment trust portfolio management department (IFMC)

The back office is the block that does not directly perform business operations, but the support block is indispensable in the operation of a securities company, because the activities of the support block are of a supportive nature to the business block. This block includes the following departments:

- Marketing and customer care department
- Information technology department
- Finance and accounting department
- Risk management and internal control department
- General administrative, human resources and legal department.

● **Ho Chi Minh City Branch:**

Address: Vimedimex Hoa Binh Building - 246 Cong Quynh, Pham Ngu Lao, District 1, Ho Chi Minh City

Tel: (84-8)62906226 Fax: (84-8)62906116

- Subsidiaries, affiliated companies: (List, address, main business and production fields, actual contributed charter capital, ownership ratio of the Company in subsidiaries, affiliated companies):
None

4. Development orientation

- The Company's main objectives: Hoa Binh Securities Joint Stock Company becomes a leading partner in connecting those with capital and those in need of capital through operations in the stock market
- Medium and long-term development strategy: The Company is among the most effective securities companies in Vietnam.
- Sustainable development goals (environment, society and community) and the Company's main short-term and medium-term programs: The Company's general and consistent objective is to increase business efficiency, help the Company become competitive, and keep up with market

changes. In addition to this general objective, there will be more specific objectives to be achieved during and after the transformation plan, such as the proportion of revenue structure from consulting activities and brokerage revenue.

5. The risks:

a) Economic risks:

Economic development is often assessed through GDP growth rate, inflation fluctuations, interest rates or exchange rates. These systemic risk factors affect all entities participating in the economy.

- **Economic growth:** The stock market is considered the most sensitive and accurate test to reflect economic fluctuations. At the same time, strong economic growth will directly affect the development of the stock market. In this context, investors and businesses operating in the securities sector all benefit. However, the economy and the stock market do not always develop smoothly but always contain certain risks. When there is a threat to the stability and development of the economy, the stock market will have negative reactions, which are a decline in both price indexes and market liquidity. The activities of securities companies will be affected to some extent, such as a decrease in brokerage revenue due to poorer market liquidity, and financial consulting activities will also be affected. However, difficult economic times are good opportunities for some consulting services such as buying and selling, merging businesses, underwriting and even a very good opportunity for securities trading activities thanks to investing in low price areas and realizing profits in high price areas.
- **Inflation risk:**

Vietnam's inflation rate in recent years has always been high. When inflation occurs, it will cause difficulties for businesses, increase input costs of businesses, significantly affecting business activities and growth rates of businesses. This will directly affect the company's stock price and will significantly impact the investor's psychology. Thereby affecting the revenue and profits achieved by HBS.

- **Exchange rate risk:**

In addition to investing in securities, foreign currency trading is also a channel for seeking profits, especially for investors with a large enough amount of capital. Fluctuations in exchange rates that bring high profit opportunities can cause capital flows from the stock market to shift to the foreign exchange market, affecting the business activities and provision of financial and securities services of HBS in particular and of securities companies in general.

- **Interest rate risk:**

Not every business or investor has enough capital to conduct production, business or invest in securities, but most of them have to mobilize more from external sources, of which a common

channel is through borrowing and paying interest on the use of borrowed capital. Therefore, when interest rates fluctuate, it will affect the behavior and decisions of investment capital use of the subjects. When interest rates increase, the cost of capital for individuals and organizations will become more expensive, increasing costs, leading to a tendency to make the stock market less attractive to investors. This will affect the revenue and profits of securities companies.

b) Legal risks:

During the operation, securities companies are subject to the management of enterprise law, securities law and other related laws. Our country is in the process of integrating with the world economy, so policy mechanisms must change to comply with international practices. The process of editing and guiding legal documents is lengthy and there are many overlapping documents, causing difficulties for business operations. Therefore, changes in the law, especially the securities law and guiding documents, can be disadvantageous to the business operations of the company.

Therefore, to minimize legal risks, the company must regularly update new documents and policies of the state to proactively adjust its business activities accordingly.

c) Competition risk:

Competition is an inevitable rule in the market mechanism, competition risk is mainly due to fierce competition from competitors in the same industry. With the increasing speed of new securities companies entering the stock market, the competition between securities companies becomes more and more fierce. In particular, the competition in information technology, business premises, competition in brokerage fees, consulting fees... between companies is prominent. In addition, the company is also under competitive pressure from foreign competitors with great financial resources, technology, experience and human resources. This directly affects the company. However, competition also motivates the company to make more efforts in business activities to maintain and develop market share

d) Human resource risk:

In addition to the competition for market share, the competition to protect the brainpower of the staff with professional ethics, management experience, good professional qualifications, etc. is also fierce in the market. Securities companies, investment funds, and fund management companies often tend to move, attract, and entice each other's employees through a series of attractive remuneration and bonus policies, which also puts the company in front of great challenges and pressure to maintain, train, and recruit more talent. Despite such a difficult operating environment, HBS has had reasonable human resource policies since its establishment, thereby limiting this risk,

creating a stable human resource for the company, one of the strengths that helps HBS build its position in the market.

e) Risk of stock price fluctuations on the stock market:

Fluctuations in stock prices on the stock market are considered a risk to the company's proprietary trading activities, affecting the company's business results. However, this risk is limited with a well-diversified, selective investment portfolio, carefully analyzed by qualified, experienced staff in portfolio management.

f) Risk of stock price fluctuations of HBS:

HBS shares listed and traded on the Hanoi Stock Exchange will bring certain benefits to the company. However, when trading on the market, stock prices are determined by many factors such as the business situation of the listed organization, market supply and demand for stocks, economic and social situations, investor psychology, etc. Therefore, the risk of stock price fluctuations listed on the stock market is inevitable and HBS is no exception to that rule.

g) Other risks related to the environment, natural disasters, and epidemics:

Some risks of force majeure are unlikely to occur, but if they do occur, they will affect the company's business operations. These are natural disasters, wars, or large-scale epidemics.

II. Operational situation during the year

1. Business performance

- Business performance results in the year:

In 2024, the company's operating revenue reached VND 29,012,168,263, down 24.79% compared to 2023, operating expenses for 2024 were VND 1,009,491,576, up 19.90% compared to 2023. Therefore, after-tax profit decreased by 44.87% compared to 2023 to VND 7,973,320,791

- Implementation status compared to the plan: Compare the results achieved in the year compared to the planned targets and the targets of the previous year. Specifically analyze the reasons for not achieving/achieving/exceeding the targets compared to the plan and compared to the previous year. 2024 is another difficult year when macro factors affect the domestic economy in general and the stock market in particular, including HBS. Therefore, HBS's revenue and after-tax profit have decreased significantly. Although the Company has also reduced its human resources, the Company's after-tax profit has still decreased.

2. Organization and personnel:

- List of Executive Board

The HBS Executive Board in 2024 consists of the following 5 members:

Mr. Nguyen Phan Trung Kien - General Director

Mr. Le Tien Dung - Deputy General Director

Mr. Be Cong Son - Deputy General Director

Ms. Tran My Linh - Deputy General Director

Ms. Dao Thu Thuy - Chief Accountant

a. General Director:

Full name: Nguyen Phan Trung Kien

Gender: Male

Date of birth: September 23, 1982

Place of birth: Ha Tinh

ID card number: 001082051933 issued by the Department of Administrative Police and Social

Order on May 10, 2021

Nationality: Vietnam

Ethnicity: Kinh

Permanent address: 1109 Building B, Vigracera TLN01, Trung Hoa, Cau Giay, Hanoi

Number of shares owned and represented (as of December 31, 2024): 8,000,000 shares (accounting for 24.24% of total outstanding shares)

Interests in conflict with the interests of the company: None

Debts to the company: None

Remuneration and benefits related to the company: The remuneration of the company's board of directors is paid according to the company's salary and business performance regulations.

Illegal acts: None

b. Deputy General Directors:

Full name: Le Tien Dung

Gender: Male

Date of birth: June 19, 1984

Place of birth: Hoang Thinh Commune, Hoang Hoa District, Thanh Hoa Province

ID card number: 017502360 date of issue: November 7, 2013 place of issue: Hanoi City Police

Nationality: Vietnam

Ethnicity: Muong

Permanent address: Room E3 23.05, CT8 Apartment, My Dinh 1 Ward, Nam Tu Liem District, Hanoi City

Number of shares owned and represented (as of December 31, 2024): 0 shares (accounting for 0% of total outstanding shares)

Interests that conflict with the interests of the company: None

Debts to the company: None

Remuneration and benefits related to the company: The remuneration of the company's board of directors is paid according to the company's salary and business performance regulations.

Illegal acts: None

Full name: Be Cong Son

Gender: Male

Date of birth: May 17, 1983

Place of birth: Bac Ninh

CCCD number: 027083000192 issued on May 9, 2021 Place of issue: Police Department

Nationality: Vietnam

Ethnicity: Kinh

Permanent address: No. 24 Thanh Vy, Son Loc, Son Tay, Hanoi

Number of shares owned and represented (as of December 31, 2024): 4,300,000 shares (accounting for 13.03% of total outstanding shares)

Interests that conflict with the interests of the company: None

Debts to the company: None

Remuneration and benefits related to the company: The remuneration of the company's board of directors is paid according to the company's salary and business performance regulations.

Illegal acts: None

Full name: Tran My Linh

Gender: Female

Date of birth: January 18, 1982

Place of birth: Hanoi

ID number: 001182010004 Issued on August 10, 2015 Place of issue: Police Department

Nationality: Vietnam

Ethnicity: Kinh

Permanent address: No. 51, Lane 29, Vong Thi Street, Buoi Ward, Tay Ho District, Hanoi City

Number of shares owned and represented (as of December 31, 2024): 0 shares (accounting for 0% of total outstanding shares)

Interests that conflict with the interests of the company: None

Debts to the company: None

Remuneration and benefits related to the company: The remuneration of the company's board of directors is paid according to the company's salary and business performance regulations.

Illegal acts: None

c. Chief Accountant:

Full name: Dao Thu Thuy

Date of birth: September 29, 1987

Place of birth: Hanoi

ID card number: 001187002473 date of issue: April 8, 2021 place of issue: Department of Administrative Police on Social Order

Nationality: Vietnam

Ethnicity: Kinh

Permanent address: No. 23, Alley 21, Tuu Liet Street, Van Dien Town, Thanh Tri District, Hanoi City.

Number of shares owned and represented (as of December 31, 2024): 0 shares (accounting for 0% of total outstanding shares)

Interests that conflict with the interests of the company: None

Debts to the company: None

Remuneration and benefits related to the company: The remuneration of the company's board of directors is paid according to the company's salary and business performance regulations.

Illegal acts: None

- Changes in the Executive Board: (List the changes in the Executive Board during the year)

05/01/2024 Dismissal of Mr. Nguyen Tien Nam from the position of Deputy General Director

01/03/2024 Appointment of the position of Deputy General Director Nguyen Phan Trung Kien

06/05/2024 Dismissal of the position of General Director Dinh The Loi

06/05/2024 Appointment of the position of General Director Nguyen Phan Trung Kien

- Number of officers and employees. Summary of policies and changes in policies for employees:

As of December 31, 2024, there are 32 people.

3. Investment situation, project implementation situation.

a) Major investments: State the major investments made during the year (including financial investments and project investments), the implementation status of major projects. In the case where the company has offered securities to implement projects, it is necessary to clearly state the

progress of these projects and analyze the reasons for achieving/not achieving the announced and committed progress: None

b) Subsidiaries and associates: (Summary of the operations and financial status of subsidiaries and associates): None

4. Financial situation

a) Financial situation

Indicators	2023	2024	% increase/decrease
Total Assets	424.189.023.757	368.902.475.442	13,03%
Net Revenue	39.109.585.109	29.695.018.557	24,07%
Operating Profit	33.501.895.275	22.930.503.778	31,55%
Other Profit	535.516.925	682.850.294	-27,51%
Profit Before Tax	22.211.643.702	12.316.113.097	44,55%
Profit After Tax	17.769.852.632	9.796.531.841	44,87%

- Other indicators: (depending on the specific characteristics of the industry and the company to clarify business performance in the last two years): None

b) Key financial indicators:

Indicators	2023	2024	Note
1. Liquidity ratio			
+ Current ratio: Current assets/ Current liabilities	87,26	52,78	
+ Quick ratio: (current assets-inventory)/ Current liabilities	87,26	52,78	
2. Capital structure ratio			
+ Debt ratio/ Total assets	0,01	0,0164	
+ Debt ratio/ Owner's equity	0,01	0,0167	
3. Operating capacity ratio			
+ Inventory turnover: Cost of goods sold/ Average inventory	0	0	
+ Total asset turnover: Net revenue/ Average total assets	0.18	0.08	
4. Profitability ratio			
+ Profit after tax ratio/ Net revenue	45%	32,99%	
+ Profit after tax ratio/ Owner's equity	4,23%	2,70%	
+ Profit after tax ratio/ Total assets	4,19%	2,66%	
+ Profit from operating activities/ Net revenue	57,28%	32,99%	

5. Shareholder structure, change in owner's equity.

a) Shares: The total number of outstanding shares of the company is: 32,999,980 shares. All are common shares and the company has no securities traded abroad.

b) Shareholder structure: State the shareholder structure classified by ownership ratio criteria (major shareholders, small shareholders); institutional shareholders and individual shareholders; domestic shareholders and foreign shareholders, state shareholders and other shareholders, maximum foreign ownership ratio.

SHAREHOLDER STRUCTURE TABLE OF HOA BINH SECURITIES JOINT STOCK COMPANY

(As of December 31, 2024)

STT	Category	After capital increase					
		Domestic shareholders		Foreign shareholders		Total	
		Number of shares (CP)	Ratio (%)	Number of shares (CP)	Ratio (%)	Number of shares (CP)	Ratio (%)
I.	Founding shareholders	1.253.830	3,8%	0	0	1.253.830	3,8%
1	State shareholders (1 organization)	1.250.100	3,79%	0	0	1.250.100	3,79%
2	Other shareholders (1 individual)	3.730	0,01%	0	0	3.730	0,01%
II	Common shareholders	31.746.150	96,2%	0	0	31.746.150	96,2%
1	Shareholders owning 5% or more of shares	23.100.700	74,56%	0	0	23.100.700	74,56%
2	Shareholders owning less than 5%	8.645.450	21,64%	0	0	8.645.450	21,64%
Total number of outstanding shares		32.999.980	100%			32.999.980	32.999.980

c) Owner's equity change situation:

July 16, 2010: First trading day of 30 million shares on HNX.

April 21, 2011: First trading day of 2,999,980 additional listed shares. This is the amount of additional shares issued to pay dividends in 2010 with a payout ratio of 10%.

d) Treasury stock transactions: State the current number of treasury stocks, list treasury stock transactions made during the year including transaction time, transaction price and transaction object: None

e) Other securities: state other securities issuances made during the year. State the number and characteristics of other types of securities currently in circulation and the company's unfulfilled commitments to other individuals and organizations (including employees, managers of the company) related to the issuance of securities: None

6. Report on the company's environmental and social impact.

6.1 Water consumption: (water consumption of business activities during the year)

a) Water supply and water usage.

The company uses water from clean water units in the city and purified drinking water through disinfection to ensure quality. The average amount of water used is about 240l and over 1000l of other water.

b) Percentage and total amount of recycled and reused water: None.

6.2 Compliance with environmental protection laws

a) Number of times fined for non-compliance with environmental laws and regulations: None.

b) Total amount of fines for non-compliance with environmental laws and regulations: None.

6.3 Employee-related policies

a) Number of employees, average salary for employees.

The company has over 30 employees with an average income of over VND 10,000,000/person

b) Labor policy to ensure the health, safety and welfare of employees.

The company always has a support policy to ensure the safety and health of employees.

c) Employee training activities

- Average training hours per year, by employee and by employee classification
- Skills development and continuous learning programs to support employees to ensure employment and career development.

6.4 Reports related to responsibility to the local community. None

Community investment activities and other community development activities, including financial support to serve the community.

6.5 Reports related to green capital market activities according to the guidance of the State Securities Commission.

- Regularly update documents on environmental protection, promptly disseminate and deploy to units to ensure that legal regulations are applied appropriately, and periodically review and update procedures on ATSKMT-CL to ensure compliance with legal regulations and actual situations.

- Strictly and fully implement environmental activities, regularly conduct periodic and surprise inspections to ensure absolute safety for people and goods, keep the environment clean and tidy and raise awareness of saving resources and costs of the company.
- Periodically inspect and supervise safety work during business operations, ensure compliance with regulations, prevent and minimize safety risks and environmental violations.
- Waste management is properly and fully complied with legal regulations.
- Maintain and enhance sanitation work, plant trees to create a green-clean-beautiful landscape in the company office and affiliated units.

Encourage businesses to apply international reporting standards in reporting on Sustainable Development.

III. Board of Directors' Report and Evaluation (Board of Directors reports and evaluates the overall situation of the company)

The Board of Directors' report and assessment must include at least the following contents:

1. Evaluation of production and business performance

- General analysis of the company's operations compared to the plan/estimate and previous business results. In case the business results do not meet the plan, clearly state the reasons and responsibilities of the Board of Directors for not completing the business plan (if any). In 2024, the stock market still has many potential risks and challenges. In 2024, the Board of Directors has properly performed its responsibilities and powers in operating the company according to the regulations. The General Director, together with other managers, has well implemented the company's business plan. The results of the implementation of the work have been directed by the General Meeting of Shareholders and the Board of Directors, the most prominent of which is to consolidate the organizational structure and operating model in the direction of streamlining and efficiency, ensuring rationality and science in accordance with the company's organizational structure and operations.

2. Financial situation

a) Asset situation

Analysis of asset situation, fluctuations in asset situation (analysis, assessment of efficiency of asset use and overdue receivables affecting business performance).

The company's equity always accounts for the majority of the company's total assets, accounting for over 99% of total assets. With a capital structure leaning towards equity, the company's financial autonomy is ensured. The company has no long-term debts. Short-term debt is only approximately 6 billion, accounting for 1.6% of the company's total assets. An insignificant number.

b) Debt situation

- Current debt situation, large fluctuations in debts.

The company has no bad debts to pay, no long-term debts, no large fluctuations in debts.

- Analysis of overdue debts, the impact of exchange rate differences on the company's production and business performance, and the impact of interest rate differences. The company has no overdue liabilities.

3. Improvements in organizational structure, policy, management.

- Faced with significant impacts on the company's revenue, such as a decline in brokerage revenue and ineffective proprietary investment, the company's Board of Directors quickly recognized the unfavorable factors for proprietary investment, so they decided to reduce the investment proportion for proprietary investment while continuing to restructure the investment portfolio and manage the investment portfolio well in difficult market conditions.

- Develop a business plan and incentive mechanism to ensure the company's revenue and profit.

4. Future development plans

Maintaining and developing stably in 2024 is an important step for HBS to complete its 2025 strategy. Although 2025 will continue to be difficult and challenging, the Board of Directors and all staff will be determined to overcome it to successfully complete the set plans.

In 2025, HBS's strategic orientation will include the following specific elements:

- Orientation for safe and effective investment activities.

- Orientation for service activities, improving service quality and trading market share: The company plans to issue additional capital in 2025 to supplement capital for business activities, revise the brand identity, upgrade the securities trading system to meet the actual competitive situation in the market.

- Orientation to consolidate the organizational model, strengthen the team of high-quality leadership and professional personnel.

- Implement governance innovation to improve management quality to achieve business goals in 2025.

5. Explanation of the Board of Directors regarding the audit opinion (if any) - (In case the audit opinion is not an unqualified opinion). None

6. Assessment report related to the company's environmental and social responsibility: None

a. Assessment related to environmental indicators (water consumption, energy, emissions...)

- The company has fully performed its environmental obligations and responsibilities as prescribed. Periodically report on safety-health-environment work to local management agencies.

- The company also pays attention to social security work, focusing on demonstrating the company's role and responsibility to the local community.

b. Assessment related to labor issues.

- Organize health check-ups for employees to detect occupational diseases or other diseases in order to have timely treatment measures, notification, and in-depth examination for employees.

- Fully implement the allowance regime for the network of safety and hygiene workers and staff.

c. Assessment related to the company's responsibility to the local community

Implement many local social security programs such as the program of warm love and affection for Tet, solidarity with comrades, participate in charity programs for the poor, and donate to the Agent Orange fund.

IV. Board of Directors' assessment of the Company's performance (for joint stock companies)

1. Board of Directors' assessment of the Company's operations, including assessments related to environmental and social responsibility.

In 2024, the members of the Board of Directors actively coordinated and supported the management work during the company's operations. The Board of Directors always closely followed the actual situation to make decisions to promptly direct and create favorable conditions for the Executive Board to complete its tasks. In 2024, HBS focused on perfecting the organizational structure towards streamlining and efficiency, one step to build a system of departments at the Head Office/branches to ensure rationality and science in accordance with the company's organizational structure..

2. Board of Directors' assessment of the performance of the company's Board of Directors

In 2024, the Board of Directors assessed that the Board of Directors had properly performed its responsibilities and powers in operating the company in accordance with the charter. The Board of Directors, together with other managers, made great efforts to effectively implement the company's business plan.

3. Plans and directions of the Board of Directors

In 2024, the Board of Directors will continue to make efforts in strategic orientation, closely supporting the operations of the Executive Board to achieve the highest safety and efficiency goals.

Specific operational orientations are as follows:

- Customers and customer success are the center
- Selecting and rewarding high-quality human resources
- Encouraging the creativity of all employees
- Cooperation for mutual development is an indispensable part of the company culture

V. Corporate governance

1. Board of Directors

a) Members and structure of the Board of Directors include:

Mr. Le Dinh Duong: Chairman of the Board of Directors

Full name: Le Dinh Duong

Gender: Male

Date of birth: 28/09/2003

ID card: 001203007365

Place of birth: Hanoi

Nationality: Vietnam

Ethnicity: Kinh

Permanent address: P52, House 6, Nam Dong Town, Nam Dong, Dong Da, Hanoi.

Current position held in other organizations: None

Number of shares held and represented (as of December 31, 2024): 6,506,455 shares. Accounts for 19.71% of charter capital, of which:

- Representative ownership: 0 shares
- Individual ownership: 6,506,455 shares (Equivalent to 19.71% of charter capital)

Conflict with the rights and interests of the company: None

Debts to the company: None

Remuneration and related benefits to the company: 40,000,000 VND/month.

Illegal acts: None

Mr. Trinh Thanh Giang: Member of Board of Directors

Full name: Trinh Thanh Giang

Gender: Male

Date of birth: May 18, 1963

ID card: 011685768

Place of birth: Thanh Hoa

Nationality: Vietnam

Ethnicity: Kinh

Permanent address: 152 Thuy Khue, Thuy Khue ward, Tay Ho district, Hanoi

Current position held in other organizations: Chairman of the Board of Directors, Vietnam Data and Transmission Joint Stock Company.

Number of shares held and represented (as of December 31, 2024): 0 shares.

Number of shares owned by related persons: 0 shares.

Conflict with the rights and interests of the company: None

Debts to the company: None

Remuneration and related benefits to the company: 20,000,000 VND/month.

Illegal acts: None

Ms. Tran My Linh: Member of Board of Directors

Full name: Tran My Linh

Gender: Female

Date of birth: January 18, 1982

ID card: 001182010004

Place of birth: Hanoi

Nationality: Vietnam

Ethnicity: Kinh

Permanent address: No. 51, Lane 29, Vong Thi Street, Bui Ward, Tay Ho District, Hanoi City.

Current position held in another organization: General Director of VIMEDIMEX Pharmaceutical Joint Stock Company

Number of shares held and represented (as of December 31, 2024): 0 shares. Of which:

- Representative ownership: 0 shares
- Individual ownership: 0 shares (equivalent to 0% of charter capital)
Number of shares owned by related persons: 0 shares.
Conflict with the rights and interests of the company: No
Debts to the company: No
Remuneration and related benefits to the company: 20,000,000 VND/month.
Illegal acts: No

Mr. Nguyen Phan Trung Kien: Member of Board of Directors

Full name: Nguyen Phan Trung Kien
Gender: Male
Date of birth: 23/09/1982
ID card: 001082051933
Place of birth: Ha Tinh
Nationality: Vietnam
Ethnicity: Kinh
Permanent address: 1109 Building B Vigracera TLN01, Trung Hoa, Cau Giay, Hanoi.
Current position held in other organizations: None
Number of shares held and represented (as of December 31, 2024): 8,000,000 shares. Of which:
- Representative ownership: 0 shares
- Individual ownership: 8,000,000 shares (accounting for 24.24% of charter capital)
Number of shares owned by related persons: None.
Conflict with the rights and interests of the company: No
Debts to the company: No
Remuneration and related benefits to the company: 20,000,000 VND/month.
Illegal acts: No

Mr. Le Xuan Tung: Member of Board of Directors

Full name: Le Xuan Tung
Gender: Male
Date of birth: August 30, 1995
ID card: 001095011022 issued by the Department of Administrative Police on Social Affairs on July 10, 2021

Place of birth: Hanoi

Nationality: Vietnam

Ethnicity: Kinh

Permanent address: P52, House 6, Nam Dong Town, Nam Dong, Dong Da, Hanoi.

Current positions held in other organizations: Chairman of the Board of Directors of Vimedimex Pharmaceutical Joint Stock Company, Chairman of the Board of Directors of International Fund Management Joint Stock Company.

Number of shares held and represented (as of December 31, 2024): 0 shares. In which:

- Representative ownership: 0 shares

- Individual ownership: 0 shares

Number of shares owned by related persons: 6,510,185 shares (accounting for 19.72% of charter capital)

Conflict with the rights and interests of the company: None

Debts to the company: None

Remuneration and related benefits to the company: 20,000,000 VND/month.

Illegal acts: None

b) Board of Directors Subcommittees: (List the Board of Directors subcommittees and members of each subcommittee) None.

c) Board of Directors' performance: assess the Board of Directors' performance, specifying the number of Board of Directors' meetings, the content and results of the meetings.

No.	Board of Directors Member	Number of meetings attended	Meeting attendance rate	Reason for not attending
1	Trịnh Thanh Giảng	9	100%	
2	Lê Đình Dương	9	100%	
3	Nguyễn Phan Trung Kiên	1	100%	
4	Trần Mỹ Linh	3	100%	
5	Lê Xuân Tùng	9	100%	

d) Activities of independent members of the Board of Directors. Activities of subcommittees in the Board of Directors: (assess the activities of subcommittees of the Board of Directors, specify the number of meetings of each subcommittee, the content and results of the meetings: None

e) List of members of the Board of Directors with corporate governance training certificates. List

of members of the Board of Directors participating in corporate governance programs during the year: None.

2. Board of Supervisors/Audit Committee

a) Members and structure of the Supervisory Board/Audit Committee: (list of Supervisory Board members, ownership ratio of voting shares and other securities issued by the company.

Members of the Supervisory Board include:

Mr. Doan Duc Giang: Head of Supervisory Board

Full name: Doan Duc Giang

Gender: Male

Date of birth: 13/09/1993

ID card: 034093004973 Date of issue: 23/08/2023 Place of issue: Department of Social Security Administration

Place of birth: Thai Binh.

Nationality: Vietnam

Ethnicity: Kinh

Permanent address: No. 9a, Alley 322/22/28, My Dinh Street, Nam Tu Liem District, Hanoi

Number of shares owned by related persons: None

Interests that conflict with the interests of the company: None

Debts to the company: None

Related interests to the company: None

Illegal acts: None

Remuneration and related interests to the company: 15,000,000 VND/month.

Mr. Tran Hung Cuong: Member of the Board of Supervisors

Full name: Tran Hung Cuong

Gender: Male

Date of birth: November 6, 1978

ID card: 017078000069 issued by the Department of Administrative Police on Social Order on April 29, 2021

Place of birth: Phuong Lam Ward, Hoa Binh Town, Hoa Binh Province.

Nationality: Vietnam

Ethnicity: Kinh

Permanent address: Room 1007, Building B, Xuan Mai CT2 Apartment Building, To Hieu Street, Ha Cau Ward, Ha Dong District, Hanoi City.

Number of shares owned by related persons: None

Interests in conflict with the interests of the company: None

Debts to the company: None

Related interests to the company: None

Illegal acts: None

Remuneration and related interests to the company: 10,000,000 VND/month.

Mr. Truong Duy Phong: Member of the Board of Supervisors

Full name: Truong Duy Phong

Gender: Male

Date of birth: 12/08/1993

ID card: 001093032882 Date of issue: 25/04/2021 Place of issue: Department of Social Security Administration

Place of birth: Thai Binh.

Nationality: Vietnam

Ethnicity: Kinh

Permanent address: 282 Lac Trung, Vinh Tuy, Hai Ba Trung, Hanoi

Number of shares owned by related persons: None

Interests in conflict with the interests of the company: None

Debts to the company: None

Related interests to the company: None

Illegal acts: None

Remuneration and related interests to the company: 10,000,000 VND/month.

b) Activities of the Board of Supervisors/Audit Committee: (evaluate the activities of the Board of Supervisors/Audit Committee, specify the number of meetings of the Board of Supervisors/Audit Committee, the content and results of the meetings).

3. Transactions, remuneration and benefits of the Board of Directors, the Board of Management and the Supervisory Board/Audit Committee.

a) Salaries, bonuses, remuneration, benefits: (Salary, bonuses, remuneration, other benefits and expenses for each member of the Board of Directors, member of the Board of Supervisors/Auditing Committee, Director or General Director and managers. The value of these remunerations, benefits and expenses must be disclosed in detail for each person, stating the specific amount. Non-material benefits or benefits that cannot/cannot be quantified in money must be listed and fully explained.

b) Stock transactions of internal persons: (Information on stock transactions of members of the Board of Directors, members of the Board of Supervisors/Auditing Committee, Director (General Director), Chief Accountant, managers, Company Secretary, major shareholders and those related to the above subjects:

No.	Transaction executor	Relationship with internal persons	Number of shares owned at the beginning of the period		Number of shares owned at the end of the period		Reasons for increase, decreasing (buying, selling, converting, rewarding, etc.)
			Numbers of shares	Percentage	Numbers of shares	Percentage	
1	Nguyễn Phan Trung Kiên	General Manager	0	0%	8.000.000	24,24%	Buy stocks
2	Lê Đình Dương	Chairman	5.000.700	17,58%	6.506.455	19,71%	Buy stocks

c) Contracts or transactions with internal persons: Information on contracts or transactions signed or executed during the year with the company Company, subsidiaries, companies that the company controls of members of the Board of Directors, members of the Supervisory Board/Auditing Committee, Director (General Director), managers and people related to the above subjects: None.

d) Assessment of the implementation of regulations on corporate governance: (Clearly state the contents that have not been implemented according to the legal regulations on corporate governance. Causes, solutions and plans to overcome/plans to enhance the effectiveness of corporate governance activities.

VI. Financial report

1. Auditor's opinion: In our opinion, the Financial Statements give a true and fair view, in all material respects, of the financial position of Hoa Binh Securities Joint Stock Company as at December 31, 2024, as well as the results of its operations, cash flows and changes in equity for the fiscal year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System, accounting regulations and guidance applicable to securities companies and relevant legal regulations on the preparation and presentation of Financial Statements.

2. Audited financial statements (Audited annual financial statements include: Separate financial statements as of December 31, 2024, Separate performance report, Separate equity change report, Separate cash flow statement for the fiscal year ending on the same date and notes to the financial statements in accordance with the law on accounting and auditing).

HOA BINH SECURITIES JOINT STOCK COMPANY

**CHAIRMAN OF THE
BOARD OF DIRECTOR**



LÊ ĐÌNH DƯƠNG