

FINANCIAL STATEMENTS

QUARTER 01/2022

**HO CHI MINH CITY SECURITIES
CORPORATION**



STATEMENT OF FINANCIAL POSITION

Code	ITEMS	Note	As at	
			31.03.2022 VND	31.12.2021 VND
ASSETS				
100	CURRENT ASSETS		22,610,553,907,706	24,186,710,802,908
110	Financial assets		22,560,548,937,904	24,114,470,306,909
111	Cash and cash equivalents	3.1	4,721,317,274,792	7,198,511,987,873
111.1	<i>Cash</i>		4,721,317,274,792	7,198,511,987,873
	Financial assets at fair value through profit or loss			
112	(FVTPL)	3.2	2,253,006,018,605	2,371,663,569,220
114	Loans	3.3	14,523,355,039,181	13,690,097,115,046
118	Prepayments to suppliers		14,405,899,772	14,378,716,021
119	Service related receivable	3.4	855,556,824,819	639,323,864,073
122	Other receivables	3.4	192,907,880,735	200,495,054,676
130	Other current assets		50,004,969,802	72,240,495,999
131	Advances		871,866,129	727,974,286
133	Short-term prepaid expenses		14,508,851,723	9,816,990,763
134	Short-term security deposits		395,450,000	395,450,000
137	Other current assets		34,228,801,950	61,300,080,950
137.1	<i>Deposits for derivatives trading activities</i>		34,228,801,950	61,300,080,950
200	NON-CURRENT ASSETS		183,418,550,551	182,392,337,809
220	Fixed assets		51,327,081,769	40,005,113,583
221	Tangible fixed assets	3.5	39,796,777,764	28,190,853,273
222	<i>Historical cost</i>		134,801,503,928	119,732,244,928
223a	<i>Accumulated depreciation</i>		(95,004,726,164)	(91,541,391,655)
227	Intangible fixed assets	3.5	11,530,304,005	11,814,260,310
228	<i>Historical cost</i>		86,378,777,084	85,006,277,084
229a	<i>Accumulated amortisation</i>		(74,848,473,079)	(73,192,016,774)
240	Construction in progress	3.5	1,104,885,999	8,483,996,599
250	Other non-current assets		130,986,582,783	133,903,227,627
251	Long-term security deposits		8,850,543,262	8,850,543,262
252	Long-term prepaid expenses	3.6	90,156,057,021	93,072,701,865
253	Deferred income tax assets		1,979,982,500	1,979,982,500
254	Deposits in the Settlement Supporting Fund	3.7	20,000,000,000	20,000,000,000
255	Other long-term assets	3.8	10,000,000,000	10,000,000,000
255.1	<i>Deposits in the Derivatives trading clearing fund</i>		10,000,000,000	10,000,000,000
270	TOTAL ASSETS		22,793,972,458,257	24,369,103,140,717

STATEMENT OF FINANCIAL POSITION
(continued)

Code	ITEMS	Note	As at	
			31.03.2022 VND	31.12.2021 VND
300	LIABILITIES		15,185,902,719,087	17,043,850,217,927
310	Current liabilities		15,185,902,719,087	17,043,850,217,927
311	Short-term borrowings and finance lease liabilities		14,518,687,250,000	15,039,870,130,242
312	<i>Short-term borrowings</i>	3.9	14,518,687,250,000	15,039,870,130,242
318	Trading obligations	3.10	187,214,518,221	1,461,564,263,853
320	Short-term trade payables		1,585,342,664	1,551,194,104
322	Taxes and other payables to the State	3.11	117,299,047,764	118,960,709,302
324	Accrued employees' welfares		6,303,706,903	6,137,000,317
325	Short-term accrued expenses	3.12	237,739,513,398	194,292,714,722
329	Other short-term payables	3.13	91,249,904,798	195,643,770,048
331	Bonus and welfare funds		25,823,435,339	25,830,435,339
400	OWNERS' EQUITY		7,608,069,739,170	7,325,252,922,790
410	Owners' equity	3.14	7,608,069,739,170	7,325,252,922,790
411	Owners' capital		5,535,583,100,992	5,535,583,100,992
411.1	Share capital		4,580,523,670,000	4,580,523,670,000
411.1a	<i>Ordinary shares with voting rights</i>		4,580,523,670,000	4,580,523,670,000
411.2	Share premiums		967,536,880,000	967,536,880,000
411.5	Treasury shares		(12,477,449,008)	(12,477,449,008)
414	Supplementary capital reserve		277,696,843,214	277,696,843,214
415	Financial and operational risk reserve		277,696,843,214	277,696,843,214
416	Other equity reserves		3,961,374,994	3,961,374,994
417	Undistributed earnings	3.15	1,513,131,576,756	1,230,314,760,376
417.1	<i>Realised profits after tax</i>		1,431,290,925,233	1,133,223,368,908
417.2	<i>Unrealised profits</i>		81,840,651,523	97,091,391,468
440	TOTAL RESOURCES		22,793,972,458,257	24,369,103,140,717

OFF STATEMENT OF FINANCIAL POSITION ITEMS

Code	ITEMS	Note	As at	
			31.03.2022	31.12.2021
A	ASSETS OF THE COMPANY AND ASSETS UNDER ENTRUSTMENT			
			<i>Amount (VND)</i>	
004	Bad debts written off		39,928,851,148	39,928,851,148
			<i>Original currency</i>	
005	Foreign currencies	4.1		
	United States Dollar		2,404.44	1,933.03
	Japanese Yen		241,870	241,915
	Singapore Dollar		844	844
	British Pound		8,649.90	6,654.01
	New Taiwan Dollar		3,200	3,200
	Canadian Dollar		100	100
	Malaysian Ringgit		750	750
			<i>Quantity</i>	
006	Number of shares in issue (shares)	4.2	457,211,949	457,211,949
007	Number of treasury shares (shares)		840,418	840,418
			<i>Par value (VND)</i>	
008	Securities listed/registered at Vietnam Securities Depository ("VSD")		1,591,612,370,000	1,534,001,710,000
	<i>Freely traded securities</i>		391,612,370,000	334,001,710,000
	<i>Restricted securities</i>		1,200,000,000,000	1,200,000,000,000
009	Securities in custody of VSD and not yet traded		10,196,500,000	3,150,750,000
010	Securities purchased and awaiting settlement		92,025,790,000	38,050,920,000
			<i>Quantity</i>	
014	Covered warrants authorised but not yet issued	4.3	53,581,100	125,119,700
B	ASSETS OF AND LIABILITIES TO CUSTOMERS			
			<i>Par value (VND)</i>	
021	Securities listed/registered at VSD		29,100,354,293,856	29,233,137,338,247
021.1	<i>Freely traded securities</i>		26,533,352,630,000	26,729,328,284,000
021.2	<i>Restricted securities</i>		83,418,710,000	77,797,610,000
021.3	<i>Pledged securities</i>		1,344,297,600,000	1,367,875,900,000
021.4	<i>Suspended securities</i>		102,406,820,000	102,406,820,000
021.5	<i>Securities awaiting settlement</i>		666,869,741,000	665,069,237,000
021.7	<i>Customers' deposits for derivatives trading</i>		370,008,792,856	290,659,487,247

OFF STATEMENT OF FINANCIAL POSITION ITEMS
(continued)

Code	ITEMS	Note	As at	
			31.03.2022 VND	31.12.2021 VND
B	ASSETS OF AND LIABILITIES TO CUSTOMERS (continued)			
			<i>Par value (VND)</i>	
022	Securities in custody of VSD and not yet traded		142,889,430,000	90,528,440,000
022.1	Securities in custody of VSD and not yet traded – freely traded securities		81,857,240,000	43,018,500,000
022.2	Securities in custody of VSD and not yet traded – suspended securities		61,032,190,000	47,509,940,000
023	Securities purchased and awaiting settlement		613,329,852,000	752,891,009,000
024b	Securities not in custody of VSD of investors		5,500,000,000	5,500,000,000
026	Customers' deposits		2,710,694,284,856	2,567,360,017,939
027	Customers' deposits for securities trading		2,340,685,492,000	2,276,700,530,692
027.1	Customers' deposits at VSD		370,008,792,856	290,659,487,247
031	Payables to customers relating to their deposits at the Company for securities trading		2,340,685,492,000	2,276,700,530,692
031.1	Payables to domestic customers relating to their deposits at the Company for securities trading		2,321,298,435,060	2,250,847,001,197
031.2	Payables to foreign customers relating to their deposits at the Company for securities trading		19,387,056,940	25,853,529,495

Prepared by



Le Thi Thuy Duong

Chief Financial Officer cum
Chief Accountant


Lam Huu Ho



20 April 2022

Chief Executive Officer



Trinh Hoai Giang

HO CHI MINH CITY SECURITIES CORPORATION
FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

Form B02a – CTCK

STATEMENT OF INCOME

Code	ITEMS	Note	1st Quarter		Year to date	
			2022 VND	2021 VND	2022 VND	2021 VND
	OPERATING INCOME					
01	Income from FVTPL financial assets		403,038,938,942	627,904,962,630	403,038,938,942	627,904,962,630
01.1	<i>Realised gains on disposal of FVTPL financial assets</i>	5.1	331,009,831,840	625,141,484,461	331,009,831,840	625,141,484,461
01.2	<i>Increase in revaluation gains of FVTPL financial assets</i>	5.2a	19,993,087,706	(67,082,926,367)	19,993,087,706	(67,082,926,367)
01.3	<i>Dividends and interest income from FVTPL financial assets</i>		94,706,698,374	58,464,697,696	94,706,698,374	58,464,697,696
01.4	<i>Decrease in covered warrants liabilities due to revaluations</i>		(42,670,678,978)	11,381,706,840	(42,670,678,978)	11,381,706,840
03	Interest income from loans and receivables		372,982,861,417	222,064,558,207	372,982,861,417	222,064,558,207
06	Brokerage fee income		282,899,188,849	294,526,340,378	282,899,188,849	294,526,340,378
09	Custody service income		2,185,755,247	2,046,762,676	2,185,755,247	2,046,762,676
10	Financial consultancy service income		4,449,215,454	15,637,880,982	4,449,215,454	15,637,880,982
11	Other operating income		2,442,377,870	768,981,992	2,442,377,870	768,981,992
20	TOTAL OPERATING INCOME		1,067,998,337,779	1,162,949,486,865	1,067,998,337,779	1,162,949,486,865
	OPERATING EXPENSES					
21	Losses from FVTPL financial assets		216,293,006,919	426,660,449,923	216,293,006,919	426,660,449,923
21.1	<i>Realised losses on disposal of FVTPL financial assets</i>	5.1	223,719,858,246	454,915,925,976	223,719,858,246	454,915,925,976
21.2	<i>Decrease in revaluation losses of FVTPL financial assets</i>	5.2a	(5,422,071,374)	(16,029,652,214)	(5,422,071,374)	(16,029,652,214)
21.3	<i>Increase in covered warrants liabilities due to revaluations</i>		(2,004,779,953)	(12,225,823,839)	(2,004,779,953)	(12,225,823,839)
24	Provisions for financial assets, losses on bad debts, impairment losses of financial assets and interest expenses associated with loans		208,753,183,330	106,430,896,871	208,753,183,330	106,430,896,871
26	Proprietary trading activities	5.3	22,359,166,971	13,901,120,244	22,359,166,971	13,901,120,244
27	Brokerage fee expenses	5.3	166,230,737,196	155,638,968,312	166,230,737,196	155,638,968,312
30	Custody service expenses	5.3	2,303,124,842	2,131,871,596	2,303,124,842	2,131,871,596
31	Financial consultancy service expenses	5.3	5,110,805,260	4,017,377,833	5,110,805,260	4,017,377,833
32	Other operating expenses	5.3	951,810,504	1,099,506,612	951,810,504	1,099,506,612
40	TOTAL OPERATING EXPENSES		622,001,835,022	709,880,191,391	622,001,835,022	709,880,191,391

HO CHI MINH CITY SECURITIES CORPORATION
FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

Form B02a – CTCK

STATEMENT OF INCOME
(continued)

Code	ITEMS	Note	1st Quarter		Year to date	
			2022 VND	2021 VND	2022 VND	2021 VND
	FINANCIAL INCOME					
42	Dividend income and interest income from demand deposits		1,809,021,389	1,558,526,827	1,809,021,389	1,558,526,827
50	TOTAL FINANCIAL INCOME		1,809,021,389	1,558,526,827	1,809,021,389	1,558,526,827
62	GENERAL AND ADMINISTRATIVE EXPENSES	5.4	94,346,532,725	52,927,579,977	94,346,532,725	52,927,579,977
70	OPERATING RESULT		353,458,991,421	401,700,242,324	353,458,991,421	401,700,242,324
	OTHER INCOME AND EXPENSES					
71	Other income		413,145,454	-	413,145,454	-
80	NET OTHER INCOME		413,145,454	-	413,145,454	-
90	NET ACCOUNTING PROFIT BEFORE TAX		353,872,136,875	401,700,242,324	353,872,136,875	401,700,242,324
91	Realised profit		369,122,876,821	429,145,985,798	369,122,876,821	429,145,985,798
92	Unrealised profit		(15,250,739,946)	(27,445,743,474)	(15,250,739,946)	(27,445,743,474)

HO CHI MINH CITY SECURITIES CORPORATION
 FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

Form B02a – CTCK

STATEMENT OF INCOME
 (continued)

Code	ITEMS	Note	1st Quarter		Year to date	
			2022 VND	2021 VND	2022 VND	2021 VND
100	BUSINESS INCOME TAX ("BIT")		71,125,832,495	79,895,074,640	71,125,832,495	79,895,074,640
100.1	BIT – current		71,125,832,495	79,895,074,640	71,125,832,495	79,895,074,640
200	NET PROFIT AFTER TAX		282,746,304,380	321,805,167,684	282,746,304,380	321,805,167,684

Prepared by



Le Thi Thuy Duong

Chief Financial Officer cum
 Chief Accountant



Lam Huu Ho



20 April 2022
 Chief Executive Officer



Trinh Hoai Giang

HO CHI MINH CITY SECURITIES CORPORATION
FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

Form B03(b)a – CTCK

STATEMENT OF CASH FLOWS
(Indirect method)

Code	ITEMS	Year to date	
		2022 VND	2021 VND
	Cash flows from operating activities		
01	Net profit before tax	353,872,136,875	401,700,242,324
02	Adjustments for:	23,765,476,501	37,396,775,650
03	Depreciation and amortisation	6,251,014,214	6,923,031,928
06	Interest expenses	208,753,183,330	106,430,896,871
07	Profits from investing activities	(409,090,909)	-
08	Accrued interest income	(190,829,630,134)	(75,957,153,149)
10	Increase in non-cash expenses	(7,426,851,327)	(28,255,476,053)
11	Decrease in revaluation losses of FVTPL financial assets, revaluation losses of covered warrants	(7,426,851,327)	(28,255,476,053)
18	Decrease in non-cash income	22,677,591,273	55,701,219,527
19	Increase in revaluation gains of FVTPL financial assets, decrease in revalued amount of covered warrants liabilities	22,677,591,273	55,701,219,527
30	Operating profit before changes in working capital	(2,186,641,170,196)	60,866,910,199
31	Decrease in FVTPL financial assets	144,072,709,694	1,245,834,779,680
33	Increase in loans	(833,257,924,135)	(252,430,358,590)
37	Increase in service-related receivables	(216,232,960,746)	(1,533,696,916,090)
39	Decrease in other receivables	198,272,912,232	62,337,189,870
41	Increase in accrued expenses (excluding interest expenses)	36,178,344,503	3,012,086,839
42	Increase in prepaid expenses	(1,775,216,116)	(7,517,896,983)
43	BIT paid	(56,014,262,210)	(35,382,154,300)
44	Interest paid	(201,501,729,157)	(98,449,870,794)
45	Increase in trade payables	6,964,809	2,077,697,218
46	Increase in employee welfare payables	166,706,586	409,789,921
47	(Decrease)/increase in tax and other payables to the State (excluding BIT paid)	(16,814,140,914)	13,132,996,417
50	(Decrease)/increase in other short-term payables, covered warrants payable	(1,266,813,853,742)	506,763,261,426

HO CHI MINH CITY SECURITIES CORPORATION
 FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

Form B03(b)a – CTCK

STATEMENT OF CASH FLOWS
(Indirect method)
(continued)

Code	ITEMS	Year to date	
		2022 VND	2021 VND
51	Other receipts from operating activities	27,071,279,000	156,707,588,000
52	Other payments for operating activities	-	(1,931,282,415)
60	Net cash outflows for operating activities	(1,793,752,816,874)	527,409,671,647
	Cash flows from investing activities		
61	Cash paid for purchases of fixed assets	(10,193,871,800)	(1,305,191,546)
62	Proceeds from disposals of fixed assets	450,000,000	-
70	Net cash outflows for investing activities	(9,743,871,800)	(1,305,191,546)
	Cash flows from financing activities		
73	Proceeds from borrowings	28,785,701,926,731	19,727,404,093,762
74.3	Repayments of principals of borrowings	(29,306,884,806,973)	(17,996,145,154,842)
76	Payment of dividend	(152,515,144,165)	(152,504,947,062)
80	Net cash inflows from financing activities	(673,698,024,407)	1,578,753,991,858
90	Increase/(decrease) in cash and cash equivalents	(2,477,194,713,081)	2,104,858,471,959
101	Cash and cash equivalents at beginning of year	7,198,511,987,873	206,860,864,747
101.1	Cash	7,198,511,987,873	206,860,864,747
103	Cash and cash equivalents at end of year	4,721,317,274,792	2,311,719,336,706
103.1	Cash	4,721,317,274,792	2,311,719,336,706

STATEMENT OF CASH FLOWS
(Indirect method)
(continued)

CASH FLOWS OF BROKERAGE AND ENTRUSTMENT ACTIVITIES

Code	ITEMS	Year to date	
		2022 VND	2021 VND
	Cash flows of brokerage and entrustment activities		
01	Brokerage trading proceeds	65,034,809,067,112	54,342,857,352,528
02	Brokerage trading payments	(62,951,075,627,600)	(55,282,068,072,796)
07	Receipts for settlement of customers' transactions	-	763,250,650,654
08	Payments for customers' securities transactions	(2,017,562,722,957)	-
11	Payments for custody fees of customers	(2,185,755,247)	(2,046,762,676)
20	Increase in customers' deposits	63,984,961,308	(178,006,832,290)
30	Customers' deposits at beginning of year	2,276,700,530,692	2,100,361,355,974
31	Cash at bank	2,276,700,530,692	2,100,361,355,974
32	<i>Customers' deposits for securities trading under monitoring of the Company</i>	2,276,700,530,692	2,100,361,355,974
40	Customers' deposits at end of year	2,340,685,492,000	1,922,354,523,684
41	Cash at bank	2,340,685,492,000	1,922,354,523,684
42	<i>Customers' deposits for securities trading under monitoring of the Company</i>	2,340,685,492,000	1,922,354,523,684

Prepared by



Le Thi Thuy Duong

Chief Financial Officer cum
Chief Accountant



Lam Huu Ho

20 April 2022
Chief Executive Officer



Trinh Hoai Giang



STATEMENT OF CHANGES IN EQUITY

Items	As at		For the period ended 31 March 2021		For the period ended 31 March 2022		As at	
	1.1.2021	1.1.2022	Increase	Decrease	Increase	Decrease	31.03.2021	31.03.2022
	VND	VND	VND	VND	VND	VND	VND	VND
1. Owners' capital	3,405,291,244,992	5,535,583,100,992	-	-	-	-	3,405,291,244,992	5,535,583,100,992
1.1 Ordinary shares with voting rights	3,058,822,630,000	4,580,523,670,000	-	-	-	-	3,058,822,630,000	4,580,523,670,000
1.2 Share premium	358,946,064,000	967,536,880,000	-	-	-	-	358,946,064,000	967,536,880,000
1.3 Treasury shares	(12,477,449,008)	(12,477,449,008)	-	-	-	-	(12,477,449,008)	(12,477,449,008)
2. Supplementary capital reserve	177,907,588,627	277,696,843,214	-	-	-	-	177,907,588,627	277,696,843,214
3. Financial risk and operation reserve	177,907,588,627	277,696,843,214	-	-	-	-	177,907,588,627	277,696,843,214
4. Other equity funds	3,961,374,994	3,961,374,994	-	-	-	-	3,961,374,994	3,961,374,994
6. Undistributed earnings	675,286,734,145	1,230,314,760,376	321,805,167,684	(8,100,000)	282,746,304,380	(70,512,000)	997,100,001,829	1,513,131,576,756
6.1 Realised profit after tax	647,641,022,448	1,133,223,368,908	349,250,911,158	(8,100,000)	297,997,044,325	(70,512,000)	996,900,033,606	1,431,290,925,233
6.2 Unrealised profits after tax	27,645,711,697	97,091,391,468	(27,445,743,474)	-	(15,250,739,945)	-	199,968,223	81,840,651,523
Total	4,440,354,531,385	7,325,252,922,790	321,805,167,684	(8,100,000)	282,746,304,380	(70,512,000)	4,762,167,799,069	7,608,069,739,170

Prepared by



Le Thi Thuy Duong

Chief Financial Officer cum
Chief Accountant



Lam Huu Ho



NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

1 GENERAL INFORMATION***Establishment and listing***

Ho Chi Minh City Securities Corporation (“the Company”) is a joint stock company incorporated in Vietnam under Business registration certificate No. 4103001573 issued by the Department of Planning and Investment of Ho Chi Minh City on 23 April 2003 and the Establishment and operation licence No. 11/UBCK-GPHĐKD issued by the State Securities Commission (“SSC”) on 29 April 2003. The Establishment and operation licence was amended several times and the latest amendment No. 02/GPĐC-UBCK was issued on 7 January 2022.

Headquarter and contact information

The Company is headquartered at Level 2, 5, 6, 7, 11 and 12, AB Tower, 76A Le Lai Street, Ben Thanh Ward, District 1, Ho Chi Minh City, Vietnam.

Contact information:

Email: info@hsc.com.vn

Telephone: (+84 28) 3823 3299

Company charter

The Company’s Charter was latest updated on 22 April 2021.

Operations

The principal activities of the Company are brokerage services, securities trading, securities investment, consultancy services, corporate finance consultancy services, underwriting and securities custodian services.

Charter capital

The Company’s charter capital is VND 4,580,523,670,000, including VND 1,521,701,040,000 from the public offering closing dated 16 December 2021. The Company is in the process of updating its new charter capital into the operation licence.

Investment objectives and investment restrictions

Being a listed broker firm in the Vietnamese securities market, the Company aims to contribute to development of the securities market and deliver benefits to customers, investors and its shareholders. The Company’s investment portfolio and its investment restrictions shall be in compliance with the investment objectives and strategies as stipulated in its charter and applicable securities rules.

Network of operation

As at 31 March 2022, the Company had 1 branch and 1 representative offices in Vietnam.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

1 GENERAL INFORMATION (continued)**The corporation's operational features during the Quarter 1 affected financial statements**

The profit after tax for Q1/2022 decreased by 12% compared to the same period of last year because of the following reasons:

- a. The revenue for Q1/2022 increased by 24% compared to Q1/2021 (excluded from effect on revenue and expense of proprietary trading activities as mentioned below), in which:
 - Revenue from margin lending activities for Q1/2022 rose 68% compared to Q1/2021, because of the effective market liquidity lead to the increase in demand of margin lending;
 - Revenue of Proprietary trading activities (the difference between the profit from financial assets recognised through profit / loss in section 1.1 and the loss from financial assets recognised through profit / loss in section 2.1 of the Income Statement) went down 7% compared to Q1/2021 because market condition was ineffective for investment;
 - Revenue of advisory activities decreased 72% compared to last year. It was due to no big business deal completed and revenue recognised in Q1/2022.
- b. The operating expenses for Q1/2022 (excluded from affect mentioned in code 2.1) increased 43% compared to the same period of last year mainly due to bank interest expenses grew up with the increase in margin lending revenue.
- c. The administrative expenses for Q1/2022 significantly jumped to 78% compared to Q1/2021 due to the restructuring among back-office departments corresponding with operation of the Company.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation of interim financial statements**

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and prevailing regulations on preparation and presentation of financial statements applicable to securities companies operating in Vietnam. The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets at fair value through profit or loss (FVTPL) based on market value (or fair value in case market value is undetermined).

2.2 Form of records applied

The Company uses the accounting software tailored in general journal to record its transactions.

2.3 Form of records applied

The Company's fiscal year is from 1 January to 31 December.

These financial statements are prepared for the period from 1 January 2022 to 31 March 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.4 Currency**

The financial statements are measured and presented in Vietnamese Dong ("VND").

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognised in profit or loss of the statement of income.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are respectively translated at the buying and selling exchange rates at the reporting date of the commercial bank where the Company regularly trades. Foreign currencies deposited in bank at the reporting date are translated at the buying exchange rate of the commercial bank where the Company opens the foreign currency accounts. Foreign exchange differences arising from these translations are recognised as income or expenses in the statement of income.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank, cash in transit and other short-term investments with an original maturity of 3 months or less which are subject to an insignificant risk of conversion into cash.

Cash of investors for securities trading activities and cash of issuers are accounted off statement of financial positio.

2.6 Financial assets**(a) Classification and measurement****(i) Financial assets measured at fair value through profit or loss (FVTPL)**

Financial assets at fair value through profit or loss are financial assets held for trading or designated by the Board of Management at initial recognition at fair value through profit or loss.

A financial asset is classified as held for trading if meeting one of the following conditions:

- It is purchased or created for resale/repurchase in short term; or
- At initial recognition, it constitutes a part of an identified portfolio of financial instruments which are traded for short-term profits; or
- It is a derivative (except those defined as financial guarantees or effective hedges).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Financial assets (continued)****(a) Classification and measurement (continued)***(i) Financial assets measured at fair value through profit or loss (FVTPL)*

At initial recognition, the Board of Management designates a financial asset at fair value through profit or loss if such designation promotes the fairness of its presentation due to one of the following reasons:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency (also called as “accounting mismatch”) that would otherwise arise due to different bases; or
- It gives rise to a group of financial assets whose performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy and internally disseminated to the Company’s key management (as defined in Vietnamese Accounting Standard on Related parties disclosure) such as Board of Directors, Board of Management and major shareholders.

Financial assets at fair value through profit or loss are initially recorded at cost exclusive of transaction costs. Transaction costs related to purchases of FVTPL financial assets are expensed off immediately.

Financial assets at fair value through profit or loss are subsequently measured at market value or fair value (in case market value is indeterminable). Those shares, including derivatives to be settled in shares, that not traded on active market or those whose fair value is not reliably determined are accounted at cost.

All gains or losses from change in fair value of FVTPL financial assets are recognised in profit or loss of the statement of comprehensive income.

(ii) Held-to-maturity financial assets (“HTM”)

HTM financial assets are non-derivative financial assets with the followings characteristics:

- Payments are fixed or determinable;
- Maturity is fixed;
- The Company has positive intention and ability to hold to maturity.

The following assets are excluded from HTM financial assets:

- Non-derivatives classified as FVTPL financial assets at initial recognition;
- Non-derivatives classified as available-for-sale (“AFS”) financial assets; and
- Non-derivatives qualifying conditions to be classified as loans and receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Financial assets (continued)****(a) Classification and measurement (continued)****(ii) Held-to-maturity financial assets (“HTM”) (continued)**

HTM financial assets are initially recorded at cost inclusive of directly attributable purchase costs, subsequently measured at amortised cost using effective interest method (“EIR”).

Effective interest method is a method used in calculating the amortised cost of an HTM financial asset or a group of HTM financial assets and in the allocation and recognition of the interest revenue or interest expense in profit or loss over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the financial instrument's expected life, or a shorter period where appropriate, to the net present value of a financial asset or a financial liability.

Amortised cost of HTM financial assets is determined at historical cost less principal received plus (or less) accumulated amortisation using effective interest rate method between historical cost and maturity value, less impairment loss (if any).

As at reporting date, HTM investments are provided for impairment loss when there is any objective evidence of impairment or uncollectibility as a result of one or more events that occurred subsequent to the initial recognition and affected estimated future cash flows of HTM investments. Objective evidence of impairment may include:

- Significant financial difficulty of the issuer or the obligor;
- A breach of contract, such as default or delinquency in interest or principal payments;
- The lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
 - Adverse changes in the payment status of borrowers in the group; or
 - National or local economic conditions that correlate with defaults on the assets in the group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Financial assets (continued)****(a) Classification and measurement (continued)**

Provision for impairment of HTM financial assets is determined at the difference of the estimated recoverable amount and the carrying value of HTM financial assets at the reporting date. Provision/(reversal of provision) for such impairment is debited/credited to expenses in profit or loss of the statement of comprehensive income.

HTM financial assets are classified as current and non-current assets in the statement of financial position based on their remaining maturity as at the reporting date.

(iii) Loans

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

In the reporting year, the Company had the following types of loans:

- **Margin loans:** the amounts lent to customers for their purchases of listed securities in accordance with Decision 87/QD-UBCK issued by the State Securities Commission on 25 January 2017. According to this regulation, the initial margin (ratio of net equity to market value of security to be purchased on margin as at trading date) is set by the Company but shall be not lower than 50%. The margin loans are collateralised by securities eligible for margin lending
- **Trading advances:** the amounts advanced to customers at the trading date. These amounts are repaid within two (2) trading days.

Loans are initially recorded at cost and subsequently measured at amortised cost using the EIR method.

Amortised cost of loans is determined at historical cost less principal received plus (or less) accumulated amortisation using the EIR between historical cost and maturity value, less impairment loss (if any).

As at reporting date, loans are provided for impairment loss when there is any objective evidence of impairment. Provision for impairment of loans is determined at the difference of market value of collateral and the carrying value of loans at the reporting date. Provision/(reversal of provision) for such impairment is debited/credited to expenses in profit or loss of the statement of comprehensive income.

(iv) Available-for-sale financial assets ("AFS")

AFS financial assets are non-derivative financial assets that are not classified as FVTPL, HTM, loans nor receivables.

AFS financial assets are initially recorded at cost inclusive of directly attributable purchase cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Financial assets (continued)****(a) Classification and measurement (continued)***(iv) Available-for-sale financial assets ("AFS") (continued)*

At the reporting date, AFS financial assets are measured at fair value. Those shares not traded on active market or those whose fair value is not reliably determined are accounted at cost.

All gains or losses from revaluation of AFS financial assets are accounted for directly in equity (other comprehensive income) through the statement of changes in equity, exclusive of impairment losses. Such recognition is applied until the asset is de-recognised.

At derecognition, accumulated gains or losses in equity are recognised in profit or loss of the statement of comprehensive income as a reclassification. Gains using effective interest method is recognised in profit or loss of the statement of comprehensive income in accordance with Standard on Revenue recognition.

As at reporting date, AFS financial assets are provided for impairment loss when there is any objective evidence of impairment.

Objective evidence of impairment for debt instruments may include those identified as for HTM financial instruments.

Objective evidence of impairment for equity instruments may include:

- Significant changes which adversely affect the issuer's operations as a result of their impacts on the technological, market, economic or legal environment, and indicates that the cost of the equity instrument may not be recovered;
- A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

Provision for impairment is determined at the difference of the estimated recoverable amount and the carrying value of AFS financial assets at the reporting date.

Impairment loss of AFS financial asset is recorded directly to previously recognised revaluation gain in equity (if any), when there is objective evidence that the AFS financial asset is impaired, accumulated revaluation loss in equity is reclassified to profit or loss of the statement of comprehensive income despite that asset is yet derecognised.

(b) Reclassification*(i) Reclassification of non-FVTPL financial assets upon disposal*

Non-FVTPL financial assets are reclassified to FVTPL financial assets before disposal. Accumulated revaluation of AFS financial assets in equity will be recorded on the statement of comprehensive income as a reclassification.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Financial assets (continued)****(b) Reclassification (continued)****(ii) *Reclassification due to change in intention/ability to hold the financial assets***

Reclassification of financial assets due to change in intention/ability to hold the assets is permitted, provided that:

- Non-derivative FVTPL financial assets that are not required to be classified as FVTPL at initial recognition may be reclassified as loans and receivables in limited circumstances or cash and cash equivalents if meeting certain criteria for reclassification.
- Gains and losses from revaluation of FVTPL financial assets arising before the reclassification are not reversed.
- If the change in intention/ability to hold a financial asset results in it being inappropriately reclassified as an HTM asset, that asset must be reclassified into AFS group and remeasured at fair value. Difference between its carrying value and its fair value is recognised in the statement of income – Changes in fair value of reclassified assets.

(c) Recognition/derecognition

Purchases and sales of financial assets are recognised on trade date – the date on which the Company commits to purchase or sell the financial assets. Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or the Company has transferred substantially all risks and rewards of ownership.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(d) Initial recognition

Financial assets carried at fair value through profit or loss are initially recognised at cost exclusive of transaction costs. Other financial assets are initially recorded at historical cost.

Bonus issues and stock dividends are initially recognised as financial assets at zero value.

(e) Determination of market value/fair value

The Company follows the prevailing regulations in determining the market value/fair value, in particular:

(i) *Shares listed on stock exchanges, shares of the public companies registered for trading on the Unlisted Public Company Market (UPCoM)*

These shares are revalued at the closing price of the latest trading date prior to the valuation date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Financial assets (continued)****(e) Determination of market value/fair value (continued)**

- (ii) *Unlisted securities registered/unregistered to Vietnam Securities Depository (“VSD”)*

The fair values of these shares based on the average of transacted prices announced by the three (03) independent quoting entities at the latest trading date within one (01) month prior to the reporting date. Management and executives of the Company must not be related to management and executives of the quoting entities in accordance with Securities Law.

- (iii) *Certificates of open-ended funds/ exchanged traded fund ETF*

These certificates are revalued at net asset value per fund unit as at the fund’s last reporting date prior to the valuation date of the Company.

- (iv) *Delisted shares/ shares suspended from 6 days or longer*

The fair values of these shares are determined at its book value as at latest reporting date.

Unless otherwise stated above, securities are measured at fair value based on review of financial position and book value of the issuers as at valuation date.

(f) Provision for impairment of loans

Provision for impairment of loans is made when there are indicators of decline in the recoverability of the margin loans and trading advances. Provision is determined at the difference of market value of collateral assets and carrying value of margin loans and trading advances at reporting date.

(g) Provision for impairment of receivables

Receivables are subject impairment assessment based on the overdue status of the receivables or the estimated loss arising from undue debts of which the indebted economic entities fall bankrupt or are undergoing dissolution procedures; debtors are missing, deceased or under legal claims.

The Company has provided for overdue receivables in accordance with Circular 48/2019/TT-BTC issued by Ministry of Finance on 8 August 2019 (“Circular 48/2019/TT-BTC”). Accordingly, the provision rates for overdue receivables are as follows:

Overdue period	Provision rate
From 6 months to less than 1 year	30%
From 1 year to less than 2 years	50%
From 2 years to less than 3 years	70%
Over 3 years	100%

Provision/(reversal of provision) for impairment is debited/credited to expenses in the statement of income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Financial assets (continued)****(h) Recognition of gain/(loss)***Purchasing transaction costs*

Transaction costs related to purchases of FVTPL financial assets are expensed off, while transaction costs related to purchases of other financial assets are capitalised.

Selling transaction costs

Selling transaction costs are expensed off in the reporting period.

Gain/(loss) on disposals

Gain/(loss) on disposals of financial assets are accounted as income/(expenses) in profit or loss of statement of income. Costs of shares and fund certificates are determined using weighted average method up to the end of trading dates, while costs of bonds and derivatives are determined using specific identification method.

Provision/(reversal of provision) for impairment in value of financial assets

Provision/(reversal of provision) for impairment in value of financial assets is debited/credited to expenses in the statement of income.

2.7 Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase at a specified future date (“repos”) are not derecognised from the interim statement of financial position. The corresponding proceed is recognised in the statement of financial position as a liability. The difference between the selling price and the repurchase price is recognised as interest expense and is accrued over the life of the agreement using the straight-line method.

Conversely, securities purchased under agreements to resell at a specified future date (“reverse repos”) are not recognised in the statement of financial position. The corresponding cash paid is recognised in the statement of financial position as an asset. The difference between the purchase price and resale price is recognised as interest income and is allocated over the life of the agreement using the straight-line method.

For overdue commitments, the Company considers to make provision based on the aging of commitments or expected losses in accordance with Circular 48/2019/TT-BTC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.8 Fixed assets***Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation/amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets.

Depreciation and amortisation

Fixed assets are depreciated/amortised using the straight-line method to write off the cost of the assets over their estimated useful lives, specifically as below:

Motor vehicles	6 years
Office equipment	3 – 5 years
Computer software	3 – 4 years

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are recognised as income or expense in the statement of income.

2.9 Leased assets

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

2.10 Prepaid expenses

Prepaid expenses include prepayments for goods and services, tools and equipment not qualified to be accounted as fixed assets under current regulations. Prepaid expenses are initially recorded at cost and allocated to expenses over their estimated useful lives.

The following items are classified as prepaid expenses and allocated to expenses over two (2) to forty (40) years in the statement of income:

- Office renovations;
- Office rentals; and
- Office supplies

2.11 Security deposits

Short-term/long-term security deposits are recognised when the Company completes its payments in accordance with the contractual terms and classified as other current/non-current assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.12 Liabilities****a. Recognition/Derecognition**

Liabilities are recognised when the Company has an obligation as a result of receipts of assets, commits or becomes a party to the contractual provisions. Liabilities are derecognised when such obligations are fully discharged. Liabilities are recognised on an accruals basis and on prudent concept.

b. Classification

Classifications of liabilities are based on their nature as follows:

- Borrowings
- Bonds
- Trading obligations including balances with Clearing House and Securities Depository
- Trade payables arising from purchases of goods or services
- Other payables not arising from purchases of goods and services.

Liabilities are classified as current and non-current liabilities in the interim statement of financial position based on their remaining period from the reporting date to their maturity dates.

2.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is presented in the interim statement of financial position when there is a legally enforceable right to offset the recognised amounts and the Company has an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.14 Income tax paid on behalf of customers

According to the prevailing taxation regulations in Vietnam, the Company is required to withhold foreign contractor tax of 0.1% on trading proceeds of foreign corporate customers and pay on their behalf. For individual customers (both residents and non-residents), the Company is required to withhold personal income tax of 0.1% on the trading proceeds. The Company will declare and make tax payment on behalf of these customers. For customers being local organisations, the Company is not responsible for withholding tax as these customers have responsibility for their own tax payment and declaration.

2.15 Borrowing costs

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised in the statement of income when incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.16 Accrued expenses**

Accrued expenses include liabilities for goods and services received in the reporting year but not yet paid due to pending invoice or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting year.

2.17 Provisions

Provisions are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligations. The increase in the provision due to passage of time is recognised as an interest expense.

2.18 Equity**(a) Share capital**

Share capital represents the shareholders' contributed capital. Share capital is recorded at par value.

Share premium is the difference between the par value and the issuing price of shares and the difference between the repurchase price and re-issuing price of treasury shares.

Treasury shares are shares issued by the Company and purchased back by itself but not yet cancelled and may be re-issued in the period permitted by prevailing regulations on securities. Treasury shares are recorded at cost and deducted to equity. The Company does not account for gains/(losses) from purchase/sale, issuance/cancellation of its equity instruments.

(b) Undistributed profits

Undistributed profits represents cumulative undistributed post-tax profits as at reporting date including cumulative realised profits and cumulative unrealised profits.

Unrealised profit of the period is total difference between gain or loss arising from revaluation of financial assets at FVTPL or other financial assets charged into the statement of income.

Realised profit during the period is the net difference between total revenue, income and total expenses in the statement of income of the Company, except for gain or loss arising from revaluation of financial assets recognised in unrealised profit.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.18 Equity (continued)****(c) Financial and operational risk reserve and supplementary capital reserve**

According to Circular 146/2014/TT-BTC, the securities companies and fund management companies are required to make annual appropriation to the financial and operational risk reserve and supplementary capital reserve at 5% of the post-tax profit for each reserve in each of its profitable years until the accumulated balance of each reserve reaches 10% of the charter capital.

Financial and operational risk reserve is made to compensate the residual losses and damages arising in operation beyond the indemnification received from the parties causing damages and insurance companies and the utilisation of indemnity funds and the relevant provisions made

(d) Other equity funds

Other equity funds are made in accordance with resolutions of Annual General Meeting of shareholders.

2.19 Revenue and income recognition**(a) Revenue from provision of services to investors**

Revenue from provision of services to investors consists of securities brokerage fees, securities underwriting fees and investment consultancy fees, securities custody services and entrustment services.

Revenue from the provision of services is recognised in the interim statement of income when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from the provision of services is only recognised when all four following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The percentage of completion of the transaction at the reporting date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

(b) Income from securities trading and investments in other entities

Income from securities trading and investments in other entities consists of income from proprietary trading activities and dividend income.

Income from proprietary trading activities is measured as difference between selling price and costs of securities disposed. Costs of shares and fund certificates are determined using weighted average method up to the end of trading dates, while costs of bonds and derivatives are determined using specific identification method.

Dividend income is recognised in the interim statement of income when the Company's right to receive dividend is established, except for scrip dividends which the Company adds their quantity in securities portfolio and does not recognise income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.20 Equity (continued)****(c) Financial and operational risk reserve and supplementary capital reserve**

According to Circular 146/2014/TT-BTC, the securities companies and fund management companies are required to make annual appropriation to the financial and operational risk reserve and supplementary capital reserve at 5% of the post-tax profit for each reserve in each of its profitable years until the accumulated balance of each reserve reaches 10% of the charter capital.

Financial and operational risk reserve is made to compensate the residual losses and damages arising in operation beyond the indemnification received from the parties causing damages and insurance companies and the utilisation of indemnity funds and the relevant provisions made

(d) Other equity funds

Other equity funds are made in accordance with resolutions of Annual General Meeting of shareholders.

2.21 Revenue and income recognition**(c) Revenue from provision of services to investors**

Revenue from provision of services to investors consists of securities brokerage fees, securities underwriting fees and investment consultancy fees, securities custody services and entrustment services.

Revenue from the provision of services is recognised in the interim statement of income when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from the provision of services is only recognised when all four following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The percentage of completion of the transaction at the reporting date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

(d) Income from securities trading and investments in other entities

Income from securities trading and investments in other entities consists of income from proprietary trading activities and dividend income.

Income from proprietary trading activities is measured as difference between selling price and costs of securities disposed. Costs of shares and fund certificates are determined using weighted average method up to the end of trading dates, while costs of bonds and derivatives are determined using specific identification method.

Dividend income is recognised in the interim statement of income when the Company's right to receive dividend is established, except for scrip dividends which the Company adds their quantity in securities portfolio and does not recognise income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.21 Current and deferred income tax (continued)**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.22 Dividend distribution

Dividend of the Company is recognised as a liability in the Company's financial statements when the dividend is declared in accordance with the Company's charter and prevailing applicable regulations.

2.23 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

2.24 Segment reporting

A segment is a component which can be separated by the Company engaged in providing products or services (business segment), or providing products or services within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Company's business segment.

Segment reporting is prepared and presented in accordance with accounting policies applied to the preparation and presentation of the Company's financial statements in order to help users of financial statements to understand and evaluate the situation the operations of the Company in a comprehensive way.

2.25 Nil balances

Items or balances required by Circular 210/2014/TT-BTC and Circular 334/2016/TT-BTC that are not presented in these financial statements indicate nil balances.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION**3.1 Cash and cash equivalents**

	As at	
	31.03.2022	31.12.2021
	VND	VND
Cash on hand	577,982,937	389,670,976
Cash at bank	4,557,239,291,855	6,928,122,316,897
Security deposit for covered warrants issued (i)	163,500,000,000	270,000,000,000
Total	<u>4,721,317,274,792</u>	<u>7,198,511,987,873</u>

- (i) This represents security deposits at custodian bank in relation to covered warrants issued by the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.2 Financial assets at fair value through profit or loss (FVTPL)

	As at 31.03.2022		As at 31.12.2021	
	Cost VND	Market value/ fair value VND	Cost VND	Market value/ fair value VND
Listed shares, Unlisted and unregistered shares and shares traded on UPCoM	104,321,300,855	94,321,717,871	229,331,627,871	220,305,806,086
Technology and Commercial Joint Stock Bank (TCB)	7,156,202,317	7,179,448,150	17,058,487,918	17,176,650,000
Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	7,145,872,467	7,260,510,000	15,342,824,645	15,627,881,400
Hoa Phat Group Joint Stock Company (HPG)	5,466,897,654	5,300,152,000	16,230,143,402	16,324,076,800
Others	84,552,328,417	74,581,607,721	180,700,171,906	171,177,197,886
Underlying assets designated as hedges for covered warrants	694,446,291,874	698,794,264,900	703,873,926,275	697,942,016,400
Military Commercial Joint - Stock Bank (MBB)	175,474,763,112	177,895,863,800	63,849,013,137	63,804,379,600
Hoa Phat Group Joint Stock Company (HPG)	91,598,063,671	87,947,706,000	47,615,783,491	44,421,504,000
Mobile World Investment Corporation (MWG)	77,920,713,071	82,446,984,000	71,212,966,222	71,249,652,000
Sai Gon Thuong Tin Commercial Joint Stock Bank (STB)	60,167,085,448	57,629,015,000	101,687,353,317	109,259,325,000
FPT Corporation (FPT)	58,903,820,613	63,881,675,000	67,199,823,211	64,460,625,000
Ma San Group Corporation (MSN)	47,055,262,156	45,639,090,000	11,506,446,390	11,841,750,000
Vincom Retail Joint Stock Company (VRE)	31,849,441,460	31,836,706,500	44,398,029,760	43,686,237,000
Tien Phong Commercial Joint Stock Bank (TPB)	29,847,403,713	29,506,235,000	-	-
Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	29,375,448,008	29,660,601,600	68,427,642,795	67,584,242,400
Technology and Commercial Joint Stock Bank (TCB)	25,233,179,397	25,001,939,000	66,926,070,527	64,529,000,000
Asia Commercial Joint Stock Bank (ACB)	21,552,175,165	21,274,285,000	-	-
Vinhomes Joint Stock Company (VHM)	18,899,817,801	18,692,583,200	50,365,413,365	49,643,128,000
Phu Nhuan Jewelry Joint Stock Company (PNJ)	12,745,653,848	13,326,300,000	-	-
Others	13,823,464,411	14,055,280,800	110,685,384,060	107,462,173,400

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.2 Financial assets at fair value through profit or loss (FVTPL) (continued)

	As at 31.03.2022		As at 31.12.2021	
	Cost VND	Market value/ fair value VND	Cost VND	Market value/ fair value VND
Bonds	1,339,066,800,000	1,373,650,922,162	1,328,339,800,000	1,346,221,713,216
Corporate Bonds - BIDB2129001C	1,200,000,000,000	1,232,644,370,351	1,200,000,000,000	1,213,566,491,574
Corporate Bonds – BVJC201901	138,066,800,000	139,965,866,880	127,339,800,000	131,620,701,094
Vietnam Bank for Social Policies	1,000,000,000	1,040,684,931	1,000,000,000	1,034,520,548
ETF certificates	84,455,945,318	86,239,113,672	104,817,693,592	107,194,033,518
VFMDIAMOND ETF	46,244,502,957	47,230,330,112	66,471,464,418	67,620,761,208
VFMVN30 ETF	37,180,129,777	37,238,998,560	37,314,916,590	37,769,657,310
MAFMVN30 ETF	1,030,345,084	1,768,700,000	1,030,345,084	1,802,500,000
SSIAMVNX50 ETF	967,500	1,085,000	967,500	1,115,000
Total	2,222,290,338,047	2,253,006,018,605	2,366,363,047,738	2,371,663,569,220

As at 31 March 2022

	Cost VND	Comparison to market price or fair value		Market price/ fair value VND
		Increase VND	fair value VND	
Listed shares, Unlisted and unregistered shares and shares traded on UPCoM	104,321,300,855	1,815,757,388	(11,815,340,372)	94,321,717,871
Underlying assets designated as hedges for covered warrants	694,446,291,874	13,022,842,138	(8,674,869,112)	698,794,264,900
Listed Bonds	1,339,066,800,000	34,584,122,162	-	1,373,650,922,162
Certificates	84,455,945,318	1,783,168,353	-	86,239,113,672
Total	2,222,290,338,047	51,205,890,042	(20,490,209,484)	2,253,006,018,605

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.2 Financial assets at fair value through profit or loss (FVTPL) (continued)

As at 31 December 2021	Cost VND	Comparison to market price or fair value		Market price/ fair value VND
		Increase VND	fair value VND	
Listed shares, Unlisted and unregistered shares and shares traded on UPCoM	229,331,627,871	2,967,667,498	(11,993,489,283)	220,305,806,086
Underlying assets designated as hedges for covered warrants	703,873,926,275	7,986,881,696	(13,918,791,571)	697,942,016,400
Listed Bonds	1,328,339,800,000	17,881,913,216	-	1,346,221,713,216
Certificates	104,817,693,592	2,376,339,926	-	107,194,033,518
Total	2,366,363,047,738	31,212,802,336	(25,912,280,854)	2,371,663,569,220

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)**3.3 Loans**

Details of loans at amortised cost exclusive of provisions for impairments are as follows:

	As at	
	31.03.2022	31.12.2021
	VND	VND
Loans for securities transactions (*)	14,523,355,039,181	13,690,097,115,046
Total	<u>14,523,355,039,181</u>	<u>13,690,097,115,046</u>

(*) Margin loans

Margin loans represent the amounts lent to customers for their purchases of listed securities in accordance with Decision 87/2017/QĐ-UBCK issued by the State Securities Commission on 25 January 2017.

3.4 Receivables

	As at	
	31.03.2022	31.12.2021
	VND	VND
Receivables from services provided by the Company		
Receivable from VSD	455,357,238,300	-
Receivable from securities purchasing (*)	397,136,790,242	638,215,800,000
Consultancy service fees receivable	55,000,000	247,500,000
Other receivables from trading activities	3,007,796,277	860,564,073
Total	<u>855,556,824,819</u>	<u>639,323,864,073</u>
Other receivables		
Bank interest receivables	190,829,630,134	198,136,507,257
Others	2,078,250,601	2,358,547,419
Total	<u>192,907,880,735</u>	<u>200,495,054,676</u>

(*) This is receivable from institutional investors in relation to their purchases of securities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.5 Fixed assets

(a) *Tangible fixed assets*

	Transportation vehicles VND	Office equipment VND	Total VND
Historical cost			
As at 01.01.2022	3,554,183,400	116,178,061,528	119,732,244,928
New purchases	7,963,184,000	8,237,298,400	16,200,482,400
Disposals	<u>(1,131,223,400)</u>	<u>-</u>	<u>(1,131,223,400)</u>
As at 31.03.2022	<u>10,386,144,000</u>	<u>124,415,359,928</u>	<u>134,801,503,928</u>
Accumulated depreciation			
As at 01.01.2022	2,339,263,770	89,202,127,885	91,541,391,655
Charge for the period	210,988,111	4,383,569,798	4,594,557,909
Disposals	<u>(1,131,223,400)</u>	<u>-</u>	<u>(1,131,223,400)</u>
As at 31.03.2022	<u>1,419,028,481</u>	<u>93,585,697,683</u>	<u>95,004,726,164</u>
Net book value			
As at 01.01.2022	<u>1,214,919,630</u>	<u>26,975,933,643</u>	<u>28,190,853,273</u>
As at 31.03.2022	<u>8,967,115,519</u>	<u>30,829,662,245</u>	<u>39,796,777,764</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.5 Fixed assets (continued)

(b) Intangible fixed assets

	Computer software VND
Historical cost	
As at 01.01.2022	85,006,277,084
New purchases	<u>1,372,500,000</u>
As at 31.03.2022	<u>86,378,777,084</u>
Accumulated depreciation	
As at 01.01.2022	73,192,016,774
Charge for the period	<u>1,656,456,305</u>
As at 31.03.2022	<u>74,848,473,079</u>
Net book value	
As at 01.01.2022	<u>11,814,260,310</u>
As at 31.03.2022	<u>11,530,304,005</u>

(c) Construction in progress

Construction in progress comprises the following:

	As at	
	31.03.2022	31.12.2021
	VND	VND
Purchases of trading software	1,104,885,999	8,483,996,599

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)**3.6 Long-term prepaid expenses**

	As at	
	31.03.2022	31.12.2021
	VND	VND
Office rental	80,497,058,797	81,205,244,065
Office renovation	8,779,127,327	10,713,626,279
Consulting fee	516,541,665	737,916,666
IT costs	363,329,232	415,914,855
Total	<u>90,156,057,021</u>	<u>93,072,701,865</u>

3.7 Deposits in the Settlement Supporting Fund

According to Decision No.45/QD-VSD dated 22 May 2014 issued by the Vietnam Securities Depository, the Company is required to deposit an initial amount of VND120 million at the Vietnam Securities Depository and an additional annual contribution equivalent to 0.01% of the total value of brokered securities in the previous year up to the maximum limit of VND2.5 billion in any one year. The maximum amount of contribution is VND20 billion.

As at 31 March 2022 and as at 31 December 2021, the Company fully contributed the maximum amount.

3.8 Deposits in the Derivatives trading Settlement Fund

According to Policy of management and use of Derivatives trading Settlement Fund attached to Decision No.97/QD-VSD dated 23 March 2017 of the Vietnam Securities Depository, the minimum amount of initial contribution applicable to direct clearing members is VND10 billion.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.9 Short-term borrowings

The movements of short-term borrowings during the period are as follows:

	Interest % per annum	Opening balance VND	Disbursement VND	Repayment VND	Closing balance VND
Short-term borrowings (i)					
Bank borrowings	1,3 – 7,4	14,298,687,250,000	21,949,500,000,000	(21,729,500,000,000)	14,518,687,250,000
Bank overdrafts	5,1 – 9,3	741,182,880,242	6,836,201,926,731	(7,577,384,806,973)	-
Total		15,039,870,130,242	28,785,701,926,731	(29,306,884,806,973)	14,518,687,250,000

(i) Borrowings have maturities from 1 to 3 months and are used for working capital.

The Company had no borrowings from related parties as at 31 March 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.10 Trading obligations

	As at	
	31.03.2022	31.12.2021
	VND	VND
Covered warrant payables	141,031,081,502	142,179,229,746
Payables to Stock Exchanges and VSD	23,413,099,422	21,754,174,480
Payables to investors for purchasing stocks	20,670,000,000	22,697,129,093
Trading settlement balances with Stock Exchanges	-	1,235,843,248,000
Payables to investors for purchasing corporate bonds	-	37,760,957,287
Others	2,100,337,297	1,329,525,247
Total	187,214,518,221	1,461,564,263,853

3.11 Tax and other payables to the State budget

	As at	
	31.03.2022	31.12.2021
	VND	VND
Business income tax – current	71,125,832,495	56,014,262,210
Personal income tax withheld and paid on behalf of investors	31,761,835,913	40,131,204,613
Corporate income tax withheld and paid on behalf of foreign institutions	8,145,359,528	8,615,193,653
Personal income tax withheld and paid on behalf	6,180,287,595	8,054,279,352
Foreign contractor tax	-	6,021,548,881
Value added tax	85,732,233	124,220,593
Total	117,299,047,764	118,960,709,302

3.12 Short-term accrued expenses

	As at	
	31.03.2022	31.12.2021
	VND	VND
Allowance for working performancess	94,292,340,000	75,000,000,000
Business development expenses payables	84,200,000,000	70,000,000,000
Interest expenses	39,399,273,902	32,147,819,729
Others	19,847,899,496	17,144,894,993
Total	237,739,513,398	194,292,714,722

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.13 Other short-term liabilities

	As at	
	31.03.2022 VND	31.12.2021 VND
Dividends payable to shareholders	3,434,168,865	155,952,838,630
Receipts from investors for their subscriptions of shares from issuers	73,354,030,000	15,759,161,000
Dividends paid on behalf	3,059,604,619	5,812,620,544
Other payables	11,402,101,314	18,119,149,874
Total	91,249,904,798	195,643,770,048

3.14 Share capital

a. Number of shares

	As at	
	31.03.2022 VND	31.12.2021 VND
Number of shares registered	458.052.367	458.052.367
Number of shares issued	458.052.367	458.052.367
Number of shares repurchased	(840.418)	(840.418)
Number of existing shares in issue	457.211.949	457.211.949

As at 31 March 2022 and as at 31 December 2021, all of the Company's shares are ordinary shares. Each ordinary share has a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividends as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.14 Share capital (continued)

b. Movement of share capital

	Ordinary shares
As at 1 January 2022	<u>457,211,949</u>
As at 31 March 2022	<u>457,211,949</u>

3.15 Undistributed earnings

	As at	
	31.03.2022 VND	31.12.2021 VND
Realised post-tax profits	1,431,290,925,233	1,133,223,368,908
Unrealised profits	<u>81,840,651,523</u>	<u>97,091,391,468</u>
Total	<u>1,513,131,576,756</u>	<u>1,230,314,760,376</u>

4 NOTES TO OFF STATEMENT OF FINANCIAL POSITION ITEMS

4.1 Foreign currencies

Included in cash and cash equivalents are balances held in foreign currencies as follows:

	As at	
	31.03.2022	31.12.2021
US Dollar	2,404.44	1,933.03
Japanese Yen	241,870	241,915
Singapore Dollar	844	844
British Pound	8,649.90	6,654.01
Taiwanese Dollar	3,200	3,200
Canadian Dollar	100	100
Malaysian Ringgit	750	750

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

4 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)**4.2 Number of shares in issue**

	As at	
	31.03.2022	31.12.2021
Quantity issued for 1 year or more (share)	305,041,845	305,041,845
Quantity issued within 1 year (share)	152,170,104	152,170,104
Total	457,211,949	457,211,949

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

4 NOTES TO OFF STATEMENT OF FINANCIAL POSITION ITEMS (continued)

4.3 Covered warrant

Ticker symbol	Underlying security	Maturity date	As at 31.03.2022 Covered warrant		
			Number of covered warrants authorised for issue	Number of additional issuance of covered warrants	Number of covered warrants issued
CFPT2109	FPT Corporation (FPT)	08.04.2022	10,000,000	4,250,100	5,749,900
CMBB2107	Military Commercial Joint - Stock Bank (MBB)	08.04.2022	10,000,000	8,129,600	1,870,400
CMSN2110	Ma San Group Corporation (MSN)	08.04.2022	10,000,000	5,828,700	4,171,300
CMWG2111	Mobile World Investment Corporation (MWG)	08.04.2022	10,000,000	2,987,700	7,012,300
CVIC2107	Vingroup Joint Stock Company (VIC)	08.04.2022	10,000,000	9,900,600	99,400
CVNM2112	Vietnam Dairy Products Joint Stock Company (VNM)	08.04.2022	10,000,000	8,928,900	1,071,100
CACB2201	Asia Commercial Joint Stock Bank (ACB)	20.09.2022	10,000,000	4,834,400	5,165,600
CFPT2201	FPT Corporation (FPT)	20.09.2022	7,000,000	1,321,200	5,678,800
CHPG2203	Hoa Phat Group Joint Stock Company (HPG)	20.09.2022	20,000,000	16,144,800	3,855,200
CMBB2201	Military Commercial Joint - Stock Bank (MBB)	20.09.2022	7,000,000	5,593,500	1,406,500
CMWG2201	Mobile World Investment Corporation (MWG)	20.09.2022	5,000,000	3,107,300	1,892,700
CPNJ2201	Phu Nhuan Jewelry Joint Stock Company (PNJ)	20.09.2022	5,000,000	1,280,600	3,719,400
CSTB2202	Sai Gon Thuong Tin Commercial Joint Stock Bank (STB)	20.09.2022	7,000,000	5,370,300	1,629,700
CTCB2201	Technology and Commercial Joint Stock Bank (TCB)	20.09.2022	7,000,000	4,050,500	2,949,500
CVHM2202	Vinhomes Joint Stock Company (VHM)	20.09.2022	7,000,000	5,435,800	1,564,200
CVPB2201	Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	20.09.2022	7,000,000	6,519,600	480,400
CVRE2201	Vincom Retail Joint Stock Company (VRE)	20.09.2022	7,000,000	6,509,000	491,000
CTPB2201	Tien Phong Commercial Joint Stock Bank(TPB)	21.09.2022	10,000,000	5,226,300	4,773,700
			159,000,000	105,418,900	53,581,100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

5 NOTES TO THE STATEMENT OF INCOME

5.1 Net realised gains on disposals of FVTPL financial assets

	1 st Quarter		Year to date	
	2022 VND	2021 VND	2022 VND	2021 VND
Realised gains on disposals of FVTPL financial assets	331,009,831,840	625,141,484,461	331,009,831,840	625,141,484,461
Realised losses on disposals of FVTPL financial assets	(223,719,858,246)	(454,915,925,976)	(223,719,858,246)	(454,915,925,976)
Tổng cộng	107,289,973,594	170,225,558,485	107,289,973,594	170,225,558,485

5.2 Gains/(losses) from revaluation of FVTPL financial assets and covered warrant

5.2a Gains/(losses) from revaluation of FVTPL financial assets

	1 st Quarter		Year to date	
	2022 VND	2021 VND	2022 VND	2021 VND
Gains from revaluation of FVTPL financial assets	19,993,087,706	(67,082,926,367)	19,993,087,706	(67,082,926,367)
Losses from revaluation of FVTPL financial assets	5,422,071,374	16,029,652,214	5,422,071,374	16,029,652,214
Total	25,415,159,080	(51,053,274,153)	25,415,159,080	(51,053,274,153)

5.2b Gains/(losses) from revaluation of covered warrant

	1 st Quarter		Year to date	
	2022 VND	2021 VND	2022 VND	2021 VND
Decrease in covered warrants liabilities due to revaluations	(42,670,678,978)	11,381,706,840	(42,670,678,978)	11,381,706,840
Increase in covered warrants liabilities due to revaluations	2,004,779,953	12,225,823,839	2,004,779,953	12,225,823,839
Total	(40,665,899,025)	23,607,530,679	(40,665,899,025)	23,607,530,679

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

5 NOTES TO THE STATEMENT OF INCOME (continued)

5.2 Gains/(losses) from revaluation of FVTPL financial assets and covered warrant (continued)

a Details of gains/(losses) from revaluation of FVTPL financial assets by category are as follows:

	Cost VND	Market value/ fair value VND	Accumulated revaluation gains/(losses) 31.03.2022 VND	Accumulated revaluation gains/(losses) 31.12.2021 VND	Credited/ (charged) to statement of income VND
Listed shares, Unlisted and unregistered shares and shares traded on UPCoM	104,321,300,855	94,321,717,871	(9,999,582,984)	(9,025,821,787)	(973,761,197)
Underlying assets designated as hedges for covered warrants	694,446,291,874	698,794,264,900	4,347,973,026	(5,931,909,875)	10,279,882,901
Listed bonds	1,339,066,800,000	1,373,650,922,162	34,584,122,162	17,881,913,214	16,702,208,948
Certificates	<u>84,455,945,318</u>	<u>86,239,113,672</u>	<u>1,783,168,354</u>	<u>2,376,339,926</u>	<u>(593,171,572)</u>
Total	<u>2,222,290,338,047</u>	<u>2,253,006,018,605</u>	<u>30,715,680,558</u>	<u>5,300,521,478</u>	<u>25,415,159,080</u>

b Details of gains/(losses) from revaluation of covered warrants are as follows:

	Cost VND	Market value/ fair value VND	Accumulated revaluation gains/(losses) 31.03.2022 VND	Accumulated revaluation gains/(losses) 31.12.2021 VND	Credited/ (charged) to statement of income VND
Covered warrants	<u>192,156,053,806</u>	<u>141,031,082,843</u>	<u>51,124,970,963</u>	<u>91,790,869,989</u>	<u>(40,665,899,025)</u>
Total	<u>192,156,053,806</u>	<u>141,031,082,843</u>	<u>51,124,970,963</u>	<u>91,790,869,989</u>	<u>(40,665,899,025)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

5 NOTES TO THE STATEMENT OF INCOME (continued)

5.3 Operating expenses not related to financial assets

	Year to date	
	2022 VND	2021 VND
Proprietary trading activities	22,359,166,971	13,901,120,244
Staff costs	8,675,171,715	748,957,626
Brokerage fee	6,900,957,360	6,777,841,834
Depreciation and amortisation	10,639,125	378,475,992
Outsourcing expenses	2,163,260,731	1,130,303,051
Allocated expenses	4,609,138,040	4,865,541,741
Brokerage fee expenses	166,230,737,196	155,638,968,312
Staff costs	81,105,381,827	67,760,268,366
Brokerage fee	56,387,819,211	62,269,640,297
Depreciation and amortisation	2,329,055,168	3,807,338,878
Outsourcing expenses	13,420,908,368	10,137,128,747
Office rental expenses	5,924,298,231	4,543,750,895
Allocated expenses	7,063,274,391	7,120,841,129
Custody service expenses	2,303,124,842	2,131,871,596
Financial consultancy service expenses	5,110,805,260	4,017,377,833
Staff costs	4,219,490,547	3,329,608,536
Outsourcing expenses	891,314,713	687,769,297
Other operating expenses	951,810,504	1,099,506,612
Total	196,955,644,773	176,788,844,597

5.4 General and administration expenses

	Year to date	
	2022 VND	2021 VND
Staff costs	64,246,553,935	34,880,520,713
Office rental expenses	5,147,782,264	4,230,652,027
Outsourcing expenses	15,225,332,141	8,631,183,466
Depreciation and amortisation	3,473,337,621	2,174,505,574
Tax and other fees	140,979,152	47,391,923
Office tools and supplies	457,328,662	308,703,721
Other administrative expenses	5,655,218,950	2,654,622,553
Total	94,346,532,725	52,927,579,977

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

6 RELATED PARTIES DISCLOSURES

Identified related parties and relationships are presented below:

<u>Related party</u>	<u>Relationship</u>
Dragon Capital Markets Limited (DC)	Strategic shareholder, holding 30.01% of charter capital.
	The Company's Chairman of the Board of Directors is a member of Board of Directors of Dragon Capital Vietfund Management (DCVFM).
	The Company's Vice Chairman of the Board of Directors is a member of Board of Directors of Dragon Capital Vietfund Management (DCVFM).
	The Company's member of the Board of Directors is Head of Representative office of Dragon Capital Management Representative office (HK).
	The Company's Vice Chairman and member of the Board of Directors are representative for DC's shares.
Ho Chi Minh Finance and Investment State-owned Company (HFIC)	Strategic shareholder, holding 23.09% of charter capital.
	The Company's member of the Board of Directors is Deputy General Director at HFIC. The Company's member of the Board of Directors is Head of Legal at HFIC.
Board of Directors and Board of Management	Key management

During the period, the following significant transactions were carried out with related parties:

<u>Related party</u>	<u>Transactions</u>	<u>Current period VND</u>
Dragon Capital Markets Limited (DC)	Dividend payable	45,825,278,000
Ho Chi Minh Finance and Investment State-owned Company (HFIC)	Dividend payable	36,487,590,000
	Deposits for securities trading	25,164,639

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

6 RELATED PARTIES DISCLOSURES (continued)**Related party transactions in Q1/2022**

<i>Related party</i>	<i>Transactions</i>	<i>Current period VND</i>
Compensation of key management (*)	Gross salaries and other benefits in Q1/2022	8,605,350,000

(*) Details of compensation of certain key management are as follows:

Remuneration to the Board of Directors

Mr. Johan Nyvene	Chairperson	999,230,769
Mr. Le Anh Minh	Vice Chairperson	176,666,667
Mr. Le Hoang Anh	Member	143,333,333
Mr. Nguyen Hong Van	Member	76,666,667
Mr. Tran Quoc Tu	Member	76,666,667
Ms. Nguyen Thi Hoang Lan	Member	160,000,000
Mr. Andrew Colin Valis	Member	193,333,333

1,825,897,436**Remuneration to the Board of Supervision**

Mr. Pham Nghiem Xuan Bac	Chief Supervisor	123,333,333
Ms. Dang Nguyet Minh	Member	106,666,667
Ms. Nguyen Thi Thu Thanh	Member	56,666,667

286,666,667**Gross salary of the Chief Executive Officer**

Mr. Trinh Hoai Giang	Chief Executive Officer	2,100,000,000
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

7 SEGMENT INFORMATION

Geographical segments

The principal activities of the Company are carried within Vietnam territory. Risks and returns of the Company are not materially affected by distinctions between geographical areas. On this ground, the Board of Management determines that the Company has only one geographical segment.

Business activity segments

Information of segment income and expenses based on the activities of the Company are as follows:

	For the period ended 31 March 2022				Total VND
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	
Revenue and income (*)	287,527,321,966	403,038,938,942	372,982,861,417	4,449,215,454	1,067,998,337,779
Expenses	(169,485,672,542)	(238,652,173,890)	(208,753,183,330)	(5,110,805,260)	(622,001,835,022)
<i>In which:</i>					
<i>Direct cash expenses</i>	(161,080,753,641)	(241,903,668,102)	(208,753,183,330)	(5,000,733,754)	(616,738,338,827)
<i>Total amount of significant non-cash expenses, other than depreciation, amortisation and allocation of prepaid expenses</i>	-	7,426,851,327	-	-	7,426,851,327
<i>Total depreciation and amortisation of fixed assets</i>	(2,170,692,652)	(60,052,310)	-	(110,071,506)	(2,340,816,468)
<i>Allocation of long-term and short-term prepaid expenses</i>	(6,234,226,249)	(4,115,304,805)	-	-	(10,349,531,054)
Segment result	<u>118,041,649,424</u>	<u>164,386,765,052</u>	<u>164,229,678,087</u>	<u>(661,589,806)</u>	<u>445,996,502,757</u>
Net financial income					1,809,021,389
Net other income					413,145,454
General and administration expenses					(94,346,532,725)
Operating result					353,872,136,875

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

7 SEGMENT INFORMATION (continued)

Business activity segments (continued)

	For the period ended 31 March 2021				
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Total VND
Revenue and income (*)	297,342,085,046	627,904,962,630	222,064,558,207	15,637,880,982	1,162,949,486,865
Expenses	(158,870,346,520)	(440,561,570,167)	(106,430,896,871)	(4,017,377,833)	(709,880,191,391)
<i>In which:</i>					
<i>Direct cash expenses</i>	(149,764,989,628)	(464,818,530,499)	(106,430,896,871)	(3,994,252,835)	(725,008,669,833)
<i>Total amount of significant non-cash expenses, other than depreciation, amortisation and allocation of prepaid expenses</i>	-	28,255,476,053	-	-	28,255,476,053
<i>Total depreciation and amortisation of fixed assets</i>	(3,807,338,878)	(378,475,992)	-	(23,124,998)	(4,208,939,868)
<i>Allocation of long-term and short-term prepaid expenses</i>	(5,298,018,014)	(3,620,039,729)	-	-	(8,918,057,743)
Segment result	138,471,738,526	187,343,392,463	115,633,661,336	11,620,503,149	453,069,295,474
Net financial income					1,558,526,827
Net other income					-
General and administration expenses					(52,927,579,977)
Operating result					401,700,242,324

(*) All of revenues are from services rendered to external customers, and all of income is generated from transactions with external partners.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

7 SEGMENT INFORMATION (continued)

Business activity segments (continued)

Information of segment assets and liabilities based on the activities of the Company are as follows:

	As at 31 March 2022					
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Unallocated VND	Total VND
Segment assets	989,173,490,277	2,288,644,950,394	19,438,560,379,619	3,285,183,629	-	22,719,664,003,919
Unallocated assets	-	-	-	-	74,308,454,338	74,308,454,338
Total assets	989,173,490,277	2,288,644,950,394	19,438,560,379,619	3,285,183,629	74,308,454,338	22,793,972,458,257
Segment liabilities	188,799,860,885	-	14,558,086,523,902	-	-	14,746,886,384,787
Unallocated liabilities	-	-	-	-	439,016,334,300	439,016,334,300
Total liabilities	188,799,860,885	-	14,558,086,523,902	-	439,016,334,300	15,185,902,719,087

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 31 MARCH 2022

7 SEGMENT INFORMATION (continued)

Business activity segments (continued)

As at 31 December 2021

	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Unallocated VND	Total VND
Segment assets	772,780,659,250	2,434,351,727,635	21,089,851,057,661	3,221,888,501	-	24,300,205,333,047
Unallocated assets	-	-	-	-	68,897,807,670	68,897,807,670
Total assets	772,780,659,250	2,434,351,727,635	21,089,851,057,661	3,221,888,501	68,897,807,670	24,369,103,140,717
Segment liabilities	1,463,220,129,541	-	15,072,017,949,971	-	-	16,535,238,079,512
Unallocated liabilities	-	-	-	-	508,612,138,415	508,612,138,415
Total liabilities	1,463,220,129,541	-	15,072,017,949,971	-	508,612,138,415	17,043,850,217,927

Prepared by



Le Thi Thuy Duong

Chief Financial Officer cum
Chief Accountant



Lam Huu Ho

20 April 2022
Chief Executive Officer



TRINH HOAI GIANG