

FINANCIAL STATEMENTS

QUARTER 03/2021

**HO CHI MINH CITY SECURITIES
CORPORATION**

HO CHI MINH CITY SECURITIES CORPORATION

Form B01a – CTCK

STATEMENT OF FINANCIAL POSITION

Code	ITEMS	Note	As at	
			30.09.2021 VND	31.12.2020 VND
	ASSETS			
100	CURRENT ASSETS		18,706,469,870,119	12,307,866,988,088
110	Financial assets		18,694,315,977,395	12,118,339,034,626
111	Cash and cash equivalents	3.1	3,534,662,636,919	206,860,864,747
111.1	Cash		3,534,662,636,919	206,860,864,747
	Financial assets at fair value through profit or loss (FVTPL)	3.2	1,196,230,484,957	3,061,224,600,123
114	Loans	3.3	9,608,295,488,936	8,623,841,531,603
	Provisions for impairment loss of financial assets and collaterals	3.4	(37,783,317,946)	(37,783,317,946)
118	Prepayments to suppliers		18,216,668,080	7,913,519,184
119	Service related receivable	3.5	4,233,200,779,783	193,223,521,787
122	Other receivables	3.5	143,293,710,868	64,858,789,330
129	Provision for doubtful debts	3.4	(1,800,474,202)	(1,800,474,202)
130	Other current assets		12,153,892,724	189,527,953,462
131	Advances		817,688,837	131,200,582
133	Short-term prepaid expenses		9,741,149,937	8,702,822,930
134	Short-term security deposits		1,340,244,000	1,005,314,000
137	Other current assets		254,809,950	179,688,615,950
137.1	Deposits for derivatives trading activities		254,809,950	179,688,615,950
200	NON-CURRENT ASSETS		174,821,536,212	180,960,564,999
220	Fixed assets		36,430,468,927	46,878,656,183
221	Tangible fixed assets	3.6	24,004,375,751	26,872,243,833
222	Historical cost		111,812,631,047	104,576,989,289
223a	Accumulated depreciation		(87,808,255,296)	(77,704,745,456)
227	Intangible fixed assets	3.6	12,426,093,176	20,006,412,350
228	Historical cost		84,013,261,084	83,670,927,010
229a	Accumulated amortisation		(71,587,167,908)	(63,664,514,660)
240	Construction in progress	3.6	2,002,571,015	342,334,073
250	Other non-current assets		136,388,496,270	133,739,574,743
251	Long-term security deposits		9,238,606,162	8,365,511,870
252	Long-term prepaid expenses	3.7	95,789,890,108	94,014,062,873
253	Deferred income tax assets		1,360,000,000	1,360,000,000
254	Deposits in the Settlement Supporting Fund	3.8	20,000,000,000	20,000,000,000
255	Other long-term assets	3.9	10,000,000,000	10,000,000,000
255.1	Deposits in the Derivatives trading clearing fund		10,000,000,000	10,000,000,000
270	TOTAL ASSETS		18,881,291,406,331	12,488,827,553,087

STATEMENT OF FINANCIAL POSITION
(continued)

Code	ITEMS	Note	As at	
			30.09.2021 VND	31.12.2020 VND
300	LIABILITIES		13,757,431,079,340	8,048,473,021,702
310	Current liabilities		13,757,431,079,340	8,048,473,021,702
311	Short-term borrowings and finance lease liabilities		12,886,939,179,631	6,716,571,061,080
312	<i>Short-term borrowings</i>	3.10	12,886,939,179,631	6,716,571,061,080
318	Trading obligations	3.11	513,950,679,828	935,296,094,913
320	Short-term trade payables		1,542,211,029	5,104,995,817
322	Taxes and other payables to the State	3.12	124,009,735,455	67,013,629,923
324	Accrued employees' welfares		5,339,501,992	4,769,951,100
325	Short-term accrued expenses	3.13	91,260,845,126	83,776,529,704
329	Other short-term payables	3.14	108,531,004,326	209,921,021,432
331	Bonus and welfare funds		25,857,921,953	26,019,737,733
400	OWNERS' EQUITY		5,123,860,326,991	4.440.354.531.385
410	Owners' equity	3.15	5,123,860,326,991	4.440.354.531.385
411	Owners' capital		3,405,291,244,992	3.405.291.244.992
411.1	Share capital		3,058,822,630,000	3.058.822.630.000
411.1a	<i>Ordinary shares with voting rights</i>		3,058,822,630,000	3.058.822.630.000
411.2	Share premiums		358,946,064,000	358.946.064.000
411.5	Treasury shares		(12,477,449,008)	(12.477.449.008)
414	Supplementary capital reserve		220,343,724,160	177.907.588.627
415	Financial and operational risk reserve		220,343,724,160	177.907.588.627
416	Other equity reserves		3,961,374,994	3.961.374.994
417	Undistributed earnings	3.16	1,273,920,258,685	675.286.734.145
417.1	<i>Realised profits after tax</i>		1,224,962,430,248	647.641.022.448
417.2	<i>Unrealised profits</i>		48,957,828,437	27.645.711.697
440	TOTAL RESOURCES		18,881,291,406,331	12,488,827,553,087

HO CHI MINH CITY SECURITIES CORPORATION

Form B01a – CTCK

OFF STATEMENT OF FINANCIAL POSITION ITEMS

Code	ITEMS	Note	As at	
			30.09.2021	31.12.2020
A	ASSETS OF THE COMPANY AND ASSETS UNDER ENTRUSTMENT			
			Amount (VND)	
004	Bad debts written off	4.1	345,059,000	345,059,000
			Original currency	
005	Foreign currencies	4.2		
	United States Dollar		1,955.96	1,880.68
	Japanese Yen		241,915	241,915
	Singapore Dollar		844	844
	British Pound		6,658.16	7,146.28
	New Taiwan Dollar		3,200	3,200
	Canadian Dollar		100	100
	Malaysian Ringgit		750	750
			Quantity	
006	Number of shares in issue (shares)	4.3	305,041,845	305,041,845
007	Number of treasury shares (shares)		840,418	840,418
			Par value (VND)	
008	Securities listed/registered at Vietnam Securities Depository ("VSD")		364,151,000,000	993,631,923,000
009	Securities in custody of VSD and not yet traded		119,554,640,000	23,150,020,000
010	Securities purchased and awaiting settlement		467,094,680,000	51,825,101,000
012	Securities not in custody of VSD		-	3,340,840,000
			Quantity	
014	Covered warrants authorised but not yet issued	4.4	62,399,300	41,100,990
B	ASSETS OF AND LIABILITIES TO CUSTOMERS			
			Par value (VND)	
021	Securities listed/registered at VSD		30,095,418,462,277	29,055,917,558,453
021.1	Freely traded securities		27,432,403,206,000	26,490,060,452,700
021.2	Restricted securities		143,350,040,000	222,878,360,000
021.3	Pledged securities		1,222,714,700,000	1,072,686,420,000
021.4	Suspended securities		100,425,240,000	175,105,240,000
021.5	Securities awaiting settlement		574,541,320,000	768,765,870,100
021.7	Customers' deposits for derivatives trading		621,983,956,277	326,421,215,653

OFF STATEMENT OF FINANCIAL POSITION ITEMS
(continued)

Code	ITEMS	Note	As at	
			30.09.2021 VND	31.12.2020 VND
B	ASSETS OF AND LIABILITIES TO CUSTOMERS (continued)			
			<i>Par value (VND)</i>	
022	Securities in custody of VSD and not yet traded		63,476,740,000	226,132,240,000
022.1	Securities in custody of VSD and not yet traded – freely traded securities		53,092,800,000	212,693,340,000
022.2	Securities in custody of VSD and not yet traded – suspended securities		10,383,940,000	13,438,900,000
023	Securities purchased and awaiting settlement		529,707,255,000	685,071,278,200
024b	Securities not in custody of VSD of investors		5,500,000,000	5,500,000,000
026	Customers' deposits		3,327,162,334,222	2,426,782,571,627
027	Customers' deposits for securities trading		2,705,178,377,945	2,100,361,355,974
027.1	Customers' deposits at VSD		621,983,956,277	326,421,215,653
031	Payables to customers relating to their deposits at the Company for securities trading		2,705,178,377,945	2,100,361,355,974
031.1	Payables to domestic customers relating to their deposits at the Company for securities trading		2,550,141,637,071	2,089,526,776,741
031.2	Payables to foreign customers relating to their deposits at the Company for securities trading		155,036,740,874	10,834,579,233

Prepared by



Le Thi Thuy Duong

Chief Financial Officer cum
Chief Accountant


Lam Huu Ho

20 October 2021

Chief Executive Officer



Trình Hoài Giang

HO CHI MINH CITY SECURITIES CORPORATION
FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

Form B02a – CTCK

STATEMENT OF INCOME

Code	ITEMS	Note	3rd Quarter		Year to date	
			2021 VND	2020 VND	2021 VND	2020 VND
	OPERATING INCOME					
01	Income from FVTPL financial assets		389,346,973,487	193,756,041,968	1,463,099,702,790	590,846,974,327
01.1	<i>Realised gains on disposal of FVTPL financial assets</i>	5.1	313,707,640,757	119,692,067,879	1,323,881,325,973	432,102,421,325
01.2	<i>Increase in revaluation gains of FVTPL financial assets</i>	5.2a	(36,997,096,024)	20,336,057,069	(87,203,783,945)	26,865,233,985
01.3	<i>Dividends and interest income from FVTPL financial assets</i>		90,120,798,515	51,175,712,015	202,376,824,811	135,400,234,344
01.4	<i>Decrease in covered warrants liabilities due to revaluations</i>		22,515,630,239	2,552,205,005	24,045,335,951	(3,520,915,327)
03	Interest income from loans and receivables		315,133,836,479	136,972,137,390	808,259,260,649	358,805,189,522
06	Brokerage fee income		369,632,710,018	149,006,351,031	1,024,874,919,495	406,820,785,737
09	Custody service income		2,188,755,444	1,866,449,499	6,287,178,645	5,530,212,820
10	Financial consultancy service income		14,715,442,392	30,954,316,972	32,093,512,386	34,701,815,796
11	Other operating income		2,143,352,079	1,404,588,134	3,136,850,467	2,931,523,657
20	TOTAL OPERATING INCOME		1,093,161,069,899	513,959,884,994	3,337,751,424,432	1,399,636,501,859
	OPERATING EXPENSES					
21	Losses from FVTPL financial assets		187,341,718,313	116,385,118,136	928,672,201,753	324,420,486,348
21.1	<i>Realised losses on disposal of FVTPL financial assets</i>	5.1	303,938,317,962	111,438,624,981	1,013,142,766,487	346,530,227,864
21.2	<i>Decrease in revaluation losses of FVTPL financial assets</i>	5.2a	1,109,156,104	2,328,367,556	(14,478,739,288)	(24,727,867,115)
21.3	<i>Increase in covered warrants liabilities due to revaluations</i>		(117,705,755,753)	2,618,125,599	(69,991,825,446)	2,618,125,599
24	Provisions for financial assets, losses on bad debts, impairment losses of financial assets and interest expenses associated with loans		190,907,610,908	63,833,400,582	447,427,752,823	124,596,063,551
26	Proprietary trading activities	5.3	15,295,134,105	8,174,420,597	41,790,802,301	25,876,627,640
27	Brokerage fee expenses	5.3	194,661,789,775	99,835,438,527	535,614,212,801	279,236,986,264
30	Custody service expenses	5.3	2,260,090,876	1,972,439,081	6,526,231,865	5,793,929,249
31	Financial consultancy service expenses	5.3	5,337,788,849	3,587,001,862	13,409,207,104	11,195,529,478
32	Other operating expenses	5.3	1,307,262,070	1,033,574,844	3,204,134,870	2,630,611,809
40	TOTAL OPERATING EXPENSES		597,111,394,896	294,821,393,629	1,976,644,543,517	773,750,234,339

HO CHI MINH CITY SECURITIES CORPORATION
 FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

Form B02a – CTCK

STATEMENT OF INCOME
 (continued)

Code	ITEMS	Note	3rd Quarter		Year to date	
			2021 VND	2020 VND	2021 VND	2020 VND
	FINANCIAL INCOME					
42	Dividend income and interest income from demand deposits		416,768,026	148,373,546	2,167,390,632	1,554,716,133
50	TOTAL FINANCIAL INCOME		416,768,026	148,373,546	2,167,390,632	1,554,716,133
62	GENERAL AND ADMINISTRATIVE EXPENSES	5.4	98,866,422,676	44,170,133,579	211,971,206,909	138,516,410,558
70	OPERATING RESULT		397,600,020,353	175,116,731,332	1,151,303,064,638	488,924,573,095
	OTHER INCOME AND EXPENSES					
71	Other income		-	-	16,311,000	54,708,333
80	NET OTHER INCOME		-	-	16,311,000	54,708,333
90	NET ACCOUNTING PROFIT BEFORE TAX		397,600,020,353	175,116,731,332	1,151,319,375,638	488,979,281,428
91	Realised profit		295,484,886,489	157,174,962,413	1,130,007,258,898	443,525,221,254
92	Unrealised profit		102,115,133,864	17,941,768,919	21,312,116,740	45,454,060,174

HO CHI MINH CITY SECURITIES CORPORATION
FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

Form B02a – CTCK

STATEMENT OF INCOME
(continued)

Code	ITEMS	Note	3rd Quarter		Year to date	
			2021 VND	2020 VND	2021 VND	2020 VND
100	BUSINESS INCOME TAX (“BIT”)		79,148,371,840	33,069,649,700	227,878,656,850	95,831,587,244
100.1	BIT – current		79,148,371,840	33,069,649,700	227,878,656,850	95,551,203,260
100.	BIT – deferred		-	-	-	280,383,984
200	NET PROFIT AFTER TAX		318,451,648,513	142,047,081,632	923,440,718,788	393,147,694,184

Prepared by



Le Thi Thuy Duong

Chief Financial Officer cum
Chief Accountant



Lam Huu Ho

20 October 2021

Chief Executive Officer




Trinh Hoai Giang

HO CHI MINH CITY SECURITIES CORPORATION
FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

Form B03(b)a – CTCK

STATEMENT OF CASH FLOWS
(Indirect method)

Code	ITEMS	Year to date	
		2021 VND	2020 VND
	Cash flows from operating activities		
01	Net profit before tax	1,151,319,375,638	488,979,281,428
02	Adjustments for:	327,452,170,085	92,039,001,665
03	Depreciation and amortisation	18,882,203,328	21,204,652,063
04	Reversal of provisions	-	-
06	Interest expenses	447,427,752,823	124,596,063,551
07	Profits from investing activities	(16,311,000)	(54,708,333)
08	Accrued interest income	(138,841,475,066)	(53,707,005,616)
10	Increase in non-cash expenses	(84,470,564,734)	(22,109,741,516)
11	Decrease in revaluation losses of FVTPL financial assets, revaluation losses of covered warrants	(84,470,564,734)	(22,109,741,516)
18	Decrease in non-cash income	63,158,447,994	(23,344,318,657)
19	Decrease/(increase) in revaluation gains of FVTPL financial assets, decrease in revalued amount of covered warrants liabilities	63,158,447,994	(23,344,318,657)
30	Operating profit before changes in working capital	(3,923,986,334,961)	(1,897,396,636,921)
31	Decrease/(increase) in FVTPL financial assets	1,792,269,070,509	(112,824,114,668)
33	Increase in loans	(984,453,957,333)	(1,287,633,036,671)
37	Increase in service-related receivables	(4,039,977,257,996)	(687,236,263,598)
39	Decrease in other receivables	59,720,065,273	41,414,912,034
41	Increase/(decrease) in accrued expenses (excluding interest expenses)	847,527,824	(23,185,797,584)
42	Increase/(decrease) in prepaid expenses	(2,814,154,242)	519,431,778
43	BIT paid	(184,112,439,310)	(86,308,109,990)
44	Interest paid	(440,833,965,225)	(115,537,678,148)
45	(Decrease)/increase in trade payables	(13,865,933,684)	5,154,456,274
46	Increase in employee welfare payables	569,550,892	1,215,486,906
47	Increase in tax and other payables to the State (excluding BIT paid)	13,229,887,992	2,382,058,651
50	Decrease/(increase) in other short-term payables, covered warrants payable	(302,790,511,369)	377,985,597,935

HO CHI MINH CITY SECURITIES CORPORATION
 FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

Form B03(b)a – CTCK

STATEMENT OF CASH FLOWS
(Indirect method)
(continued)

Code	ITEMS	Year to date	
		2021 VND	2020 VND
51	Other receipts from operating activities	179,433,806,000	-
52	Other payments for operating activities	(1,208,024,292)	(13,343,579,840)
60	Net cash outflows for operating activities	(2,466,526,905,978)	(1,361,832,414,001)
	Cash flows from investing activities		
61	Cash paid for purchases of fixed assets	(10,094,253,014)	(16,514,764,106)
62	Proceeds from disposals of fixed assets	16,311,000	498,300,000
70	Net cash outflows for investing activities	(10,077,942,014)	(16,016,464,106)
	Cash flows from financing activities		
72	Payments for share repurchases	-	(4,150,370,000)
73	Proceeds from borrowings	79,565,679,174,429	19,724,093,021,074
74.3	Repayments of principals of borrowings	(73,395,311,055,878)	(18,187,058,658,616)
76	Payment of dividend	(365,961,498,387)	(365,215,620,212)
80	Net cash inflows from financing activities	5,804,406,620,164	1,167,668,372,246
90	Increase/(decrease) in cash and cash equivalents	3,327,801,772,172	(210,180,505,861)
101	Cash and cash equivalents at beginning of year	206,860,864,747	906,543,226,372
101.1	Cash	206,860,864,747	906,543,226,372
103	Cash and cash equivalents at end of year	3,534,662,636,919	696,362,720,511
103.1	Cash	3,534,662,636,919	696,362,720,511

HO CHI MINH CITY SECURITIES CORPORATION
FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

Form B03(b)a – CTCK

STATEMENT OF CASH FLOWS
(Indirect method)
(continued)

CASH FLOWS OF BROKERAGE AND ENTRUSTMENT ACTIVITIES

Code	ITEMS	Year to date	
		2021 VND	2020 VND
	Cash flows of brokerage and entrustment activities		
01	Brokerage trading proceeds	207,661,960,411,477	66,788,536,296,888
02	Brokerage trading payments	(210,968,180,751,053)	(71,611,581,649,130)
07	Receipts for settlement of customers' transactions	3,917,324,540,192	5,640,065,174,566
11	Payments for custody fees of customers	(6,287,178,645)	(5,530,212,820)
20	Increase in customers' deposits	604,817,021,971	811,489,609,504
30	Customers' deposits at beginning of year	2,100,361,355,974	741,438,718,235
31	Cash at bank	2,100,361,355,974	741,438,718,235
32	<i>Customers' deposits for securities trading under monitoring of the Company</i>	<i>2,100,361,355,974</i>	<i>741,438,718,235</i>
40	Customers' deposits at end of year	2,705,178,377,945	1,552,928,327,739
41	Cash at bank	2,705,178,377,945	1,552,928,327,739
42	<i>Customers' deposits for securities trading under monitoring of the Company</i>	<i>2,705,178,377,945</i>	<i>1,552,928,327,739</i>

Prepared by



Le Thi Thuy Duong

Chief Financial Officer cum
Chief Accountant



Lam Huu Ho

20 October 2021

Chief Executive Officer



Trinh Hoai Giang

HO CHI MINH CITY SECURITIES CORPORATION

Form B04a – CTCK

STATEMENT OF CHANGES IN EQUITY

Items	As at		For the period ended 30 September 2020		For the period ended 30 September 2021		As at	
	1.1.2020	1.1.2021	Tăng	Giảm	Tăng	Giảm	30.09.2020	30.09.2021
	VND	VND	VND	VND	VND	VND	VND	VND
1. Owners' capital	3,411,931,836,992	3,405,291,244,992	(6,640,592,000)	-	-	-	3,405,291,244,992	3,405,291,244,992
1.1 Ordinary shares with voting rights	3,058,822,630,000	3,058,822,630,000	-	-	-	-	3,058,822,630,000	3,058,822,630,000
1.2 Share premium	358,946,064,000	358,946,064,000	-	-	-	-	358,946,064,000	358,946,064,000
1.3 Treasury shares	(5,836,857,008)	(12,477,449,008)	(6,640,592,000)	-	-	-	(12,477,449,008)	(12,477,449,008)
2. Supplementary capital reserve	151,385,003,919	177,907,588,627	-	-	42,436,135,533	-	151,385,003,919	220,343,724,160
3. Financial risk and operation reserve	151,385,003,919	177,907,588,627	-	-	42,436,135,533	-	151,385,003,919	220,343,724,160
4. Other equity funds	3,961,374,994	3,961,374,994	-	-	-	-	3,961,374,994	3,961,374,994
6. Undistributed earnings	585,479,819,315	675,286,734,145	393,147,694,184	235,078,687,419	923,440,718,788	324,807,194,248	743,548,826,080	1,273,920,258,685
6.1 Realised profit after tax	614,251,440,752	647,641,022,448	337,474,806,849	235,078,687,419	902,128,602,048	324,807,194,248	716,647,560,182	1,224,962,430,248
6.2 Unrealised profits after tax	(28,771,621,437)	27,645,711,697	55,672,887,335	-	21,312,116,740	-	26,901,265,898	48,957,828,437
Total	4,304,143,039,139	4,440,354,531,385	386,507,102,184	235,078,687,419	1,008,312,989,854	324,807,194,248	4,455,571,453,904	5,123,860,326,991

Prepared by



Le Thi Thuy Duong

Chief Financial Officer cum
Chief Accountant



Lam Huu Ho



20 October 2021

Chief Executive Officer

Trình Hoài Giang

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

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. 13/GPĐC-UBCK was issued on 16 March 2020.

Headquarter and contact information

The Company is headquartered at 5th – 6th Floor, AB Tower, 76 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 according to its latest establishment and operation licence is VND 3,058,822,630,000.

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 30 September 2021, the Company had 3 branches and representative offices in Vietnam.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

1 GENERAL INFORMATION (continued)**The corporation's operational features during the Quarter 3 affected financial statements**

The profit after tax for Q3/2021 was 124% higher than the same period of last year because of the following reasons:

- a. The revenue for Q3/2021 increased by 104% compared to Q3/2020 (excluded from effect on revenue and expense of proprietary trading activities as mentioned below), in which:
 - Revenue of proprietary trading activities (the difference between the profit from financial assets recognized through profit/loss in section 1.1 and the loss from financial assets recognized through profit/loss in section 2.1 of the Income Statement) went up 161% because market condition was effective for investment;
 - Revenue from brokerage services for Q3/2021 climbed 148%, because of 311% increasing in market trading value compared to that of the same period of 2020;
 - Revenue from margin lending activities for Q3/2021 rose 130%, because of the effective market condition, the demand of margin lending increased.
- b. The operating expense for Q3/2021(excluded from effect mentioned in code 2.1) increased 130% compared to the same period of last year because of the following reasons:
 - Bank interest expenses were double as high as Q3/2020 because HSC increased short-term loan to raise working capital;
 - Brokerage services expenses grew quickly 95% which was corresponded with increasing in revenue from brokerage services.
- c. The administrative expenses for Q3/2021 jumped dramatically to 124% compared to Q3/2020 because there was restructured between the back-office departments corresponded with the operation of the Company. In addition, the Company has donated the COVID-19 prevention and control fund, which significantly increased administrative expenses compared to the same period of last year.

The corporation's operational features during the nine-month period affected financial statements:

The profit after tax for the nine-month period was higher 135% than the same period of last year because of the following reasons:

- a. The revenue for nine-month 2021 increased tremendously 175% compared to nine-month 2020 (excluded from the effect on revenue and expense of proprietary trading activities as mentioned below):
 - Revenue from brokerage services for nine-month 2021 increased enormously by 152%, because of 307% increase in market trading value compared to that of the same period of 2020, and HSC's market share slightly decreased in nine-month 2021;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

1 GENERAL INFORMATION (continued)

The corporation's operational features during the nine-month period affected financial statements:

- Revenue from margin lending activities for nine-month climbed substantially 125% because of the effective market condition, the demand for margin lending increased;
 - Revenue of proprietary trading activities (the difference between the profit from financial assets recognized through profit/loss in section 1.1 and the loss from financial assets recognized through profit/loss in section 2.1 of the Income Statement) grew significantly by 101% compared to nine-month 2020 because the market condition was effective for investment.
- b. The operating expense and the administrative expenses for nine-month 2021 increased 147% compared to the same period of last year:
- Bank interest expenses of the bank were higher 259% as nine-month 2020 because HSC increased short-term loan to raise working capital;
 - Brokerage services expenses grew quickly 93% which was corresponded with increasing in Revenue from brokerage services.
- c. The administrative expenses for nine-month 2021 were 53% higher than the same period of 2020 because of restructuring of the employees among back-office departments which corresponded with the operation of the Company. In addition, the Company has donated the COVID-19 prevention and control fund, which significantly increased administrative expenses compared to the same period of last year;

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 2021 to 30 September 2021.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

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 2021 TO 30 SEPTEMBER 2021

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;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

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)**

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

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:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

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)*

- 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.

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).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

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

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.

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 derecognised.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

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)*

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Financial assets (continued)****(c) Recognition/derecognition (continued)**

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Financial assets (continued)****(e) Determination of market value/fair value (continued)***(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 2021 TO 30 SEPTEMBER 2021

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 2021 TO 30 SEPTEMBER 2021

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 2021 TO 30 SEPTEMBER 2021

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 2021 TO 30 SEPTEMBER 2021

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 2021 TO 30 SEPTEMBER 2021

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 2021 TO 30 SEPTEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.18 Revenue and income recognition (continued)****(c) Income from capital activities**

Income from capital activities consists of interest income from deposits at bank, income from margin loans, trading advances and financial support agreements. Income is recognised on an accrual basis unless collectability is in doubt.

(d) Revenue from securities repurchase and reverse repurchase agreements

Revenue from securities repurchase and reverse repurchase agreements is recognised over the life of the agreement using the straight-line method.

(a) Other income

Other income arises from other activities and is recognised on an accruals basis.

2.20 Expenses**(a) Recognition**

Expenses are recognised on an accruals basis, matching with revenue and on prudence concept.

(b) Classification

Expenses are classified by function as follows:

- Operating expenses
- Financial expenses
- General and administration expenses
- Other expenses

2.21 Current and deferred income tax

Income taxes include all income taxes which are based on taxable profits including profits generated from operations and trading activities in other countries that the Vietnam has not signed any double tax relief agreement. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the quarter taxable profit and the current tax rates. Current and deferred tax should be recognised as income or an expense and included in profit or loss for the quarter, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

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 2021 TO 30 SEPTEMBER 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION

3.1 Cash and cash equivalents

	As at	
	30.09.2021	31.12.2020
	VND	VND
Cash on hand	254,822,048	320,240,493
Cash at bank	3,427,907,814,871	61,440,624,254
Security deposit for covered warrants issued (i)	106,500,000,000	145,100,000,000
Total	<u>3,534,662,636,919</u>	<u>206,860,864,747</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 2021 TO 30 SEPTEMBER 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

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

	As at 30.09.2021		As at 31.12.2020	
	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	263,624,542,429	254,443,761,039	1,104,127,046,749	1,110,233,116,848
Hoa Phat Group Joint Stock Company (HPG)	64,655,262,627	65,982,963,500	119,310,637,205	125,368,053,450
Vingroup Joint Stock Company (VIC)	17,817,488,821	18,070,272,000	78,786,826,736	80,225,972,000
Technology and Commercial Joint Stock Bank (TCB)	16,348,472,750	16,275,892,800	102,194,797,438	111,300,903,000
Mobile World Investment Corporation (MWG)	16,347,374,949	16,513,293,600	45,468,463,360	46,400,487,200
Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	15,497,423,816	15,423,829,100	74,221,141,403	76,570,065,000
Others	132,958,519,466	122,177,510,039	684,145,180,607	670,367,636,198
Underlying assets designated as hedges for covered warrants	169,645,687,543	170,747,028,600	932,259,927,594	1,004,072,574,000
FPT Corporation (FPT)	45,294,008,398	45,172,425,000	91,678,991,563	95,489,170,200
Mobile World Investment Corporation (MWG)	28,884,652,885	30,094,344,000	87,701,560,282	90,247,478,000
Military Commercial Joint - Stock Bank (MBB)	26,419,073,006	25,540,232,400	54,065,256,727	56,721,611,000
Vietnam Dairy Products Joint Stock Company (VNM)	19,277,885,482	19,595,520,000	71,300,636,822	70,752,640,000
Phu Nhuan Jewelry Joint Stock Company (PNJ)	19,170,569,364	20,263,110,000	45,149,982,334	47,368,800,000
Vingroup Joint Stock Company (VIC)	14,933,231,980	13,933,392,000	40,060,898,932	41,150,624,000
Others	15,666,266,428	16,148,005,200	542,302,600,934	602,342,250,800
Bonds	626,055,700,000	657,702,194,078	913,742,600,000	932,804,513,518
Corporate Bonds - BID11908	497,715,900,000	527,545,950,393	499,747,900,000	503,636,349,414
Corporate Bonds - BVJC201901	127,339,800,000	129,128,024,507	412,994,700,000	428,149,123,008
Vietnam Bank for Social Policies	1,000,000,000	1,028,219,178	1,000,000,000	1,019,041,096
ETF certificates	112,322,734,908	113,337,501,240	13,788,161,044	14,114,395,757
VFMVN30 ETF	60,564,675,213	60,535,778,230	10,527,910,282	10,824,248,480
VFMDIAMOND ETF	50,727,714,611	51,093,323,010	2,229,905,678	2,259,802,193
E1VFN30 certificates	1,030,345,084	1,708,400,000	1,030,345,084	1,030,345,084
Total	1,171,648,664,880	1,196,230,484,957	2,963,917,735,387	3,061,224,600,123

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continue)

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

As at 30 September 2021

	Cost VND	Comparison to market price or fair value		Market price/ fair value VND
		Increase VND	Decrease VND	
Listed shares, Unlisted and unregistered shares and shares traded on UPCoM	263,624,542,429	2,473,673,806	(11,654,455,196)	254,443,761,039
Underlying assets designated as hedges for covered warrants	169,645,687,543	3,213,212,748	(2,111,871,691)	170,747,028,600
Listed Bonds	626,055,700,000	31,646,494,078	-	657,702,194,078
Certificates	112,322,734,908	1,043,663,314	(28,896,982)	113,337,501,240
Total	1,171,648,664,880	38,377,043,946	(13,795,223,869)	1,196,230,484,957

As at 31 December 2020

	Cost VND	Comparison to market price or fair value		Market price/ fair value VND
		Increase VND	Decrease VND	
Listed shares, Unlisted and unregistered shares and shares traded on UPCoM	1,104,127,046,749	33,832,036,432	(27,725,966,333)	1,110,233,116,848
Underlying assets designated as hedges for covered warrants	932,259,927,594	72,360,643,228	(547,996,822)	1,004,072,574,000
Listed Bonds	913,742,600,000	19,061,913,518	-	932,804,513,518
Certificates	13,788,161,044	326,234,713	-	14,114,395,757
Total	2,963,917,735,387	125,580,827,891	(28,273,963,155)	3,061,224,600,123

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

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	
		30.09.2021	31.12.2020
		VND	VND
Loans for securities transactions	(i)	9,608,295,488,936	8,623,841,531,603
Total		<u>9,608,295,488,936</u>	<u>8,623,841,531,603</u>

(i) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)

3.4 Provision for loans and doubtful debts

	Doubtful amount		Provision			
	Opening balance VND	Closing balance VND	Opening balance VND	Provided VND	Reversed VND	Closing balance VND
Overdue margin loans	37,783,317,946	37,783,317,946	37,783,317,946	-	-	37,783,317,946
Consultancy service fees receivable	1,145,650,000	1,145,650,000	1,145,650,000	-	-	1,145,650,000
Other receivables from securities trading	654,824,202	654,824,202	654,824,202	-	-	654,824,202
Total	39,583,792,148	39,583,792,148	39,583,792,148	-	-	39,583,792,148



NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.5 Receivables

	As at	
	30.09.2021 VND	31.12.2020 VND
Receivables from services provided by the Company		
Receivable from VSD	84,416,829,900	169,299,572,920
Receivable from securities purchasing (i)	4,143,726,511,298	17,000,000,000
Consultancy service fees receivable	1,587,410,000	1,222,650,000
Other receivables from trading activities	3,470,028,585	5,701,298,867
Total	<u>4,233,200,779,783</u>	<u>193,223,521,787</u>
Other receivables		
Bank interest receivables	138,841,475,066	63,402,331,232
Others	4,452,235,802	1,456,458,098
Total	<u>143,293,710,868</u>	<u>64,858,789,330</u>

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.6 Fixed assets

(a) *Tangible fixed assets*

	Transportation vehicles VND	Office equipment VND	Total VND
Historical cost			
As at 01.01.2021	4,410,223,640	100,166,765,649	104,576,989,289
New purchases	-	8,091,681,998	8,091,681,998
Disposals	(856,040,240)	-	(856,040,240)
As at 30.09.2021	<u>3,554,183,400</u>	<u>108,258,447,647</u>	<u>111,812,631,047</u>
Accumulated depreciation			
As at 01.01.2021	2,793,750,676	74,910,994,780	77,704,745,456
Charge for the period	678,817,262	10,280,732,818	10,959,550,080
Disposals	(856,040,240)	-	(856,040,240)
As at 30.09.2021	<u>2,616,527,698</u>	<u>85,191,727,598</u>	<u>87,808,255,296</u>
Net book value			
As at 01.01.2021	<u>1,616,472,964</u>	<u>25,255,770,869</u>	<u>26,872,243,833</u>
As at 30.09.2021	<u>937,655,702</u>	<u>23,066,720,049</u>	<u>24,004,375,751</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.6 Fixed assets (continued)

(b) Intangible fixed assets

	Computer software VND
Historical cost	
As at 01.01.2021	83,670,927,010
New purchases	<u>342,334,074</u>
As at 30.09.2021	<u>84,013,261,084</u>
Accumulated depreciation	
As at 01.01.2021	63,664,514,660
Charge for the period	<u>7,922,653,248</u>
As at 30.09.2021	<u>71,587,167,908</u>
Net book value	
As at 01.01.2021	<u>20,006,412,350</u>
As at 30.09.2021	<u>12,426,093,176</u>

(c) Construction in progress

Construction in progress comprises the following:

	As at	
	30.09.2021	31.12.2020
	VND	VND
Purchases of trading software	2,002,571,015	<u>342,334,073</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.7 Long-term prepaid expenses

	As at	
	30.09.2021 VND	31.12.2020 VND
Office rental	81,913,429,333	84,037,985,137
Office renovation	13,507,050,098	9,390,231,427
Consulting fee	283,418,515	474,504,000
IT costs	85,992,162	111,342,309
Total	95,789,890,108	94,014,062,873

3.8 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 30 September 2021 and as at 31 December 2020, the Company fully contributed the maximum amount.

3.9 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 2021 TO 30 SEPTEMBER 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.10 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	3.0 – 7.8	6,555,630,000,000	58,432,700,000,000	(52,284,800,000,000)	12,703,530,000,000
Bank overdrafts	5.1 – 7.5	160,941,061,080	21,132,979,174,429	(21,110,511,055,878)	183,409,179,631
Total		6,716,571,061,080	79,565,679,174,429	(73,395,311,055,878)	12,886,939,179,631

- (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 30 September 2021.

HO CHI MINH CITY SECURITIES CORPORATION

Form B09a – CTCK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.11 Trading obligations

	As at	
	30.09.2021 VND	31.12.2020 VND
Payables to investors for purchasing corporate bonds	335,847,973,679	422,227,641,347
Payables to investors for purchasing stocks	102,937,162,173	174,815,723,707
Covered warrant payables	42,471,258,266	311,922,070,959
Payables to Stock Exchanges and VSD	18,367,557,073	16,794,928,434
Variation margin payment to VSD	-	8,555,000,000
Others	14,326,728,637	980,730,466
Total	513,950,679,828	935,296,094,913

3.12 Tax and other payables to the State budget

	As at	
	30.09.2021 VND	31.12.2020 VND
Business income tax – current	79,148,371,840	35,382,154,300
Personal income tax withheld and paid on behalf of investors	30,280,977,953	21,270,427,173
Corporate income tax withheld and paid on behalf of foreign institutions	7,239,941,887	4,830,303,088
Personal income tax withheld and paid on behalf of employees	5,934,012,855	4,248,290,370
Value added tax	1,406,430,920	48,750,780
Foreign contractor tax	-	1,233,704,212
Total	124,009,735,455	67,013,629,923

3.13 Short-term accrued expenses

	As at	
	30.09.2021 VND	31.12.2020 VND
Allowance for working performance	48,000,000,000	50,000,000,000
Interest expenses	28,625,954,225	22,032,166,627
Others	14,634,890,901	11,744,363,077
Total	91,260,845,126	83,776,529,704

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.14 Other short-term liabilities

	As at	
	30.09.2021 VND	31.12.2020 VND
Receipts from investors for their subscriptions of shares from issuers	56,863,130,400	6,364,500,000
Dividends paid on behalf	25,189,417,069	3,413,307,130
Dividends payable to shareholders	3,431,916,130	155,942,531,017
Business development expenses payables	-	31,088,313,897
Other payables	23,046,540,727	13,112,369,388
Total	108,531,004,326	209,921,021,432

3.15 Share capital

a. Number of shares

	As at	
	30.09.2021 VND	31.12.2020 VND
Number of shares registered	305,882,263	305,882,263
Number of shares issued	305,882,263	305,882,263
Number of shares repurchased	(840,418)	(840,418)
Number of existing shares in issue	305,041,845	305,041,845

As at 30 September 2021 and as at 31 December 2020, 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.

HO CHI MINH CITY SECURITIES CORPORATION

Form B09a – CTCK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.15 Share capital (continued)

b. Movement of share capital

	Ordinary shares
As at 1 January 2021	305,041,845
New shares issued	-
As at 30 September 2021	<u>305,041,845</u>

3.16 Undistributed earnings

	As at	
	30.09.2021	31.12.2020
	VND	VND
Realised post-tax profits	1,224,962,430,248	647,641,022,448
Unrealised profits	<u>48,957,828,437</u>	<u>27,645,711,697</u>
Total	<u>1,273,920,258,685</u>	<u>675,286,734,145</u>

4 NOTES TO OFF STATEMENT OF FINANCIAL POSITION ITEMS

4.1 Bad debts written off

	As at	
	30.09.2021	31.12.2020
	VND	VND
Other receivables	<u>345,059,000</u>	<u>345,059,000</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

4 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)**4.2 Foreign currencies**

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

	As at	
	30.09.2021	31.12.2020
US Dollar	1,955.96	1,880.68
Japanese Yen	241,915	241,915
Singapore Dollar	844	844
British Pound	6,658.16	7,146.28
Taiwanese Dollar	3,200	3,200
Canadian Dollar	100	100
Malaysian Ringgit	750	750

4.3 Number of shares in issue

	As at	
	30.09.2021	31.12.2020
Quantity issued for 1 year or more (share)	305,041,845	305,041,845
Total	305,041,845	305,041,845

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

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

4.4 Covered warrant

Ticker symbol	Underlying security	Maturity date	As at 30.09.2021 Covered warrant			
			Number of covered warrants authorised for issue	Number of cancellation of covered warrants registration	Number of additional issuance of covered warrants	Number of covered warrants issued
CFPT2103	FPT Corporation (FPT)	07.01.2021	5,000,000	-	4,618,500	381,500
CMBB2103	Military Commercial Joint - Stock Bank (MBB)	07.01.2021	5,000,000	-	4,759,000	241,000
CMWG2106	Mobile World Investment Corporation (MWG)	07.01.2021	5,000,000	-	2,552,600	2,447,400
CVNM2107	Vietnam Dairy Products Joint Stock Company (VNM)	07.01.2021	5,000,000	-	4,674,400	325,600
CPNJ2104	Phu Nhuan Jewelry Joint Stock Company (PNJ)	07.01.2021	5,000,000	-	3,909,800	1,090,200
CVIC2104	Vingroup Joint Stock Company (VIC)	07.01.2021	5,000,000	-	4,788,400	211,600
CHPG2113	Hoa Phat Group Joint Stock Company (HPG)	07.03.2021	10,000,000	-	1,018,000	8,982,000
CSTB2109	Saigon Thuong Tin Commercial Joint Stock Bank (STB)	07.03.2021	10,000,000	-	274,000	9,726,000
CTCB2109	Technology and Commercial Joint Stock Bank(TCB)	07.03.2021	10,000,000	-	205,000	9,795,000
CVHM2110	Vinhomes Joint Stock Company(VHM)	07.03.2021	10,000,000	-	100,000	9,900,000
CVPB2108	Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	07.03.2021	10,000,000	-	151,000	9,849,000
CVRE2109	Vincom Retail Join Stock Company (VRE)	07.03.2021	10,000,000	-	550,000	9,450,000
			90,000,000	-	27,600,700	62,399,300

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

5 NOTES TO THE STATEMENT OF INCOME

5.1 Net realised gains on disposals of FVTPL financial assets

	3rd Quarter		Year to date	
	2021 VND	2020 VND	2021 VND	2020 VND
Realised gains on disposals of FVTPL financial assets	313,707,640,757	119,692,067,879	1,323,881,325,973	432,102,421,325
Realised losses on disposals of FVTPL financial assets	(303,938,317,962)	(111,438,624,981)	(1,013,142,766,487)	(346,530,227,864)
Total	9,769,322,795	8,253,442,898	310,738,559,486	85,572,193,461

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

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

	3rd Quarter		Year to date	
	2021 VND	2020 VND	2021 VND	2020 VND
Gains from revaluation of FVTPL financial assets	(36,997,096,024)	20,336,057,069	(87,203,783,945)	28,212,243,440
Losses from revaluation of FVTPL financial assets	(1,109,156,104)	(2,328,367,556)	14,478,739,288	24,727,867,115
Total	(38,106,252,128)	18,007,689,513	(72,725,044,657)	52,940,110,555

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

	3rd Quarter		Year to date	
	2021 VND	2020 VND	2021 VND	2020 VND
Decrease in covered warrants liabilities due to revaluations	22,515,630,239	2,552,205,005	24,045,335,951	(3,520,915,327)
Increase in covered warrants liabilities due to revaluations	117,705,755,753	(2,618,125,599)	69,991,825,446	(2,618,125,599)
Total	140,221,385,992	(65,920,594)	94,037,161,397	(6,139,040,926)



NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

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) 30.09.2021 VND	Accumulated revaluation gains/(losses) 31.12.2020 VND	Credited/ (charged) to statement of income VND
Listed shares, Unlisted and unregistered shares and shares traded on UPCoM	263,624,542,429	254,443,761,039	(9,180,781,390)	6,106,070,099	(15,286,851,489)
Underlying assets designated as hedges for covered warrants	169,645,687,543	170,747,028,600	1,101,341,057	71,812,646,406	(70,711,305,349)
Listed bonds	626,055,700,000	657,702,194,078	31,646,494,078	19,061,913,518	12,584,580,560
Certificates	112,322,734,908	113,337,501,240	1,014,766,332	326,234,713	688,531,619
Total	1,171,648,664,880	1,196,230,484,957	24,581,820,077	97,306,864,736	(72,725,044,659)

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

	Cost VND	Market value/ fair value VND	Accumulated revaluation gains/(losses) 30.09.2021 VND	Accumulated revaluation gains/(losses) 31.12.2020 VND	Credited/ (charged) to statement of income VND
Covered warrants	66,847,266,713	42,471,258,353	24,376,008,360	(69,661,153,039)	94,037,161,399
Total	66,847,266,713	42,471,258,353	24,376,008,360	(69,661,153,039)	94,037,161,399

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

5 NOTES TO THE STATEMENT OF INCOME (continued)

5.3 Operating expenses not related to financial assets

	3rd Quarter		Year to date	
	2021 VND	2020 VND	2021 VND	2020 VND
Proprietary trading activities	15,295,134,105	8,174,420,597	41,790,802,301	25,876,627,640
Staff costs	2,177,281,272	751,099,446	4,922,712,624	3,166,644,839
Brokerage fee	6,175,126,470	1,150,078,063	17,639,498,334	5,619,902,565
Depreciation and amortisation	16,274,096	381,972,983	655,324,214	1,148,812,329
Outsourcing expenses	2,550,443,633	1,549,355,656	7,834,751,778	5,899,569,769
Allocation expenses	4,376,008,634	4,341,914,449	10,557,206,679	10,041,698,138
Brokerage fee expenses	194,661,789,775	99,835,438,527	535,614,212,801	279,236,986,264
Staff costs	91,123,486,948	36,078,140,833	244,672,732,029	111,116,159,090
Brokerage fee	75,851,889,482	36,688,440,459	212,379,604,699	90,923,221,105
Depreciation and amortisation	2,849,900,297	2,919,116,197	10,160,919,524	8,856,573,304
Outsourcing expenses	10,471,088,280	11,484,564,597	31,719,349,034	33,635,194,829
Office rental expenses	6,442,813,023	6,797,579,810	16,743,060,810	21,065,465,527
Allocation expenses	7,922,611,745	5,867,596,631	19,938,546,705	13,640,372,409
Custody service expenses	2,260,090,876	1,972,439,081	6,526,231,865	5,793,929,249
Financial consultancy service expenses	5,337,788,849	3,587,001,862	13,409,207,104	11,195,529,478
Staff costs	4,553,972,790	3,035,686,166	11,487,964,731	9,521,113,195
Outsourcing expenses	783,816,059	551,315,696	1,921,242,373	1,674,416,283
Other operating expenses	1,307,262,070	1,033,574,844	3,204,134,870	2,630,611,809
Total	218,862,065,675	114,602,874,911	600,544,588,941	324,733,684,440

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

5 NOTES TO THE STATEMENT OF INCOME (continued)

5.4 General and administration expenses

	3rd Quarter		Year to date	
	2021 VND	2020 VND	2021 VND	2020 VND
Staff costs	63,829,705,191	28,670,146,062	131,194,192,319	88,956,378,520
Office rental expenses	4,601,529,595	3,112,411,273	12,701,891,818	8,078,306,735
Outsourcing expenses	13,927,271,004	6,761,314,281	30,613,383,907	23,118,633,437
Depreciation and amortisation	2,369,646,402	3,101,983,519	6,698,060,036	9,955,975,629
Tax and other fees	39,776,050	44,803,498	115,357,119	231,883,249
Office tools and supplies	480,035,917	475,487,961	1,301,236,242	1,442,106,257
Other administrative expenses	13,618,458,517	2,003,986,985	29,347,085,468	6,733,126,731
Total	<u>98,866,422,676</u>	<u>44,170,133,579</u>	<u>211,971,206,909</u>	<u>138,516,410,558</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

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 29.96% 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 23.86% 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)	Brokerage service - sale	39,174,809,000
	Brokerage fee income	58,762,214
Ho Chi Minh Finance and Investment State-owned Company (HFIC)	Deposits for securities trading	25,152,081

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

6 RELATED PARTIES DISCLOSURES (continued)

Related party transactions in Q3/2021

<u>Related party</u>	<u>Transactions</u>	<u>Current period VND</u>
Compensation of key management (*)	Gross salaries and other benefits in Q3/2021	8,929,550,000

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

Remuneration to the Board of Directors

Mr. Johan Nyvene	Chairperson	558,461,538
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

1,385,128,205**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 2021 TO 30 SEPTEMBER 2021

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 30 September 2021				
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Total VND
Revenue and income (*)	1,034,298,948,607	1,463,099,702,790	808,259,260,649	32,093,512,386	3,337,751,424,432
Expenses	(549,355,346,468)	(969,035,551,019)	(447,427,752,823)	(10,825,893,207)	(1,976,644,543,517)
<i>In which:</i>					
<i>Direct cash expenses</i>	(536,714,912,751)	(1,051,557,833,200)	(447,427,752,823)	(10,769,351,541)	(2,046,469,850,315)
<i>Total amount of significant non-cash expenses, other than depreciation, amortisation and allocation of prepaid expenses</i>	-	84,470,564,734	-	-	84,470,564,734
<i>Total depreciation and amortisation of fixed assets</i>	(10,160,919,524)	(655,324,214)	-	(56,541,666)	(10,872,785,404)
<i>Allocation of long-term and short-term prepaid expenses</i>	(2,479,514,193)	(1,292,958,339)	-	-	(3,772,472,533)
Segment result	<u>484,943,602,139</u>	<u>494,064,151,771</u>	<u>360,831,507,826</u>	<u>21,267,619,179</u>	<u>1,361,106,880,915</u>
Net financial income					2,167,390,632
Net other income					16,311,000
General and administration expenses					(211,971,206,909)
Operating result					1,151,319,375,638

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

7 SEGMENT INFORMATION (continued)

Business activity segments (continued)

	For the period ended 30 September 2020				
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Total VND
Revenue and income (*)	415,282,522,214	590,846,974,327	358,805,189,522	34,701,815,796	1,399,636,501,859
Expenses	(287,661,527,322)	(350,297,113,988)	(124,596,063,551)	(11,195,529,478)	(773,750,234,339)
<i>In which:</i>					
<i>Direct cash expenses</i>	(254,313,389,624)	(355,218,544,419)	(124,596,063,551)	(11,133,764,478)	(745,261,762,072)
<i>Total amount of significant non-cash expenses, other than depreciation, amortisation and allocation of prepaid expenses</i>	-	22,109,741,516	-	-	22,109,741,516
<i>Total depreciation and amortisation of fixed assets</i>	(8,856,573,304)	(1,148,812,329)	-	(61,765,000)	(10,067,150,633)
<i>Allocation of long-term and short-term prepaid expenses</i>	(24,491,564,394)	(16,039,498,756)	-	-	(40,531,063,150)
Segment result	<u>127,620,994,892</u>	<u>240,549,860,339</u>	<u>234,209,125,971</u>	<u>23,506,286,318</u>	<u>625,886,267,520</u>
Net financial income					1,554,716,133
Net other income					54,708,333
General and administration expenses					(138,516,410,558)
Operating result					488,979,281,428

(*) 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 2021 TO 30 SEPTEMBER 2021

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 30 September 2021					
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Unallocated VND	Total VND
Segment assets	4,373,837,644,123	1,197,204,853,817	13,249,442,893,912	3,532,352,592	-	18,824,017,744,444
Unallocated assets	-	-	-	-	57,273,661,887	57,273,661,887
Total assets	<u>4,373,837,644,123</u>	<u>1,197,204,853,817</u>	<u>13,249,442,893,912</u>	<u>3,532,352,592</u>	<u>57,273,661,887</u>	<u>18,881,291,406,331</u>
Segment liabilities	515,517,565,456	-	12,915,565,133,856	-	-	13,431,082,699,312
Unallocated liabilities	-	-	-	-	326,348,380,028	326,348,380,028
Total liabilities	<u>515,517,565,456</u>	<u>-</u>	<u>12,915,565,133,856</u>	<u>-</u>	<u>326,348,380,028</u>	<u>13,757,431,079,340</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 30 SEPTEMBER 2021

7 SEGMENT INFORMATION (continued)

Business activity segments (continued)

As at 31 December 2020

	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Unallocated VND	Total VND
Segment assets	330,925,036,669	3,241,659,928,389	8,860,312,830,607	2,945,599,248	-	12,435,843,394,913
Unallocated assets	-	-	-	-	52,984,158,174	52,984,158,174
Total assets	330,925,036,669	3,241,659,928,389	8,860,312,830,607	2,945,599,248	52,984,158,174	12,488,827,553,087
Segment liabilities	941,731,165,549	-	6,738,603,227,707	-	-	7,680,334,393,256
Unallocated liabilities	-	-	-	-	368,138,628,446	368,138,628,446
Total liabilities	941,731,165,549	-	6,738,603,227,707	-	368,138,628,446	8,048,473,021,702

Prepared by



Le Thi Thuy Duong

Chief Financial Officer cum
Chief Accountant



Lam Huu Ho



20 October 2021

Chief Executive Officer



Tran Hoai Giang

