

HO CHI MINH CITY SECURITIES CORPORATION

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

HO CHI MINH CITY SECURITIES CORPORATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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HO CHI MINH CITY SECURITIES CORPORATION

CORPORATE INFORMATION

Business registration certificate

No. 4103001573 dated 23 April 2003 issued by the Department of Planning and Investment of Ho Chi Minh City.

Establishment and operation licence

No. 11/UBCK-GPHDKD dated 29 April 2003 issued by the State Securities Commission. The Establishment and operation licence was amended several times and the latest amendment No. 125/GPĐC-UBCK was issued on 27 December 2022.

Board of Directors

Mr. Johan Nyvene	Chairperson
Mr. Le Anh Minh	Vice Chairperson
Mr. Le Hoang Anh	Member
Mr. Nguyen Hong Van	Member
Mr. Tran Quoc Tu	Member
Mr. Andrew Colin Vallis	Member
Ms. Nguyen Thi Hoang Lan	Member

Board of Supervision

Mr. Pham Nghiem Xuan Bac	Chief Supervisor
Ms. Dang Nguyet Minh	Member
Ms. Nguyen Thi Thu Thanh	Member

HO CHI MINH CITY SECURITIES CORPORATION

CORPORATE INFORMATION (continued)

Board of Management	Mr. Trinh Hoai Giang	Chief Executive Officer
Chief Executive Officer and Legal Representative	Mr. Trinh Hoai Giang	
Registered office	2-5-6-7-11-12 th Floor, AB Tower 76A Le Lai Street, Ben Thanh Ward, District 1 Ho Chi Minh City, Vietnam	
Branch	1 st and 2 nd Floor, CornerStone Tower, 16 Phan Chu Trinh Street, Phan Chu Trinh Ward, Hoan Kiem District, Ha Noi, Vietnam	
Transaction office	3A and 7 th Floor, Sun Red River Tower, 23 Phan Chu Trinh Street, Phan Chu Trinh Ward, Hoan Kiem District, Ha Noi, Vietnam	
Auditor	PwC (Vietnam) Limited	

HO CHI MINH CITY SECURITIES CORPORATION

STATEMENT OF THE BOARD OF MANAGEMENT

STATEMENT OF RESPONSIBILITY OF THE BOARD OF MANAGEMENT IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Management of Ho Chi Minh City Securities Corporation (“the Company”) is responsible for preparing the financial statements which give a true and fair view of the financial position of the Company as at 31 December 2022 and of the results of its operations, cash flows and changes in equity for the year then ended. In preparing these financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and which enable the financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the financial statements. The Board of Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud or errors.

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements as set out on pages 6 to 97 which give a true and fair view of the financial position of the Company as at 31 December 2022 and of the results of its operations, cash flows and changes in equity for the year then ended, 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.

On behalf of the Board of Management



Trinh Hoai Giang
Chief Executive Officer

Ho Chi Minh City, Vietnam
22 March 2023



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HO CHI MINH CITY SECURITIES CORPORATION

We have audited the accompanying financial statements of Ho Chi Minh City Securities Corporation ("the Company") which were prepared on 31 December 2022 and approved by the Board of Management of the Company on 22 March 2023. The financial statements comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, and explanatory notes to the financial statements including significant accounting policies, as set out on pages 6 to 97.

The Board of Management's Responsibility

The Board of Management of the Company is responsible for the preparation and the true and fair presentation of these financial statements of the Company in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and prevailing regulations on the preparation and presentation of financial statements applicable to securities companies operating in Vietnam, and for such internal control which the Board of Management determines is necessary to enable the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical standards and requirements and plan and perform the audit in order to obtain reasonable assurance as to whether the financial statements of the Company are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management, as well as evaluating the overall presentation of the financial statements.

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

Auditor's Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022, the results of operations, cash flows and changes in equity of the Company for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and prevailing regulations on the preparation and presentation of financial statements applicable to securities companies operating in Vietnam.

Other Matter

The independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

For and on behalf of PwC (Vietnam) Limited



Tran Thi Thanh Truc
Audit Practising Licence No.
3047-2019-006-1
Authorised signatory



Doan Tran Phuong Thao
Audit Practising Licence No.
4701-2019-006-1

Report reference number: HCM13111
Ho Chi Minh City, 22 March 2023

STATEMENT OF FINANCIAL POSITION

Code	ITEM	Note	As at	
			31.12.2022 VND	31.12.2021 VND
ASSETS				
100	CURRENT ASSETS		15,262,466,982,681	24,186,710,802,908
110	Financial assets		15,196,106,202,469	24,114,470,306,909
111	Cash and cash equivalents	3.1	5,640,650,158,821	7,198,511,987,873
111.1	Cash		5,640,650,158,821	7,198,511,987,873
112	Financial assets at fair value through profit or loss (“FVTPL”)	3.2	1,424,495,705,829	2,371,663,569,220
114	Loans	3.3	7,378,982,938,005	13,690,097,115,046
118	Prepayment to suppliers		6,823,098,704	14,378,716,021
119	Service-related receivables	3.4	580,568,943,700	639,323,864,073
122	Other receivables	3.4	164,585,357,410	200,495,054,676
130	Other current assets		66,360,780,212	72,240,495,999
131	Advance to employees		794,883,916	727,974,286
133	Short-term prepaid expenses	3.7(a)	19,308,153,346	9,816,990,763
134	Short-term security deposits		176,900,000	395,450,000
137	Other current assets		46,080,842,950	61,300,080,950
137.1	Deposits for derivatives trading activities	3.5	46,080,842,950	61,300,080,950
200	NON-CURRENT ASSETS		184,488,062,533	182,392,337,809
220	Fixed assets		58,275,475,559	40,005,113,583
221	Tangible fixed assets	3.6(a)	48,833,023,729	28,190,853,273
222	Historical cost		157,362,602,910	119,732,244,928
223a	Accumulated depreciation		(108,529,579,181)	(91,541,391,655)
227	Intangible fixed assets	3.6(b)	9,442,451,830	11,814,260,310
228	Historical cost		89,320,899,084	85,006,277,084
229a	Accumulated amortisation		(79,878,447,254)	(73,192,016,774)
240	Construction in progress	3.6(c)	-	8,483,996,599
250	Other non-current assets		126,212,586,974	133,903,227,627
251	Long-term security deposits		10,474,004,062	8,850,543,262
252	Long-term prepaid expenses	3.7(b)	83,495,337,912	93,072,701,865
253	Deferred income tax assets	3.15	2,243,245,000	1,979,982,500
254	Deposits in the Settlement support fund	3.8	20,000,000,000	20,000,000,000
255	Other non-current assets		10,000,000,000	10,000,000,000
255.1	Deposits in the Derivatives trading clearing fund	3.9	10,000,000,000	10,000,000,000
270	TOTAL ASSETS		15,446,955,045,214	24,369,103,140,717

The notes on pages 16 to 97 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
(continued)

Code	ITEM	Note	As at	
			31.12.2022 VND	31.12.2021 VND
300	LIABILITIES		7,555,122,708,990	17,043,850,217,927
310	Current liabilities		7,555,122,708,990	17,043,850,217,927
311	Short-term borrowings and finance lease liabilities		6,938,057,640,000	15,039,870,130,242
312	<i>Short-term borrowings</i>	3.10	6,938,057,640,000	15,039,870,130,242
318	Trading obligations	3.11	46,315,877,007	1,461,564,263,853
320	Short-term trade payables		7,079,654,815	1,551,194,104
322	Taxes and other payables to the State	3.12	77,473,019,194	118,960,709,302
324	Accrued employees' welfares		6,746,624,294	6,137,000,317
325	Short-term accrued expenses	3.13	188,422,944,100	194,292,714,722
329	Other short-term payables	3.14	250,047,320,274	195,643,770,048
331	Bonus and welfare funds		40,979,629,306	25,830,435,339
400	OWNERS' EQUITY		7,891,832,336,224	7,325,252,922,790
410	Owners' equity		7,891,832,336,224	7,325,252,922,790
411	Owners' capital		5,535,583,100,992	5,535,583,100,992
411.1	Share capital	3.16, 7.1	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 premium		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	3.17	1,796,894,173,810	1,230,314,760,376
417.1	<i>Realised profits after tax</i>		1,783,167,200,002	1,133,223,368,908
417.2	<i>Unrealised profits</i>		13,726,973,808	97,091,391,468
440	TOTAL RESOURCES		15,446,955,045,214	24,369,103,140,717

The notes on pages 16 to 97 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
(continued)

OFF STATEMENT OF FINANCIAL POSITION ITEMS

Code	ITEM	Note	As at	
			31.12.2022	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			
	United States Dollar		2,050.14	1,933.03
	Japanese Yen		241,915	241,915
	Singapore Dollar		844	844
	British Pound		12,641.66	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(a)	457,211,949	457,211,949
007	Number of treasury shares (shares)	4.2(b)	840,418	840,418
			<i>Par value (VND)</i>	
008	Securities listed/registered to Vietnam Securities Depository ("VSD")		1,428,460,460,000	1,534,001,710,000
	<i>Freely traded securities</i>		408,460,460,000	334,001,710,000
	<i>Mortgaged securities</i>		1,020,000,000,000	1,200,000,000,000
009	Securities in custody of VSD and not yet traded		423,381,500,000	3,150,750,000
	<i>Freely traded securities</i>		423,381,500,000	3,150,750,000
010	Securities purchased and awaiting settlement		158,247,490,000	38,050,920,000
	<i>Securities awaiting settlement</i>		158,247,490,000	38,050,920,000
			<i>Quantity</i>	
014	Covered warrants authorised but not yet issued	4.3	270,920,500	125,119,700

The notes on pages 16 to 97 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
(continued)OFF STATEMENT OF FINANCIAL POSITION ITEMS
(continued)

Code	ITEM	As at	
		31.12.2022	31.12.2021
B	ASSETS OF AND LIABILITIES TO CUSTOMERS	<i>Par value (VND)</i>	
021	Securities listed/registered at VSD	32,775,352,660,320	29,233,137,338,247
021.1	<i>Freely traded securities</i>	30,046,846,107,000	26,729,328,284,000
021.2	<i>Restricted securities</i>	63,275,910,000	77,797,610,000
021.3	<i>Pledged securities</i>	1,853,864,070,000	1,367,875,900,000
021.4	<i>Suspended securities</i>	102,322,250,000	102,406,820,000
021.5	<i>Securities awaiting settlement</i>	359,531,281,000	665,069,237,000
021.7	<i>Customers' deposits for derivatives trading</i>	349,513,042,320	290,659,487,247
022	Securities in custody of VSD and not yet traded	112,394,200,000	90,528,440,000
022.1	<i>Securities in custody of VSD and not yet traded – freely traded securities</i>	26,410,320,000	43,018,500,000
022.2	<i>Securities in custody of VSD and not yet traded – suspended securities</i>	85,983,880,000	47,509,940,000
023	Securities purchased and awaiting settlement	356,499,962,000	752,891,009,000
024b	Securities not in custody of VSD of investors	5,500,000,000	5,500,000,000
026	Customers' deposits	2,011,394,444,803	2,567,360,017,939
027	<i>Customers' deposits for securities trading</i>	1,661,881,402,483	2,276,700,530,692
027.1	<i>Customers' deposits at VSD</i>	349,513,042,320	290,659,487,247
031	Payables to customers relating to their deposits at the Company for securities trading	1,661,881,402,483	2,276,700,530,692
031.1	<i>Payables to domestic customers relating to their deposits at the Company for securities trading</i>	1,659,232,766,064	2,250,847,001,197
031.2	<i>Payables to foreign customers relating to their deposits at the Company for securities trading</i>	2,648,636,419	25,853,529,495



Le Thi Thuy Duong
Preparer



Lam Huu Ho
Chief Financial Officer
cum Chief Accountant



Trinh Hoai Giang
Chief Executive Officer
22 March 2023

The notes on pages 16 to 97 are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

Code	ITEM	Note	For the year ended	
			31.12.2022 VND	31.12.2021 VND
	OPERATING INCOME			
01	Income from FVTPL financial assets		1,673,769,166,596	1,816,405,892,159
01.1	Realised gains on disposal of FVTPL financial assets	5.1	1,329,305,033,052	1,512,892,400,808
01.2	Upward revaluation of FVTPL financial assets	5.2	(13,745,393,136)	(94,368,025,555)
01.3	Dividends and interest income from FVTPL financial assets	5.3	454,313,414,603	302,261,585,535
01.4	Downward revaluation of covered warrants liabilities	5.2	(96,103,887,923)	95,619,931,371
03	Interest income from loans and receivables		1,273,381,029,024	1,178,676,110,277
06	Brokerage fee income		881,714,329,917	1,390,496,531,451
07	Underwriting income and placing fee income		-	5,500,000,000
09	Custody service income		9,326,084,675	8,575,387,729
10	Financial consultancy service income		53,809,594,152	41,050,757,392
11	Other operating income		9,444,588,666	19,408,158,804
20	TOTAL OPERATING INCOME		3,901,444,793,030	4,460,112,837,812
	OPERATING EXPENSES			
21	Losses from FVTPL financial assets		(1,050,570,428,618)	(1,094,396,956,075)
21.1	Realised losses on disposal of FVTPL financial assets	5.1	(1,077,055,292,017)	(1,162,590,730,033)
21.2	Downward revaluation of FVTPL financial assets	5.2	21,571,497,129	2,361,682,301
21.4	Upward revaluation of covered warrants liabilities	5.2	4,913,366,270	65,832,091,657
24	Provisions for financial assets, losses on bad debts, impairment losses of financial assets and interest expenses associated with borrowings	5.4	(750,725,049,674)	(747,190,551,120)
26	Proprietary trading activities	5.5	(72,102,674,942)	(91,924,223,288)
27	Brokerage fee expenses	5.5	(572,805,427,628)	(766,756,414,595)
30	Custody service expenses	5.5	(9,798,386,787)	(8,909,326,503)
31	Financial consultancy service expenses	5.5	(26,093,851,921)	(21,786,770,977)
32	Other operating expenses	5.5	(4,124,185,703)	(4,456,527,541)
40	TOTAL OPERATING EXPENSES		(2,486,220,005,273)	(2,735,420,770,099)

The notes on pages 16 to 97 are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
(continued)

Code	ITEM	Note	For the year ended	
			31.12.2022 VND	31.12.2021 VND
	FINANCIAL INCOME			
42	Dividend income and interest income from demand deposits		2,935,810,645	2,367,957,861
50	TOTAL FINANCIAL INCOME		2,935,810,645	2,367,957,861
62	GENERAL AND ADMINISTRATIVE EXPENSES			
70	OPERATING RESULT	5.6	(350,767,604,201)	(296,812,554,290)
	OTHER INCOME AND EXPENSES			
71	Other income		413,145,454	87,846,363
80	NET OTHER INCOME		413,145,454	87,846,363
90	NET ACCOUNTING PROFIT BEFORE TAX		1,067,806,139,655	1,430,335,317,647
91	Realised profit		1,151,170,557,315	1,360,889,637,873
92	Unrealised (loss)/profit		(83,364,417,660)	69,445,679,774
100	CORPORATE INCOME TAX (“CIT”)	5.7	(215,318,263,721)	(283,272,936,560)
100	Corporate income tax – current		(215,581,526,221)	(283,892,919,060)
100	Corporate income tax – deferred		263,262,500	619,982,500
200	NET PROFIT AFTER TAX		852,487,875,934	1,147,062,381,087
500	EARNINGS PER SHARE			
501	Basic earnings per share (VND/share)	5.8	1,865	3,500
502	Diluted earnings per share (VND/share)	5.8	1,865	3,500



Le Thi Thuy Duong
Preparer



Lam Huu Ho
Chief Financial Officer
cum Chief Accountant




Trinh Hoai Giang
Chief Executive Officer
22 March 2023

The notes on pages 16 to 97 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
(Indirect method)

Code	ITEM	Note	For the year ended	
			31.12.2022 VND	31.12.2021 VND
	Cash flows from operating activities			
01	Net accounting profit before tax		1,067,806,139,655	1,430,335,317,647
02	Adjustments for:		612,711,086,893	573,274,232,416
03	Depreciation and amortisation		25,935,323,604	24,220,188,553
06	Interest expense	5.4	750,725,049,674	747,190,551,120
07	Profits from investing activities		(409,090,909)	-
08	Accrued interest income	3.4	(163,540,195,476)	(198,136,507,257)
10	Decrease in non-cash expenses		(26,484,863,399)	(68,193,773,958)
11	Downward revaluation of FVTPL financial assets and upward revaluation of covered warrants liabilities		(26,484,863,399)	(68,193,773,958)
18	Decrease/(increase) in non-cash income		109,849,281,059	(1,251,905,816)
19	Upward revaluation of FVTPL financial assets and downward revaluation of covered warrants liabilities		109,849,281,059	(1,251,905,816)
30	Changes in working capital		4,967,859,375,728	(5,004,635,685,459)
31	Decrease in FVTPL financial assets		954,993,967,384	597,554,687,649
33	(Decrease)/increase in loans		6,311,114,177,041	(5,104,038,901,389)
37	(Decrease)/increase in service-related receivables		58,754,920,373	(446,100,342,286)
39	Decrease in other receivables		199,382,983,112	60,102,994,005
41	(Increase)/decrease in accrued expenses (excluding interest expenses)		(22,405,086,444)	69,161,618,019
42	Decrease/(increase) in prepaid expenses		86,201,370	(172,806,825)
43	CIT paid	3.12	(237,357,472,933)	(263,260,811,150)
44	Interest paid		(734,237,733,852)	(737,074,898,018)
45	Increase/(decrease) in trade payables		13,084,078,028	(10,018,998,550)
46	Increase in employee welfare payables		609,623,977	1,367,049,217
47	(Decrease)/increase in tax and other payables to the State (excluding CIT paid)		(19,752,652,487)	31,314,971,469
50	(Decrease)/increase in other short-term payables (including covered warrants liabilities)		(1,570,227,957,041)	678,016,384,792
51	Other receipts from operating activities		15,219,238,000	118,513,367,608
52	Other payments for operating activities		(1,404,910,800)	-
60	Net cash inflow from (outflow for) operating activities		6,731,741,019,936	(3,070,471,815,170)
	Cash flows from investing activities			
61	Cash paid for purchases of fixed assets		(35,721,688,981)	(25,488,308,479)
62	Proceeds from disposals of fixed assets		450,000,000	-
70	Net cash outflow for investing activities		(35,271,688,981)	(25,488,308,479)

The notes on pages 16 to 97 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
(Indirect method)
(continued)

Code	ITEM	Note	For the year ended	
			31.12.2022 VND	31.12.2021 VND
	Cash flows from financing activities			
71	Proceeds from share issue	7	-	2,130,291,856,000
73.2	Proceeds from borrowings	3.10	74,341,648,152,273	127,794,031,447,296
74.3	Repayments of principals of borrowings	3.10	(82,443,460,642,515)	(119,470,732,378,134)
76	Payments of dividends	3.14	(152,518,669,765)	(365,979,678,387)
80	Net cash (outflow for) inflow from financing activities		(8,254,331,160,007)	10,087,611,246,775
90	Net increase/(decrease) in cash and cash equivalents		(1,557,861,829,052)	6,991,651,123,126
101	Cash and cash equivalents at beginning of year		7,198,511,987,873	206,860,864,747
101.1	Cash	3.1	7,198,511,987,873	206,860,864,747
103	Cash and cash equivalents at end of year		5,640,650,158,821	7,198,511,987,873
103.1	Cash	3.1	5,640,650,158,821	7,198,511,987,873

The notes on pages 16 to 97 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
(Indirect method)
(continued)

CASH FLOWS OF BROKERAGE AND ENTRUSTMENT ACTIVITIES

Code	ITEM	For the year ended	
		31.12.2022 VND	31.12.2021 VND
	Cash flows from brokerage and entrustment activities		
01	Brokerage trading proceeds	174,546,456,508,252	296,767,448,913,962
02	Brokerage trading payments	(174,815,005,368,260)	(295,884,250,997,606)
08	Payments for customers' securities transactions	(336,944,183,526)	(698,283,353,909)
11	Payments for custody fees of customers	(9,326,084,675)	(8,575,387,729)
20	(Decrease)/increase in customers' deposits	(614,819,128,209)	176,339,174,718
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	1,661,881,402,483	2,276,700,530,692
41	Cash at bank	1,661,881,402,483	2,276,700,530,692
42	<i>Customers' deposits for securities trading under monitoring of the Company</i>	1,661,881,402,483	2,276,700,530,692



Le Thi Thuy Duong
Preparer



Lam Huu Ho
Chief Financial Officer
cum Chief Accountant



Trinh Hoai Giang
Chief Executive Officer
22 March 2023

The notes on pages 16 to 97 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

Items	As at		For the year ended 31 December 2021		For the year ended 31 December 2022		As at	
	1.1.2021 VND	1.1.2022 VND	Increase VND	Decrease VND	Increase VND	Decrease VND	31.12.2021 VND	31.12.2022 VND
1. Owners' capital	3,405,291,244,992	5,535,583,100,992	2,130,291,856,000	-	-	-	5,535,583,100,992	5,535,583,100,992
1.1 Ordinary shares with voting right	3,058,822,630,000	4,580,523,670,000	1,521,701,040,000	-	-	-	4,580,523,670,000	4,580,523,670,000
1.2 Share premiums	358,946,064,000	967,536,880,000	608,590,816,000	-	-	-	967,536,880,000	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	99,789,254,587	-	-	-	277,696,843,214	277,696,843,214
3. Financial risk and operation reserve	177,907,588,627	277,696,843,214	99,789,254,587	-	-	-	277,696,843,214	277,696,843,214
4. Other equity funds	3,961,374,994	3,961,374,994	-	-	-	-	3,961,374,994	3,961,374,994
5. Undistributed earnings	675,286,734,145	1,230,314,760,376	1,147,062,381,087	(592,034,354,856)	852,487,875,934	(285,908,462,500)	1,230,314,760,376	1,796,894,173,810
5.1 Realised profit after tax	647,641,022,448	1,133,223,368,908	1,077,616,701,313	(592,034,354,856)	935,852,293,594	(285,908,462,500)	1,133,223,368,905	1,783,167,200,002
5.2 Unrealised profit/(loss)	27,645,711,697	97,091,391,468	69,445,679,774	-	(83,364,417,660)	-	97,091,391,471	13,726,973,808
Total	4,440,354,531,385	7,325,252,922,790	3,476,932,746,261	(592,034,354,856)	852,487,875,934	(285,908,462,500)	7,325,252,922,790	7,891,832,336,224

Le Thi Thuy Duong
Preparer

Lam Huu Ho
Chief Financial Officer
cum Chief Accountant

Trình Hoài Giang
Chief Executive Officer
22 March 2023

The notes on pages 16 to 97 are an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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-GPHDKD 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. 125/GPĐC-UBCK was issued on 27 December 2022.

The Company was listed on the Ho Chi Minh City Stock Exchange in accordance with Decision No. 27/QĐ-SGDHCM issued by the Ho Chi Minh City Stock Exchange on 20 April 2009 with the ticker symbol of HCM.

Headquarter and contact information

The Company is headquartered at 2-5-6-7-11-12th Floor, 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 last updated on 8 August 2022.

Headcount

As at 31 December 2022, the Company had 658 employees (as at 31 December 2021: 635 employees).

Capital position

	As at 31 December 2022 (“the reporting date”) VND
Charter capital	4,580,523,670,000
Total owners’ equity	7,891,832,336,224
Total assets	<u>15,446,955,045,214</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****1 GENERAL INFORMATION (continued)*****Investment objectives and investment restrictions***

Being a listed broker firm in the Vietnamese securities market, the Company aims to contribute to the development of the securities market and deliver benefits to customers, investors and its shareholders. The Company's investment portfolio and its restrictions shall follow the investment objectives and investment strategy as stipulated in its Charter and applicable securities laws and regulations.

Structure of the Company and businesses

As at 31 December 2022, the Company had 1 branch and 1 transaction office in Vietnam.

Principal activities

The principal activities of the Company include provision of securities brokerage services, margin loans, proprietary securities trading, securities investment consultancy services, corporate finance consultancy services, securities underwriting services and securities custodian services.

Overview of business operations during the year and their impacts to the financial statements

In 2022, the Company's profit after tax decreased by 26% as compared to the result of 2021, primarily due to the following:

- Brokerage fee income decreased by 37% mainly due to a decrease of 17% in shares trading volume in Vietnam's stock market in 2022, coupled with the decrease in average brokerage fee rates of the Company compared to 2021 due to the competitive pressure from peers;
- Income from margin lending increased by 8% compared to that earned in 2021 due to the increase the Company's lending capacity as a result of capital increase in 2022;
- Income from proprietary trading (including net realised gains on disposal of financial assets, dividend and interest income, and revaluation result of financial assets) decreased by 14% mainly due to negative market conditions for investment activities;
- Revenue from financial consulting activities in 2022 increased by 31% compared to 2021 due to the higher number of completed transactions;
- Operating expenses, excluding losses from FVTPL financial assets and interest expenses, decreased by 23% compared to 2021 mainly due to the decrease in brokerage expenses in line with the decrease in brokerage fee income;
- General and administrative expenses increased by 18% as compared to that spent in 2021 due to internal restructuring of supporting functions in line with the Company's operation and growth.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System, Circular 210/2014/TT-BTC dated 30 December 2014 (“Circular 210/2014/TT-BTC”), Circular 334/2016/TT-BTC dated 27 December 2016 (“Circular 334/2016/TT-BTC”), Official Letter No. 6190/BTC-CĐKT dated 12 May 2017 (“Official Letter 6190/BTC-CĐKT”) and Circular 23/2018/TT-BTC dated 12 March 2018 (“Circular 23/2018/TT-BTC”), all issued by the Ministry of Finance, and prevailing regulations on preparation and presentation of financial statements applicable to securities companies operating in Vietnam.

The accompanying financial statements are not intended to present financial position and results of operations, cash flows and changes in equity in accordance with accounting principles generally accepted in jurisdictions other than Vietnam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

The financial statements in Vietnamese are the official statutory financial statements of the Company. The financial statements in English have been translated from the Vietnamese version.

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”) and available-for-sale financial assets (“AFS”) based on market value or fair value (in case where market value is not available).

2.2 Critical accounting estimates

The preparation of financial statements in conformity 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 requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the financial year.

The areas involving significant estimates and assumptions are as follows:

- Market value/fair value of financial assets (Note 2.7 and Note 3.2);
- Provisions for impairment loss of loans (Note 2.7 and Note 3.3).

Such estimates and assumptions are continually evaluated. They are based on historical experiences and other factors, including expectations of future events that may have a financial impact on the Company and that are assessed by the Board of Management to be reasonable under the circumstances.

2.3 Form of records applied

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

2.4 Fiscal year

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.5 Currency**

The financial statements are presented in the Vietnamese Dong (“VND” or “Dong”), which is also the Company’s functional currency.

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 comprehensive income.

Monetary assets and liabilities denominated in foreign currencies at the reporting date, except liabilities whose foreign exchange risk exposure has been hedged, 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 profit or loss of the Statement of comprehensive income.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in transit, cash at bank of the Company, and other short-term investments with maturity within three (3) months since purchase, which are highly liquid, readily convertible to cash and subject to an insignificant risk of conversion.

Cash of customers for securities trading activities and cash of issuers are accounted for off Statement of financial position.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.7 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 the 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).

At initial recognition, a financial asset is designated 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 not available). Shares not traded on active market and those whose fair value is not reliably determined are accounted at cost.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.7 Financial assets (continued)****(a) Classification and measurement (continued)***(ii) Held-to-maturity financial assets (“HTM”)*

HTM financial assets are non-derivative financial assets with the following 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.

HTM financial assets are initially recorded at cost inclusive of directly attributable purchase costs, subsequently measured at amortised cost using effective interest rate 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 year 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).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.7 Financial assets (continued)****(a) Classification and measurement (continued)****(ii) Held-to-maturity financial assets (“HTM”) (continued)**

At the reporting date, HTM investments are provided for impairment loss when there is any objective evidence of impairment or recoverability as a result of one or more events that occurred subsequent to 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 is 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:
 - (i) Adverse changes in the payment status of borrowers in the group; or
 - (ii) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.7 Financial assets (continued)****(a) Classification and measurement (continued)***(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 and/or the day right after. These amounts are repaid within two (2) trading days.

Loans are initially recorded at cost and subsequently measured at amortised cost using the effective interest rate method (“EIR”).

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”)

Available-for-sale financial assets are non-derivative financial assets that are not classified as FVTPL, HTM, nor loans and receivables.

Available-for-sale financial assets are initially recorded at cost inclusive of directly attributable purchase cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.7 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 equities 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.7 Financial assets (continued)****(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 in 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 conditions 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 as AFS and re-measured at fair value. Difference between its carrying value and fair value is recognised in profit or loss of the Statement of comprehensive income as a reclassification.

(c) *Recognition/de-recognition*

Purchases and sales of financial assets are recognised on trade date – the date on which the Company becomes a party to the contractual provisions of the instruments.

Financial assets are de-recognised 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 of those financial assets.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, but has neither transferred 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.7 Financial assets (continued)****(d) Initial recognition**

FVTPL financial assets are initially recognised at purchase cost exclusive of transaction costs. Other financial assets are initially recorded at historical cost including directly attributable purchase cost.

Bonus issues and stock dividends are initially recognised as financial assets at nil cost.

(e) Determination of market value/fair value

The Company applies valuation bases for financial assets in accordance with Circular 91/2020/TT-BTC dated 13 November 2020 regarding capital adequacy ratio of securities trading entities (“Circular 91/2020/TT-BTC”) in determining the market value/fair value of financial assets, in particular:

(i) Shares listed on stock exchanges, shares of 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 up to the reporting date.

(ii) Other shares

Other shares are measured at fair value based on review of financial position and book value of the issuers at reporting date.

(iii) Bonds listed on stock exchanges

These bonds are revalued based on quoted price on stock exchanges at the latest trading date prior to the valuation date plus accrued interests. Those bonds not traded for more than two (2) weeks prior to valuation date are carried at their purchase prices plus accrued interests.

(iv) Unlisted bonds

Unlisted bonds are measured at their purchase prices plus accrued interests.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.7 Financial assets (continued)****(e) Determination of market value/fair value (continued)****(v) Certificates of open-ended funds/exchanged traded fund ("ETF")**

Certificates of open-ended funds/ETF are revalued at net asset value per fund unit at the fund's latest valuation up to the reporting date of the Company.

(vi) Delisted shares/shares suspended from six days or longer

These shares are revalued based on its book value at the 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 at valuation date.

(f) Recognition of gains/(losses)***Purchase transaction costs***

Transaction costs related to purchases of FVTPL financial assets are expensed off in the statement of comprehensive income, while transaction costs related to purchases of other financial assets are included in the cost of these assets.

Selling transaction costs

Selling transaction costs are expensed off.

Gain/(loss) on disposal

Gain/(loss) on disposal of financial assets are accounted for as income/(expenses) in profit or loss of the statement of comprehensive income. Costs of disposed financial assets are determined using the weighted average method up to the end of trading dates.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.8 Receivables**

Receivables comprise receivables from disposal of financial assets, dividend and interest receivable, service-related receivables, receivables from trading errors and other receivables. Receivables are recorded on an accrual basis and presented at cost less provision for impairment (if any).

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

Provision for doubtful debts is made for each outstanding amount based on number of days past due according to initial payment commitment (without considering any mutually agreed extension), or based on the estimated loss that may arise. Bad debts are written off when identified.

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

2.9 Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase at a specified future date (“repos”) are not de-recognised from the statement of financial position. The corresponding proceeds are recognised in the statement of financial position as a liability. The differences between the selling prices and the repurchase prices are recognised as interest expenses and are accrued over the agreement years.

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 are recognised in the statement of financial position as an asset. The differences between the purchase prices and resale prices are recognised as interest income and are allocated over the agreement years.

For overdue commitments, the Company considers making provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Futures

Futures are listed derivatives in which the parties commit to:

- Buy or sell a volume of underlying asset at a pre-determined price on a pre-determined future date; or
- Settle the difference between the pre-determined transaction price and the price of the underlying asset on the pre-determined future date.

The Company accounts for futures in accordance with guidance of the Official Letter 6190/BTC-CĐKT, in particular:

Proprietary trading activities

Deposit for derivative trading activities is accounted for as “Other current assets” in the statement of financial position.

Securities deposited for derivative trading activities are not de-recognised but rather monitored under sub-accounts of the same type of financial assets and separately disclosed in the financial statements.

Gain (or loss) on futures position are determined and settled on a daily basis at the difference between the closing settlement price on accounting date and that on the latest trading date. Gain (or loss) on futures position is accounted for as realised income (or expense) in the statement of comprehensive income under item “Gain (or loss) on disposal of FVTPL financial assets”.

Interest arising on deposit for derivative trading activities is accounted for as a financial income in the statement of comprehensive income under item “Dividend income and interest income from demand deposits”.

Brokerage activities

Deposit in the Derivative Clearing Fund is accounted for as “Other non-current assets” in the Statement of financial position.

Revenue from futures brokerage is accounted for in the statement of comprehensive income under item “Brokerage fee income”.

Cash and securities deposited for derivative trading activities of customers is accounted for off statement of financial position under item “Customers’ deposits for derivative trading” and “Customers’ deposits at VSD”.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Fixed assets

Tangible and intangible fixed assets

Fixed assets are stated at historical cost less accumulated depreciation or amortisation. Historical cost includes all costs necessary to bring the assets to working condition for their intended use. Subsequent expenditures can be capitalised only if they result in probable future economic benefits from using the assets. Unqualified expenditures are immediately expensed off.

Depreciation and amortisation

Fixed assets are depreciated/amortised using the straight-line method to write off the historical cost of the fixed 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 of the fixed assets and are recognised as income or expense in the Statement of comprehensive income.

Construction in progress

Construction in progress represents the cost of assets in the course of completion for operation or administrative purposes, including all necessary costs for qualifying assets. Depreciation of these assets, on the same basis as other fixed assets, commences when they are ready for their intended use.

2.12 Leased assets

Leases where a significant portion of the risks and rewards incidental to the asset ownership is retained by the lessor are classified as operating leases. Operating lease payments are charged to the Statement of comprehensive income on a straight-line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.13 Prepaid expenses**

Prepaid expenses include prepayments for goods and services, tools and equipment not qualified to be recognised as fixed assets under prevailing regulations. Prepaid expenses are initially recorded at cost and allocated to expenses over their estimated useful lives using the straight-line method.

The following items are classified as prepaid expenses and amortised to expenses over two (2) to forty (40) years in profit or loss of the Statement of comprehensive income:

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

2.14 Short-term/long-term security deposits

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

2.15 Liabilities**(a) Recognition/de-recognition**

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 de-recognised when such obligations are fully discharged. Liabilities are recognised on an accrual basis and under prudence concept.

(b) Classification

Classifications of liabilities are based on the type of transactions on which they arise as follows:

- Borrowings;
- Trading obligations;
- Covered warrant liabilities;
- Trade payables arising from purchases of financial assets, goods or services; and
- Other payables including non-trade payables and those not arising from purchases of financial assets, goods and services.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.16 Offsetting financial instruments**

Financial liabilities are contractual obligations to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company, or contracts that may be settled in the Company's own equity instruments.

Financial assets and liabilities are offset, and the net amount is presented in the 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 to realise the asset and settle the liability simultaneously.

2.17 Borrowings

Borrowings include borrowings from banks and third parties. Borrowings are stated at cost as at the reporting date.

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

2.18 Covered warrants

Covered warrant is a collateralised security issued by securities companies that gives the holders the right to buy from (call warrant) or sell to (put warrant) the warrant issuer an underlying asset at a pre-determined price, at or by a pre-determined point of time, or receive an amount of cash at the difference between exercise price and price of the underlying asset on exercise date. The securities companies issuing covered warrants are required to deposit cash and financial assets, or obtain bank guarantees to secure their obligations to the warrant holders.

The Company accounts for covered warrants in accordance with guidance of the Circular 23/2018/TT-BTC, in particular:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.18 Covered warrants (continued)*****Covered warrants issued by the Company***

Proceeds from issuance of warrants are accounted as covered warrant liabilities.

When the Company buys back covered warrants it issued for market-making purpose, or when the covered warrants are delisted and buybacks are mandatory, positive (or negative) differences between buyback price and carrying value of covered warrants are recognised as loss (or gain) in the Statement of comprehensive income.

All costs incurred for buybacks and issuance of covered warrants are expensed off immediately. Indemnifications and penalties from late payments for customers are accounted as other expenses.

As at reporting date, covered warrants are fair valued. Increase (or decrease) in fair value of covered warrants is recognised in loss (or gain) in the statement of comprehensive income.

Gain (or loss) on expiry of covered warrant is recognised as gain (or loss) on disposal of FVTPL financial assets in the statement of comprehensive income.

Authorised quantity of covered warrants, issued quantity of covered warrants and buyback quantity of covered warrants are monitored off statement of financial position. Such quantities as at reporting date are disclosed in the off statement of financial position items.

Securities used as hedges against covered warrants

Securities used as hedges against position of covered warrants are monitored under separate accounts and revalued at reporting date. Revaluation result is accounted similarly to AFS financial assets.

Proprietary trading of covered warrants

When the Company purchases covered warrants issued by other issuers for investing purpose, such covered warrants are accounted similarly to FVTPL financial assets.

2.19 Income tax paid on behalf of investors

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 institutional investors and pay on their behalf. For individual investors (both residents and non-residents), the Company is required to withhold personal income tax of 0.1% on their trading proceeds. The Company will declare and make tax payment on behalf of these investors. For local institutional investors, the Company is not responsible for withholding tax as these entities are responsible for their own tax payments and declarations.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.20 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 of the reporting year.

2.21 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 expenditures expected to be required to settle the obligations. If the time value of money is material, provisions will be measured at the present value using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the obligations. Increases in the provision due to passage of time are recognised as financial expenses.

Changes in the provision balances during the year are debited or credited to operating expenses.

2.22 Provisions for severance allowances

In accordance with Vietnamese labour laws, employees of the Company who have worked regularly for full 12 months or longer, are entitled to a severance allowance. The working year used for the calculation of severance allowance is the year during which the employee actually works for the Company less the year during which the employee participates in the unemployment insurance scheme in accordance with the labour regulations and the working year for which the employee has received severance allowance from the Company.

The severance allowance is accrued at the end of the year on the basis that each employee is entitled to half of an average monthly salary for each working year. The average monthly salary used for calculating the severance allowance is the employee contract's average salary for the year prior to the reporting date.

This allowance will be paid as a lump sum when employees terminate their labour contracts in accordance with current regulations.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Equity

(a) Owners' capital

Owners' capital is recorded according to the actual amounts contributed at the par value of the shares.

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

Treasury shares are shares issued and repurchased by the Company, but not yet cancelled at the reporting date. Treasury shares are recorded at cost and deducted from equity. The Company does not account for gains/(losses) from purchase/sale, issuance/cancellation of its equity instruments.

- Treasury shares repurchased before the effective date of the Securities Law 2019 (ie. 1 January 2021) are shares issued and repurchased by the Company, but not cancelled and may be re-issued subsequently in accordance with the Law on Securities.
- Treasury shares repurchased after 1 January 2021 will be cancelled and adjusted to reduce equity. The Company has no transaction to repurchase treasury shares after 1 January 2021 until the report issuance date.

(b) Revaluation reserve

Revaluation reserve reflects the differences arising on revaluation of AFS and fixed assets.

(c) Financial and operational risk reserve and supplementary capital reserve

From 1 February 2022, Circular 114/2021/TT-BTC issued by the Ministry of Finance on 17 December 2021 is effective, accordingly:

- The financial regimes applicable to securities companies stipulated in Circular 146/2014/TT-BTC issued by the Ministry of Finance on 6 October 2014 are revoked in full.
- The balance of Supplementary capital reserve made in accordance with Circular 146/2014/TT-BTC shall be added to the Company's charter capital in line with 2019 Securities Law 2019, the related guidelines and the Company's charter.
- The balance of Financial risk and operation reserve made in accordance with Circular 146/2014/TT-BTC shall be added to the Company's charter capital or utilised in line with resolution of Annual General Meeting of shareholders, Securities Law 2019 and related guidelines, the Company's charter, while ensuring financial safety ratio pursuant to securities regulations.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.23 Equity (continued)****(c) *Financial and operational risk reserve and supplementary capital reserve (continued)***

Before 1 February 2022:

- According to Circular 146/2014/TT-BTC, securities 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.
- Supplementary capital reserve serves as a financial resource to increase charter capital.

(d) *Other equity funds*

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

(e) *Undistributed earnings*

Undistributed earnings represent cumulative undistributed post-tax profits at the reporting date including cumulative realised profits and cumulative unrealised profits.

Unrealised profit/(loss) for the year is the total difference between gain and loss arising from revaluation of financial assets at FVTPL or other financial assets charged into the statement of comprehensive income.

Realised profit for the year is the difference between total revenue, income and total expenses in the statement of comprehensive income, except for gain or loss arising from revaluation of financial assets recognised in unrealised profit/(loss).

2.24 Dividend distribution

The Company's dividend declaration is recognised as a liability in the financial statements when the dividend is approved in the General Meeting of Shareholders or when the Board of Directors declares dividends in accordance with the Company's Charter and prevailing regulations or when the distribution decision is approved by the Member's Council.

Dividend base for distribution is post-tax realised profits. Before 1 February 2022 (effective date of Cir. 114/2021/TT-BTC), dividend base for distribution is post-tax realised profits after deducting amounts appropriated to financial and operational risk reserve and supplementary capital reserve.



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.25 Assets of customers and liabilities to customers**

Assets of customers and liabilities to customers are presented as off Statement of financial position including:

- Customers' deposits for securities trading, cash of securities issuers and related liabilities; and
- Financial assets of customers.

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

Revenue from provision of services to investors comprises securities brokerage fees, securities underwriting fees, financial consultancy fees, securities custody service and entrustment service fees.

Revenue from the provision of services is recognised in the statement of comprehensive 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.

When the outcome of a service delivery transaction cannot be ascertained, revenue is recognised in proportion to the recognised and recoverable cost.

Revenue deductions include price discounts. Revenue deductions incurred in the same year of the related revenue are recorded as a deduction from the revenue of that year.

Revenue deductions incurred after the reporting date but before the issuance of the financial statements are recorded as a deduction from the revenue of the reporting year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.26 Revenue and income recognition (continued)****(b) *Income from proprietary trading of financial assets***

Income from proprietary trading of financial assets comprises gain/(loss) from sales or disposal of financial assets and dividend income.

Gain/(loss) from sales or disposal of financial assets is measured as difference between selling price before selling costs and costs of securities disposed. Costs of securities disposed are determined using the weighted average method up to the end of trading dates.

Dividend income is recognised in the Statement of comprehensive income when the Company's right to receive dividend is established, except for scrip dividends whose quantity is added to the Company's securities portfolio and is not recognised as income.

(c) *Income from working capital management*

Income from working capital management comprises interest income from deposits at bank, income from HTM investments, income from margin loans and trading advances. This 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 term of the agreement.

(e) *Other income*

Other income includes non-recurring income generated from activities other than those generating the revenue and income described above.

2.27 Expenses**(a) *Recognition***

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

(b) *Classification*

Expenses are classified by function as follows:

- Operating expenses;
- Financial expenses;
- General and administrative expenses; and
- Other expenses.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.28 Financial income**

Financial income reflects income from investment activities arising during the year including mainly interest income from bank deposits.

2.29 Financial expense

Financial expenses are expenses incurred in the year for financial activities mainly including interest expenses.

The Company hedges against foreign exchange risk for borrowings denominated in foreign currencies by entering into cross currency interest rate swaps and forward contracts with local commercial banks. The cost of hedging arising from these contracts are allocated on a straight-line basis over their contract term and recognised as financial expense in the Statement of comprehensive income.

2.30 General and administrative expenses

General and administrative expenses represent expenses for administrative purposes.

2.31 Current and deferred income tax

Income taxes include all income taxes which are based on taxable profits. Income tax expense comprises current tax expense and deferred income tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profit at the current tax rates. Current and deferred income tax should be recognised as an income or an expense and included in profit or loss for the year, 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.

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 utilise.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.32 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 the Board of Directors, the Board of Management of the Company, and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering its relationship with each party, the Company considers the substance of the relationship, and not merely the legal form.

2.33 Segment reporting

A segment is a separable component of the Company engaged in trading securities or providing services (business segment), or trading securities or providing 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 enable users of financial statements to understand and evaluate the Company's operations in a comprehensive way.

2.34 Nil items

Items required by Circular 334/2016/TT-BTC, Official Letter 6190/BTC-CĐKT and Circular 23/2018/TT-BTC that are not presented in these financial statements indicate nil items.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION

3.1 Cash and cash equivalent

	As at	
	31.12.2022	31.12.2021
	VND	VND
Cash		
Cash on hand	720,581,310	389,670,976
Cash at bank	5,330,529,577,511	6,928,122,316,897
Of which:		
<i>Restricted proceeds from capital contributions(*)</i>	-	459,162,760,000
Security deposit for covered warrants issued (**)	309,400,000,000	270,000,000,000
Total	5,640,650,158,821	7,198,511,987,873

(*) On 19 January 2022, the SSC issued Official letter No. 376/UBCK-QLKD requiring the Company not to use HFIC's capital contribution related to the issuance to existing shareholders under right subscription model completed on 16 December 2021.

On 27 December 2022, this restriction was lifted pursuant to the latest amended Establishment and operation license No. 125/GPĐC-UBCK granted on the same date, and the Company had full discretion of the usage of this balance.

(**) This balance represents security deposit at custodian banks in relation to covered warrants issued by the Company. This deposit is restricted during the effective period of the covered warrants and maintained at a minimum of 50% of the value of issued covered warrants, excluding delisted covered warrants in accordance with Circular 107/2016/TT-BTC issued by the Ministry of Finance on 29 June 2016.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

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

	Ticker symbol	31.12.2022		31.12.2021	
		Cost VND	Market value/ fair value VND	Cost VND	Market value/ fair value VND
Listed shares and shares traded on UPCoM		171,030,969,919	168,805,064,625	229,331,627,871	220,305,806,086
FPT Corporation	FPT	21,712,949,453	21,669,343,400	11,753,202,625	11,586,126,000
Mobile World Investment Corporation	MWG	15,598,946,303	15,037,136,400	12,065,569,706	12,225,292,200
Phu Nhuan Jewelry Joint Stock Company	PNJ	15,243,544,207	16,127,430,700	3,085,144,486	3,165,364,800
Technological and Commercial Joint Stock Bank	TCB	12,896,826,886	12,342,341,000	17,058,487,918	17,176,650,000
Vietnam Prosperity Joint-Stock Commercial Bank	VPB	10,978,406,753	10,967,884,900	15,342,824,645	15,627,881,400
Asia Commercial Joint Stock Bank	ACB	9,943,986,599	9,639,832,500	11,738,240,141	12,027,321,000
Military Commercial Joint Stock Bank	MBB	9,071,209,468	8,803,746,900	9,096,125,279	9,239,012,100
Refrigeration Electrical Engineering Corporation	REE	7,048,175,062	6,889,168,000	314,182,164	311,571,900
Vingroup Joint Stock Company	VIC	5,978,657,044	5,752,457,400	15,553,419,280	15,194,887,800
Vietjet Aviation Joint Stock Company	VJC	5,782,860,715	5,711,739,000	6,328,790,064	6,502,885,500
Vinhomes Joint Stock Company	VHM	5,629,097,943	5,569,680,000	12,935,770,237	12,756,576,000
Others		51,146,309,486	50,294,304,425	114,059,871,326	104,492,237,386

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

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

	Ticker symbol	31.12.2022		31.12.2021	
		Cost VND	Market value/ fair value VND	Cost VND	Market value/ fair value VND
Underlying assets designated as hedges for covered warrants		22,373,244,575	22,290,582,800	703,873,926,275	697,942,016,400
Vietnam Prosperity Joint-Stock Commercial Bank	VPB	9,586,187,608	9,687,336,800	68,427,642,795	67,584,242,400
Sai Gon Thuong Tin Commercial Joint Stock Bank	STB	3,009,532,977	3,049,875,000	101,687,353,317	109,259,325,000
Viet Nam Dairy Products Joint Stock Company	VNM	2,870,720,301	2,800,480,000	49,644,491,426	48,703,680,000
Hoa Phat Group Joint Stock Company	HPG	2,481,431,798	2,423,484,000	47,615,783,491	44,421,504,000
FPT Corporation	FPT	2,356,689,547	2,373,903,000	67,199,823,211	64,460,625,000
Others		2,068,682,344	1,955,504,000	369,298,832,035	363,512,640,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

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

	Ticker symbol	31.12.2022		31.12.2021	
		Cost VND	Market value/ fair value VND	Cost VND	Market value/ fair value VND
Listed bonds		1,201,000,000,000	1,216,336,958,904	1,328,339,800,000	1,346,221,713,216
Bank for Investment and Development of Vietnam	BID121027	1,200,000,000,000	1,215,317,917,808	1,200,000,000,000	1,213,566,491,574
Vietnam Bank for Social Policies	BVBS18164	1,000,000,000	1,019,041,096	1,000,000,000	1,034,520,548
Vietjet Aviation Joint Stock Company	VJC11912	-	-	127,339,800,000	131,620,701,094
ETF certificates		16,964,865,864	17,063,099,500	104,817,693,592	107,194,033,518
VFMDIAMOND ETF	FUEVFNVD	11,881,092,172	12,060,360,000	66,471,464,418	67,620,761,208
VFMVN30 ETF	E1VFN30	3,056,271,492	3,006,139,500	37,314,916,590	37,769,657,310
MAFMVN30 ETF	FUEMAV30	1,030,345,084	1,182,300,000	1,030,345,084	1,802,500,000
MIDCAP	FUEDCMID	997,157,116	814,300,000	-	-
SSIAMVNX50 ETF	FUESSV50	-	-	967,500	1,115,000
Total		1,411,369,080,358	1,424,495,705,829	2,366,363,047,738	2,371,663,569,220

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

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

Details of bonds are as follows:

	Collateral assets	Issuance date	Maturity date	Interest rate per annum	Par value/ bond VND
Listed bonds					
Bank for Investment and Development of Vietnam - BID121027	None	28.10.2021	28.10.2029	(*)	100,000
Vietnam Bank for Social Policies - BVBS18164	None	14.08.2018	14.08.2023	5%	100,000

(*) Interest rate is determined at the total of the reference interest and a spread of 0.9% per annum. Interest rate is periodic adjusted every 6 months. The reference interest rate is the arithmetic average of 12-month (or equivalent term) interest rate for VND personal deposits (interest paid in arrears) published on the websites of the four (04) banks being Vietnam Bank for Agriculture and Rural Development (“Agribank”), Vietnam Bank for Industry and Trade (“Vietinbank”), Joint Stock Commercial Bank for Foreign Trade of Vietnam (“Vietcombank”) – Transaction Office, and Joint Stock Commercial Bank for Investment and Development of Vietnam (“BIDV”) – Hanoi.

If the issuer does not redeem the bond on redemption date, the interest rate applied in the 6th year from issue date until maturity will be the total of the reference interest rate and a spread of 2.57% per annum.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

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

As at 31 December 2022	Cost VND	Comparison to market price or fair value		Market price/ fair value VND
		Increase VND	Decrease VND	
Listed shares and shares traded on UPCoM	171,030,969,919	1,145,621,060	(3,371,526,354)	168,805,064,625
Underlying assets designated as hedges for covered warrants	22,373,244,575	158,704,668	(241,366,443)	22,290,582,800
Listed bonds	1,201,000,000,000	15,336,958,904	-	1,216,336,958,904
ETF certificates	16,964,865,864	331,222,744	(232,989,108)	17,063,099,500
Total	1,411,369,080,358	16,972,507,376	(3,845,881,905)	1,424,495,705,829
As at 31 December 2021	Cost VND	Comparison to market price or fair value		Market price/ fair value VND
		Increase VND	Decrease VND	
Listed 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
ETF 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 YEAR ENDED 31 DECEMBER 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.3 Loans

	As at 31.12.2022		As at 31.12.2021	
	Amortised cost VND	Provisions VND	Amortised cost VND	Provisions VND
Loans for securities transactions (*)	7,378,982,938,005	-	13,690,097,115,046	-

(*) The balance represented margin loans and trading advances. Securities purchased on margin are held by the Company as collaterals for margin loans. The market value of collateral assets as at 31 December 2022 was VND27,629,267,621,700 (as at 31 December 2021: VND55,356,391,622,480).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.4 Short-term receivables

	As at 31.12.2022		As at 31.12.2021	
	Carrying value VND	Doubtful amount VND	Carrying value VND	Doubtful amount VND
Service-related receivables				
Receivable from VSD	549,833,689,050	-	-	-
Receivables from securities purchasing (*)	17,000,000,000	-	638,215,800,000	-
Financial consultancy service fee receivables	11,423,380,000	-	247,500,000	-
Other receivables from securities trading	2,311,874,650	-	860,564,073	-
	580,568,943,700	-	639,323,864,073	-
Other receivables				
Bank interest receivables	163,540,195,476	-	198,136,507,257	-
Others	1,045,161,934	-	2,358,547,419	-
	164,585,357,410	-	200,495,054,676	-
Total	745,154,301,110	-	839,818,918,749	-

(*) These are receivables from institutional investors in relation to their purchases of securities (stocks and bonds). The fair value of collateral assets as at 31 December 2022 was VND17,000,000,000 (as at 31 December 2021: VND638,215,800,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.5 Deposits for derivative trading activities

This is the Company's deposits for its proprietary derivative trading activities in compliance with Decision No. 96/QĐ-VSD dated 23 March 2017 of the Vietnam Securities Depository.

3.6 Fixed assets

(a) *Tangible fixed assets*

	Motor vehicles VND	Office equipment VND	Total VND
Historical cost			
As at 1.1.2022	3,554,183,400	116,178,061,528	119,732,244,928
New purchases	5,219,110,800	18,167,263,400	23,386,374,200
Transfers from construction in progress (Note3.6(c))	7,963,184,000	8,541,505,380	16,504,689,380
Disposals	(1,131,223,400)	(1,129,482,198)	(2,260,705,598)
As at 31.12.2022	<u>15,605,254,800</u>	<u>141,757,348,110</u>	<u>157,362,602,910</u>
Accumulated depreciation			
As at 1.1.2022	2,339,263,770	89,202,127,885	91,541,391,655
Charge for the period	1,725,014,061	17,523,879,063	19,248,893,124
Disposals	(1,131,223,400)	(1,129,482,198)	(2,260,705,598)
As at 31.12.2022	<u>2,933,054,431</u>	<u>105,596,524,750</u>	<u>108,529,579,181</u>
Net book value			
As at 1.1.2022	<u>1,214,919,630</u>	<u>26,975,933,643</u>	<u>28,190,853,273</u>
As at 31.12.2022	<u>12,672,200,369</u>	<u>36,160,823,360</u>	<u>48,833,023,729</u>

As at 31 December 2022, historical cost of fully depreciated tangible fixed assets but still in use was VND81,298,470,131 (as at 31 December 2021: VND70,068,947,479).

The Company had no tangible fixed assets awaiting disposal as at 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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 1.1.2022	85,006,277,084
Transfers from construction in progress (Note 3.6(c))	4,314,622,000
	<hr/>
As at 31.12.2022	89,320,899,084
	<hr/>
Accumulated amortisation	
As at 1.1.2022	73,192,016,774
Charge for the period	6,686,430,480
	<hr/>
As at 31.12.2022	79,878,447,254
	<hr/>
Net book value	
As at 1.1.2022	11,814,260,310
	<hr/> <hr/>
As at 31.12.2022	9,442,451,830
	<hr/> <hr/>

As at 31 December 2022, historical cost of fully amortised intangible fixed assets but still in use was VND70,055,128,018 (as at 31 December 2021: VND62,186,147,563).

The Company had no intangible fixed asset awaiting disposal as at 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.6 Fixed assets (continued)

(c) *Construction in progress*

Construction in progress comprises the following:

	As at	
	31.12.2022 VND	31.12.2021 VND
Purchases of trading software	-	8,483,996,599

Movements in construction in progress during the year were as follows:

	For the year ended	
	31.12.2022 VND	31.12.2021 VND
Opening balance	8,483,996,599	342,334,073
Increase	13,437,372,581	24,897,402,089
Transfers to tangible fixed assets (Note 3.6(a))	(16,504,689,380)	(15,420,389,489)
Transfers to intangible fixed assets (Note 3.6(b))	(4,314,622,000)	(1,335,350,074)
Transfers to prepaid expenses	(1,102,057,800)	-
Closing balance	-	8,483,996,599

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.7 Prepaid expenses

(a) *Short-term prepaid expenses*

	As at	
	31.12.2022 VND	31.12.2021 VND
IT costs	13,252,988,362	8,746,652,848
Office rental	2,135,412,059	12,729,750
Other short-term prepaid expenses	3,919,752,925	1,057,608,165
Total	19,308,153,346	9,816,990,763

(b) *Long-term prepaid expenses*

	As at	
	31.12.2022 VND	31.12.2021 VND
Office rental	78,372,502,993	81,205,244,065
Office renovations	4,961,004,473	10,713,626,279
IT costs	161,830,446	415,914,855
Consulting fee	-	737,916,666
Total	83,495,337,912	93,072,701,865

3.8 Deposits in the Settlement support fund

According to Decision No. 45/QĐ-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 December 2022 and as at 31 December 2021, the Company fully contributed the maximum amount.

3.9 Deposits in the Derivatives trading clearing fund

According to the Policy on Management and Use of Derivative trading clearing fund issued in conjunction with Decision No. 97/QĐ-VSD dated 23 March 2017 by 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 YEAR ENDED 31 DECEMBER 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.10 Borrowings

Details of movements in borrowings during the year are as follows:

	Interest % per annum	As at 1.1.2022 VND	Drawdown VND	Repayment VND	As at 31.12.2022 VND
Short-term borrowings					
Local bank borrowings	3.5 - 13	9,229,000,000,000	47,451,500,000,000	(53,165,500,000,000)	3,515,000,000,000
Foreign bank borrowings (*), (**)	LIBOR + 2 - 2.3 SOFR + 2.3 - 2.52	4,174,687,250,000	1,669,407,640,000	(4,174,687,250,000)	1,669,407,640,000
		-	1,027,650,000,000	-	1,027,650,000,000
Third party borrowings	6.1 - 7.4	895,000,000,000	2,415,000,000,000	(3,310,000,000,000)	-
Bank overdrafts	5.1 - 7.5	741,182,880,242	21,752,090,512,273	(21,793,273,392,515)	700,000,000,000
Individual borrowing	8.6	-	26,000,000,000	-	26,000,000,000
Total		15,039,870,130,242	74,341,648,152,273	(82,443,460,642,515)	6,938,057,640,000

Short-term borrowings have maturities from 1 month to 364 days and are used to supplement working capital.

(*) The loan interest rate is floating at the reference interest rate plus a margin of 2% to 2.3% per annum (LIBOR) or 2.3% to 2.52% per annum (SOFR).

The reference rate is the London Interbank Offered Rate ("LIBOR") for United States Dollar ("USD") of equivalent term quoted at 10:00 am (London local time) on interest calculation date. In case the LIBOR for USD of equivalent term is not available, the reference interest rate will be the LIBOR for USD converted to the same loan term at the same quoted time mentioned above ("the converted interest rate"). In case the converted interest rate is indeterminable, the reference rate will be the mobilising interest rate of each lender.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.10 Borrowings (continued)

The reference rate is the Secured Overnight Financing Rate (“SOFR”) administered by the Federal Reserve Bank of New York published by the Federal Reserve Bank of New York on the banking day (RFR Banking day). In case the day during the interest period is not a RFR banking day, the rate of interest on that loan for that day will be the rate applicable to the immediately preceding RFR banking day. In case the converted interest rate is indeterminable, the reference rate will be the mobilising interest rate of each lender.

(**) Borrowings from foreign banks are denominated in United States Dollar. The Company hedged foreign exchange risk on 100% of the outstanding balances by entering into cross currency interest rate swaps and forward contracts with local commercial banks. These contracts have the same maturity dates as those of the borrowings.

As at 31 December 2022 and 31 December 2021, there was no balance of short-term borrowings from related party or was past due.

As at 31 December 2022 and 31 December 2021, there was no doubt on the Company’s ability to repay these borrowings.

3.11 Trading obligations

	As at	
	31.12.2022	31.12.2021
	VND	VND
Advances from investors for securities purchases	22,969,626,993	22,697,129,093
Payables to Stock Exchanges and VSD	19,019,040,498	21,754,174,480
Covered warrant payables	2,999,481,104	142,179,229,746
Trading settlement balances with Stock Exchanges	-	1,235,843,248,000
Payables from bond trading activities	-	37,760,957,287
Others	1,327,728,412	1,329,525,247
Total	46,315,877,007	1,461,564,263,853

As at 31 December 2022 and as at 31 December 2021, there were no payables past due but not yet settled.

As at 31 December 2022 and as at 31 December 2021, there was no doubt on the Company’s ability to repay these balances.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.12 Tax and other payables to the State

	As at 1.1.2022 VND	Incurred during the year VND	Paid during the year VND	As at 31.12.2022 VND
CIT - current	56,014,262,210	215,581,526,221	(237,357,472,933)	34,238,315,498
Personal income tax ("PIT") withheld and paid on behalf of investors	40,131,204,613	316,645,779,029	(324,858,762,435)	31,918,221,207
CIT withheld and paid on behalf of foreign institutions	8,615,193,653	73,754,058,532	(77,579,927,474)	4,789,324,711
PIT withheld and paid on behalf of employees	8,054,279,352	116,263,785,997	(120,122,017,828)	4,196,047,521
Foreign contractor withholding tax	6,021,548,881	14,834,050,789	(18,625,541,017)	2,230,058,653
Value added tax	124,220,593	6,104,012,252	(6,127,181,241)	101,051,604
Business licence tax	-	5,000,000	(5,000,000)	-
Total	118,960,709,302	743,188,212,820	(784,675,902,928)	77,473,019,194

3.13 Short-term accrued expenses

	As at	
	31.12.2022 VND	31.12.2021 VND
Performance bonus	85,000,000,000	75,000,000,000
Interest expenses	48,635,135,551	32,147,819,729
Business development expense	38,959,000,000	70,000,000,000
Others	15,828,808,549	17,144,894,993
Total	188,422,944,100	194,292,714,722

3.14 Other short-term liabilities

	As at	
	31.12.2022 VND	31.12.2021 VND
Dividends payable to shareholders (*)	232,040,143,365	155,952,838,630
Dividends paid on behalf	3,404,224,244	5,812,620,544
Additional shares issued	12,450,000	15,759,161,000
Others	14,590,502,665	18,119,149,874
Total	250,047,320,274	195,643,770,048

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.14 Other short-term liabilities (continued)

(*) Movements in dividends payable to shareholders during the year were as follows:

	As at	
	31.12.2022 VND	31.12.2021 VND
Opening balance	155,952,838,630	155,942,531,017
Dividend in cash declared in the year	228,605,974,500	365,989,986,000
In which		
Second dividend of the year 2020 (Note 7.1(iii))	-	213,469,063,500
First dividend of the year 2021 (Note 7.1(iv))	-	152,520,922,500
Second dividend of the year 2021 (Note 7.1(i))	114,302,987,250	-
First dividend of the year 2022 (Note 7.1(ii))	114,302,987,250	-
Dividend paid	(152,518,669,765)	(365,979,678,387)
Closing balance	232,040,143,365	155,952,838,630
In which		
Dividends of previous years (**)	3,434,168,865	3,431,916,130
First dividend of the year 2021 – due on 13/1/2022	-	152,520,922,500
Second dividend of the year 2021 – due on 8/2/2023	114,302,987,250	-
First dividend of the year 2022 – due on 8/2/2023	114,302,987,250	-
	232,040,143,365	155,952,838,630

(**) The balance of dividends of previous years that has not been paid at the reporting date is attributable to some shareholders who have not collected the dividends from the Company.

Apart from the amounts in (**), the Company has no other payables due but unpaid.

As at 31 December 2022 and 31 December 2021, there was no doubt on the Company's ability to repay these balances.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.15 Deferred income tax assets

	As at	
	31.12.2022 VND	31.12.2021 VND
Deferred tax assets recoverable after 12 months	2,243,245,000	1,979,982,500

The movements in deferred income tax assets were as follows:

	For the year ended	
	31.12.2022 VND	31.12.2021 VND
Opening balance	1,979,982,500	1,360,000,000
Charged to profit or loss	263,262,500	619,982,500
Closing balance	2,243,245,000	1,979,982,500

Details of deferred income tax assets are as below:

	As at	
	31.12.2022 VND	31.12.2021 VND
Deductible temporary differences:		
Provision for severance allowances	11,216,225,000	9,899,912,500
At tax rate of 20%:		
Deferred tax assets:	2,243,245,000	1,979,982,500

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.16 Owners' capital

(a) *Number of shares*

	As at	
	31.12.2022	31.12.2021
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 shares in issue	457,211,949	457,211,949

As at 31 December 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 the Company's shareholders' meetings. Shareholders are entitled to dividends as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets.

(b) *Details by shareholders*

	As at 31.12.2022		As at 31.12.2021	
	Ordinary shares	%	Ordinary shares	%
<i>State - owned interest</i>				
Ho Chi Minh City Finance and Investment State-owned Company (HFIC) (*)	105,772,520	23.09	105,772,520	23.09
<i>Interest of other shareholders</i>				
Dragon Capital Markets Limited (DC)	137,475,834	30.01	137,475,834	30.01
Others (**)	213,963,595	46.72	213,963,595	46.72
<i>Treasury shares</i>				
Treasury shares	840,418	0.18	840,418	0.18
Number of shares issued	458,052,367	100.00	458,052,367	100.00

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.16 Owners' capital (continued)

(b) Details by shareholders (continued)

(*) Included in the number of shares held by HFIC as at 31 December 2022 were 32,797,340 shares related to the issuance to existing shareholders under right subscription model completed on 16 December 2021 and were restricted from transfer within 1 year from the completion date of the offering. On 19 January 2022, the SSC issued Official letter No. 377/UBCK-QLKD requiring the Vietnam Securities Depository ("VSD") to restrict the 32,797,340 shares distributed to HFIC in this issuance. The aforementioned restriction has been lifted pursuant to Official letter No. 100/CVVSD-DK.NV issued by VSD - Ho Chi Minh City Branch on 4 January 2023.

(**) Included in the number of shares held by other shareholders as at 31 December 2022 were 1,034,367 shares re-distributed to employees of the Company (as at 31 December 2021: 1,034,367 shares). These shares related to the issuance to existing shareholders under right subscription model completed on 16 December 2021 and were restricted from transfer within 1 year from the completion date of the offering. The aforementioned restriction has been lifted pursuant to Official letter No. 7010/CVVSD-DK.NV issued by VSD - Ho Chi Minh City Branch on 16 December 2022.

(c) Movements in share capital

	Ordinary shares
As at 1 January 2021	305,041,845
New shares issued	152,170,104
	<hr/>
As at 31 December 2021 and as at 31 December 2022	457,211,949
	<hr/> <hr/>

3.17 Undistributed earnings

	As at	
	31.12.2022	31.12.2021
	VND	VND
Realised post-tax profits	1,783,167,200,002	1,133,223,368,908
Unrealised profits	13,726,973,808	97,091,391,468
	<hr/>	<hr/>
Total	1,796,894,173,810	1,230,314,760,376
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.17 Undistributed earnings (continued)

Movements in undistributed earnings during the year were as follows:

	As at 31.12.2021 VND	Profit for the year VND	Dividend declared VND	Appropriation to reserves VND	Other (*) VND	As at 31.12.2022 VND
Realised post-tax profits	1,133,223,368,908	935,852,293,594	(228,605,974,500)	(57,373,000,000)	70,512,000	1,783,167,200,002
Unrealised profits/(loss)	97,091,391,468	(83,364,417,660)	-	-	-	13,726,973,808
Undistributed earnings	1,230,314,760,376	852,487,875,934	(228,605,974,500)	(57,373,000,000)	70,512,000	1,796,894,173,810

(*) Reversal of dividends declared on shares issued under ESOP and subsequently repurchased.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4 NOTES TO OFF STATEMENT OF FINANCIAL POSITION ITEMS

4.1 Bad debts written off

	As at	
	31.12.2022	31.12.2021
	VND	VND
Overdue margin loans	37,783,317,946	37,783,317,946
Financial consultancy fee service fee receivables	1,145,650,000	1,145,650,000
Other receivables from securities trading	999,883,202	999,883,202
	<u>39,928,851,148</u>	<u>39,928,851,148</u>

4.2 Number of shares

(a) Shares in issue

	As at	
	31.12.2022	31.12.2021
Ordinary shares		
Quantity issued under 1 year (share)	-	152,170,104
Quantity issued for 1 year or more (share)	457,211,949	305,041,845
	<u>457,211,949</u>	<u>457,211,949</u>

(b) Treasury shares

	As at	
	31.12.2022	31.12.2021
Ordinary shares		
Quantity repurchased for 1 year or more (share)	840,418	840,418
	<u>840,418</u>	<u>840,418</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

4.3 Covered warrants authorised but not yet issued

Ticker symbol	Underlying security	Issue date	Maturity date	As at 31.12.2022			Number of covered warrants authorised but not yet issued
				Number of covered warrants authorised for issue	Number of covered warrants cancelled	Number of covered warrants issued	
CFPT2211	FPT Corporation (FPT)	30.08.2022	02.03.2023	7,000,000	-	748,900	6,251,100
CHPG2223	Hoa Phat Group Joint Stock Company (HPG)	30.08.2022	02.03.2023	20,000,000	-	1,118,000	18,882,000
CMSN2213	Masan Group Joint Stock Company (MSN)	30.08.2022	02.03.2023	5,000,000	-	93,900	4,906,100
CSTB2220	Saigon Thuong Tin Commercial Joint Stock Bank (STB)	30.08.2022	02.03.2023	20,000,000	-	699,700	19,300,300
CTCB2213	Technological and Commercial Joint Stock Bank (TCB)	30.08.2022	02.03.2023	15,000,000	-	4,695,900	10,304,100
CVNM2210	Vietnam Dairy Products Joint Stock Company (VNM)	30.08.2022	02.03.2023	5,000,000	-	237,000	4,763,000
CVPB2213	Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	30.08.2022	02.03.2023	7,000,000	-	2,313,600	4,686,400
CVRE2217	Vincom Retail Joint Stock Company (VRE)	30.08.2022	02.03.2023	7,000,000	-	117,500	6,882,500
CACB2208	Asia Commercial Joint Stock Bank (ACB)	01.12.2022	05.09.2023	10,000,000	-	-	10,000,000
CFPT2213	FPT Corporation (FPT)	01.12.2022	05.09.2023	10,000,000	-	-	10,000,000
CHPG2226	Hoa Phat Group Joint Stock Company (HPG)	01.12.2022	05.09.2023	15,000,000	-	30,000	14,970,000
CMBB2214	Military Commercial Joint Stock Bank (MBB)	01.12.2022	05.09.2023	10,000,000	-	10,000	9,990,000
CMSN2215	Masan Group Joint Stock Company (MSN)	01.12.2022	05.09.2023	7,000,000	-	-	7,000,000
CMWG2214	Mobile World Investment Corporation (MWG)	01.12.2022	05.09.2023	7,000,000	-	-	7,000,000
CSTB2224	Saigon Thuong Tin Commercial Joint Stock Bank (STB)	01.12.2022	05.09.2023	15,000,000	-	-	15,000,000
CTCB2215	Technological and Commercial Joint Stock Bank (TCB)	01.12.2022	05.09.2023	10,000,000	-	15,000	9,985,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

4.3 Covered warrants authorised but not yet issued (continued)

				As at 31.12.2022			
Ticker symbol	Underlying security	Issue date	Maturity date	Number of covered warrants authorised for issue	Number of covered warrants cancelled	Number of covered warrants issued	Number of covered warrants authorised but not yet issued
CVHM2219	Vinhomes Joint Stock Company (VHM)	01.12.2022	05.09.2023	7,000,000	-	-	7,000,000
CVIB2201	Vietnam International Commercial Joint Stock Bank (VIB)	01.12.2022	05.09.2023	7,000,000	-	-	7,000,000
CVNM2212	Vietnam Dairy Products Joint Stock Company (VNM)	01.12.2022	05.09.2023	7,000,000	-	-	7,000,000
CVPB2214	Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	01.12.2022	05.09.2023	10,000,000	-	-	10,000,000
CVRE2220	Vincom Retail Joint Stock Company (VRE)	01.12.2022	05.09.2023	7,000,000	-	-	7,000,000
CFPT2214	FPT Corporation (FPT)	01.12.2022	01.11.2023	7,000,000	-	-	7,000,000
CHPG2227	Hoa Phat Group Joint Stock Company (HPG)	01.12.2022	01.11.2023	15,000,000	-	-	15,000,000
CMBB2215	Military Commercial Joint Stock Bank (MBB)	01.12.2022	01.11.2023	10,000,000	-	-	10,000,000
CMWG2215	Mobile World Investment Corporation (MWG)	01.12.2022	01.11.2023	7,000,000	-	-	7,000,000
CSTB2225	Saigon Thuong Tin Commercial Joint Stock Bank (STB)	01.12.2022	01.11.2023	10,000,000	-	-	10,000,000
CTCB2216	Technological and Commercial Joint Stock Bank (TCB)	01.12.2022	01.11.2023	10,000,000	-	-	10,000,000
CVHM2220	Vinhomes Joint Stock Company (VHM)	01.12.2022	01.11.2023	7,000,000	-	-	7,000,000
CVRE2221	Vincom Retail Joint Stock Company (VRE)	01.12.2022	01.11.2023	7,000,000	-	-	7,000,000
				281,000,000	-	10,079,500	270,920,500

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

4.3 Covered warrants authorised but not yet issued (continued)

Ticker symbol	Underlying security	Issue date	Maturity date	As at 31.12.2021			Number of covered warrants authorised but not yet issued
				Number of covered warrants authorised for issue	Number of covered warrants cancelled	Number of covered warrants issued	
CFPT2103	FPT Corporation (FPT)	07.07.2021	07.01.2022	5,000,000	-	2,152,700	2,847,300
CMBB2103	Military Commercial Joint Stock Bank (MBB)	07.07.2021	07.01.2022	5,000,000	-	4,982,200	17,800
CMWG2106	Mobile World Investment Corporation (MWG)	07.07.2021	07.01.2022	5,000,000	-	463,800	4,536,200
CVNM2107	Vietnam Dairy Products Joint Stock Company (VNM)	07.07.2021	07.01.2022	5,000,000	-	3,284,600	1,715,400
CPNJ2104	Phu Nhuan Jewelry Joint Stock Company (PNJ)	07.07.2021	07.01.2022	5,000,000	-	4,992,600	7,400
CVIC2104	Vingroup Joint Stock Company (VIC)	07.07.2021	07.01.2022	5,000,000	-	4,748,400	251,600
CHPG2113	Hoa Phat Group Joint Stock Company (HPG)	06.09.2021	07.03.2022	10,000,000	-	9,429,200	570,800
CSTB2109	Saigon Thuong Tin Commercial Joint Stock Bank (STB)	06.09.2021	07.03.2022	10,000,000	-	6,911,100	3,088,900
CTCB2109	Technological and Commercial Joint Stock Bank (TCB)	06.09.2021	07.03.2022	10,000,000	-	9,313,100	686,900
CVHM2110	Vinhomes Joint Stock Company (VHM)	06.09.2021	07.03.2022	10,000,000	-	9,715,500	284,500
CVPB2108	Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	06.09.2021	07.03.2022	10,000,000	-	9,310,900	689,100
CVRE2109	Vincom Retail Joint Stock Company (VRE)	06.09.2021	07.03.2022	10,000,000	-	9,512,900	487,100
CFPT2109	FPT Corporation (FPT)	08.10.2021	08.04.2022	10,000,000	-	9,826,600	173,400
CMBB2107	Military Commercial Joint Stock Bank (MBB)	08.10.2021	08.04.2022	10,000,000	-	8,114,000	1,886,000
CMSN2110	Masan Group Joint Stock Company (MSN)	08.10.2021	08.04.2022	10,000,000	-	932,200	9,067,800
CMWG2111	Mobile World Investment Corporation (MWG)	08.10.2021	08.04.2022	10,000,000	-	7,900,300	2,099,700
CVIC2107	Vingroup Joint Stock Company (VIC)	08.10.2021	08.04.2022	10,000,000	-	9,504,200	495,800
CVNM2112	Vietnam Dairy Products Joint Stock Company (VNM)	08.10.2021	08.04.2022	10,000,000	-	9,162,000	838,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

4.3 Covered warrants authorised but not yet issued (continued)

Ticker symbol	Underlying security	Issue date	Maturity date	As at 31.12.2021			
				Number of covered warrants authorised for issue	Number of covered warrants cancelled	Number of covered warrants issued	Number of covered warrants authorised but not yet issued
ACB-HSC-MET01	Asia Commercial Joint Stock Bank (ACB)	20.12.2021	20.09.2022	10,000,000	-	220,000	9,780,000
FPT-HSC-MET09	FPT Corporation (FPT)	20.12.2021	20.09.2022	7,000,000	-	-	7,000,000
HPG-HSC-MET08	Hoa Phat Group Joint Stock Company (HPG)	20.12.2021	20.09.2022	20,000,000	-	38,000	19,962,000
MBB-HSC-MET09	Military Commercial Joint Stock Bank (MBB)	20.12.2021	20.09.2022	7,000,000	-	-	7,000,000
MWG-HSC-MET10	Mobile World Investment Corporation (MWG)	20.12.2021	20.09.2022	5,000,000	-	-	5,000,000
PNJ-HSC-MET05	Phu Nhuan Jewelry Joint Stock Company (PNJ)	20.12.2021	20.09.2022	5,000,000	-	55,000	4,945,000
STB-HSC-MET04	Saigon Thuong Tin Commercial Joint Stock Bank (STB)	20.12.2021	20.09.2022	7,000,000	-	3,070,000	3,930,000
TCB-HSC-MET07	Technological and Commercial Joint Stock Bank (TCB)	20.12.2021	20.09.2022	7,000,000	-	-	7,000,000
VHM-HSC-MET07	Vinhomes Joint Stock Company (VHM)	20.12.2021	20.09.2022	7,000,000	-	-	7,000,000
VPB-HSC-MET08	Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	20.12.2021	20.09.2022	7,000,000	-	221,000	6,779,000
VRE-HSC-MET08	Vincom Retail Joint Stock Company (VRE)	20.12.2021	20.09.2022	7,000,000	-	10,000	6,990,000
TPB-HSC-MET01	Tien Phong Commercial Joint Stock Bank (TPB)	21.12.2021	21.09.2022	10,000,000	-	10,000	9,990,000
				249,000,000	-	123,880,300	125,119,700

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

4.4 Futures

Futures positions which are still open as at reporting date are as follows:

Contract symbol	First trading date	Last trading date	As at 31.12.2022			As at 31.12.2021		
			Open quantity	Closing settlement price	Open short position	Open quantity	Closing settlement price	Open short position
VN30F2301	18.11.2022	19.01.2023	1,782	1,004,500	179,001,900,000	-	-	-
VN30F2201	19.11.2021	20.01.2022	-	-	-	2,195	1,537,000	337,371,500,000
					<u>179,001,900,000</u>			<u>337,371,500,000</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

5.1 Net realised gain on disposal of FVTPL financial assets and redemption/expiry of covered warrants (“CW”) issued

	For the year ended	
	31.12.2022 VND	31.12.2021 VND
Realised gains on disposal of FVTPL financial assets	1,329,305,033,052	1,512,892,400,808
<i>In which:</i>		
<i>Underlying securities</i>	298,741,900,052	883,067,350,137
<i>Derivatives</i>	674,812,818,000	577,346,285,000
<i>Covered warrants redeemed</i>	162,700,149,628	33,858,032,756
<i>Covered warrants expired</i>	193,050,165,372	18,620,732,915
Realised losses on disposal of FVTPL financial assets	(1,077,055,292,017)	(1,162,590,730,033)
<i>In which:</i>		
<i>Underlying securities</i>	(626,452,173,238)	(328,791,730,972)
<i>Derivatives</i>	(402,620,996,000)	(526,248,710,000)
<i>Covered warrants redeemed</i>	(46,443,349,532)	(238,231,290,864)
<i>Covered warrants expired</i>	(1,538,773,247)	(69,318,998,197)
Net realised gain	252,249,741,035	350,301,670,775

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME (continued)

5.1 Net realised gain on disposal of FVTPL financial assets and redemption/expiry of covered warrants (“CW”) issued (continued)

Details by category are as follows:

	Quantity disposed	Sales proceeds VND	Costs of disposal (*) VND	Realised (losses)/gains during current year VND	Realised gains/(losses) in prior year VND
Shares	517,320,406	22,447,229,875,570	(22,753,930,051,298)	(306,700,175,728)	464,906,482,382
Bonds	1,380,668	138,066,800,000	(138,066,800,000)	-	25,522,226,695
ETF certificates	303,864,786	7,327,882,737,996	(7,348,892,835,454)	(21,010,097,458)	62,421,293,263
Cover warrants	-	-	-	-	1,425,616,825
Realised gains on disposal of underlying securities	822,565,860	29,913,179,413,566	(30,240,889,686,752)	(327,710,273,186)	554,275,619,165
Net position gain from future contracts				272,191,822,000	51,097,575,000
Losses on redemption of covered warrants issued by the Company				116,256,800,096	(204,373,258,108)
(Losses)/gains upon expiry of covered warrants issued by the Company				191,511,392,125	(50,698,265,282)
Total				252,249,741,035	350,301,670,775

(*) Costs are determined using the weighted average method up to the end of the respective trading date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME (continued)

5.2 Net result from revaluation of FVTPL financial assets and covered warrants

	For the year ended	
	31.12.2022 VND	31.12.2021 VND
Upward revaluation of FVTPL financial assets	(13,745,393,136)	(94,368,025,555)
Downward revaluation of FVTPL financial assets	21,571,497,129	2,361,682,301
Total	7,826,103,993	(92,006,343,254)

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

	Cost VND	Market value/ fair value VND	Accumulated revaluation (losses)/gains as at 31.12.2022 VND	Accumulated revaluation gains/(losses) as at 31.12.2021 VND	Credited/(debited) to profit or loss VND
Listed shares and shares traded on UPCoM	171,030,969,919	168,805,064,625	(2,225,905,294)	(9,025,821,785)	6,799,916,495
Underlying assets designated as hedges for covered warrants	22,373,244,575	22,290,582,800	(82,661,775)	(5,931,909,875)	5,849,248,100
Listed bonds	1,201,000,000,000	1,216,336,958,904	15,336,958,904	17,881,913,216	(2,544,954,312)
ETF certificates	16,964,865,864	17,063,099,500	98,233,636	2,376,339,926	(2,278,106,290)
Total	1,411,369,080,358	1,424,495,705,829	13,126,625,471	5,300,521,482	7,826,103,993

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME (continued)

5.2 Net result from revaluation of FVTPL financial assets and covered warrants (continued)

	<u>For the year ended</u>	
	31.12.2022 VND	31.12.2021 VND
Downward revaluation of covered warrants liabilities	(96,103,887,923)	95,619,931,371
Upward revaluation of covered warrants liabilities	4,913,366,270	65,832,091,657
Total	<u>(91,190,521,653)</u>	<u>161,452,023,028</u>

Details of revaluation of covered warrants are as follows:

	Cost VND	Market value/ fair value VND	Accumulated revaluation (losses)/gains as at 31.12.2022 VND	Accumulated revaluation gains/(losses) as at 31.12.2021 VND	Credited/(debited) to profit or loss VND
Covered warrants	<u>3,599,829,440</u>	<u>2,999,481,104</u>	<u>600,348,336</u>	<u>91,790,869,989</u>	<u>(91,190,521,653)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME (continued)

5.3 Dividends and interest income from financial assets

	For the year ended	
	31.12.2022	31.12.2021
	VND	VND
Dividends	5,069,615,493	6,736,424,330
Interest	449,243,799,110	295,525,161,205
Total	454,313,414,603	302,261,585,535

5.4 Provisions for doubtful debts, impairments of financial assets and diminution in value of mortgages and borrowing costs

	For the year ended	
	31.12.2022	31.12.2021
	VND	VND
Interest expenses	750,725,049,674	747,190,551,120

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME (continued)

5.5 Operating expenses not related to financial assets

Operating expenses include direct expenses and allocated expenses, details of which are as follows:

	For the year ended	
	31.12.2022 VND	31.12.2021 VND
Proprietary trading activities	72,102,674,942	91,924,223,288
Staff costs	21,498,801,710	43,322,683,282
Transaction fee paid to stock exchanges	18,232,238,633	22,874,207,607
Outsourcing expenses	9,327,157,276	10,459,072,680
Office rental expenses	254,625,402	236,323,047
Depreciation and amortisation	39,010,126	665,963,340
Allocation expenses (*)	22,750,841,795	14,365,973,332
Brokerage fee expenses	572,805,427,628	766,756,414,595
Staff costs	252,654,026,557	370,902,944,762
Brokerage fee	196,006,861,777	288,026,957,745
Outsourcing expenses	58,366,058,952	45,043,788,963
Office rental expenses	23,837,716,225	22,955,762,404
Depreciation and amortisation	8,974,657,323	12,510,343,749
Allocation expenses (*)	32,966,106,794	27,316,616,972
Custody service expenses	9,798,386,787	8,909,326,503
Financial consultancy service expenses	26,093,851,921	21,786,770,977
Staff costs	22,682,705,175	19,275,720,388
Others	3,411,146,746	2,511,050,589
Other operating expenses	4,124,185,703	4,456,527,541
Total	684,924,526,981	893,833,262,904

(*) Allocation expenses mainly include staff costs and outsourcing services expenses of related support departments, and allocated according to associated revenues of each operations.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME (continued)

5.6 General and administrative expenses

	For the year ended	
	31.12.2022 VND	31.12.2021 VND
Staff costs	130,825,567,136	116,507,028,604
Performance bonus	85,000,000,000	75,000,000,000
Outsourcing expenses	64,637,148,705	41,996,863,238
Office rental expenses	23,537,125,167	17,476,234,694
Depreciation and amortisation	15,086,324,382	9,279,658,896
Office maintenance	6,431,247,738	8,059,667,493
Other administrative expenses	25,250,191,073	28,493,101,365
Total	350,767,604,201	296,812,554,290

5.7 Corporate income tax

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% as follows:

	For the year ended	
	31.12.2022 VND	31.12.2021 VND
Accounting profit before tax	1,067,806,139,655	1,430,335,317,647
Tax calculated at a rate of 20%:	213,561,227,931	286,067,063,529
Adjustment:		
Non-taxable income	(1,013,923,099)	(1,347,284,869)
Non-deductible expense	2,150,976,389	333,140,400
Reversal of provisions for OTC stocks made in previous years	-	(1,160,000,000)
Other adjustments	619,982,500	(619,982,500)
CIT charge (*)	215,318,263,721	283,272,936,560
Charged to profit or loss:		
CIT – current	215,581,526,221	283,892,919,060
CIT – deferred (Note 3.15)	(263,262,500)	(619,982,500)
Total	215,318,263,721	283,272,936,560

(*) The corporate income tax charge for the year is based on estimated taxable income and is subject to review and possible adjustment by the tax authorities.

The tax authorities have finalised the Company's CIT up to 31 December 2016.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME (continued)

5.8 Earnings per share

(a) *Basic earnings per share*

According to prevailing regulations, basic earnings per share are calculated by dividing the net profit attributable to shareholders after deducting the appropriations to bonus and welfare funds by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares repurchased by the Company and held as treasury shares.

Other comprehensive income is not included in earnings to calculate earnings per shares due to the absence of detailed guidance from the authority.

	<u>For the year ended</u>	
	<u>31.12.2022</u>	<u>31.12.2021</u> (**)
Net profit after tax attributable to ordinary shareholders (VND)	852,487,875,934	1,147,062,381,087
Adjustment for appropriation of bonus and welfare funds (VND) (*)	-	(57,373,000,000)
	<u>852,487,875,934</u>	<u>1,089,689,381,087</u>
Weighted average number of ordinary shares in issue (shares)	<u>457,211,949</u>	<u>311,295,411</u>
Basic earnings per share (VND)	<u><u>1,865</u></u>	<u><u>3,500</u></u>

- (*) As at the date of approval of these financial statements, the resolution of Annual General Meeting of shareholders regarding the appropriations to bonus and welfare funds from post-tax profits of the current year was not yet available. Therefore, the net profit amount used for calculation of basic earnings per shares of the current year is not deducted by the amount to be appropriated to bonus and welfare funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME (continued)

5.8 Earnings per share (continued)

(a) *Basic earnings per share (continued)*

(**) Basic earnings per share for the financial year ended 31 December 2021 are recalculated after adjusting the actual deductions for bonus and welfare funds from retained earnings in accordance with the resolution of Annual General Meeting of shareholders on 8 August 2022, as follows:

Items	For the year ended 31.12.2021		
	As previously reported	Adjustment	Recalculated
Net profit after tax attributable to ordinary shareholders (VND)	1,147,062,381,087	(57,373,000,000)	1,089,689,381,087
Weighted average number of ordinary shares in issue (shares)	311,295,411	-	311,295,411
Basic earnings per share (VND)	<u>3,685</u>		<u>3,500</u>

(b) *Diluted earnings per share*

The Company did not have potentially diluted ordinary shares during the year and up to the date of this financial statements. Therefore, the diluted EPS is equal to the basic EPS.

6 NOTES TO THE STATEMENT OF CASH FLOWS

6.1 Major non-cash transactions affecting the statement of cash flows

	For the year ended	
	31.12.2022 VND	31.12.2021 VND
Dividend declared but not yet paid (Note 7.1 (i), (ii)) (*)	<u>228,605,974,500</u>	<u>152,520,922,500</u>

(*) According to the resolution of the Annual General Meeting of shareholders on 8 August 2022 and 29 December 2022, the Board of Directors decided to make the second dividend of 2021 and the first dividend of 2022 to shareholders named in the final shareholders registry on 18 January 2023. The payment date was 8 February 2023.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7 NOTES TO THE STATEMENT OF CHANGES IN EQUITY

7.1 Details of changes in equity

Details of changes in equity during the year are as follows:

	Share capital VND	Share premium VND	Treasury shares VND	Supplementary capital reserve(*) VND	Financial risk and operation reserve(*) VND	Other equity funds VND	Undistributed earnings VND	Total VND
As at 1.1.2022	4,580,523,670,000	967,536,880,000	(12,477,449,008)	277,696,843,214	277,696,843,214	3,961,374,994	1,230,314,760,376	7,325,252,922,790
Post-tax profit for the year	-	-	-	-	-	-	852,487,875,934	852,487,875,934
Second dividend of year 2021 (i)	-	-	-	-	-	-	(114,302,987,250)	(114,302,987,250)
First dividend of year 2022 (ii)	-	-	-	-	-	-	(114,302,987,250)	(114,302,987,250)
Appropriation to bonus and welfare funds (i)	-	-	-	-	-	-	(57,373,000,000)	(57,373,000,000)
Reversed dividends of shares issued under ESOP program upon repurchases	-	-	-	-	-	-	70,512,000	70,512,000
As at 31.12.2022	4,580,523,670,000	967,536,880,000	(12,477,449,008)	277,696,843,214	277,696,843,214	3,961,374,994	1,796,894,173,810	7,891,832,336,224

(*) As at 31 December 2022, the Company has yet to finalise a resolution for the balances of Supplementary capital reserve and Financial risk and operation reserve according to the guidance of Circular 114/2021/TT-BTC as presented in Note 2.23(c).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7 NOTES TO THE STATEMENT OF CHANGES IN EQUITY (continued)

7.1 Details of changes in equity (continued)

	Share capital VND	Share premium VND	Treasury shares VND	Supplementary capital reserve VND	Financial risk and operation reserve VND	Other equity funds VND	Undistributed earnings VND	Total VND
As at 1.1.2021	3,058,822,630,000	358,946,064,000	(12,477,449,008)	177,907,588,627	177,907,588,627	3,961,374,994	675,286,734,145	4,440,354,531,385
Post-tax profit for the year	-	-	-	-	-	-	1,147,062,381,087	1,147,062,381,087
Final dividend of year 2020 (iii)	-	-	-	-	-	-	(213,469,063,500)	(213,469,063,500)
First dividend of year 2021 (iv)	-	-	-	-	-	-	(152,520,922,500)	(152,520,922,500)
Appropriation to bonus and welfare funds (iii)	-	-	-	-	-	-	(18,527,264,270)	(18,527,264,270)
Appropriation to operation fund of Board of Directors (iii)	-	-	-	-	-	-	(7,956,775,412)	(7,956,775,412)
Appropriation to statutory reserves (iii)	-	-	-	99,789,254,587	99,789,254,587	-	(199,578,509,174)	-
Reversed dividends of shares issued under ESOP program upon repurchases	-	-	-	-	-	-	18,180,000	18,180,000
New shares issue	1,521,701,040,000	608,680,416,000	-	-	-	-	-	2,130,381,456,000
Issuance fee	-	(89,600,000)	-	-	-	-	-	(89,600,000)
As at 31.12.2021	4,580,523,670,000	967,536,880,000	(12,477,449,008)	277,696,843,214	277,696,843,214	3,961,374,994	1,230,314,760,376	7,325,252,922,790

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****7 NOTES TO THE STATEMENT OF CHANGES IN EQUITY (continued)****7.1 Details of changes in equity (continued)**

- (i) According to the Resolution of the Annual General Meeting of shareholders on 8 August 2022:
- Second dividend of the year 2021 was 2.5% of par value, equivalent to VND250/share;
 - 5% of post-tax profit of the year 2021 was appropriated to bonus and welfare funds.
- (ii) According to the resolution of the Annual General Meeting of shareholders on 29 December 2022, the first dividend payment of 2022 is 2.5% of the charter capital, equivalent to VND250/share. The first dividend of 2022 is paid in cash based on the list of shareholders finalised on 18 January 2023, and the expected payment date is 8 February 2023 (Note 6.1).
- (iii) According to the Resolution of the Annual General Meeting of shareholders on 22 April 2021:
- Second dividend of the year 2020 was 7% of par value, equivalent to VND700/share.
 - 3.49% of post-tax profit of the year 2020 was appropriated to bonus and welfare funds;
 - 1.5% of post-tax profit of the year 2020 was appropriated to operation fund of the Board of Directors;
 - 13% of post-tax profit of the year 2020 was appropriated to each of supplementary capital reserve fund and financial and operational risk reserve fund. As at 31 December 2020, 5% of post-tax profit had been already appropriated to each funds. Accordingly, the remaining 8% of post-tax profit of the year 2020 was appropriated to each funds in 2021.
- (iv) According to the resolution of the Annual General Meeting of shareholders on 22 November 2021, the first dividend payment of 2021 is 5% of the charter capital of VND3,058,822,630,000, equivalent to VND500/share. The first dividend of 2021 is paid in cash based on the list of shareholders finalised on 16 December 2021, and the expected payment date is 13 January 2022 (Note 6.1).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

7 NOTES TO THE STATEMENT OF CHANGES IN EQUITY (continued)

7.2 Earnings distribution

	For the year ended	
	31.12.2022 VND	31.12.2021 VND
Undistributed realised earnings brought forward	1,133,223,368,908	647,641,022,448
Accumulated unrealised losses	-	-
Realised profit incurred in the year	935,852,293,594	1,077,616,701,313
Appropriations from undistributed earnings:		
<i>To bonus and welfare funds</i>	(57,373,000,000)	(226,062,548,856)
<i>To operation fund of the Board of Directors</i>	-	(7,956,775,412)
<i>To supplementary capital reserve fund</i>	-	(99,789,254,587)
<i>To financial and operational risk reserve fund</i>	-	(99,789,254,587)
Dividend declared	(228,605,974,500)	(365,989,986,000)
Distributable profits to shareholders	1,783,096,688,002	1,133,205,188,905
Dividend declared	228,605,974,500	365,989,986,000
Income tax withheld	-	(5,419,910,200)
Net amount distributed to shareholders	228,605,974,500	360,570,075,800

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

8 RELATED PARTY DISCLOSURES

Identified related parties and relationships are presented below:

Related party	Relationship
Dragon Capital Markets Limited (DC)	Strategic shareholder, holding 30.01% of charter capital. The Company's Vice Chairman and member of the Board of Directors represent DC's shares.
Dragon Capital VietFund Management (DCVFM)	The Company's Chairman of the Board of Directors is a member of the Board of Directors of Dragon Capital VietFund Management (DCVFM). The Company's Vice Chairman of the Board of Directors is a member of the Board of Directors of Dragon Capital VietFund Management (DCVFM).
Ho Chi Minh City 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.
Vision & Associates Company Limited	The Company's Chief Supervisor is the Chairperson of the Council of Member lawyers of Vision & Associates Company Limited
Board of Directors and Board of Management	Key management

(a) Related party transactions

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

	For the year ended	
	31.12.2022	31.12.2021
	VND	VND
Dragon Capital Markets Limited (DC)		
Dividend paid	45,825,278,000	109,980,667,200
DCVFM		
Services rendered	7,933,786,676	3,818,297,238
Ho Chi Minh City Finance and Investment State-owned Company (HFIC)		
Dividend paid	36,487,590,000	87,570,216,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

8 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	For the year ended	
	31.12.2022 VND	31.12.2021 VND
Vision & Associates Company Limited		
Consultancy service expense	285,398,640	-
Compensation of key management		
Gross salaries and other benefits (*)	14,754,871,796	13,216,871,795

(*) Details of salaries and remunerations of certain key management are as follows:

		For the year ended	
		31.12.2022 VND	31.12.2021 VND
Board of Directors			
Mr. Johan Nyvene (from 22 April 2021)	Chair person	1,301,538,462	703,538,460
Mr. Do Hung Viet (until 21 April 2021)	Vice Chairperson	-	320,000,000
Mr. Le Anh Minh	Vice Chairperson	706,666,667	746,666,667
Mr. Le Hoang Anh	Member	573,333,333	496,666,667
Mr. Andrew Colin Vallis (from 22 April 2021)	Member	773,333,333	546,666,667
Ms. Nguyen Thi Hoang Lan (from 22 April 2021)	Member	640,000,000	480,000,000
Mr. Nguyen Hong Van (from 22 April 2021)	Member	306,666,667	230,000,000
Mr. Tran Tuan Tu (from 22 April 2021)	Member	306,666,667	263,333,333
Mr. Pham Nghiem Xuan Bac (until 21 April 2021)	Member	-	66,666,667
Mr. Le Thang Can (until 21 April 2021)	Member	-	100,000,000
Mr Lam Hoai Anh (until 21 April 2021)	Member	-	66,666,667
		<u>4,608,205,129</u>	<u>4,020,205,128</u>



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

8 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

		For the year ended	
		31.12.2022	31.12.2021
		VND	VND
Board of Supervision			
Mr. Pham Nghiem Xuan Bac (from 22 April 2021)	Chief Supervisor	493,333,333	370,000,000
Mr. Vo Van Chau (until 21 April 2021)	Chief Supervisor	-	116,666,667
Ms. Dang Nguyet Minh	Member	426,666,667	420,000,000
Ms. Nguyen Thi Thu Thanh (from 22 April 2021)	Member	226,666,667	170,000,000
Mr. Doan Van Hinh (until 21 April 2021)	Member	-	20,000,000
		<u>1,146,666,667</u>	<u>1,096,666,667</u>
Board of Management			
Mr. Trinh Hoai Giang	Chief Executive Officer	<u>9,000,000,000</u>	<u>8,100,000,000</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

8 RELATED PARTY DISCLOSURES (continued)

(b) Period-end balances with related parties

	Opening balance VND	Increase during the year VND	Decrease during the year VND	Closing balance VND
DC				
Dividend payable	45,825,278,000	68,737,917,000	(45,825,278,000)	68,737,917,000
HFIC				
Deposits for securities trading	25,145,733	3,025,185	-	28,170,918
Dividend payable	36,487,590,000	52,886,260,000	(36,487,590,000)	52,886,260,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****9 SEGMENT REPORTING**

The Board of Management of the Company determines that the management decisions of the Group are based primarily on the types of product and service provided by the Company. As a result, the primary segment reporting of the Company is presented in respect of the Company's business segments.

(a) Geographical segments

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

(b) Business activity segments

Brokerage and services segment generates revenues and incurs expenses related to securities brokerages, underwriting, agency, custody and other securities services.

Proprietary trading segment generates revenues and incurs expenses related to FVTPL financial assets and derivatives, and impairment losses of AFS financial assets.

Lending segment generates revenues and incurs expenses related to margin loans, trading advances and HTM financial assets.

Consultancy segment generates revenues and incurs expenses related to financial consultancy services and investment consultancy services.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

9 SEGMENT REPORTING (continued)

(b) Business activity segments

Income and expenses based on the Company's business activity segments are as follows:

	For the year ended 31 December 2022				
	Brokerage and services VND	Proprietary trading VND	Lending VND	Consultancy VND	Total VND
Revenue and income (*)	900,485,003,258	1,673,769,166,596	1,273,381,029,024	53,809,594,152	3,901,444,793,030
Expenses	(586,728,000,118)	(1,122,673,103,560)	(750,725,049,674)	(26,093,851,921)	(2,486,220,005,273)
<i>In which:</i>					
<i>Direct cash expenses</i>	(548,260,998,685)	(1,128,260,661,437)	(750,725,049,674)	(25,938,442,699)	(2,453,185,152,495)
<i>Total amount of significant non-cash expenses, other than depreciation, amortisation and allocation of prepaid expenses</i>	-	26,484,863,399	-	-	26,484,863,399
<i>Total depreciation and amortisation of fixed assets</i>	(8,956,258,185)	(39,010,126)	-	(155,409,222)	(9,150,677,533)
<i>Allocation of long-term and short-term prepaid expenses</i>	(29,510,743,248)	(20,858,295,396)	-	-	(50,369,038,644)
Segment result	<u>313,757,003,140</u>	<u>551,096,063,036</u>	<u>522,655,979,350</u>	<u>27,715,742,231</u>	<u>1,415,224,787,757</u>
Net financial income					2,935,810,645
Net other income					413,145,454
General and administration expenses					(350,767,604,201)
Operating result before tax					<u>1,067,806,139,655</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

9 SEGMENT REPORTING (continued)

(b) Business activity segments (continued)

Income and expenses based on the Company's business activity segments are as follows:

	For the year ended 31 December 2021				
	Brokerage and services VND	Proprietary trading VND	Lending VND	Consultancy VND	Total VND
Revenue and income (*)	1,418,480,077,984	1,816,405,892,159	1,178,676,110,277	46,550,757,392	4,460,112,837,812
Expenses	(780,122,268,639)	(1,186,321,179,363)	(747,190,551,120)	(21,786,770,977)	(2,735,420,770,099)
<i>In which:</i>					
<i>Direct cash expenses</i>	<i>(740,513,855,737)</i>	<i>(1,239,778,442,061)</i>	<i>(747,190,551,120)</i>	<i>(21,722,485,978)</i>	<i>(2,749,205,334,896)</i>
<i>Total amount of significant non-cash expenses, other than depreciation, amortisation and allocation of prepaid expenses</i>	-	68,193,773,958	-	-	68,193,773,958
<i>Total depreciation and amortisation of fixed assets</i>	<i>(12,510,343,749)</i>	<i>(665,963,340)</i>	-	<i>(64,284,999)</i>	<i>(13,240,592,088)</i>
<i>Allocation of long-term and short-term prepaid expenses</i>	<i>(27,098,069,153)</i>	<i>(14,070,547,920)</i>	-	-	<i>(41,168,617,073)</i>
Segment result	<u>638,357,809,345</u>	<u>630,084,712,796</u>	<u>431,485,559,157</u>	<u>24,763,986,415</u>	<u>1,724,692,067,713</u>
Net financial income					2,367,957,861
Net other income					87,846,363
General and administration expenses					(296,812,554,290)
Operating result before tax					<u>1,430,335,317,647</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

9 SEGMENT REPORTING (continued)

(b) Business activity segments (continued)

Assets and liabilities based on the Company's business activity segments are as follows:

	As at 31 December 2022					
	Brokerage and services VND	Proprietary trading VND	Lending VND	Consultancy VND	Unallocated VND	Total VND
Segment assets	692,911,348,158	1,471,781,628,517	13,183,823,983,714	14,346,491,972	-	15,362,863,452,361
Unallocated assets	-	-	-	-	84,091,592,853	84,091,592,853
Total assets	692,911,348,158	1,471,781,628,517	13,183,823,983,714	14,346,491,972	84,091,592,853	15,446,955,045,214
Segment liabilities	(72,193,531,822)	(15,901,000,000)	(6,986,692,775,551)	(4,260,000,000)	-	(7,079,047,307,373)
Unallocated liabilities	-	-	-	-	(476,075,401,617)	(476,075,401,617)
Total liabilities	(72,193,531,822)	(15,901,000,000)	(6,986,692,775,551)	(4,260,000,000)	(476,075,401,617)	(7,555,122,708,990)
Total expense incurred for purchases of fixed assets in the year ended 31 December 2022	9,456,297,214	-	-	252,966,000	9,830,700,000	19,539,963,214
Segment assets	9,456,297,214	-	-	252,966,000	-	9,709,263,214
Unallocated assets	-	-	-	-	9,830,700,000	9,830,700,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9 SEGMENT REPORTING (continued)

(b) Business activity segments (continued)

Assets and liabilities based on the Company's business activity segments are as follows:

	As at 31 December 2021					
	Brokerage and services VND	Proprietary 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)
Total expense incurred for purchases of fixed assets in the year ended 31 December 2021	-	-	-	-	321,417,800	321,417,800
Segment assets	-	-	-	-	-	-
Unallocated assets	-	-	-	-	321,417,800	321,417,800

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to financial risks including market risk, credit risk and liquidity risk. The Company's overall risk management strategy seeks to minimise the adverse effect of these risks on the Company's performance.

The Board of Management of the Company is responsible for setting the objectives and underlying principles of financial risk management for the Company. The Board of Management establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Financial risk management is carried out by finance personnel. The finance personnel measure actual exposures against the limits set and prepare regular reports for the review of the Board of Management.

The information presented below is based on information received from the Board of Management.

(a) Credit risk

Credit risk is the risk that counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company, resulting in a financial loss to the Company. It arises principally from cash at banks, financial assets, receivables and other assets.

The maximum exposure to credit risk equals the total of carrying amounts of balances exposed to credit risk before provision, collateral held or other credit enhancements, in particular:

	As at	
	31.12.2022	31.12.2021
	VND	VND
Cash at bank (Note 3.1)	5,330,529,577,511	6,928,122,316,897
Security deposits for covered warrants issued (Note 3.1)	309,400,000,000	270,000,000,000
Listed bonds (Note 3.2)	1,216,336,958,904	1,346,221,713,216
Loans (Note 3.3)	7,378,982,938,005	13,690,097,115,046
Receivables (Note 3.4)	745,154,301,110	839,818,918,749
Deposit for derivatives trading activities (Note 3.5)	46,080,842,950	61,300,080,950
Security deposits	10,650,904,062	9,245,993,262
Advance	794,883,916	727,974,286
Total credit risk exposure	15,037,930,406,458	23,145,534,112,406

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****10 FINANCIAL RISK MANAGEMENT (continued)****(a) Credit risk (continued)***(i) Balances with banks*

Balances with banks include deposits and accrued interest.

All bank balances are placed with local credit institutions which have high creditworthiness or qualifying as clearing members. Balances with banks are continuously monitored by treasury function in compliance with the Company's policies and periodic reported to the Board of Management. Credit risk from balances with banks is assessed as low.

As at 31 December 2022 and as at 31 December 2021, there were no balance with banks that were past due nor impaired.

(ii) FVTPL financial assets

Debt securities in the Company's portfolio are unsecured bonds issued by low-risk issuers with bond issuance plans approved by the State Securities Commission. Investment appraisals related to debt securities are approved in accordance with the Company's investment policies. Debt securities portfolio is continuously monitored by treasury function in compliance with the Company's policies and periodic reported to the Board of Management. Credit risk from debt securities is assessed as low.

As at 31 December 2022 and as at 31 December 2021, there was no debt security that exceeded 20% of the Company's equity.

As at 31 December 2022 and as at 31 December 2021, there was no debt security that was past due nor impaired.

(iii) Trading advances and deposit for derivative trading activities

Trading advances are collected from VSD. Deposit for derivative trading activities is also placed with this entity.

VSD is a state-owned entity and has no history of payment defaults.

VSD requires its members to deposit into the Settlement support fund and the Derivative trading clearing fund to secure their trading obligations.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****10 FINANCIAL RISK MANAGEMENT (continued)****(a) Credit risk (continued)***(iii) Trading advances and deposit for derivative trading activities (continued)*

The securities companies may fulfil customers' securities trading orders only when the customers' balances maintain enough (100%) cash or securities and must carry out further steps to ensure payment ability prior to execution of the trades.

Credit risk from trading advances and deposit for derivative trading activities is assessed as low.

As at 31 December 2022 and as at 31 December 2021, there was no balance with VSD that was past due nor impaired.

(iv) Margin loans

Margin loans are secured by eligible securities listed on the stock exchanges. Under the prevailing regulations on margin lending, the loan limit is set at 50% of the eligible securities' value. Ineligible securities are defined by the stock exchanges on an ad-hoc basis. Eligible securities are approved and frequently updated by margin lending risk management function based on several criteria including volatility and liquidity.

Customer Services department is responsible for the continuous review of margin loan report which includes balances, collateral assets and margin maintenance ratio. When the margin maintenance ratio falls below 40% (regulated level: 30%), the system alerts and the Company makes margin calls. When the margin maintenance ratio falls below 30%, the Company forcibly sells out collateral assets to collect the loans.

The market value of collateral assets as at 31 December 2022 was VND38,985,663,206,490 (as at 31 December 2021: VND55,356,391,622,480).

According to prevailing securities regulations, the margin loan limit applicable to a balance (for either an individual customer or an institution customer) is 3% of the securities company's equity. As at 31 December 2022 and as at 31 December 2021, there was no margin loan balance that exceeded 3% of the Company's equity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10 FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (continued)

(iv) Margin loans (continued)

Analysis of credit quality of margin loans as at reporting date is as follows:

	As at	
	31.12.2022 VND	31.12.2021 VND
Neither past due nor impaired	7,378,982,938,005	13,690,097,115,046
Past due and impaired	-	-
Provision made	-	-
Net balance	7,378,982,938,005	13,690,097,115,046

(v) Receivables

Credit exposure is restricted by transacting with counterparties with high credit ratings and obtaining security where necessary.

As at 31 December 2022 and as at 31 December 2021, there was no receivable that exceeded 10% of the Company's equity.

Analysis of credit quality of receivables as at reporting date is as follows:

	Neither past due nor impaired VND	Past due but not impaired VND	Past due and impaired VND	Total VND
As at 31.12.2022				
Current	745,154,301,110	-	-	745,154,301,110
Overdue for more than 3 months	-	-	-	-
	<u>745,154,301,110</u>	<u>-</u>	<u>-</u>	<u>745,154,301,110</u>
Provision made	-	-	-	-
Net balance	<u>745,154,301,110</u>	<u>-</u>	<u>-</u>	<u>745,154,301,110</u>
As at 31.12.2021				
Current	839,818,918,749	-	-	839,818,918,749
Overdue for more than 3 months	-	-	-	-
	<u>839,818,918,749</u>	<u>-</u>	<u>-</u>	<u>839,818,918,749</u>
Provision made	-	-	-	-
Net balance	<u>839,818,918,749</u>	<u>-</u>	<u>-</u>	<u>839,818,918,749</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****10 FINANCIAL RISK MANAGEMENT (continued)****(b) Market risk**

Market risk is the risk that fair value or future cash flows of a financial instrument will fluctuate according to changes in market prices. The Company's market risks include interest rate risk and other price risk, such as share price risk.

The Company manages this risk through sensitivity analysis of variables that would impact its financial position and performance, diversification of its investment portfolio, critical appraisal of securities within limited exposures, and hedging where necessary.

- Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate as a result of changes in market interest rates. The Company is exposed to interest rate risk mainly from its term deposits, corporate bonds, loans and borrowings.

The Company manages this risk through analysis of market competition in order to obtain the most favourable interest rate for its intended operations while still staying within limited exposures.

The Company's term deposits and loans are at fixed rates and due in short term, so interest rate risk is minimal.

Details of interest rates of corporate bonds and borrowings are presented in Note 3.2 and Note 3.10.

- Market price risk

Shares held by the Company, open position in futures and covered warrants are affected by market risk due to the uncertainty in the future value of these items. The Company manages its share price risk by setting up investment limits and hedging where necessary. The Investment Committee of the Company also takes part in appraisal and approval of investment in shares and issuance of covered warrants.

As at 31 December 2022, had the prices of securities increased/decreased by 10% with all other variables being held constant (including tax rate), the Company's profit before tax would have been higher/lower by VND124,249,439,473 (at 31 December 2021: higher/lower by VND189,211,283,947).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

- Currency risk

Currency risk is the risk that the value of the Company's financial instruments will be affected by changes in exchange rates. The Company manages its currency risk by continuously monitoring of foreign exchange rates and thereby timely updating its forecast of cashflows in foreign currencies, and entering into cross currency swaps and forward contracts (Note 3.10(**)).

The Company's operations are exposed to risk of certain currencies, mainly the United States Dollar ("USD").

The Company's currency exposure to the USD is as follows:

	Original currency USD		Equivalent to VND	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Financial assets				
Cash	2,050	1,933	46,778,634	43,948,250
Financial liabilities				
Borrowings (unhedged amount)	-	(91,500,000)	-	(2,086,050,250,000)
Net currency exposure	2,050	(91,498,067)	46,778,634	(2,086,006,301,750)

As at 31 December 2022, had the USD strengthened/weakened by 10% (estimated % change in exchange rate) against the VND with all other variables being held constant, the Company's profit before tax would have been higher/lower by VND4,677,863 respectively as a result of foreign exchange losses/gains on translation of USD-denominated financial instruments (as at 31 December 2021: lower/higher by VND208,600,630,175 respectively).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10 FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty or fail to perform its financial obligations.

The Company's approach to managing liquidity risk is to ensure that it will always have sufficient reserves of cash to meet its liquidity requirements in both short term and long term.

The table below presents the Company's financial liabilities at contractual undiscounted cash flows falling due within 1 year:

	As at	
	31.12.2022 VND	31.12.2021 VND
Short-term borrowings (Note 3.10)	6,938,057,640,000	15,039,870,130,242
Trading obligations (Note 3.11)	46,315,877,007	1,461,564,263,853
Short-term trade account payables	7,079,654,815	1,551,194,104
Short-term accrued expenses (Note 3.13)	188,422,944,100	194,292,714,722
Other short-term payables (Note 3.14)	250,047,320,274	195,643,770,048
Total financial liabilities	7,429,923,436,196	16,892,922,072,969

(d) Capital adequacy ratio

Capital adequacy ratio ("CAR") is an indicator that measures the Company's financial safety and ability to meet its financial obligations and absorb certain losses resulting from risks arising during its business operation.

CAR is calculated and presented in the Company's monthly capital adequacy ratio report in accordance with Circular 91/2020/TT-BTC issued by the Ministry of Finance on 13 November 2020 ("Circular 91/2020/TT-BTC"). Circular 91/2020/TT-BTC stipulates requirements of capital adequacy ratio applicable to securities trading institutions and sanctions imposed on non-compliance. According to Circular 91/2020/TT-BTC, the Company is required to maintain a prescribed minimum level of CAR of 180%.

As at 31 December 2022, the Company's CAR was 648% (as at 31 December 2021: 520%).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11 OPERATING LEASE COMMITMENTS

The Company currently rents offices under operating leases. The future minimum lease payments under non-cancellable operating lease contracts are as follows:

	As at	
	31.12.2022 VND	31.12.2021 VND
Within 1 year	40,489,771,910	24,277,806,243
Between 1 and 5 years	52,544,858,726	44,154,814,857
Total minimum payments	<u>93,034,630,636</u>	<u>68,432,621,100</u>

12 CAPITAL COMMITMENTS

Capital expenditure contracted for at the reporting date but not recognised in the financial statements was as follows:

	As at	
	31.12.2022 VND	31.12.2021 VND
Purchases of trading software	-	1,687,470,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

13 VOLUME AND VALUE OF TRANSACTIONS DURING THE YEAR

	Volume of transactions during the year	Value of transactions during the year VND
a) Of the Company		
Covered warrant	967,750,900	1,129,429,739,000
Shares	1,846,544,640	69,972,378,644,207
Bonds	318,972,598	33,845,628,718,512
Futures	511,305	66,765,702,258,000
b) Of investors		
Covered warrant	270,766,200	144,559,847,000
Shares	13,412,067,786	349,089,448,424,000
Bonds	182,522,598	20,107,811,638,599
Futures	16,113,838	1,935,615,297,610,000
	17,015,249,865	2,476,670,256,879,320

The financial statements have been approved by the Board of Management for issuance on 22 March 2023.



Le Thi Thuy Duong
Preparer



Lam Huu Ho
Chief Financial Officer
cum Chief Accountant




Trinh Hoai Giang
Chief Executive Officer

