

**CÔNG TY CỔ PHẦN  
CHỨNG KHOÁN TP.HỒ CHÍ MINH  
HO CHI MINH CITY SECURITIES  
CORPORATION**

Số/ No.: 14/2023/CV-CBTT

**CỘNG HÒA XÃ HỘI CHỦ NGHĨA VIỆT NAM**  
Độc lập - Tự do - Hạnh phúc  
**THE SOCIALIST REPUBLIC OF VIETNAM**  
*Independence - Freedom – Happiness*

TP.Hồ Chí Minh, ngày 10 tháng 04 năm 2023  
*Ho Chi Minh City, 10 April 2023*

**CÔNG BỐ THÔNG TIN ĐỊNH KỲ  
PERIODIC INFORMATION DISCLOSURE**

Kính gửi/To: - Ủy ban Chứng khoán Nhà nước  
*The State Securities Commission*  
- Sở Giao dịch Chứng khoán Việt Nam  
*Vietnam Stock Exchange*  
- Sở Giao dịch Chứng khoán TP.Hồ Chí Minh  
*Hochiminh Stock Exchange*  
- Sở Giao dịch Chứng khoán Hà Nội  
*Hanoi Stock Exchange*

- Tên tổ chức: Công ty Cổ phần Chứng khoán TP. Hồ Chí Minh  
*Name of organization: Ho Chi Minh City Securities Corporation*  
- Mã chứng khoán: HCM  
*Securities code: HCM*  
- Địa chỉ liên lạc: Tầng 2, 5, 6, 7, 11 và 12 Tòa nhà AB, 76A Lê Lai, P. Bến Thành, Quận 1, TP.HCM  
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- Nội dung thông tin công bố: Báo cáo thường niên năm 2022  
*Contents of disclosure: 2022 Annual Report*
- Thông tin này đã được công bố trên trang thông tin điện tử của công ty vào ngày 10/04/2023 tại đường dẫn <https://www.hsc.com.vn/cong-bo-thong-tin>  
*This information was published on the company's website on 10 April 2023, as in the link <https://www.hsc.com.vn/en/information-disclosure>*

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



**ĐẠI DIỆN TỔ CHỨC**  
**ORGANIZATION REPRESENTATIVE**  
Người được ủy quyền công bố thông tin  
*Person authorized to disclose information*



**Lê Anh Quân**

Giám đốc Điều hành Truyền thông  
*Chief Partnership Officer*

**Tài liệu đính kèm / Attached documents:**

- Báo cáo thường niên năm 2022  
*2022 Annual Report*

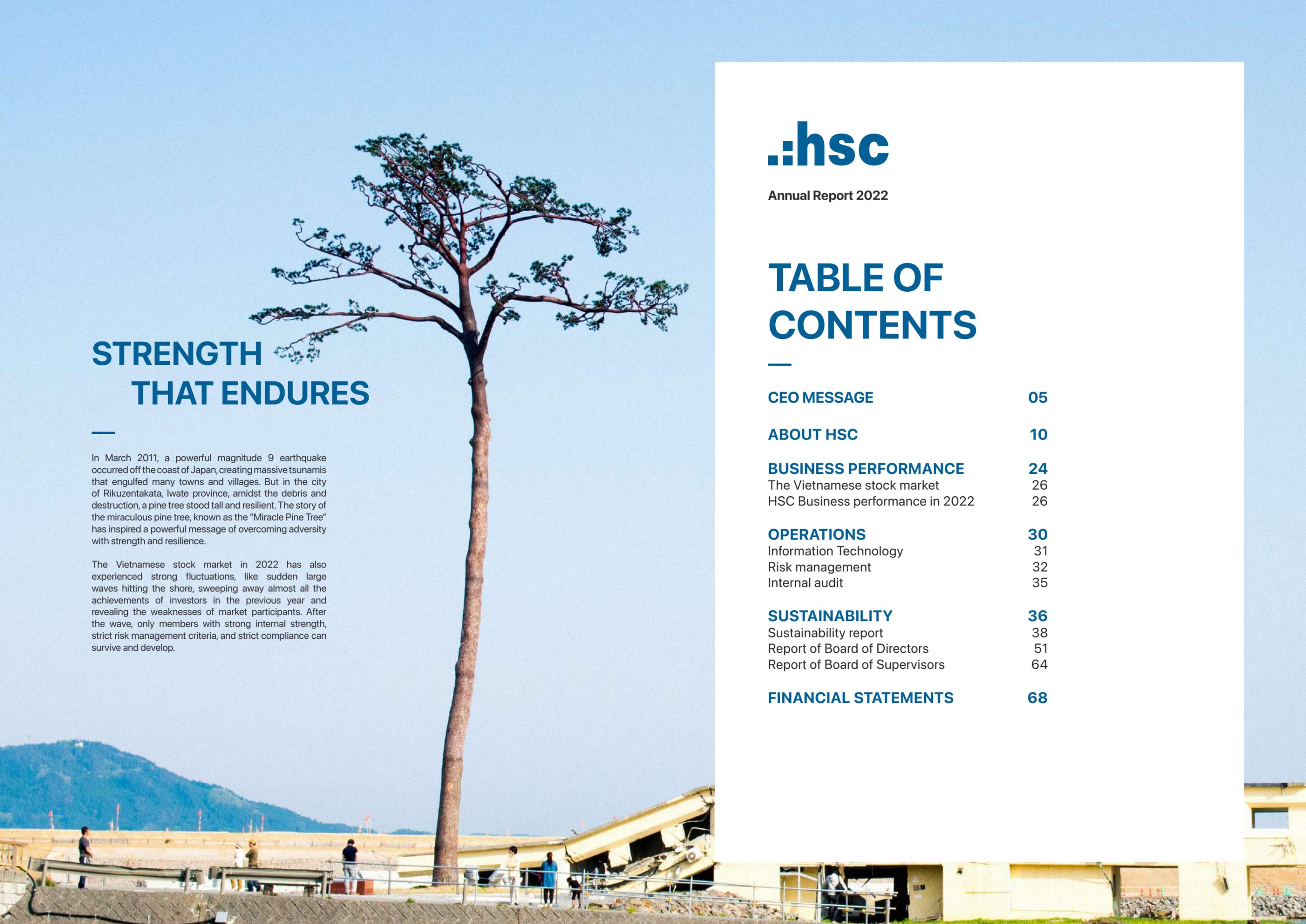




**.hsc**

**STRENGTH  
THAT ENDURES**

| Annual Report 2022



# STRENGTH THAT ENDURES

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In March 2011, a powerful magnitude 9 earthquake occurred off the coast of Japan, creating massive tsunamis that engulfed many towns and villages. But in the city of Rikuzentakata, Iwate province, amidst the debris and destruction, a pine tree stood tall and resilient. The story of the miraculous pine tree, known as the “Miracle Pine Tree” has inspired a powerful message of overcoming adversity with strength and resilience.

The Vietnamese stock market in 2022 has also experienced strong fluctuations, like sudden large waves hitting the shore, sweeping away almost all the achievements of investors in the previous year and revealing the weaknesses of market participants. After the wave, only members with strong internal strength, strict risk management criteria, and strict compliance can survive and develop.



Annual Report 2022

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**TRINH HOAI GIANG**  
CHIEF EXECUTIVE OFFICER

**CEO MESSAGE**

Dear Valued Shareholders,

The turbulences in the global and local financial markets in 2022 weighed on the Vietnamese stock market and challenged HSC’s capabilities in corporate management and business development. However, HSC was able to deliver strong performances with VND1,608 billion of profit before tax and VND1,865 of earnings per share.

PBT  
**1,068** VND BILLION

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EPS  
**1,865** VND

In 2022, major global central banks pursued unprecedented monetary tightening to address elevated inflation while in Vietnam, the Government conducted various measures to revamp governance and transparency of the economy. Those negatively impacted securities market in the short-term. Consequently, the VNIndex declined by 33% and was amongst the worst performing indices globally. Market turnover also decreased as the average daily trading value dropped by 25% YoY.

Despite the substantial challenges, HSC’s businesses operated agilely and resiliently and achieved good performances and positive developments. The securities brokerage business maintained its leading positions in both retail client and institutional client segments and generated VND882 billion of revenue. The margin lending business set new record with a revenue of VND1,723 billion. The corporate finance advisory business continued to recover with a 16% YoY revenue growth. Those speak for HSC’s relentless efforts in solidifying our businesses over the last few years. Another achievement that I am highly proud of is our robust risk management in offering products and services and that helped not only HSC and but also our clients prevent material risks and financial losses in 2022.

In terms of human resources development, we made significant efforts to develop our corporate culture based on five core values – Fairness, Opportunity, Results, Unity, and Satisfaction (FORUS), which we believe are crucial for us to attract and retain talents. In the technology front, we upgraded trading platforms for retail clients and institutional clients to further enhance their experiences. Besides, we continued to digitalize our business processes and improved execution platform of proprietary investments. Client development was also our major focus as always. Accordingly, we organized various high-value client development activities for institutional clients, retail clients as well as corporates. Our prominent activities include the annual 2022 Emerging Vietnam Conference, which offered unparalleled opportunity for more than 150 fund managers to connect and explore investment opportunities in 52 leading corporates in Vietnam and 20 “Connecting-to-Customer” events, which helped more than 10,000 retail clients connect with representatives of listed companies. I am also excited about the solid pipeline of financial advisory transactions that our team secured, which promises a strong prospect of the business. Also in last year, HSC completed increasing charter capital to VND4,580 billion, a solid base for us to fuel future growth plans.

Looking ahead at 2023, the economy and stock market might have passed the most difficult time but still faces considerable challenges. We expect a steady recovery of the economy and stock market in the time ahead and that will offer attractive business opportunities. With solid foundation, I strongly believe HSC would continue to operate effectively and thrive even in difficult business environment. On behalf of all of my colleagues, I would like to thank shareholders for your trust and continued support and wish to have your companions on our development journey.

Yours sincerely,

**Trinh Hoai Giang**  
Chief Executive Officer

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A flourishing pine branch is in full bloom.

HSC has always asserted its position as one of the leading securities companies in Vietnam, consistently delivering value to shareholder and positively contributing to the community.

» ABOUT **HSC**



## FINANCIAL HIGHLIGHTS

|  | 2018        | 2019        | 2020        | 2021        | 2022        | CAGR in 5 years |
|--|-------------|-------------|-------------|-------------|-------------|-----------------|
| <b>Statement of income (VND Billion)</b> |             |             |             |             |             |                 |
| Revenue                                  | 1,702       | 1,262       | 1,592       | 3,368       | 2,854       | 11%             |
| <i>Brokerage fees</i>                    | 759         | 478         | 621         | 1,390       | 882         |                 |
| <i>Margin lending</i>                    | 523         | 496         | 550         | 1,179       | 1,273       |                 |
| <i>Principal investment (*)</i>          | 278         | 222         | 369         | 722         | 623         |                 |
| <i>Financial advisory services</i>       | 119         | 54          | 38          | 47          | 54          |                 |
| <i>Other revenues</i>                    | 23          | 12          | 13          | 30          | 22          |                 |
| Operating expenses                       | 860         | 731         | 932         | 1,938       | 1,786       |                 |
| Net profit from operating activities     | 842         | 531         | 660         | 1,430       | 1,068       |                 |
| Profit before tax                        | 842         | 531         | 660         | 1,430       | 1,068       |                 |
| Profit after tax                         | 675         | 433         | 530         | 1,147       | 852         | 5%              |
| <b>Balance sheet (VND Billion)</b>       |             |             |             |             |             |                 |
| Total assets                             | 5,256       | 7,489       | 12,489      | 24,369      | 15,447      | 24%             |
| Charter capital                          | 1,298       | 3,059       | 3,059       | 4,581       | 4,581       | 29%             |
| Shareholders' equity                     | 3,061       | 4,304       | 4,440       | 7,325       | 7,892       | 21%             |
| <b>Financial indicators</b>              |             |             |             |             |             |                 |
| Return on average assets (ROAA)          | 11.3%       | 6.8%        | 5.3%        | 6.2%        | 4.3%        | -18%            |
| Return on average equity (ROAE)          | 23.1%       | 11.7%       | 12.1%       | 23.8%       | 11.2%       | -13%            |
| <b>Equity's value</b>                    |             |             |             |             |             |                 |
| Outstanding shares                       | 129,554,168 | 305,516,173 | 305,041,845 | 457,211,949 | 457,211,949 | 29%             |
| Basic earnings per share - VND           | 5,214       | 1,596       | 1,738       | 3,685       | 1,865       | -19%            |
| Book value per common share - VND        | 23,624      | 14,088      | 14,557      | 16,022      | 17,261      | -6%             |
| Dividend - VND (**)                      | 2,500       | 1,200       | 1,200       | 750         | 750         | -21%            |
| Market price at year end - VND           | 46,850      | 21,350      | 31,400      | 45,500      | 20,000      | -16%            |
| P/E                                      | 9.0         | 13.4        | 18.1        | 12.3        | 10.7        | 4%              |

(\*) Gains and losses arising from proprietary investments were netted off for comparative purposes

(\*\*) Estimated for FY2022 and subject for final approval at AGM

| Revenue<br>(VND Billion) | Profit Before Tax<br>(VND Billion) | Book Value Per Common Share<br>(VND) | Basic Earnings Per Share<br>(VND) | Total Assets<br>(VND Billion) | Shareholders' Equity<br>(VND Billion) |
|--------------------------|------------------------------------|--------------------------------------|-----------------------------------|-------------------------------|---------------------------------------|
| 2022 2,854               | 2022 1,068                         | 2022 17,261                          | 2022 1,865                        | 2022 15,447                   | 2022 7,892                            |
| 2021 3,368               | 2021 1,430                         | 2021 16,022                          | 2021 3,685                        | 2021 24,369                   | 2021 7,325                            |
| 2020 1,592               | 2020 660                           | 2020 14,557                          | 2020 1,738                        | 2020 12,489                   | 2020 4,440                            |
| 2019 1,262               | 2019 531                           | 2019 14,088                          | 2019 1,596                        | 2019 7,489                    | 2019 4,304                            |
| 2018 1,702               | 2018 842                           | 2018 23,624                          | 2018 5,214                        | 2018 5,256                    | 2018 3,061                            |

# ABOUT HSC

## » VISION

To become one of the country's most admired, trusted, and valued financial institution, and be an active contributor to the economy and community of Vietnam.

## » MISSION

Being a leading securities company in the industry and Vietnam's capital markets with the standards of professionalism, innovation, financial strength and sustainability.

## » CORE VALUES

### INTEGRITY

We act with integrity in every business decision and daily operation.

### POSITIVITY

We demonstrate good intention with respectful manner in our interaction with others.

### DEDICATION

We are committed to providing excellent services to all stakeholders.

### PARTNERSHIP

We build trusting partnerships by displaying empathy and providing collaborative support to one another.

### PROFESSIONALISM

We innovate and continuously improve our capabilities as a leader in capital markets.

## HSC BUSINESSES

### BROKERAGE & SALES

#### Securities Services

- Brokerage: Equity, Fixed Income, Derivatives, Fund certificates
- Advisory & Account management
- Cash transaction
- Securities depository
- Fund certificates distribution
- OTC stocks quoting & Shareholder Book management
- Managed account
- IPO auction agent
- Corporate bond distribution

#### Investment Advisory

#### Financial Services

- Margin lending
- Cash advances
- Government bond brokerage, auction & repo
- Short-term funding for buying government bond

#### Trading Services

- Web trading & mobile trading
- DMA & STP
- FIX
- OMGEO

### INVESTMENT BANKING

#### Corporate Finance Advisory

- Financial restructuring
- Listing and Initial Public Offering (IPO) advisory

#### Merger & Acquisition (M&A) Advisory

#### Capital Raising in Domestic and International Capital Market

- Stocks & Bonds issuance via public offering or private placement
- Underwriting
- Divestment advisory

### RESEARCH

#### Coverage

- Economics & strategy
- Sectors
- Companies
- Technical analysis

#### Full Access

- Analyst calls
- Working models
- Corporate access

### PRINCIPAL INVESTMENT

#### Proprietary Investment

- Fixed income
- Equity
- Futures
- Covered warrant
- Structured products

#### Market Making

**CORPORATE MILESTONES**

**“ Since inception in 2003, HSC has steadily grown in size and capital base to become one of the leading securities and financial services firms in Vietnam “**

**2003 - 2008 »**

- » Initiated operations with an initial capital of **VND 50 billion.**
- » Increased charter capital to **VND 395 billion.**

**2009 - 2014 »**

- » Officially listed on Ho Chi Minh City Stock Exchange under stock ticker HCM.
- » Increased charter capital to over **VND 1,273 billion.**
- » Officially launched direct connections to both Bloomberg and Reuters networks by FIX (Financial Information Exchange) - standard electronic protocol for pre-trade communications and trade executions.
- » Obtained certification of ISO/IEC 27001:2005 standard for “Providing online trading and brokerage services” from TUV Rheinland (Germany).
- » Received Certificate of Merit from Ministry of Finance for significant contribution to HNX’s development from 2009 - 2014.
- » Received Certificate of Merit from The Prime Minister of Vietnam for significant contributions to securities market development from 2010 - 2014.

**2015 - 2020 »**

- » Increased charter capital to **VND 3,059 billion**
- » Participated as a pioneer in the inauguration of Vietnam Derivatives Market, marking a milestone in the development of Vietnam’s securities market.
- » HSC was one of three first Authorized-Participant of Vietnam local ETF VFMVN30 DIAMOND.
- » Issued covered warrant product.
- » Successfully organized the Emerging Vietnam Conference which is considered as a bridge between leading companies in Vietnam and international investors.
- » Launched a high-quality Client Center at Floor 2, AB Tower, 76A Le Lai Street, District 1, HCMC.

**2021 - 2022 »**

- » Increased charter capital to **VND 4,581 billion.**
- » Gathered transaction offices in Ho Chi Minh City to a single address at: Level 2,5,6,7,11 and 12, AB Tower, 76A Le Lai, District 1, Ho Chi Minh City.
- » Received the Certificate of Merit from the Vietnamese Fatherland Front for great contributions to the government in the prevention of the Covid-19 epidemic.
- » Successfully organized webinar series C2C - Connecting to customers to connect retail clients with leading listed companies in Vietnam.

**AWARDS**

**INTERNATIONAL AWARDS**



**Triple A Country Awards**

Best Brokerage House in Vietnam 2013, 2014, 2017, 2019, 2020, 2021

Best M&A House in Vietnam 2014



**Asiamoney**

Best Local Brokerage in Vietnam 2012  
Top 3 Best Salespersons in Vietnam 2014



**Asian Banker**

The Best Managed Brokerage House in the APAC Region 2014



**Alpha Southeast Asia**

Best Institutional Broker in Vietnam 2019

Best Investment Bank in Vietnam 2020



**Finance Asia**

Best Investment Bank in Vietnam 2021

**LOCAL AWARDS**

**Top 50 Forbes**

Top 50 best listed company in Vietnam 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2021, 2022

**Top Leading Brands**

Top 25 leading financial brands in 2021

**Top 50 Nhip Cau Dau Tu**

Top 50 Best Performing Companies in Vietnam 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022

**Vietnam Listed Company**

Best Annual Report 2014, 2015, 2016, 2017, 2018, 2019

Top 5 Best Corporate Governance Companies – Large Capital Group 2020, 2021

**Investor Relations**

Listed company with best IR activities voted by financial institutions 2018, 2021

Listed company with best IR activities voted by investors 2020



**Certificate of merit from the Ministry of Finance**

The enterprise contributed to the development of stock market of HNX during the 2009-2014 period.

The enterprise achieved excellent performance and made positive contributions in developing Vietnamese stock market, thereby promoting socio-economic development in 2016.

**Certificate of Merit from the Prime Minister**

Enterprises with outstanding achievements contributing to the development of Vietnamese stock market in 2015

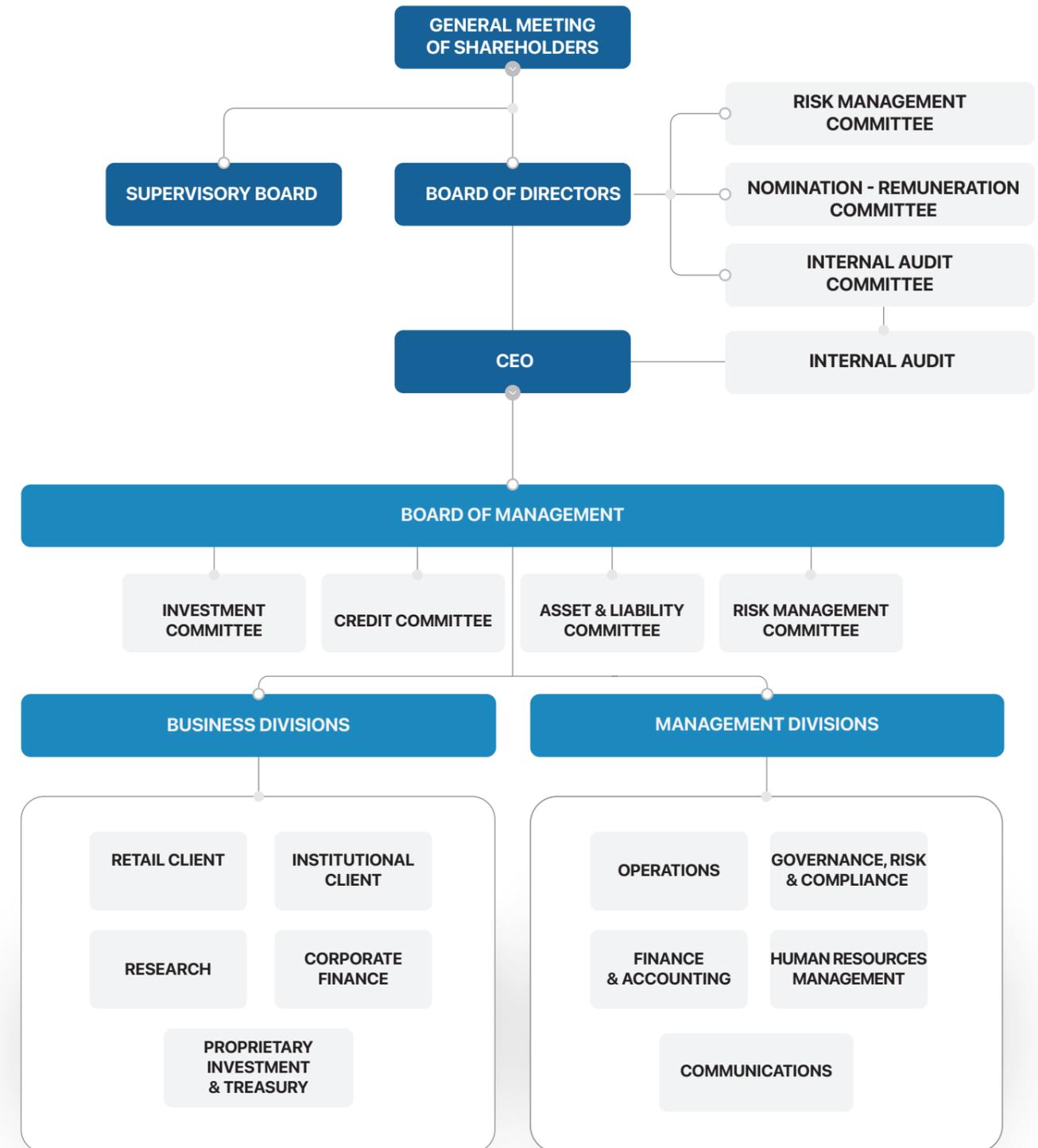
**Certificate of Merit from Ho Chi Minh City People's Committee**

Enterprises implement sustainable development and create long-term value for shareholders.

Enterprises with high achievements in corporate income tax payment 2019, 2021



## ORGANIZATION CHART



The sturdy pine tree stretches high with strong branches.

The high-quality talents and effective structure are the fundamental factors that contribute to HSC's success.

**BOARD OF DIRECTORS**



**Mr. JOHAN NYVENE**

Chairman  
Appointment: 2021



Mr. Johan Nyvene was CEO and executive member of the BoD for 13 years. He has made significant contributions to the growth and sustainable development of HSC. Prior to this, he worked at HSBC where he set up and led the Securities Service Department of the Bank. He spent the first 9 years of his financial career at CoreStates First Union Bank, USA.



**Mrs. NGUYEN THI HOANG LAN**

Independent member  
Appointment: 2021



Ms. Lan had been Vice Chairman cum Deputy Director of the Hanoi Stock Exchange (HNX). Before HNX, she took several important roles at the State Securities Commission (SSC). She received a Master's degree in International Economic Relations from the Plekhannov Economic Institute, Russia.



**Mr. TRAN QUOC TU**

Non-executive member  
Appointment: 2021



Mr. Tu is the representative of Ho Chi Minh City Finance and Investment Company (HFIC) interests at HSC. He is currently Chief Legal Officer of HFIC. He has worked for over 12 years at the Ho Chi Minh City Department of Justice. He holds a Bachelor of Administrative Law degree from Ho Chi Minh City Law University.



**Mr. NGUYEN HONG VAN**

Non-executive member  
Appointment: 2021



Mr. Van is the representative of Ho Chi Minh City Finance and Investment Company (HFIC) interests at HSC. He is currently the Deputy CEO of HFIC. He has a Master's degree in Construction Management from the University of Reading, England, under the Scholarship 300 Program of Ho Chi Minh City People's Committee.



**Mr. LE ANH MINH**

Vice Chairman  
Non-executive member  
Appointment: 2021



Mr. Minh is currently a member of the Board of Directors and Senior Director of Dragon Capital VietFund Management (DCVFM) in Hanoi. He holds a MBA degree from the Wharton School of the University of Pennsylvania, USA.



**Mr. LE HOANG ANH**

Non-executive member  
Appointment: 2021



Mr. Hoang Anh is currently Branch Director of Dragon Capital VietFund Management (DCVFM) in Hanoi. Prior to that, he had worked at the HCMC Department of Planning and Investment and NLN Trading Company, Hungary. He holds a PhD in Economics.



**Mr. ANDREW COLIN VALLIS**

Independent member  
Appointment: 2021



Mr. Andrew has over 30 years of experience in the banking sector. Currently, he is a non-executive member of the BoD of Beta Media JSC and Beta Holdings JSC. He has an honors degree in Law from Nottingham University and qualified as a Chartered Accountant with PwC in London.

**SUPERVISORY BOARD**

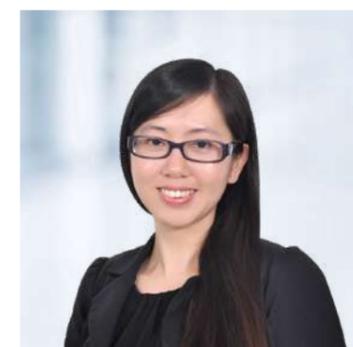


**Mr. PHAM NGHIEM XUAN BAC**

Head of Supervisory Board  
Appointment: 2021



Mr. Bac is currently the Chairman and CEO of Vision & Associates Co., Ltd. and the Chairman of Cong Huong JSC. He holds a Master's degree in Business Administration and a Bachelor's degree in Law.



**Mrs. DANG NGUYET MINH**

Member of Supervisory Board  
Appointment: 2021



Mrs. Minh is currently the Senior Analyst at Dragon Capital VietFund Management (DCVFM). She holds a Bachelor's degree in Economics, Business Administration from Coe College, USA.



**Ms. NGUYEN THI THU THANH**

Member of Supervisory Board  
Appointment: 2021



Ms. Thanh works at the Finance – Accounting Department of Ho Chi Minh City Finance and Investment Company (HFIC). She holds a Master's degree in Economics from HCMC University of Economics under the Vietnam – Netherlands Program.

**BOARD OF MANAGEMENT**



**Mr. TRINH HOAI GIANG**

Chief Executive Officer  
Appointment: 2020



Mr. Giang has contributed 13 years as Deputy General Director, in charge of Investments and Operations of HSC. Prior to HSC, he was the Director of Business Operations at Dragon Capital Group (DCG) from 2005 and had previously worked at the Treasury Department of the Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank). He has contributed greatly to the development of Vietnam's capital market as the Vice Chairman of the Vietnam Bond Market Association since 2010. Mr. Giang was a Fulbright U.S. Scholar and earned his Master of Business Administration in the United States.



**Mr. NGUYEN CANH THINH**

Managing Director  
Retail Client Division  
Appointment: 2019



Mr. Thinh has been with HSC for over 15 years since graduated from the University of Economics and Law. He played a vital role in the success of the Retail Client Division, delivering positive revenue results and building a high-performing sales team.



**Mr. LAM HUU HO**

Managing Director  
Finance & Accounting Division  
Appointment: 2007



Mr. Ho has been with HSC for over 15 years. Before HSC, Mr. Ho had more than 5 years of experience in audit at KPMG Vietnam and was the Internal Audit Manager at Cai Lan Oil Company from 2003 to 2007.



**Mr. LE NGUYEN BINH**

Managing Director  
Operations Division  
Appointment: 2020



Mr. Binh used to be Head of Operations and Performance Analytics of Eastspring Investments for 15 years. Prior to that, he worked at Mitsui Chemical Group. He is a member of the Back-Office Market Development Committee of the Vietnam Bond Market Association and Vietnamese Financial Reporting Standard Board for Capital Market led by the MoF of Vietnam.



**Mr. PHAM NGOC BICH**

Managing Director  
Corporate Finance Division  
Appointment: 2016



Mr. Bich has over 25 years of global investment experience in various senior roles at Credit Lyonnais Canada, CIBC Global Asset Management in Canada and Hong Kong, Prudential/ Eastspring Vietnam Fund Management and SSI Securities before joining HSC.



**Mr. STEPHEN JAMES McKEEVER**

Managing Director  
Institutional Client Division  
Appointment: 2018



Mr. Stephen has over 20 years of experience in various senior management positions at leading financial companies such as global head of Asia ex-Japan equity sales at Mizuho Securities Asia, Head of Hong Kong Equity Sales for Standard Chartered Bank. He holds an honours degree in Economics from the London School of Economics.



**Mr. TRAN TAN DAT**

Managing Director  
Head of Trading Institutional Client Division  
Appointment: 2018



Mr. Dat has been with HSC for 15 years since he graduated with a degree in International Business Administration from Hogeschool Zeeland University. With his continuous contribution, HSC's ISD became and stayed firm as the largest broker for foreign institutional investors in Vietnam.



**Mrs. NGUYEN LINH LAN**

Managing Director  
Human Resource Management Division  
Appointment: 2019



Mrs. Lan has 25 years of experience and be an expertise in Talent acquisition, Operations & Strategic planning at regional & global corporates such as AIA, M&P International, Saigon Shipping, Katran Shipping, Mayer Brown – American Law firm.



**Mr. TONG CONG CUONG**

Managing Director  
Governance Risk Compliance Division  
Appointment: 2021



Mr. Cuong has more than 20 years of legal practice, compliance and risk management through important roles at Eastspring Investments Vietnam, HSBC Vietnam. He holds Master of Comparative Law (LLM) degree from Law School, Nagoya University, Japan, and is a member Ho Chi Minh City Bar Association.



**Mr. LE ANH QUAN**

Managing Director  
Communications Division  
Appointment: 2018



Mr. Quan has more than 25 years of experience in communications through various management positions at Techcombank, Kinh Do Group, Unilever Vietnam, and Walt Disney Company in Los Angeles, California. Mr. Quan holds a Master of Business Administration degree at UCLA.

## STOCK INFORMATION AND SHAREHOLDERS STRUCTURE

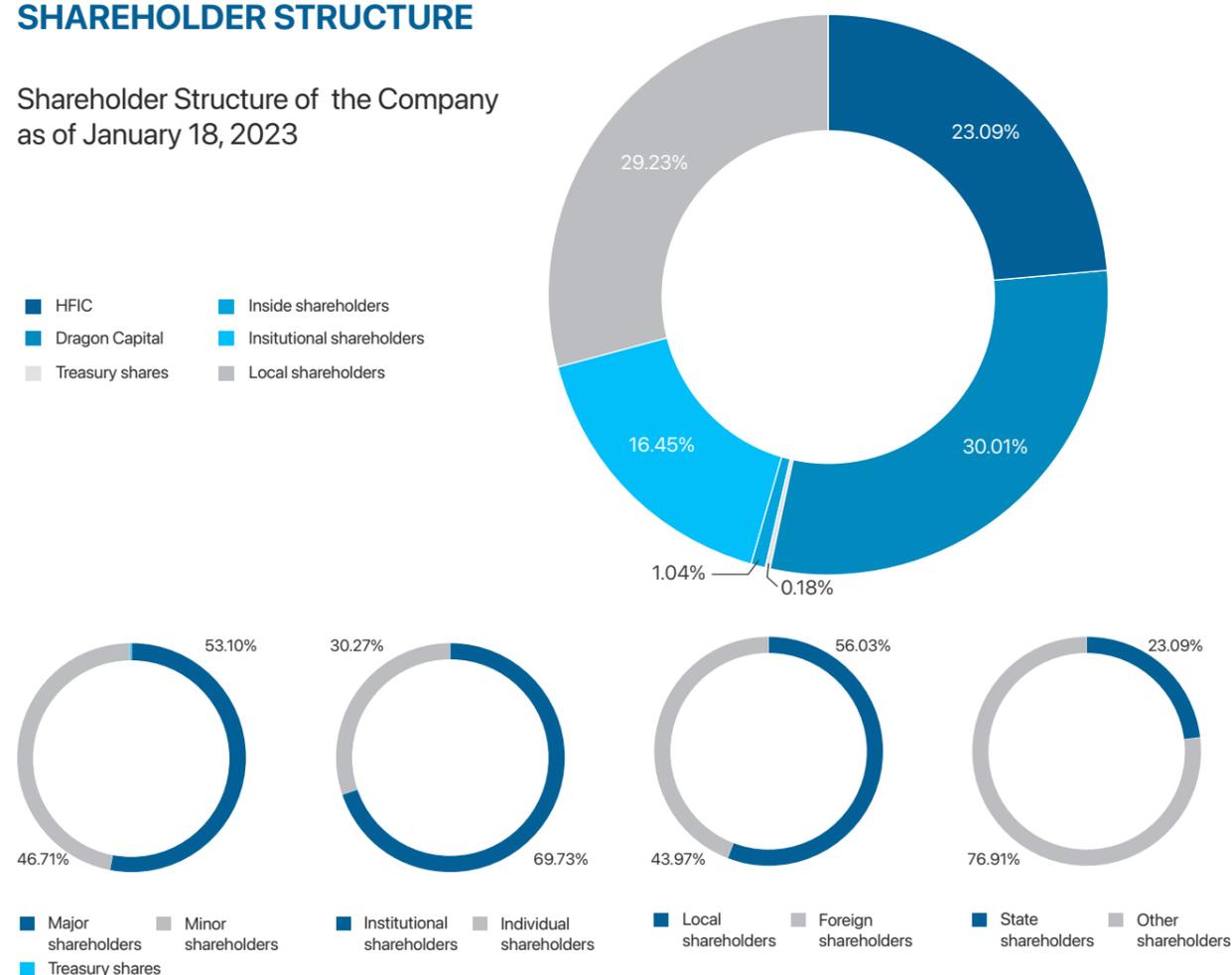
### SHARE

Common share information of the Company as of January 18, 2023

|   |                           |
|---|---------------------------|
| <b>TOTAL NUMBER OF SHARES</b>                     | <b>458,052,367</b> SHARES |
| <b>TREASURY SHARES</b>                            | <b>840,418</b> SHARES     |
| <b>NUMBER OF OUTSTANDING SHARES</b>               | <b>457,211,949</b> SHARES |
| » <b>Number of transferable shares</b>            | <b>457,211,949</b> SHARES |
| » <b>Number of restricted transferable shares</b> | <b>0</b> SHARE            |

### SHAREHOLDER STRUCTURE

Shareholder Structure of the Company as of January 18, 2023



### TREASURY SHARE TRANSACTIONS

The Company did not conduct treasury share transactions in 2022.

### HISTORY OF CAPITAL INCREASE

The Company has carried out 9 capital increases since its establishment to date.

| No | Period  | Value after capital increase (VND Billion) | Value increased during the period (VND Billion) | Note   |
|----|---------|--|---|--|
| 01 | 04/2003 | 50   | 0   | Initial charter capital  |
| 02 | 10/2006 | 100  | 50  | Offering to existing shareholders ESOP   |
| 03 | 09/2007 | 200  | 100   | Offering to existing shareholders Private offering to strategic shareholders                                       |
| 04 | 06/2008 | 394,634                                    | 194,634   | Issuing bonus shares to existing shareholders Offering to existing shareholders ESOP Offered for sale individually |
| 05 | 06/2010 | 599,996                                    | 205,362   | Issuing bonus shares to existing shareholders ESOP   |
| 06 | 05/2012 | 1,008,486                                  | 408,489   | Issuing bonus shares to existing shareholders ESOP   |
| 07 | 12/2013 | 1,272,567                                  | 264,081   | Issuing bonus shares to existing shareholders ESOP   |
| 08 | 03/2017 | 1,297,567                                  | 25  | ESOP   |
| 09 | 09/2019 | 3,058,822                                  | 1,761,255                                       | Issuing bonus shares to existing shareholders Offering to existing shareholders                                    |
| 10 | 12/2021 | 4,580,523                                  | 1,521,701                                       | Offering to existing shareholders  |



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The Miracle Pine Tree in Rikuzentakata still stood tall after the catastrophic tsunami swept away an entire forest of over 70,000 other pine trees.

Similarly, HSC demonstrates unwavering resilience amidst the challenges and adversity in Vietnam's financial market in 2022.

» BUSINESS  
PERFORMANCE

## THE VIETNAMESE STOCK MARKET

2022 was a remarkably difficult year for the Vietnamese stock market. The VNIndex declined sharply as it was negatively impacted by substantial macro challenges including exchange rate pressure, liquidity constraint in the banking system, rising interest rates, limited credit growth and the crisis in the corporate bond market.

- » The VNIndex plummeted by 32.7% and was one of the worst performing indices in Asia Pacific in 2022.
- » The average daily trading value decreased to VND20.1 trillion, a 24.3% decline YoY.
- » Demand for margin loans also dropped sharply following the decline in market liquidity. The total margin loan balance at the end of the year was nearly VND120 trillion, down by 60% YoY.
- » Foreign investors' transactions accounted for 7.4% of total market trading value, which was higher than that of 6.7% in 2021.

| Trading value of the stock market (VND trillion) | 2022  | 2021   | YoY    |
|--|-------|--------|--------|
| Total trading value of the stock market          | 5,021 | 6,666  | -24.7% |
| The average daily trading value                  | 20    | 27     | -24.3% |
| Trading value of local investors                 | 9,294 | 12,438 | -25.3% |
| % of total trading value of the stock market     | 92.6% | 93.3%  | -      |
| Trading value of foreign investors               | 748   | 889    | -15.9% |
| % of total trading value of the stock market     | 7.4%  | 6.7%   | -      |

## HSC BUSINESS PERFORMANCE IN 2022

The unfavorable conditions of the stock market in 2022 negatively affected HSC's businesses. However, HSC was still able to deliver encouraging performance with a profit before tax of VND1,068 billion, down by 26% YoY and achieving 71% of the approved plan.

- » Total revenue in 2022 was VND2,854 billion, a decline of 15% YoY.
- » Earnings per share (EPS) in 2022 was VND1,865, down by 50% YoY.
- » Return on capital (ROE) was 11.2% and lower than in 2021 of 23.8%.
- » EPS and ROE decreased as net profit declined YoY as noted above while shareholders' equity of HSC in 2022 was higher YoY after the Company completed increasing its charter capital from VND3,058 billion to VND4,580 billion in 4Q.2021.

**REVENUE**  
**2,854** VND BILLION

**PROFIT BEFORE TAX**  
**1,068** VND BILLION

| Business Performance (VND billion) | 2022               | 2021        | YoY  | % of 2022 Plan |
|------------------------------------|--------------------|-------------|------|----------------|
| Revenue (*)                        | <b>2,854</b>       | 3,368       | -15% | <b>79%</b>     |
| Operating expenses (*)             | <b>1,786</b>       | 1,938       | -8%  | <b>85%</b>     |
| Profit before tax                  | <b>1,068</b>       | 1,430       | -25% | <b>71%</b>     |
| Profit after tax                   | <b>852</b>         | 1,147       | -26% | <b>71%</b>     |
| Return on average equity (ROAE)    | <b>11.2%</b>       | 23.8%       | n/a  | <b>70%</b>     |
| Total outstanding shares           | <b>457,211,949</b> | 457,184,702 | 0%   | <b>100%</b>    |
| Earnings per share (EPS) (VND)     | <b>1,865</b>       | 3,760       | -50% | <b>71%</b>     |
| Book value per share (VND)         | <b>17,268</b>      | 16,022      | 8%   | <b>96%</b>     |

(\*) Profit and loss of the proprietary investments are presented on net basis for comparison purpose

## SECURITIES BROKERAGE SERVICES

| Revenue (VND billion) | 2022       | 2021  | YoY  | % of 2022 Plan |
|-----------------------|------------|-------|------|----------------|
| Retail clients        | <b>571</b> | 969   | -41% | <b>79%</b>     |
| Institutional clients | <b>311</b> | 421   | -26% | <b>94%</b>     |
| <b>Total</b>          | <b>882</b> | 1,390 | -37% | <b>84%</b>     |

Securities brokerage services remained the core business of HSC. In 2022, the business posted a revenue of VND882 billion, down by 37% YoY and accounting for 31% of total revenue of HSC in 2022 (2021: 41%). The total trading value of the stock market declined sharply in 2022 amid unfavorable market conditions and that negatively impacted the business's performance.

- » Revenue of securities brokerage services provided to retail investors was VND571 billion, a 41% decline YoY. HSC has been able to maintain its leading position as one of the top 5 securities companies in terms of brokerage services market share in Ho Chi Minh City Stock Exchange. HSC is particularly strong in the high-net-worth client segment underpinned by its strong team of highly qualified professionals, exceptional service quality, and large margin lending capacity.
- » Revenue of securities brokerage services provided to institutional investors was VND311 billion, a decline of 26% YoY. HSC still maintained its leading market share of 23% in the total trading value of foreign investors last year.

## HSC BUSINESS PERFORMANCE IN 2022 (continued)

### MARGIN LENDING

HSC's margin loan balance as of the end of 2022 decreased by 46% YoY to VND7,379 billion, accounting for approximately 7% of the total margin loan balance of the market. Investors' demand for margin loans dropped sharply during the year-end amid strong market volatility. However, the average monthly margin loan balance of HSC in 2022 still grew slightly YoY, proving that HSC has been deploying the additional shareholder capital raised in late 2021 effectively. Therefore, margin loan interest income in 2022 increased by 8% YoY and reached VND 1,273 billion, which is HSC's record profit in this business. Given the declines in revenues of other major businesses, revenue from margin loan interest income accounted for 45% of HSC's total revenue in 2022, up from 35% in 2021.

HSC still strictly adhered to its prudent margin lending approach and thus regularly assessed the risks of securities in our margin loan portfolio. The current loan portfolio only comprises 90 large and highly liquid stocks of companies with strong fundamentals.

### MARGIN LOANS INCOME

**1,273** VND BILLION

**8%** INCREASE YoY



### FINANCIAL ADVISORY SERVICES

The Financial Advisory business recovered well in 2022 as transactions suspended during Covid-19 times were resumed. Accordingly, the business delivered a revenue of VND53.8 billion, a 16% increase YoY. Furthermore, the division successfully secured a strong pipeline, promising good growth prospect in 2023.

### PROPRIETARY INVESTMENTS AND TREASURY MANAGEMENT

HSC's proprietary investments primarily focus on market-making activities for exchange-traded funds (ETF) and market-making for covered warrants. These two businesses have minimal risk while could generate attractive returns. Indeed, although the stock market declined sharply in 2022, the business was still able to deliver strong performance with VND623 billion of revenue.

The Treasury Management business of HSC in 2022 was effective and met its goal of ensuring capital adequacy and liquidity of all businesses of the Company at all times. Particularly, in last year, the Treasury Management division explored various options to optimize the Company's capital structure and costs and at the same time ensured that all businesses had sufficient capital support in a timely manner. Serving clients' need of capital is always the top priority of the Treasury Management business of HSC.

## FINANCIAL POSITION

» Total asset value was VND15,447 billion at the end of 2022, a decrease of 37% YoY. The balance was primarily comprised of margin loans and short-term deposits.

» As demand for margin loans fell sharply at the end of 2022 amid unfavorable market conditions, HSC proactively reduced its short-term borrowings to ensure its capital efficiency. The debt to equity ratio thus decreased to 1.0x from 2.3x at the end of 2021.

### TOTAL ASSET VALUE

**15,447** VND BILLION

| Balance Sheet (VND billion) | 31.12.2022    | 31.12.2021    | YoY         |
|-----------------------------|---------------|---------------|-------------|
| <b>Current assets</b>       | <b>15,262</b> | <b>24,187</b> | <b>-37%</b> |
| Cash and cash-equivalents   | 5,641         | 7,199         | -22%        |
| Financial assets            | 1,424         | 2,372         | -40%        |
| Margin loans                | 7,379         | 13,690        | -46%        |
| Other receivables           | 752           | 854           | -12%        |
| Other current assets        | 66            | 72            | -8%         |
| <b>Long-term assets</b>     | <b>184</b>    | <b>182</b>    | <b>1%</b>   |
| <b>Total assets</b>         | <b>15,447</b> | <b>24,369</b> | <b>-37%</b> |
| Liabilities                 | 7,555         | 17,044        | -56%        |
| Short-term borrowings       | 6,938         | 15,040        | -54%        |
| Other payables              | 617           | 2,004         | -69%        |
| <b>Owners' equity</b>       | <b>7,892</b>  | <b>7,325</b>  | <b>8%</b>   |
| <b>Total resources</b>      | <b>15,447</b> | <b>24,369</b> | <b>-37%</b> |

## INFORMATION TECHNOLOGY

The fluctuations of the stock market in 2022 presented many operational for the operations of HSC. However, with a strong technology system, strict processes and a dedicated team, we not only maintained our system stability but also continued to offer our clients exceptional experiences and peace of mind even during the most difficult time of the market. This result proves the effectiveness of HSC's autonomous operational model (Design - Build - Operate). Furthermore, HSC continued to invest in technology, digitization and new products to solidify our position as the top of mind and trusted partner.

### SOLID TECHNOLOGY FOUNDATION AND STRICT INFORMATION SECURITY MANAGEMENT HELP HSC MAINTAIN HIGH OPERATIONAL STABILITY AND SECURITY

Ensuring the safety of clients' information and transactions is always the top priority of HSC. The Company continued to strengthen its information security management and apply international standards such as the ISO. Security operation and monitoring center has been upgraded to monitor, analyze, warn and promptly handle cybersecurity risks.

Besides, we also promoted risk communication to raise awareness of our people about information security risks. With this proactive and holistic approach, HSC's system operated very efficiently and stably. Therefore, the Company did not record any serious system and client information security issues in last year.

### CONSISTENT PURSUIT OF TECHNOLOGY-LEADERSHIP STRATEGY TO STAY COMPETITIVE

HSC has long been striving to accelerate digitalisation across all transaction applications, specifically:

- » **For retail clients:** Improving the trading system on both web and mobile versions (myHSC) and integrating smart applications to help clients use HSC's services conveniently and safely. In last year, we expanded point-to-point connections with major banks such as BIDV, VCB, VPB, VIB and MSB to help clients save time and transact securely with identity accounts and QR codes. In addition, the Company also developed data analytics technologies and cloud applications to better understand client needs and risk appetite to develop and offer suitable products.
- » **For institutional clients:** Providing trading support tools through standard API fix and algorithmic trading solutions developed by HSC to help clients transact quickly. The database of company data and stock analysis reports exclusively available to institutional clients was also upgraded using Factset, the world leading business data and analytics application, to help clients access to analysis reports and company data conveniently.

In terms of operational processes, HSC accelerated cloud migration to increase processing speed and enhance multitasking capabilities, and expanded data warehouse to support reporting activities of all departments. This allows senior executives to update business situation at any time to facilitate their decision making and problem solving.

Furthermore, in last year, HSC built an application development team to enhance our agility and capabilities in developing new applications to better serve special requirements of clients and solve ad-hoc business matters. Our plan is to adopt agile working methods and new application architectures (microservices, cloud native apps) so that we could develop new features and upgrade applications quickly and efficiently. This is an important goal of HSC's operational strategy for the next 3 years in which we continue to provide our clients superior trading and investment experiences and better options by flexibly providing features that meet their specific needs.

## » OPERATIONS

Thanks to its strong roots deeply embedded in the soil, the pine tree can grow and thrive in any type of terrain.

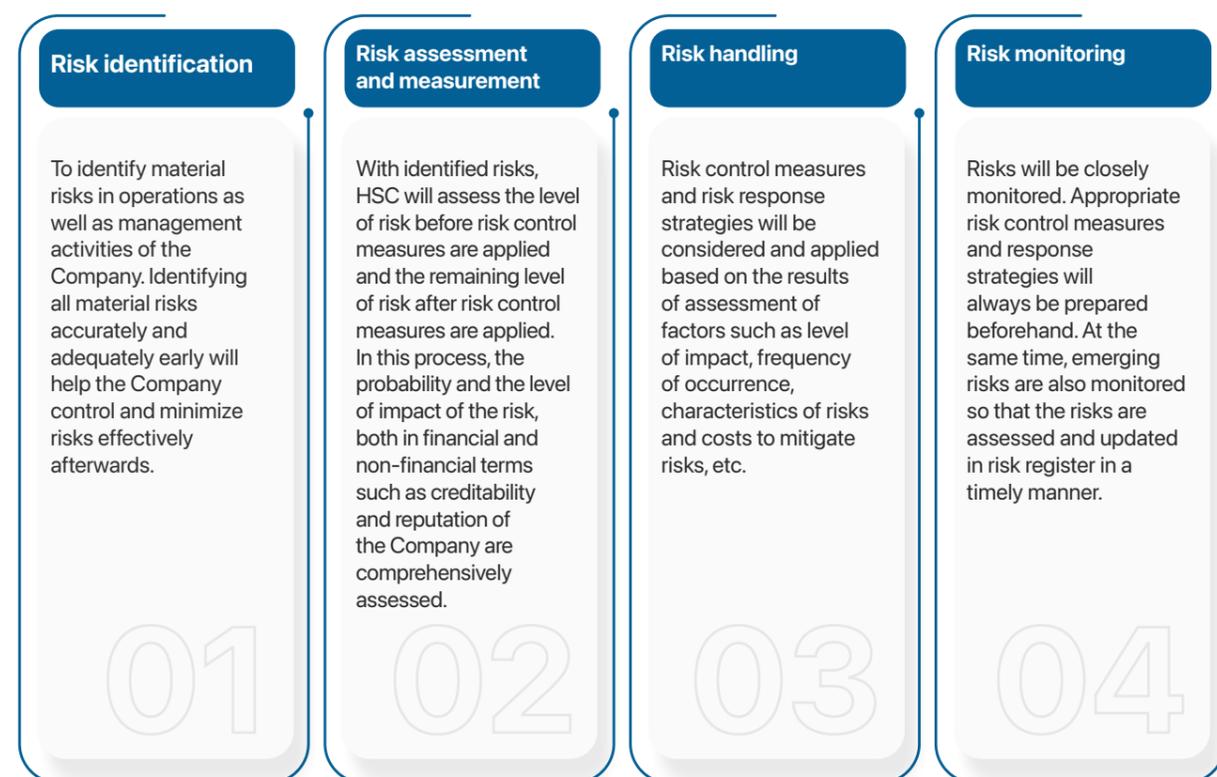
With its strong foundation built on professional operations, advanced technology, and effective management, HSC continues to develop in all market conditions.

## GOVERNANCE, RISK AND COMPLIANCE DIVISION

HSC applies the three-line-of-defense model in risk management. The first line of defense is risk management activities implemented by businesses and departments, the second line of defense is the Risk Management department under the GRC division and the third line of defense is the Internal Audit department.

In this model and HSC's approach, risk management is the responsibility of all employees rather than a single division. We also believe that segregating of duties and appropriately implementing strict internal control will help HSC achieve its business plans and grow sustainably. Specifically, at the first line of defense, all businesses and divisions are responsible for identifying, assessing and controlling risks in their daily operations through constructing, monitoring and updating risk portfolios of each division. The Managing Directors are responsible for monitoring their respective divisions and for identifying and assessing material risks facing their divisions.

To manage risks, HSC carries out a 4-step process as follows:



### RISK MANAGEMENT ACTIVITIES IN 2022

#### Enhancing the organizational structure and operations of specialized committees

- » HSC has issued and implemented internal regulations on organization and operations of specialized committees including the Risk Management Committee, the Credit Committee, the Investment Committee and the Asset – Liability Committee.
- » These committees have played important roles in deciding and approving business and risk management activities, especially during the times of highly-volatile market in 2022.

#### Developing policies and procedures

- » Develop, update, revise and supplement a number of important policies and procedures including the Company Charter, Regulations on Corporate Governance (approved by the General Meeting of Shareholders on 8 August 2022), Risk Management Policy and Regulations on Information Disclosure.
- » Develop, update, amend and supplement a number of functioning policies and processes.

#### Developing division risk register (DRR)

- » In order to implement the Risk Management Policy, HSC has developed a division risk registers (DRR) for each division. Risk register is the foundation for the divisions to regularly assess, review, and update risks their businesses are facing with. The risk register also specifies the tasks and activities that need to be taken by relevant divisions to control and mitigate risks.
- » Based on division risk registers, HSC has also developed a of the company key risk register the Company is facing with.

#### Compliance inspection, compliance monitoring and risk prevention activities

- » One of HSC's key risk management activities is supervision and inspection of the compliance with laws, policies and procedures of divisions in order to proactively prevent and promptly detect and correct operational and business risks.
- » In 2022, HSC continued to carry out both pre-checks and post-checks based on outcome of risk assessment. High-revenue and high-risk businesses are examined more thoroughly and frequently. Accordingly, two major businesses - margin lending and proprietary investments are focused on inspection and supervision.
- » HSC also carried out various periodic checks (monthly, quarterly, semi-annual, annual) on operations of all divisions. The key areas of the supervision and inspection activities in 2022 were compliances with the securities laws, the stock market regulations and other relevant regulations as well as compliances with internal policies, processes and regulations of the Company.

#### Legal and compliance consultancy

In 2022, the GRC division at HSC conducted nearly 700 consultancy activities including advising departments in drafting and reviewing contracts and documents, guiding departments to deal with specific requests and cases such as: implementing FATCA, disclosing information and preparing dossiers on practicing-certificates, appraisals and disclosing information. HSC also actively contributed ideas to develop and complete the drafts of important legislatives such as the Law on Electronic Transactions, the Law on Anti-Money Laundering, and the Circular on Conditions of Off-shore Borrowings.

## GOVERNANCE, RISK AND COMPLIANCE DIVISION (continued)

### RISK MANAGEMENT PLAN IN 2023

#### Continue to develop and improve policies and procedures

In 2023, HSC plans to continue to review, update and/or develop new policies and procedures to ensure that HSC always fully complies with legal regulations and apply market best practices. In which, there are prominent policies such as: margin lending management policy, treasury management policy, employee's personal dealing policy and information confidentiality policy, etc.

#### Strengthen compliance monitoring, compliance inspection and risk prevention

Continue to strengthen the compliance monitoring, compliance inspection and risk prevention for operations of the Company's major business and departments according to the 4-step process described above, with more focus on high-risk activities. This activity will be carried out based on assessment of the GRC division as well as directions of the Board of Directors (BoD), the Board Risk Management Committee and the Risk Management Committee.

#### Offer more consultancy and improve staff knowledge of regulations and policies.

In 2023, HSC will offer more legal consultancy activities to employees of departments to improve their knowledge of regulations as well as policies and procedures of the Company. This will help departments foster their compliance and their capabilities to control and manage risks at operational levels, assess impacts of new regulations, and review and compare the status of the Company against requirements and regulations in newly issued regulations to ensure that HSC implements and complies with regulatory requirements properly.



## INTERNAL AUDIT

In HSC's the structure of governance, risk management and compliance (GRC), internal audit lies at the third line of defense and the Internal Audit department reports directly to the Board Audit Committee (BAC) under the BoD. The Internal Audit department has been operated independently from the Board of Management (BoM) to ensure the organizational independence and maximise the effectiveness of the internal audit function. Accordingly, the organization and operation of the Internal Audit department are independent from the operations management activities of HSC and internal auditors do not concurrently take any other positions at the Company. Internal audit plan is submitted to the BoD for review and approval and internal audit results are reported directly the BAC.

In 2022, the Internal Audit department conducted various examinations to assess the compliance and risk management of activities across businesses of the Company. In addition, the Internal Audit department actively advised functional departments on implementing recommendations of the previous audits. Audit activities and results in 2022 were reported in detail to the BAC. The conclusion of the Internal Audit department on GRC of HSC in 2022 is as follows:

- » The Company's internal control system has been established and operated effectively and is capable of preventing, detecting and handling risks facing the Company; and
- » The Company's current risk management and governance processes are rigorously designed and highly effective.

In the previous year, the Internal Audit department also developed an audit plan for the period 2023-2025, which was reviewed and approved by the BoD. The audit plan focuses primarily on 5 key areas:



Aligned with the internal audit plan of 2023-2025 approved by the BoD, the Internal Audit department developed a detailed audit plan in 2023 as:

- » Carry out the planned internal audit activities in 2023 as stated in the 3-year audit plan 2023-2025 approved by the BoD.
- » Continue to monitor closely progress of departments in implementing internal audit recommendations stated in the previous audit reports.
- » Coordinate with the Board of Supervisors (BoS) and maintain a regular dialogue with the BoM to supervise the Company's businesses and the implementation of the 2023 business plan approved by the Annual General Meeting of Shareholders.
- » Carry out ad-hoc audits and consulting activities at the request of the BoD, the BAC or the Chief Executive Officer (CEO).
- » Report results of the periodic internal audit to government agencies and/or departments in accordance with relevant laws and regulations.

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A 1000-year-old pine tree reaches for the sky in Kenrokuen Park, Kanazawa, Ishikawa, Japan, in autumn.

HSC has been consistently pursuing sustainable corporate objectives that are aligned with its vision: "To become one of the most admired, trusted, and valued financial institutions and at the same time to be an active contributor to the economy and community in Vietnam".

» SUSTAINABILITY

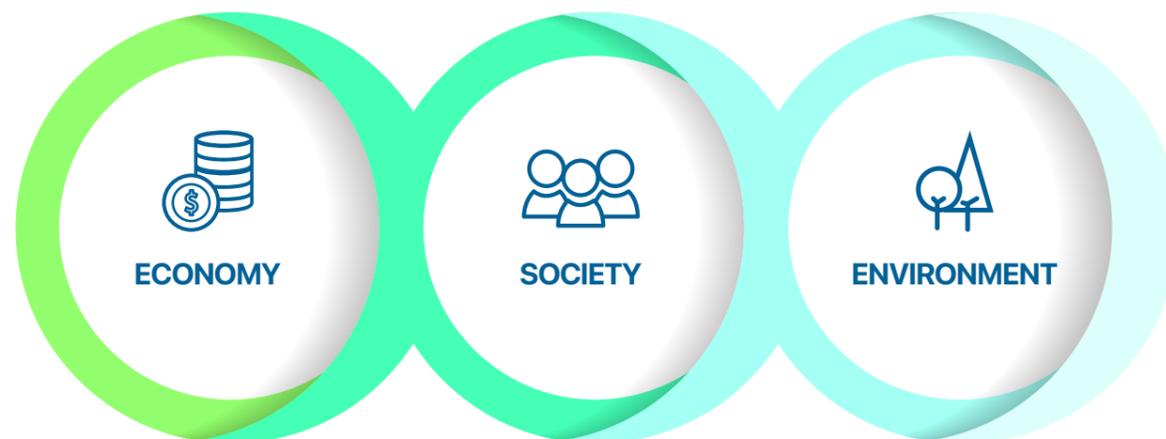
## SUSTAINABILITY REPORT

### INTRODUCTION

#### HSC's sustainable development vision

Since our first day in business, we have always based our business activities on economic, social, and environmental aspects, which are crucial for our long-term sustainable development and success. HSC has been consistently pursuing sustainable corporate objectives that are aligned with our vision: "To become one of the most admired, trusted, and valued financial institutions and at the same time to be an active contributor to the economy and community in Vietnam". HSC's sustainable development model is built on our mission to deliver positive impacts to stakeholders in three areas: **Economy, Society and Environment**.

In 2022, HSC continued to develop the Integrated Sustainability Report with reference to the most updated Core option of the Standards of Sustainability Reporting Guidelines of Global Reporting Initiatives (GRI). HSC's approach is to proactively identify important matters to its sustainable development and cooperate with relevant stakeholders to address the matters



#### HSC's sustainable development model

We build our sustainable development model upon the ultimate goal of delivering positive impacts to stakeholders in three areas: **Economy, Society, and Environment**. That goal will guide our efforts in the sustainable development path, including determining roles, responsibilities, and actions to be taken.

#### HSC's sustainable development model

|  |  |
|--|--|
| <b>Positive Impacts ECONOMY</b>                            | <ul style="list-style-type: none"> <li>» To pursue stable and sustainable growth, thereby contributing positively to the state budget.</li> <li>» To ensure and increase employee income and benefits.</li> <li>» To enhance shareholder value through a stable dividend policy.</li> <li>» To implement effective operational and financial risk mitigation strategies to help the Company and its clients prevent financial losses.</li> <li>» To apply the highest international practices in corporate governance and information disclosure to ensure transparency to all stakeholders.</li> <li>» To proactively contribute to the development of the capital markets such as in terms of development and enhancement of legal framework and new product.</li> </ul>   |
| <b>Positive Impacts SOCIETY</b>                            | <ul style="list-style-type: none"> <li>» To create jobs and ensure stable income for employees.</li> <li>» To continually invest in human resources to make positive contributions to the development of the Company and community.</li> <li>» To consistently pursue the "client-centricity" philosophy to develop new products, services and systems to meet all client needs.</li> <li>» To constantly improve the quality of services to enhance client satisfaction and trust.</li> <li>» To actively carry out social responsibility activities primarily through long-term educational development initiatives.</li> <li>» To strictly comply with regulations and guiding documents from the authorities, fulfill all tax obligations, and actively contribute to the development of a civilized society.</li> </ul> |
| <b>Positive Impacts ENVIRONMENT</b>                        | <ul style="list-style-type: none"> <li>» To build a green and clean working environment to minimize energy consumption and disposal in daily operations.</li> <li>» To positively participate in environmental protection initiatives through impactful communication and uses of environmental-friendly products.</li> </ul>  |
| <b>HSC's Sustainable Corporate Governance Model</b>        |  |
| <b>The Board of Directors</b>                              | <ul style="list-style-type: none"> <li>» Set strategic guidance on sustainable development of the Company.</li> <li>» Approve goals and action plans.</li> </ul>   |
| <b>Chief Executive Officer and the Board of Management</b> | <ul style="list-style-type: none"> <li>» Set and submit sustainable development plans and targets to the BoD for approval.</li> <li>» Communicate sustainable development strategies, goals and action plans to all employees.</li> <li>» Assign tasks to divisions and departments in accordance with their roles and responsibilities.</li> <li>» Closely monitor to ensure all plans are implemented and all goals are achieved.</li> <li>» Provide necessary supports and guidance to help divisions and departments accomplish their tasks in a timely manner.</li> <li>» Report to the BoD progress and results of the sustainable development plans.</li> </ul>   |
| <b>Business divisions and departments</b>                  | <ul style="list-style-type: none"> <li>» Carry out the sustainable development action plans in accordance with their assigned roles and responsibilities.</li> <li>» Perform daily tasks stated in HSC' sustainable development plans.</li> <li>» Actively contribute initiatives to improve the sustainable development plans.</li> </ul>   |

## SUSTAINABILITY REPORT (continued)

### REPORT ON SUSTAINABLE DEVELOPMENT ACTIVITIES OF HSC IN 2022

#### Stakeholders and objectives of HSC's sustainable development plan

HSC's long-term goal is to have a broad and intensive impact on the economy, society, and environment. In line with this objective, our sustainable development plan for 2022 identifies specific stakeholder groups and sets corresponding objectives for our activities. Specifically:

| Stakeholders                      | Objectives of HSC's sustainable development activities  |
|-----------------------------------|---|
| <b>Clients</b>                    | Offering our clients the best client services and experiences by improving trading platform and features<br>Creating values to our clients by developing and offering them high-quality financial products and services<br>Helping our clients improve their financial literacy and investment skills through courses on wealth management and securities investments<br>Offering our clients opportunities to connect with corporates through hosting regular online events with top management of leading companies in Vietnam. |
| <b>Employees</b>                  | Creating a professional working environment that promote sustainable development<br>Offering employees competitive compensation and attractive benefits to help them prosper at the workplace and in life.<br>Nurturing and developing our talent<br>Attracting top talent for business development.  |
| <b>Shareholders and investors</b> | Pursuing stable and sustainable growth<br>Treating shareholders equally and ensuring their rights<br>Being transparent in information disclosure  |
| <b>Community</b>                  | Creating stable jobs to support economic development<br>Implementing corporate social responsibility plan through educational and philanthropy activities<br>Participating actively in campaigns against Covid-19   |
| <b>Authorities</b>                | Complying with all applicable laws, regulations and guidelines<br>Fulfilling obligation and responsibilities to the state budget<br>Contributing ideas and providing technology support to develop the capital markets in Vietnam.  |

### CONTENT OF SUSTAINABLE DEVELOPMENT REPORT

#### Client - Enhancing values offered to clients

HSC believes that providing a better service experience is a prerequisite to retain clients and enhance the Company's reputation, thereby creating a successful and sustainable business model.

In 2022, HSC continued to offer more values and benefits to our clients. Particularly, we invested in technology infrastructure and offered preferential service packages as well as courses to help our clients enhance their investment knowledge and skills.

#### Enhancing features in the trading platform

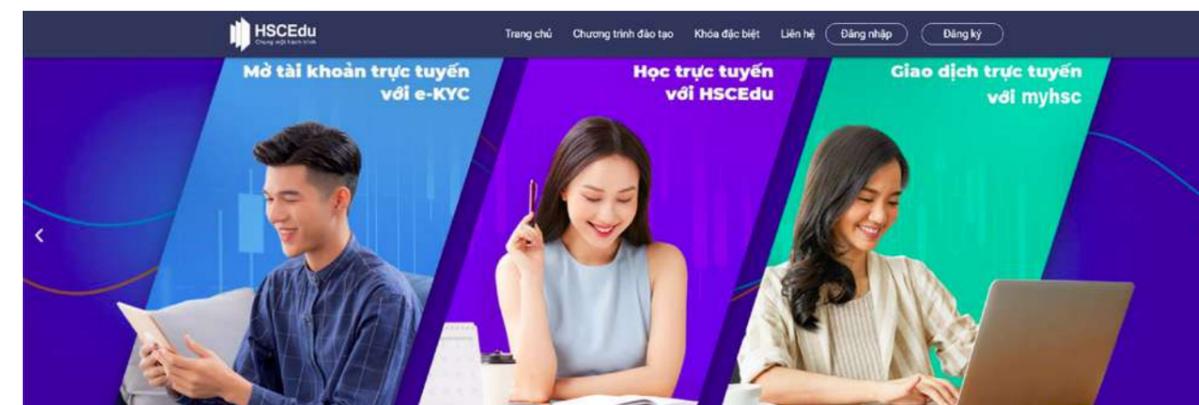
Last year, HSC made strong efforts to enhance our trading systems. We upgraded myHSC trading platform on both web and mobile versions by adding various advance features, renovating user interface designs, improving order processing speed to further enhance user experience.

In order to make it easier for customers to access the stock market, HSC also simplified the online account opening process and improved the ekyc process to help clients open online accounts faster and more securely. The process for opening accounts at the counter was also streamlined, reducing the processing time from 20 minutes to 10 minutes.

#### Offering more values to clients

HSC launched many preferential service fee packages and accompanying programs such as choosing personalized account number to attract clients. At the same time, HSC continuously updated and refreshed training courses on the HSCedu platform - An online securities investing training platform developed by HSC. These courses are designed with a beginner to advanced learning roadmap to suit different clients who have different levels of knowledge and skills on investments. The courses are also regularly updated to better reflect market conditions. In addition, HSC also offers other courses via Zoom platform such as Capital Management, Mastering Trading Techniques....to help participants gain valuable knowledge about personal finance and wealth management.

HSC continued to diversify the channels in which we receive clients' inquires and provide them feedback and consultations. These channels include: "Chứng khoán HSC" page on Facebook, "Nhận định thị trường", "Điểm nhấn thị trường", "Trưa nay ăn gì"... YouTube livestream, "Trước giờ đón sóng" Podcast, "Café sáng" Newsletters and a dedicated client service team who are available 24/7. We pay high attention to quality and timeliness of our consultations as we believe that helps enhance our client success in investing. With the dedication and efforts in serving clients, HSC continued to gain more trust and support from our clients.



**SUSTAINABILITY REPORT (continued)**

**REPORT ON SUSTAINABLE DEVELOPMENT ACTIVITIES OF HSC IN 2022 (continued)**

**Client - Enhancing values offered to clients (continued)**

**Bridging the gap between retail investors and corporates**

We deeply understand that many retail investors face certain difficulties when investing including lack of insightful information about industries and companies. Therefore, we have held monthly Connecting to Customers (C2C) seminars to connect retail investors with our research professionals and senior executives from leading companies. In 2022, HSC held 10 C2C seminars on leading companies such as VHM, VIB, DGW, FPT, MSN, GMD... with more than 8,200 investors participated. We believe the seminars have helped break the barriers between retail investors and corporates and also improve transparency of the stock market.



For institutional clients, HSC organizes the annual Emerging Vietnam event, aimed at connecting leading Vietnamese companies with the international investment community. The event is highly appreciated for providing valuable, innovative, and updated information across various sectors of the economy, and serves as a gathering place for a dynamic community of institutional investors seeking opportunities in Vietnam's promising market. After two years of being held virtually due to the Covid-19 pandemic, the 2022 Emerging Vietnam event returned in-person with the theme "A new tiger rises". It attracted nearly 40 companies and almost 500 investors from 10 countries and territories.



**Investor education**

Through many years serving clients, we realize that it is critical for retail investors to have right mindset and strategy to be successful in investing. Besides, client success is also our success. Therefore, we set a goal of helping our clients acquire necessary knowledge and develop sound strategies so that they can cope with market fluctuations and succeed in investing. Accordingly, in 2022, HSC sponsored 10 live broadcasts of Financial Freedom - MoneyTalk on VTV Digital platforms covering various important topics including financial health, personal financial planning, investments and mindsets of successful investors. The MoneyTalk shows with the participation of HSC was well received by retail investor community as evidenced by high number of views and positive reviews.



**Employee: Enhancing values to our people**

2022 was a year full of difficulties and challenges for the global economy in general and the Vietnamese economy in particular. The sharp declines of the VNIndex and market liquidity substantially impacted companies in the securities industry, including HSC. However, with a solid foundation, a resilient business model, and the efforts of all employees, HSC still maintained stable and efficient operations while ensuring income and benefits for all employees.

Furthermore, last year, the BoD comprehensively reviewed and adjusted salaries and benefits of employees to promote their engagement and enhance HSC's competitiveness in the labor market. This once again demonstrates HSC's commitment to implementing the defined value proposition for employees – "Work-Life Balance and Prosperity" – and solidifying HSC's image as the "Best Place to Work" in the financial industry, in particular, and in the Vietnamese labor market, in general.

## SUSTAINABILITY REPORT (continued)

### REPORT ON SUSTAINABLE DEVELOPMENT ACTIVITIES OF HSC IN 2022 (continued)

#### Employee: Enhancing values to our people (continued)

HSC's non-stop efforts in building a professional and sustainable working environment and in developing talent have been rewarded by high employee satisfaction and the company's position in the labor market. Specifically, the 2022 annual HR service quality survey conducted by the Human Resources (HR) department, with the participation of 70% of employees, showed that more than 88% of the employees participating in the survey were satisfied with HSC's working environment and HR services. Also, in the past year, HSC was honored to receive the award **"Top 50 Most Attractive Employer Brands - Corporate"**.

| Salary and other employee-related expenses (VND million)         | 2022           | 2021           | 2020           | 2019           |
|--|----------------|----------------|----------------|----------------|
| Salaries   | 223,426        | 200,592        | 174,180        | 168,939        |
| Social and health insurances and trade union fees                | 26,100         | 24,233         | 23,310         | 23,056         |
| Bonuses and other employees-related costs                        | 336,322        | 365,016        | 164,069        | 106,258        |
| Covid-19 financial supports to employees and other related costs | 6,794          | 2,733          | -              | -              |
| <b>Total</b>   | <b>592,642</b> | <b>592,574</b> | <b>361,560</b> | <b>298,253</b> |

#### Training and Developing Talent

High-quality human resources play a central role in HSC's business model and success. Therefore, nurturing and developing human resources have long been an important goal in the company's long-term development strategy. In 2022, HSC continued this pursuit despite difficulties in the economy and the securities services industry.

In terms of training, in 2022, the HR department completed converting HSC E-learning system to HSC Education to systemize training processes for new employees and to serve the needs of learning and improving knowledge and skills of all employees. The database is regularly supplemented and updated and as of now includes 514 video clips and 135 training materials. In last year, the system recorded 10,244 visits, helping 85% of newly-hired employees complete orientation training and existing employees improve their professional skills and knowledge and to update new policies and regulations. In addition, the Human Resources division also successfully organized 16 securities training classes to help 59 employees complete training courses and exams on securities professional certifications and 42 employees take the final exam on securities practicing certification. This effort contributes to enhancing employees' awareness and capabilities in managing operational risks to ensure that the Company's operations are in compliance with laws and regulations of the SSC and to retaining client trust.

#### HSC EDUCATION

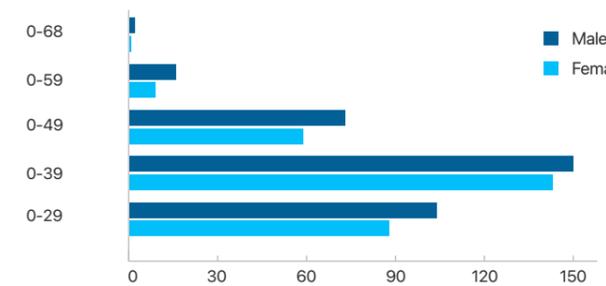
**10,244** VISITS

**514** VIDEOS

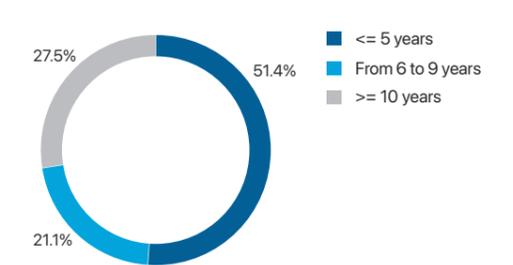
**135** DOCUMENTS

Besides, we believe that accurately assessing and recognizing employee performances are highly important in human resources management. Therefore, in 2022, the HR department upgraded the employee performance appraisal method (EPM) by linking the goals and performances of each individual and division/department with the overall development plan and results of the company. That is the foundation of HSC's talent assessment and development programs.

#### Employees by Gender



#### Length of service ratio



#### Talent acquisition

In the context of an increasingly competitive labor market, retaining high quality human resources is always our top priority. Therefore, we developed the recruitment message **"Engage your values to flourish - Aligning values for success"** to effectively promote the culture and working environment of HSC to potential candidates. The number of visits to HSC's recruitment site increased remarkably by 639% YoY and the number of followers on HSC's career page on LinkedIn increased by 310% YoY. That helped HSC achieve 88% of its new recruitment plan in 2022. Going forward, we will continue to apply digital technologies to talent acquisition and recruitment brand development to diversify sources of candidates and to optimize recruitment costs.



## SUSTAINABILITY REPORT (continued)

### REPORT ON SUSTAINABLE DEVELOPMENT ACTIVITIES OF HSC IN 2022 (continued)

#### Shareholders – Maximize shareholder values

##### Maintain the economic interests of shareholders

As at 31 December 2022, HSC had 23,986 shareholders, of which 150 were institutional investors and 23,836 were individual investors. Since listing in 2009, HSC has always maintained a cash dividend payout equivalent ratio of 50%. With 2022 dividends, HSC advanced the first cash dividend of 2.5% of par value on 08 February 2023 that was in line with dividend payment schedule stated in the BoD Resolution No. 32/2022/NQ-HDQT dated 29 December 2022. Based on HSC's actual performance in 2022 and HSC's dividend policy, the BoD will propose the second dividend payment for the approval of the FY2022 AGM. This reaffirms HSC's efforts in creating shareholder value through stable dividend income. In addition, we will continue to solidify our strengths to further increase HSC's intrinsic value. At the same time, we will also provide transparent information to shareholders and investors adequately and timely to help them determine the intrinsic value of HSC properly.

##### Equitable treatment of shareholders and protection of shareholders' rights

At HSC, Investor Relations (IR) activities are standardized. HSC devotes a considerable amount of resources to Investor Relations activities to ensure the rights and interests of shareholders as well as the equality among shareholders. HSC's Investor Relations activities are in charged by the Communications department. Through the General Meeting of Shareholders and Annual Report, HSC's shareholders are fully informed about HSC's business results and all strategic developments of the Company.

Other rights of shareholders such as the rights to participate and vote at the General Meeting of Shareholders, to elect and remove members of the Board of Directors and to vote in absentia are always guaranteed. The number of votes corresponds to the number of shares that shareholders own. The Company's charter and internal governance regulations have clear provisions on equal treatment of shareholders and no preference for any shareholders. Shareholders are given the number of votes in accordance with the number of shares they own.



##### Transparent disclosure of information and proactive engagement with investors

Transparent and timely disclosure of information is HSC's top priority to ensure shareholders' rights and interests. HSC has a complete, accurate, and timely information disclosure process that strictly complies with Circular 96/2020/TT-BTC of the Ministry of Finance. Information is published in both Vietnamese and English on the websites of the Ho Chi Minh City Stock Exchange, the State Securities Commission, HSC, and other media to ensure equal access to corporate information among all local and foreign shareholders.

As HSC has a large number of shareholders and many of them are foreign investors, the FY2021 General Meeting of Shareholders of HSC was held virtually to help both local and foreign shareholders to participate, engage with the presidium and vote at the AGM conveniently and transparently. In addition to the AGM, HSC organizes quarterly online earnings calls to update business performances and to address questions of investors and media. All information and quarterly business result announcements are available in both English and Vietnamese and are sent to each shareholder via email in a timely manner.



## SUSTAINABILITY REPORT (continued)

### REPORT ON SUSTAINABLE DEVELOPMENT ACTIVITIES OF HSC IN 2022 (continued)

#### Community – To promote social corporate responsibility through actively and meaningfully contributing to community development

Throughout 20 years of development in Vietnam, we have consistently delivered on our commitment to supporting the community. This reflects our sustainable development strategy and ESG policy, in which we systematize and strengthen the relationship between HSC and investors, clients, communities, employees, and other stakeholders. Accordingly, the community development program is based on pillars including transparent and compliant finance, stable growth, equity and diversity, inclusive welfare, and sustainable community.

2020-2022 was a special period in HSC’s social corporate responsibility journey, and our achievements in the period reflect our motto of “Contributing value - Touching life”

#### HSC accompanied the Government and compatriots to overcome the Covid-19 Pandemic

HSC continued to make financial donations to the Covid-19 Vaccine Fund to help fight the pandemic. Particularly, HSC, in conjunction with Dragon Capital Group, donated VND50 billion to the Covid-19 vaccine fund. At the same time, responding to the call of SSC, together with organizations and individuals in the securities industry, to contribute VND 2,5 billion to the fund. HSC also actively supported Ho Chi Minh City to strengthen its health care resources. In July 2021, HSC awarded 3 ambulances with a total value of VND7.5 billion to enhance the capacity of public healthcare sector of the city.



#### HSC people unite and persistently join hands for the community

In 2022, HSC organized 38 philanthropy events across provinces in Vietnam such as Ho Chi Minh City, Ben Tre, Tien Giang, Dong Nai, Lam Dong, Dak Lak, Dak Nong, Ca Mau, etc. In those events, the team visited and gifted to orphanages, which are taking care of and raising disadvantaged children.

Besides, HSC has been helping children in disadvantaged provinces access education because we believe it is the most effective way for them to have bright futures. Over the past years, HSC gifted good, pre-owned computers to schools in various poor provinces to offer children in those provinces opportunities to acquire knowledge through the internet and develop information technology skills.

HSC will continue to organize, make financial contributions and actively participate in social activities to genuinely contribute the most practical values to the development of Vietnam.



## SUSTAINABILITY REPORT (continued)

### REPORT ON SUSTAINABLE DEVELOPMENT ACTIVITIES OF HSC IN 2022 (continued)

#### Authorities - strictly comply and positively contribute

##### Adherence to laws, regulations and instructions set forth by the authorities

Compliance with all applicable laws and regulations is embedded in HSC's culture to comply with socio-economic laws and regulations including operation disruption, financial penalty and reputation damage, which will lead to unsustainable development. Therefore, HSC's BoD and BoM pay special attention to this matter and accordingly any legal risks due to intentional violation will not be tolerated.

##### Contribution to the state budget

HSC has strong commitment to fulfilling financial obligations to the State as we believe that contributes to the development and stable growth of the Vietnamese economy and society. In last year, HSC made total contribution to the state budget of VND785 billion, including contributions from corporate income tax and individual income tax on dividend advanced to investors. HSC's position in the V1000, the list of top 1,000 corporate income tax contributors in Vietnam, has been higher year by year primarily because of our greater contributions. Particularly in 2021, HSC was ranked 116th amongst the largest contributors to the state budget.

**CORPORATE TAX**  
**785** VND BILLION

**HSC'S RANKING**  
**116<sup>th</sup>** V1000 LIST  
IN 2021

##### Contributing solutions, providing technology supports and sponsoring HOSE's trading system

Back in late 2020, securities companies faced serious overload issues that significantly slowed down order processing speed. To solve the issue, the Ministry of Finance assigned the SSC and related units to urgently find technical solutions. After only three months, the new transaction system developed by FPT Corporation was successfully implemented on 05 July 2021. The system has a higher capacity of 3 to 5 times than the previous one and has been operating smoothly since then. HSC is honored to be one of the six members of the working group that coordinated with HOSE to develop and implement the system and has partially sponsored the operational costs of the system over the last two years.



## REPORT OF THE BOARD OF DIRECTORS

### THE BOARD OF DIRECTORS' EVALUATION OF OPERATIONS OF HSC IN 2022

#### The Board of Directors' evaluation of operations and business results of HSC in 2022

##### Business results of HSC in 2022

With a solid foundation, sustainable development mindset and strict risk management policy, HSC was able to weather the challenging year 2022 to continue affirming its position as a leading and most trusted financial institution in the securities industry in Vietnam. In last year, HSC achieved VND2,854 billion in revenue and VND1,068 billion in profit before tax, down by 15% and 25% respectively YoY. Although HSC only achieved 71% of the profit guidance set by the Annual General Meeting of Shareholders (AGM), the result was considered an encouraging performance given the turbulences of the stock market in 2022.

| Business results (VND billion) | 2022  | 2021  | % Change | 2022 Plan | % Completion |
|--------------------------------|-------|-------|----------|-----------|--------------|
| Revenue                        | 2,854 | 3,368 | -15%     | 3,593     | 79%          |
| Profit before tax              | 1,068 | 1,430 | -25%     | 1,502     | 71%          |
| Profit after tax               | 852   | 1,147 | -26%     | 1,202     | 71%          |

#### The Board of Directors' evaluation of performances of the Chief Executive Officer and the Board of Management

In 2022, the BoD maintained close supervision of activities of the Chief Executive Officer (CEO) and the BoM in implementing resolutions of the AGM and the BoD with details as follows:

##### Method of supervision

The BoD and the BoS closely coordinated with committees under the BoD to monitor HSC's business operations so that the Board could timely support the CEO and BoM in implementing corporate plans and fulfilling their assigned responsibilities.

The BoD issued resolutions after each periodic and extraordinary meeting to approve quarterly, semi-annually, and annually business results and other matters under the BoD's authorization. At the same time, based on their assessments of the stock market and economic conditions, members of the BoD reviewed and made important recommendations to business plans for upcoming quarters. Throughout the year, the BoD worked closely with the CEO and the BoM, especially on important business matters and that collaborative approach allowed HSC to make necessary adjustments to its business plans in a timely manner and accordingly achieve its business targets.

##### Conclusion

In accordance with HSC's Charter, policies and procedures, the BoD authorized the CEO and BoM to manage daily operations of HSC and pursue strategic developments that are aligned with business plans approved by the BoD and the AGM. Through the mechanism of supervising, inspecting and reporting, on both regular and ad-hoc basis, the BoD concluded that the CEO and the BoM prudently and professionally exercised their rights and duties with high level of integrity and strict compliance with relevant laws as well as the Company's Charter and AGM resolutions. In 2022, the CEO and BoM made their best efforts and implemented a prudent business strategy amid the turbulences of the stock market. Although HSC only achieved 71% of the profit target approved by the AGM, that is a strong performance compared to those of other companies in the industry. In addition, the CEO and BoM continued to perform well in building a professional working environment and corporate culture towards sustainable development and in enhancing corporate governance, risk management and control.

## SUSTAINABILITY REPORT (continued)

### THE BOARD OF DIRECTORS' EVALUATION OF OPERATIONS OF HSC IN 2022 (continued)

#### Vision and Strategic Plans of the Board of Directors

In 2023, the Vietnamese economy and stock market will continue to face substantial challenges. The US Federal Reserve (Fed) is resolute in pursuing restrictive monetary policy to control inflation and that will subsequently weigh on currency exchange and interest rate in Vietnam. Geopolitical tensions including the Russia-Ukraine war have yet showed sign of easing. Besides, the domestic corporate bond market still holds considerable risks to investors.

However, there are positive factors that support the domestic economy and stock market in 2023 including:

- » The Government's strong push to public investment acceleration, the on-going recovery of the tourism sector and incremental contributions of FDI projects disbursed in the last few years to exports are important factors that will support the Vietnamese economy in 2023. Besides, the Government has also considered various solutions to support the corporate bond market.
- » The Law on Securities and its guiding documents will continue to be reviewed in order to resolve obstacles and difficulties to improve conditions and governance of the capital markets. That will help facilitate corporates in raising capital and protect investors' rights and interests.
- » The KRX trading system is expected to be operational at the end of 2023. The system will facilitate the developments of new trading solutions and investment products and the implementation of the central clearing counterparty (CCP) mechanism, which help the Vietnamese stock market move closer to the current global practices. That is a "plus point" for Vietnam's efforts in upgrading the stock market to emerging market status.
- » The secondary trading system for corporate bonds issued via private placements is expected to come online in mid-2023. This solution will help improve the transparency of the corporate bond market and restore investor confidence.
- » Futures products for indices other than the VN30 index will continue to be developed and to investors more investment options.
- » The Government and regulatory agencies will continue to closely supervise the stock market to enhance its governance.

Based on the identified risks and opportunities, the BoD will focus on the following activities in 2023:

- » Continue to solidify the core strengths including human resources to constantly improve HSC's competitiveness and its ability to capture market opportunities.
- » Accelerate the digital transformation progress and apply advanced technology to processes and products to digitize all activities of the Company. The ultimate goal is to build a business development strategy that leverages digital transformation - the development trend that is expected to emerge in the stock market in the near future.
- » Provide innovative solutions and investment products to further enhance the current product and service portfolio to offer clients exceptional experiences.
- » Improve corporate governance and risk management. Enhance the capabilities and roles of the committees under the BoD and independent members of the BoD.
- » Develop a social responsibility plan to improve the effectiveness of these activities so that HSC could continue to make meaningful contributions and positive spill-over effect to the community.

### CORPORATE GOVERNANCE IN 2022

From day one, we have considered good corporate governance the foundation for our sustainable development strategy and our efforts to enhance HSC's competitive advantages. Therefore, our operational guideline is to apply global best standards and practices to develop a sound corporate governance system. We believe that good corporate governance will help us build trust with customers, shareholders, employees and other stakeholders to solidify HSC's leading position in the capital markets in Vietnam.

#### The roles and responsibilities of the Board of Directors

The BoD is the governing body of the Company and has full authority to act on behalf of the Company to exercise its rights and obligations, which are not under the authority of the Company's Annual General Meetings of Shareholders. The BoD is responsible for monitoring HSC's operations to ensure that the Company complies with all applicable laws and the Company's Charter, as well as internal regulations, and to ensure the rights of its shareholders and other stakeholders.

Accordingly, the major roles of the BoD are:



In 2022, the BoD worked alongside with the BoM to help HSC overcome difficulties and turbulences of the economy and the stock market. The BoD and the BoM regularly assessed the market situation to devise appropriate business strategies and adjust risk appetite to suit market conditions. Specifically, HSC pursued a prudent business plan and adhered to its strict risk management and that helped the Company successfully weather the challenges and achieve good business results in last year.

#### Responsibilities of the Board of Directors

The BoD is responsible for developing and ensuring that the best corporate governance standards are applied consistently and throughout all activities of the Company. The BoD has and will continue to monitor the implementation of the best corporate governance standards stipulated in the "Code of Best Practices of Corporate Governance" from the highest management level i.e. the BoD and the BoM, to each employee.

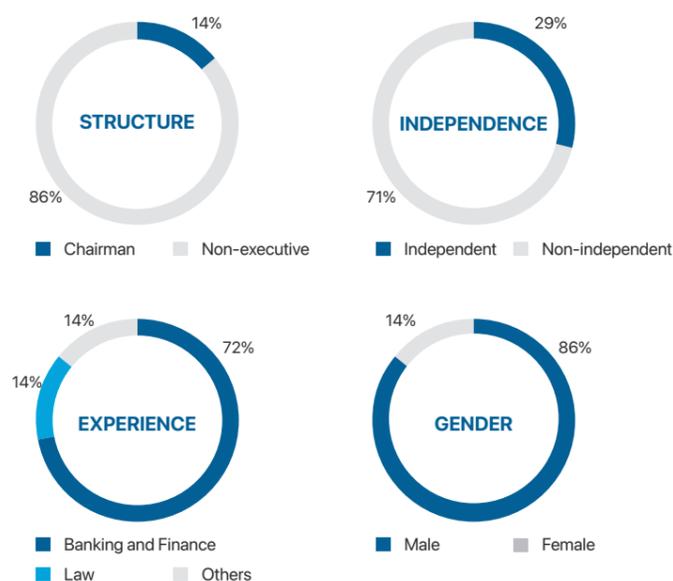
## SUSTAINABILITY REPORT (continued)

### CORPORATE GOVERNANCE IN 2022 (continued)

#### Structure and members of the Board of Directors

The BoD for term V (2021 - 2025) is comprised of 7 members including the Chairman, 1 Vice Chairman, 2 independent members and 3 non-executive members. HSC applies the corporate governance model that has a board of supervisors.

HSC's current BoD structure has a good balance amongst members who have skills, knowledge and experiences in finance, securities, law, leadership and governance. The structure also ensures that all members of the BoD are non-executive members, and the percentage of independent members is in compliance with current regulations.



#### Independent members and non-executive members of the Board of Directors

##### Assessing the independence of independent members of the Board of Directors

In assessing the independence of a BoD member, we consider not only factors including competence, experience, ethics and the level of understanding on the Company's businesses and operations but also the integrity, objectivity, determination and the commitment to always act in the best interests of the Company of the member. We also consider the member's ability to make right decisions to protect the legitimate interests of shareholders, especially minority shareholders.

The two independent members of the BoD of HSC are veterans in the banking and securities industries, in both domestic and international markets. Since joining the BoD, the two independent members have collaborated closely with the other members of the BoD, members of the BoS and members of the BoM and actively made meaningful contributions to strategic decisions of HSC. Particularly in 2022, with their skills and experiences, the independent members made significant contributions to strategic directions and risk management activities to help HSC proactively respond and overcome difficulties and manage risks effectively.

##### Assessing the independence of the non-executive members of the Board of Directors

The non-executive members of HSC's BoD are representatives of 2 major shareholders: Ho Chi Minh City Finance and Investment State-owned Company (HFIC) and the strategic investor, Dragon Capital Markets Limited (DC). Assessing the independence of non-executive BoD members of HSC is based on their capabilities, knowledge and experience on law, corporate finance, and the capital markets, as well as on their soft skills and personalities. Since joining the Board, the non-executive members have always contributed ideas and made decisions from independent and unbiased perspectives. Although they have dual roles and dual responsibilities, they have been able to separate these roles when making relevant and important management decisions and successfully accomplish their duties.

#### Separation of Chairman and CEO roles

The separation of the roles of Chairman and CEO at HSC reflects the independence and a clear segregation of duties between the BoD and the BoM. That is to ensure a balance of authority in decision-making and to enhance accountability and governance. The authorities and duties of the Chairman and the CEO are clearly stated in the Company's Charter.

The current Chairman is used to be the CEO of the Company in the period from 2007 to 2020. He was appointed the Chairman for the term V (2021-2025).

#### Overall Assessment on the Effectiveness of the BoD

In 2022, the BoD continued to make great efforts to improve HSC's corporate governance which is aligned with current regulations and global best practices. Particularly:

- » Maintained regular activities in accordance with the Company's Charter, ensuring that regular meetings were held and that all BoD members attended the meetings to increase productivity and to meet legal requirements;
- » Clearly defined the roles of each BoD member and to ensure that the BoD worked for the best interests of all shareholders including minor shareholders;
- » Supervised the implementation of the BoD' decisions and AGM resolutions; and
- » Supervised activities of committees under the BoD to ensure compliance with laws and the Company's Charter and internal policies and regulations.

#### Meetings of the Board of Directors

##### Meetings of the Boards of Directors

Members of the BoD are responsible for attending all meetings of the Board. In the situation that a member cannot attend a meeting, the member must send a notice to the BoD clearly stating the reason of absence and may authorize another member of the Board or another person to attend.

Meeting notice and agenda must be sent to all members of the BoD via emails at least 15 days before the meeting date and meeting documents must be circulated at least 7 days before the meeting date. For meetings that are to collect opinions of members of the BoD in writing via email, content of opinion collection must be presented in detail in proposals and the time required for members of the BoD to provide their opinions is no later than 7 days after the proposals were sent to the members.

Minutes of the meetings were sent to all members of the BoD for their records of all matters discussed and decisions made in the meetings. The minutes were also sent to all members of the BoS. In order to prevent possible conflicts of interest between members of the BoD and/or the members' related parties and the Company, members of the BoD are not allowed to vote on the content in which they and or their related parties have interests.

In 2022, the BoD held 33 meetings, of which 4 regular meetings, 20 extraordinary meetings and the remaining meetings were in the form of written opinions.

| Position              | BoD Member           | Date of appointment | Meetings |               |                 |       | % meeting attended |
|-----------------------|----------------------|---------------------|----------|---------------|-----------------|-------|--------------------|
|                       |                      |                     | Regular  | Extraordinary | Written ballots | Total |                    |
| Chairman              | Johan Nyvene         | 22/04/2021          | 04       | 17 (*)        | 09              | 30/33 | 90%                |
| Vice chairman         | Le Anh Minh          | 22/04/2021          | 04       | 20            | 09              | 33/33 | 100%               |
| Non-executive members | Le Hoang Anh         | 22/04/2021          | 04       | 20            | 09              | 33/33 | 100%               |
|                       | Nguyen Hong Van      | 22/04/2021          | 04       | 20            | 09              | 33/33 | 100%               |
|                       | Tran Quoc Tu         | 22/04/2021          | 04       | 20            | 09              | 33/33 | 100%               |
| Independent members   | Nguyen Thi Hoang Lan | 22/04/2021          | 04       | 20            | 09              | 33/33 | 100%               |
|                       | Andrew Colin Vallis  | 22/04/2021          | 04       | 16 (*)        | 09              | 29/33 | 86%                |

(\*) Taking annual leave and authorized the Vice chairman to chair and vote at the meeting.

## SUSTAINABILITY REPORT (continued)

### CORPORATE GOVERNANCE IN 2022 (continued)

#### Meetings of the Board of Directors (continued)

In the meetings, the BoD approved quarterly, six-month and full-year business results, analyzed market conditions, reviewed strategic plans for the next quarters and approved other matters under its authority to ensure that the Company's businesses are managed properly. Usually at the first meeting of a year, the BoD discusses macroeconomic conditions and the local and global stock market outlooks, thereby reviewing the feasibility of the Company's business plan and targets for the year. At the last meeting of a year, the BoD finalizes dates of meetings in the upcoming year to accommodate schedules of all BoD members.

The BoD fulfilled its commitment and responsibilities as all members participated in all BoD meetings and made important decisions in 2022. A BoD resolution was only ratified if more than half of the members of the Board voted for it.

#### Key activities of the Board of Directors in 2022

| Roles of the Board                     | Activities of the Board of Directors in 2022  |
|--|---|
| <b>Finance</b>                         |   |
| Financial performance supervision      | Reviewed and approved actual financial performances of 4Q 2021, FY2021, 1Q 2022, 2Q 2022 and 3Q 2022  |
| Bank loan monitoring                   | Approved credit limits at banks   |
| Share issuance                         | Agreed in principle the plan to issue shares to existing shareholders, the plan to pay dividend in form of shares and the employee stock ownership plan. Authorized the BoM to develop a submit detailed plans to the FY2021 AGM for approval.<br><br>Approved the dossier and implemented the plans to issue shares to existing shareholders and pay dividend in form of shares as approved by the AGM.  |
| Cover warrant issuance                 | Approved the issuance of covered warrants   |
| Dividend                               | Approved the second payment of cash dividend of FY2021 and first advance of cash dividend of FY2022   |
| <b>Risk management</b>                 |   |
| Charter and regulations                | Approved the Regulation on Operations of the Investment Committee, the Regulation on Operations of the Credit Committee and the Regulation on Operations of the Asset Liability Committee.<br><br>Agreed to submit the draft of the Company's Charter, the Internal Regulation on Corporate Governance, the Regulation on Organization and Operation of the BoD and the Regulation on Organization and Operation of BoS to the FY2021 AGM for approval. |
| Contracts and transactions             | Approved in principle for the BoM to sign contracts and execute transactions that are expected occur in 2022 between the Company and related parties.<br><br>Approved the signing of a legal consultancy contract with Vision and Associates Company Ltd, which is owned the head of HSC's BoS.   |
| <b>Corporate governance</b>            |   |
| Annual General Meeting of Shareholders | Decided to postpone the FY2021 AGM, which was previously scheduled at 21 April 2022 and 20 June 2022<br>Approved time, venue and agenda of FY2021 AGM.  |

### Remuneration of the Board of Directors and the Board of Supervisor

#### Detailed remuneration and operating expenses of the BoD and BoS in 2022

| Content   | VND            |
|---|----------------|
| Operating budget of the BoD and the BoS in 2022 | 17,205,935,716 |
| Operating expenses of the BoD and the BoS       | 17,205,935,716 |
| Remuneration of the BoD (*)                     | 4,608,205,129  |
| Remuneration of the BoS (*)                     | 1,146,666,667  |
| Bonuses of the BoD and the BoS                  | 0              |
| Other operating expenses                        | 11,451,063,920 |

#### Other benefits for BoD members

Members of the BoD and BoS are entitled to management liability insurance and travel expenses and allowances. Health check-ups, car and phone allowances and other benefits and allowances according to the Company's policy are only offered to the Chairman of the BoD.

#### Participation by the BoD members in corporate governance programs

New members of the BoD and the BoS members elected at the AGM FY2020 will attend the "Corporate Governance" course in the near future.

#### Committees under the Board of Directors

The BoD established 3 sub-committees directly under the BoD: the Risk Management Committee, the Internal Audit Committee and the Nomination - Remuneration Committee.

The committees are responsible for advising and supporting the BoD in monitoring and strengthening the Company's internal control activities. Members of all three committees are non-executive members and the chairpersons of the Risk Management Committee and the Nomination - Remuneration Committee are independent members.

| Name                 | Position                                    | Risk Management Committee | Internal Audit Committee | Nomination - Remuneration Committee |
|----------------------|---|---------------------------|--------------------------|-------------------------------------|
| Johan Nyvene         | Chairman<br>Non-executive Board member      | ✓                         |                          | ✓                                   |
| Le Anh Minh          | Vice Chairman<br>Non-executive Board member | ✓                         | ✓                        | ✓                                   |
| Le Hoang Anh         | Member<br>Non-executive Board member        | ✓                         | ✓                        |                                     |
| Andrew Colin Vallis  | Member<br>Independent Board member          | Chairman                  | ✓                        |                                     |
| Nguyen Thi Hoang Lan | Member<br>Independent Board member          |                           |                          | Chairman                            |
| Dang Nguyet Minh     | Member<br>The Board of Supervisors          |                           | Chairman                 |                                     |

## SUSTAINABILITY REPORT (continued)

### CORPORATE GOVERNANCE IN 2022 (continued)

#### Activities of committees under the BoD

##### The Risk Management Committee

The Risk Management Committee was established in 2013 and is responsible for assisting the BoD in exercising rights and duties related to the risk management of the BoD.

In 2022, HSC highly focused on risk management at all activities of the Company, especially key activities in order to further strengthen risk control and enhance the overall risk management system.

Key activities of the Risk Management Committee in 2022 are as follows:

- » Approved the Regulation on Operations of the Investment Committee, the Regulation on Operations of the Credit Committee, the Regulation on Operations of the Asset Liability Committee and the Procurement Policy before submitting to the BoD for final approval.
- » Reviewed the monthly and quarterly risk and compliance reports submitted by the GRC division.
- » Reviewed the risk portfolios of divisions and material risks facing the Company in 2022.
- » Assessed the business environment and material risks that might impact HSC's businesses and operations.

##### Internal Audit Committee

The Internal Audit Committee was established in 2014 and is responsible for assisting the BoD in exercising rights and duties of the BoD related to internal audit activities.

At the same time, the Internal Audit department was also established. That is an independent department and is responsible for assisting the BoD via the Internal Audit Committee.

Key activities of the Internal Audit Committee in 2022 are as follows:

- » Reviewed the semi-annual and annual financial statements of the Company in 2022.
- » Monitored activities of the Internal Audit department and approved the internal audit plan in 2022.
- » Reviewed semi-annual and annual reports in 2022 of Internal Audit Committee.
- » Reviewed and approved the internal audit plan for the period from 2023 to 2025 in accordance with the risk management direction for that period.
- » Coordinated with the BoS to carry out activities of the Internal Audit Committee and explained the monitoring results of the Internal Audit Committee in 2021 to report to shareholders.

##### The Nomination - Remuneration Committee

The Nomination - Remuneration Committee was established in 2016 and is responsible for assisting the BoD in exercising rights and duties of the BoD related to senior human resource management, payroll, bonus and employee benefits.

Key activities of the Nomination - Remuneration Committee in 2022 are as follows:

- » Advised and proposed remunerations and other benefits for each member of the BoD and BoS.
- » Reviewed the annual employee budget of HSC.

#### Investor relation

##### Investor relation activities

Shareholders of HSC are provided with accurate, timely and complete information via all communication channels of the Company's. The information provided to shareholders includes quarterly financial statements, audited interim financial statements, audited full year financial statements, annual report and other information announced at annual shareholder meetings.

HSC always actively engages with shareholders and investors to provide timely, complete and accurate information through communication channels such as the Company's website, quarterly investor meetings, investment conferences or seminars and annual general meeting of shareholders. Besides, we also send updated information to each shareholder and investor via email.

The Company always encourages shareholders, investors as well as partners to reach out to us whenever they have any questions or want to provide constructive feedbacks about our businesses via email address in the Contact section.

##### Information disclosure

##### Information disclosure policy

Information disclosure policy at HSC is implemented in accordance with relevant laws and regulations, transparently and effectively. Particularly, HSC applies the following principles in disclosing information:

- » Accurate, complete, clear and timely.
- » In compliance with current laws and regulations.
- » All shareholders and related stakeholders have equal access to information.

##### Language of information disclosure

HSC is committed to disclosing information in both Vietnamese and English so that domestic and foreign shareholders and investors can update information conveniently and quickly.

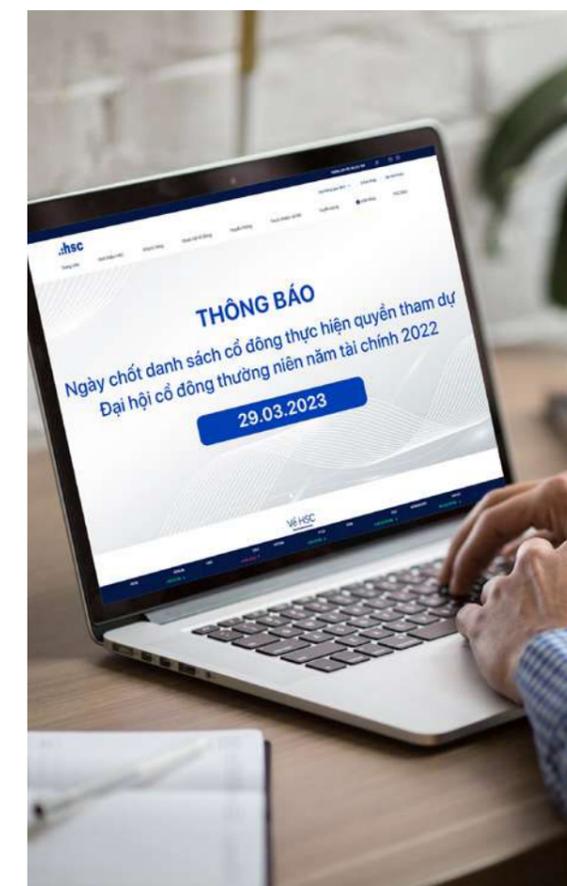
##### Means of information disclosure

HSC discloses information on the following channels:

- » HSC's website.
- » Information disclosure system of the State Securities Commission (SSC).
- » Website of Vietnam Stock Exchange (VNX).
- » Website of Ho Chi Minh City Stock Exchange (HSX).
- » Website of the Vietnam Securities Depository (VSD).

##### Contact

HSC categories information disclosure channels based on needs to offer ease of contact to stakeholders. Enquiries are transferred to departments in charge. We believe that with our comprehensive communications channels including recruitment page, corporate client services, institutional client services, retail client services, press relation, investor relation and corporate social responsibility page we could timely support and fully meet the needs for information of shareholders, investors, clients, partners and other stakeholders.



## SUSTAINABILITY REPORT (continued)

### CORPORATE GOVERNANCE IN 2022 (continued)

#### Investor relation (continued)

##### Annual General Meeting of Shareholders

Annual general meeting of shareholders (AGM) is an important corporate event in which HSC's representatives meet and interact with shareholders. At an AGM, the BoD presents financial performance of the previous year, business guidance for the upcoming year and other business matters that are deemed important and under the authorization of an AGM.

After being delayed twice on 21 April 2022 and 20 June 2022 due to issues related to quantifying the number of voting shares of a major shareholder, the 2021 AGM was held virtually on 08 August 2022. The order and procedures of the AGM fully complied with laws and regulations to ensure the rights and interests of shareholders.

- » All shareholders in the list of shareholders of the Company at the last registration date of 11 July 2022 issued by the Vietnam Securities Depository Center - Ho Chi Minh City Branch received full and timely information related to the FY2021 AGM in the invitation to attend the AGM. The invitation to attend the AGM clearly stated the time, place, meeting agenda and basic information about registration to attend the meeting. All documents of the FY2021 AGM were posted on HSC's website in two languages (Vietnamese and English) on 18 July 2022, which was 21 days before the meeting date. In addition, the invitation to attend the FY2021 AGM was also published on the Vietnam Investment Review newspaper on 03 August 2022.
- » The FY2021 AGM was held on a weekday and virtually to facilitate the participations of both local and foreign shareholders. Although the meeting was held virtually, shareholders could also register to participate in person at the meeting venue. This flexible approach offered favorable conditions for shareholders to attend the AGM and to exercise their rights. The AGM was also the opportunity for HSC's senior executives to engage directly with shareholders.
- » The presidium of the FY2021 AGM was comprised of the Chairman and other members of the BoD, the chairman of the committees under the BoD and the CEO. In addition, representative of the external auditor also attended the meeting, and a representative of minority shareholders was elected to the Vote Counting Committee at AGM.
- » The presidium actively answered all questions of shareholders related to the Company's businesses and operations within the allowed time frame and continued to respond via email questions of shareholders that had not been answered at the meeting. Besides, the presidium encouraged shareholders or authorized people to contribute ideas to help HSC develop further.
- » Contents that the BoD submitted to the AGM for approval were presented separately for shareholders to vote. Results of the vote counting of each issue/ proposal was announced right at the AGM and recorded in the meeting minute.
- » Meeting minute, vote counting minute, and resolutions of the FY2021 AGM were posted on HSC's website in two languages (Vietnamese and English) on 09 August 2022, which was within 24 hours after the conclusion of the AGM.

##### Dividend policy

HSC's dividend policy is reviewed by the BoD on an annual basis. However, HSC's practice is to maintain a dividend payout ratio of at least 50% annually. Over the past years, HSC has distributed annual dividends at rates of 12% to 20% of par value depending on its financial performance in each year.

HSC's dividend payment announcements are always detailed and transparent. Normally, HSC makes dividend advance within 30 days after dividend payout ratio is approved by the AGM. However, HSC could not make dividend advance payment within 30 days after the FY2021 AGM as by that time the Company could not finalize the list of shareholders eligible to receive dividend as it had not received the license from the SSC to adjust charter capital after the issuance of capital in 2021.

After receiving the License No. 125/GPDC-UBCK from the SSC on 27 December 2022, HSC implemented:

- » The second 2021 dividend in cash at the rate of 2.5% of par value. The dividend was paid on 08 February 2023 and was in line with the plan announced in the Resolution No. 32/2022/NQ-HĐQT dated 29 December 2022 of the BoD.
- » Submitting the application to pay the second 2021 stock dividend at rate of 15% of par value to the SSC on 03 January 2023.

The 2021 AGM approved the 2022 dividend plan of about 12% of par value, which could be in cash and/or in shares depending on the Company's actual performance in 2022. The dividend payment plan is summarized as follows:

- » The Company has advanced the first 2022 dividend in cash at rate of 2.5% of par value on 08 February 2023, according to the BoD's decision stated in the Resolution No. 32/ 2022/NQ-HĐQT dated 29 December 2022.
- » The BoD plans to propose the second dividend payment at the FY2022 AGM at a rate that is aligned with the business results in 2022 and the dividend policy of HSC.

#### Equal treatment for all shareholders

##### Authorization to attend and vote at General Meeting of Shareholders

HSC offers favorable conditions for shareholders to attend its AGM. In the situation that a shareholder cannot attend and cannot authorize other person to attend an AGM, the shareholder has the right to authorize one of the members of the BoD, on behalf of the shareholder, to decide and vote on all contents in the agenda of the AGM.

##### Voting at General Meetings of Shareholders

When participating in an AGM, each shareholder or authorized representative is entitled to vote electronically within the voting time following the decision of the chairman of the presidium as clearly stated in the invitation to attend the AGM. Shareholders must confirm their opinions on each content by choosing one of three options: "for", "against", and "abstain" and complete the submission of their votes on the electronic voting system.

##### Managing conflicts of interest and related party transactions

HSC acknowledged that the development and implementation of internal policies, procedures and mechanisms to monitor "conflict of interest" situations for managers and executives of the Company will not only help prevent and mitigate risks of personal interests but also to ensure equality among shareholders. Currently, the Company is adopting the "avoiding conflicts of interest" standards of the Vietnamese law.

Insiders and related parties of insiders must notify the BoD all interests that they may receive directly or indirectly from any economic transaction and may conflict with interests of the Company. At the same time, insiders and related parties of insiders may not use information obtained through his or her positions at the Company for personal purposes or to serve the interests of other organizations or individuals.

The Company does not provide loans or guarantees to insiders and related parties of the insiders, unless otherwise decided by the AGM.

The Company must not conduct transactions with a total value equal of or greater than 35% of the total value of its assets recorded in its most recent financial statements with an insider or related parties of the insider, or with shareholders or their authorized people and their related parties who collectively hold more than 10% of the total ordinary share capital of the Company, unless otherwise decided by the AGM.

##### Transactions of insiders and their related parties

Insiders and related parties of insiders must disclose information on transactions that have total value of or greater than VND50 million/ day or VND200 million/ month based on the par value of stocks or convertible bonds or based on the transaction prices of rights to buy stocks or rights to buy convertible bonds of HSC or based on the most recent issuing prices of cover warrants issued on HSC's share. The insiders and related parties of insiders must disclose the transactions at least 3 working days in advance and publish the report on trading results within 5 working days from the completion date of the transactions to the SSC, VNX and HSX.

## SUSTAINABILITY REPORT (continued)

### CORPORATE GOVERNANCE IN 2022 (continued)

#### Roles of stakeholders

##### Shareholders

HSC is always ready and willing to provide shareholders transparent, complete and timely information to ensure equal rights among shareholders. There is no discrimination amongst major shareholders, strategic shareholders or minority shareholders.

Information about the Company's operations such as quarterly, semi-annual and annual business results, business plans, dividends, etc., are fully and promptly disclosed to shareholders via the websites of HSC, the SSC, the HSX and the VSD, etc. HSC's annual meetings of shareholders are held virtually to facilitate the participations of both local and foreign shareholders.

##### Clients/ Investors

With the philosophy of always putting the interests of customers first and the goal of maintaining the most trusted brand in the stock market in Vietnam, HSC is constantly improving its products and services and providing the products and services through digitalized platforms to offer its investors exceptional experiences. Particularly, HSC has been actively applying technology in serving clients. For instance, our client seminars and conferences are held both virtually and in person so that both local and foreign clients/ investors could attend conveniently. Through these events, we aim to provide HSC clients/ investors information that is useful for their investment decisions.

##### Employees

High-quality human resources play a crucial role in HSC's business model and sustainable development strategy. Therefore, nurturing and developing human resources have long been an important goal in the Company's long-term development strategy. In 2022, HSC continued to pursue this strategy consistently. In the face of difficult and challenging business conditions, HSC still maintained stable and effective operations, while ensuring income and benefits for all employees. Moreover, in last year, HSC's BoD comprehensively reviewed and adjusted employee salary and welfare policies in order to retain and attract high-quality talent also to increase HSC's competitiveness in the labor market. This once again demonstrates our commitment to implementing HSC's defined value proposition to employees - "Work-Life Balance and Prosperity".

##### Community

As one of the leading companies in the industry, we are well aware of our responsibilities in contributing to the development of investor community and the Vietnamese capital markets. Besides, we believe that the developments of investor community and the capital markets in Vietnam are also an important factor contributing to the success of HSC in the future. With that clear awareness, HSC team always actively participates and contributes to industry development activities.

Specifically, HSC has been a responsive member and actively contributing to activities of associations and organizations in the capital markets, including the Vietnam Association of Securities Business (VASB), Vietnam Bond Market Association (VBMA), Vietnam CEO Club, etc. Through these organizations and associations, we have the opportunity to gain a deeper understanding of the current situation of the capital markets so that we can contribute and propose initiatives to promote the sustainable development of the markets. Besides, with the responsibility and efforts to raise public awareness about finance, especially personal finance, HSC has sponsored the live broadcast of Financial Freedom - Money Talk show on platforms of Vietnam Television (VTV). This is the first talk show about finance and personal wealth management in Vietnam and also the first product in the finance program ecosystem of VTV Money.

#### External auditor

HSC is committed to always choosing one of the big four auditing firms in Vietnam that have been approved by the SSC to provide statutory audits to securities issuers, listed companies and securities companies to review and audit its interim and annual financial statements.

PricewaterhouseCoopers Vietnam Ltd. (PwC) has been the external auditor of HSC for five years in a row. In 2022, the audit fee of PwC was VND1,056,000,000 (One billion fifty-six million VND), which covered the following audit works:

- » Reviewing the interim financial statements
- » Reviewing the interim report on capital adequacy ratio
- » Auditing year-end financial statements
- » Auditing year-end report on capital adequacy ratio
- » Special audit of the Company's financial information at the end of the year in accordance with international financial reporting standards (IFRS)

In addition, in 2022 PwC also conducted audit works and issued the following reports after the Company completed the public offering of shares in accordance with the Certificate of Registration for Public Offering No. 186/GCN-UBCK dated 22 September 2021:

- » Report on the use of capital raised from the issuance of shares to the public. The service fee was VND346,500,000 (Three hundred and forty-six million five hundred thousand dong)
- » Report on the use of capital. The service fee was VND55,000,000 (Fifty five million dong)

#### Insider- and related-party- transactions of the BoD and their related parties

Members of the BoD, the BoM and the BoS did not have any transactions with the Company in 2022

#### Buying shares or subscribing rights to buy shares of the Company by insiders and related parties of insiders

In 2022, insiders and related parties of insiders of HSC did not have any transactions, in which they bought shares or subscribed rights to buy shares of the Company, which are subject to information disclosure as required by laws.

#### Transactions between the Company and its related parties

In 2022, HSC had the following transactions with its related parties:

| No | Organization                                       | Relationship with HSC            | Content (*)  |
|----|--|----------------------------------|--|
| 01 | Dragon Capital Vietfund Management Company (DCVFM) | Organization related to insiders | Transactions on fund certificates of E1VFN30, FUEVFN30, FUEVFN30 under management of DCVFM |
| 02 | Vision and Associates Company Ltd.                 | Organization related to insiders | Provide of legal consultation services   |

(\*) Details are presented in HSC's 2022 Corporate Governance report.

## REPORT OF THE BOARD OF SUPERVISORS IN 2022

In 2022, the BoS fulfilled its duties as stated in HSC's Charter and Regulations on the organization and operation of the BoS, assisting the BoM in executing business plan and other matters that were approved by shareholders at the 2021 Annual General Meeting (AGM). The BoS is comprised of 3 members including 1 independent member, who is the chairman of the board. The BoS represents shareholders to carry out regular audits and supervision tasks and makes necessary and important recommendations to enhance HSC's risk management and corporate governance. In 2022, the BoS carried out the following activities:

- » Supervising activities of the BoD in 2022 and the implementation of resolutions approved at the 2021 AGM.
- » Supervising HSC's business activities and financial performances in 2022.
- » Supervising internal audit activities in 2022.

### Supervision of activities of the BoD in 2022 and the execution of resolutions approved at the 2021 AGM

In 2022, the BoD held 33 meetings, of which twenty 24 meetings were in-person and virtual meetings and the remaining 9 meetings were in the form of written opinions. In these meetings, the BoS reviewed the Company's performance and, along with the BoD and BoM, contributed opinions to help the Company achieve the business plan approved by the AGM FY2021.

The key issues discussed in the BoD's meetings include the followings:

- » 2021 annual business performance report and 2022 quarterly business performance reports.
- » Approving of the agenda and proposals to be submitted to the 2021 AGM.
- » Reviewing and agreeing to submit the drafts of the Company's Charter, Internal Regulations on Corporate Governance, Regulations on Organization and Operation of the BoD and BoS for approvals of the 2021 AGM.
- » Approving the Risk Management Policy, Terms of reference of the Investment Committee/ Credit Committee and Asset-Liability Committee and the Information Disclosure Policy.
- » Reviewing and approving the business plan in 2022, the capital need and use-of-capital plan of each business in the upcoming years and the proposal on bank borrowings.
- » Approving covered warrant issuances in 2022.
- » Carrying out necessary procedures to register new charter capital and record results of new share issuance in the charter capital increase in 2021.
- » Approving of the principles, documents and detailed plan on issuing shares to existing shareholders/ paying the second dividend of 2021 in form of stock dividend/ implementing Employee Stock Ownership Plan (ESOP).
- » Approving the first interim cash dividend in 2022.

All contributions and recommendations of the BoS as supervisors and representatives of shareholders were respected and thoughtfully considered by the BoD when they made decisions and resolutions on relevant matters.

### Supervision of 2022 business activities and financial performances

In 2022, together with members of the Board Audit Committee (BAC) under the BoD, the BoS participated in the 2021 year-end and 2022 interim meetings with HSC's external auditor, PwC Vietnam Limited (PwC), to discuss the scope, audit findings and relevant matters mentioned in the Management letter. According to the auditor's opinion, HSC's business operations were conducted in a transparent manner and had no violations in accounting, finance, and operational processes.

In last year, PwC provided the following services to HSC:

- » 2022 interim and annual statutory audits with a service fee of VND1,056,000,000 (one billion fifty-six million dong) (inclusive of VAT); and
- » Statutory audits on capital increase and the use of capital raised from the issuance of shares to the public in accordance with the certificate on public offering registration No. 186/GCN-UBCK dated 22 September 2021 with a service fee of VND401,500,000 (Four hundred and one million five hundred thousand dong) (inclusive of VAT);
- » Apart from the services, PwC did not provide any other advisory services to HSC in 2022.

In addition, the BoS also reviewed and analyzed HSC's quarterly and year end financial statements and capital adequacy ratio review report. About financial safety, HSC maintained high liquidity and capital-related ratios. HSC's financial safety ratio, calculated in accordance with the guidances of the Ministry of Finance, was 777% as at the end of 2022 (31/12/2021: 520%), 4.3 times higher than the 180% requirement of the State Securities Commission of Vietnam.

### Summary of HSC's financial performance in 2022

- » Revenue: HSC recorded a total revenue of VND2,854 billion in 2022, a 15% decline YoY and achieving 79% of approved business plan (the plan: VND3,592 billion).
- » Profit after tax: HSC delivered a net profit after tax of VND852 billion in 2022, a 26% decrease YoY and achieving 71% of approved business plan (the plan: VND1,201 billion).

The Supervisory Board noted that HSC's business performance in 2022 was encouraging given the substantial fluctuations and decline of the stock market:

- » Trading activity and liquidity of the stock market in 2022 declined significantly as the average daily trading value of the three exchanges decreased by 24% YoY to VND20,164 billion (2021: VND 26,654 billion).
- » Investors' sentiment turned cautious amid regulatory inspections in the stock market as well as in other markets including the real estate.
- » Global macro challenges and concerns over rising inflation and interest rate also dampened investors' sentiment in 2022.

The BoS is of the view that HSC has a solid financial position and financial profitability performance. The Board highly appreciated the business direction and decisions of the BoM in 2022. Particularly, HSC did not have any business activities related to corporate bonds and therefore did not have any exposure from the turmoil of the Vietnam corporate bond market in 2022. HSC's BoM made significant efforts and was able to protect the owners' capital and interests of the Company and its shareholders.

### Summary of results of each major business in 2022

The BoS acknowledged that all major businesses of HSC operated stably and did not have any material risks. Specifically:

- » Revenue of brokerage fees was VND882 billion, a decline of VND509 billion or -37% YoY and accounting for 31% of HSC's total revenue.
  - In which: brokerage fees from the underlying stock market was VND814 billion (-39% YoY) and brokerage fees from the derivatives market was VND67 billion (+13% YoY).
- » The margin lending business posted a total revenue of VND1,273 billion, an increase of VND95 billion or +8% YoY and accounting for 45% of HSC's total revenue.
  - The average lending rate increased slightly by an absolute amount of 6% to 10.7% p.a. from the level of 10.1% p.a. in 2021 (but was equal to the rate in 2020). The rate adjustment was aligned with HSC's strategy in 2022.
  - HSC's margin loan balance as at the end of December 2022 was VND7,379 billion, a decrease of VND 6,311 billion or -46% YoY.
  - The BoS concluded that the margin lending business was effective in 2022 in spite of remarkable turbulences in the stock market. The BoS also acknowledged that the decrease in margin loan balance was aligned with the prudent margin lending policies of the BoM.
- » The proprietary investment business recorded a total revenue of VND623 billion, which translates to an average return of 27% and a decrease of VND99 billion or -14% YoY, contributing 22% of HSC's total revenue.
- » The corporate finance business delivered a revenue of VND54 billion, which was VND7 billion or 16% increase YoY.
  - The revenue in 2022 was primarily contributed by successfully concluded deals in the real estate, banking and other financial services.

The BoS noted that HSC's total operating expenses in 2022 was 8% lower than the budgeted level and that is reasonable given the decline in revenue.

The BoS highly appreciated the efforts the BoM made in the time of challenging business environment in 2022 with increasing competition for market share amongst securities companies and the substantial decline and volatility of the Vietnamese stock market. Furthermore, HSC's margin lending risk management is considered effective given the market liquidity decreases. The BoS noted that the BoM had sustainability strategies by which HSC did not chase market share and not loosen lending conditions but only provided margin loans to stocks of companies that meet rigorous criteria such as healthy financial position, large market capitalization and high liquidity. With these strategies, HSC has been able to avoid the risk of bad debts in times of market turbulences such as in 2022.

## REPORT OF THE BOARD OF SUPERVISORS IN 2022

### Supervision of 2022 business activities and financial performances (continued)

#### Summary of client development activities in 2022

The Supervisory Board noted that in 2022, HSC's BoM proactively promoted various client-focused activities across major businesses as follows:

- » Continued to upgrade the digital trading platform myHSC with new features added from 15 August 2022 to enhance client experience.
- » The Retail Client division has successfully segmented its client base and that is the starting point for the division to promote the activities of retail client development:
  - Implemented new client policies, which are more appropriate in the year.
  - Launched a dedicated channel to provide consultation and market information to clients.
  - Organizing C2C (corporates to clients) events to connect clients with listed companies on a monthly basis.
  - Developed the Digital MKT channel to reach target clients more effectively.
- » Institutional clients:
  - Organized the Emerging Vietnam conference in June 2022.
  - Hosted quarterly/ annually online earnings calls for various listed companies.

The BoS acknowledged the efforts and success of the BoM in seeking new clients as well as maintaining the current client base in spite of the unfavorable market conditions in 2022.

#### Report on compliance of current laws and regulations

The BoS was informed that on 13 December 2022, HSC received the decision No. 441/QĐ-XPVPHC dated 01 December 2022 of the State Securities Commission on sanctioning HSC's administrative violation of untimely disclosure of information.

The BoS noted that HSC's BoM immediately carried out the following actions:

- » On 13 December 2022, HSC paid a fine of VND60,000,000 (Sixty million VND) to the Hanoi State Treasury to comply with the sanctioning decision.
- » Amended the Information Disclosure Policy and submitted the Policy for approval of the BoD for approval on 27 October 2022.

The BoS recommends the BoM to continue to update the process/instructions on information disclosure in accordance with the Policy approved by the BoD to ensure that all information disclosure activities comply with relevant laws and/or regulations as guided by HSC's strong culture of compliance.

#### Summary of key financial indicators

| No       | Indicators                                       | 2022        | 2021        |
|----------|--|-------------|-------------|
| <b>1</b> | <b>Capital safety ratio</b>                      | <b>648%</b> | <b>520%</b> |
| <b>2</b> | <b>Liquidity ratio</b>                           |             |             |
| a        | Current ratio (times)                            | 2.0         | 1.4         |
| b        | Total debt to Total assets ratio (times)         | 0.5         | 0.7         |
| <b>3</b> | <b>Capital structure ratios</b>                  |             |             |
| a        | Shareholder's capital to Total resources (times) | 0.5         | 0.3         |
| <b>4</b> | <b>Profitability ratios</b>                      |             |             |
| a        | ROAE (Net profit after tax/ Owner's equity)      | 11.2%       | 23.8%       |
| b        | ROAA (Net profit after tax/ Total assets)        | 4.3%        | 6.2%        |

### Supervision of internal audit activities in 2021

As regards Internal Audit activities, the BoS sets requirements for the audit plan for the period from 2023 to 2025 and submitted the plan for consideration and approval of BoD. Accordingly, the audit plan for the next three (3) years will focus primarily on five areas:

- » Standard operating policies and procedures that are designed and operated in accordance with changes in laws and regulations
- » Cybersecurity and data security
- » Organisational governance and digitization of the corporate reporting system
- » Financial, liquidity and insolvency risks
- » Business continuity, crisis risk management and crisis response

The BoS noted that the medium-term audit plan has been approved by the BAC under the BoD and will be carried out right in 2023.

The BoS noted that in 2022, In 2022, the Internal Audit department conducted various examinations to assess the compliance and risk management of activities across businesses of the Company. In addition, the Internal Audit department actively advised functional departments on implementing recommendations of the previous audits. Audit activities and results in 2022 were reported in detail to the BAC. The conclusion of the Internal Audit department on GRC of HSC in 2022 is as follows:

- » The Company's internal control system has been established and operated effectively and is capable of preventing, detecting and handling the Company's risks.
- » The Company's current risk management and governance processes are rigorously designed and highly effective.

The BoS recommends that the Internal Audit department should continually improve its approach in conducting approved audit plans. Particularly, the Internal Audit department should expand its view and scope beyond each audit project to identify emerging trends in the business processes as well as improvement opportunities to enhance the processes of HSC.

#### Remuneration of the BoS in 2022

Total remuneration of the BoS in 2022 was VND1,146,666,667 (One billion one hundred and forty six million six hundred and sixty six thousand six hundred and sixty seven VND) (inclusive of personal income tax).

#### Plan of the BoS in 2023

In 2023, the BoS will continue to exercise its rights and duties as assigned by the General Meeting of Shareholders in an honest, prudent and most effective manner for the best interest of the Company as follows:

| No | The BoS's Plan   |
|----|--|
| 1  | Supervising the activities of the BoD in 2023 and the implementation of the resolutions of the General Meeting of Shareholders in 2022 |
| 2  | Supervising HSC's business activities and financial performances in 2023   |
| 3  | Supervising activities of Internal Audit department in 2023  |

## CORPORATE INFORMATION

|   |  |                         |
|---|--|-------------------------|
| <b>Business registration certificate</b>                | No. 4103001573 dated 23 April 2003 issued by the Department of Planning and Investment of Ho Chi Minh City.  |                         |
| <b>Establishment and operation licence</b>              | 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/GPDC-UBCK was issued on 27 December 2022. |                         |
| <b>Board of Directors</b>                               | 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                  |
| <b>Board of Supervision</b>                             | Mr. Pham Nghiem Xuan Bac   | Chief Supervisor        |
|   | Ms. Dang Nguyet Minh   | Member                  |
|   | Ms. Nguyen Thi Thu Thanh   | Member                  |
| <b>Board of Management</b>                              | Mr. Trinh Hoai Giang   | Chief Executive Officer |
| <b>Chief Executive Officer and Legal Representative</b> | Mr. Trinh Hoai Giang   |                         |
| <b>Registered office</b>                                | 2-5-6-7-11-12th Floor, AB Tower<br>76A Le Lai Street, Ben Thanh Ward, District 1<br>Ho Chi Minh City, Vietnam  |                         |
| <b>Branch</b>   | 1st and 2nd Floor, CornerStone Tower,<br>16 Phan Chu Trinh Street, Phan Chu Trinh Ward,<br>Hoan Kiem District, Ha Noi, Vietnam   |                         |
| <b>Transaction office</b>                               | 3A and 7th Floor, Sun Red River Tower,<br>23 Phan Chu Trinh Street, Phan Chu Trinh Ward,<br>Hoan Kiem District, Ha Noi, Vietnam  |                         |
| <b>Auditor</b>  | PwC (Vietnam) Limited  |                         |

The young pine leaves sprout in the morning sun after a big storm.

Through market ups and downs, HSC, with its solid competitive advantages in products, people, technology and capital, continues to capture opportunities to deliver value to shareholders.

## 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 16 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



Trình Hoài 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.

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HO CHI MINH CITY SECURITIES CORPORATION (continued)

### 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

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

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

## STATEMENT OF FINANCIAL POSITION

Form B01 – CTCK

| Code          | Item  | Note   | As at                     |                           |
|---------------|---|--------|---------------------------|---------------------------|
|               |   |        | 31.12.2022<br>VND         | 31.12.2021<br>VND         |
| <b>ASSETS</b> |   |        |                           |                           |
| <b>100</b>    | <b>CURRENT ASSETS</b>   |        | <b>15,262,466,982,681</b> | <b>24,186,710,802,908</b> |
| 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            |
| <b>200</b>    | <b>NON-CURRENT ASSETS</b>                                       |        | <b>184,488,062,533</b>    | <b>182,392,337,809</b>    |
| 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            |
| <b>270</b>    | <b>TOTAL ASSETS</b>   |        | <b>15,446,955,045,214</b> | <b>24,369,103,140,717</b> |

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

## STATEMENT OF FINANCIAL POSITION (continued)

Form B01 – CTCK

| Code       | Item  | Note      | As at                     |                           |
|------------|---|-----------|---------------------------|---------------------------|
|            |   |           | 31.12.2022<br>VND         | 31.12.2021<br>VND         |
| <b>300</b> | <b>LIABILITIES</b>                                  |           | <b>7,555,122,708,990</b>  | <b>17,043,850,217,927</b> |
| 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        | Short-term borrowings                               | 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            |
| <b>400</b> | <b>OWNERS' EQUITY</b>                               |           | <b>7,891,832,336,224</b>  | <b>7,325,252,922,790</b>  |
| 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     | Ordinary shares with voting rights                  |           | 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      | Realised profits after tax                          |           | 1,783,167,200,002         | 1,133,223,368,908         |
| 417.2      | Unrealised profits                                  |           | 13,726,973,808            | 97,091,391,468            |
| <b>440</b> | <b>TOTAL RESOURCES</b>                              |           | <b>15,446,955,045,214</b> | <b>24,369,103,140,717</b> |

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

## OFF STATEMENT OF FINANCIAL POSITION ITEMS

Form B01 – CTCK

| Code     | Item  | Note   | As at                    |                   |
|----------|---|--------|--------------------------|-------------------|
|          |   |        | 31.12.2022<br>VND        | 31.12.2021<br>VND |
| <b>A</b> | <b>ASSETS OF THE COMPANY AND<br/>ASSETS UNDER ENTRUSTMENT</b>         |        |                          |                   |
|          |   |        | <b>Amount (VND)</b>      |                   |
| 004      | Bad debts written off   |        | 39,928,851,148           | 39,928,851,148    |
|          |   |        | <b>Original currency</b> |                   |
| 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               |
|          |   |        | <b>Quantity</b>          |                   |
| 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           |
|          |   |        | <b>Par value (VND)</b>   |                   |
| 008      | Securities listed/registered to Vietnam Securities Depository ("VSD") |        | 1,428,460,460,000        | 1,534,001,710,000 |
|          | Freely traded securities  |        | 408,460,460,000          | 334,001,710,000   |
|          | Mortgaged securities  |        | 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     |
|          | Freely traded securities  |        | 423,381,500,000          | 3,150,750,000     |
| 010      | Securities purchased and awaiting settlement                          |        | 158,247,490,000          | 38,050,920,000    |
|          | Securities awaiting settlement  |        | 158,247,490,000          | 38,050,920,000    |
|          |   |        | <b>Quantity</b>          |                   |
| 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

Form B01 – CTCK

| Code     | Item  | Note               | As at                  |                   |
|----------|---|--------------------|------------------------|-------------------|
|          |   |                    | 31.12.2022<br>VND      | 31.12.2021<br>VND |
| <b>B</b> | <b>ASSETS OF AND LIABILITIES TO CUSTOMERS</b>   |                    |                        |                   |
|          |   |                    | <b>Par value (VND)</b> |                   |
| 021      | Securities listed/registered at VSD   | 32,775,352,660,320 | 29,233,137,338,247     |                   |
| 021.1    | Freely traded securities  | 30,046,846,107,000 | 26,729,328,284,000     |                   |
| 021.2    | Restricted securities   | 63,275,910,000     | 77,797,610,000         |                   |
| 021.3    | Pledged securities  | 1,853,864,070,000  | 1,367,875,900,000      |                   |
| 021.4    | Suspended securities  | 102,322,250,000    | 102,406,820,000        |                   |
| 021.5    | Securities awaiting settlement  | 359,531,281,000    | 665,069,237,000        |                   |
| 021.7    | Customers' deposits for derivatives trading   | 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    | Securities in custody of VSD and not yet traded – freely traded securities                      | 26,410,320,000     | 43,018,500,000         |                   |
| 022.2    | Securities in custody of VSD and not yet traded – suspended securities                          | 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      | Customers' deposits for securities trading  | 1,661,881,402,483  | 2,276,700,530,692      |                   |
| 027.1    | Customers' deposits at VSD  | 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    | Payables to domestic customers relating to their deposits at the Company for securities trading | 1,659,232,766,064  | 2,250,847,001,197      |                   |
| 031.2    | Payables to foreign customers relating to their deposits at the Company for securities trading  | 2,648,636,419      | 25,853,529,495         |                   |

## STATEMENT OF COMPREHENSIVE INCOME

Form B02 – CTCK

| Code      | Item   | Note | For the year ended         |                            |
|-----------|--|------|----------------------------|----------------------------|
|           |  |      | 31.12.2022<br>VND          | 31.12.2021<br>VND          |
|           | <b>OPERATING INCOME</b>  |      |                            |                            |
| 1         | 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             |
| 3         | Interest income from loans and receivables   |      | 1,273,381,029,024          | 1,178,676,110,277          |
| 6         | Brokerage fee income   |      | 881,714,329,917            | 1,390,496,531,451          |
| 7         | Underwriting income and placing fee income   |      | -                          | 5,500,000,000              |
| 9         | 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             |
| <b>20</b> | <b>TOTAL OPERATING INCOME</b>  |      | <b>3,901,444,793,030</b>   | <b>4,460,112,837,812</b>   |
|           | <b>OPERATING EXPENSES</b>  |      |                            |                            |
| 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)            |
| <b>40</b> | <b>TOTAL OPERATING EXPENSES</b>  |      | <b>(2,486,220,005,273)</b> | <b>(2,735,420,770,099)</b> |


Le Thi Thuy Duong  
Preparer

Lam Huu Ho  
Chief Financial Officer  
cum Chief Accountant

Trinh Hoai Giang  
Chief Executive Officer  
22 March 2023

## STATEMENT OF COMPREHENSIVE INCOME (continued)

Form B02 – CTCK

| Code                             | Item   | Note       | For the year ended       |                          |
|----------------------------------|--|------------|--------------------------|--------------------------|
|                                  |  |            | 31.12.2022<br>VND        | 31.12.2021<br>VND        |
| <b>FINANCIAL INCOME</b>          |  |            |                          |                          |
| 42                               | Dividend income and interest income from demand deposits |            | 2,935,810,645            | 2,367,957,861            |
| <b>50</b>                        | <b>TOTAL FINANCIAL INCOME</b>                            |            | <b>2,935,810,645</b>     | <b>2,367,957,861</b>     |
| <b>62</b>                        | <b>GENERAL AND ADMINISTRATIVE EXPENSES</b>               | <b>5.6</b> | <b>(350,767,604,201)</b> | <b>(296,812,554,290)</b> |
| <b>70</b>                        | <b>OPERATING RESULT</b>                                  |            | <b>1,067,392,994,201</b> | <b>1,430,247,471,284</b> |
| <b>OTHER INCOME AND EXPENSES</b> |  |            |                          |                          |
| 71                               | Other income   |            | 413,145,454              | 87,846,363               |
| <b>80</b>                        | <b>NET OTHER INCOME</b>                                  |            | <b>413,145,454</b>       | <b>87,846,363</b>        |
| <b>90</b>                        | <b>NET ACCOUNTING PROFIT BEFORE TAX</b>                  |            | <b>1,067,806,139,655</b> | <b>1,430,335,317,647</b> |
| 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           |
| <b>100</b>                       | <b>CORPORATE INCOME TAX ("CIT")</b>                      | <b>5.7</b> | <b>(215,318,263,721)</b> | <b>(283,272,936,560)</b> |
| 100.1                            | Corporate income tax – current                           |            | (215,581,526,221)        | (283,892,919,060)        |
| 100.2                            | Corporate income tax – deferred                          |            | 263,262,500              | 619,982,500              |
| <b>200</b>                       | <b>NET PROFIT AFTER TAX</b>                              |            | <b>852,487,875,934</b>   | <b>1,147,062,381,087</b> |
| <b>500 EARNINGS PER SHARE</b>    |  |            |                          |                          |
| 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                    |

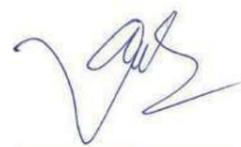
## STATEMENT OF CASH FLOWS (INDIRECT METHOD)

Form B03b – CTCK

| Code  | Item  | Note | For the year ended       |                            |
|---|---|------|--------------------------|----------------------------|
|   |   |      | 31.12.2022<br>(VND)      | 31.12.2021<br>VND          |
| <b>Cash flows from operating activities</b> |   |      |                          |                            |
| <b>01</b>                                   | <b>Net accounting profit before tax</b>   |      | <b>1,067,806,139,655</b> | <b>1,430,335,317,647</b>   |
| <b>02</b>                                   | <b>Adjustments for:</b>   |      | <b>612,711,086,893</b>   | <b>573,274,232,416</b>     |
| 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)          |
| <b>10</b>                                   | <b>Decrease in non-cash expenses</b>  |      | <b>(26,484,863,399)</b>  | <b>(68,193,773,958)</b>    |
| 11  | Downward revaluation of FVTPL financial assets and upward revaluation of covered warrants liabilities |      | (26,484,863,399)         | (68,193,773,958)           |
| <b>18</b>                                   | <b>Decrease/(increase) in non-cash income</b>   |      | <b>109,849,281,059</b>   | <b>(1,251,905,816)</b>     |
| 19  | Upward revaluation of FVTPL financial assets and downward revaluation of covered warrants liabilities |      | 109,849,281,059          | (1,251,905,816)            |
| <b>30</b>                                   | <b>Changes in working capital</b>   |      | <b>4,967,859,375,728</b> | <b>(5,004,635,685,459)</b> |
| 31  | Decrease/(increase) in FVTPL financial assets   |      | 954,993,967,384          | 597,554,687,649            |
| 33  | Increase in loans   |      | 6,311,114,177,041        | (5,104,038,901,389)        |
| 37  | (Increase)/decrease 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 in accrued expenses (excluding interest expenses)  |      | (22,405,086,444)         | 69,161,618,019             |
| 42  | (Increase)/decrease in prepaid expenses   |      | 86,201,370               | (172,806,825)              |
| 43  | BIT paid  | 3.12 | (237,357,472,933)        | (263,260,811,150)          |
| 44  | Interest paid   |      | (734,237,733,852)        | (737,074,898,018)          |
| 45  | (Decrease)/increase 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  | Increase in tax and other payables to the State (excluding BIT paid)                                  |      | (19,752,652,487)         | 31,314,971,469             |
| 50  | 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)          | -                          |
| <b>60</b>                                   | <b>Net cash inflow from (outflow for) operating activities</b>  |      | <b>6,731,741,019,936</b> | <b>(3,070,471,815,170)</b> |
| <b>Cash flows from investing activities</b> |   |      |                          |                            |
| 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              | -                          |
| <b>70</b>                                   | <b>Net cash outflow for investing activities</b>  |      | <b>(35,271,688,981)</b>  | <b>(25,488,308,479)</b>    |



Le Thi Thuy Duong  
Preparer



Lam Huu Ho  
Chief Financial Officer  
cum Chief Accountant



Trinh Hoai Giang  
Chief Executive Officer  
22 March 2023

## STATEMENT OF CASH FLOWS (INDIRECT METHOD) (continued)

Form B03b – CTCK

| Code  | Item   | Note | For the year ended         |                           |
|---|--|------|----------------------------|---------------------------|
|   |  |      | 31.12.2022<br>(VND)        | 31.12.2021<br>VND         |
| <b>Cash flows from financing activities</b> |  |      |                            |                           |
| 71  | Proceeds from share issue                                      | 7.1  | -                          | 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)         |
| <b>80</b>                                   | <b>Net cash (outflow for) inflow from financing activities</b> |      | <b>(8,254,331,160,007)</b> | <b>10,087,611,246,775</b> |
| <b>90</b>                                   | <b>Net increase/(decrease) in cash and cash equivalents</b>    |      | <b>(1,557,861,829,052)</b> | <b>6,991,651,123,126</b>  |
| <b>101</b>                                  | <b>Cash and cash equivalents at beginning of year</b>          |      | <b>7,198,511,987,873</b>   | <b>206,860,864,747</b>    |
| 101.1                                       | Cash   | 3.1  | 7,198,511,987,873          | 206,860,864,747           |
| <b>103</b>                                  | <b>Cash and cash equivalents at end of year</b>                |      | <b>5,640,650,158,821</b>   | <b>7,198,511,987,873</b>  |
| 103.1                                       | Cash   | 3.1  | 5,640,650,158,821          | 7,198,511,987,873         |

## STATEMENT OF CASH FLOWS (INDIRECT METHOD) (continued)

Form B03b – CTCK

| Code  | Item   | Note | For the year ended       |                          |
|---|--|------|--------------------------|--------------------------|
|   |  |      | 31.12.2022<br>(VND)      | 31.12.2021<br>VND        |
| <b>Cash flows from brokerage and entrustment activities</b> |  |      |                          |                          |
| 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)          |
| <b>20</b>   | <b>(Decrease)/increase in customers' deposits</b>                          |      | <b>(614,819,128,209)</b> | <b>176,339,174,718</b>   |
| <b>30</b>   | <b>Customers' deposits at beginning of year</b>                            |      | <b>2,276,700,530,692</b> | <b>2,100,361,355,974</b> |
| 31  | Cash at bank   |      | 2,276,700,530,692        | 2,100,361,355,974        |
| 32  | Customers' deposits for securities trading under monitoring of the Company |      | 2,276,700,530,692        | 2,100,361,355,974        |
| <b>40</b>   | <b>Customers' deposits at end of year</b>                                  |      | <b>1,661,881,402,483</b> | <b>2,276,700,530,692</b> |
| 41  | Cash at bank   |      | 1,661,881,402,483        | 2,276,700,530,692        |
| 42  | Customers' deposits for securities trading under monitoring of the Company |      | 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

## STATEMENT OF CHANGES IN EQUITY

Form B04 – CTCK

| Items                                   | As at                    |                          | For the year ended<br>31 December 2021 |                          | For the year ended<br>31 December 2022 |                          | As at                    |                          |
|---|--------------------------|--------------------------|--|--------------------------|--|--------------------------|--------------------------|--------------------------|
|   | 1.1.2021<br>(VND)        | 1.1.2022<br>(VND)        | Increase<br>(VND)                      | Decrease<br>(VND)        | Increase<br>(VND)                      | Decrease<br>(VND)        | 31.12.2021<br>(VND)      | 31.12.2022<br>(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           |
| <b>Total</b>                            | <b>4,440,354,531,385</b> | <b>7,325,252,922,790</b> | <b>3,476,932,746,261</b>               | <b>(592,034,354,856)</b> | <b>852,487,875,934</b>                 | <b>(285,908,462,500)</b> | <b>7,325,252,922,790</b> | <b>7,891,832,336,224</b> |


Le Thi Thuy Duong  
Preparer

Lam Huu Ho  
Chief Financial Officer  
cum Chief Accountant

Trinh Hoai Giang  
Chief Executive Officer  
22 March 2023

**NOTES TO THE FINANCIAL STATEMENTS**

Form B09 – CTCK

**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**

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

**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.

**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).

## NOTES TO THE FINANCIAL STATEMENTS (continued) Form B09 – CTCK

### FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

#### 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.

#### 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.

#### 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 (continued) Form B09 – CTCK

### FOR THE YEAR ENDED 31 DECEMBER 2022 (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).

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.

###### (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 (continued) Form B09 – CTCK

### FOR THE YEAR ENDED 31 DECEMBER 2022 (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.

##### (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.

##### (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.

**NOTES TO THE FINANCIAL STATEMENTS (continued)** Form B09 – CTCK**FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)****2.7 Financial assets (continued)****(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.

(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.

**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 (continued) Form B09 – CTCK

### FOR THE YEAR ENDED 31 DECEMBER 2022 (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-CDKT, 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”.

#### 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.

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS (continued) Form B09 – CTCK

### FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

#### 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.

#### 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:

##### *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.

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS (continued) Form B09 – CTCK

### FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

#### 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.

#### 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 January 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.

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.

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS (continued) Form B09 – CTCK

### FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

#### 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.

##### (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.

#### 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 (continued) Form B09 – CTCK

### FOR THE YEAR ENDED 31 DECEMBER 2022 (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.

## 3 NOTES TO THE STATEMENT OF FINANCIAL POSITION

### 3.1 Cash and cash equivalent

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

(\*) 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.

### 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) |
| <b>Listed shares and shares traded on UPCoM</b>                    | <b>171,030,969,919</b> | <b>168,805,064,625</b>         | <b>229,331,627,871</b> | <b>220,305,806,086</b>         |
| FPT Corporation  | 21,712,949,453         | 21,669,343,400                 | 11,753,202,625         | 11,586,126,000                 |
| Mobile World Investment Corporation                                | 15,598,946,303         | 15,037,136,400                 | 12,065,569,706         | 12,225,292,200                 |
| Phu Nhuan Jewelry Joint Stock Company                              | 15,243,544,207         | 16,127,430,700                 | 3,085,144,486          | 3,165,364,800                  |
| Technological and Commercial Joint Stock Bank                      | 12,896,826,886         | 12,342,341,000                 | 17,058,487,918         | 17,176,650,000                 |
| Vietnam Prosperity Joint-Stock Commercial Bank                     | 10,978,406,753         | 10,967,884,900                 | 15,342,824,645         | 15,627,881,400                 |
| Asia Commercial Joint Stock Bank                                   | 9,943,986,599          | 9,639,832,500                  | 11,738,240,141         | 12,027,321,000                 |
| Military Commercial Joint Stock Bank                               | 9,071,209,468          | 8,803,746,900                  | 9,096,125,279          | 9,239,012,100                  |
| Refrigeration Electrical Engineering Corporation                   | 7,048,175,062          | 6,889,168,000                  | 314,182,164            | 311,571,900                    |
| Vingroup Joint Stock Company                                       | 5,978,657,044          | 5,752,457,400                  | 15,553,419,280         | 15,194,887,800                 |
| Vietjet Aviation Joint Stock Company                               | 5,782,860,715          | 5,711,739,000                  | 6,328,790,064          | 6,502,885,500                  |
| Vinhomes Joint Stock Company                                       | 5,629,097,943          | 5,569,680,000                  | 12,935,770,237         | 12,756,576,000                 |
| <b>Others</b>  | <b>51,146,309,486</b>  | <b>50,294,304,425</b>          | <b>114,059,871,326</b> | <b>104,492,237,386</b>         |
| <b>Underlying assets designated as hedges for covered warrants</b> | <b>22,373,244,575</b>  | <b>22,290,582,800</b>          | <b>703,873,926,275</b> | <b>697,942,016,400</b>         |
| Vietnam Prosperity Joint-Stock Commercial Bank                     | 9,586,187,608          | 9,687,336,800                  | 68,427,642,795         | 67,584,242,400                 |
| Sai Gon Thuong Tin Commercial Joint Stock Bank                     | 3,009,532,977          | 3,049,875,000                  | 101,687,353,317        | 109,259,325,000                |
| Viet Nam Dairy Products Joint Stock Company                        | 2,870,720,301          | 2,800,480,000                  | 49,644,491,426         | 48,703,680,000                 |
| Hoa Phat Group Joint Stock Company                                 | 2,481,431,798          | 2,423,484,000                  | 47,615,783,491         | 44,421,504,000                 |
| FPT Corporation  | 2,356,689,547          | 2,373,903,000                  | 67,199,823,211         | 64,460,625,000                 |
| <b>Others</b>  | <b>2,068,682,344</b>   | <b>1,955,504,000</b>           | <b>369,298,832,035</b> | <b>363,512,640,000</b>         |

## NOTES TO THE FINANCIAL STATEMENTS (continued) Form B09 – CTCK

### FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

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

| Ticker symbol                                  | 31.12.2021        |                                | 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 | 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               | 1,000,000,000     | 1,019,041,096                  | 1,000,000,000     | 1,034,520,548                  |
| Vietjet Aviation Joint Stock Company           | -                 | -                              | 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                                 | 11,881,092,172    | 12,060,360,000                 | 66,471,464,418    | 67,620,761,208                 |
| VFMVN30 ETF                                    | 3,056,271,492     | 3,006,139,500                  | 37,314,916,590    | 37,769,657,310                 |
| MAFMVN30 ETF                                   | 1,030,345,084     | 1,182,300,000                  | 1,030,345,084     | 1,802,500,000                  |
| MIDCAP   | 997,157,116       | 814,300,000                    | -                 | -                              |
| SSIAMVNX50 ETF                                 | -                 | -                              | 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              |

| Collateral assets  | Issuance date | Maturity date | Interest rate per annum | Par value/ bond (VND) |
|--|---------------|---------------|-------------------------|-----------------------|
| Bank for Investment and Development of Vietnam - BID121027 | 28.10.2021    | 28.10.2029    | (*)                     | 100,000               |
| Vietnam Bank for Social Policies - BVBS18164               | 14.08.2018    | 14.08.2023    | 5%                      | 100,000               |

#### 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.

|   | Comparison to market price or fair value |                |                                |
|---|--|----------------|--------------------------------|
|   | Cost (VND)                               | Increase (VND) | Market price/ fair value (VND) |
| Listed shares and shares traded on UPCoM                    | 171,030,969,919                          | 1,145,621,060  | 168,805,064,625                |
| Underlying assets designated as hedges for covered warrants | 22,373,244,575                           | 158,704,668    | 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    | 17,063,099,500                 |
| Total   | 1,411,369,080,358                        | 16,972,507,376 | 1,424,495,705,829              |
|   | Comparison to market price or fair value |                |                                |
|   | Cost (VND)                               | Increase (VND) | Market price/ fair value (VND) |
| Listed shares and shares traded on UPCoM                    | 229,331,627,871                          | 2,967,667,498  | 220,305,806,086                |
| Underlying assets designated as hedges for covered warrants | 703,873,926,275                          | 7,986,881,696  | 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 | 2,371,663,569,220              |

## NOTES TO THE FINANCIAL STATEMENTS (continued) Form B09 – CTCK

### FOR THE YEAR ENDED 31 DECEMBER 2022 (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).

#### 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            | -                     |
|   | <b>580,568,943,700</b> | <b>-</b>              | <b>639,323,864,073</b> | <b>-</b>              |
| 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        | -                     |
| <b>Total</b>                                  | <b>745,154,301,110</b> | <b>-</b>              | <b>839,818,918,749</b> | <b>-</b>              |

(\*) 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).

#### 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)     |
|--|----------------------|------------------------|-----------------|
| <b>Historical cost</b>                               |                      |                        |                 |
| 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                                     | 15,605,254,800       | 141,757,348,110        | 157,362,602,910 |
| <b>Accumulated depreciation</b>                      |                      |                        |                 |
| 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                                     | 2,933,054,431        | 105,596,524,750        | 108,529,579,181 |
| <b>Net book value</b>                                |                      |                        |                 |
| As at 1.1.2022                                       | 1,214,919,630        | 26,975,933,643         | 28,190,853,273  |
| As at 31.12.2022                                     | 12,672,200,369       | 36,160,823,360         | 48,833,023,729  |

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 (continued) Form B09 – CTCK

### FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

#### 3.6 Fixed assets (continued)

##### (b) Intangible fixed assets

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

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.

##### (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)      |
| <b>Opening balance</b>                             | <b>8,483,996,599</b>  | <b>342,334,073</b>    |
| <b>Increase</b>                                    | <b>13,437,372,581</b> | <b>24,897,402,089</b> |
| 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)       | -                     |
| <b>Closing balance</b>                             | <b>-</b>              | <b>8,483,996,599</b>  |

#### 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        |
| <b>Total</b>                      | <b>19,308,153,346</b> | <b>9,816,990,763</b> |

##### (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           |
| <b>Total</b>       | <b>83,495,337,912</b> | <b>93,072,701,865</b> |

#### 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 (continued) Form B09 – CTCK

### FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

#### 3.10 Borrowings

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

|                                      | Interest<br>% per annum | As at 1.1.2022<br>(VND)   | Drawdown<br>(VND)         | Repayment<br>(VND)          | As at 31.12.2022<br>(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<br>(*), (**) | LIBOR +<br>2 - 2,3      | 4,174,687,250,000         | 1,669,407,640,000         | (4,174,687,250,000)         | 1,669,407,640,000         |
|                                      | SOFR +<br>2,3 - 2,52    | -                         | 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            |
| <b>Total</b>                         |                         | <b>15,039,870,130,242</b> | <b>74,341,648,152,273</b> | <b>(82,443,460,642,515)</b> | <b>6,938,057,640,000</b>  |

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.

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 (VND)      | 31.12.2021 (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            |
| <b>Total</b>                                     | <b>46,315,877,007</b> | <b>1,461,564,263,853</b> |

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.

#### 3.12 Tax and other payables to the State

|   | As at 1.1.2022<br>(VND) | Incurred during<br>the year<br>(VND) | Paid during<br>the year<br>(VND) | As at 31.12.2022<br>(VND) |
|---|-------------------------|--------------------------------------|----------------------------------|---------------------------|
| CIT - current   | 56,014,262,210          | 215,581,526,221                      | (237,357,472,933)                | 34,238,315,498            |
| Personal income tax<br>("PIT") withheld and<br>paid on behalf of<br>investors | 40,131,204,613          | 316,645,779,029                      | (324,858,762,435)                | 31,918,221,207            |
| CIT withheld and<br>paid on behalf of<br>foreign institutions                 | 8,615,193,653           | 73,754,058,532                       | (77,579,927,474)                 | 4,789,324,711             |
| PIT withheld and<br>paid on<br>behalf of employees                            | 8,054,279,352           | 116,263,785,997                      | (120,122,017,828)                | 4,196,047,521             |
| Foreign contractor<br>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)                      | -                         |
| <b>Total</b>  | <b>118,960,709,302</b>  | <b>743,188,212,820</b>               | <b>(784,675,902,928)</b>         | <b>77,473,019,194</b>     |

**NOTES TO THE FINANCIAL STATEMENTS (continued)** Form B09 – CTCK**FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)****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         |
| <b>Total</b>                 | <b>188,422,944,100</b> | <b>194,292,714,722</b> |

**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         |
| <b>Total</b>                          | <b>250,047,320,274</b> | <b>195,643,770,048</b> |

(\*) 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        |
| <b>In which</b>                                    |                        |                        |
| 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        |
| <b>In which</b>                                    |                        |                        |
| 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        | -                      |
|  | <b>232,040,143,365</b> | <b>155,952,838,630</b> |

(\*\*) 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.

**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.

**3.16 Owners' capital****(a) Number of shares**

|                              | As at            |                  |
|------------------------------|------------------|------------------|
|                              | 31.12.2022 (VND) | 31.12.2021 (VND) |
| Number of shares registered  | 458,052,367      | 458,052,367      |
| Number of shares issued      | 458,052,367      | 458,052,367      |
| Number of shares repurchased | (840,418)        | (840,418)        |
| Number of 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.

## NOTES TO THE FINANCIAL STATEMENTS (continued) Form B09 – CTCK

### FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

#### (b) Details by shareholders

|  | As at 31.12.2022 |        | As at 31.12.2021 |        |
|--|------------------|--------|------------------|--------|
|  | Ordinary shares  | %      | Ordinary shares  | %      |
| <b>State - owned interest</b>  |                  |        |                  |        |
| Ho Chi Minh City Finance and Investment State-owned Company (HFIC) (*) | 105,772,520      | 23.09  | 105,772,520      | 23.09  |
| <b>Interest of other shareholders</b>                                  |                  |        |                  |        |
| 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  |
| <b>Treasury shares</b>   |                  |        |                  |        |
| Treasury shares  | 840,418          | 0.18   | 840,418          | 0.18   |
| Number of shares issued  | 458,052,367      | 100.00 | 458,052,367      | 100.00 |

(\*) 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     |
| As at 31 December 2021 and as at 31 December 2022 | 457,211,949     |

#### 3.17 Undistributed earnings

|                           | As at                    |                          |
|---------------------------|--------------------------|--------------------------|
|                           | 31.12.2022 (VND)         | 31.12.2021 (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           |
| <b>Total</b>              | <b>1,796,894,173,810</b> | <b>1,230,314,760,376</b> |

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 (*)  | As at 31.12.2021 (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.

## 4 NOTES TO OFF STATEMENT OF FINANCIAL POSITION ITEMS

### 4.1 Bad debts written off

|   | As at                 |                       |
|---|-----------------------|-----------------------|
|   | 31.12.2022 (VND)      | 31.12.2021 (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           |
|   | <b>39,928,851,148</b> | <b>39,928,851,148</b> |

### 4.2 Number of shares

#### (a) Shares in issue

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

#### (b) Treasury shares

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

## NOTES TO THE FINANCIAL STATEMENTS (continued) Form B09 – CTCK

### FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

#### 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 for issue | Number of covered warrants cancelled | Number of covered warrants issued | Number of covered warrants authorised but not yet 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  |
| 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  |
|               |   |            |               | <b>281,000,000</b>                              | <b>-</b>                             | <b>10,079,500</b>                 | <b>270,920,500</b>                                       |

## NOTES TO THE FINANCIAL STATEMENTS (continued) Form B09 – CTCK

### FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

#### 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 |
| 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  |
| 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  |
|               |  |            |               | <b>249,000,000</b>                              | <b>-</b>                             | <b>123,880,300</b>                | <b>125,119,700</b>                                       |

## NOTES TO THE FINANCIAL STATEMENTS (continued) Form B09 – CTCK

### FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

#### 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        |
|                 |                    |                   |                  |                          | <b>179,001,900,000</b> |                  |                          | <b>337,371,500,000</b> |

#### 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

Vị thế bán đối với các hợp đồng tương lai tại ngày báo cáo như sau:

|   | 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   |
| <b>In which:</b>                                      |                     |                     |
| Underlying securities                                 | 298,741,900,052     | 883,067,350,137     |
| Derivatives   | 674,812,818,000     | 577,346,285,000     |
| Covered warrants redeemed                             | 162,700,149,628     | 33,858,032,756      |
| Covered warrants expired                              | 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) |
| <b>In which:</b>                                      |                     |                     |
| Underlying securities                                 | (626,452,173,238)   | (328,791,730,972)   |
| Derivatives   | (402,620,996,000)   | (526,248,710,000)   |
| Covered warrants redeemed                             | (46,443,349,532)    | (238,231,290,864)   |
| Covered warrants expired                              | (1,538,773,247)     | (69,318,998,197)    |
| Net realised gain                                     | 252,249,741,035     | 350,301,670,775     |

##### 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 (VND) | 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)                            |
| <b>Total</b>   |                         |                      |                             | <b>252,249,741,035</b>                            | <b>350,301,670,775</b>                      |

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

## NOTES TO THE FINANCIAL STATEMENTS (continued) Form B09 – CTCK

### FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

#### 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           |
| <b>Total</b>                                   | <b>7,826,103,993</b> | <b>(92,006,343,254)</b> |

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)                             |
| <b>Total</b>  | <b>1,411,369,080,358</b> | <b>1,424,495,705,829</b>       | <b>13,126,625,471</b>   | <b>5,300,521,482</b>   | <b>7,826,103,993</b>                        |

|  | For the year ended      |                        |
|--|-------------------------|------------------------|
|  | 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         |
| <b>Total</b>   | <b>(91,190,521,653)</b> | <b>161,452,023,028</b> |

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 | 3,599,829,440 | 2,999,481,104                  | 600,348,336   | 91,790,869,989   | (91,190,521,653)                            |

##### 5.3 Dividends and interest income from financial assets

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

##### 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 (VND)   | 31.12.2021 (VND) |
| Interest expenses | 750,725,049,674    | 747,190,551,120  |

##### 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)       |
| <b>Proprietary trading activities</b>         | <b>72,102,674,942</b>  | <b>91,924,223,288</b>  |
| 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         |
| <b>Brokerage fee expenses</b>                 | <b>572,805,427,628</b> | <b>766,756,414,595</b> |
| 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         |
| <b>Custody service expenses</b>               | <b>9,798,386,787</b>   | <b>8,909,326,503</b>   |
| <b>Financial consultancy service expenses</b> | <b>26,093,851,921</b>  | <b>21,786,770,977</b>  |
| Staff costs                                   | 22,682,705,175         | 19,275,720,388         |
| Others  | 3,411,146,746          | 2,511,050,589          |
| <b>Other operating expenses</b>               | <b>4,124,185,703</b>   | <b>4,456,527,541</b>   |
| <b>Total</b>                                  | <b>684,924,526,981</b> | <b>893,833,262,904</b> |

(\*) 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 (continued) Form B09 – CTCK

### FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

#### 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         |
| <b>Total</b>                  | <b>350,767,604,201</b> | <b>296,812,554,290</b> |

##### 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)          |
| <b>Total</b>   | <b>215,318,263,721</b> | <b>283,272,936,560</b> |

(\*) 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.

##### 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.

|   | For the year ended |                   |
|---|--------------------|-------------------|
|   | 31.12.2022 (VND)   | 31.12.2021 (VND)  |
| 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)  |
| Weighted average number of ordinary shares in issue (shares)      | 457,211,949        | 311,295,411       |
| Basic earnings per share (VND)                                    | 1,865              | 3,500             |

(\*) 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.

(\*\*) 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 (VND)  | Adjustment (VND) | Recalculated (VND) |
| 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)                                   | 3,685                         |                  | 3,500              |

###### (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)) (*) | 228,605,974,500    | 152,520,922,500  |

(\*) 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 (continued) Form B09 – CTCK

### FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

#### 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<br>(VND)   | Share premium<br>(VND) | Treasury shares<br>(VND) | Supplementary<br>capital reserve (*) (VND) | Financial risk and<br>operation reserve (*)<br>(VND) | Other equity<br>funds<br>(VND) | Undistributed<br>earnings<br>(VND) | Total<br>(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               |
| <b>As at 31.12.2022</b>   | <b>4,580,523,670,000</b> | <b>967,536,880,000</b> | <b>(12,477,449,008)</b>  | <b>277,696,843,214</b>                     | <b>277,696,843,214</b>                               | <b>3,961,374,994</b>           | <b>1,796,894,173,810</b>           | <b>7,891,832,336,224</b> |

(\*) 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).

|   | Share capital<br>(VND)   | Share premium<br>(VND) | Treasury shares<br>(VND) | Supplementary<br>capital reserve (*) (VND) | Financial risk and<br>operation reserve (*)<br>(VND) | Other equity<br>funds<br>(VND) | Undistributed<br>earnings<br>(VND) | Total<br>(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)             |
| <b>As at 31.12.2021</b>   | <b>4,580,523,670,000</b> | <b>967,536,880,000</b> | <b>(12,477,449,008)</b>  | <b>277,696,843,214</b>                     | <b>277,696,843,214</b>                               | <b>3,961,374,994</b>           | <b>1,230,314,760,376</b>           | <b>7,325,252,922,790</b> |

## NOTES TO THE FINANCIAL STATEMENTS (continued) Form B09 – CTCK

### FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

#### 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).

##### 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:     | (57,373,000,000)   | (226,062,548,856) |
| To bonus and welfare funds                      | (57,373,000,000)   | (18,527,264,270)  |
| To operation fund of the Board of Directors     | -                  | (7,956,775,412)   |
| To supplementary capital reserve fund           | -                  | (99,789,254,587)  |
| To financial and operational risk reserve fund  | -                  | (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   |

#### 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 (VND)   | 31.12.2021 (VND) |
| <b>Dragon Capital Markets Limited (DC)</b>                                |                    |                  |
| Dividend paid   | 45,825,278,000     | 109,980,667,200  |
| <b>DCVFM</b>  |                    |                  |
| Services rendered   | 7,933,786,676      | 3,818,297,238    |
| <b>Ho Chi Minh City Finance and Investment State-owned Company (HFIC)</b> |                    |                  |
| Dividend paid   | 36,487,590,000     | 87,570,216,000   |
| <b>Vision &amp; Associates Company Limited</b>                            |                    |                  |
| Consultancy service expense   | 285,398,640        | -                |
| <b>Compensation of key management</b>                                     |                    |                  |
| Gross salaries and other benefits (*)                                     | 14,754,871,796     | 13,216,871,795   |

## NOTES TO THE FINANCIAL STATEMENTS (continued) Form B09 – CTCK

### FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

#### 8 RELATED PARTY DISCLOSURES (continued)

##### (a) Related party transactions (continued)

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

|  |                         | For the year ended   |                      |
|--|-------------------------|----------------------|----------------------|
|  |                         | 31.12.2022 (VND)     | 31.12.2021 (VND)     |
| <b>Board of Directors</b>                      |                         |                      |                      |
| 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           |
|  |                         | <b>4,608,205,129</b> | <b>4,020,205,128</b> |
| <b>Board of Supervision</b>                    |                         |                      |                      |
| 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           |
|  |                         | <b>1,146,666,667</b> | <b>1,096,666,667</b> |
| <b>Board of Management</b>                     |                         |                      |                      |
| Mr. Trinh Hoai Giang                           | Chief Executive Officer | 9,000,000,000        | 8,100,000,000        |

##### (b) Period-end balances with related parties

|                                 | Opening balance (VND) | Increase during the year (VND) | Decrease during the year (VND) | Closing balance (VND) |
|---------------------------------|-----------------------|--------------------------------|--------------------------------|-----------------------|
| <b>DC</b>                       |                       |                                |                                |                       |
| Dividend payable                | 45,825,278,000        | 68,737,917,000                 | (45,825,278,000)               | 68,737,917,000        |
| <b>HFIC</b>                     |                       |                                |                                |                       |
| 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        |

#### 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 (continued) Form B09 – CTCK

### FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

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

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

|   | 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    | <b>4,460,112,837,812</b>   |
| Expenses  | (780,122,268,639)                   | (1,186,321,179,363)       | (747,190,551,120) | (21,786,770,977)  | <b>(2,735,420,770,099)</b> |
| In which:   |                                     |                           |                   |                   |                            |
| Direct cash expenses  | (740,513,855,737)                   | (1,239,778,442,061)       | (747,190,551,120) | (21,722,485,978)  | <b>(2,749,205,334,896)</b> |
| Total amount of significant non-cash expenses, other than depreciation, amortisation and allocation of prepaid expenses | -                                   | 68,193,773,958            | -                 | -                 | <b>68,193,773,958</b>      |
| Total depreciation and amortisation of fixed assets   | (12,510,343,749)                    | (665,963,340)             | -                 | (64,284,999)      | <b>(13,240,592,088)</b>    |
| Allocation of long-term and short-term prepaid expenses   | (27,098,069,153)                    | (14,070,547,920)          | -                 | -                 | <b>(41,168,617,073)</b>    |
| Segment result  | 638,357,809,345                     | 630,084,712,796           | 431,485,559,157   | 24,763,986,415    | <b>1,724,692,067,713</b>   |
| Net financial income  |                                     |                           |                   |                   | <b>2,367,957,861</b>       |
| Net other income  |                                     |                           |                   |                   | <b>87,846,363</b>          |
| General and administration expenses   |                                     |                           |                   |                   | <b>(296,812,554,290)</b>   |
| Operating result before tax   |                                     |                           |                   |                   | <b>1,430,335,317,647</b>   |

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

## NOTES TO THE FINANCIAL STATEMENTS (continued) Form B09 – CTCK

### FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

#### 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<br>and services<br>(VND) | Proprietary<br>trading<br>(VND) | Lending<br>(VND)    | Consultancy(VND) | Unallocated<br>(VND) | Total<br>(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       |

|   | As at 31 December 2021             |                                 |                      |                  |                      |                      |
|---|------------------------------------|---------------------------------|----------------------|------------------|----------------------|----------------------|
|   | Brokerage<br>and services<br>(VND) | Proprietary<br>trading<br>(VND) | Lending<br>(VND)     | Consultancy(VND) | Unallocated<br>(VND) | Total<br>(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 (continued) Form B09 – CTCK

### FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

#### 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 (VND)          | 31.12.2021 (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               |
| <b>Total credit risk exposure</b>                        | <b>15,037,930,406,458</b> | <b>23,145,534,112,406</b> |

##### (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.

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 (continued) Form B09 – CTCK

### FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

#### 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                | -                        | -                         |
| <b>Net balance</b>            | <b>7,378,982,938,005</b> | <b>13,690,097,115,046</b> |

###### (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)            |
|-------------------------------|-------------------------------------|---------------------------------|-----------------------------|------------------------|
| <b>As at 31.12.2022</b>       |                                     |                                 |                             |                        |
| Current                       | 745,154,301,110                     | -                               | -                           | <b>745,154,301,110</b> |
| Overdue for more than 3 years | -                                   | -                               | -                           | -                      |
|                               | 745,154,301,110                     | -                               | -                           | <b>745,154,301,110</b> |
| Provision made                | -                                   | -                               | -                           | -                      |
| <b>Net balance</b>            | <b>745,154,301,110</b>              | -                               | -                           | <b>745,154,301,110</b> |
| <b>As at 31.12.2021</b>       |                                     |                                 |                             |                        |
| Current                       | 839,818,918,749                     | -                               | -                           | <b>839,818,918,749</b> |
| Overdue for more than 3 years | -                                   | -                               | -                           | -                      |
|                               | 839,818,918,749                     | -                               | -                           | <b>839,818,918,749</b> |
| Provision made                | -                                   | -                               | -                           | -                      |
| <b>Net balance</b>            | <b>839,818,918,749</b>              | -                               | -                           | <b>839,818,918,749</b> |

##### (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).

- 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:

## NOTES TO THE FINANCIAL STATEMENTS (continued) Form B09 – CTCK

### FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

#### 10 FINANCIAL RISK MANAGEMENT (continued)

##### (b) Market risk (continued)

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

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).

##### (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           |
| <b>Total financial liabilities</b>      | <b>7,429,923,436,196</b> | <b>16,892,922,072,969</b> |

##### (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%).

#### 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        |
| <b>Total minimum payments</b> | <b>93,034,630,636</b> | <b>68,432,621,100</b> |

#### 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 (continued) Form B09 – CTCK

## FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

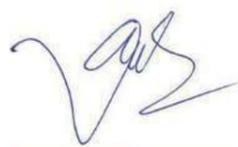
## 13 VOLUME AND VALUE OF TRANSACTIONS DURING THE YEAR

|                          | Volume of transactions during the year | Value of transactions during the year (VND) |
|--------------------------|--|---|
| <b>a) Of the Company</b> |  |   |
| 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>b) Of investors</b>   |  |   |
| 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                       |
|                          | <b>17,015,249,865</b>                  | <b>2,476,670,256,879,320</b>                |

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  
22 March 2023

## OUR OFFICES

## HO CHI MINH CITY

**Head Office:** Level 2,5,6,7,11 & 12, AB Tower, 76A Le Lai Street, Ben Thanh Ward, District 1, Ho Chi Minh City

**Customer Services Center:** Level 2, AB Tower, 76A Le Lai, Ben Thanh Ward, District 1, Ho Chi Minh City

## HANOI CITY

**Hanoi Branch: Level 1 & 2, CornerStone Building, 16 Phan Chu Trinh, Hoan Kiem District, Hanoi**

**Customer Services Center:** Level 1, CornerStone Building, 16 Phan Chu Trinh, Hoan Kiem District, Hanoi

**Hoan Kiem Transaction Office:** Level 3A & 7, Sun Red River Building, 23 Phan Chu Trinh, Hoan Kiem District, Hanoi



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