

**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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*Email: cbtt@hsc.com.vn Website: hsc.com.vn*
- Nội dung thông tin công bố: **Báo cáo thường niên năm 2023**  
*Contents of disclosure: 2023 Annual Report*
- Thông tin này đã được công bố trên trang thông tin điện tử của công ty vào ngày 03/04/2024 tại đường dẫn <https://www.hsc.com.vn/cong-bo-thong-tin>  
*This information was published on the company's website on 03 April 2024, 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 Communications Officer*

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

- Báo cáo thường niên năm 2023/ *2023 Annual Report*



**.hsc**



**MAKING AN IMPACT**





## THE FIRST 20 YEARS

2023 marks the 20th anniversary of HSC's incorporation. Since its inception, HSC has been accompanying the development of the Vietnamese stock market. From a humble beginning with a charter capital of only VND 50 billion, HSC has grown to become one of the leading securities firms in the market in both revenue and profitability. In the same time span, the Vietnamese stock market, once fledgling and embryonic, has gone through leaps and bounds to become more mature in scale and quality.

*"What I am most proud of in the past 20 years is that together, we have built a strong company in terms of governance, corporate culture, and human resources. Throughout the years, HSC has been one of the very few securities companies that consistently maintains a cash dividend policy. This reflects our responsibility and deep commitment to deliver values to shareholders. On the other hand, HSC's success has not been possible without the partnership and contributions from our shareholders."*

*Trinh Hoai Giang - CEO*

HSC remains steadfast in its commitment to grow in a sustainable and responsible manner, continuously delivering values to its clients and shareholders, aiming to become one of Vietnam's most admired, trusted and valued financial institutions while actively contributing to Vietnam's economy and society.

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# CORPORATE MILESTONE

“ HSC was established and developed in tandem with the growth of Vietnam’s capital market. Thus, contributing and fostering the robust growth of the Vietnamese economy has been HSC’s mission throughout its 20-year journey and beyond. ”

Trinh Hoai Giang, CEO

## 2003-2008 FORMATION



HSC was officially established with an initial charter capital of 50 billion VND. By 2005, Dragon Capital Vietnam Fund Management Company became a strategic shareholder. From 2005 to 2008, HSC’s charter capital increased rapidly, the company expanded its scale, and opened branches in Hanoi, Customer Service Centers, and Online Trading Services.

## 2009-2014 CONSOLIDATION



In 2009, HSC embarked on a new phase of development by officially listing on the Ho Chi Minh City Stock Exchange (HOSE). Direct connectivity to Bloomberg and Reuters networks via the FIX protocol (Financial Information Exchange - an international standard electronic protocol) was established. In the subsequent years, HSC received numerous prestigious awards and commendations from the Prime Minister and various governmental departments and agencies.

## 2015-2019 ACCELERATION



HSC actively participated in developing new products, drafting regulations, and establishing trading systems for new products such as Government bonds, Futures, Covered warrants, Indexes, and Index-based investments.

Since 2018, HSC has successfully organized the Emerging Vietnam event - an annual investor conference, connecting leading Vietnamese corporates with potential foreign investors.

## FROM 2020 TRANSFORMATION



In 2020, HSC entered a new chapter under the leadership of CEO Trinh Hoai Giang. In 2021, HSC made a significant mark by increasing its charter capital to VND4,581 billion.

By 2023, HSC completed its digital transformation strategy with technological self-reliance and the launch of the Lotus System digital platform.





## CEO'S MESSAGE



**TRINH HOAI GIANG**

CEO

Dear Shareholders,

2023 was a pivotal year for both the Vietnamese stock market and HSC. After a sharp decline in 2022, the VNIndex rose by 12%, driven by macroeconomic improvements. From the beginning of the year, the Government boldly cut interest rates to stimulate growth and implemented various policies to support struggling economic sectors. The Government demonstrated high level of determination in pushing for Vietnam's stock market upgrade to EM status. Many events, both domestic and international, were organized to address the remaining obstacles of the upgrading process, as well as to introduce Vietnam's potential to the international investor community. HSC was honored to be among the few securities companies to accompany the Vietnam Securities Commission and authorities to participate in this process. This showcased HSC's role and commitments to Vietnam's stock market. Our team of experts advised on critical matters including the new trading systems, proposed solutions to the removal of pre-funding requirements for foreign investors, as well as introduced international investors to key relevant parties in Vietnam. We believe the opportunities following the market upgrade are vast, and therefore, are very excited about our position in this regard.

**2,255** VND  
BILLION

REVENUE

**842** VND  
BILLION

PROFIT BEFORE TAX

By the end of 2023, HSC achieved revenue of VND2,255 billion and pre-tax profit of VND842 billion. These business results reflect the tremendous efforts of the management and all HSC staff amidst a volatile market and reduced liquidity.

In the stock brokerage business, I believe there are significant upside in the retail investor segment due to increasing demand for wealth accumulation and preservation, especially among the high-net-worth individuals. Throughout the year, HSC maintained its position as one of the top five securities companies in terms of market share on HOSE. We continued to implement a series of events bringing investors and corporates together to explore investment opportunities in leading businesses. In addition, we flexibly adjusted sales policies to aid customer acquisition and care.

In the institutional client segment, HSC has long been a bridge between international investors and Vietnamese financial market for many years. Our annual investor conference Emerging Vietnam 2023 welcomed over 500 representatives from more than 60 asset management companies from many countries and connected with over 40 leading listed companies in Vietnam. The results were very promising. In 2023, HSC maintained its leading position with a 23% market share of the total trading value of foreign investors.

In the investment banking business, HSC successfully concluded many transactions with major Vietnamese enterprises in 2023, and is executing several other large projects. These transactions are expected to bring in positive results for HSC in 2024 and elevate the HSC brand to new height.

2023 also marked the 20th anniversary of HSC's incorporation. What I am most proud of is that together we have built a strong company in terms of governance, corporate culture, and human resources. Throughout the years, HSC has been one of the very few securities companies that consistently maintains a cash dividend policy. This reflects our responsibility and deep commitment to deliver values to shareholders. On the other hand, HSC's success has not been possible without the partnership and contributions from our shareholders.

With the significant opportunities of the Vietnamese stock market in 2024 and beyond, I am confident that HSC has been well prepared in terms of technology, capital, and human resources, and are now ready to convert these opportunities into value for shareholders.

On behalf of the entire management and staff of HSC, I wish to sincerely thank you, our Valued Shareholders for your trust and support throughout the years, and I hope that you will continue to accompany HSC into the future.

Yours sincerely,

**Trinh Hoai Giang**  
CEO

## FINANCIAL HIGHLIGHTS

	2019	2020	2021	2022	2023
<b>Statement of income (VND Billion)</b>					
Revenue (*)	1,262	1,592	3,368	2,854	2,255
Operating expenses (*)	731	932	1,938	1,786	1,413
Profit before tax	531	660	1,430	1,068	842
Profit after tax	433	530	1,147	852	674
<b>Balance sheet (VND Billion)</b>					
Total assets	7,489	12,489	24,369	15,447	17,911
Charter capital	3,059	3,059	4,581	4,581	4,581
Shareholders' equity	4,304	4,440	7,325	7,892	8,312
Outstanding shares (Million shares)	305.5	305.0	457.2	457.2	457.2
<b>Asset Structure</b>					
Current assets/Total assets	97.4%	98.6%	99.3%	98.8%	99.0%
Long-term assets/Total assets	2.6%	1.4%	0.7%	1.2%	1.0%
<b>Long-term assets/Total assets</b>					
Liabilities/Equity	0.7	1.8	2.3	1.0	1.2
<b>Rate of returns</b>					
Return on average equity (ROAE)	11.7%	12.1%	23.8%	11.2%	8.3%
Basic earnings per share (VND)	1,596	1,738	3,685	1,865	1,475
<b>Equity's value</b>					
P/E	13.4	18.1	12.3	10.7	23.2
Book value per common share (BVPS) (VND)	14,088	14,557	16,022	17,261	18,180
P/B	1.5	2.2	2.8	1.2	1.9

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

## 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 DOMESTICS 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



# AWARDS

## INTERNATIONAL AWARDS



### ALPHA SOUTHEAST ASIA

- Best Institutional Broker in Vietnam 2019
- Best Investment Bank in Vietnam 2020, 2023



### TRIPLE A COUNTRY AWARDS

- Best Brokerage House in Vietnam 2013, 2014, 2017, 2019, 2020, 2021
- Best M&A House in Vietnam 2014
- Best Corporate and Institutional Adviser 2024



### 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



### FINANCE ASIA

- Best Investment Bank in Vietnam 2021



### HR ASIA AWARDS

- Best Companies to work for in Asia 2023

“ Our ambition is to be the preferred financial partner for our clients. International and local awards are a recognized endorsement of our company’s expertise and professionalism, providing a leading edge over competitors. ”

## LOCAL AWARDS

### TOP 50 FORBES

- Top 50 Best Performing Companies in Vietnam 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023

### 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, 2023

### 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

### ANPHABE

- Vietnam Best Places to work 2023
- Attractive employer brand 2022



## GOVERNMENT MERIT CERTIFICATE

### 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

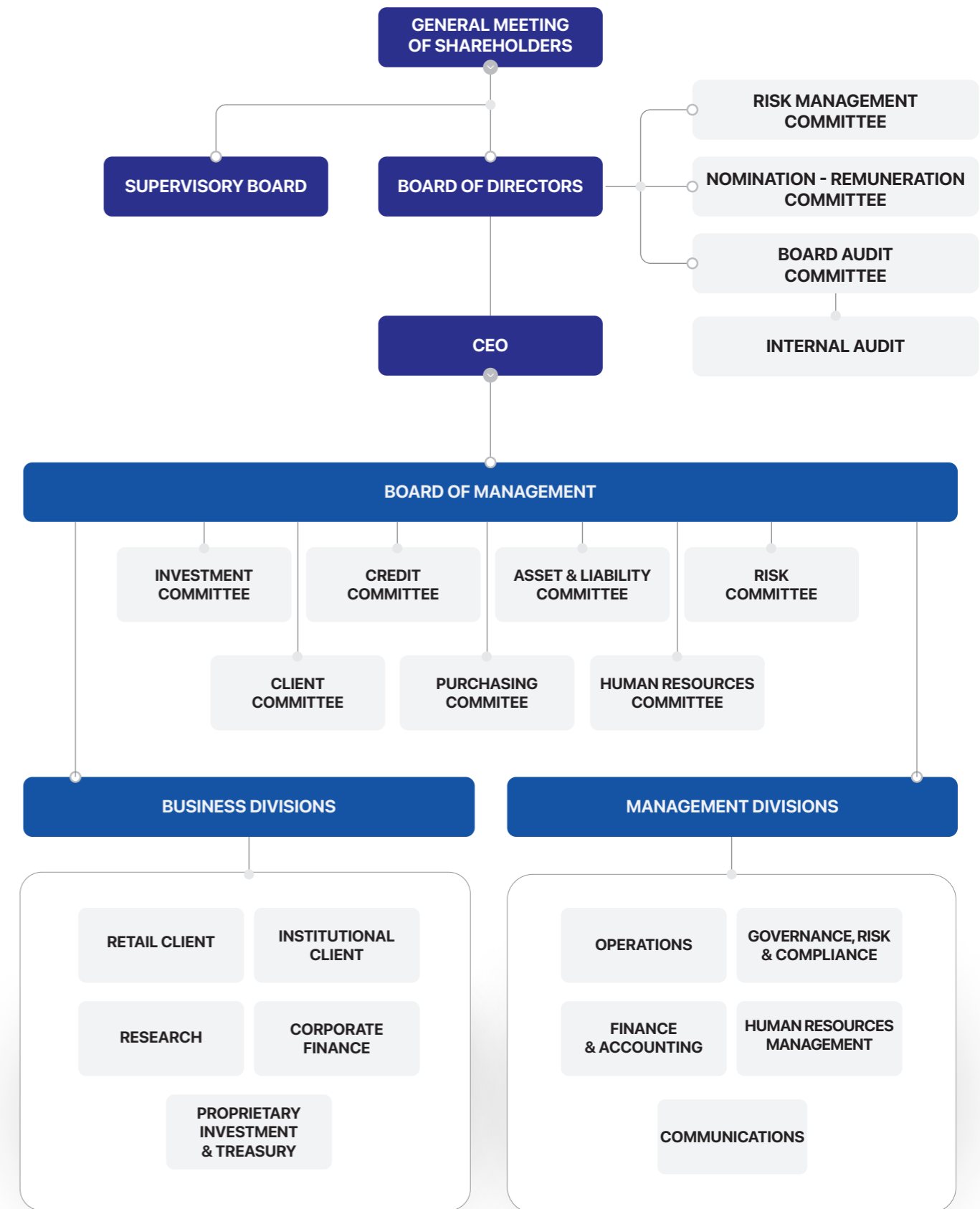
### CERTIFICATE OF MERIT FROM HO CHI MINH CITY PEOPLE’S COMMITTEE

- Enterprises implement sustainable development and create long-term value for shareholders
- Enterprises with high achievements in corporate income tax payment 2019, 2021





# ORGANIZATION CHART







BOARD OF DIRECTORS



# 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.



**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). 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.



**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 Plekhanov 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.



**Mrs. PHAN QUYNH ANH**  
Non-executive member  
Appointment: 2023

Mrs. Phan Quynh Anh is the representative of Ho Chi Minh City Finance and Investment Company (HFIC) interests at HSC. She is currently the Deputy Head of Finance and Accounting Department of HFIC. She holds a MBA degree from the joint program between the Open University and Solvay University (Belgium).





# BOARD OF SUPERVISORS



**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.



**Ms. 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.



**Mr. TRAN THAI PHUONG**  
 Member of Supervisory Board  
 Appointment: 2023

Mr. Phuong is currently Deputy Head of Capital Management and Sales Department at HFIC. He is also a member of Supervisory Board of Ho Chi Minh City Ferry Bridge Construction Joint Stock Company (HFBC). He holds a master's degree in finance from the University of Economics Ho Chi Minh City.





BOARD OF MANAGEMENT



# 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: 2020

Mr. Ho has been with HSC for over 15 years. Before HSC, Mr. Ho had more than 05 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. PETER REDHEAD

Managing Director  
Head of Research Division  
Appointment: 2023

Mr. Peter Redhead joined HSC as Managing Director – Head of Research since 17 April 2023. He has been working in the financial markets for over 25 years. He has played senior roles as a Head of Research and Equities for ING Barings (Thailand) and Jardine Fleming Securities (Hong Kong). Mr. Peter used to work for JPMorgan as Head of Asian Research and Head of European research. Before HSC, he was Head of Global Equity Research at Macquarie.



## Mr. TRAN TAN DAT

Managing Director  
Head of Institutional Client Division  
Appointment: 2024

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.

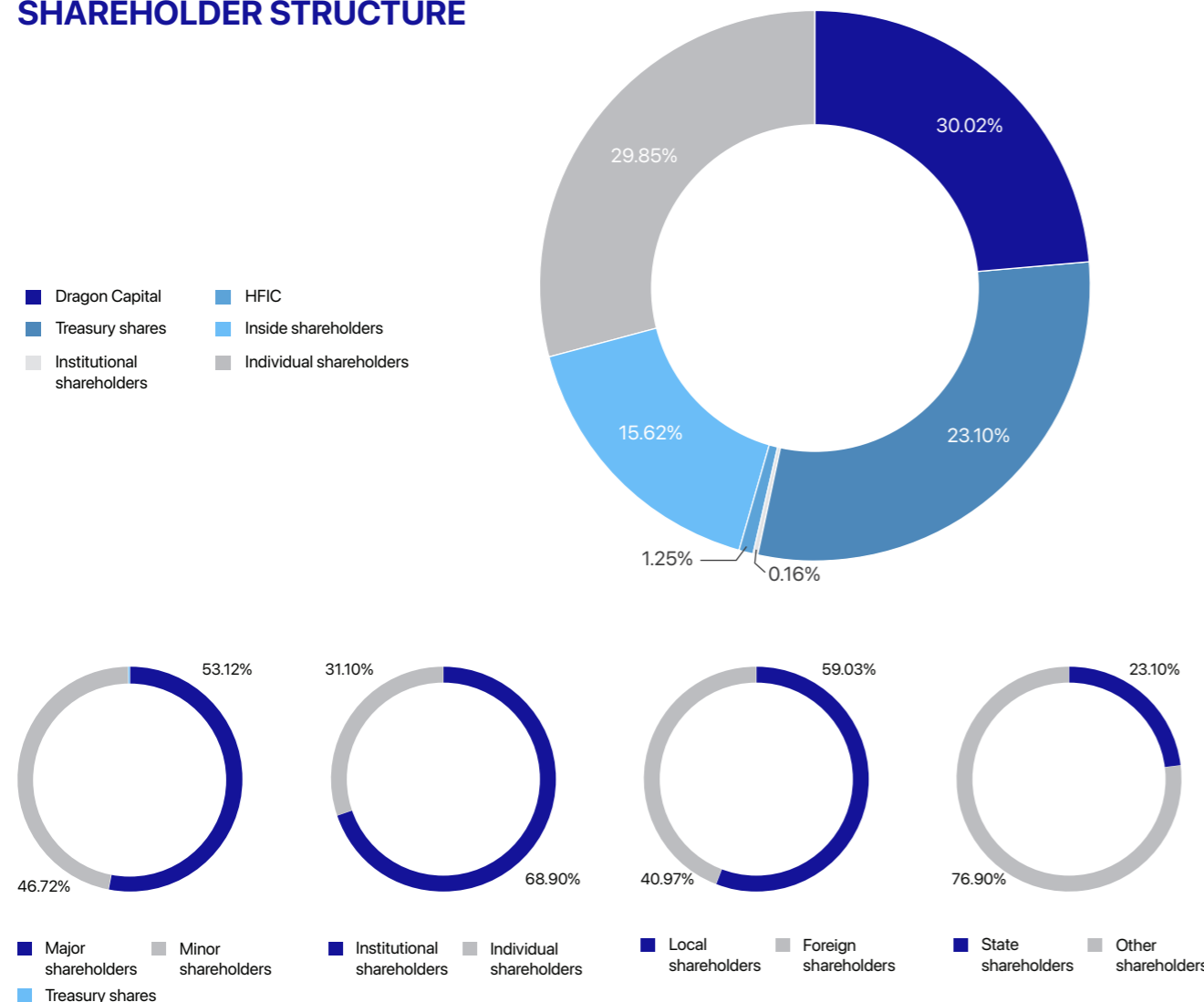


# STOCK INFORMATION & SHAREHOLDERS STRUCTURE

## SHARE

TOTAL NUMBER OF SHARES	526,632,298 SHARES
TREASURY SHARES	840,418 SHARES
NUMBER OF OUTSTANDING SHARES	525,791,880 SHARES
▲ Number of transferable shares	525,791,880 SHARES
▲ Number of restricted transferable shares	0 SHARE

## SHAREHOLDER STRUCTURE



## TREASURY SHARE TRANSACTIONS

The Company did not conduct treasury share transactions in 2023.

## HISTORY OF CAPITAL INCREASE

The Company has carried out 09 capital increases since its establishment to date.

No	Period	Value after capital increase (VND Billion)	Value increased during the period (VND Billion)	Note
00	04/2003	50	0	Initial charter capital
01	10/2006	100	50	Offering to existing shareholders ESOP
02	09/2007	200	100	Offering to existing shareholders Private offering to strategic shareholders
03	06/2008	394,634	194,634	Issuing bonus shares to existing shareholders Offering to existing shareholders ESOP Offered for sale individually
04	06/2010	599,996	205,362	Issuing bonus shares to existing shareholders ESOP
05	05/2012	1,008,486	408,489	Issuing bonus shares to existing shareholders ESOP
06	12/2013	1,272,567	264,081	Issuing bonus shares to existing shareholders ESOP
07	03/2017	1,297,567	25	ESOP
08	09/2019	3,058,822	1,761,255	Issuing bonus shares to existing shareholders Offering to existing shareholders
09	12/2021	4,580,523	1,521,701	Offering to existing shareholders



## BUSINESS PERFORMANCE

### THE VIETNAMESE STOCK MARKET

The Vietnamese economy stabilized and gradually recovered in 2023 after experiencing substantial difficulties in 2022, which were mainly due to turbulences in the currency market and crisis in the corporate bond market. In the first half of 2023, the State Bank of Vietnam (SBV) bought about US\$6 billion and thus injected a large amount of VND into the economy. In addition, the SBV cut policies rates four consecutive times to bring the rates down to almost the lowest level in many years to support economic growth. Subsequently, commercial banks gradually reduced deposit rates and then lending rates. At the end of 2023, deposit rates of major commercial banks were at multi-year lows. In the corporate bond market, the Government issued the Decree 08/2023 amending Decree 65/2022 allowing bond issuers to negotiate with bondholders on extending bond maturities and thereby alleviating cashflow pressure of bond issuers and lifting investor sentiment. The Government's strong push to public investment disbursements, the rapid recovery of the tourism industry and the favorable inflow of FDI capital were other important economic growth drivers in last year.

In 2023, the Vietnamese stock market recovered considerably as stock valuations had become attractive after the market dropped sharply in the previous year and as macroeconomic conditions improved. The VNIndex increased by 12% in 2023, which was much better than the decline of 33% in the previous year. The return also outperformed those of other major indices in Southeast Asia.

In terms of trading value, for the full year 2023, the average daily trading value on all three stock exchanges decreased by 13% YoY to VND17.6 trillion. The margin loan balance of the whole market at the end of 2023 was approximately VND172 trillion, which was up sharply from VND114 trillion at the beginning of the year. It is worth to note that margin loan balance at the end of 4Q 2022 declined sharply compared to previous quarters due to unfavorable conditions of the stock market during the last quarter of 2022. The average quarterly margin loan balance (calculated based on quarter-end figures) in 2023 decreased by 2% YoY.

Foreign investors net sold US\$943.7 million of Vietnamese equities in 2023. The trading value of foreign investors accounted for 7.8% of the total trading value of the whole market, up from 7.4% in 2022.

Trading value of the stock market (VND trillion)	2023	2022	YoY
Total trading value of the stock market	4,381	5,021	-13%
The average daily trading value	17.6	20.2	-13%
Trading value of local investors	8,079	9,294	-13%
% of total trading value of the stock market	92.2%	92.6%	-
Trading value of foreign investors	683	748	-9%
% of total trading value of the stock market	7.8%	7.4%	-

### BUSINESS PERFORMANCE OF HSC

In 2023, HSC delivered VND2,255 billion in revenue, which translates to a decline of 21% YoY. Although the stock market rebounded in 2023, both total trading value and investors' demand for margin loans decreased compared to 2022 and that negatively affected the two major businesses of HSC - securities brokerage services and margin lending.

Operating expenses were well controlled and down by 21% YoY. Therefore, the cost-to-revenue ratio held steady at nearly 63%. HSC achieved VND842 billion in pre-tax profit, which was down by nearly 21% YoY.

Earnings per share (EPS) was VND1,475, which was down by 21% YoY. Return on average equity (ROAE) was 8.3%, which was lower than 11.2% in 2022. EPS and ROAE were lower YoY as earnings declined.

**2,255** VND  
BILLION  
REVENUE

**842** VND  
BILLION  
PROFIT BEFORE TAX

Business Performance (VND billion)	2023	2022	YoY	% of 2023 Plan
Revenue (*)	2,255	2,854	-21%	96%
Operating expenses (*)	1,413	1,786	-21%	98%
Profit before tax	842	1,068	-21%	93%
Profit after tax	674	852	-21%	93%
Return on average equity (ROAE)	8.3%	11.2%		
Total outstanding shares	457,211,949	457,211,949	0%	
Earnings per share (EPS) (VND)	1,475	1,865	-21%	
Book value per share (VND)	18,180	17,261	5%	

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

### Securities Brokerage Services

Revenue (VND billion)	2023	2022	YoY	% of 2023 Plan
Retail clients	395	568	-30%	141%
Institutional clients	277	313	-12%	115%
<b>Total</b>	<b>672</b>	<b>882</b>	<b>-24%</b>	<b>135%</b>

Securities brokerage services remained a core business of HSC. In 2023, the business posted a revenue of VND672 billion, down by 24% YoY and accounting for 30% of total revenue of HSC (2022: 31%). The total trading value of the stock market declined in 2023 and that negatively impacted the business's performance.

- ▲ Revenue of securities brokerage services provided to retail investors was VND395 billion, down by a 30% YoY. The decline in revenue could be attributed to the decrease in total trading value of the stock market and fierce competition in the segment. That said, HSC has been able to maintain its leading position as one of the top five securities companies in terms of brokerage services market share in the 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.
- ▲ HSC's institutional client brokerage posted VND277 billion in fee revenue, down 12% YoY. HSC reaffirmed its leading position in the foreign investor segment with a high market share of 23% in the total trading value of foreign sectors. With a state-of-the-art trading system connected to international trading networks and an experienced team, over the past year, HSC Institutional Client division actively assisted clients in successfully executing large deals of blue-chip stocks that no longer had room for foreign investors. To serve our institutional clients, we have built a strong Research team, which has been widely regarded as amongst the best in the industry. The team provides clients in-depth research on macroeconomics, investment strategy, industry, company and technical analysis. Besides, HSC also built a database of research reports and data of listed companies exclusively for institutional clients. In the database, we integrate applications of FactSet, the world leading provider of business data, to help our clients access information conveniently.



## BUSINESS PERFORMANCE OF HSC IN 2023 (continued)

### Margin lending

HSC's margin lending activity recovered through the quarters of 2023 as investor sentiment improved and the stock market rallied. HSC's margin loan balance at the end of 2023 reached VND12,135 billion, a sharp increase of 64% compared to the end of 2022 and accounting for about 7% of the total margin loan balance of the whole market. HSC's margin loan income decreased by 16% YoY to VND1,066 billion. Margin lending remained the largest contributor to HSC's total revenue in 2023 with a proportion of 47% (2022: 45%).

HSC still strictly adhered to our prudent margin lending approach and thus regularly assessed risks of securities in our margin loan portfolio. The current loan portfolio is only comprised of about 100 large-cap and highly liquid stocks of companies with strong fundamentals.

**12,135** VND  
BILLION

MARGIN LOAN BALANCE



### Financial Advisory Services

The Financial Advisory business recorded a modest revenue of VND22 billion in 2023, down by 59% YoY. On the positive side, HSC team completed some notable transactions and secured a strong deal pipeline, which promises a strong outlook of the business in 2024.

### 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. In 2023, the business delivered a good performance with VND473 billion of revenue.

The Treasury Management business of HSC in 2023 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

Balance Sheet (VND billion)	31/12/2023	31/12/2022	YoY
<b>Current assets</b>	<b>17,728</b>	<b>15,262</b>	<b>16%</b>
Cash and cash-equivalents	2,825	5,641	-50%
Financial assets	2,222	1,424	56%
Margin loans	12,135	7,379	64%
Other receivables	363	752	-52%
Other current assets	183	66	176%
<b>Long-term assets</b>	<b>182</b>	<b>184</b>	<b>-1%</b>
<b>Total assets</b>	<b>17,911</b>	<b>15,447</b>	<b>16%</b>
<b>Liabilities</b>	<b>9,599</b>	<b>7,555</b>	<b>27%</b>
Short-term borrowings	9,160	6,938	32%
Other payables	438	617	-29%
<b>Owners' equity</b>	<b>8,312</b>	<b>7,892</b>	<b>5%</b>
<b>Total resources</b>	<b>17,911</b>	<b>15,447</b>	<b>16%</b>

As at the end of 2023, HSC had a total asset value of VND17,911 billion, an increase of 16% YoY. The balance was primarily comprised of margin loans, short-term deposits and financial assets.

As client demand for margin loan increased, especially in the last quarter of 2023, HSC increased its short-term loan to expand loan portfolio. As a result, the debt to equity ratio at the end of 2023 increased to 1.2x from 1.0x at the end of 2022.

HSC is proud to be named the "Best Financial Advisory Firm for Institutional and Corporate Clients" at The Asset Triple A Sustainable Finance Awards 2024. By this award, The Asset honored HSC's capabilities and strategic vision in the investment banking business as well as the values that we brought to our clients as well the community through the deals we successfully advised. The team has proven its world-class deal advisory capabilities by completing high-profile transactions in various sectors such as Financial, Real Estate, Consumer, Manufacturing and Healthcare, etc. The award also reaffirmed HSC's vision to be the most trusted partner for our clients and our unwavering commitment to developing the Vietnamese capital markets and economy.



## OPERATION

Driven by the “Client-centric” philosophy, HSC has been able to build trust with clients by providing the best financial products and services, which help our clients invest successfully and thereby enhancing their wealth.

In terms of technology, in order to build a solid foundation to serve long-term growth, HSC has been actively developing proprietary self-sufficient technologies. This approach allows us to own core technologies and knowhow across three important stages: design, construction, and operation. In 2023, the Operations division delivered outstanding performances. By successfully building a strong in-house information technology (IT) team who are capable of developing and operating state-of-the-art digital platforms, the division has been able to reduce dependence on external suppliers considerably while continue to offer new products and services to serve increased demand of clients as well as expanded operations of internal departments on a timely manner. At the same time, HSC also promoted digitalization and modernization of technology infrastructure, thereby accelerating the pace of innovation and enhancing client experience. From having one platform that simply served trading activities of clients, HSC has upgraded and integrated more features to serve diverse needs of different groups of clients.

HSC identifies 05 key pillars in developing the technology ecosystem including:

1.	Develop an infrastructure that meets all needs of internal management activities and of clients while ensures safety, security, and convenience.
2.	Finetune and standardize data quality. HSC will build a client database, using quality data to develop products and services that meet the needs of each individual client.
3.	Revamp the trading platform with new products and services integrated to cater diverse needs of all clients, especially high-net-worth clients.
4.	Develop a research and development team who will dedicatedly study the current situation in the domestic market and best practices in developed markets to develop suitable solutions for key issues including the non-prefunding trading requirement and to improve some processes related to initial public offering.
5.	Revamp sales and marketing systems, which could automatically analyze client behaviors to offer timely supports to their trading activities.

In 2024, we will continue to enhance the capabilities of our in-house IT team. Our ultimate goal is that the team could continuously develop new products and services without dependence on external suppliers. Moreover, ensuring the security of this entire system of products and services is our top priority. We will invest to enhance our IT security governance across the entire system by regularly conducting IT security architecture reviews and continuously monitoring events occurring throughout the system to ensure that all abnormal events are detected. We will also upgrade IT security standards by adopting the most updated ISO 27001:2022 version.

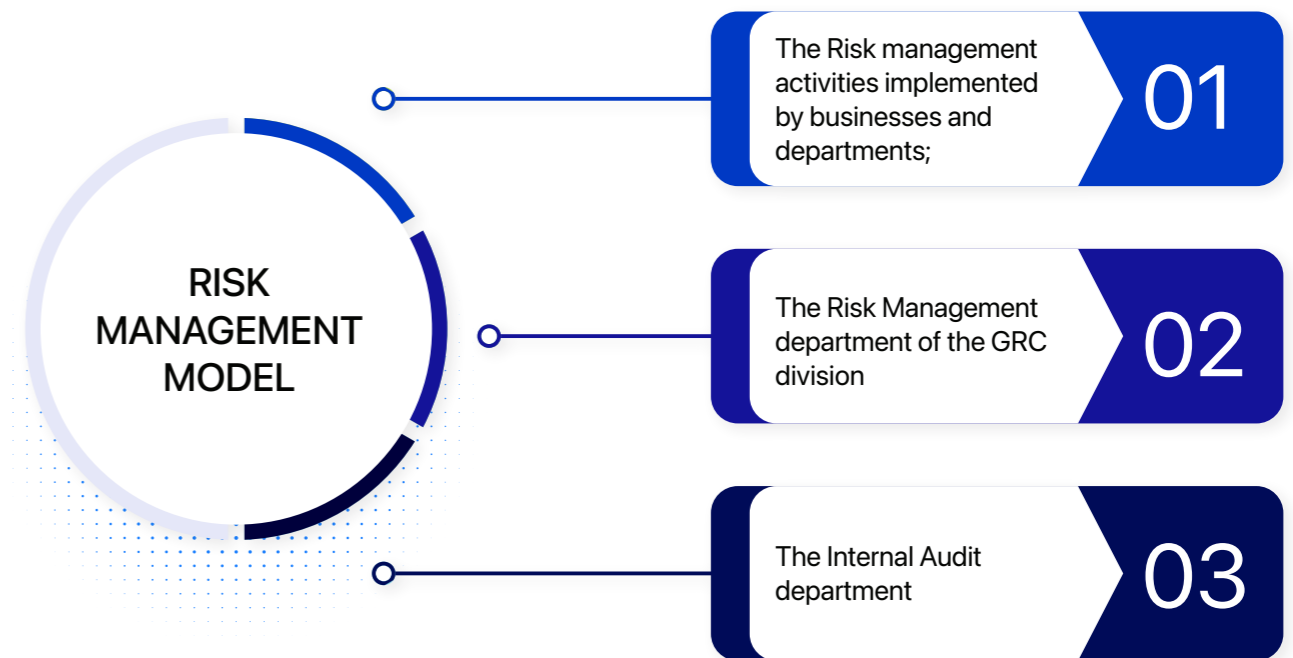
Over the past 20 years, HSC has always committed to making significant contributions to the development of the capital markets in Vietnam. We have actively joined hands with relevant regulators to develop and implement new products and services. The notable ones include exchange-traded funds (ETFs), warrants and derivatives. More specifically, HSC is one of the leading authorized participants and market makers for two domestic exchange-traded funds in Vietnam, VFMVN30 ETF and VFMVN Diamond ETF.

Besides, we have worked closely and advised regulators in developing legal framework for new products and services based on global standards. Our representatives also accompanied regulatory agencies in delegation trips to developed markets to learn new practices.

In 2024 and 2025, to achieve an upgrade of the Vietnamese stock market to emerging market status, which could help attract approximately US\$10 billion of indirect foreign investment capital to Vietnam, as the direction of the Prime Minister and the SSC, HSC will continue to collaborate with regulatory agencies to develop well-grounded solutions to the obstacles facing stock market upgrade including: (i) non-prefunding trading requirement, (ii) foreign ownership limit, (iii) information disclosure, (iv) initial public offering (IPO).

## RISK MANAGEMENT

The GRC division is in charge of monitoring risk management and compliance, which is the second line in the three-line-of-defense risk management model of HSC. The division consists of three departments - Risk Management department, Internal Control and Compliance department and Legal department.



In this model, all divisions and departments are responsible for effectively identifying, assessing, monitoring and dealing with material risks in their day-to-day business operations, and must meet all compliance obligations at all times through constructing, monitoring and updating risk portfolios of each division. The GRC division and the Internal Audit department are responsible for periodically and regularly monitoring and auditing the risk management policies and measures to ensure that they are designed and operated effectively.

In 2023, stock market regulators enforced compliances of securities companies as an attempt to further enhance transparency of the stock market. With clear leadership direction, development strategy, compliance culture and a three-line-of-defense risk management model, HSC applied an agile approach to business and continued to strengthen its risk management. As a result, in 2023, HSC effectively managed business risks as the Company did not witness any bad debts from margin lending activities while continued to offer clients low-risk and effective investment products and services uninterruptedly, thereby contributing to the Company's positive business results.





## RISK MANAGEMENT (continued)

### ACTIVITIES OF THE GRC DIVISION IN 2023

#### Develop policies, procedures, and training

In 2023, the GRC division developed, updated, revised and supplemented a number of important policies and procedures including the procurement policy, privacy of information and personal transaction policy, anti-money laundering policies and procedures and the procedures for consulting, reviewing and approving documents. In addition, the GRC division coordinated with other divisions and departments to develop, update, amend and supplement a number of policies and business processes.

Besides, in order to raise staff awareness of risk management and compliance, GRC offered various risk and compliance training courses such as on risk management, code of conduct and ethics, anti-money laundering, information disclosure, protection of information and personal transactions.

#### Constructing risk portfolio

Based on the list of identified material risks, the GRC division continued to coordinate with other divisions to conduct in-depth review, assessment and periodic update of material risks. In addition, the division closely monitor and urge departments to promptly complete necessary works to prevent and control risks, especially material risks related to client information, client management, financial control and debt collection.

#### Inspection, compliance monitoring and risk prevention activities

One of the main activities of the GRC division is supervising and inspecting, both pre- and post-audits, the compliance with laws, policies and procedures of divisions in order to proactively prevent and promptly detect and correct operational and business risks.

In 2023, the GRC division conducted various periodic checks (monthly, quarterly, semi-annual, annual) on operations of other divisions. The key areas of the supervision and inspection activities in 2023 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. Violations and errors that are assessed at high and medium risk levels will be reported to the Risk Management Board and the Risk Management Committee under the Board of Directors (BoD) on a monthly basis and to the Board of Directors on a quarterly basis until such violations and errors are corrected and additional risk management measures are adequately designed and applied.

#### Legal and compliance consultations

In 2023, the GRC division conducted nearly 700 consultations including advising departments about law enforcement and providing opinions on new products from legal and compliance perspective. It is worth to note that HSC is a member of the project promoting an upgrade of the stock market to emerging market status in which the Company is tasked with proposing solutions to resolve the key barrier of an upgrade - prefunding requirement of foreign investors. Besides, the GRC division also contributed constructive feedbacks to the drafts of documents related to the organization of the market of corporate bond private placement and the database of securities practitioners.

### OPERATION PLAN OF THE GRC DIVISION IN 2024

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

In 2024, the GRC division will continue to support departments to institutionalize the Company's policies and procedures to ensure that there are no differences between internal regulations so that all operations of HSC are in compliance with applicable laws as well as the best industry standards.

From the risk management and compliance perspective, GRC focuses on:

- ▲ Improving professional standards: professional ethics, conflicts of interest, personal transactions, decentralization and delegation.
- ▲ Enhancing client service quality: put the interests of clients first and only offer clients products and services permitted by laws.
- ▲ Preventing financial crimes: research, draft and propose implementations of employee gift policy; corruption, bribery, fraud prevention policies and procedures of handling internal violations. One of the compliance control activities that the GRC will especially focus on in the near future is anti-money laundering (AML). This project is expected to be completed in 2Q 2024.

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

The GRC division will continue to strengthen the compliance monitoring, compliance inspection and risk prevention for operations of the Company's major businesses and departments following a 4-step process: risk identification, risk assessment and measurement, risk treatment and risk monitoring. The division will also integrate standards in risk management such as COSO, BASEL and ESG and persistently promote risk control and compliance culture of the Company.

#### Offer more consultations and improve staff knowledge of laws and policies

In this year, the GRC will offer more legal and compliance training activities to departments to foster their compliances and their capabilities to control and manage risks at operational levels. The GRC division will also assess impacts of new legal documents and review and compare operations and activities of the Company against requirements and regulations in the newly issued legal documents to ensure that HSC implements and complies with the legal documents properly. In addition, the division will continue to issue compliance newsletters to promote risk management culture to all HSC employees.





# INTERNAL AUDIT

In HSC’s risk management model, internal audit lies at the third line of defense and the Internal Audit department reports directly to the Board Audit Committee under the BoD to ensure the independence of the department. Accordingly, the structure 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 Internal Audit Committee, which is under the BoD.

In 2023, in accordance with the audit plan approved by the BoD, the Internal Audit conducted various thematic audits to provide independent assessments of the effectiveness of the design and operation of risk management measures at some operational processes of HSC. The audit conclusion was that the Internal Audit department did not identify any weaknesses which are significant audit findings at the operational processes audited.

From time to time, the role of internal audit in HSC’s organizational and management structure is adjusted to suit the Company’s operating model, development orientation, as well as expectations from stakeholders.

In 2023, the Internal Audit department achieved a “proactive position” in its operations:

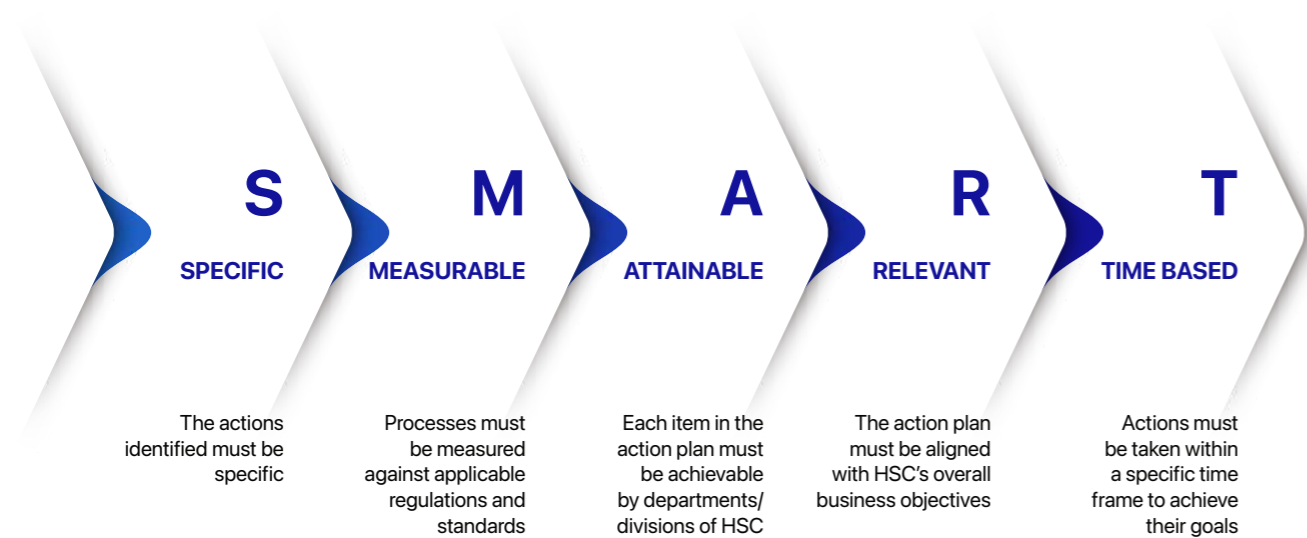
- ▲ Supported the Board of Directors and the Board of Management (BoM).
- ▲ Formal risk assessment.
- ▲ Developed an internal audit strategy that is aligned with HSC’s overall business objectives and strategies.
- ▲ Provided add value - consulting services on critical issues to the BoM. Coordinated closely with the Co-sourced Internal auditors KPMG to carry out Internal audit projects effectively.

From 2024, the Internal Audit department plans to enhance its “strategic position” to deliver more value to the Company. Accordingly, the Internal Audit will focus on the followings:

- ▲ Become a strategic partner of the BoM.
- ▲ Suggest solutions to optimize operational processes to mitigate risks and optimize costs.
- ▲ Propose the application of SMART Goal model to developing action plan of the BoM.

KPMG remains the Co-sourced Internal auditors selected to provide sensible recommendations that are aligned with long-term development plan of HSC.

## SMART Goals model for internal audit



## OPERATIONAL PLAN OF THE INTERNAL AUDIT DEPARTMENT IN 2024



### COMPLY

Report annual internal audit results to relevant authorities in accordance with applicable Vietnamese law.



### PROACTIVE

Coordinate with the Board of Supervisors (BoS) to support the BoM in monitoring the Company’s operations and the implementation of 2024 business plan approved by the Annual General Meetings of Shareholders (AGM).

Coordinate with the external auditor appointed by the AGM/ BoD.

Carry out audits in accordance with the internal audit plan approved by the BoD.



### STRATEGIC

Perform ad-hoc tasks and consultations required by the Audit Committee/ CEO.

Propose action plans of the BoM and report to the Board Audit Committee/ CEO on the progress of departments/divisions in implementing the recommendations of the Internal Audit department.



# 2023 SUSTAINABILITY REPORT

## 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.

In 2023, HSC continued to prepare an 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 plan and carry out sustainable development activities in cooperation with relevant stakeholders.



## HSC'S SUSTAINABLE DEVELOPMENT MODEL

<b>Positive Impacts - ECONOMY</b>	<ul style="list-style-type: none"> <li>• Pursue stable and sustainable growth, thereby contributing positively to the state budget.</li> <li>• Ensure and increase employee income and benefits.</li> <li>• Enhance shareholder value through a stable dividend policy.</li> <li>• Implement effective operational and financial risk mitigation strategies to help the Company and its clients prevent financial losses.</li> <li>• Apply the best international practices in corporate governance and information disclosure to ensure transparency with stakeholders.</li> <li>• Actively contribute to the development of the capital markets such as in terms of development and enhancement of legal framework and new products.</li> </ul>
<b>Positive Impacts - SOCIETY</b>	<ul style="list-style-type: none"> <li>• Create jobs and ensure stable income for employees.</li> <li>• Investing in training and enhancing staff competencies.</li> <li>• Consistently pursue the "client-centricity" philosophy to develop new products, services to meet all client needs.</li> <li>• Carry out social responsibility activities primarily through long-term educational development initiatives.</li> <li>• Strictly comply with regulations and guiding documents from the authorities, fulfill all tax obligations and actively contribute to the development of a civilized and progressive society.</li> </ul>
<b>Positive Impacts - ENVIRONMENT</b>	<ul style="list-style-type: none"> <li>• Build a green and clean working environment to minimize energy consumption and disposal in daily operations.</li> <li>• Positively participate in environmental protection initiatives through impactful communication and uses of environmental-friendly products.</li> </ul>

## HSC'S SUSTAINABLE CORPORATE GOVERNANCE MODEL

<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>



# 2023 SUSTAINABILITY REPORT (continued)

## STAKEHOLDERS AND OBJECTIVES OF HSC'S SUSTAINABLE DEVELOPMENT PLAN

Stakeholders	Objectives of HSC's sustainable development activities
<b>Clients</b>	<ul style="list-style-type: none"> <li>• Creating values to our clients by developing and offering them high-quality financial products and services.</li> <li>• Helping our clients improve their financial literacy and investment skills through courses on wealth management and securities investments.</li> <li>• Offering our clients opportunities to connect with corporates through hosting regular online events with top management of leading companies in Vietnam.</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Creating a professional working environment.</li> <li>• Offering employees competitive compensation and attractive benefits.</li> <li>• Nurturing and developing our talent.</li> <li>• Attracting top talent for business development.</li> </ul>
<b>Shareholders and investors</b>	<ul style="list-style-type: none"> <li>• Pursuing stable and sustainable growth.</li> <li>• Treating shareholders equally and ensuring their rights.</li> <li>• Being transparent in information disclosure.</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>• Creating stable jobs to support economic development.</li> <li>• Implementing corporate social responsibility plan through educational and philanthropy activities.</li> </ul>
<b>Authorities</b>	<ul style="list-style-type: none"> <li>• Complying with all applicable laws, regulations and guidelines.</li> <li>• Fulfilling obligation and responsibilities to the state budget.</li> <li>• Contributing ideas and providing technology support to develop the capital markets in Vietnam.</li> </ul>

## CONTENT OF SUSTAINABLE DEVELOPMENT REPORT

### CLIENTS: CREATING VALUES

#### ▲ ENHANCING CUSTOMER CONVENIENCE

As we aim to offer “Quality, Timely, Differentiated, Direct connection” services to our clients, we have gradually improved the quality of consulting services so that we can provide sensible advice to our clients, especially high net worth clients. In last year, HSC implemented the Professional Investment – Differentiated Incentives program, which is a premise for developing other client-care programs for high net worth clients at HSC in the future. In addition, HSC has developed a rich ecosystem of training and consulting channels to provide timely support to customers, including: Zalo room, securities training platform HSCedu, YouTube livestreams, and market analysis podcasts.

In 2023, HSC developed the Lotus Trading system, integrating multiple advanced features to replace the current myHSC system, aiming to provide customers with superior trading experiences at HSC.

#### ▲ CONNECTING INVESTMENT OPPORTUNITIES

For individual customers: In 2023, HSC organized 08 C2C seminar with leading listed companies including Nam Long Group, HDBank, Digiword, Vinamilk and Gemadept. We believe the seminars help break the barriers between retail investors and corporates and also improve transparency of the stock market.



For institutional clients: HSC hosts the annual Emerging Vietnam investment conference with the goal of connecting leading Vietnamese enterprises with global investors. The Emerging Vietnam 2023 conference brought together more than 500 participants from across the world, 40 listed companies, 61 asset management firms, along with distinguish guest speakers. The Emerging Vietnam conference has always been highly regarded by participants as it provides the audience insightful information, updates on business trends across sectors of the economy as well as investment and business opportunities.





# 2023 SUSTAINABILITY REPORT (continued)

## SHAREHOLDERS – MAXIMIZE SHAREHOLDER VALUES

### ▲ MAINTAIN ECONOMIC INTERESTS OF SHAREHOLDERS

As at 31 December 2023, HSC had 18,845 shareholders, of which 129 were institutional investors and 18,716 were individual investors. Since listing in 2009, HSC has maintained a stable dividend policy with a dividend payout ratio of 50%. This affirms HSC's commitment in creating shareholder value through stable dividend income. Besides, in case of raising capital to finance for growth, HSC always prioritizes issuing shares to existing shareholders as we believe that option serves shareholders' best interest. We believe the stable dividend policy and HSC's strong compliance with applicable regulations on disclosing and distributing dividends have been positively impact HCM share price on the stock market.

In 2023, HSC implemented the AGM decision regarding dividend payments and thus distributed a total cash dividend of 7.5% of par value (or VND750 per share). Besides, HSC also distributed the second 2021 dividend in form of stock dividend at a rate of 15% i.e. a shareholder who owned 100 shares at the record date received 15 new shares.

As regards 2023 dividend plan, the AGM authorized the BoD to decide a pay out ratio of 80% of 2023 profit after tax, equivalent to approximately VND700 per share or 7.0% of par value, which could be in cash and/or in stock. The BoD will holistically consider various factors including HSC's dividend policy and actual business results in 2023, the need of cash dividend of shareholders and the need of capital for growth to propose 2023 dividend at the upcoming FY2023 AGM.

### ▲ EQUITABLE TREATMENT OF SHAREHOLDERS AND PROTECTION OF SHAREHOLDERS' RIGHTS

At HSC, Investor Relations 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 charter and internal governance regulations clearly stipulate 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.

As HSC has a large and diverse shareholder base including both local and off-shore shareholders, the FY2022 AGM was conducted online by to facilitate participation and engagement of all shareholders. HSC strictly followed the formality and procedures of applicable laws and regulations to organize the AGM to ensure that shareholders can exercise their rights properly.

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

HSC offers favorable conditions for shareholders to attend its Annual General Meetings of Shareholders. 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 to, on behalf of the shareholder, 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", "disagree" and "no opinion" and complete the submission of their votes on the electronic voting system.

#### ◆ Election of members of the Board of Directors and the Board of Supervisors

The election, dismissal, dismissal and election of additional members of the BoD and the BoS must be approved by the AGM. The selection of candidates and the election of new members to the BoD and the BoS are carried out in accordance with the procedures that are clearly and transparently stated in the charter, governance regulations and election regulations of HSC.

The election of members of the BoD and the BoS was carried out in the form of secret ballot and by the method of cumulative voting. Accordingly, each shareholder or person authorized to attend the meeting has a total number of votes corresponding to the total number of shares owned/represented multiplied by the number of elected members of the BoD or BoS. Shareholders or authorized persons attending the meeting have the right to put all their total votes to one or several candidates. The list of candidates and their resumes are posted on HSC's website 10 working days before the date of the AGM to give shareholders necessary time to consider candidates who meet the criteria and are qualified to become members of the BoD or the BoS.

### ▲ TRANSPARENT DISCLOSURE OF INFORMATION AND PROACTIVE ENGAGEMENT WITH INVESTORS

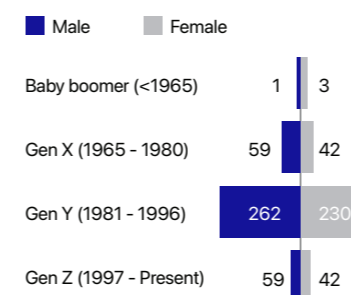
Transparent and timely disclosure of information is HSC's top priority in order to ensure shareholders' rights and interests. HSC has a complete, accurate and timely information disclosure process that strictly complies with Circular 96/2020/TT-BTC of the Ministry of Finance. Information is published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

HSC also strives to maintain connections with investors and the media through quarterly earnings calls in which representatives from the Company provide updates on business results and outlook and address investors' questions. Besides, quarterly investor relations newsletters are prepared in both Vietnamese and English and are circulated to each shareholder via email to help shareholders easily access to official and complete information to facilitate their investment decisions.

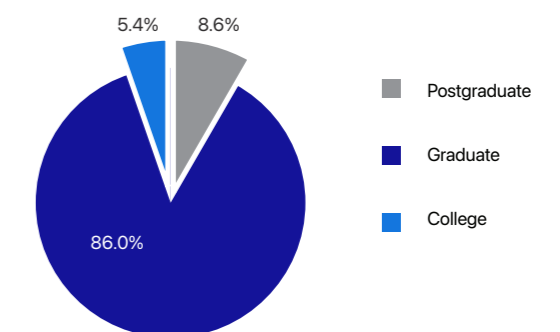
## EMPLOYEE – HUMAN CAPITAL IS THE MOST IMPORTANT RESOURCE OF HSC

Since the first day in business, HSC put people at the center of everything we do and thus have made endless efforts to build a professional, dynamic and collaborative working environment. That is reflected in the corporate culture based on the values of Fairness – Opportunity – Result – Unity – Satisfaction (abbreviated as FORUS). As a reward for these efforts, HSC has been able to maintain a stable human resource of more than 700 qualified employees and achieve positive business results in 2023.

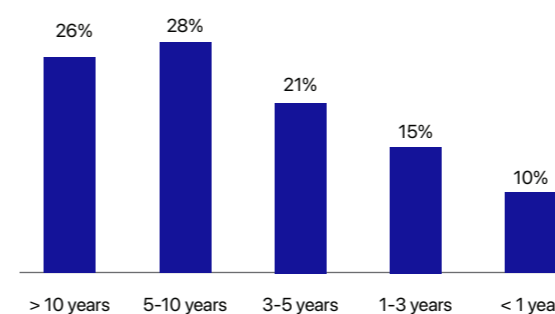
### Employees by gender



### Employees by education level



### Employees by seniority



# 2023 SUSTAINABILITY REPORT (continued)

## EMPLOYEE – HUMAN CAPITAL IS THE MOST IMPORTANT RESOURCE OF HSC (continued)

### ▲ HSC IS COMMITTED TO CONTINUOUSLY CREATE WEALTH TO ITS EMPLOYEES

To develop and promote a corporate culture based on the FORUS values, HSC has pursued various initiatives and benefits programs over the past year to ensure that our employees are rewarded with the most competitive compensation in the market.

- ◇ Specifically in 2023, HSC re-evaluated its employee remuneration strategy, compared the competitiveness and effectiveness of its employee benefit programs against those of the market. These assessments allow HSC to make necessary adjustments to maintain a competitive compensation and identify strategies to retain and attract talent.
- ◇ HSC cooperated with Dragon Capital VietFund Management Joint Stock Company (DCVFM) to implement the Voluntary Supplementary Pension Program. HSC and employees' contributions to low-risk voluntary pension funds managed by DCVFM will help employees maintain a stable standard of living upon retirement.
- ◇ Besides, HSC continued to offer employees various wellness programs including regular health check-up, health and accident insurance, health consultation,...

Salary and other employee-related expenses (VND billion)	2023	2022	2021	2020
Salaries	249	223	201	174
Social and health insurances and trade union fees	32	26	24	23
Bonuses and other employees-related costs	222	336	365	164
Voluntary Supplementary Pension	1			
Covid-19 financial supports to employees and other related costs		7	3	
<b>Total</b>	<b>503</b>	<b>593</b>	<b>593</b>	<b>362</b>

### ▲ HUMAN RESOURCE DEVELOPMENT IS AT THE HEART OF HSC'S SUSTAINABLE DEVELOPMENT STRATEGY

In HSC's human resource development strategy, assessing capabilities and performances of employees (Performance Appraisal, Management by Objectives - MBO) is an important step. In 2023, HSC improved the assessment process and carried out the activity again, which offers the following benefits:

- ◇ Foster interaction and open dialogue between employees and their managers.
- ◇ Help align the Company's goals and performances with those of each department/ division and each employee.
- ◇ Help employees evaluate their performances and that is the basis for developing appropriate training programs.
- ◇ The assessment results serve as a basis for determining bonuses and salary adjustments for employees as well as promotions for employees who have outstanding performances.

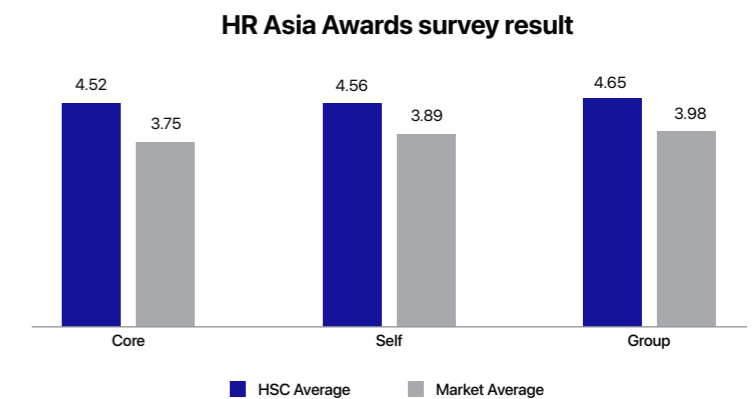
Based on the results of employee capability and performance assessments, HSC designed and implemented various human resource training and development programs including succession development programs for key positions. HSC has devoted significant resources to this program to find, train and enable qualified employees to improve their knowledge, skills and career development opportunities.

In addition, HSC continued to upgrade the E-Learning system that has been put in place since 2019. This system not only creates an open learning space, helping employees actively and flexibly choose appropriate learning content, but also helps HSC optimize training costs. That is important given the fact that HSC's workforce has been growing substantially.

### ▲ PERSISTENT EFFORTS YIELD SWEET FRUITS

HSC's continuous efforts to build a professional and sustainable working environment and to promote employee engagement and growth have been recognized by prestigious human resources awards from both domestic and global organizations:

- ◇ HSC was honored by the HR Asia Magazine as "Best Workplaces in Asia 2023". The theme of the award in last year was "Celebrate Diversity and Inclusion" and recognized 122 enterprises in Asia for their efforts in promoting these values. In Vietnam, the award attracted 642 enterprises participating in the evaluation process. Companies honored are those that put employee satisfaction, wellbeing and growth at the center of their development strategies and that offer positive working environments which promote diversity, equity and inclusion.



- ◇ On November 23, 2023, HSC was named amongst 100 companies awarded the "Best Workplaces in Vietnam 2023 – medium-sized enterprises" by Anphabe, the pioneer consulting firm providing Employer Brand and Happy Workforce solutions. The award is sponsored by the Vietnam Chamber of Commerce and Industry (VCCI) and conducted completely independently. Specifically, the award is based on objective opinions of 63,878 experienced workers on the health of employer brand of more than 700 leading companies in 20 industries in Vietnam.

According to surveys conducted by the HR Asia Magazine and Anphabe, HSC's success in implementing the FORUS culture has significantly increased all employee engagement metrics and that is one of the key factors for HSC to attract and retain talent. We believe that these awards are not a destination but a milestone that motivates HSC to further develop its cohesive and collaborative culture.



## 2023 SUSTAINABILITY REPORT (continued)

### ▲ HSC'S HUMAN RESOURCE DEVELOPMENT PLAN IN 2024

- ◇ Develop a Competency Framework which is based on the results of the Finance Target Operating Model (FTOM) project. Specifically, HSC will develop a competency framework which includes core competencies, professional competencies and leadership competencies for all job positions and develop principles, methods and competency assessment tools. Based on the developed competency framework and competency assessment tools, HSC assess capabilities of the existing human resources, thereby proposing measures to narrow the competency gap and apply the Competency Framework in human resource management synchronously and consistently.
- ◇ Implement policies and programs to evaluate and develop potential talent with the goals of retaining a core and highly specialized workforce and mitigating the risk of brain drain.
- ◇ Improve HR policies, regulations and processes and digitalize the HR management system to meet HSC's future development needs.
- ◇ Continue to offer internship programs to outstanding students from leading domestic and oversea universities to develop young talent for future full-time employees of various departments including the information technology, financial analysis and sales,...

### COMMUNITY – TO PROMOTE CORPORATE SOCIAL RESPONSIBILITY (CSR) THROUGH ACTIVELY AND MEANINGFULLY CONTRIBUTING TO SOCIETY

HSC has always been aware of the importance of community prosperity to socio-economic development in Vietnam in general and to each business in particular. Therefore, in our 20 years of development, we have been consistently committed to supporting the community and that reflects our sustainable development strategy and our ESG policy in which we formalize and maintain positive relationship with shareholders, clients, communities, employees and other stakeholders. Accordingly, our CSR program is developed based on the following pillars: financial transparency and compliance, stable growth, equity and diversity in the organization, inclusive well-being and sustainable communities.

#### ▲ Nurturing next generations

HSC has been making considerable financial contributions to help young generations, especially those in disadvantaged provinces, access to education to foster and cultivate knowledge. Specifically in 2023, HSC organized a series of community support programs in Ha Giang, Dong Thap, Khanh Hoa and Hai Duong provinces to award scholarships to students, and also donated nearly 100 desktop computers and hundreds of gifts including backpacks, school supplies and bicycles to schools in disadvantaged communes. We hope those would help familiarize students with technologies to facilitate their studies and knowledge acquisition.



### ▲ Join hands for the community

We believe it is essential for each organization including HSC to do what it can do to foster community development.

In November 2023, HSC cooperated with the Living Foundation to carry out the mangrove plantation project in Soc Trang province. Through this activity, HSC's employees planted approximately 0.11 hectares of solid "green fences" which would help stabilize soil and prevent erosion.



At the 20th anniversary of the company, HSC donated VND3 billion to the Ho Chi Minh City Fatherland Front Committee to support the committee in its activities to make HCMC a cleaner and greener city. Accordingly, HSC will accompany the Fatherland Front Committee to promote environmental protection by organizing the contest "Building Clean – Green – Environmentally Friendly Constructions in Neighborhood", thereby enhancing the awareness of residents in protecting the environment and building green-and-clean neighborhood.





## 2023 SUSTAINABILITY REPORT (continued)

### AUTHORITIES - STRICTLY COMPLY AND POSITIVELY CONTRIBUTE

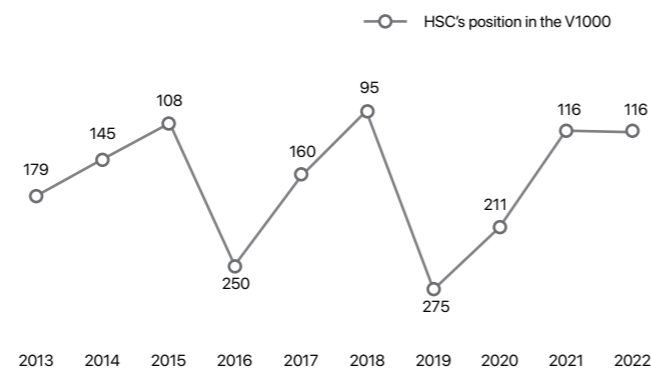
#### ▲ Adherence to laws, regulations and instructions set forth by the authorities

Compliance with all applicable laws and regulations is embedded in HSC's culture and therefore is strictly followed by the BoD, the BoM and all employees. We are deeply aware of the risks and consequences of the failure to comply with socio-economic laws and regulations including operation disruption, financial penalty and reputation damage, which will lead to unsustainable development.

In 2023, all employees of HSC strictly complied with laws and regulations that regulate corporate operations. Therefore, HSC did not record any violations of socioeconomic laws and regulations.

#### ▲ 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 VND569 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 2022, HSC was ranked 116th amongst the largest contributors to the State budget.



#### ▲ Actively contributing to the development of the Vietnamese stock market

Over the years, HSC has always been one of the pioneering members, actively participating in working groups implementing product development projects and offering solutions to obstacles to stock market upgrade. These are critical courses of action for achieving the Government's target to get the Vietnamese stock market upgraded to emerging market status by the end of 2025.

In detail, HSC was amongst a few leading securities companies participating in the delegation of the Ministry of Finance and the State Securities Commission in investment promotion trips to the US in October 2023 and to South Korea and Japan in March 2024. These overseas trips helped promote the potential of the Vietnamese stock market to international investor communities and thereby stimulating investment demand of global investors and unleashing foreign indirect capital flows to the stock market in Vietnam.

HSC has also been an active member of a working group that works closely with the Ho Chi Minh City Stock Exchange (HOSE) and provides financial support to ensure that the trading system of HOSE could operate smoothly even with a significant increase in trading value. Besides, HSC remains an active member of the Vietnam Association of Securities Business (VASB), Vietnam Bond Market Association (VBMA) and CEO Club Vietnam.

## REPORT OF THE BOARD OF DIRECTORS

### THE BOARD OF DIRECTORS' EVALUATION OF OPERATIONS OF HSC IN 2023

#### THE BOARD OF DIRECTORS' EVALUATION OF OPERATIONS AND BUSINESS RESULTS OF HSC IN 2023

In 2023, HSC recorded encouraging business results with VND2,255 billion in revenue and VND842 billion in pre-tax profit; both declined by approximately 21% YoY, completing 93% of the plan approved by the FY2022 AGM. The BoD assesses that these results are appropriate given the volatile market conditions.

Item	2023	2022	YoY	2023 Guidance	% Completion
Revenue	2,255	2,854	-21%	2,338	96%
Profit before tax	842	1,068	-21%	901	93%
Profit after tax	674	852	-21%	721	94%

#### THE BOARD OF DIRECTORS' EVALUATION OF PERFORMANCES OF THE CHIEF EXECUTIVE OFFICER AND THE BOARD OF MANAGEMENT

In 2023, the BoD maintained close supervision of activities of the CEO and the BoM in implementing the Resolution No. 01/2022/NQ-DHĐCĐ dated 08/08/2022 and Resolution No. 01/2023/NQ-DHĐCĐ dated 25/04/2023 of the AGM and resolutions of the BoD.

#### Supervision method

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

The BoD issued resolutions after each periodic and extraordinary meeting to approve quarterly, semi-annually, and annual 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 for business plans in 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.





## REPORT OF THE BOARD OF DIRECTORS (continued)

### Results of the implementations of resolutions of AGM and BoD

#### ▲ 2023 business results

HSC accomplished 93% of the plan approved by the FY2022 AGM.

#### ▲ DIVIDEND

##### Cash dividend

Based on the authorization of the FY2022 AGM, the BoD made the decision to pay cash dividends of 7.5% of par value (or VND750 per share) in total. Details are as follows:

The first 2022 cash dividend	The second 2022 cash dividend
2.5% of par value	0.5% of par value
Paid on 08 February 2023	Paid on 21 June 2023

##### Stock dividend

Based on actual results and business outlook, HSC would consider distributing stock dividend to shareholders in addition to paying cash dividend. The combination of the two types of dividends not only rewards shareholders with attractive yield but also allows HSC reserve cash to pursue growth initiatives and increase stock liquidity.

In 2023, the BoD implemented the AGM decision as stated in the Resolution No. 01/2022/NQ-DHDCD dated 08 August 2022 of paying the second 2021 dividend in form of stock dividend at a rate of 15% i.e. a shareholder who owned 100 shares at the record date received 15 new shares. Subsequently, the new shares issued were deposited at the Vietnam Securities Depository and Clearing Corporation and listed on the Ho Chi Minh City Stock Exchange. As of 19 February 2024, the total number of outstanding shares of HSC increased by 68,579,931 shares, from 457,211,949 shares to 525,791,880 shares.

##### Share issuance

The BoD has been implementing the share issuance plan approved by shareholders in the FY2021 AGM as stated in the Resolution No. 01/2022/NQ-DHDCD dated 08 August 2022. Details are as follows:

- ◇ HSC has offered existing shareholders rights to buy additional shares in accordance to the certificate of registration for public offering No. 411/GCN-UBCK issued by the Chairman of the SSC on 07 December 2023 and the Decision No. 09/QD-UBCK issued by the Chairman of the SSC on 04 January 2024 which approved the extension of the certificate of registration for public offering previously granted to HSC. Accordingly, the timeline for distributing new shares to existing shareholders was extended from 90 days to 120 days, ending on 04 April 2024.
- ◇ On 18 January 2024, HSC also submitted the dossier of share issuance to employees in accordance with the approved ESOP for SSC's approval.

##### Periodic, extraordinary, and on-demand reporting

The Company strictly and fully complied with regulatory requirements on periodic, extraordinary and on-demand reporting including FY2022 audited financial statements, FY2023 quarterly financial statements, FY2023 semi-annual financial statements, FY2022 annual report and other extraordinary and regulatory required reports.

### Information disclosure

The Company conducts information disclosure with the goal of ensuring transparency and timeliness as required by applicable laws and regulations.

### 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, both on 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. At the same time, the BoD acknowledged the efforts of the BoM in implementing flexible and timely strategic actions to stay ahead of market trends and capture opportunities.

### VISION AND STRATEGIC PLANS OF THE BOARD OF DIRECTORS

2024 is considered a turning point for the Vietnamese stock market in its journey to emerging market status as the Government as well as market participants have been making tremendous efforts to promote the upgrade. To capture the opportunities upon the emerging market upgrade, the BoD instructed the BoM to focus on the followings:

- Continue to solidify HSC's leading position in the foreign investor segment to connect global investors to high quality Vietnamese businesses, especially companies that have strong ethical, social, and environmental (ESG) practices.
- Integrate digital technology into all areas of HSC's operations, especially the operating system, to boost productivity and strengthen our competitive edge. That will also allow HSC to serve our clients better upon stock market upgrade when transactions of foreign investors are foreseen to increase significantly and be more complex.
- Strengthen capabilities of our people so that we can serve our clients better and stay ahead in the stock market.
- Diversify our client and investor base with more focus on institutional investors and professional investors.
- Expand our product and service portfolios to cater client demands in all market segments. Further enhance services to offer our clients exceptional experiences and quality advice.
- Accelerate our path to adopting global best risk management practices to manage risks and mitigate damages upon risk occurrence to gain and retain client trust.
- Enhance HSC's corporate governance towards global best practices by applying the G20/OECD Principles of Corporate Governance.
- Develop and introduce ESG practices to all employees of HSC with an aim of creating positive spillover effect at all three pillars – environmental, social and governance to our clients, investors and other stakeholders.

## REPORT OF THE BOARD OF DIRECTORS (continued)

### CORPORATE GOVERNANCE IN 2023

2023 marks the 20th anniversary of HSC's development journey. In our sustainable development journey, HSC has been and will continue to build a strong corporate governance system in accordance with global best standards and practices. We strongly believe that good corporate governance is one of the critical success factors for us to build and enhance trusts with shareholders, clients, investors, employees and other stakeholders and thereby solidifying our competitive advantages and position in the stock market.

HSC's persistent pursuit of good governance practices has helped us build a strong culture of compliance and solid brand identity to create positive values and contribute meaningfully to the development of the capital markets in Vietnam.

### THE ROLES 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 equal treatment of shareholders and rights of other stakeholders.

### THE 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 G20/OECD Principles of Corporate Governance from the highest management level i.e. the BoD and the BoM, to each employee.

### STRUCTURE AND MEMBERS OF THE BOARD OF DIRECTORS

The BoD is comprised of 07 members including the Chairman, 01 Vice Chairman, 02 independent members and 03 non-executive members. HSC applies the corporate governance model that has a board of supervisors.

At the FY2022 AGM of HSC, shareholders approved the dismissal of Mr. Nguyen Hong Van as a member of the BoD and the dismissal of Ms. Nguyen Thi Thu Thanh as a member of the BoS. These two executives are representatives of Ho Chi Minh City Finance and Investment State-owned Company (HFIC). In the AGM, shareholders also approved the appointments of Ms. Phan Quynh Anh as a member of the BoD and Mr. Tran Thai Phuong as a member of the BoS for the term V (2021-2025). These two executives are also representatives of HFIC.

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 are 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 factors including competence, experience, ethics and the level of understanding on the Company's businesses and operations to always act in the best interests of the Company and protect the legitimate interests of shareholders, especially minority shareholders.

The 02 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 02 independent members have collaborated closely with other members of the BoD, members of the BoS and members of the BoM and actively made important contributions to strategic decisions of HSC. The independent members evaluated, discussed and challenged business matters constructively and comprehensively to help HSC improve its corporate governance and operations. Particularly in 2023, the independent members made significant contributions to strategic directions, operations and risk management activities to help HSC enhance its competencies.

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

The non-executive members of HSC's BoD are representatives of 02 major shareholders: the state shareholder - Ho Chi Minh City Finance and Investment State-owned Company (HFIC) and the strategic investor - Dragon Capital Markets Limited (DC). These 02 members always separate the roles as representatives and members of the BoD, contributing ideas and making decisions from independent and unbiased perspectives.

#### *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. 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 Chief executive officer of the Company in the period from 2007 to 2020. He was elected the Chairman for the term V (2021-2025).

### OVERALL ASSESSMENT ON THE EFFECTIVENESS OF THE BOARD OF DIRECTORS

In 2023, the BoD continued to make great efforts to improve HSC's corporate governance which is aligned with current regulations and global best practices. Specifically:

- 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.
- Supervised activities of committees under the BoD to ensure compliance with laws and the Company's charter and internal policies and regulations.



## REPORT OF THE BOARD OF DIRECTORS (continued)

The BoD collectively worked with a strong sense of responsibility towards shareholders, investors, partners, employees, and other stakeholders. Besides, the BoD acted in a timely manner in 2023, providing the Company with sensible instructions and feedback when necessary. Additionally, the BoD demonstrated transparency in corporate governance and fully complied with all laws and regulations applicable to public companies and listed companies in 2023. Periodically, the BoD reviewed, assessed, and proposed solutions for matters related to business strategies, execution of business plans, risk management, technology investments and management process enhancement. The BoD held meetings in a timely manner and in accordance with procedures outlined in the Company's internal regulations and charter. The BoD's decisions were made based on the majority rule. Meeting minutes were fully prepared and signed by all the BoD members who attended the meetings.

In last year, the BoD regularly monitored and directed the execution of 2023 business plan. In addition, the BoD established a framework for the BoS to effectively carry out its duties so that activities of the BoD in particular and operations of the Company in general were closely supervised, thereby improving transparency and ensuring that the Company acts in the legitimate and best interests of shareholders.

### ACTIVITIES 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 07 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 07 days after the proposals were sent to the members.

In the meetings, the BoD approved quarterly, six-month and full year business results; analyzed the market condition; reviewed the strategic plan for the next quarters and approved other matters under its authority to ensure that the Company's businesses are properly managed. 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. Resolutions that must be disclosed in compliance with applicable laws and HSC's charter and regulations were promptly disclosed.

Periodically at the first meeting of a year, the BoD evaluates the domestic and global market conditions and then considered the feasibility of the Company's business plan. At the last meeting of a year, the BoD reviewed schedules of the meetings that are to be held in the next year to ensure that all members of the BoD, the BoS and the BoM could attend.

In 2023, the BoD held 25 meetings, including regular meetings, extraordinary meetings and meetings in the form of collecting written opinions. The BoD meetings were convened and organized in compliance with relevant procedures and formalities and had all members of the BoD and BoS participated.

Position	BoD member	Date of appointment	Date of dismissal	Meeting			% meeting attended	
				Regular	Extraordinary	Written ballots		
Chairman	Johan Nyvene	22/04/2021		05	12	08	25/25	100%
Vice chairman	Le Anh Minh	22/04/2021		05	12	08	25/25	100%
Non-executive members	Le Hoang Anh	22/04/2021		05	12	08	25/25	100%
	Tran Quoc Tu	22/04/2021		05	12	08	25/25	100%
	Phan Quynh Anh (*)	25/04/2023		02	09	07	18/25	72%
	Nguyen Hong Van (*)	22/04/2021	25/04/2023	03	03	01	07/25	28%
Independent members	Andrew Colin Vallis	22/04/2021		05	12	08	25/25	100%
	Nguyen Thi Hoang Lan	22/04/2021		05	12	08	25/25	100%

(\*) Mr. Nguyen Hong Van was dismissed and Mrs. Phan Quynh Anh was elected at FY2022 AGM on 25 April 2023.

In 2023, the BoD made important decisions related to the Company's operations and development. The key ones are as follows:

- ▲ Executed the plan of issuing shares to existing shareholders in accordance with the certificate of public offering registration No. 411/GCN-UBCK issued by the Chairman of the State Securities Commission of Vietnam (SSC) on 07 December 2023, and the decision No. 09/ Decision-UBCK issued by the Chairman of the SSC on 04 January 2024 which approved the extension of the certificate of public offering registration of HSC.
- ▲ Distributed FY2021 stock dividend at a rate of 15% and paid FY2022 cash dividend at a rate of 7.5% of par value.
- ▲ Approved contents related to Employee Stock Ownership Program (ESOP).
- ▲ Approved in principle all contracts and transactions that HSC and its related parties expected enter into in 2023.
- ▲ Approved contracts between HSC and Dragon Capital VietFund Management (DCVFM) that are related to the Voluntary Supplementary Pension Program of HSC.
- ▲ Approved regulations and policies that are under the approval authority of the BoD.
- ▲ Made other important decisions under the authority of the BoD.

The BoD fulfilled its commitment and responsibilities as all members participated in all BoD meetings and made important decisions in 2023. Resolutions are passed only when they are approved by the majority of BoD members attended the meetings.

In addition to the aforementioned meetings, the BoD also held meetings with the BoM to analyze and evaluate the operations and performances of each department, thereby developing viable strategies based on current conditions. Various important decisions were made to further enhance HSC's key strengths in technology, product development and human resources.

## REPORT OF THE BOARD OF DIRECTORS (continued)

### REMUNERATION AND OTHER BENEFITS OF THE BOD AND THE BOS

#### Total remuneration and other expenditures of the BoD and BoS in 2023

Content	(VND)
Budget at the beginning of 2023	18,571,557,097
BoD remuneration	6,269,743,591
BoS remuneration	1,146,666,667
BoD & BoS bonus	0
Other expenses	8,097,242,461
Budget at the end of 2023	3,097,904,378

(\*) Details are presented in the FY2023 audited financial statements.

#### Other benefits offered to members of the BoD

Members of the BoD and BoS are entitled to receive 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

Almost all members of the BoD, CEO, the Chief Financial Officer, the Chief Accountant and secretary of HSC completed training courses on corporate governance and were certified by the State Securities Commission. The executives will fully participate in corporate governance training courses required by laws and state agencies in the future (if any).

### ACTIVITIES OF SUBCOMMITTEES UNDER THE BOARD OF DIRECTORS

The BoD set up 03 subcommittees directly under the BoD: the Risk Management Committee, the Internal Audit Committee and the Nomination - Remuneration Committee.

The subcommittees are responsible for advising and supporting the BoD in monitoring and strengthening the Company's internal control activities.

#### Structure of subcommittees under the BoD

Subcommittees under the BoD are comprised of independent members and non-executive members of the BoD. 02 independent members of the BoD and 01 member of the BoS were appointed chairmen of the subcommittees. The Chairman and Vice Chairman of the BoD participate in the subcommittees.

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

#### Activities of the subcommittees under the BoD in 2023

In 2023, the subcommittees under the BoD accomplished their tasks and duties in providing effective advice on important issues to the BoD.

#### The Risk Management Committee

In 2023, the Risk Management Committee continued to submit to the BoD regulations and policies which aim to control and minimize risks. The committee also regularly reviewed risk and compliance reports, risk portfolio and key risks of major businesses and assessed the overall business environment and factors that might affect HSC's operations.

#### The Internal Audit Committee

In last year, the Internal Audit Committee inspected the interim and annual financial statements of the Company, supervised operations of the Internal Audit department and approved the 2023 audit plan in accordance with the risk management direction for the 2023 – 2025 period.

Besides, the committee successfully accomplished its mandated roles and responsibilities. Particularly, the committee conducted several thematic audits intensively and identified limitations and weaknesses. After the audits, the committee promptly recommended corrective actions to ensure that HSC's management system is properly operated and is aligned with the Company's existing business conditions.

#### The Nomination - Remuneration Committee

In 2023, the Nomination - Remuneration Committee reviewed and proposed salary, bonus, and other benefits of each member of the BoD and the BoS. The committee also reviewed HSC's annual employee budget.

In addition, the Nomination - Remuneration Committee approved the list of employees who are entitled to participate in the 2022 Employee Stock Ownership Program before it was submitted to the BoD for final approval.



## REPORT OF THE BOARD OF DIRECTORS (continued)

### 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 transactions that may conflict with interests of the Company. At the same time, insiders and related parties of insiders are not allowed to 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 to 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 in a trading day or VND200 million in a 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 03 working days in advance and publish the report on trading results within 05 working days from the completion date of the transactions to the SSC, Vietnam Stock Exchange (VNX) and Ho Chi Minh City Stock Exchange (HSX).

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

In 2023, members of the BoD, the BoM and the BoS did not have any transactions with the Company.

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

All transactions of HSC’s shares and rights to buy HSC’s shares of insiders and related parties of insiders in 2023 were disclosed and detailed in the 2023 Corporate Governance Report.

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

All transactions between HSC and its related parties in 2023 were disclosed and detailed in the 2023 Corporate Governance Report.

## REPORT OF THE BOARD OF SUPERVISORS

In 2023, the Board of Supervisors (BoS) fulfilled its duties as stated in the charter and regulations of HSC on the organization and operation of the BoS, assisting the Board of Management (BoM) in executing business plans and other matters that were approved by shareholders at the 2022 Annual General Meeting of Shareholders (AGM). The BoS is comprised of 03 members including 01 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 2023, the BoS carried out the following activities:

- ▲ Supervising activities of the BoD in 2023 and the implementation of resolutions approved at the AGM FY2022.
- ▲ Supervising HSC’s business activities and financial performances in 2023.
- ▲ Supervising internal audit activities in 2023.

### SUPERVISION OF ACTIVITIES OF THE BOD AND THE EXECUTION OF RESOLUTIONS APPROVED AT THE 2022 AGM

In 2023, the BoD held 23 meetings, of which 15 meetings were in-person and the remaining 08 meetings were in the form of collecting written opinions. In these meetings, the BoS reviewed the Company’s performance and market conditions and, along with the BoD and BoM, contributed opinions and initiatives to help the Company achieve the business plan approved by the AGM FY2022.

The reports reviewed and key issues discussed in the BoD’s meetings include the followings:

- ▲ 2022 annual business performance report and 2023 quarterly business performance reports.
- ▲ Approved the agenda and contents of the AGM FY2022.
- ▲ Approved the payment of the second cash dividend of 2022.
- ▲ Approved bank credit limits in 2023.
- ▲ Approved issuances of covered warrant issuances in 2023.
- ▲ Approved all issues related to the offering new shares to existing shareholders under the certificate of registration of public offering of shares No. 411/GCN-UBCK issued by the Chairman of the State Securities Commission on 07 December 7, 2023.
- ▲ Approved the statute, list of employees, dossier and the implementation of 2022 employee stock ownership plan (ESOP).
- ▲ Approved contracts related to the Voluntary Supplementary Pension Program of HSC between the Company and Dragon Capital VietFund Management JSC.

The BoS closely coordinated with the BoD and received sufficient information on matters related to business performance and corporate governance discussed in all meetings of the BoD. Through meetings with the BoD, the BoS contributed its opinions frankly and constructively in order to help the BoD to make the most optimal decisions. Besides, the BoS also reviewed the appropriateness of decisions of the BoD to ensure that the decisions were made in compliance with applicable legal regulations and the Company’s charter and in the best interests of all stakeholders. 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 2023 BUSINESS ACTIVITIES AND FINANCIAL PERFORMANCES

In 2023, together with members of the Board Audit Committee, the BoS participated in the 2022 year-end and 2023 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 issued by the auditor. 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 2023, PwC provided the following audit services to HSC:

- ▲ Review interim financial statements and interim capital adequacy report, audit annual financial statements and year-end capital adequacy report VND1,036,800,000

The total service fee is VND1,036,800,000 (One billion thirty six million eight hundred thousand dong) (including 8% value added tax).

## REPORT OF THE BOARD OF SUPERVISORS (continued)

Apart from the above services, PwC did not provide any other non-audit services to HSC in 2023. In addition, the BoS also reviewed and analyzed HSC's quarterly and annual financial statements and capital adequacy ratio review report. As regards 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 1,063% as at the end of 2023 (31/12/2022: 648%), 5.9 times higher than the 180% requirement of the State Securities Commission of Vietnam.

**Summary of HSC's financial performance in 2023:** The BoS acknowledged HSC's financial performance in 2023 in line with the business report of the BoM.

The BoS has been informed that on 08/12/2023, HSC received the certificate of registration of public offering of shares No. 411/GCN-UBCK issued by the Chairman of the State Securities Commission on 07 December 2023 and is in progress distributing newly issued shares to existing shareholders. Accordingly, HSC will issue 297,187,766 shares for a total proceeds of VND2,800 billion, which will be used to finance for the margin lending and proprietary investment businesses. The BoS noted that the additional capital will help HSC enhance its financial capacity, business development to capitalise on market opportunities.

### Summary of results of each major business in 2023

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

The BoS acknowledged that HSC's total operating expenses in 2023 is reasonable given the decline in revenue. The increase in administration expenses in 2023 is considered appropriate.

### Summary of client development activities in 2023

The BoS acknowledged that in 2023, the BoM of HSC successfully implemented digitalization plan with an aim of enhancing client service quality further as well as carried out various client development activities as below:

- ▲ Built an information technology system using Lotus System technology: digitizing the entire operation of the Company and providing solutions to diversify products and services offered to clients.
- ▲ Organized Connecting-to-Customers (C2C) events to connect clients with listed companies on a monthly basis: these events offer clients good opportunities to connect with and gain insightful information from senior analysts of HSC and senior management team of industry leading companies.
- ▲ Organized the Emerging Vietnam conference in June 2023: this conference brought together 40 industry leading listed companies in Vietnam and 500 investors from across the world.

### Report on compliance of current laws and regulations

The BoS noted that in 2023, HSC strengthened its risk management and governance through:

- ▲ Closely supervised operations of each department, promulgated processes and policies in accordance with applicable laws and aligned with the development orientation and risk appetite of the Company.
- ▲ Standardized and promulgated operational processes and policies in accordance with current regulations and based on the current operations of the Company.

The BoS acknowledged that the aforementioned activities helped improve business management capabilities of the BoM. The activities also help HSC mitigate operational risks to the lowest level.

In addition, the BoS also noted that HSC was honored with prestigious awards for its success in business and efforts in human resources development.

The BoS acknowledged HSC's efforts in sustaining its position as amongst the leading and most-trusted financial institutions in the Vietnamese stock market. The BoS also acknowledged the continued efforts of the BoM in developing a professional working environment and in engaging, attracting and retaining talents. That is the pivotal factor for HSC's sustainable development strategy.

### SUPERVISION OF INTERNAL AUDIT ACTIVITIES IN 2023

In 2023, the BoS worked closely with the Internal Audit department and the Board Audit Committee to supervise internal audits of business processes. As regards internal audit works in last year, the BoS acknowledged that the Internal Audit department achieved a "proactive position" in its operations:

- ▲ Supported the BoD and the BoM.
- ▲ Formal risk assessment.
- ▲ Developed an internal audit strategy that is aligned with HSC's overall business objectives and strategies.
- ▲ Provided add value-consulting services on critical issues to the BoM. Coordinated closely with the co-sourced Internal auditors KPMG to carry out audit projects effectively.

In 2023, in accordance with the audit plan approved by the BoD, the Internal Audit department conducted various thematic audits to provide independent assessments of the effectiveness of the design and operation of risk management measures at some operational processes of HSC. In addition, the Internal Audit department also actively advised other departments on implementing recommendations of the Internal Audit department from previous audits. Audit activities and results in 2023 were reported in detail to the Board Audit Committee.

The audit conclusion was that the Internal Audit department did not identify any limitations or weaknesses which are significant audit findings at the operational processes audited in 2023.

Besides, the BoS also noted that KPMG remains the co-sourced Internal auditors selected to provide sensible recommendations that are aligned with long-term development plan of HSC.

### REMUNERATION OF THE BOS IN 2023

Total remuneration of the BoS in 2023 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 2024, 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	Monitor activities of the BoD in 2024 and the implementation of the resolutions of the General Meeting of Shareholders in 2023.
2	Monitor HSC's business and financial position in 2024.
3	Monitor information disclosure activities of HSC in 2024.
4	Review HSC's 2023 audited financial statements and 2024 interim financial statements reviewed by external auditor.
5	Monitor activities of the Internal Audit department in 2024.
6	Review business performance of HSC in 2023 to report to shareholders at the 2023 Annual General Meeting of Shareholders.



## 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. 10/GPDC-UBCK was issued on 1 March 2024.	
<b>Board of Directors</b>	Mr. Johan Nyvene	Chairperson
	Mr. Le Anh Minh	Vice Chairperson
	Mr. Le Hoang Anh	Member
	Mr. Tran Quoc Tu	Member
	Mr. Andrew Colin Vallis	Member
	Ms. Nguyen Thi Hoang Lan	Member
	Ms. Phan Quynh Anh	Member (from 25 April 2023)
	Mr. Nguyen Hong Van	Member (until 24 April 2023)
<b>Board of Supervision</b>	Mr. Pham Nghiem Xuan Bac	Chief Supervisor
	Ms. Dang Nguyet Minh	Member
	Mr. Tran Thai Phuong	Member (from 25 April 2023)
	Ms. Nguyen Thi Thu Thanh	Member (until 24 April 2023)
<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 76A Le Lai Street, Ben Thanh Ward, District 1 Ho Chi Minh City, Vietnam	
<b>Branch</b>	1st and 2nd Floor, CornerStone Tower, 16 Phan Chu Trinh Street, Phan Chu Trinh Ward, Hoan Kiem District, Ha Noi, Vietnam	
<b>Transaction office</b>	3A and 7th Floor, Sun Red River Tower, 23 Phan Chu Trinh Street, Phan Chu Trinh Ward, Hoan Kiem District, Ha Noi, Vietnam	
<b>Auditor</b>	PwC (Vietnam) Limited	

## STATEMENT OF THE BOARD OF MANAGEMENT

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

The Board of Management of Ho Chi Minh City Securities Corporation ("the Company") is responsible for preparing the financial statements which give a true and fair view of the financial position of the Company as at 31 December 2023 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.
- ▲ Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

### APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements as set out on pages 6 to 93 which give a true and fair view of the financial position of the Company as at 31 December 2023 and of the results of its operations, cash flows and changes in equity for the year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and prevailing regulations on preparation and presentation of financial statements applicable to securities companies operating in Vietnam.

On behalf of the Board of Management

Trinh Hoai Giang  
Chief Executive Officer

Ho Chi Minh City, Vietnam  
25 March 2024

## 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 2023 and approved by the Board of Management of the Company on 9 March 2024. The financial statements comprise the statement of financial position as at 31 December 2023, 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 93.

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

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

### Auditor's Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, the results of operations, the cash flows and the 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

Nguyen Hoang Nam  
Audit Practising Licence No.  
0849-2023-006-1  
Authorised signatory

Report reference number: HCM14783  
Ho Chi Minh City, 25 March 2024

Dao Trong Hoang  
Audit Practising Licence No.  
5620-2021-006-1



## STATEMENT OF FINANCIAL POSITION

CODE	ITEM	Note	AS AT	
			31/12/2023 VND	31/12/2022 VND
	<b>ASSETS</b>			
<b>100</b>	<b>CURRENT ASSETS</b>		<b>17,728,214,113,678</b>	<b>15,262,466,982,681</b>
<b>110</b>	<b>Financial assets</b>		<b>17,544,806,470,247</b>	<b>15,196,106,202,469</b>
111	Cash and cash equivalents	3.1	2,824,566,706,906	5,640,650,158,821
111.1	Cash		2,824,566,706,906	5,640,650,158,821
112	Financial assets at fair value through profit or loss ("FVTPL")	3.2	2,222,153,115,595	1,424,495,705,829
114	Loans	3.3	12,135,124,175,279	7,378,982,938,005
118	Prepayment to suppliers		9,140,072,049	6,823,098,704
119	Service-related receivables	3.4	281,371,095,624	580,568,943,700
122	Other receivables	3.4	72,878,512,132	164,585,357,410
129	Provision for doubtful debts	3.3	(427,207,338)	-
<b>130</b>	<b>Other current assets</b>		<b>183,407,643,431</b>	<b>66,360,780,212</b>
131	Advance to employees		492,164,421	794,883,916
133	Short-term prepaid expenses	3.7(a)	24,656,347,060	19,308,153,346
134	Short-term security deposits		52,300,000	176,900,000
137	Other current assets		158,206,831,950	46,080,842,950
137.1	Deposits for derivatives trading activities	3.5	158,206,831,950	46,080,842,950
<b>200</b>	<b>NON-CURRENT ASSETS</b>		<b>182,460,959,310</b>	<b>184,488,062,533</b>
<b>220</b>	<b>Fixed assets</b>		<b>54,937,378,860</b>	<b>58,275,475,559</b>
221	Tangible fixed assets	3.6(a)	49,004,362,266	48,833,023,729
222	Historical cost		182,850,123,610	157,362,602,910
223a	Accumulated depreciation		(133,845,761,344)	(108,529,579,181)
227	Intangible fixed assets	3.6(b)	5,933,016,594	9,442,451,830
228	Historical cost		91,105,851,084	89,320,899,084
229a	Accumulated amortisation		(85,172,834,490)	(79,878,447,254)
<b>240</b>	<b>Construction in progress</b>		<b>125,518,750</b>	<b>-</b>
250	Other non-current assets		127,398,061,700	126,212,586,974
251	Long-term security deposits		10,512,004,062	10,474,004,062
252	Long-term prepaid expenses	3.7(b)	84,287,371,170	83,495,337,912
253	Deferred income tax assets	3.15	2,598,686,468	2,243,245,000
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>17,910,675,072,988</b>	<b>15,446,955,045,214</b>

Code	ITEM	Note	AS AT	
			31/12/2023 VND	31/12/2022 VND
<b>300</b>	<b>LIABILITIES</b>		<b>9,598,589,845,357</b>	<b>7,555,122,708,990</b>
<b>310</b>	<b>Current liabilities</b>		<b>9,598,589,845,357</b>	<b>7,555,122,708,990</b>
311	Short-term borrowings and finance lease liabilities		9,160,263,661,784	6,938,057,640,000
312	Short-term borrowings	3.10	9,160,263,661,784	6,938,057,640,000
318	Trading obligations	3.11	86,883,655,383	46,315,877,007
320	Short-term trade payables		6,143,330,081	7,079,654,815
322	Taxes and other payables to the State	3.12	72,985,535,867	77,473,019,194
324	Accrued employees' welfares		7,964,741,214	6,746,624,294
325	Short-term accrued expenses	3.13	146,960,118,154	188,422,944,100
329	Other short-term payables	3.14	56,622,200,564	250,047,320,274
331	Bonus and welfare funds		60,766,602,310	40,979,629,306
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>8,312,085,227,631</b>	<b>7,891,832,336,224</b>
<b>410</b>	<b>Owners' equity</b>		<b>8,312,085,227,631</b>	<b>7,891,832,336,224</b>
411	Owners' capital		5,535,583,100,992	5,535,583,100,992
411.1	Share capital	3.16, 6.1	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	2,217,147,065,217	1,796,894,173,810
417.1	Realised profits after tax		2,174,138,486,316	1,783,167,200,002
417.2	Unrealised profits		43,008,578,901	13,726,973,808
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>17,910,675,072,988</b>	<b>15,446,955,045,214</b>

## STATEMENT OF FINANCIAL POSITION (continued)

### OFF STATEMENT OF FINANCIAL POSITION ITEMS

Code	ITEM	Note	AS AT	
			31/12/2023 VND	31/12/2022 VND
<b>A</b>	<b>ASSETS OF THE COMPANY AND 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		6,498.72	2,050.14
	Japanese Yen		241,915	241,915
	Singapore Dollar		-	844
	British Pound		8,130.78	12,641.66
	New Taiwan Dollar		3,200	3,200
	Canadian Dollar		100	100
	Malaysian Ringgit		750	750
	Euro		6,164.80	-
			<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 and Clearing Corporation ("VSDC")		1,765,271,820,000	1,428,460,460,000
	<i>Freely traded securities</i>		965,271,820,000	408,460,460,000
	<i>Mortgaged securities</i>		800,000,000,000	1,020,000,000,000
009	Securities in custody of VSDC and not yet traded		658,170,000	423,381,500,000
	<i>Freely traded securities</i>		658,170,000	423,381,500,000
010	Securities purchased and awaiting settlement		78,829,660,000	158,247,490,000
	<i>Securities awaiting settlement</i>		78,829,660,000	158,247,490,000
			<b>Quantity</b>	
014	Covered warrants authorised but not yet issued	4.3	140,644,600	270,920,500

Code	ITEM	NOTE	AS AT	
			31/12/2023 VND	31/12/2022 VND
<b>B</b>	<b>ASSETS OF AND LIABILITIES TO CUSTOMERS</b>			
			<b>Par value (VND)</b>	
021	Securities listed/registered at VSDC		34,069,851,203,976	32,775,352,660,320
021.1	<i>Freely traded securities</i>		30,347,866,262,300	30,046,846,107,000
021.2	<i>Restricted securities</i>		249,290,330,000	63,275,910,000
021.3	<i>Pledged securities</i>		2,320,182,040,000	1,853,864,070,000
021.4	<i>Suspended securities</i>		105,492,250,000	102,322,250,000
021.5	<i>Securities awaiting settlement</i>		637,876,922,700	359,531,281,000
021.7	<i>Customers' deposits for derivatives trading</i>		409,143,398,976	349,513,042,320
022	Securities in custody of VSDC and not yet traded		501,465,000,000	112,394,200,000
022.1	<i>Securities in custody of VSDC and not yet traded – freely traded securities</i>		468,783,590,000	26,410,320,000
022.2	<i>Securities in custody of VSDC and not yet traded – suspended securities</i>		32,681,410,000	85,983,880,000
023	Securities purchased and awaiting settlement		550,145,070,000	356,499,962,000
024b	Securities not in custody of VSDC of investors		5,500,000,000	5,500,000,000
026	Customers' deposits		2,507,535,049,674	2,011,394,444,803
027	<i>Customers' deposits for securities trading</i>		2,098,391,650,698	1,661,881,402,483
027.1	<i>Customers' deposits at VSDC</i>		409,143,398,976	349,513,042,320
031	Payables to customers relating to their deposits at the Company for securities trading		2,098,391,650,698	1,661,881,402,483
031.1	<i>Payables to domestic customers relating to their deposits at the Company for securities trading</i>		2,096,658,931,756	1,659,232,766,064
031.2	<i>Payables to foreign customers relating to their deposits at the Company for securities trading</i>		1,732,718,942	2,648,636,419

  
Le Thi Thuy Duong  
Preparer

  
Lam Huu Ho  
Chief Financial Officer  
cum Chief Accountant

  
Trinh Hoai Giang  
Chief Executive Officer  
25 March 2024



## STATEMENT OF FINANCIAL POSITION (continued)

### STATEMENT OF COMPREHENSIVE INCOME

Code	ITEM	Note	FOR THE YEAR ENDED	
			31/12/2023 VND	31/12/2022 VND
<b>OPERATING INCOME</b>				
01	Income from FVTPL financial assets		1,122,444,712,468	1,673,769,166,596
01.1	Realised gains on disposal of FVTPL financial assets	5.1	665,608,273,719	1,329,305,033,052
01.2	Upward revaluation of FVTPL financial assets	5.2	12,425,298,148	(13,745,393,136)
01.3	Dividends and interest income from FVTPL financial assets	5.3	418,916,491,878	454,313,414,603
01.4	Downward revaluation of covered warrants liabilities	5.2	25,494,648,723	(96,103,887,923)
03	Interest income from loans and receivables		1,066,651,824,210	1,273,381,029,024
06	Brokerage fee income		672,114,746,281	881,714,329,917
09	Custody service income		10,013,483,537	9,326,084,675
10	Financial consultancy service income		22,134,559,699	53,809,594,152
11	Other operating income		9,804,471,264	9,444,588,666
<b>20</b>	<b>TOTAL OPERATING INCOME</b>		<b>2,903,163,797,459</b>	<b>3,901,444,793,030</b>
<b>OPERATING EXPENSES</b>				
21	Losses from FVTPL financial assets		(649,559,485,908)	(1,050,570,428,618)
21.1	Realised losses on disposal of FVTPL financial assets	5.1	(640,921,144,130)	(1,077,055,292,017)
21.2	Downward revaluation of FVTPL financial assets	5.2	(8,223,317,807)	21,571,497,129
21.4	Upward revaluation of covered warrants liabilities	5.2	(415,023,971)	4,913,366,270
24	Provisions for financial assets, losses on bad debts, impairment losses of financial assets and interest expenses associated with borrowings	5.4	(487,338,994,343)	(750,725,049,674)
26	Proprietary trading activities	5.5	(48,141,651,795)	(72,102,674,942)
27	Brokerage fee expenses	5.5	(469,988,244,655)	(572,805,427,628)
30	Custody service expenses	5.5	(10,882,377,718)	(9,798,386,787)
31	Financial consultancy service expenses	5.5	(25,316,156,138)	(26,093,851,921)
32	Other operating expenses	5.5	(4,490,885,157)	(4,124,185,703)
<b>40</b>	<b>TOTAL OPERATING EXPENSES</b>		<b>(1,695,717,795,714)</b>	<b>(2,486,220,005,273)</b>

Code	ITEM	Note	FOR THE YEAR ENDED	
			31/12/2023 VND	31/12/2022 VND
<b>FINANCIAL INCOME</b>				
42	Dividend income and interest income from demand deposits		2,230,085,646	2,935,810,645
<b>50</b>	<b>TOTAL FINANCIAL INCOME</b>		<b>2,230,085,646</b>	<b>2,935,810,645</b>
<b>62</b>	<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>5.6</b>	<b>(367,467,373,811)</b>	<b>(350,767,604,201)</b>
<b>70</b>	<b>OPERATING RESULT</b>		<b>842,208,713,580</b>	<b>1,067,392,994,201</b>
<b>OTHER INCOME AND EXPENSES</b>				
71	Other income		21,818,182	413,145,454
<b>80</b>	<b>NET OTHER INCOME</b>		<b>21,818,182</b>	<b>413,145,454</b>
<b>90</b>	<b>NET ACCOUNTING PROFIT BEFORE TAX</b>		<b>842,230,531,762</b>	<b>1,067,806,139,655</b>
91	Realised profit		812,948,926,669	1,151,170,557,315
92	Unrealised profit		29,281,605,093	(83,364,417,660)
<b>100</b>	<b>CORPORATE INCOME TAX ("CIT")</b>	<b>5.7</b>	<b>(167,871,665,855)</b>	<b>(215,318,263,721)</b>
100.1	Corporate income tax – current		(168,227,107,323)	(215,581,526,221)
100.2	Corporate income tax – deferred		355,441,468	263,262,500
<b>200</b>	<b>NET PROFIT AFTER TAX</b>		<b>674,358,865,907</b>	<b>852,487,875,934</b>
<b>300</b>	<b>OTHER COMPREHENSIVE INCOME, NET OF TAX</b>		<b>-</b>	<b>-</b>
<b>400</b>	<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>674,358,865,907</b>	<b>852,487,875,934</b>
<b>EARNINGS PER SHARE</b>				
501	Basic earnings per share (VND/share)	5.8	1,475	1,809
502	Diluted earnings per share (VND/share)	5.8	1,475	1,809

Le Thi Thuy Duong  
Preparer

Lam Huu Ho  
Chief Financial Officer  
cum Chief Accountant



Trinh Hoai Giang  
Chief Executive Officer  
25 March 2024

## STATEMENT OF FINANCIAL POSITION (continued)

### STATEMENT OF CASH FLOWS (Indirect method)

Code	ITEM	Note	FOR THE YEAR ENDED	
			31/12/2023 VND	31/12/2022 VND
<b>Cash flows from operating activities</b>				
<b>01</b>	<b>Net accounting profit before tax</b>		<b>842,230,531,762</b>	<b>1,067,806,139,655</b>
<b>02</b>	<b>Adjustments for:</b>		<b>446,688,814,103</b>	<b>612,711,086,893</b>
03	Depreciation and amortisation		31,007,288,799	25,935,323,604
04	Provisions		427,207,338	-
06	Interest expense	5.4	486,911,787,005	750,725,049,674
07	Profits from investing activities		-	(409,090,909)
08	Accrued interest income	3.4	(71,657,469,039)	(163,540,195,476)
<b>10</b>	<b>Increase/(decrease) in non-cash expenses</b>		<b>8,638,341,778</b>	<b>(26,484,863,399)</b>
11	Downward revaluation of FVTPL financial assets and upward revaluation of covered warrants liabilities		8,638,341,778	(26,484,863,399)
<b>18</b>	<b>(Decrease)/increase in non-cash income</b>		<b>(37,919,946,871)</b>	<b>109,849,281,059</b>
19	Upward revaluation of FVTPL financial assets and downward revaluation of covered warrants liabilities		(37,919,946,871)	109,849,281,059
<b>30</b>	<b>Changes in working capital</b>		<b>(5,812,966,072,921)</b>	<b>4,967,859,375,728</b>
31	(Increase)/decrease in FVTPL financial assets		(793,455,429,425)	954,993,967,384
33	(Increase)/decrease in loans		(4,756,141,237,274)	6,311,114,177,041
37	Decrease in service-related receivables		299,197,848,076	58,754,920,373
39	Decrease in other receivables		163,667,033,812	199,382,983,112
41	Decrease in accrued expenses (excluding interest expenses)		(28,458,048,121)	(22,405,086,444)
42	(Increase)/decrease in prepaid expenses		(6,140,226,972)	86,201,370
43	CIT paid	3.12	(156,278,768,514)	(237,357,472,933)
44	Interest paid		(499,998,664,830)	(734,237,733,852)
45	(Decrease)/increase in trade payables		(3,253,298,079)	13,084,078,028
46	Increase in employee welfare payables		1,218,116,920	609,623,977
47	Decrease in tax and other payables to the State (excluding CIT paid)		(16,435,822,136)	(19,752,652,487)
50	Increase/(decrease) in other short-term payables (including covered warrants liabilities)		95,151,812,622	(1,570,227,957,041)
51	Other receipts from operating activities		86,600,000	15,219,238,000
52	Other payments for operating activities		(112,125,989,000)	(1,404,910,800)
<b>60</b>	<b>Net cash (outflow for)/inflow from operating activities</b>		<b>(4,553,328,332,149)</b>	<b>6,731,741,019,936</b>

Code	ITEM	Note	FOR THE YEAR ENDED	
			31/12/2023 VND	31/12/2022 VND
<b>Cash flows from investing activities</b>				
61	Cash paid for purchases of fixed assets		(27,794,710,850)	(35,721,688,981)
62	Proceeds from disposals of fixed assets		-	450,000,000
<b>70</b>	<b>Net cash outflow for investing activities</b>		<b>(27,794,710,850)</b>	<b>(35,271,688,981)</b>
<b>Cash flows from financing activities</b>				
73.2	Proceeds from borrowings	3.10	49,420,848,122,941	74,341,648,152,273
74.3	Repayments of principals of borrowings	3.10	(47,198,642,101,157)	(82,443,460,642,515)
76	Payments of dividends	3.14	(457,166,430,700)	(152,518,669,765)
<b>80</b>	<b>Net cash inflow from/(outflow) for financing activities</b>		<b>1,765,039,591,084</b>	<b>(8,254,331,160,007)</b>
<b>90</b>	<b>Net decrease in cash and cash equivalents</b>		<b>(2,816,083,451,915)</b>	<b>(1,557,861,829,052)</b>
<b>101</b>	<b>Cash and cash equivalents at beginning of the year</b>		<b>5,640,650,158,821</b>	<b>7,198,511,987,873</b>
101.1	Cash	3.1	5,640,650,158,821	7,198,511,987,873
103	Cash and cash equivalents at end of the year		2,824,566,706,906	5,640,650,158,821
103.1	Cash	3.1	2,824,566,706,906	5,640,650,158,821

### CASH FLOWS OF BROKERAGE AND ENTRUSTMENT ACTIVITIES

Code	ITEM	FOR THE YEAR ENDED	
		31/12/2023 VND	31/12/2022 VND
<b>Cash flows from brokerage and entrustment activities</b>			
01	Brokerage trading proceeds	130,037,097,492,020	174,546,456,508,252
02	Brokerage trading payments	(129,764,882,096,780)	(174,815,005,368,260)
07	Receipts for settlement of customers' transactions	174,308,336,512	-
08	Payments for customers' securities transactions	-	(336,944,183,526)
11	Payments for custody fees of customers	(10,013,483,537)	(9,326,084,675)
<b>20</b>	<b>Increase/(decrease) in customers' deposits</b>	<b>436,510,248,215</b>	<b>(614,819,128,209)</b>
<b>30</b>	<b>Customers' deposits at beginning of year</b>	<b>1,661,881,402,483</b>	<b>2,276,700,530,692</b>
31	Cash at bank	1,661,881,402,483	2,276,700,530,692
32	Customers' deposits for securities trading under monitoring of the Company	1,661,881,402,483	2,276,700,530,692
<b>40</b>	<b>Customers' deposits at end of year</b>	<b>2,098,391,650,698</b>	<b>1,661,881,402,483</b>
41	Cash at bank	2,098,391,650,698	1,661,881,402,483
42	Customers' deposits for securities trading under monitoring of the Company	2,098,391,650,698	1,661,881,402,483

  
Le Thi Thuy Duong  
Preparer

  
Lam Huu Ho  
Chief Financial Officer  
cum Chief Accountant

  
Trinh Hoai Giang  
Chief Executive Officer  
25 March 2024



## STATEMENT OF FINANCIAL POSITION (continued)

### STATEMENT OF CHANGES IN EQUITY

Items	AS AT		For the year ended 31 December 2022		For the year ended 31 December 2023		AS AT	
	1/1/2022	1/1/2023	Increase	Decrease	Increase	Decrease	31/12/2022	31/12/2023
1. Owners' capital	5,535,583,100,992	5,535,583,100,992	-	-	-	-	5,535,583,100,992	5,535,583,100,992
1.1 Ordinary shares with voting right	4,580,523,670,000	4,580,523,670,000	-	-	-	-	4,580,523,670,000	4,580,523,670,000
1.2 Share premiums	967,536,880,000	967,536,880,000	-	-	-	-	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	277,696,843,214	277,696,843,214	-	-	-	-	277,696,843,214	277,696,843,214
3. Financial risk and operation reserve	277,696,843,214	277,696,843,214	-	-	-	-	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	1,230,314,760,376	1,796,894,173,810	852,487,875,934	(285,908,462,500)	674,358,865,907	(254,105,974,500)	1,796,894,173,810	2,217,147,065,217
5.1 Realised profit after tax	1,133,223,368,908	1,783,167,200,002	935,852,293,594	(285,908,462,500)	645,077,260,814	(254,105,974,500)	1,783,167,200,002	2,174,138,486,316
5.2 Unrealised profit/(loss)	97,091,391,468	13,726,973,808	(83,364,417,660)	-	29,281,605,093	-	13,726,973,808	43,008,578,901
<b>Total</b>	<b>7,325,252,922,790</b>	<b>7,891,832,336,224</b>	<b>852,487,875,934</b>	<b>(285,908,462,500)</b>	<b>674,358,865,907</b>	<b>(254,105,974,500)</b>	<b>7,891,832,336,224</b>	<b>8,312,085,227,631</b>

Le Thi Thuy Duong  
Preparer

Lam Huu Ho  
Chief Financial Officer  
cum Chief Accountant

Trinh Hoai Giang  
Chief Executive Officer  
25 March 2024

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

### 1 GENERAL INFORMATION

#### Establishment and listing

Ho Chi Minh City Securities Corporation ("the Company") is a joint stock company incorporated in Vietnam under Business registration certificate No. 4103001573 issued by the Department of Planning and Investment of Ho Chi Minh City on 23 April 2003 and the Establishment and operation licence No. 11/UBCK-GPHĐKD issued by the State Securities Commission ("SSC") on 29 April 2003. The Establishment and operation licence was amended several times and the latest amendment No. 10/GPĐC-UBCK was issued on 1 March 2024.

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 2023, the Company had 647 employees (as at 31 December 2022: 658 employees).

#### Capital position

	<b>As at 31 December 2023 ("the reporting date") VND</b>
Charter capital	4,580,523,670,000
Total owners' equity	8,312,085,227,631
Total assets	17,910,675,072,988

#### 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 2023, 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

Profit after tax of 2023 decreased by 21% as compared to prior year result, primarily due to the following:

- ▲ Revenue in 2023 decreased by 26% compared to 2022 (excluding the effect of revenue and operating expenses mentioned below), in particular:
  - ◇ Securities brokerage revenue in 2023 decreased by 24% due to a decrease in trading volume of the whole market compared to last year.
  - ◇ Margin lending revenue in 2023 decreased by 16%, influenced by the weakening of liquidity compared to 2022.
  - ◇ The results of proprietary trading activities (the net amount of items 1 and 21 in the statement of comprehensive income) decreased by 24% versus prior year due to market fluctuations which were not favourable for investment activities.
- ▲ Operating expenses (excluding the effect of item 21 as mentioned above) in 2023 decreased by 27% compared to 2022, mainly due to a decrease in the cost of securities brokerage operations and margin lending corresponding to a decrease in brokerage revenue and margin lending revenue.

General and administrative expenses increased by 5% 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

## FOR THE YEAR ENDED 31 DECEMBER 2023

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 excluding receivables

##### (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 originated for resale/repurchase in the short term.
- ▲ At initial recognition, it constitutes a part of an identified portfolio of financial instruments which are traded for short-term profits.
- ▲ 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.
- ▲ 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 party disclosure) such as Board of Directors, Board of Management and major shareholders.

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

Financial assets at fair value through profit or loss are subsequently measured at market value or fair value (in case market value is not available). Shares not traded on active market and those whose fair value is not reliably determined are accounted at cost.

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 2.7 Financial assets excluding receivables (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.

A financial asset shall not be classified as held-to-maturity if the Company has, during the current financial year or during the two preceding financial years, sold or reclassified more than an insignificant amount of HTM financial assets before maturity (more than insignificant in relation to the total amount of HTM financial assets) other than sales or reclassifications that:

- ▲ Are so close to maturity or the financial asset's call date (less than three months before maturity) that changes in the market rate of interest would not have a significant effect on the financial asset's fair value;
- ▲ Occur after the Company has collected substantially all of the financial asset's original principal through scheduled payments or prepayments; or
- ▲ Are attributable to an isolated event that is beyond the Company's control, is non-recurring and could not have been reasonably anticipated by the Company.

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 another financial reorganisation;
- ▲ Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
  - ◇ Adverse changes in the payment status of borrowers in the group; or
  - ◇ National or local economic conditions that correlate with defaults on the assets in the group.

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/QĐ-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.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 2.7 Financial assets excluding receivables (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 result 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

## FOR THE YEAR ENDED 31 DECEMBER 2023

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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. Shares trading on UPCoM are revalued based on the reference price of the latest trading day prior to 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 Futures

Futures are listed derivatives in which the parties commit to:

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

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



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.9 Futures (continued)

##### *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 is 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 VSDC".

#### 2.10 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*

TSCĐ được khấu hao theo phương pháp đường thẳng để giảm dần nguyên giá tài sản trong suốt thời gian hữu dụng ước tính, cụ thể như sau:

▲ 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.

#### 2.11 Operating leases

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.

#### 2.12 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.
- ▲ Office supplies.

#### 2.13 Short-term/long-term security deposits

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

#### 2.14 Liabilities

##### (a) Recognition/de-recognition

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

##### (b) Classification

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.15 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.

#### 2.16 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.

#### 2.17 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 the guidance of 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 FVTPL or 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.

#### 2.18 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 ("PIT") 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.

#### 2.19 Accrued expenses

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

#### 2.20 Provisions

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

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

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

#### 2.21 Provisions for severance allowances

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

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

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



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.22 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 own equity instruments.

- ▲ Treasury shares repurchased before the effective date of the Securities Law 2019 (i.e. 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 date of this report.

##### (b) Revaluation reserve

Revaluation reserve reflects the differences arising on revaluation of AFS.

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

From 1 February 2022, Circular 114/2021/TT-BTC issued by the Ministry of Finance on 17 December 2021 became 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 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.

Prior to 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).

#### 2.23 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.

Earnings distributable to shareholders comprise post-tax realised profits. Prior to 1 February 2022 (effective date of Circular 114/2021/TT BTC), earnings distributable to shareholders comprise post-tax realised profits after deducting the amounts appropriated to financial and operational risk reserve and supplementary capital reserve.

#### 2.24 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
- ▲ Financial assets of customers.

#### 2.25 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 period of the related revenue are recorded as a deduction from the revenue of that period.

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 period.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.25 Revenue and income recognition (continued)

##### (b) Income from proprietary trading of financial assets

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

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

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

##### (c) Income from working capital management

Income from working capital management comprises interest income from deposits at bank, income from HTM investments, income from margin loans and trading advances. This income is recognised on an accrual basis unless collectability is in doubt.

##### (d) Revenue from securities repurchase and reverse repurchase agreements

Revenue from securities repurchase and reverse repurchase agreements is recognised over the term of the agreement.

##### (e) Other income

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

#### 2.26 Expenses

##### (a) Recognition

Operating 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.

#### 2.27 Financial income

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

#### 2.28 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.

#### 2.29 General and administrative expenses

General and administrative expenses represent expenses for administrative purposes.

#### 2.30 Current and deferred income tax

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

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

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

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



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.31 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.

#### 2.32 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.

#### 2.33 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

	31/12/2023 (VND)	31/12/2022 (VND)
<b>Cash</b>		
Cash on hand	381,061,602	720,581,310
Cash at bank	2,604,185,645,304	5,330,529,577,511
<i>Of which:</i>		
Security deposit for covered warrants issued (*)	220,000,000,000	309,400,000,000
<b>Total</b>	<b>2,824,566,706,906</b>	<b>5,640,650,158,821</b>

(\*) 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")

	Comparison to market price or fair value			Market price/fair value (VND)
	Cost (VND)	Increase (VND)	Decrease (VND)	
<b>As at 31 December 2023</b>				
Listed shares and shares traded on UPCoM	602,741,644,831	9,659,702,012	(11,382,324,650)	601,019,022,193
Underlying assets designated as hedges for covered warrants	260,505,652,264	3,378,368,045	(686,875,059)	263,197,145,250
Listed bonds	1,200,000,000,000	13,045,479,452	-	1,213,045,479,452
ETF certificates	141,577,212,688	3,314,256,012	-	144,891,468,700
<b>Total</b>	<b>2,204,824,509,783</b>	<b>29,397,805,521</b>	<b>(12,069,199,709)</b>	<b>2,222,153,115,595</b>
<b>As at 31 December 2022</b>				
Listed shares and shares traded on UPCoM	171,030,969,919	1,145,621,060	(3,371,526,354)	168,805,064,625
Underlying assets designated as hedges for covered warrants	22,373,244,575	158,704,668	(241,366,443)	22,290,582,800
Listed bonds	1,201,000,000,000	15,336,958,904	-	1,216,336,958,904
ETF certificates	16,964,865,864	331,222,744	(232,989,108)	17,063,099,500
<b>Total</b>	<b>1,411,369,080,358</b>	<b>16,972,507,376</b>	<b>(3,845,881,905)</b>	<b>1,424,495,705,829</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

Ticker symbol	31/12/2023		31/12/2022	
	Cost(VND)	Market value/fair value VND	Cost(VND)	Market value/fair value VND
<b>Listed shares and shares traded on UPCoM</b>	<b>602,741,644,831</b>	<b>601,019,022,193</b>	<b>171,030,969,919</b>	<b>168,805,064,625</b>
Viet Nam Dairy Products Joint Stock Company	53,268,998,570	48,767,924,400	4,006,357,173	3,905,375,900
Military Commercial Joint Stock Bank	46,023,740,848	47,172,004,500	9,071,209,468	8,803,746,900
FPT Corporation	45,653,904,602	45,775,697,400	21,712,949,453	21,669,343,400
Vietnam Prosperity Joint-Stock Commercial Bank	40,651,044,511	42,033,235,200	10,978,406,753	10,967,884,900
Petro/Vietnam Power Corporation	38,161,484,166	32,055,412,500	435,561,924	425,680,500
Asia Commercial Joint Stock Bank	34,100,725,163	34,934,056,400	9,943,986,599	9,639,832,500
Technological and Commercial Joint Stock Bank	33,644,085,879	34,539,888,000	12,896,826,886	12,342,341,000
Hoa Phat Group Joint Stock Company	29,722,684,541	30,206,179,900	4,857,142,029	4,759,596,000
Mobile World Investment Corporation	25,781,865,698	25,749,164,800	15,598,946,303	15,037,136,400
Sai Gon Thuong Tin Commercial Joint Stock Bank	22,478,783,251	22,950,304,000	3,670,102,583	3,638,700,000
Vinhomes Joint Stock Company	18,317,035,689	19,091,592,000	5,629,097,943	5,569,680,000
Vingroup Joint Stock Company	16,913,858,528	17,292,445,800	5,978,657,044	5,752,457,400
SSI Securities Corporation	15,707,455,096	15,865,720,800	1,680,922,341	1,571,954,700
Ho Chi Minh City Development Joint Stock Commercial Bank	14,772,930,331	15,785,300,300	2,566,197,029	2,481,708,350
Masan Group Corporation	14,497,125,472	14,794,940,000	4,664,048,376	4,540,260,000
Saigon Hanoi Commercial Joint Stock Bank	13,483,724,296	13,473,194,400	-	-
Vietnam International Commercial Joint Stock Bank	11,720,806,964	11,982,146,400	4,088,616,268	3,985,155,000
Southeast Asia Commercial Joint Stock Bank	10,829,592,499	11,290,670,700	-	-
Vietjet Aviation Joint Stock Company	10,195,667,146	10,299,096,000	5,782,860,715	5,711,739,000
Tien Phong Commercial Joint Stock Bank	9,987,217,734	10,151,629,800	3,535,972,397	3,438,833,250
Others	96,828,913,847	96,808,418,893	43,933,108,635	44,563,639,425
<b>Underlying assets designated as hedges for covered warrants</b>	<b>260,505,652,264</b>	<b>263,197,145,250</b>	<b>22,373,244,575</b>	<b>22,290,582,800</b>
Sai Gon Thuong Tin Commercial Joint Stock Bank	72,540,980,342	72,235,377,500	3,009,532,977	3,049,875,000
FPT Corporation	51,314,511,309	51,675,853,000	2,356,689,547	2,373,903,000
Mobile World Investment Corporation	25,786,848,358	26,257,800,000	-	-
Technological and Commercial Joint Stock Bank	24,961,407,691	25,938,624,000	1,161,842,344	1,064,503,000
Vinhomes Joint Stock Company	19,008,453,131	19,915,200,000	-	-
Vincor Retail Joint Stock Company	17,493,519,042	17,530,221,000	545,066,465	540,991,000
Viet Nam Dairy Products Joint Stock Company	15,690,500,958	15,311,400,000	2,870,720,301	2,800,480,000
Vietnam Prosperity Joint-Stock Commercial Bank	13,848,447,763	13,992,806,400	9,586,187,608	9,687,336,800
Others	19,860,983,670	20,339,863,350	2,843,205,333	2,773,494,000
<b>Listed bonds</b>	<b>1,200,000,000,000</b>	<b>1,213,045,479,452</b>	<b>1,201,000,000,000</b>	<b>1,216,336,958,904</b>
Bank for Investment and Development of Vietnam	1,200,000,000,000	1,213,045,479,452	1,200,000,000,000	1,215,317,917,808
Vietnam Bank for Social Policies	-	-	1,000,000,000	1,019,041,096
<b>ETF certificates</b>	<b>141,577,212,688</b>	<b>144,891,468,700</b>	<b>16,964,865,864</b>	<b>17,063,099,500</b>
VFMDIAMOND ETF	97,375,018,764	99,656,818,000	11,881,092,172	12,060,360,000
SSIAM VNFIN LEAD ETF	40,629,532,035	41,235,656,000	-	-
VFMVN30 ETF	1,545,159,689	1,586,894,700	3,056,271,492	3,006,139,500
MAFMVN30 ETF	1,030,345,084	1,341,100,000	1,030,345,084	1,182,300,000
MIDCAP	997,157,116	1,071,000,000	997,157,116	814,300,000
<b>Total</b>	<b>2,204,824,509,783</b>	<b>2,222,153,115,595</b>	<b>1,411,369,080,358</b>	<b>1,424,495,705,829</b>



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

Details of bond held by the Company as at reporting date is as follows:

	Collateral assets	Issuance date	Maturity date	Interest rate per annum	Par value/ bond
<b>Listed bonds</b>					
Bank for Investment and Development of Vietnam - BID121027	None	28/10/2021	28/10/2029	(*)	100,000

(\*) Interest rate is determined as the sum of the reference rate and a spread of 0.9% per annum. Interest rate is adjusted every 6 months. The reference interest rate is the arithmetic average of 12-month (or equivalent term) interest rate applied for VND retail customer deposits (interest paid in arrears) published on the websites of the state-owned joint stock commercial banks.

#### 3.3 Loans

	As at 31/12/2023		As at 31/12/2022	
	Amortised cost (VND)	Provisions (VND)	Amortised cost (VND)	Provisions (VND)
Loans for securities transactions (*)	12,135,124,175,279	(427,207,338)	-	-

(\*) 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 2023 was VND36,150,762,912,200 (as at 31 December 2022: VND27,629,267,621,700).

#### 3.4 Short-term receivables

	As at 31/12/2023		As at 31/12/2022	
	Carrying value (VND)	Doubtful amount (VND)	Carrying value (VND)	Doubtful amount (VND)
<b>Service-related receivables</b>				
Receivable from VSDC	251,011,265,410	-	549,833,689,050	-
Receivables from securities purchasing (*)	17,000,000,000	-	17,000,000,000	-
Financial consultancy service fee receivables	11,483,380,000	-	11,423,380,000	-
Other receivables from securities trading	1,876,450,214	-	2,311,874,650	-
	<b>281,371,095,624</b>	<b>-</b>	<b>580,568,943,700</b>	<b>-</b>
<b>Other receivables</b>				
Bank interest receivables	71,657,469,039	-	163,540,195,476	-
Others	1,221,043,093	-	1,045,161,934	-
	72,878,512,132	-	164,585,357,410	-
<b>Total</b>	<b>354,249,607,756</b>	<b>-</b>	<b>745,154,301,110</b>	<b>-</b>

(\*) These are receivables from individual investors in relation to their purchases of securities (stocks). The fair value of collateral assets as at 31 December 2023 was VND17,000,000,000 (as at 31 December 2022: VND17,000,000,000).

#### 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 and Clearing Corporation.

#### 3.6 Fixed assets

##### (a) Tangible fixed assets

	Motor vehicles (VND)	Office equipment (VND)	Total (VND)
<b>Historical cost</b>			
As at 1.1.2023	15,605,254,800	141,757,348,110	157,362,602,910
New purchases	5,508,580,000	20,375,660,100	25,884,240,100
Disposals	(13,640,000)	(383,079,400)	(396,719,400)
As at 31.12.2023	21,100,194,800	161,749,928,810	182,850,123,610
<b>Accumulated depreciation</b>			
As at 1.1.2023	2,933,054,431	105,596,524,750	108,529,579,181
Charge for the year	3,110,524,411	22,602,377,152	25,712,901,563
Disposals	(13,640,000)	(383,079,400)	(396,719,400)
As at 31.12.2023	6,029,938,842	127,815,822,502	133,845,761,344
<b>Net book value</b>			
As at 1.1.2023	12,672,200,369	36,160,823,360	48,833,023,729
As at 31.12.2023	15,070,255,958	33,934,106,308	49,004,362,266

As at 31 December 2023 historical cost of fully depreciated tangible fixed assets but still in use was VND101,800,982,026 (as at 31 December 2022: VND81,298,470,131).

##### (b) Intangible fixed assets

	Computer software (VND)
<b>Historical cost</b>	
As at 1.1.2023	89,320,899,084
New purchases	1,784,952,000
As at 31.12.2023	91,105,851,084
<b>Accumulated amortisation</b>	
As at 1.1.2023	79,878,447,254
Charge for the year	5,294,387,236
As at 31.12.2023	85,172,834,490
<b>Net book value</b>	
As at 1.1.2023	9,442,451,830
As at 31.12.2023	5,933,016,594

As at 31 December 2023, historical cost of fully amortised intangible fixed assets but still in use was VND72,294,423,844 (as at 31 December 2022: VND70,055,128,018).

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

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

#### 3.7 Prepaid expenses

##### (a) Short-term prepaid expenses

	As at	
	31/12/2023 (VND)	31/12/2022 (VND)
IT costs	14,746,372,181	13,252,988,362
Office rental	3,941,330,269	2,135,412,059
Health insurance	3,023,599,876	-
Other short-term prepaid expenses	2,945,044,734	3,919,752,925
<b>Total</b>	<b>24,656,347,060</b>	<b>19,308,153,346</b>

##### (b) Long-term prepaid expenses

	As at	
	31/12/2023 (VND)	31/12/2022 (VND)
Office rental	75,539,761,921	78,372,502,993
Office renovations	8,552,361,449	4,961,004,473
IT costs	195,247,800	161,830,446
<b>Total</b>	<b>84,287,371,170</b>	<b>83,495,337,912</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 and Clearing Corporation, the Company is required to deposit an initial amount of VND120 million at the Vietnam Securities Depository and Clearing Corporation 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 2023 and as at 31 December 2022, 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 and Clearing Corporation, the minimum amount of initial contribution applicable to direct clearing members is VND10 billion.

#### 3.10 Borrowings

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

	Interest % per annum	As at 1.1.2023 (VND)	Drawdown (VND)	Repayment (VND)	As at 31.12.2023 (VND)
<b>Short-term borrowings</b>					
Local bank borrowings (*)	2,9 - 10,5	3,515,000,000,000	25,394,000,000,000	(23,129,000,000,000)	5,780,000,000,000
Foreign bank borrowings (*), (**)	LIBOR + 2 - 2.3 SOFR + 2.3 - 2.65	2,697,057,640,000	1,688,598,000,000	(2,697,057,640,000)	1,688,598,000,000
Bank overdrafts (*)	5,0 - 7,6	700,000,000,000	21,221,394,602,290	(21,039,634,365,164)	881,760,237,126
Other domestic borrowing (***)	3,4 - 8,6	26,000,000,000	1,116,855,520,651	(332,950,095,993)	809,905,424,658
<b>Total</b>		<b>6,938,057,640,000</b>	<b>49,420,848,122,941</b>	<b>(47,198,642,101,157)</b>	<b>9,160,263,661,784</b>

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

(\*) This included VND1,630,000,000,000 (as at 31 December 2022: VND2,865,000,000,000) secured borrowings. Foreign bank borrowings and bank overdrafts are secured.

(\*\*) The loan interest rate is floating at the LIBOR reference rate plus a spread of 2% to 2.3% per annum (until 11 July 2023), or the SOFR reference rate plus a spread of 2.3% to 2.65% per annum.

The London Interbank Offered Rate ("LIBOR") reference rate is the rate 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 Secured Overnight Financing Rate ("SOFR") reference rate is the rate for United States Dollar ("USD") 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.

(\*\*\*) Comprises unsecured borrowing from individuals and enterprises in Vietnam.

As at 31 December 2023 and 31 December 2022, there was no balance of short-term borrowings from related party or was past due, and there was no doubt on the Company's ability to repay these borrowings.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

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

#### 3.11 Trading obligations

	As at	
	31/12/2023 (VND)	31/12/2022 (VND)
Covered warrant payables	48,806,417,000	2,999,481,104
Advances from investors for securities purchases	22,718,333,580	22,969,626,993
Payables to Stock Exchanges and VSDC	12,791,855,550	19,019,040,498
Others	2,567,049,253	1,327,728,412
<b>Total</b>	<b>86,883,655,383</b>	<b>46,315,877,007</b>

As at 31 December 2023 and as at 31 December 2022, there were no payables past due but not yet settled, and there was no doubt on the Company's ability to repay these balances.

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

Biến động về thuế và các khoản phải nộp Nhà Nước trong năm như sau:

	As at 1/1/2023 (VND)	Incurred during the year (VND)	Paid during the year (VND)	As at 31/12/2023 (VND)
CIT - current	34,238,315,498	168,233,981,215	(156,278,768,514)	46,193,528,199
PIT withheld and paid on behalf of investors	31,918,221,207	222,809,243,253	(239,931,040,636)	14,796,423,824
CIT withheld and paid on behalf of foreign institutions	4,789,324,711	71,745,968,927	(69,998,139,614)	6,537,154,024
PIT withheld and paid on behalf of employees	4,196,047,521	85,803,960,732	(85,323,333,782)	4,676,674,471
Value added tax	101,051,604	1,202,945,252	(1,239,729,612)	64,267,244
Foreign contractor withholding tax	2,230,058,653	14,473,327,334	(15,985,897,882)	717,488,105
Business license tax	-	5,000,000	(5,000,000)	-
<b>Total</b>	<b>77,473,019,194</b>	<b>564,274,426,713</b>	<b>(568,761,910,040)</b>	<b>72,985,535,867</b>

#### 3.13 Short-term accrued expenses

	As at	
	31/12/2023 (VND)	31/12/2022 (VND)
Performance bonus	67,500,000,000	85,000,000,000
Interest expenses	35,548,257,726	48,635,135,551
Business development expense	16,198,000,000	38,959,000,000
Severance allowance	12,566,225,000	11,216,225,000
Others	15,147,635,428	4,612,583,549
<b>Total</b>	<b>146,960,118,154</b>	<b>188,422,944,100</b>

#### 3.14 Other short-term liabilities

	As at	
	31/12/2023 (VND)	31/12/2022 (VND)
Additional shares issued purchased on behalf of investors	36,883,112,000	12,450,000
Payable to investors	7,865,929,636	8,330,234,938
Dividends paid on behalf	3,734,547,794	3,404,224,244
Dividends payable to shareholders (*)	3,479,687,165	232,040,143,365
Others	4,658,923,969	6,260,267,727
<b>Total</b>	<b>56,622,200,564</b>	<b>250,047,320,274</b>

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

	For the year ended	
	31/12/2023 (VND)	31/12/2022 (VND)
Opening balance	232,040,143,365	155,952,838,630
Dividend in cash declared in the year	228,605,974,500	228,605,974,500
<i>In which</i>		
Second dividend of the year 2021 (*)	-	114,302,987,250
First dividend of the year 2022 (**)	-	114,302,987,250
Second dividend of the year 2022 (Note 6.1(i))	228,605,974,500	-
Dividend paid	(457,166,430,700)	(152,518,669,765)
Closing balance	<b>3,479,687,165</b>	<b>232,040,143,365</b>
<i>In which</i>		
Dividends of previous years (***)	3,479,687,165	3,434,168,865
Second dividend of the year 2021	-	114,302,987,250
First dividend of the year 2022	-	114,302,987,250
	<b>3,479,687,165</b>	<b>232,040,143,365</b>

(\*) According to the Resolution of the Annual General Meeting of shareholders on 8 August 2022, the second dividend of the year 2021 was 2.5% of par value, equivalent to VND250/share;

(\*\*) According to the Board of Directors' Resolution on 29 December 2022, the first dividend advance of 2022 is 2.5% of the charter capital, equivalent to VND250/share. The first dividend of 2022 and the second dividend of 2021 is paid in cash based on the list of shareholders finalised on 18 January 2023, and the payment date is 8 February 2023.

(\*\*\*) 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 2023 and 31 December 2022, there was no doubt on the Company's ability to repay these balances.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

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

#### 3.15 Deferred income tax assets

	As at	
	31/12/2023 (VND)	31/12/2022 (VND)
Deferred tax assets recoverable after 12 months	2,598,686,468	2,243,245,000

The movements in deferred income tax assets were as follows:

	For the year ended	
	31/12/2023 (VND)	31/12/2022 (VND)
Opening balance	2,243,245,000	1,979,982,500
Charged to profit or loss (Note 5.7)	355,441,468	263,262,500
<b>Closing balance</b>	<b>2,598,686,468</b>	<b>2,243,245,000</b>

Details of deferred income tax assets are as below:

	As at	
	31/12/2023 (VND)	31/12/2022 (VND)
Deductible temporary differences:		
Provision for severance allowance	12,566,225,000	11,216,225,000
Provision for doubtful debt	427,207,338	-
	<b>12,993,432,338</b>	<b>11,216,225,000</b>
At tax rate of 20%: Deferred tax assets:	2,598,686,468	2,243,245,000

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	
	31/12/2023 (VND)	31/12/2022 (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)
<b>Number of shares in issue</b>	<b>457,211,949</b>	<b>457,211,949</b>

As at 31 December 2023 and as at 31 December 2022, all of the Company's shares are ordinary shares. Each ordinary share has a par value of VND10,000. Each share is entitled to one vote at the Company's shareholders' meetings. Shareholders are entitled to dividends as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets.

##### (b) Details by shareholders

	As at 31/12/2023		As at 31/12/2022	
	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 Market 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
<b>Number of shares issued</b>	<b>458,052,367</b>	<b>100.00</b>	<b>458,052,367</b>	<b>100.00</b>

(\*) 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 via a rights issue completed on 16 December 2021 which 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 and Clearing Corporation ("VSDC") to restrict the 32,797,340 shares distributed to HFIC in this issuance. The aforementioned restriction was lifted pursuant to Official letter No. 100/CVVSD-DK.NV issued by VSDC - Ho Chi Minh City Branch on 4 January 2023.

##### (c) Movements in share capital

	Ordinary shares outstanding
As at 1 January 2022	457,211,949
New shares issued	-
<b>As at 31 December 2022 and as at 31 December 2023</b>	<b>457,211,949</b>



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

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

#### 3.17 Undistributed earnings

	As at	
	31/12/2023 (VND)	31/12/2022 (VND)
Realised post-tax profits	2,174,138,486,316	1,783,167,200,002
Unrealised profits	43,008,578,901	13,726,973,808
<b>Total</b>	<b>2,217,147,065,217</b>	<b>1,796,894,173,810</b>

Movements in undistributed earnings during the year were as follows:

	As at 31/12/2022 (VND)	Profit for the year (VND)	Dividend declared (VND)	Appropriation to reserves (VND)	Other (*)	As at 31/12/2023 (VND)
Realised post-tax profits	1,783,167,200,002	645,077,260,814	(228,605,974,500)	(25,500,000,000)	-	2,174,138,486,316
Unrealised profits	13,726,973,808	29,281,605,093	-	-	-	43,008,578,901
<b>Undistributed earnings</b>	<b>1,796,894,173,810</b>	<b>674,358,865,907</b>	<b>(228,605,974,500)</b>	<b>(25,500,000,000)</b>	<b>-</b>	<b>2,217,147,065,217</b>

	As at 31/12/2021 (VND)	Profit for the year (VND)	Dividend declared (VND)	Appropriation to reserves (VND)	Other (*)	As at 31/12/2022 (VND)
Realised post-tax profits	1,133,223,368,908	935,852,293,594	(228,605,974,500)	(57,373,000,000)	70,512,000	1,783,167,200,002
Unrealised profits	97,091,391,468	(83,364,417,660)	-	-	-	13,726,973,808
<b>Undistributed earnings</b>	<b>1,230,314,760,376</b>	<b>852,487,875,934</b>	<b>(228,605,974,500)</b>	<b>(57,373,000,000)</b>	<b>70,512,000</b>	<b>1,796,894,173,810</b>

(\*) 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	
	31/12/2023 (VND)	31/12/2022 (VND)
Overdue margin loans	37,783,317,946	37,783,317,946
Financial consultancy 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	
	31/12/2023	31/12/2022
<b>Ordinary shares</b>		
Quantity issued for 1 year or more (share)	457,211,949	457,211,949

##### (b) Treasury shares

	As at	
	31/12/2023	31/12/2022
<b>Ordinary shares</b>		
Quantity repurchased for 1 year or more (share)	840,418	840,418

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

### 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 31/12/2023			
				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
CFPT2308	FPT Corporation (FPT)	24/07/2023	24/01/2024	7,000,000	-	2,086,300	4,913,700
CHPG2327	Hoa Phat Group Joint Stock Company (HPG)	24/07/2023	24/01/2024	10,000,000	-	483,700	9,516,300
CMBB2310	Military Commercial Joint Stock Bank (MBB)	24/07/2023	24/01/2024	7,000,000	-	88,000	6,912,000
CMSN2310	Masan Group Joint Stock Company (MSN)	24/07/2023	24/01/2024	7,000,000	-	6,246,800	753,200
CMWG2308	Mobile World Investment Corporation (MWG)	24/07/2023	24/01/2024	10,000,000	-	9,157,100	842,900
CPOW2310	PetroVietnam Power Corporation (POW)	24/07/2023	24/01/2024	5,000,000	-	134,400	4,865,600
CSTB2323	Saigon Thuong Tin Commercial Joint Stock Bank (STB)	24/07/2023	24/01/2024	15,000,000	-	2,781,800	12,218,200
CTCB2305	Technological and Commercial Joint Stock Bank (TCB)	24/07/2023	24/01/2024	7,000,000	-	268,300	6,731,700
CVHM2310	Vinhomes Joint Stock Company (VHM)	24/07/2023	24/01/2024	7,000,000	-	6,970,000	30,000
CVPB2310	Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	24/07/2023	24/01/2024	10,000,000	-	278,700	9,721,300
CVRE2311	Vincom Retail Joint Stock Company (VRE)	24/07/2023	24/01/2024	7,000,000	-	6,606,500	393,500
CFPT2309	FPT Corporation (FPT)	04/08/2023	06/05/2024	5,000,000	-	509,100	4,490,900
CHPG2328	Hoa Phat Group Joint Stock Company (HPG)	04/08/2023	06/05/2024	10,000,000	-	295,100	9,704,900
CMBB2311	Military Commercial Joint Stock Bank (MBB)	04/08/2023	06/05/2024	7,000,000	-	333,700	6,666,300
CMWG2309	Mobile World Investment Corporation (MWG)	04/08/2023	06/05/2024	5,000,000	-	3,234,200	1,765,800
CSTB2324	Saigon Thuong Tin Commercial Joint Stock Bank (STB)	04/08/2023	06/05/2024	10,000,000	-	9,586,100	413,900
CTCB2306	Technological and Commercial Joint Stock Bank (TCB)	04/08/2023	06/05/2024	7,000,000	-	3,515,300	3,484,700
CVHM2312	Vinhomes Joint Stock Company (VHM)	04/08/2023	06/05/2024	7,000,000	-	5,914,700	1,085,300
CVNM2308	Vietnam Dairy Products Joint Stock Company (VNM)	04/08/2023	06/05/2024	5,000,000	-	3,169,800	1,830,200
CVPB2311	Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	04/08/2023	06/05/2024	7,000,000	-	4,654,000	2,346,000
CVRE2312	Vincom Retail Joint Stock Company (VRE)	04/08/2023	06/05/2024	5,000,000	-	4,620,400	379,600
CFPT2310	FPT Corporation (FPT)	04/08/2023	05/08/2024	5,000,000	-	2,349,200	2,650,800
CHPG2329	Hoa Phat Group Joint Stock Company (HPG)	04/08/2023	05/08/2024	10,000,000	-	183,500	9,816,500
CMBB2312	Military Commercial Joint Stock Bank (MBB)	04/08/2023	05/08/2024	7,000,000	-	521,200	6,478,800
CMSN2311	Masan Group Joint Stock Company (MSN)	04/08/2023	05/08/2024	5,000,000	-	999,000	4,001,000
CMWG2310	Mobile World Investment Corporation (MWG)	04/08/2023	05/08/2024	5,000,000	-	1,809,100	3,190,900
CSTB2325	Saigon Thuong Tin Commercial Joint Stock Bank (STB)	04/08/2023	05/08/2024	10,000,000	-	6,442,800	3,557,200
CTCB2307	Technological and Commercial Joint Stock Bank (TCB)	04/08/2023	05/08/2024	7,000,000	-	1,864,800	5,135,200
CVHM2311	Vinhomes Joint Stock Company (VHM)	04/08/2023	05/08/2024	7,000,000	-	1,094,500	5,905,500
CVPB2312	Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	04/08/2023	05/08/2024	7,000,000	-	107,500	6,892,500
CVRE2313	Vincom Retail Joint Stock Company (VRE)	04/08/2023	05/08/2024	5,000,000	-	1,049,800	3,950,200
				<b>228,000,000</b>	<b>-</b>	<b>87,355,400</b>	<b>140,644,600</b>



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

### 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 31/12/2023			
				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
				281,000,000	-	10,079,500	270,920,500

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

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

#### 4.4 Futures

The Company's open short position in futures contracts as at the reporting date is presented below:

Contract symbol	First trading date	Last trading date	As at 31/12/2023			At at 31/12/2022		
			Open quantity	Closing settlement price	Open short position	Open quantity	Closing settlement price	Open short position
VN30F2401	17/11/2023	19/01/2024	5,755	1,134,600	652,962,300,000	-	-	-
VN30F2301	18/11/2022	19/01/2023	-	-	-	1,782	1,004,500	179,001,900,000
					<b>652,962,300,000</b>			<b>179,001,900,000</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

	For the year ended	
	31/12/2023 (VND)	31/12/2022 (VND)
Realised gains on disposal of FVTPL financial assets	665,608,273,719	1,329,305,033,052
<i>In which:</i>		
Underlying securities	243,267,916,481	298,741,900,052
Derivatives	330,107,220,000	674,812,818,000
Covered warrants redeemed	65,675,033,586	162,700,149,628
Covered warrants expired	26,558,103,652	193,050,165,372
Realised losses on disposal of FVTPL financial assets	(640,921,144,130)	(1,077,055,292,017)
<i>In which:</i>		
Underlying securities	(230,761,012,517)	(626,452,173,238)
Derivatives	(356,287,541,000)	(402,620,996,000)
Covered warrants redeemed	(53,465,004,159)	(46,443,349,532)
Covered warrants expired	(407,586,454)	(1,538,773,247)
<b>Net realised gain</b>	<b>24,687,129,589</b>	<b>252,249,741,035</b>

Details by category are as follows:

	Quantity disposed	Sales proceeds (VND)	Costs of disposal (*) (VND)	Realised gains/(losses) during current year (VND)	Realised (losses)/gains in prior year (VND)
Shares	597,232,972	18,138,586,052,443	(18,159,274,658,527)	(20,688,606,084)	(306,700,175,728)
Bonds	10,000	1,000,000,000	(1,000,000,000)	-	-
ETF certificates	157,530,500	3,570,464,250,629	(3,537,268,740,581)	33,195,510,048	(21,010,097,458)
<b>Realised gains/(losses) on disposal of underlying securities</b>				<b>12,506,903,964</b>	<b>(327,710,273,186)</b>
Net position (loss)/gain from future contracts				(26,180,321,000)	272,191,822,000
Gains on redemption of covered warrants issued by the Company				12,210,029,427	116,256,800,096
Gains upon expiry of covered warrants issued by the Company				26,150,517,198	191,511,392,125
<b>Total</b>				<b>24,687,129,589</b>	<b>252,249,741,035</b>

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



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

### 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	
	31/12/2023 (VND)	31/12/2022 (VND)
Upward revaluation of FVTPL financial assets	12,425,298,148	(13,745,393,136)
Downward revaluation of FVTPL financial assets	(8,223,317,807)	21,571,497,129
<b>Total</b>	<b>4,201,980,341</b>	<b>7,826,103,993</b>

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

	Cost (VND)	Market value/fair value (VND)	Accumulated revaluation gains as at 31/12/2023 (VND)	Accumulated revaluation (losses)/gains as at 31/12/2022 (VND)	Credited to profit or loss (VND)
Listed shares and shares traded on UPCoM	602,741,644,831	601,019,022,193	(1,722,622,638)	(2,225,905,294)	503,282,656
Underlying assets designated as hedges for covered warrants	260,505,652,264	263,197,145,250	2,691,492,986	(82,661,775)	2,774,154,761
Listed bonds	1,200,000,000,000	1,213,045,479,452	13,045,479,452	15,336,958,904	(2,291,479,452)
ETF certificates	141,577,212,688	144,891,468,700	3,314,256,012	98,233,636	3,216,022,376
<b>Total</b>	<b>2,204,824,509,783</b>	<b>2,222,153,115,595</b>	<b>17,328,605,812</b>	<b>13,126,625,471</b>	<b>4,201,980,341</b>

	For the year ended	
	31/12/2023 (VND)	31/12/2022 (VND)
Downward revaluation of covered warrants liabilities	25,494,648,723	(96,103,887,923)
Upward revaluation of covered warrants liabilities	(415,023,971)	4,913,366,270
<b>Total</b>	<b>25,079,624,752</b>	<b>(91,190,521,653)</b>

Details of revaluation of covered warrants are as follows:

	Cost (VND)	Market value/fair value (VND)	Accumulated revaluation gains as at 31/12/2023 (VND)	Accumulated revaluation gains as at 31/12/2022 (VND)	Credited to profit or loss (VND)
Covered warrants	74,486,390,089	48,806,417,000	25,679,973,089	600,348,337	25,079,624,752

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

	For the year ended	
	31/12/2023 (VND)	31/12/2022 (VND)
Interest	409,088,209,728	449,243,799,110
Dividends	9,828,282,150	5,069,615,493
<b>Total</b>	<b>418,916,491,878</b>	<b>454,313,414,603</b>

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

	For the year ended	
	31/12/2023 (VND)	31/12/2022 (VND)
Interest expenses	486,911,787,005	750,725,049,674
Provision expenses for margin loan	427,207,338	-
<b>Total</b>	<b>487,338,994,343</b>	<b>750,725,049,674</b>

#### 5.5 Operating expenses not related to financial assets

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

(\*) These mainly include staff costs and outsourced services expenses of related support departments and allocated according to associated revenues of each operation.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

### 5 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME (continued)

#### 5.6 General and administrative expenses

	For the year ended	
	31/12/2023 (VND)	31/12/2022 (VND)
Staff costs	142,473,355,297	130,825,567,136
Performance bonus	67,500,000,000	85,000,000,000
Outsourced service expenses	84,571,576,482	64,637,148,705
Office rental expenses	28,629,168,215	23,537,125,167
Depreciation and amortisation	20,817,477,821	15,086,324,382
Office maintenance	3,873,486,048	6,431,247,738
Other administrative expenses	19,602,309,948	25,250,191,073
<b>Total</b>	<b>367,467,373,811</b>	<b>350,767,604,201</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	
	31/12/2023 (VND)	31/12/2022 (VND)
Accounting profit before tax	842,230,531,762	1,067,806,139,655
Tax calculated at a rate of 20%:	168,446,106,352	213,561,227,931
Adjustment:		
Non-taxable income	(1,965,656,430)	(1,013,923,099)
Non-deductible expense	1,521,111,024	2,150,976,389
Other adjustments	(129,895,091)	619,982,500
<b>CIT charge (*)</b>	<b>167,871,665,855</b>	<b>215,318,263,721</b>
Charged to profit or loss:		
CIT – current	168,227,107,323	215,581,526,221
CIT – deferred	(355,441,468)	(263,262,500)
<b>Total</b>	<b>167,871,665,855</b>	<b>215,318,263,721</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	
	31/12/2023 (VND)	31/12/2022 (VND)
Net profit after tax attributable to ordinary shareholders (VND)	674,358,865,907	852,487,875,934
Adjustment for appropriation of bonus and welfare funds (VND) (*)	-	(25,500,000,000)
	674,358,865,907	826,987,875,934
Weighted average number of ordinary shares in issue (shares)	457,211,949	457,211,949
<b>Basic earnings per share (VND)</b>	<b>1,475</b>	<b>1,809</b>

(\*) 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 2022 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 25 April 2023, as follows:

Items	For the year ended 31/12/2022		
	As previously reported (VND)	Adjustment (VND)	Restated (VND)
Net profit after tax attributable to ordinary shareholders (VND)	852,487,875,934	(25,500,000,000)	826,987,875,934
Weighted average number of ordinary shares in issue (shares)	457,211,949	-	457,211,949
<b>Basic earnings per share (VND)</b>	<b>1,865</b>		<b>1,809</b>

##### (b) Diluted earnings per share

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



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

### 6 NOTES TO THE STATEMENT OF CHANGES IN EQUITY

#### 6.1 Details of changes in equity

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

	Share capital (VND)	Share premium (VND)	Treasury shares (VND)	Supplementary capital reserve(*) (VND)	Financial risk and operation reserve(*) (VND)	Other equity funds (VND)	Undistributed earnings (VND)	Total (VND)
<b>As at 1.1.2023</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>
Post-tax profit for the year	-	-	-	-	-	-	674,358,865,907	674,358,865,907
Second dividend of year 2022 (i)	-	-	-	-	-	-	(228,605,974,500)	(228,605,974,500)
Appropriation to bonus and welfare funds (ii)	-	-	-	-	-	-	(25,500,000,000)	(25,500,000,000)
<b>As at 31.12.2023</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>2,217,147,065,217</b>	<b>8,312,085,227,631</b>

(\*) As at 31 December 2023, 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 2.22(c).

(i) According to the resolution of the General Meeting of Shareholders dated 25 April 2023 and the resolution of the Board of Directors dated 18 May 2023, the second dividend payment of 2022 is 5% of the par value of the shares, equivalent to VND500 /share. The second dividend is paid in cash based on the list of shareholders as of 9 June 2023 and the payment date is 21 June 2023.

(ii) According to the resolution of the General Meeting of Shareholders dated 25 April 2023, the deduction for the bonus and welfare funds is 3% of the profit after taxes for the year 2022.

	Share capital (VND)	Share premium (VND)	Treasury shares (VND)	Supplementary capital reserve(*) (VND)	Financial risk and operation reserve(*) (VND)	Other equity funds (VND)	Undistributed earnings (VND)	Total (VND)
<b>As at 1.1.2022</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>1,230,314,760,376</b>	<b>7,325,252,922,790</b>
Post-tax profit for the year	-	-	-	-	-	-	852,487,875,934	852,487,875,934
Second dividend of year 2021 (iii)	-	-	-	-	-	-	(114,302,987,250)	(114,302,987,250)
First dividend of year 2022 (iv)	-	-	-	-	-	-	(114,302,987,250)	(114,302,987,250)
Appropriation to bonus and welfare funds (iii)	-	-	-	-	-	-	(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>

(iii) 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.

(iv) According to the Board of Directors' Resolution on 29 December 2022, the first dividend advance 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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

### 6 NOTES TO THE STATEMENT OF CHANGES IN EQUITY (continued)

#### 6.2 Earnings distribution

	For the year ended	
	31/12/2023 (VND)	31/12/2022 (VND)
Undistributed realised earnings brought forward	1,783,167,200,002	1,133,223,368,908
Realised profit incurred in the year	645,077,260,814	935,852,293,594
Appropriations from undistributed earnings:	(25,500,000,000)	(57,373,000,000)
To bonus and welfare funds	(25,500,000,000)	(57,373,000,000)
Dividend declared	(228,605,974,500)	(228,605,974,500)
<b>Distributable profits to shareholders</b>	<b>2,174,138,486,316</b>	<b>1,783,096,688,002</b>
Dividend declared	228,605,974,500	228,605,974,500
<b>Net amount distributed to shareholders</b>	<b>228,605,974,500</b>	<b>228,605,974,500</b>

### 7 RELATED PARTY DISCLOSURES

Identified related parties and their relationships with the company 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 DCVFM. The Company's Vice Chairman of the Board of Directors is a member of the Board of Directors of 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 Head of Finance and Accounting department 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	
	31/12/2023 (VND)	31/12/2022 (VND)
<b>DC</b>		
Dividend paid	137,475,834,000	45,825,278,000
<b>DCVFM</b>		
Revenue from rendering of services	8,332,098,241	7,933,786,676
<b>HFIC</b>		
Dividend paid	105,772,520,000	36,487,590,000
<b>Vision &amp; Associates Company Limited</b>		
Consultancy service expense	-	285,398,640
<b>Compensation of key management</b>		
Gross salaries and other benefits (*)	17,016,410,258	14,754,871,796



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

### 7 RELATED PARTY DISCLOSURES (CONTINUED)

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

		For the year ended	
		31/12/2023 (VND)	31/12/2022 (VND)
<b>Board of Directors</b>			
Mr. Johan Nyvene	Chairperson	2,963,076,924	1,301,538,462
Mr. Le Anh Minh	Vice Chairperson	706,666,667	706,666,667
Mr. Andrew Colin Vallis	Member	773,333,333	773,333,333
Ms. Nguyen Thi Hoang Lan	Member	640,000,000	640,000,000
Mr. Le Hoang Anh	Member	573,333,333	573,333,333
Mr. Tran Quoc Tu	Member	306,666,667	306,666,667
Mr. Nguyen Hong Van (until 24.4.2023)	Member	76,666,667	306,666,667
Ms. Phan Quynh Anh (from 25.4.2023)	Member	230,000,000	-
		<b>6,269,743,591</b>	<b>4,608,205,129</b>
<b>Board of Supervision</b>			
Mr. Pham Nghiem Xuan Bac	Chief Supervisor	493,333,333	493,333,333
Ms. Dang Nguyet Minh	Member	426,666,667	426,666,667
Ms. Nguyen Thi Thu Thanh (until 24.4.2023)	Member	56,666,667	226,666,667
Mr. Tran Thai Phuong (from 25.4.2023)	Member	170,000,000	-
		<b>1,146,666,667</b>	<b>1,146,666,667</b>
<b>Board of Management</b>			
Mr. Trinh Hoai Giang	Chief Executive Officer	9,600,000,000	9,000,000,000

### (b) Year-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	68,737,917,000	68,737,917,000	(137,475,834,000)	-
<b>HFIC</b>				
Deposits for securities trading	25,183,614	25,185	-	25,208,799
Dividend payable	52,886,260,000	52,886,260,000	(105,772,520,000)	-

### 8 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 financial assets.

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

### 8 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 2023				
	Brokerage and services (VND)	Proprietary trading (VND)	Lending (VND)	Consultancy (VND)	Total (VND)
Revenue and income (*)	691,932,701,082	1,122,444,712,468	1,066,651,824,210	22,134,559,699	<b>2,903,163,797,459</b>
Expenses	(485,361,507,530)	(697,701,137,703)	(487,338,994,343)	(25,316,156,138)	<b>(1,695,717,795,714)</b>
In which:					
Direct cash expenses	(449,052,747,381)	(669,350,851,159)	(487,338,994,343)	(24,881,064,971)	<b>(1,630,623,657,854)</b>
Total amount of significant non-cash expenses, other than depreciation, amortisation and allocation of prepaid expenses	-	(8,638,341,778)	-	-	<b>(8,638,341,778)</b>
Total depreciation and amortisation of fixed assets	(8,292,049,091)	-	-	(435,091,167)	<b>(8,727,140,258)</b>
Allocation of long-term and short term prepaid expenses	(28,016,711,058)	(19,711,944,766)	-	-	<b>(47,728,655,824)</b>
Segment result	206,571,193,552	424,743,574,765	579,312,829,867	(3,181,596,439)	<b>1,207,446,001,745</b>
Net financial income					<b>2,230,085,646</b>
Net other income					<b>21,818,182</b>
General and administration expenses					<b>(367,467,373,811)</b>
Operating result before tax					<b>842,230,531,762</b>

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

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





# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

### 9 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	
	31/12/2023 (VND)	31/12/2022 (VND)
Cash at bank (Note 3.1)	2,604,185,645,304	5,330,529,577,511
Security deposits for covered warrants issued (Note 3.1)	220,000,000,000	309,400,000,000
Listed bonds (Note 3.2)	1,213,045,479,452	1,216,336,958,904
Loans (Note 3.3)	12,135,124,175,279	7,378,982,938,005
Receivables (Note 3.4)	354,249,607,756	745,154,301,110
Deposit for derivatives trading activities (Note 3.5)	158,206,831,950	46,080,842,950
Security deposits	10,564,304,062	10,650,904,062
Advance	492,164,421	794,883,916
<b>Total credit risk exposure</b>	<b>16,695,868,208,224</b>	<b>15,037,930,406,458</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 periodically reported to the Board of Management. Credit risk from balances with banks is assessed as low.

As at 31 December 2023 and as at 31 December 2022, there were no balance with banks that were past but 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 2023 and as at 31 December 2022, there was no debt security that exceeded 20% of the Company's equity.

As at 31 December 2023 and as at 31 December 2022, 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 VSDC. Deposit for derivative trading activities is also placed with this entity.

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

VSDC 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 2023 and as at 31 December 2022, there was no balance with VSDC 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 sells off collateral assets to collect the loans.

The market value of collateral assets as at 31 December 2023 was VND 36,150,762,912,200 (as at 31 December 2022: VND38,985,663,206,490).

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 9 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	
	31/12/2023 (VND)	31/12/2022 (VND)
Neither past due nor impaired	12,134,696,967,941	7,378,982,938,005
Past due and impaired	427,207,338	-
Provision made	(427,207,338)	-
<b>Net balance</b>	<b>12,134,696,967,941</b>	<b>7,378,982,938,005</b>

##### (v) Receivables

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

As at 31 December 2023 and as at 31 December 2022, 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 31.12.2023</b>				
Current	354,249,607,756	-	-	<b>354,249,607,756</b>
	354,249,607,756	-	-	<b>354,249,607,756</b>
Provision made	-	-	-	-
<b>Net balance</b>	<b>354,249,607,756</b>	-	-	<b>354,249,607,756</b>
<b>As at 31.12.2022</b>				
Current	745,154,301,110	-	-	<b>745,154,301,110</b>
	<b>745,154,301,110</b>	-	-	<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) 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. These balances bear floating interest rates and due in short term, so interest rate risk is minimal.

##### ▲ 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 2023, 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 VND152,038,439,860 (at 31 December 2022: higher/lower by VND124,249,439,473).

##### ▲ 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 foreign currencies, mainly the United States Dollar ("USD").

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

### 9 FINANCIAL RISK MANAGEMENT (continued)

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

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

	Original currency USD		Equivalent to VND	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
<b>Financial assets</b>				
Cash	6,498.72	2,050.14	151,389,234	46,778,634
<b>Financial liabilities</b>				
Borrowings (unhedged exposure)	-	-	-	-
<b>Net currency exposure</b>	<b>6,498.72</b>	<b>2,050.14</b>	<b>151,389,234</b>	<b>46,778,634</b>

As at 31 December 2023, 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 VND15,138,923 respectively as a result of foreign exchange gains/losses on translation of USD-denominated financial instruments (as at 31 December 2022: lower/ higher by VND4,677,863 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	
	31/12/2023 (VND)	31/12/2022 (VND)
Short-term borrowings (Note 3.10)	9,160,263,661,784	6,938,057,640,000
Trading obligations (Note 3.11)	86,883,655,383	46,315,877,007
Short-term trade account payables	6,143,330,081	7,079,654,815
Short-term accrued expenses (Note 3.13)	146,960,118,154	188,422,944,100
Other short-term payables (Note 3.14)	56,622,200,564	250,047,320,274
<b>Total financial liabilities</b>	<b>9,456,872,965,966</b>	<b>7,429,923,436,196</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 2023, the Company's CAR was 965% (as at 31 December 2022: 648%).

### 10 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	
	31/12/2023 (VND)	31/12/2022 (VND)
Within 1 year	47,348,820,389	40,489,771,910
Between 1 and 5 years	63,477,799,409	52,544,858,726
<b>Total minimum payments</b>	<b>110,826,619,798</b>	<b>93,034,630,636</b>

### 11 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	1,089,161,000	1,584,474,797,000
Shares	1,626,350,810	45,652,721,699,340
Bonds	245,000,000	25,516,077,000,000
Futures	437,871	48,214,087,119,000
<b>b) Of investors</b>		
Covered warrant	266,566,612	174,102,250,480
Shares	11,747,112,727	259,626,869,238,320
Bonds	163,100,633	15,524,829,963,687
Futures	13,035,158	1,445,333,862,019,000
	<b>15,150,764,811</b>	<b>1,841,627,024,086,830</b>



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 12 SUBSEQUENT EVENTS

The Annual General Meeting of shareholders' Resolution No. 01/2022/NQ-DHDCD dated 8 August 2022 approved the plan to increase the Company's charter capital through a 15% stock dividend issue from undistributed retained earnings as at 31 December 2021, based on the audited financial statements of the Company. In accordance with the latest amendment of the Establishment and operation licence No. 10/GPDC-UBCK issued by the SSC, on 1 March 2024 the Company issued an additional 68,579,931 shares and increased its charter capital to VND5,226,322,980,000.

The Annual General Meeting of shareholders' Resolution No. 01/2022/NQ-DHDCD dated 8 August 2022 and Board of Directors' Resolution No. 33/2022/NQ-HĐQT dated 29 December 2022 approved the plan to increase the Company's charter capital through a rights issue to existing shareholders at a ratio of 50%. On 7 December 2023, the SSC issued Public Offering Registration Certificate No. 411/GCN-UBCK to the Company. Accordingly, the Company plans to issue an additional 228,605,974 shares within the 2nd quarter of 2024.

The financial statements have been approved by the Board of Management for issuance on 25 March 2024.



Le Thi Thuy Duong  
Preparer



Lam Huu Ho  
Chief Financial Officer  
cum Chief Accountant



Trinh Hoai Giang  
Chief Executive Officer

## 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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