

HO CHI MINH CITY SECURITIES CORPORATION

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



HO CHI MINH CITY SECURITIES CORPORATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

TABLE OF CONTENTS	PAGE
Corporate information	1 - 2
Statement of the Board of Management	3
Independent auditor's report	4 - 5
Statement of financial position (Form B01 – CTCK)	6 - 9
Statement of comprehensive income (Form B02 – CTCK)	10 - 11
Statement of cash flows (Form B03b – CTCK)	12 - 14
Statement of changes in equity (Form B04 – CTCK)	15
Notes to the financial statements (Form B09 – CTCK)	16 - 98

HO CHI MINH CITY SECURITIES CORPORATION

CORPORATE INFORMATION

Business registration certificate

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

Establishment and operation licence

No. 11/UBCK-GPHDKD dated 29 April 2003 issued by the State Securities Commission. The Establishment and operation licence was amended several times and the latest amendment No. 02/GPDC-UBCK was issued on 7 January 2022.

Board of Directors

Mr. Johan Nyvene	Chairperson (from 22 April 2021) Member (until 21 April 2021)
Mr. Do Hung Viet	Chairperson (until 21 April 2021)
Mr. Le Anh Minh	Vice Chairperson
Mr. Le Hoang Anh	Member
Mr. Nguyen Hong Van	Member (from 22 April 2021)
Mr. Tran Quoc Tu	Member (from 22 April 2021)
Mr. Andrew Colin Vallis	Member (from 22 April 2021)
Ms. Nguyen Thi Hoang Lan	Member (from 22 April 2021)
Mr. Pham Nghiem Xuan Bac	Member (until 21 April 2021)
Mr. Le Thang Can	Member (until 21 April 2021)
Mr. Lam Hoai Anh	Member (until 21 April 2021)

Board of Supervision

Mr. Pham Nghiem Xuan Bac	Chief Supervisor (from 22 April 2021)
Mr. Vo Van Chau	Chief Supervisor (until 21 April 2021)
Ms. Dang Nguyet Minh	Member
Ms. Nguyen Thi Thu Thanh	Member (from 22 April 2021)
Mr. Doan Van Hinh	Member (until 21 April 2021)

HO CHI MINH CITY SECURITIES CORPORATION

CORPORATE INFORMATION (continued)

Board of Management	Mr. Trinh Hoai Giang	Chief Executive Officer
	Mr. Le Anh Quan	Managing Director
	Mr. Pham Ngoc Bich	Managing Director
	Mr. Christopher Lawrence Hunt	Managing Director
	Mr. Stephen James McKeever	Managing Director
	Mr. Tran Tan Dat	Managing Director
	Mr. Nguyen Canh Thinh	Managing Director
	Ms. Nguyen Linh Lan	Managing Director
	Mr. Le Nguyen Binh	Managing Director
	Mr. Lam Huu Ho	Chief Financial Officer cum Chief Accountant
	Mr. Tong Cong Cuong	Managing Director (from 2 August 2021)
Mr. Bach Quoc Vinh	Managing Director (until 11 May 2021)	
Chief Executive Officer and Legal Representative	Mr. Trinh Hoai Giang	
Registered office	2-5-6-7-11-12th Floor, AB Tower 76A Le Lai Street, Ben Thanh Ward, District 1 Ho Chi Minh City, Vietnam	
Auditor	PwC (Vietnam) Limited	

HO CHI MINH CITY SECURITIES CORPORATION

STATEMENT OF THE BOARD OF MANAGEMENT

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

The Board of Management of Ho Chi Minh City Securities Corporation (“the Company”) is responsible for preparing the financial statements which give a true and fair view of the financial position of the Company as at 31 December 2021 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 judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements as set out on pages 6 to 98 which give a true and fair view of the financial position of the Company as at 31 December 2021 and of the results of its operations, cash flows and changes in equity for the year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and prevailing regulations on preparation and presentation of financial statements applicable to securities companies operating in Vietnam.

On behalf of the Board of Management



Trinh Hoai Giang
Chief Executive Officer

Ho Chi Minh City, Vietnam
22 March 2022



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 2021 and approved by the Board of Management on 22 March 2022. The financial statements comprise the statement of financial position as at 31 December 2021, 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 98.

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 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 and for such internal control which the Board of Management determines as necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical standards and requirements and plan and perform the audit in order to obtain reasonable assurance as to whether the financial statements 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 2021, 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.

Other Matter

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

For and on behalf of PwC (Vietnam) Limited



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

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

Report reference number: HCM11641
Ho Chi Minh City, 22 March 2022

STATEMENT OF FINANCIAL POSITION

Code	ITEM	Note	As at	
			31.12.2021 VND	31.12.2020 VND
ASSETS				
100	CURRENT ASSETS		24,186,710,802,908	12,307,866,988,088
110	Financial assets		24,114,470,306,909	12,118,339,034,626
111	Cash and cash equivalents	3.1	7,198,511,987,873	206,860,864,747
111.1	<i>Cash</i>		<i>7,198,511,987,873</i>	<i>206,860,864,747</i>
112	Financial assets at fair value through profit or loss ("FVTPL")	3.2	2,371,663,569,220	3,061,224,600,123
114	Loans	3.3	13,690,097,115,046	8,623,841,531,603
116	Provisions for impairment loss of financial assets and collaterals	3.4	-	(37,783,317,946)
118	Prepayments to suppliers		14,378,716,021	7,913,519,184
119	Service-related receivables	3.5	639,323,864,073	193,223,521,787
122	Other receivables	3.5	200,495,054,676	64,858,789,330
129	Provisions for doubtful debts	3.4	-	(1,800,474,202)
130	Other current assets		72,240,495,999	189,527,953,462
131	Advances to employees		727,974,286	131,200,582
133	Short-term prepaid expenses	3.8(a)	9,816,990,763	8,702,822,930
134	Short-term security deposits		395,450,000	1,005,314,000
137	Other current assets		61,300,080,950	179,688,615,950
137.1	<i>Deposits for derivatives trading activities</i>	3.6	<i>61,300,080,950</i>	<i>179,688,615,950</i>
200	NON-CURRENT ASSETS		182,392,337,809	180,960,564,999
220	Fixed assets		40,005,113,583	46,878,656,183
221	Tangible fixed assets	3.7(a)	28,190,853,273	26,872,243,833
222	<i>Historical cost</i>		<i>119,732,244,928</i>	<i>104,576,989,289</i>
223a	<i>Accumulated depreciation</i>		<i>(91,541,391,655)</i>	<i>(77,704,745,456)</i>
227	Intangible fixed assets	3.7(b)	11,814,260,310	20,006,412,350
228	<i>Historical cost</i>		<i>85,006,277,084</i>	<i>83,670,927,010</i>
229a	<i>Accumulated amortisation</i>		<i>(73,192,016,774)</i>	<i>(63,664,514,660)</i>
240	Construction in progress	3.7(c)	8,483,996,599	342,334,073
250	Other non-current assets		133,903,227,627	133,739,574,743
251	Long-term security deposits		8,850,543,262	8,365,511,870
252	Long-term prepaid expenses	3.8(b)	93,072,701,865	94,014,062,873
253	Deferred income tax assets	3.16	1,979,982,500	1,360,000,000
254	Deposits in the Settlement Supporting Fund	3.9	20,000,000,000	20,000,000,000
255	Other non-current assets		10,000,000,000	10,000,000,000
255.1	<i>Deposits in the Derivatives trading clearing fund</i>	3.10	<i>10,000,000,000</i>	<i>10,000,000,000</i>
270	TOTAL ASSETS		24,369,103,140,717	12,488,827,553,087

The notes on pages 16 to 98 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
(continued)

Code	ITEM	Note	As at	
			31.12.2021 VND	31.12.2020 VND
300	LIABILITIES		17,043,850,217,927	8,048,473,021,702
310	Current liabilities		17,043,850,217,927	8,048,473,021,702
311	Short-term borrowings and finance lease liabilities		15,039,870,130,242	6,716,571,061,080
312	Short-term borrowings	3.11	15,039,870,130,242	6,716,571,061,080
318	Trading obligations	3.12	1,461,564,263,853	935,296,094,913
320	Short-term trade payables		1,551,194,104	5,104,995,817
322	Taxes and other payables to the State	3.13	118,960,709,302	67,013,629,923
324	Accrued employees' welfares		6,137,000,317	4,769,951,100
325	Short-term accrued expenses	3.14	194,292,714,722	114,864,843,601
329	Other short-term payables	3.15	195,643,770,048	178,832,707,535
331	Bonus and welfare funds		25,830,435,339	26,019,737,733
400	OWNERS' EQUITY		7,325,252,922,790	4,440,354,531,385
410	Owners' equity		7,325,252,922,790	4,440,354,531,385
411	Owners' capital		5,535,583,100,992	3,405,291,244,992
411.1	Share capital	3.17, 7.1	4,580,523,670,000	3,058,822,630,000
411.1a	Ordinary shares with voting rights		4,580,523,670,000	3,058,822,630,000
411.2	Share premiums		967,536,880,000	358,946,064,000
411.5	Treasury shares		(12,477,449,008)	(12,477,449,008)
414	Supplementary capital reserve		277,696,843,214	177,907,588,627
415	Financial risk and operational reserve		277,696,843,214	177,907,588,627
416	Other equity reserves		3,961,374,994	3,961,374,994
417	Undistributed earnings	3.18	1,230,314,760,376	675,286,734,145
417.1	Realised profits after tax		1,133,223,368,908	647,641,022,448
417.2	Unrealised profits		97,091,391,468	27,645,711,697
440	TOTAL RESOURCES		24,369,103,140,717	12,488,827,553,087

The notes on pages 16 to 98 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
(continued)

OFF STATEMENT OF FINANCIAL POSITION ITEMS

Code	ITEM	Note	As at	
			31.12.2021	31.12.2020
A	ASSETS OF THE COMPANY AND ASSETS UNDER ENTRUSTMENT			
			<i>Amount (VND)</i>	
004	Bad debts written off		39,928,851,148	345,059,000
			<i>Original currency</i>	
005	Foreign currencies			
	United States Dollar		1,933.03	1,880.68
	Japanese Yen		241,915	241,915
	Singapore Dollar		844	844
	British Pound		6,654.01	7,146.28
	New Taiwan Dollar		3,200	3,200
	Canadian Dollar		100	100
	Malaysian Ringgit		750	750
			<i>Quantity</i>	
006	Number of shares in issue (shares)	4.1(a)	457,211,949	305,041,845
007	Number of treasury shares (shares)	4.1(b)	840,418	840,418
			<i>Par value (VND)</i>	
008	Securities listed/registered at Vietnam Securities Depository ("VSD")		1,534,001,710,000	993,631,923,000
	<i>Freely traded securities</i>		334,001,710,000	937,631,923,000
	<i>Mortgaged securities</i>		1,200,000,000,000	56,000,000,000
009	Securities in custody of VSD and not yet traded		3,150,750,000	23,150,020,000
	<i>Freely traded securities</i>		3,150,750,000	23,150,020,000
010	Securities purchased and awaiting settlement		38,050,920,000	51,825,101,000
	<i>Securities awaiting settlement</i>		38,050,920,000	51,825,101,000
012	Securities not in custody of VSD		-	3,340,840,000
	<i>Freely traded securities</i>		-	3,340,840,000
			<i>Quantity</i>	
014	Covered warrants authorised but not yet issued	4.2	125,119,700	41,100,990

The notes on pages 16 to 98 are an integral part of these financial statements.

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

Code	ITEM	As at	
		31.12.2021	31.12.2020
B	ASSETS OF AND LIABILITIES TO CUSTOMERS	Par value (VND)	
021	Securities listed/registered at VSD	29,233,137,338,247	29,055,917,558,453
021.1	<i>Freely traded securities</i>	26,729,328,284,000	26,490,060,452,700
021.2	<i>Restricted securities</i>	77,797,610,000	222,878,360,000
021.3	<i>Pledged securities</i>	1,367,875,900,000	1,072,686,420,000
021.4	<i>Suspended securities</i>	102,406,820,000	175,105,240,000
021.5	<i>Securities awaiting settlement</i>	665,069,237,000	768,765,870,100
021.7	<i>Customers' deposits for derivatives trading</i>	290,659,487,247	326,421,215,653
022	Securities in custody of VSD and not yet traded	90,528,440,000	226,132,240,000
022.1	<i>Securities in custody of VSD and not yet traded – freely traded securities</i>	43,018,500,000	212,693,340,000
022.2	<i>Securities in custody of VSD and not yet traded – suspended securities</i>	47,509,940,000	13,438,900,000
023	Securities purchased and awaiting settlement	752,891,009,000	685,071,278,200
024b	Securities not in custody of VSD of investors	5,500,000,000	5,500,000,000
026	Customers' deposits	2,567,360,017,939	2,426,782,571,627
027	<i>Customers' deposits for securities trading</i>	2,276,700,530,692	2,100,361,355,974
027.1	<i>Customers' deposits at VSD</i>	290,659,487,247	326,421,215,653
031	Payables to customers relating to their deposits at the Company for securities trading	2,276,700,530,692	2,100,361,355,974
031.1	<i>Payables to domestic customers relating to their deposits at the Company for securities trading</i>	2,250,847,001,197	2,089,526,776,741
031.2	<i>Payables to foreign customers relating to their deposits at the Company for securities trading</i>	25,853,529,495	10,834,579,233



 Le Thi Thuy Duong
 Preparer



 Lam Huu Ho
 Chief Financial Officer
 cum Chief Accountant



 Trinh Hoai Giang
 Chief Executive Officer
 22 March 2022

The notes on pages 16 to 98 are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

Code	ITEM	Note	For the year ended	
			31.12.2021 VND	31.12.2020 VND
OPERATING INCOME				
01	Income from FVTPL financial assets		1,816,405,892,159	1,027,171,623,991
01.1	<i>Realised gains on disposal of FVTPL financial assets</i>	5.1	1,512,892,400,808	719,339,277,788
01.2	<i>Upward revaluation of FVTPL financial assets</i>	5.2	(94,368,025,555)	104,750,184,619
01.3	<i>Dividends and interest income from FVTPL financial assets</i>	5.3	302,261,585,535	208,294,399,010
01.4	<i>Downward revaluation of covered warrants liabilities</i>	5.2	95,619,931,371	(5,212,237,426)
03	Interest income from loans and receivables		1,178,676,110,277	549,942,893,189
06	Brokerage fee income		1,390,496,531,451	621,464,464,968
07	Underwriting income and placing fee income		5,500,000,000	-
09	Custody service income		8,575,387,729	7,575,701,973
10	Financial consultancy service income		41,050,757,392	37,741,467,445
11	Other operating income		19,408,158,804	4,009,821,108
20	TOTAL OPERATING INCOME		4,460,112,837,812	2,247,905,972,674
OPERATING EXPENSES				
21	Losses from FVTPL financial assets		(1,094,396,956,075)	(657,783,171,656)
21.1	<i>Realised losses on disposal of FVTPL financial assets</i>	5.1	(1,162,590,730,033)	(614,662,557,597)
21.2	<i>Downward revaluation of FVTPL financial assets</i>	5.2	2,361,682,301	27,738,629,141
21.4	<i>Upward revaluation of covered warrants liabilities</i>	5.2	65,832,091,657	(70,859,243,200)
24	Provisions for financial assets, losses on bad debts, impairment losses of financial assets and interest expenses associated with borrowings	5.4	(747,190,551,120)	(207,049,930,074)
26	Proprietary trading activities	5.5	(91,924,223,288)	(56,313,185,768)
27	Brokerage fee expenses	5.5	(766,756,414,595)	(420,110,183,582)
30	Custody service expenses	5.5	(8,909,326,503)	(7,961,207,512)
31	Financial consultancy service expenses	5.5	(21,786,770,977)	(20,203,733,179)
32	Other operating expenses	5.5	(4,456,527,541)	(3,594,143,138)
40	TOTAL OPERATING EXPENSES		(2,735,420,770,099)	(1,373,015,554,909)

The notes on pages 16 to 98 are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
(continued)

Code	ITEM	Note	For the year ended	
			31.12.2021 VND	31.12.2020 VND
	FINANCIAL INCOME			
42	Dividend income and interest income from demand deposits		2,367,957,861	1,610,698,997
50	TOTAL FINANCIAL INCOME		2,367,957,861	1,610,698,997
62	GENERAL AND ADMINISTRATIVE EXPENSES	5.6	(296,812,554,290)	(216,286,598,477)
70	OPERATING RESULT		1,430,247,471,284	660,214,518,285
	OTHER INCOME AND EXPENSES			
71	Other income		87,846,363	90,917,424
80	NET OTHER INCOME		87,846,363	90,917,424
90	NET ACCOUNTING PROFIT BEFORE TAX		1,430,335,317,647	660,305,435,709
91	Realised profit		1,360,889,637,873	603,888,102,575
92	Unrealised profit		69,445,679,774	56,417,333,134
100	BUSINESS INCOME TAX (“BIT”)	5.7	(283,272,936,560)	(129,853,741,544)
100.1	BIT – current		(283,892,919,060)	(130,933,357,560)
100.2	BIT – deferred		619,982,500	1,079,616,016
200	NET PROFIT AFTER TAX		1,147,062,381,087	530,451,694,165
300	OTHER COMPREHENSIVE INCOME, NET OF TAX		-	-
400	TOTAL OTHER COMPREHENSIVE INCOME		-	-
500	EARNINGS PER SHARE			
501	Basic earnings per share (VND/share)	5.8	3,685	1,677
502	Diluted earnings per share (VND/share)	5.8	3,685	1,677



Le Thi Thuy Duong
Preparer



Lam Huu Ho
Chief Financial Officer
cum Chief Accountant



Trinh Hoai Giang
Chief Executive Officer
22 March 2022

The notes on pages 16 to 98 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
(Indirect method)

Code	ITEM	Note	For the year ended	
			31.12.2021 VND	31.12.2020 VND
	Cash flows from operating activities			
01	Net accounting profit before tax		1,430,335,317,647	660,305,435,709
02	Adjustments for:		573,274,232,416	171,530,263,399
03	Depreciation and amortisation		24,220,188,553	27,937,372,890
06	Interest expenses	5.4	747,190,551,120	207,049,930,074
07	Profits from investing activities		-	(54,708,333)
08	Accrued interest income	3.5	(198,136,507,257)	(63,402,331,232)
10	(Decrease)/increase for non-cash expenses		(68,193,773,958)	43,120,614,059
11	Downward revaluation of FVTPL financial assets and upward revaluation of covered warrants liabilities		(68,193,773,958)	43,120,614,059
18	Increase for non-cash income		(1,251,905,816)	(99,537,947,193)
19	Upward revaluation of FVTPL financial assets and downward revaluation of covered warrants liabilities		(1,251,905,816)	(99,537,947,193)
30	Changes in working capital		(5,004,635,685,459)	(5,405,968,951,106)
31	Decrease/(increase) in FVTPL financial assets		597,554,687,649	(1,622,581,402,055)
33	Increase in loans		(5,104,038,901,389)	(3,889,344,881,663)
37	(Increase)/decrease in service-related receivables		(446,100,342,286)	124,903,001,764
39	Decrease in other receivables		60,102,994,005	42,168,804,287
41	Increase in accrued expenses (excluding interest expenses)		69,161,618,019	38,830,135,033
42	(Increase)/decrease in prepaid expenses		(172,806,825)	9,778,408,813
43	BIT paid	3.13	(263,260,811,150)	(119,377,759,690)
44	Interest paid		(737,074,898,018)	(197,965,708,789)
45	(Decrease)/increase in trade payables		(10,018,998,550)	2,590,226,864
46	Increase in employee welfare payables		1,367,049,217	918,210,229
47	Increase in tax and other payables to the State (excluding BIT paid)		31,314,971,469	17,490,620,008
50	Increase in other short-term payables (including covered warrants liabilities)		678,016,384,792	358,127,931,136
51	Other receipts from operating activities		118,513,367,608	-
52	Other payments for operating activities		-	(171,506,537,043)
60	Net cash inflow from operating activities		(3,070,471,815,170)	(4,630,550,585,132)
	Cash flows from investing activities			
61	Cash paid for purchases of fixed assets		(25,488,308,479)	(23,145,130,826)
62	Proceeds from disposals of fixed assets		-	498,300,000
70	Net cash outflow for investing activities		(25,488,308,479)	(22,646,830,826)

The notes on pages 16 to 98 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
(Indirect method)
(continued)

Code	ITEM	Note	For the year ended	
			31.12.2021 VND	31.12.2020 VND
	Cash flows from financing activities			
71	Proceeds from issue of shares	7.1(iii)	2,130,291,856,000	-
72	Payments for share repurchases		-	(4,150,370,000)
73.2	Proceeds from borrowings	3.11	127,794,031,447,296	37,610,473,840,008
74.3	Repayments of principals of borrowings	3.11	(119,470,732,378,134)	(33,287,630,014,183)
76	Payments of dividends	3.15	(365,979,678,387)	(365,178,401,492)
80	Net cash outflow from financing activities		10,087,611,246,775	3,953,515,054,333
90	Net increase/(decrease) in cash and cash equivalents		6,991,651,123,126	(699,682,361,625)
101	Cash and cash equivalents at beginning of year		206,860,864,747	906,543,226,372
101.1	Cash	3.1	206,860,864,747	906,543,226,372
103	Cash and cash equivalents at end of year		7,198,511,987,873	206,860,864,747
103.1	Cash	3.1	7,198,511,987,873	206,860,864,747

Major non-cash transactions in the year are presented in Note 6.1.

The notes on pages 16 to 98 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
(Indirect method)
(continued)

CASH FLOWS OF BROKERAGE AND ENTRUSTMENT ACTIVITIES

Code	ITEM	For the year ended	
		31.12.2021 VND	31.12.2020 VND
	Cash flows from brokerage and entrustment activities		
01	Brokerage trading proceeds	296,767,448,913,962	109,044,199,307,146
02	Brokerage trading payments	(295,884,250,997,606)	(113,641,108,393,057)
07	Receipts for settlement of customers' transactions	-	5,963,407,425,623
08	Payments for customers' securities transactions	(698,283,353,909)	-
11	Payments for custody fees of customers	(8,575,387,729)	(7,575,701,973)
20	Increase in customers' deposits	176,339,174,718	1,358,922,637,739
30	Customers' deposits at beginning of year	2,100,361,355,974	741,438,718,235
31	Cash at bank	2,100,361,355,974	741,438,718,235
32	<i>Customers' deposits for securities trading under monitoring of the Company</i>	<i>2,100,361,355,974</i>	<i>741,438,718,235</i>
40	Customers' deposits at end of year	2,276,700,530,692	2,100,361,355,974
41	Cash at bank	2,276,700,530,692	2,100,361,355,974
42	<i>Customers' deposits for securities trading under monitoring of the Company</i>	<i>2,276,700,530,692</i>	<i>2,100,361,355,974</i>



Le Thi Thuy Duong
Preparer



Lam Huu Ho
Chief Financial Officer
cum Chief Accountant




Trinh Hoai Giang
Chief Executive Officer
22 March 2022

STATEMENT OF CHANGES IN EQUITY

Items	As at		For the year ended 31 December 2020		For the year ended 31 December 2021		As at	
	1.1.2020 VND	1.1.2021 VND	Increase VND	Decrease VND	Increase VND	Decrease VND	31.12.2020 VND	31.12.2021 VND
I. Changes in equity								
1. Owners' capital	3,411,931,836,992	3,405,291,244,992	(6,640,592,000)	-	2,130,291,856,000	-	3,405,291,244,992	5,535,583,100,992
1.1 Ordinary shares with voting rights	3,058,822,630,000	3,058,822,630,000	-	-	1,521,701,040,000	-	3,058,822,630,000	4,580,523,670,000
1.2 Share premiums	358,946,064,000	358,946,064,000	-	-	608,590,816,000	-	358,946,064,000	967,536,880,000
1.3 Treasury shares	(5,836,857,008)	(12,477,449,008)	(6,640,592,000)	-	-	-	(12,477,449,008)	(12,477,449,008)
2. Supplementary capital reserve	151,385,003,919	177,907,588,627	26,522,584,708	-	99,789,254,587	-	177,907,588,627	277,696,843,214
3. Financial risk and operation reserve	151,385,003,919	177,907,588,627	26,522,584,708	-	99,789,254,587	-	177,907,588,627	277,696,843,214
4. Other equity funds	3,961,374,994	3,961,374,994	-	-	-	-	3,961,374,994	3,961,374,994
5. Undistributed earnings	585,479,819,315	675,286,734,145	530,451,694,165	(440,644,779,335)	1,147,062,381,087	(592,034,354,856)	675,286,734,145	1,230,314,760,376
5.1 Realised profits after tax	614,251,440,752	647,641,022,448	474,034,361,031	(440,644,779,335)	1,077,616,701,316	(592,034,354,856)	647,641,022,448	1,133,223,368,908
5.2 Unrealised (losses/ profits)	(28,771,621,437)	27,645,711,697	56,417,333,134	-	69,445,679,771	-	27,645,711,697	97,091,391,468
Total	4,304,143,039,139	4,440,354,531,385	576,856,271,581	(440,644,779,335)	3,476,932,746,261	(592,034,354,856)	4,440,354,531,385	7,325,252,922,790

Le Thi Thuy Duong
Preparer

Lam Huu Ho
Chief Financial Officer
cum Chief Accountant



Trinh Hoai Giang
Chief Executive Officer
22 March 2022

The notes on pages 16 to 98 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1 GENERAL INFORMATION

Establishment and listing

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

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

Headquarter and contact information

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

Contact information:

Email: info@hsc.com.vn

Telephone: (+84 28) 3823 3299

Company charter

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

Headcount

As at 31 December 2021, the Company had 635 employees (as at 31 December 2020: 666 employees).

Capital size

	As at 31 December 2021 (“the reporting date”) VND
The Company’s charter capital	4,580,523,670,000
Total owners’ equity	7,325,252,922,790
Total assets	<u>24,369,103,140,717</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1 GENERAL INFORMATION (continued)

Investment objectives and investment restrictions

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

Structure of the Company and businesses

As at 31 December 2021, 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, underwriting securities services and securities custodian services.

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

In 2021, the Company's profit after tax increased by 116% as compared to the result of 2020, in which:

- Brokerage fee income increased by 124% mostly due to a boost of 227% in trading volume of shares in Viet Nam's market in 2021, whilst the Company's market shares for 2021 witnessed a shrink;
- Income from margin loans increased by 114% compared to that earned in 2020 due to active liquidity in the market, which led to high demand from investors;
- Income from proprietary trading (including net gains on disposal of financial assets, dividends and interest income, and revaluation gains of financial assets) increased by 95% mainly due to positive market conditions for investment;
- Operating expenses, excluding losses from FVTPL financial assets and interest expenses, increased by 76% in line with the rise in revenue and income;
- Interest expenses from bank borrowings increased by 261% as compared to that in 2020 as the Company raised new short-term borrowings to supplement working capital during the year;
- General and administrative expenses increased by 37% as compared to that spent in 2020 due to internal restructuring of supporting functions, in order to cope with the Company's operation.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****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 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 indeterminable).

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

2.2 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);

2.3 Form of records applied

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

2.4 Fiscal year

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.5 Currency**

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

The Company determines its accounting currency based on the currency which is mainly used in trading securities and rendering of services, which has a significant impact on selling prices of securities and services, which is normally used to set the prices and receive payments; which is mainly used in purchases of goods or services, which has a significant impact on staff costs or other operating costs, and is normally used as payments for those costs.

Additionally, the Company also uses this currency to raise financial resources (such as via issuance of shares or bonds) and/or regularly collect this currency from business operations and savings.

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 that have 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 at bank of the Company; cash of the Company being placed in accounts of customers under monitoring of the Company, pertaining transactions occurring at the end of reporting year and awaiting settlements, mainly margin loan disbursements, margin loan collections and trading advances; security deposit for covered warrants issued; and other short-term investments with maturity within three (3) months since purchase, which are highly liquid, readily convertible to cash and subject to an insignificant risk of conversion.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Financial assets

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.7 Financial assets (continued)****(a) Classification and measurement (continued)***(ii) Held-to-maturity financial assets ("HTM")*

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

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

The following assets are excluded from HTM financial assets:

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Financial assets (continued)

(a) *Classification and measurement (continued)*(ii) *Held-to-maturity financial assets (“HTM”) (continued)*

As at 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 the initial recognition and affected estimated future cash flows of HTM investments. Objective evidence of impairment may include:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.7 Financial assets (continued)****(a) Classification and measurement (continued)***(iii) Loans*

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

During the year, the Company had the following types of loans:

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.7 Financial assets (continued)****(a) Classification and measurement (continued)***(iv) Available-for-sale financial assets (“AFS”) (continued)*

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

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

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

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

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

Objective evidence of impairment for equity instruments may include:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.7 Financial assets (continued)****(b) Reclassification***(i) Reclassification of non-FVTPL financial assets upon disposal*

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

(ii) Reclassification due to change in intention/ability to hold the financial assets

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

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

(c) Recognition/de-recognition

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

Financial assets are de-recognised when the right to receive cash flows from the financial assets has expired or the Company has transferred substantially all risks and rewards of ownership of those financial assets.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.7 Financial assets (continued)****(d) Initial recognition**

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

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

(e) Determination of market value/fair value

The Company applies valuation bases for financial assets in accordance with Circular 91/2020/TT-BTC dated 13 November 2020 regarding capital adequacy ratio of securities trading entities ("Circular 91/2020/TT-BTC") (2020: Circular 87/2017/TT-BTC dated 15 August 2017 issued by the Ministry of Finance) and Circular 146/2014/TT-BTC dated 6 October 2014 regarding financial regimes for securities companies and fund management companies ("Circular 146/2014/TT-BTC"), both issued by the Ministry of Finance in determining the market value/fair value of financial assets, in particular:

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

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

(ii) Other shares

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

(iii) Bonds listed on stock exchanges

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

(iv) Unlisted bonds

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.7 Financial assets (continued)****(e) Determination of market value/fair value (continued)***(v) Certificates of open-ended funds/exchanged traded fund (“ETF”)*

Certificates of open-ended funds/ETF are revalued at net asset value per fund unit at the fund’s latest reporting date prior to the valuation 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 purchase cost of these assets.

Selling transaction costs

Selling transaction costs are expensed off.

Gain/(loss) on disposal

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.8 Receivables**

Receivables comprise receivables from disposal of financial assets, dividend and interest receivable, service-related receivables, receivables from trading errors and other receivables. Receivables are recorded on an accrual basis and presented at cost less provision for impairment or uncollectibility (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 (ignoring any mutually agreed extension), or based on the estimated loss that may arise. Bad debts are written off when identified.

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

2.9 Repurchase and reverse repurchase agreements

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

Conversely, securities purchased under agreements to resell at a specified future date (“reverse repos”) are not recognised in the statement of financial position. The corresponding cash paid are recognised in the statement of financial position as assets. The differences between the purchase prices and resale prices are recognised as interest income and are allocated over the agreement periods.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Futures

Futures are listed derivatives in which the parties commit to:

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

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

Proprietary trading activities

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

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

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

Interest arising on deposit for derivatives 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 Derivatives Clearing Fund is accounted for as “Other non-current assets” in the statement of financial position.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Fixed assets

Tangible and intangible fixed assets

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

Depreciation and amortisation

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

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

Disposals

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

Construction in progress

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

2.12 Leased assets

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.13 Prepaid expenses**

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

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

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

2.14 Short-term/long-term security deposits

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

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

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

(b) Classification

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

- Borrowings;
- Trading obligations;
- Covered warrant liabilities;
- Trade payables arising from purchases of financial assets, goods, and 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 period from the reporting date to their maturity dates.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.16 Offsetting financial instruments**

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

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

2.17 Borrowings

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

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

2.18 Covered warrants

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.18 Covered warrants (continued)*****Covered warrants issued by the Company***

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

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

All costs incurred for buybacks and issuance of covered warrants are expensed off immediately. Indemnifications and 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 gain (or loss) 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 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 as FVTPL financial assets.

2.19 Income tax paid on behalf of investors

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.20 Accrued expenses**

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

2.21 Provisions

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

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

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

2.22 Provisions for severance allowances

In accordance with Vietnamese labour laws, employees of the Company who have worked regularly for full 12 months or longer, are entitled to a severance allowance. The working period used for the calculation of severance allowance is the period during which the employee actually works for the Company less the period during which the employee participates in the unemployment insurance scheme in accordance with the labour regulations and the working period 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 six-month period 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 2021**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.23 Equity****(a) Owners' capital**

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

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

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

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

(b) Revaluation reserve

Revaluation reserve reflects the differences arising on revaluation of AFS.

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

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

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

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.23 Equity (continued)****(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) of 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 and deferred income tax arising from such revaluation.

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

2.24 Dividend distribution

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

Dividend base for distribution is post-tax realised profits after deducting amounts appropriated to financial and operational risk reserve and supplementary capital reserve.

2.25 Assets of customers and liabilities to customers

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.26 Revenue and income recognition****(a) Revenue from provision of services to investors**

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

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

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

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

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

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

(b) Income from proprietary trading of financial assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.26 Revenue and income recognition (continued)****(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 life of the agreement.

(e) *Other income*

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

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

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

(b) *Classification*

Expenses are classified by function as follows:

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

2.28 Financial income

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.29 Borrowing costs**

Borrowing costs that are directly attributable to the construction or completion of any qualifying assets are capitalised during the period that is required to complete and prepare the asset for its intended use.

In respect of general-purpose borrowings, a portion of which used for the purpose of construction or completion of any qualifying assets, the Company determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the weighted average expenditure on that assets. The capitalisation rate is the weighted average of the interest rates applicable to the Company's borrowings that are outstanding during the year, other than borrowings made specifically for the purpose of obtaining a qualifying asset. Other borrowing costs are charged to expenses in the statement of comprehensive income when incurred.

2.30 General and administration expenses

General and administration expenses represent expenses for administrative purposes.

2.31 Current and deferred income tax

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

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profit at the current tax rates. Current and deferred income tax should be recognised as an income or an expense and included in profit or loss for the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, 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 period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the reporting date.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.32 Related parties**

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

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

2.33 Segment reporting

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

2.34 Nil items

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION

3.1 Cash and cash equivalent

	As at	
	31.12.2021	31.12.2020
	VND	VND
Cash		
Cash on hand	389,670,976	320,240,493
Cash at bank	6,928,122,316,897	61,440,624,254
<i>Of which:</i>		
<i>Restricted proceeds from capital contributions</i>		
<i>(Note 7.1(iii))</i>	459,162,760,000	-
<i>Cash awaiting settlement (*)</i>	1,235,843,248,000	-
Security deposit for covered warrants issued (**)	270,000,000,000	145,100,000,000
Total	7,198,511,987,873	206,860,864,747

(*) This balance represents cash of the Company being placed in accounts of customers under monitoring of the Company, pertaining transactions occurring at the end of reporting year and awaiting settlements, mainly margin loan disbursements, margin loan collections and trading advances.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

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

	Ticker symbol	As at 31.12.2021		As at 31.12.2020	
		Cost VND	Market value/ fair value VND	Cost VND	Market value/ fair value VND
Listed shares and shares traded on UPCoM		229,331,627,871	220,305,806,086	1,094,278,046,749	1,109,899,032,848
Technological and Commercial Joint Stock Bank	TCB	17,058,487,918	17,176,650,000	102,194,797,438	111,300,903,000
Hoa Phat Group Joint Stock Company	HPG	16,230,143,402	16,324,076,800	119,310,637,205	125,368,053,450
Vingroup Joint Stock Company	VIC	15,553,419,280	15,194,887,800	78,786,826,736	80,225,972,000
Vietnam Prosperity Joint-Stock Commercial Bank	VPB	15,342,824,645	15,627,881,400	74,221,141,403	76,570,065,000
Vinhomes Joint Stock Company	VHM	12,935,770,237	12,756,576,000	44,628,705,740	45,927,014,500
Mobile World Investment Corporation	MWG	12,065,569,706	12,225,292,200	45,468,463,360	46,400,487,200
Masan Group Corporation	MSN	11,854,837,898	12,084,228,000	42,913,733,142	45,632,370,000
FPT Corporation	FPT	11,753,202,625	11,586,126,000	48,497,394,248	49,802,742,600
Asia Commercial Bank	ACB	11,738,240,141	12,027,321,000	-	-
Viet Nam Dairy Products Joint Stock Company	VNM	10,531,194,908	10,591,689,600	87,541,184,324	86,846,368,400
Others		94,267,937,111	84,711,077,286	450,715,163,153	441,825,056,698
Unlisted and unregistered shares		-	-	9,849,000,000	334,084,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

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

	Ticker symbol	As at 31.12.2021		As at 31.12.2020	
		Cost VND	Market value/ fair value VND	Cost VND	Market value/ fair value VND
Underlying assets designated as hedges for covered warrants		703,873,926,275	697,942,016,400	932,259,927,594	1,004,072,574,000
Sai Gon Thuong Tin Commercial Joint Stock Bank	STB	101,687,353,317	109,259,325,000	40,248,561,855	40,883,635,000
Mobile World Investment Corporation	MWG	71,212,966,222	71,249,652,000	87,701,560,282	90,247,478,000
Vietnam Prosperity Joint-Stock Commercial Bank	VPB	68,427,642,795	67,584,242,400	79,986,737,804	87,016,800,000
Technological and Commercial Joint Stock Bank	TCB	66,926,070,527	64,529,000,000	76,509,154,400	94,767,120,000
FPT Corporation	FPT	67,199,823,211	64,460,625,000	91,678,991,563	95,489,170,200
Military Commercial Joint Stock Bank	MBB	63,849,013,137	63,804,379,600	54,065,256,727	56,721,611,000
Vingroup Joint Stock Company	VIC	57,341,287,278	55,066,133,400	40,060,898,932	41,150,624,000
Vinhomes Joint Stock Company	VHM	50,365,413,365	49,643,128,000	71,317,148,712	74,990,260,000
Viet Nam Dairy Products Joint Stock Company	VNM	49,644,491,426	48,703,680,000	71,300,636,822	70,752,640,000
Hoa Phat Group Joint Stock Company	HPG	47,615,783,491	44,421,504,000	194,995,190,750	217,894,525,800
Vincom Retail Joint Stock Company	VRE	44,398,029,760	43,686,237,000	55,512,523,269	61,901,018,000
Masan Group Corporation	MSN	11,506,446,390	11,841,750,000	14,498,331,792	15,233,015,000
Others		3,699,605,356	3,692,360,000	54,384,934,686	57,024,677,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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	As at 31.12.2021		As at 31.12.2020	
		Cost VND	Market value/ fair value VND	Cost VND	Market value/ fair value VND
Listed bonds		1,328,339,800,000	1,346,221,713,216	913,742,600,000	932,804,513,518
Bank for Investment and Development of Vietnam	BID121027	1,200,000,000,000	1,213,566,491,574	-	-
Vietjet Aviation Joint Stock Company	VJC11912	127,339,800,000	131,620,701,094	412,994,700,000	428,149,123,008
Vietnam Bank for Social Policies	BVBS18164	1,000,000,000	1,034,520,548	1,000,000,000	1,019,041,096
Bank for Investment and Development of Vietnam	BID11908	-	-	499,747,900,000	503,636,349,414
ETF certificates		104,817,693,592	107,194,033,518	13,788,161,044	14,114,395,757
VFMDIAMOND ETF	FUEVFNVD	66,471,464,418	67,620,761,208	2,229,905,678	2,259,802,193
VFMVN30 ETF	E1VFN30	37,314,916,590	37,769,657,310	10,527,910,282	10,824,248,480
MAFMVN30 ETF	FUEMAV30	1,030,345,084	1,802,500,000	1,030,345,084	1,030,345,084
SSIAMVNX50 ETF	FUESSV50	967,500	1,115,000	-	-
Total		2,366,363,047,738	2,371,663,569,220	2,963,917,735,387	3,061,224,600,123

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

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

Detailed information of bonds are as follows:

	Collateral assets	Issuance date	Maturity date	Interest rate per annum	Par value/ bond VND
Listed bonds					
Bank for Investment and Development of Vietnam - BID121027	None	28.10.2021	28.10.2029	(*)	100,000
Vietjet Aviation Joint Stock Company - VJC11912	None	26.07.2019	26.07.2022	(**)	100,000
Vietnam Bank for Social Policies - BVBS18164	None	14.08.2018	14.08.2023	5%	100,000

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

If the issuer does not redeem the bond on redemption date, the interest rate applied for 6th and 7th interest period will be the total of the reference interest rate and a margin of 2.57% per annum.

(**) Interest rate for the first two (02) periods is 9.0% per annum. Interest rate for each period thereafter is the total of 3.0% per annum and the reference interest rate. The reference interest rate is the arithmetic average of the twelve (12) month (or equivalent term) deposit interest rate for VND corporate savings (interest paid in arrears) published on the interest determination date by the four banks being BIDV, Vietinbank, Vietcombank and Agribank.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

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

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

As at 31 December 2020	Comparison to market price or fair value			Market price/ fair value VND
	Cost VND	Increase VND	Decrease VND	
Listed shares and shares traded on UPCoM	1,094,278,046,749	33,832,036,432	(18,211,050,333)	1,109,899,032,848
Unlisted and unregistered shares	9,849,000,000	-	(9,514,916,000)	334,084,000
Underlying assets designated as hedges for covered warrants	932,259,927,594	72,360,643,228	(547,996,822)	1,004,072,574,000
Listed bonds	913,742,600,000	19,061,913,518	-	932,804,513,518
ETF certificates	13,788,161,044	326,234,713	-	14,114,395,757
Total	2,963,917,735,387	125,580,827,891	(28,273,963,155)	3,061,224,600,123

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.3 Loans

	As at 31.12.2021		As at 31.12.2020	
	Amortised cost VND	Provisions VND	Amortised cost VND	Provisions VND
Loans for securities transactions (*)	13,690,097,115,046	-	8,623,841,531,603	37,783,317,946

(*) 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 2021 was VND55,356,391,622,480 (as at 31 December 2020: VND33,527,912,173,430).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.4 Provision for loans and doubtful debts

	Doubtful amount		Provision			Closing balance VND
	Opening balance VND	Closing balance VND	Opening balance VND	Provision VND	Write off (**) VND	
Overdue margin loans (*)	37,783,317,946	-	37,783,317,946	-	(37,783,317,946)	-
Financial consultancy service fee receivables	1,145,650,000	-	1,145,650,000	-	(1,145,650,000)	-
Other receivables from securities trading	654,824,202	-	654,824,202	-	(654,824,202)	-
Total	39,583,792,148	-	39,583,792,148	-	(39,583,792,148)	-

(*) This is the residual amount of margin loans from 2008 to 2017 after the Company forced sales of collateral assets.

(**) In 2021, the Company wrote off bad debts according to the handling minute dated 30 December 2021 of the Debt Settlement Council. The Company made provisions for this balance before writing them off.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.5 Short-term receivables

	As at 31.12.2021		As at 31.12.2020	
	Carrying value VND	Doubtful amount VND	Carrying value VND	Doubtful amount VND
Service-related receivables				
Receivables from securities purchasing (*)	638,215,800,000	-	17,000,000,000	-
Financial consultancy service fee receivables	247,500,000	-	1,222,650,000	1,145,650,000
Receivable from VSD	-	-	169,299,572,920	-
Other receivables from securities trading	860,564,073	-	5,701,298,867	-
	639,323,864,073	-	193,223,521,787	1,145,650,000
Other receivables				
Bank interest receivables	198,136,507,257	-	63,402,331,232	-
Others	2,358,547,419	-	1,456,458,098	654,824,202
	200,495,054,676	-	64,858,789,330	654,824,202
Total	839,818,918,749	-	258,082,311,117	1,800,474,202

(*) These are receivables from institutional investors in relation to their purchases of securities (stocks and bonds). The fair value of collateral assets as at 31 December 2021 was VND638,215,800,000 (as at 31 December 2020: VND17,000,000,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.6 Deposits for derivatives trading activities

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

3.7 Fixed assets

(a) *Tangible fixed assets*

	Motor vehicles VND	Office equipment VND	Total VND
Historical cost			
As at 1.1.2021	4,410,223,640	100,166,765,649	104,576,989,289
New purchases	-	590,906,390	590,906,390
Transfers from construction in progress (Note3.7(c))	-	15,420,389,489	15,420,389,489
Disposals	(856,040,240)	-	(856,040,240)
As at 31.12.2021	<u>3,554,183,400</u>	<u>116,178,061,528</u>	<u>119,732,244,928</u>
Accumulated depreciation			
As at 1.1.2021	(2,793,750,676)	(74,910,994,780)	(77,704,745,456)
Charge for the year	(401,553,334)	(14,291,133,105)	(14,692,686,439)
Disposals	856,040,240	-	856,040,240
As at 31.12.2021	<u>(2,339,263,770)</u>	<u>(89,202,127,885)</u>	<u>(91,541,391,655)</u>
Net book value			
As at 1.1.2021	<u>1,616,472,964</u>	<u>25,255,770,869</u>	<u>26,872,243,833</u>
As at 31.12.2021	<u><u>1,214,919,630</u></u>	<u><u>26,975,933,643</u></u>	<u><u>28,190,853,273</u></u>

As at 31 December 2021, historical cost of fully depreciated tangible fixed assets but still in use was VND70,068,947,479 (as at 31 December 2020: VND53,927,983,726).

The Company had no tangible fixed assets awaiting for disposal as at 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.7 Fixed assets (continued)

(b) *Intangible fixed assets*

	Computer software VND
Historical cost	
As at 1.1.2021	83,670,927,010
Transfers from construction in progress (Note 3.7(c))	1,335,350,074
As at 31.12.2021	<u>85,006,277,084</u>
Accumulated amortisation	
As at 1.1.2021	(63,664,514,660)
Charge for the year	(9,527,502,114)
As at 31.12.2021	<u>(73,192,016,774)</u>
Net book value	
As at 1.1.2021	<u>20,006,412,350</u>
As at 31.12.2021	<u><u>11,814,260,310</u></u>

As at 31 December 2021, historical cost of fully amortised intangible fixed assets but still in use was VND62,186,147,563 (as at 31 December 2020: VND38,728,471,028).

The Company had no intangible fixed asset awaiting for disposal as at 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.7 Fixed assets (continued)

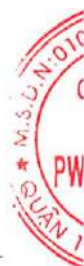
(c) *Construction in progress*

Construction in progress comprises the following:

	As at	
	31.12.2021 VND	31.12.2020 VND
Purchases of trading software	8,483,996,599	342,334,073

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

	For the year ended	
	31.12.2021 VND	31.12.2020 VND
Opening balance	342,334,073	13,597,128,282
Increase	24,897,402,089	12,004,445,925
Transfers to tangible fixed assets (Note 3.7(a))	(15,420,389,489)	(10,708,446,620)
Transfers to intangible fixed assets (Note 3.7(b))	(1,335,350,074)	(11,475,759,391)
Transfers to prepaid expenses	-	(3,075,034,123)
Closing balance	8,483,996,599	342,334,073



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.8 Prepaid expenses

(a) *Short-term prepaid expenses*

	As at	
	31.12.2021 VND	31.12.2020 VND
IT costs	8,746,652,848	6,347,644,735
Office rental	-	1,635,095,768
Other short-term prepaid expenses	1,070,337,915	720,082,427
Total	9,816,990,763	8,702,822,930

(b) *Long-term prepaid expenses*

	As at	
	31.12.2021 VND	31.12.2020 VND
Office rentals	81,205,244,065	84,037,985,137
Office renovations	10,713,626,279	9,390,231,427
Consulting fee	737,916,666	474,504,000
IT costs	415,914,855	111,342,309
Total	93,072,701,865	94,014,062,873

3.9 Deposits in the Settlement support fund

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

As at 31 December 2021 and as at 31 December 2020, the Company fully contributed the maximum amount.

3.10 Deposits in the Derivatives trading clearing fund

According to the Policy on Management and Use of Derivatives trading clearing fund issued in conjunction with Decision No. 97/QD-VSD dated 23 March 2017 by the Vietnam Securities Depository, the minimum amount of initial contribution applicable to direct clearing members is VN D10 billion.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.11 Borrowings and issued bonds

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

	Interest % per annum	As at 1.1.2021 VND	Drawdown VND	Repayment VND	As at 31.12.2021 VND
Short-term borrowings					
Local bank borrowings	3.0 – 8.1	5,396,800,000,000	83,215,200,000,000	(79,383,000,000,000)	9,229,000,000,000
Foreign bank borrowings (*), (**)	LIBOR+2-2.3	1,158,830,000,000	4,174,687,250,000	(1,158,830,000,000)	4,174,687,250,000
Third party borrowings	6.1 – 7.0	-	2,955,000,000,000	(2,060,000,000,000)	895,000,000,000
Bank overdrafts	5.1 – 9.2	160,941,061,080	37,449,144,197,296	(36,868,902,378,134)	741,182,880,242
Total		6,716,571,061,080	127,794,031,447,296	(119,470,732,378,134)	15,039,870,130,242

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

(*) The loan interest rate is floating at the reference interest rate plus a margin of 2 – 2.3% per annum. The reference rate is the London Interbank Offered Rate ("LIBOR") for United States Dollar ("USD") of equivalent term quoted at 10:00 am (London local time) on interest calculation date. In case the LIBOR for USD of equivalent term is not available, the reference interest rate will be the LIBOR for USD converted to the same loan term at the same quoted time mentioned above ("the converted interest rate"). In case the converted interest rate is indeterminable, the reference rate will be the mobilising interest rate of each lender.

(**) Borrowings from foreign banks are denominated in United States Dollar. The Company hedged the foreign exchange rate risk on 50% of the outstanding balances by entering dual-currency interest rate swap contracts with local commercial banks. The swap term is the equivalent of the borrowing term.

As at 31 December 2021 and 31 December 2020, there was no balance of short-term borrowings that was past due.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.12 Trading obligations

	As at	
	31.12.2021 VND	31.12.2020 VND
Trading settlement balances with the stock exchanges	1,235,843,248,000	-
Covered warrant payables (Note 5.2)	142,179,229,746	311,922,070,959
Payables from bond trading activities	37,760,957,287	422,227,641,347
Advances from investors for securities purchases	22,697,129,093	174,815,723,707
Payables to stock exchanges and VSD	21,754,174,480	16,794,928,434
Others	1,329,525,247	9,535,730,466
Total	1,461,564,263,853	935,296,094,913

As at 31 December 2021 and as at 31 December 2020, there were no payables past due but not yet settled.

As at 31 December 2021 and as at 31 December 2020, there was no doubt on the Company's ability to repay these balances.

3.13 Tax and other payables to the State

	As at 1.1.2021 VND	Incurred during the year VND	Paid during the year VND	As at 31.12.2021 VND
BIT – current	35,382,154,300	283,892,919,060	(263,260,811,150)	56,014,262,210
Personal income tax ("PIT") withheld and paid on behalf of investors	21,270,427,173	419,293,571,708	(400,432,794,268)	40,131,204,613
BIT withheld and paid on behalf of foreign institutions	4,830,303,088	108,033,705,666	(104,248,815,101)	8,615,193,653
PIT withheld and paid on behalf of employees	4,248,290,370	108,529,709,049	(104,723,720,067)	8,054,279,352
Foreign contractor withholding tax	1,233,704,212	14,427,516,011	(9,639,671,342)	6,021,548,881
Value added tax	48,750,780	4,702,918,489	(4,627,448,676)	124,220,593
Business licence tax	-	7,000,000	(7,000,000)	-
Total	67,013,629,923	938,887,339,983	(886,940,260,604)	118,960,709,302

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.14 Short-term accrued expenses

	As at	
	31.12.2021 VND	31.12.2020 VND
Performance bonus	75,000,000,000	50,000,000,000
Business development expense payables	70,000,000,000	31,088,313,897
Interest expenses	32,147,819,729	22,032,166,627
Others	17,144,894,993	11,744,363,077
Total	194,292,714,722	114,864,843,601

3.15 Other short-term liabilities

	As at	
	31.12.2021 VND	31.12.2020 VND
Dividends payable to shareholders (*)	155,952,838,630	155,942,531,017
Additional shares issued	15,759,161,000	6,364,500,000
Dividends paid on behalf	5,812,620,544	3,413,307,130
Board of Directors' operating fund	1,684,788,762	1,870,087,893
Others	16,434,361,112	11,242,281,495
Total	195,643,770,048	178,832,707,535

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.15 Other short-term liabilities (continued)

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

	As at	
	31.12.2021 VND	31.12.2020 VND
Opening balance	155,942,531,017	155,070,718,509
Dividend in cash declared in the year	365,989,986,000	366,050,214,000
<i>In which</i>		
<i>Second dividend of the year 2019</i> <i>(Note 7.1(iv))</i>	-	213,529,291,500
<i>First dividend of the year 2020</i> <i>(Note 7.1(v))</i>	-	152,520,922,500
<i>Second dividend of the year 2020</i> <i>(Note 7.1(i))</i>	213,469,063,500	-
<i>First dividend of the year 2021</i> <i>(Note 7.1(ii))</i>	152,520,922,500	-
Dividend paid	(365,979,678,387)	(365,178,401,492)
Closing balance	<u>155,952,838,630</u>	<u>155,942,531,017</u>
<i>In which</i>		
Dividends of previous years (**)	3,431,916,130	3,421,608,517
First dividend of the year 2021 – due on 13/01/2022	152,520,922,500	-
First dividend of the year 2020 – due on 20/01/2021	-	152,520,922,500
	<u>155,952,838,630</u>	<u>155,942,531,017</u>

(**) Dividends of previous years were unpaid as at the reporting date because some shareholders have not yet claimed their dividends.

Other than (**), there were no payables past due but not yet settled.

As at 31 December 2021 and as at 31 December 2020, there was no doubt on the Company's ability to repay these balances.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.16 Deferred income tax assets

	As at	
	31.12.2021 VND	31.12.2020 VND
Deferred tax assets recoverable after 12 months	1,979,982,500	1,360,000,000

The movements in deferred income tax assets were as follows:

	For the year ended	
	31.12.2021 VND	31.12.2020 VND
Opening balance	1,360,000,000	280,383,984
Charged to profit or loss	619,982,500	1,079,616,016
Closing balance	1,979,982,500	1,360,000,000

Details of deferred income tax assets are as below:

	As at	
	31.12.2021 VND	31.12.2020 VND
Deductible temporary differences:		
Provisions for severance allowances	9,899,912,500	6,800,000,000
At tax rate of 20%:		
Deferred tax assets:	1,979,982,500	1,360,000,000

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.17 Owners' capital

(a) *Number of shares*

	As at	
	31.12.2021	31.12.2020
Number of shares registered	458,052,367	305,882,263
Number of shares issued	458,052,367	305,882,263
Number of shares repurchased	(840,418)	(840,418)
Number of shares in issue	457,211,949	305,041,845

As at 31 December 2021 and as at 31 December 2020, all of the Company's shares are ordinary shares. Each ordinary share has a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividends as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets.

(b) *Details by shareholders*

	As at 31.12.2021		As at 31.12.2020	
	Ordinary shares	%	Ordinary shares	%
<i>Interest of the State</i>				
Ho Chi Minh City Finance and Investment State-owned Company (HFIC) (*)	105,772,520	23.09	72,975,180	23.86
<i>Interest of other shareholders</i>				
Dragon Capital Markets Limited (DC)	137,475,834	30.01	91,650,556	29.96
Others (**)	213,963,595	46.72	140,416,109	45.91
<i>Treasury shares</i>				
Treasury shares	840,418	0.18	840,418	0.27
Number of shares issued	458,052,367	100.00	305,882,263	100.00

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.17 Owners' capital (continued)

(b) *Details of owners' shareholdings*

(*) Included in the number of shares held by HFIC as at 31 December 2021 are 32,797,340 shares that the SSC requested to restrict from trading until further notice (Note 7.1(iii)). In addition, these shares are also restricted from transfer within 1 year from the completion date of the offering (16 December 2021) according to the issuance plan stated in the prospectus (Note 7.1(iii)).

(**) Included in the number of shares held by other shareholders as at 31 December 2021 are 1,034,367 shares re-distributed to employees. These shares are also restricted from transfer within 1 year from the completion date of the offering (16 December 2021) according to the issuance plan stated in the prospectus (Note 7.1(iii)).

(c) *Movements of share capital*

	Ordinary shares
As at 1 January 2020	305,516,173
Treasury shares repurchased	(474,328)
As at 31 December 2020	305,041,845
New shares issued (Note 7.1 (iii))	152,170,104
As at 31 December 2021	457,211,949

3.18 Undistributed earnings

	As at	
	31.12.2021	31.12.2020
	VND	VND
Realised post-tax profits	1,133,223,368,908	647,641,022,448
Unrealised profits	97,091,391,468	27,645,711,697
Total	1,230,314,760,376	675,286,734,145

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.18 Undistributed earnings (continued)

Movements in undistributed earnings during the year were as follows:

	As at 31.12.2020 VND	Profit for the year VND	Dividend declared VND	Appropriation to reserves VND	Other (*) VND	As at 31.12.2021 VND
Realised post-tax profits	647,641,022,448	1,077,616,701,316	(365,989,986,000)	(226,062,548,856)	18,180,000	1,133,223,368,908
Unrealised profits	27,645,711,697	69,445,679,771	-	-	-	97,091,391,468
Undistributed earnings	<u>675,286,734,145</u>	<u>1,147,062,381,087</u>	<u>(365,989,986,000)</u>	<u>(226,062,548,856)</u>	<u>18,180,000</u>	<u>1,230,314,760,376</u>

(*) Reversed dividends of shares issued under ESOP program upon repurchases.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4 NOTES TO OFF STATEMENT OF FINANCIAL POSITION ITEMS

4.1 Number of shares

(a) *Shares in issue*

	As at	
	31.12.2021	31.12.2020
Ordinary shares		
Quantity issued under 1 year (share)	152,170,104	-
Quantity issued for 1 year or more (share)	305,041,845	305,041,845
	<u>457,211,949</u>	<u>305,041,845</u>

(b) *Treasury shares*

	As at	
	31.12.2021	31.12.2020
Ordinary shares		
Quantity repurchased under 1 year (share)	-	474,328
Quantity repurchased for 1 year or more (share)	840,418	366,090
	<u>840,418</u>	<u>840,418</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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

4.2 Covered warrants authorised but not yet issued

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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

4.2 Covered warrants authorised but not yet issued (continued)

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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

4.2 Covered warrants authorised but not yet issued (continued)

Ticker symbol	Underlying securities	Issue date	Maturity date	As at 31.12.2020			
				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
CFPT2008	FPT Corporation (FPT)	14.07.2020	14.01.2021	5,000,000	(2,000,000)	1,474,530	1,525,470
CHPG2016	Hoa Phat Group Joint Stock Company (HPG)	14.07.2020	14.01.2021	5,000,000	(4,000,000)	564,950	435,050
CMBB2007	Military Commercial Joint Stock Bank (MBB)	14.07.2020	14.01.2021	5,000,000	(2,000,000)	972,740	2,027,260
CMSN2006	Masan Group Joint Stock Company (MSN)	14.07.2020	14.01.2021	5,000,000	(4,000,000)	300,140	699,860
CMWG2010	Mobile World Investment Corporation (MWG)	14.07.2020	14.01.2021	5,000,000	-	818,300	4,181,700
CPNJ2006	Phu Nhuan Jewelry Joint Stock Company (PNJ)	14.07.2020	14.01.2021	5,000,000	(2,000,000)	253,220	2,746,780
CREE2005	Refrigeration Electrical Engineering Corporation (REE)	14.07.2020	14.01.2021	5,000,000	(3,500,000)	45,850	1,454,150
CTCB2007	Technological and Commercial Joint Stock Bank (TCB)	14.07.2020	14.01.2021	5,000,000	-	1,414,060	3,585,940
CVHM2005	Vinhomes Joint Stock Company (VHM)	14.07.2020	14.01.2021	5,000,000	-	2,262,840	2,737,160
CVNM2008	Vietnam Dairy Products Joint Stock Company (VNM)	14.07.2020	14.01.2021	5,000,000	(2,000,000)	2,772,170	227,830
CVPB2008	Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	14.07.2020	14.01.2021	5,000,000	(3,500,000)	277,080	1,222,920
CVRE2008	Vincom Retail Joint Stock Company (VRE)	14.07.2020	14.01.2021	5,000,000	-	3,988,140	1,011,860
CFPT2011	FPT Corporation (FPT)	01.10.2020	01.04.2021	5,000,000	-	4,245,210	754,790
CHPG2021	Hoa Phat Group Joint Stock Company (HPG)	01.10.2020	01.04.2021	5,000,000	-	4,989,040	10,960
CMBB2009	Military Commercial Joint Stock Bank (MBB)	01.10.2020	01.04.2021	5,000,000	-	3,504,090	1,495,910
CMSN2011	Masan Group Joint Stock Company (MSN)	01.10.2020	01.04.2021	5,000,000	(4,000,000)	558,890	441,110
CPNJ2009	Phu Nhuan Jewelry Joint Stock Company (PNJ)	01.10.2020	01.04.2021	5,000,000	-	4,756,420	243,580

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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

4.2 Covered warrants authorised but not yet issued (continued)

Ticker symbol	Underlying securities	Issue date	Maturity date	As at 31.12.2020			
				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
CSTB2012	Saigon Thuong Tin Commercial Joint Stock Bank (STB)	01.10.2020	01.04.2021	5,000,000	-	2,663,850	2,336,150
CTCB2010	Technological and Commercial Joint Stock Bank (TCB)	01.10.2020	01.04.2021	5,000,000	-	4,732,010	267,990
CVHM2009	Vinhomes Joint Stock Company (VHM)	01.10.2020	01.04.2021	5,000,000	-	4,168,860	831,140
CVIC2006	Vingroup Joint Stock Company (VIC)	01.10.2020	01.04.2021	5,000,000	-	4,407,750	592,250
CVNM2013	Vietnam Dairy Products Joint Stock Company (VNM)	01.10.2020	01.04.2021	5,000,000	-	4,999,600	400
CVPB2012	Vietnam Prosperity Joint Stock Commercial Bank (VPB)	01.10.2020	01.04.2021	5,000,000	-	2,744,110	2,255,890
CVRE2012	Vincom Retail Joint Stock Company (VRE)	01.10.2020	01.04.2021	5,000,000	-	4,998,420	1,580
CFPT2012	FPT Corporation (FPT)	01.10.2020	04.05.2021	5,000,000	-	3,651,260	1,348,740
CHPG2022	Hoa Phat Group Joint Stock Company (HPG)	01.10.2020	04.05.2021	5,000,000	-	4,999,300	700
CVHM2010	Vinhomes Joint Stock Company (VHM)	01.10.2020	04.05.2021	5,000,000	-	3,636,680	1,363,320
CVPB2011	Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	01.10.2020	04.05.2021	5,000,000	-	2,728,400	2,271,600
CMWG2015	Mobile World Investment Corporation (MWG)	10.11.2020	10.05.2021	5,000,000	-	4,447,290	552,710
CREE2006	Refrigeration Electrical Engineering Corporation (REE)	10.11.2020	10.05.2021	5,000,000	-	954,920	4,045,080
CMWG2016	Mobile World Investment Corporation (MWG)	10.11.2020	10.06.2021	5,000,000	-	4,568,890	431,110
				155,000,000	(27,000,000)	86,899,010	41,100,990

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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

4.3 Futures

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

Contract symbol	First trading date	Last trading date	As at 31.12.2021			As at 31.12.2020		
			Open quantity	Closing settlement price	Open short position	Open quantity	Closing settlement price	Open short position
VN30F2201	19.11.2021	20.01.2022	2,195	1,537,000	337,371,500,000	-	-	-
VN30F2101	20.11.2020	21.01.2021	-	-	-	8,496	1,083,900	920,881,440,000
					337,371,500,000			920,881,440,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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”)

	For the year ended	
	31.12.2021 VND	31.12.2020 VND
Realised gains on disposal of FVTPL financial assets	1,512,892,400,808	719,339,277,788
<i>In which:</i>		
<i>Underlying securities</i>	883,067,350,137	320,839,984,672
<i>Derivatives</i>	577,346,285,000	360,635,618,000
<i>Covered warrants redeemed</i>	33,858,032,756	18,919,632,186
<i>Covered warrants expired</i>	18,620,732,915	18,944,042,930
Realised losses on disposal of FVTPL financial assets	(1,162,590,730,033)	(614,662,557,597)
<i>In which:</i>		
<i>Underlying securities</i>	(328,791,730,972)	(205,989,412,953)
<i>Derivatives</i>	(526,248,710,000)	(328,131,683,000)
<i>Covered warrants redeemed</i>	(238,231,290,864)	(79,327,729,458)
<i>Covered warrants expired</i>	(69,318,998,197)	(1,213,732,186)
Net realised gain	350,301,670,775	104,676,720,191

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME (continued)

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

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	563,105,580	29,222,956,487,114	(28,758,050,004,732)	464,906,482,382	84,939,453,528
Bonds	38,927,934	3,918,315,626,695	(3,892,793,400,000)	25,522,226,695	16,075,634,927
ETF certificates	387,490,600	8,291,833,899,300	(8,229,412,606,037)	62,421,293,263	14,143,807,357
Covered warrants	782,720	17,986,078,400	(16,560,461,575)	1,425,616,825	(308,324,093)
Realised gains on disposal of underlying securities	990,306,834	41,451,092,091,509	(40,896,816,472,344)	554,275,619,165	114,850,571,719
Net position gains from future contracts				51,097,575,000	32,503,935,000
Losses on redemption of covered warrants issued by the Company				(204,373,258,108)	(60,408,097,272)
(Losses)/gains upon expiry of covered warrants issued by the Company				(50,698,265,282)	17,730,310,744
Total				350,301,670,775	104,676,720,191

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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	
	31.12.2021 VND	31.12.2020 VND
Upward revaluation of FVTPL financial assets	(94,368,025,555)	104,750,184,619
Downward revaluation of FVTPL financial assets	2,361,682,301	27,738,629,141
Total	(92,006,343,254)	132,488,813,760

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

	Cost VND	Market value/ fair value VND	Accumulated revaluation (losses)/gains as at 31.12.2021 VND	Accumulated revaluation gains/(losses) as at 31.12.2020 VND	Credited/(debited) to profit or loss VND
Listed shares and shares traded on UPCoM	229,331,627,871	220,305,806,086	(9,025,821,785)	15,620,986,099	(24,646,807,884)
Unlisted and unregistered shares	-	-	-	(9,514,916,000)	9,514,916,000
Underlying assets designated as hedges for covered warrants	703,873,926,275	697,942,016,400	(5,931,909,875)	71,812,646,406	(77,744,556,281)
Listed bonds	1,328,339,800,000	1,346,221,713,216	17,881,913,216	19,061,913,518	(1,180,000,302)
ETF certificates	104,817,693,592	107,194,033,518	2,376,339,926	326,234,713	2,050,105,213
Total	2,366,363,047,738	2,371,663,569,220	5,300,521,482	97,306,864,736	(92,006,343,254)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME (continued)

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

	For the year ended	
	31.12.2021 VND	31.12.2020 VND
Downward revaluation of covered warrants liabilities	95,619,931,371	(5,212,237,426)
Upward revaluation of covered warrants liabilities	65,832,091,657	(70,859,243,200)
Total	161,452,023,028	(76,071,480,626)

Details of revaluation of covered warrants are as follows:

	Cost VND	Market value/ fair value VND	Accumulated revaluation gains as at 31.12.2021 VND	Accumulated revaluation losses as at 31.12.2020 VND	Credited to profit or loss VND
Covered warrants	233,970,099,735	142,179,229,746	91,790,869,989	(69,661,153,039)	161,452,023,028

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME (continued)

5.3 Dividends and interest income from financial assets

	For the year ended	
	31.12.2021	31.12.2020
	VND	VND
Dividends	6,736,424,330	4,833,857,588
Interest	295,525,161,205	203,460,541,422
Total	302,261,585,535	208,294,399,010

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

	For the year ended	
	31.12.2021	31.12.2020
	VND	VND
Interest expense	747,190,551,120	207,049,930,074

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME (continued)

5.5 Operating expenses not related to financial assets

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

	For the year ended	
	31.12.2021 VND	31.12.2020 VND
Proprietary trading activities	91,924,223,288	56,313,185,768
Staff costs	6,722,683,282	5,366,337,260
Transaction fee paid to stock exchanges	22,874,207,607	16,121,782,626
Depreciation and amortisation	665,963,340	1,530,061,966
Outsourcing expenses	10,695,395,727	7,100,203,422
Allocation expenses (*)	50,965,973,332	26,194,800,494
Brokerage fee expenses	766,756,414,595	420,110,183,582
Staff costs	340,902,944,762	159,644,766,034
Brokerage fee	288,026,957,745	133,567,817,357
Outsourcing expenses	45,043,788,963	51,297,651,575
Office rental expenses	22,955,762,404	28,212,408,977
Depreciation and amortisation	12,510,343,749	12,083,692,467
Allocation expenses (*)	57,316,616,972	35,303,847,172
Custody service expenses	8,909,326,503	7,961,207,512
Financial consultancy service expenses	21,786,770,977	20,203,733,179
Staff costs	15,875,720,388	12,558,611,678
Others	5,911,050,589	7,645,121,501
Other operating expenses	4,456,527,541	3,594,143,138
	893,833,262,904	508,182,453,179

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME (continued)

5.6 General and administration expenses

	For the year ended	
	31.12.2021 VND	31.12.2020 VND
Staff costs	191,507,028,604	140,843,142,916
Outsourcing expenses	41,996,863,238	35,680,891,089
Office rental expenses	17,476,234,694	15,663,078,668
Depreciation and amortisation	9,279,658,896	12,483,791,976
Office maintenance	8,059,667,493	5,108,204,711
Other administrative expenses	28,493,101,365	6,507,489,117
Total	296,812,554,290	216,286,598,477

5.7 BIT

The BIT 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	
	31.12.2021 VND	31.12.2020 VND
Accounting profit before tax	1,430,335,317,647	660,305,435,709
Tax calculated at a rate of 20%:	286,067,063,529	132,061,087,142
Adjustment:		
Non-taxable income	(1,347,284,869)	(966,771,518)
Non-deductible expense	333,140,400	239,053,018
Reversal of provisions for OTC stocks made in previous years	(1,160,000,000)	(1,479,627,098)
Other adjustments	(619,982,500)	-
BIT charge (*)	283,272,936,560	129,853,741,544
Charged to profit or loss:		
BIT – current	283,892,919,060	130,933,357,560
BIT – deferred (Note 3.16)	(619,982,500)	(1,079,616,016)
Total	283,272,936,560	129,853,741,544

(*) The BIT 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 BIT up to 31 December 2016.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME (continued)

5.8 Earnings per share

(a) *Basic earnings per share*

According to prevailing regulations, basic earnings per share are calculated by dividing the net profit attributable to shareholders after deducting the appropriations to bonus and welfare funds by the weighted average number of ordinary shares outstanding 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 as such treatment is not guided by authority.

	For the year ended	
	31.12.2021	31.12.2020 (**)
Net profit after tax attributable to ordinary shareholders (VND)	1,147,062,381,087	530,451,694,165
Adjustment for appropriation of bonus and welfare funds (VND) (*)	-	(18,527,264,270)
	<u>1,147,062,381,087</u>	<u>511,924,429,895</u>
Weighted average number of ordinary shares in issue (shares)	<u>311,295,411</u>	<u>305,197,408</u>
Basic earnings per share (VND/share)	<u>3,685</u>	<u>1,677</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME (continued)

5.8 Earnings per share

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

(**) Basic earnings per share for the financial year ended 31 December 2020 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 22 April 2021, as follows:

Items	For the year ended 31.12.2020		
	As previously reported	Adjustment	Recalculated
Net profit after tax attributable to ordinary shareholders (VND)	530,451,694,165	(18,527,264,270)	511,924,429,895
Weighted average number of ordinary shares in issue (shares)	305,197,408	-	305,197,408
Basic earnings per share (VND)	<u>1,738</u>		<u>1,677</u>

(b) *Diluted earnings per share*

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

6 NOTES TO THE STATEMENT OF CASH FLOWS

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

	For the year ended	
	31.12.2021	31.12.2020
Dividend declared but not yet paid (Note 7.1(ii)) (*)	<u>152,520,922,500</u>	<u>152,520,922,500</u>

(*) According to the Resolution of the Annual General Meeting of shareholders on 22 November 2021, the Board of Directors decided to make first dividend payments for the year 2021 to the shareholders named in the final list on 16 December 2021. The payment date was 13 January 2022.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7 NOTES TO THE STATEMENT OF CHANGES IN EQUITY

7.1 Details of changes in equity

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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

7.1 Details of changes in equity (continued)

	Share capital VND	Share premium VND	Treasury shares VND	Supplementary capital reserve VND	Financial risk and operation reserve VND	Other equity funds VND	Undistributed earnings VND	Total VND
As at 1.1.2020	3,058,822,630,000	358,946,064,000	(5,836,857,008)	151,385,003,919	151,385,003,919	3,961,374,994	585,479,819,315	4,304,143,039,139
Post-tax profit for the year	-	-	-	-	-	-	530,451,694,165	530,451,694,165
Second dividend of the year 2019 (iv)	-	-	-	-	-	-	(213,529,291,500)	(213,529,291,500)
First dividend of the year 2020 (v)	-	-	-	-	-	-	(152,520,922,500)	(152,520,922,500)
Appropriation to bonus and welfare funds (iv)	-	-	-	-	-	-	(15,139,772,143)	(15,139,772,143)
Appropriation to operation fund of the Board of Directors (iv)	-	-	-	-	-	-	(6,488,473,776)	(6,488,473,776)
Appropriation to statutory reserves (Note 2.23)	-	-	-	26,522,584,708	26,522,584,708	-	(53,045,169,416)	-
Reversed dividends of shares issued under ESOP program upon repurchases	-	-	-	-	-	-	78,850,000	78,850,000
Share repurchases	-	-	(6,640,592,000)	-	-	-	-	(6,640,592,000)
As at 31.12.2020	3,058,822,630,000	358,946,064,000	(12,477,449,008)	177,907,588,627	177,907,588,627	3,961,374,994	675,286,734,145	4,440,354,531,385

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****7 NOTES TO THE STATEMENT OF CHANGES IN EQUITY (continued)****7.1 Details of changes in equity (continued)**

- (i) According to the Resolution of the Annual General Meeting of shareholders on 22 April 2021:
- Second dividend of the year 2020 was 7% of par value, equivalent to VND700/share.
 - 3.49% of post-tax profit of the year 2020 was appropriated to bonus and welfare funds;
 - 1.5% of post-tax profit of the year 2020 was appropriated to operation fund of the Board of Directors;
 - 13% of post-tax profit of the year 2020 was appropriated to each of supplementary capital reserve fund and financial and operational risk reserve fund. As at 31 December 2020, 5% of post-tax profit had been already appropriated to each funds. Accordingly, the remaining 8% of post-tax profit of the year 2020 was appropriated to each funds in 2021.
- (ii) According to the resolution of the Annual General Meeting of shareholders on 22 November 2021, the first dividend payment of 2021 is 5% of the charter capital of VND3,058,822,630,000, equivalent to VND500/share. The first dividend of 2021 is paid in cash based on the list of shareholders finalised on 16 December 2021, and the expected payment date is 13 January 2022 (Note 6.1).
- (iii) According to the Resolution No. 01/2021/NQ-DHDCĐ dated 31 March 2021, the shareholders approved the plan to issue shares to existing shareholders under right subscription model at an offering price of VND14,000/share. The right exercise ratio is 2:1 (a shareholder owning 2 shares is entitled to buy 1 new share). The subscription right can be transferred only once. Shares issued to existing shareholders will be rounded down to one unit, whilst fractional share will be cancelled. The Board of Directors is authorised to re-distribute the unsubscribed shares to other parties at a price not lower than the price offered to existing shareholders. Shares distributed to existing shareholders are not restricted from transfer, whilst re-distributed shares are restricted from transfer within 1 year from the completion date of the offering.

On 22 September 2021, the SSC issued the Certificate of Public Offering Registration No. 186/GCN-UBCK in which the registered number of offered shares was 152,520,923 ordinary shares to be distributed according to the plan proposed in the prospectus.

As of 16 December 2021 (the completion date of the offering), the Company has issued 152,170,104 shares, including 32,797,340 shares re-distributed to HFIC and 1,034,367 shares re-distributed to employees according to the list attached to the Report on result of share public offering dated 17 December 2021.

On 19 January 2022, the SSC issued the Official letter No. 376/UBCK-QLKD confirming that the Company had distributed 152,170,104 shares, and requiring the Company not to use HFIC's capital contribution related to the issuance (amounting to VND459,162,760,000) until further notice. On the same day, the SSC issued the Official letter No. 377/UBCK-QLKD requiring the Vietnam Securities Depository to restrict the 32,797,340 shares distributed to HFIC in this issuance from trading until further notice.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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

7.1 Details of changes in equity (continued)

The Company has recorded share premium of this issuance as the difference between the par value of VND10,000/share and the offering price of VND14,000/share.

Net proceed from issuance of shares:

	VND
Proceeds from issuance of shares	2,130,381,456.000
Issuance cost	(89,600,000)
	<u>2,130,291,856,000</u>

(iv) According to the resolution of the Annual General Meeting of shareholders on 23 June 2020:

- Second dividend of the year 2019 was 7% par value of shares, equivalent to VND700/share;
- 3.5% of post-tax profit of the year 2019 was appropriated to bonus and welfare funds;
- 1.5% of post-tax profit of the year 2019 was appropriated to operation fund of the Board of Directors.

(v) According to the Resolution of the Annual General Meeting of shareholders on 8 December 2020, first dividend of the year 2020 was 5% of the charter capital of VND3,058,822,630,000, equivalent to VND500/share. The first dividend of 2020 is paid in cash based on the list of shareholders finalised on 20 December 2020, and the expected payment date is 20 January 2021 (Note 6.1).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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

7.2 Distributed earnings

	For the year ended	
	31.12.2021 VND	31.12.2020 VND
Undistributed realised earnings brought forward	647,641,022,448	614,251,440,752
Accumulated unrealised losses	-	-
Realised profit incurred in the year	1,077,616,701,316	474,034,361,031
Appropriations from undistributed earnings:	(226,062,548,856)	(74,673,415,335)
<i>To bonus and welfare funds</i>	(18,527,264,270)	(15,139,772,143)
<i>To operation fund of the Board of Directors</i>	(7,956,775,412)	(6,488,473,776)
<i>To supplementary capital reserve fund</i>	(99,789,254,587)	(26,522,584,708)
<i>To financial and operational risk reserve fund</i>	(99,789,254,587)	(26,522,584,708)
Dividend declared	(365,989,986,000)	(366,050,214,000)
Distributable profits to shareholders	1,133,205,188,908	647,562,172,448
Dividend declared	365,989,986,000	366,050,214,000
Income tax withheld	(5,419,910,200)	(4,132,675,615)
Net amount distributed to shareholders	360,570,075,800	361,917,538,385

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8 RELATED PARTIES DISCLOSURES

Identified related parties and relationships are presented below:

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

(a) Related parties transactions

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

	<u>For the year ended</u>	
	<u>31.12.2021</u>	<u>31.12.2020</u>
	VND	VND
Dragon Capital Markets Limited (DC)		
Dividend paid	<u>109,980,667,200</u>	<u>109,980,667,200</u>
Ho Chi Minh City Finance and Investment State-owned Company (HFIC)		
Dividend paid	<u>87,570,216,000</u>	<u>105,000,000,000</u>
Compensation of key management		
Gross salaries and other benefits (*)	<u>47,843,114,101</u>	<u>42,470,324,025</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8 RELATED PARTIES DISCLOSURES (continued)

(a) Related parties transactions (continued)

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

		For the year ended	
		31.12.2021	31.12.2020
		VND	VND
Remuneration of the Board of Directors			
Mr. Johan Nyvene			
(from 22.04.2021)	Chairperson	1,960,230,768	-
(until 21.04.2021)	Member	-	360,000,000
Mr. Do Hung Viet			
(until 21.04.2021)	Chairperson	320,000,000	1,043,916,000
Mr. Le Anh Minh	Vice Chairperson	746,666,667	866,666,667
Mr. Le Hoang Anh	Member	496,666,667	400,000,000
Mr. Nguyen Hong Van			
(from 22.04.2021)	Member	230,000,000	-
Mr. Tran Quoc Tu			
(from 22.04.2021)	Member	263,333,333	-
Mr. Andrew Colin Vallis			
(from 22.04.2021)	Member	546,666,667	-
Mr. Nguyen Thi Hoang Lan			
(from 22.04.2021)	Member	480,000,000	-
Mr. Pham Nghiem Xuan Bac			
(until 21.04.2021)	Member	66,666,667	266,666,667
Mr. Le Thang Can			
(until 21.04.2021)	Member	100,000,000	400,000,000
Mr. Lam Hoai Anh			
(until 21.04.2021)	Member	66,666,667	266,666,667
		<u>5,276,897,436</u>	<u>3,603,916,001</u>
Remuneration of the Board of Supervision			
Mr. Pham Nghiem Xuan Bac			
(from 22.04.2021)	Chief Supervisor	370,000,000	-
Mr. Vo Van Chau			
(until 21.04.2021)	Chief Supervisor	116,666,667	466,666,667
Ms. Dang Nguyet Minh	Member	420,000,000	400,000,000
Ms. Nguyen Thi Thu Thanh			
(from 22.04.2021)	Member	170,000,000	-
Mr. Doan Van Hinh			
(until 21.04.2021)	Member	20,000,000	80,000,000
		<u>1,096,666,667</u>	<u>946,666,667</u>
Gross salaries of the Chief Executive Officer			
Mr. Trinh Hoai Giang			
(from 16.03.2020)	Chief Executive Officer	6,300,000,000	5,132,500,000
Mr. Johan Nyvene			
(until 15.03.2020)	Chief Executive Officer	-	421,200,000
		<u>6,300,000,000</u>	<u>5,553,700,000</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8 RELATED PARTIES DISCLOSURES (continued)

(b) Year-end balances with related parties

	As at	
	31.12.2021	31.12.2020
	VND	VND
DC		
Dividend payable	45,825,278,000	45,825,278,000
	<u>45,825,278,000</u>	<u>45,825,278,000</u>
HFIC		
Deposits for securities trading	25,145,733	25,133,244
Dividend payable	36,487,590,000	36,487,590,000
	<u>36,487,590,000</u>	<u>36,487,590,000</u>

9 SEGMENT REPORTING

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

(a) Geographical segments

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

(b) Business segments

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9 SEGMENT REPORTING (continued)

(b) Business activity segments

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9 SEGMENT REPORTING (continued)

(b) Business activity segments (continued)

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

	For the year ended 31 December 2020				
	Brokerage and services VND	Proprietary trading VND	Lending VND	Consultancy VND	Total VND
Revenue and income (*)	633,049,988,049	1,027,171,623,991	549,942,893,189	37,741,467,445	2,247,905,972,674
Expenses	(431,665,534,232)	(714,096,357,424)	(207,049,930,074)	(20,203,733,179)	(1,373,015,554,909)
<i>In which:</i>					
<i>Direct cash expenses</i>	(379,919,796,410)	(645,871,201,480)	(207,049,930,074)	(20,121,379,845)	(1,252,962,307,809)
<i>Total amount of significant non-cash expenses, other than depreciation, amortisation and allocation of prepaid expenses</i>	-	(43,120,614,059)	-	-	(43,120,614,059)
<i>Total depreciation and amortisation of fixed assets</i>	(12,083,692,467)	(1,530,061,966)	-	(82,353,334)	(13,696,107,767)
<i>Allocation of long-term and short-term prepaid expenses</i>	(39,662,045,355)	(23,574,479,919)	-	-	(63,236,525,274)
Segment result	<u>201,384,453,817</u>	<u>313,075,266,567</u>	<u>342,892,963,115</u>	<u>17,537,734,266</u>	<u>874,890,417,765</u>
Net financial income					1,610,698,997
Net other income					90,917,424
General and administration expenses					(216,286,598,477)
Operating result before tax					<u>660,305,435,709</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9 SEGMENT REPORTING (continued)

(b) Business activity segments (continued)

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

	As at 31 December 2021					
	Brokerage and services VND	Proprietary trading VND	Lending VND	Consultancy VND	Unallocated VND	Total VND
Segment assets	772,780,659,250	2,434,351,727,635	21,089,851,057,661	3,221,888,501	-	24,300,205,333,047
Unallocated assets	-	-	-	-	68,897,807,670	68,897,807,670
Total assets	772,780,659,250	2,434,351,727,635	21,089,851,057,661	3,221,888,501	68,897,807,670	24,369,103,140,717
Segment liabilities	(1,463,220,129,541)	-	(15,072,017,949,971)	-	-	(16,535,238,079,512)
Unallocated liabilities	-	-	-	-	(508,612,138,415)	(508,612,138,415)
Total liabilities	(1,463,220,129,541)	-	(15,072,017,949,971)	-	(508,612,138,415)	(17,043,850,217,927)
Total expense incurred for purchases of fixed assets in the year ended 31 December 2021	-	-	-	-	321,417,800	321,417,800
<i>Segment assets</i>	-	-	-	-	-	-
<i>Unallocated assets</i>	-	-	-	-	321,417,800	321,417,800

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9 SEGMENT REPORTING (continued)

(b) Business activity segments (continued)

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

	As at 31 December 2020					
	Brokerage and services VND	Proprietary trading VND	Lending VND	Consultancy VND	Unallocated VND	Total VND
Segment assets	330,925,036,669	3,241,659,928,389	8,860,312,830,607	2,945,599,248	-	12,435,843,394,913
Unallocated assets	-	-	-	-	52,984,158,174	52,984,158,174
Total assets	330,925,036,669	3,241,659,928,389	8,860,312,830,607	2,945,599,248	52,984,158,174	12,488,827,553,087
Segment liabilities	(941,731,165,549)	-	(6,738,603,227,707)	-	-	(7,680,334,393,256)
Unallocated liabilities	-	-	-	-	(368,138,628,446)	(368,138,628,446)
Total liabilities	(941,731,165,549)	-	(6,738,603,227,707)	-	(368,138,628,446)	(8,048,473,021,702)
Total expense incurred for purchases of fixed assets in the year ended 31 December 2020	20,742,310,345	-	1,384,059,391	-	11,198,521,176	33,324,890,912
<i>Segment assets</i>	20,742,310,345	-	1,384,059,391	-	-	22,126,369,736
<i>Unallocated assets</i>	-	-	-	-	11,198,521,176	11,198,521,176

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10 FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Credit risk

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

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

	As at	
	31.12.2021	31.12.2020
	VND	VND
Cash at bank (Note 3.1)	6,928,122,316,897	61,440,624,254
Security deposits for covered warrants issued (Note 3.1)	270,000,000,000	145,100,000,000
Listed bonds (Note 3.2)	1,346,221,713,216	932,804,513,518
Loans (Note 3.3)	13,690,097,115,046	8,623,841,531,603
Receivables (Note 3.5)	839,818,918,749	258,082,311,117
Deposits for derivatives trading activities (Note 3.6)	61,300,080,950	179,688,615,950
Security deposits	9,245,993,262	9,370,825,870
Total credit risk exposure	23,144,806,138,120	10,210,328,422,312

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10 FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (continued)

(i) *Balances with banks*

Balances with banks include demand deposits, term 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 2021 and as at 31 December 2020, there were no balance with banks that were past due nor impaired.

(ii) *FVTPL financial assets*

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

As at 31 December 2021 and as at 31 December 2020, there were no debt security that exceeds 20% of the Company's equity.

As at 31 December 2021 and as at 31 December 2020, there were no debt security that were past due nor impaired.

(iii) *Trading advances and deposit for derivatives trading activities*

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10 FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (continued)

(iii) *Trading advances and deposit for derivatives trading activities (continued)*

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

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

As at 31 December 2021 and as at 31 December 2020, there were no balance with VSD that were past due nor impaired.

(iv) *Margin loans*

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

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

The market value of collateral assets as at 31 December 2021 was VND55,356,391,622,480 (as at 31 December 2020: VND33,527,912,173,430).

According to prevailing securities regulations, the margin loan limit applicable to a balance (for either an individual customer or an institution customer) is 3% of the securities company's equity. As at 31 December 2021 and as at 31 December 2020, there were no margin loan balance that exceeds 3% of the Company's equity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10 FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (continued)

(iv) Margin loans (continued)

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

	As at	
	31.12.2021 VND	31.12.2020 VND
Past due and impaired	-	37,783,317,946
Neither past due nor impaired	13,690,097,115,046	8,586,058,213,657
Provision made	-	(37,783,317,946)
Net balance	13,690,097,115,046	8,586,058,213,657

(v) Receivables

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

As at 31 December 2021 and as at 31 December 2020, there were no receivable that exceeds 10% of the Company's equity.

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

	Past due and impaired VND	Past due but not impaired VND	Neither past due nor impaired VND	Total VND
As at 31.12.2021				
Current	-	-	839,818,918,749	839,818,918,749
Overdue for more than 3 years	-	-	-	-
Provision made	-	-	839,818,918,749	839,818,918,749
Net balance	-	-	839,818,918,749	839,818,918,749
As at 31.12.2020				
Current	-	-	256,281,836,915	256,281,836,915
Overdue for more than 3 years	1,800,474,202	-	-	1,800,474,202
Provision made	1,800,474,202 (1,800,474,202)	-	256,281,836,915	258,082,311,117 (1,800,474,202)
Net balance	-	-	256,281,836,915	256,281,836,915

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****10 FINANCIAL RISK MANAGEMENT (continued)****(b) Market risk**

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

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

- Interest rate risk

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

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

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

Details of interest rates of corporate bonds and borrowings are presented in Note 3.2 and Note 3.11.

- 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.

At 31 December 2021, 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 VND189,211,283,947 (at 31 December 2020: higher/lower by VND182,842,108,916).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

- Currency risk

Currency risk is the risk that the value of the Company's financial instruments will be affected by changes in exchange rates. The Company manages its currency risk by continuously monitoring of foreign exchange rates and thereby timely updating its forecast of cashflows in foreign currencies, and entering dual currencies swaps (Note 3.11(**)).

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

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

	Original currency USD		Equivalent to VND	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Financial assets				
Cash	1,933.03	1,880.68	43,948,250	42,770,475
Financial liabilities				
Borrowings (unhedged amount)	(91,500,000.00)	(25,000,000.00)	(2,086,050,250,000)	(579,425,000,000)
Net financial liabilities	(91,498,066.97)	(24,998,119.32)	(2,086,006,301,750)	(579,382,229,525)
Net currency exposure	(91,498,066.97)	(24,998,119.32)	(2,086,006,301,750)	(579,382,229,525)

As at 31 December 2021, if the USD had 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 profit for the year would have been higher/lower by VND208,600,630,175 respectively as a result of foreign exchange losses/gains on translation of USD-denominated financial instruments (as at 31 December 2020: lower/higher by VND57,938,222,953 respectively).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10 FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk

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

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

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

	As at	
	31.12.2021 VND	31.12.2020 VND
Short-term borrowings (Note 3.11)	15,039,870,130,242	6,716,571,061,080
Trading obligations (Note 3.12)	1,461,564,263,853	935,296,094,913
Short-term trade accounts payable	1,551,194,104	5,104,995,817
Short-term accrued expenses (Note 3.14)	194,292,714,722	114,864,843,601
Other short-term payables (Note 3.15)	195,643,770,048	178,832,707,535
Total financial liabilities	16,892,922,072,969	7,950,669,702,946

(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.

This ratio is calculated and presented in the Company's capital adequacy ratio report. This report is prepared monthly in accordance with Circular 91/2020/TT-BTC (as at 31 December 2020: Circular 87/2017/TT-BTC dated 15 August 2017 issued by the Ministry of Finance), accordingly the Company is required to maintain a prescribed minimum level of CAR of 180%.

As at 31 December 2021, the Company's CAR was 520% (as at 31 December 2020: 658%).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

11 OPERATING LEASE COMMITMENTS

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

	As at	
	31.12.2021 VND	31.12.2020 VND
Within 1 year	24,277,806,243	15,537,882,954
Between 1 and 5 years	44,154,814,857	44,709,911,637
Total minimum payments	68,432,621,100	60,247,794,591

12 CAPITAL COMMITMENTS

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

	As at	
	31.12.2021 VND	31.12.2020 VND
Software purchases	1,687,470,000	397,206,400

13 VOLUME AND VALUE OF TRANSACTIONS DURING THE YEAR

	Volume of transactions during the year	Value of transactions during the year VND
a) Of the Company		
Covered warrants	456,390,100	1,512,395,161,000
Shares	1,984,130,860	86,661,884,752,858
Bonds	335,926,254	35,574,105,347,268
Future contracts	715,383	99,747,136,465,000
b) Of Investors		
Covered warrants	222,559,300	693,704,631,000
Shares	20,045,078,114	590,980,943,111,060
Bonds	158,146,254	16,756,079,914,256
Future contracts	13,823,413	1,900,261,032,570,000
	23,216,769,678	2,732,187,281,952,440

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

14 COMPARATIVE FIGURES

The comparative figures have been reclassified according to current year's presentation, as follows:

(a) Statement of financial position

		As at 31 December 2020		
Code	ITEMS	Previously reported VND	Reclassifications (*) VND	Reclassified VND
325	Short-term accrued expenses	83,776,529,704	31,088,313,897	114,864,843,601
329	Other short-term liabilities	209,921,021,432	(31,088,313,897)	178,832,707,535

(*) Reclassification some items to proper lines according to current year's presentation.

(b) Statement of cashflows

		For year ended 31 December 2020		
Code	ITEMS	Previously reported VND	Reclassifications (*) VND	Reclassified VND
41	Increase in accrued expenses (except interest expenses)	7,741,821,136	31,088,313,897	38,830,135,033
50	Increase in other short-term payables (including covered warrants liabilities)	389,253,463,753	(31,125,532,617)	358,127,931,136
76	Payments of dividends	(365,215,620,212)	37,218,720	(365,178,401,492)

(*) Reclassification some items to proper lines according to current year's presentation.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15 EVENTS AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION

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

- The financial regimes applicable to securities companies and fund management companies stipulated in Circular 146/2014/TT-BTC are revoked in full.
- The balance of Supplementary capital reserve made in accordance with Circular 146/2014/TT-BTC shall be added to the Company's charter capital in line with 2019 Securities Law and 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, 2019 Securities Law and related guidelines, the Company's charter, and ensuring financial safety ratio pursuant to securities regulations.

Other than this event, there have been no further significant subsequent events occurring after the reporting date which would require adjustments or disclosures to be made in the financial statements.

The financial statements have been approved by the Board of Management for issuance on 22 March 2022.



Le Thi Thuy Duong
Preparer



Lam Huu Ho
Chief Financial Officer
cum Chief Accountant




Trinh Hoai Giang
Chief Executive Officer