

FINANCIAL STATEMENTS

QUARTER 02/2022

**HO CHI MINH CITY SECURITIES
CORPORATION**



STATEMENT OF FINANCIAL POSITION

Code	ITEMS	Note	As at	
			30.06.2022 VND	31.12.2021 VND
	ASSETS			
100	CURRENT ASSETS		18,996,907,751,408	24,186,710,802,908
110	Financial assets		18,926,109,022,957	24,114,470,306,909
111	Cash and cash equivalents	3.1	5,532,530,351,559	7,198,511,987,873
111.1	Cash		5,532,530,351,559	7,198,511,987,873
	Financial assets at fair value through profit or loss (FVTPL)	3.2	1,898,715,363,690	2,371,663,569,220
114	Loans	3.3	11,226,994,265,474	13,690,097,115,046
118	Prepayments to suppliers		5,619,500,325	14,378,716,021
119	Service related receivable	3.4	68,004,333,013	639,323,864,073
122	Other receivables	3.4	194,245,208,896	200,495,054,676
130	Other current assets		70,798,728,451	72,240,495,999
131	Advances		1,111,684,081	727,974,286
133	Short-term prepaid expenses		18,141,082,420	9,816,990,763
134	Short-term security deposits		176,900,000	395,450,000
137	Other current assets		51,369,061,950	61,300,080,950
137.1	Deposits for derivatives trading activities		51,369,061,950	61,300,080,950
200	NON-CURRENT ASSETS		182,903,557,323	182,392,337,809
220	Fixed assets		47,575,968,579	40,005,113,583
221	Tangible fixed assets	3.5	35,204,729,064	28,190,853,273
222	Historical cost		133,870,628,710	119,732,244,928
223a	Accumulated depreciation		(98,665,899,646)	(91,541,391,655)
227	Intangible fixed assets	3.5	12,371,239,515	11,814,260,310
228	Historical cost		88,876,277,084	85,006,277,084
229a	Accumulated amortisation		(76,505,037,569)	(73,192,016,774)
240	Construction in progress	3.5	279,885,999	8,483,996,599
250	Other non-current assets		135,047,702,745	133,903,227,627
251	Long-term security deposits		10,370,583,262	8,850,543,262
252	Long-term prepaid expenses	3.6	92,697,136,983	93,072,701,865
253	Deferred income tax assets		1,979,982,500	1,979,982,500
254	Deposits in the Settlement Supporting Fund	3.7	20,000,000,000	20,000,000,000
255	Other long-term assets	3.8	10,000,000,000	10,000,000,000
255.1	Deposits in the Derivatives trading clearing fund		10,000,000,000	10,000,000,000
270	TOTAL ASSETS		19,179,811,308,731	24,369,103,140,717

STATEMENT OF FINANCIAL POSITION
(continued)

Code	ITEMS	Note	As at	
			30.06.2022 VND	31.12.2021 VND
300	LIABILITIES		11,349,794,236,779	17,043,850,217,927
310	Current liabilities		11,349,794,236,779	17,043,850,217,927
311	Short-term borrowings and finance lease liabilities		10,301,868,844,099	15,039,870,130,242
312	<i>Short-term borrowings</i>	3.9	10,301,868,844,099	15,039,870,130,242
318	Trading obligations	3.10	725,810,493,402	1,461,564,263,853
320	Short-term trade payables		1,805,267,868	1,551,194,104
322	Taxes and other payables to the State	3.11	111,087,817,922	118,960,709,302
324	Accrued employees' welfares		6,784,424,528	6,137,000,317
325	Short-term accrued expenses	3.12	140,486,587,956	194,292,714,722
329	Other short-term payables	3.13	18,640,571,698	195,643,770,048
331	Bonus and welfare funds		43,310,229,306	25,830,435,339
400	OWNERS' EQUITY		7,830,017,071,952	7,325,252,922,790
410	Owners' equity	3.14	7,830,017,071,952	7,325,252,922,790
411	Owners' capital		5,535,583,100,992	5,535,583,100,992
411.1	Share capital		4,580,523,670,000	4,580,523,670,000
411.1a	<i>Ordinary shares with voting rights</i>		4,580,523,670,000	4,580,523,670,000
411.2	Share premiums		967,536,880,000	967,536,880,000
411.5	Treasury shares		(12,477,449,008)	(12,477,449,008)
414	Supplementary capital reserve		277,696,843,214	277,696,843,214
415	Financial and operational risk reserve		277,696,843,214	277,696,843,214
416	Other equity reserves		3,961,374,994	3,961,374,994
417	Undistributed earnings	3.15	1,735,078,909,538	1,230,314,760,376
417.1	<i>Realised profits after tax</i>		1,594,337,516,853	1,133,223,368,908
417.2	<i>Unrealised profits</i>		140,741,392,685	97,091,391,468
440	TOTAL RESOURCES		19,179,811,308,731	24,369,103,140,717

OFF STATEMENT OF FINANCIAL POSITION ITEMS

Code	ITEMS	Note	As at	
			30.06.2022	31.12.2021
A	ASSETS OF THE COMPANY AND ASSETS UNDER ENTRUSTMENT			
			<i>Amount (VND)</i>	
004	Bad debts written off		39,928,851,148	39,928,851,148
			<i>Original currency</i>	
005	Foreign currencies	4.1		
	United States Dollar		1,890.18	1,933.03
	Japanese Yen		241,870	241,915
	Singapore Dollar		844	844
	British Pound		10,647.35	6,654.01
	New Taiwan Dollar		3,200	3,200
	Canadian Dollar		100	100
	Malaysian Ringgit		750	750
			<i>Quantity</i>	
006	Number of shares in issue (shares)	4.2	457,211,949	457,211,949
007	Number of treasury shares (shares)		840,418	840,418
			<i>Par value (VND)</i>	
008	Securities listed/registered at Vietnam Securities Depository ("VSD")		1,104,220,380,000	1,534,001,710,000
	<i>Freely traded securities</i>		1,104,220,380,000	334,001,710,000
	<i>Restricted securities</i>		-	1,200,000,000,000
009	Securities in custody of VSD and not yet traded		9,495,330,000	3,150,750,000
010	Securities purchased and awaiting settlement		39,695,850,000	38,050,920,000
			<i>Quantity</i>	
014	Covered warrants authorised but not yet issued	4.3	91,798,100	125,119,700
B	ASSETS OF AND LIABILITIES TO CUSTOMERS			
			<i>Par value (VND)</i>	
021	Securities listed/registered at VSD		28,394,309,182,111	29,233,137,338,247
021.1	<i>Freely traded securities</i>		26,012,175,194,000	26,729,328,284,000
021.2	<i>Restricted securities</i>		69,367,210,000	77,797,610,000
021.3	<i>Pledged securities</i>		1,577,644,030,000	1,367,875,900,000
021.4	<i>Suspended securities</i>		102,303,250,000	102,406,820,000
021.5	<i>Securities awaiting settlement</i>		340,027,220,000	665,069,237,000
021.7	<i>Customers' deposits for derivatives trading</i>		292,792,278,111	290,659,487,247

OFF STATEMENT OF FINANCIAL POSITION ITEMS
(continued)

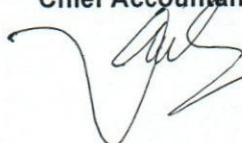
Code	ITEMS	Note	As at	
			30.06.2022 VND	31.12.2021 VND
B	ASSETS OF AND LIABILITIES TO CUSTOMERS (continued)			
			<i>Par value (VND)</i>	
022	Securities in custody of VSD and not yet traded		278,140,650,000	90,528,440,000
022.1	Securities in custody of VSD and not yet traded – freely traded securities		212,852,640,000	43,018,500,000
022.2	Securities in custody of VSD and not yet traded – suspended securities		65,288,010,000	47,509,940,000
023	Securities purchased and awaiting settlement		384,399,410,000	752,891,009,000
024b	Securities not in custody of VSD of investors		5,500,000,000	5,500,000,000
026	Customers' deposits		2,486,609,767,702	2,567,360,017,939
027	Customers' deposits for securities trading		2,193,817,489,591	2,276,700,530,692
027.1	Customers' deposits at VSD		292,792,278,111	290,659,487,247
031	Payables to customers relating to their deposits at the Company for securities trading		2,193,817,489,591	2,276,700,530,692
031.1	Payables to domestic customers relating to their deposits at the Company for securities trading		2,179,820,546,477	2,250,847,001,197
031.2	Payables to foreign customers relating to their deposits at the Company for securities trading		13,996,943,114	25,853,529,495

20 July 2022

Prepared by




Le Thi Thuy Duong

Chief Financial Officer cum
Chief Accountant


Lam Huu Ho

Chief Executive Officer

Trinh Hoai Giang

HO CHI MINH CITY SECURITIES CORPORATION
FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

Form B02a – CTCK

STATEMENT OF INCOME

Code	ITEMS	Note	2nd Quarter		Year to date	
			2022 VND	2021 VND	2022 VND	2021 VND
	OPERATING INCOME					
01	Income from FVTPL financial assets		576,225,460,234	445,847,766,673	979,264,399,176	1,073,752,729,303
01.1	<i>Realised gains on disposal of FVTPL financial assets</i>	5.1	427,228,633,253	385,032,200,755	758,238,465,093	1,010,173,685,216
01.2	<i>Increase in revaluation gains of FVTPL financial assets</i>	5.2a	25,536,266,888	16,876,238,446	28,827,145,647	(50,206,687,921)
01.3	<i>Dividends and interest income from FVTPL financial assets</i>		75,064,024,884	53,791,328,600	186,472,932,205	112,256,026,296
01.4	<i>Decrease in covered warrants liabilities due to revaluations</i>		48,396,535,209	(9,852,001,128)	5,725,856,231	1,529,705,712
03	Interest income from loans and receivables		327,292,819,992	271,060,865,963	700,275,681,409	493,125,424,170
06	Brokerage fee income		236,140,957,150	360,715,869,099	519,040,145,999	655,242,209,477
09	Custody service income		2,179,452,207	2,051,660,525	4,365,207,454	4,098,423,201
10	Financial consultancy service income		44,141,636,632	1,740,189,012	48,590,852,086	17,378,069,994
11	Other operating income		1,809,195,627	224,516,396	4,251,573,497	993,498,388
20	TOTAL OPERATING INCOME		1,187,789,521,842	1,081,640,867,668	2,255,787,859,621	2,244,590,354,533
	OPERATING EXPENSES					
21	Losses from FVTPL financial assets		408,936,832,492	314,670,033,517	625,229,839,411	741,330,483,440
21.1	<i>Realised losses on disposal of FVTPL financial assets</i>	5.1	410,606,980,504	254,288,522,549	634,326,838,750	709,204,448,525
21.2	<i>Decrease in revaluation losses of FVTPL financial assets</i>	5.2a	(7,679,073)	441,756,822	(5,429,750,447)	(15,587,895,392)
21.3	<i>Increase in covered warrants liabilities due to revaluations</i>		(1,662,468,939)	59,939,754,146	(3,667,248,892)	47,713,930,307
24	Provisions for financial assets, losses on bad debts, impairment losses of financial assets and interest expenses associated with loans		172,103,461,390	150,089,245,044	380,856,644,720	256,520,141,915
26	Proprietary trading activities	5.3	17,876,267,036	12,594,547,952	40,235,434,007	26,495,668,196
27	Brokerage fee expenses	5.3	148,933,365,511	185,313,454,714	315,164,102,707	340,952,423,026
30	Custody service expenses	5.3	2,304,185,729	2,134,269,393	4,607,310,571	4,266,140,989
31	Financial consultancy service expenses	5.3	10,511,764,201	4,054,040,422	15,622,569,461	8,071,418,255
32	Other operating expenses	5.3	961,068,137	797,366,188	1,912,878,641	1,896,872,800
40	TOTAL OPERATING EXPENSES		761,626,944,496	669,652,957,230	1,383,628,779,518	1,379,533,148,621

HO CHI MINH CITY SECURITIES CORPORATION
 FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

Form B02a – CTCK

STATEMENT OF INCOME
 (continued)

Code	ITEMS	Note	2nd Quarter		Year to date	
			2022 VND	2021 VND	2022 VND	2021 VND
	FINANCIAL INCOME					
42	Dividend income and interest income from demand deposits		481,252,389	192,095,779	2,290,273,778	1,750,622,606
50	TOTAL FINANCIAL INCOME		481,252,389	192,095,779	2,290,273,778	1,750,622,606
62	GENERAL AND ADMINISTRATIVE EXPENSES	5.4	77,905,393,653	60,177,204,256	172,251,926,378	113,104,784,233
70	OPERATING RESULT		348,738,436,082	352,002,801,961	702,197,427,503	753,703,044,285
	OTHER INCOME AND EXPENSES					
71	Other income		-	16,311,000	413,145,454	16,311,000
80	NET OTHER INCOME		-	16,311,000	413,145,454	16,311,000
90	NET ACCOUNTING PROFIT BEFORE TAX		348,738,436,082	352,019,112,961	702,610,572,957	753,719,355,285
91	Realised profit		273,135,485,973	405,376,386,611	658,960,571,742	834,522,372,409
92	Unrealised profit		75,602,950,109	(53,357,273,650)	43,650,001,217	(80,803,017,124)

HO CHI MINH CITY SECURITIES CORPORATION
 FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

Form B02a – CTCK

STATEMENT OF INCOME
 (continued)

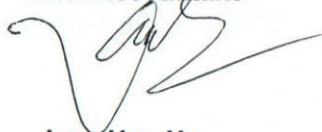
Code	ITEMS	Note	2nd Quarter		Year to date	
			2022 VND	2021 VND	2022 VND	2021 VND
100	BUSINESS INCOME TAX (“BIT”)		69,418,103,300	68,835,210,370	140,543,935,795	148,730,285,010
100.1	BIT – current		69,418,103,300	68,835,210,370	140,543,935,795	148,730,285,010
200	NET PROFIT AFTER TAX		279,320,332,782	283,183,902,591	562,066,637,162	604,989,070,275

Prepared by



Le Thi Thuy Duong

Chief Financial Officer cum
 Chief Accountant



Lam Huu Ho



20 July 2022

Chief Executive Officer



Trinh Hoai Giang

STATEMENT OF CASH FLOWS
(Indirect method)

Code	ITEMS	Year to date	
		2022 VND	2021 VND
	Cash flows from operating activities		
01	Net profit before tax	702,610,572,957	753,719,355,285
02	Adjustments for:	214,055,621,349	203,959,596,511
03	Depreciation and amortisation	12,698,234,384	13,360,244,046
06	Interest expenses	380,856,644,720	256,520,141,915
07	Profits from investing activities	(409,090,909)	-
08	Accrued interest income	(179,090,166,846)	(65,920,789,450)
10	Increase in non-cash expenses	(9,096,999,339)	32,126,034,915
11	Decrease in revaluation losses of FVTPL financial assets, revaluation losses of covered warrants	(9,096,999,339)	32,126,034,915
18	Decrease in non-cash income	(34,553,001,878)	48,676,982,209
19	Increase in revaluation gains of FVTPL financial assets, decrease in revalued amount of covered warrants liabilities	(34,553,001,878)	48,676,982,209
30	Operating profit before changes in working capital	2,363,137,105,285	(996,874,541,107)
31	Decrease in FVTPL financial assets	507,205,101,624	1,026,925,980,788
33	Decrease/(increase) in loans	2,463,102,849,572	(545,603,731,538)
37	Decrease/(increase) in service-related receivables	571,319,531,060	(1,794,045,134,593)
39	Decrease in other receivables	184,956,302,831	61,246,354,723
41	Decrease in accrued expenses (excluding interest expenses)	(66,036,384,507)	(27,742,664,400)
42	Increase in prepaid expenses	(7,948,526,775)	(9,256,201,693)
43	BIT paid	(127,140,094,705)	(115,277,228,940)
44	Interest paid	(368,653,386,979)	(240,594,750,360)
45	Increase/(decrease) in trade payables	9,013,289,460	(8,143,019,678)
46	Increase in employee welfare payables	647,424,211	618,898,800
47	(Decrease)/increase in tax and other payables to the State (excluding BIT paid)	(21,317,641,561)	28,782,993,935
50	(Decrease)/increase in other short-term payables, covered warrants payable	(790,640,887,946)	466,470,556,264

HO CHI MINH CITY SECURITIES CORPORATION
FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

Form B03(b)a – CTCK

STATEMENT OF CASH FLOWS
(Indirect method)
(continued)

Code	ITEMS	Year to date	
		2022 VND	2021 VND
51	Other receipts from operating activities	9,931,019,000	161,674,688,000
52	Other payments for operating activities	(1,301,490,000)	(1,931,282,415)
60	Net cash outflows for operating activities	3,236,153,298,374	41,607,427,813
	Cash flows from investing activities		
61	Cash paid for purchases of fixed assets	(12,064,978,780)	(6,569,432,480)
62	Proceeds from disposals of fixed assets	450,000,000	-
70	Net cash outflows for investing activities	(11,614,978,780)	(6,569,432,480)
	Cash flows from financing activities		
73.2	Proceeds from borrowings	50,031,100,221,558	43,868,394,147,321
74.3	Repayments of principals of borrowings	(54,769,101,507,701)	(41,616,594,936,901)
76	Payment of dividend	(152,518,669,765)	(365,934,582,797)
80	Net cash inflows from financing activities	(4,890,519,955,908)	1,885,864,627,623
90	(Decrease)/increase in cash and cash equivalents	(1,665,981,636,314)	1,920,902,622,956
101	Cash and cash equivalents at beginning of year	7,198,511,987,873	206,860,864,747
101.1	Cash	7,198,511,987,873	206,860,864,747
103	Cash and cash equivalents at end of year	5,532,530,351,559	2,127,763,487,703
103.1	Cash	5,532,530,351,559	2,127,763,487,703

STATEMENT OF CASH FLOWS
(Indirect method)
(continued)

CASH FLOWS OF BROKERAGE AND ENTRUSTMENT ACTIVITIES

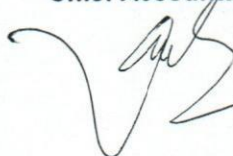
Code	ITEMS	Year to date	
		2022 VND	2021 VND
	Cash flows of brokerage and entrustment activities		
01	Brokerage trading proceeds	111,326,096,581,612	130,241,205,045,013
02	Brokerage trading payments	(109,297,031,726,800)	(131,822,965,482,018)
07	Receipts for settlement of customers' transactions	-	1,910,313,612,957
08	Payments for customers' securities transactions	(2,107,582,688,459)	-
11	Payments for custody fees of customers	(4,365,207,454)	(4,098,423,201)
20	Increase in customers' deposits	(82,883,041,101)	324,454,752,751
30	Customers' deposits at beginning of year	2,276,700,530,692	2,100,361,355,974
31	Cash at bank	2,276,700,530,692	2,100,361,355,974
32	<i>Customers' deposits for securities trading under monitoring of the Company</i>	2,276,700,530,692	2,100,361,355,974
40	Customers' deposits at end of year	2,193,817,489,591	2,424,816,108,725
41	Cash at bank	2,193,817,489,591	2,424,816,108,725
42	<i>Customers' deposits for securities trading under monitoring of the Company</i>	2,193,817,489,591	2,424,816,108,725

Prepared by



Le Thi Thuy Duong

Chief Financial Officer cum
Chief Accountant



Lam Huu Ho

20 July 2022
Chief Executive Officer




Trinh Hoai Giang

HO CHI MINH CITY SECURITIES CORPORATION

Form B04a – CTCK

STATEMENT OF CHANGES IN EQUITY

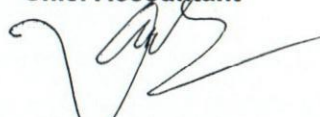
Items	As at		For the period ended 30 June 2021		For the period ended 30 June 2022		As at	
	1.1.2021	1.1.2022	Increase	Decrease	Increase	Decrease	30.06.2021	30.06.2022
	VND	VND	VND	VND	VND	VND	VND	VND
1. Owners' capital	3,405,291,244,992	5,535,583,100,992	-	-	-	-	3,405,291,244,992	5,535,583,100,992
1.1 Ordinary shares with voting rights	3,058,822,630,000	4,580,523,670,000	-	-	-	-	3,058,822,630,000	4,580,523,670,000
1.2 Share premium	358,946,064,000	967,536,880,000	-	-	-	-	358,946,064,000	967,536,880,000
1.3 Treasury shares	(12,477,449,008)	(12,477,449,008)	-	-	-	-	(12,477,449,008)	(12,477,449,008)
2. Supplementary capital reserve	177,907,588,627	277,696,843,214	42,436,135,533	-	-	-	220,343,724,160	277,696,843,214
3. Financial risk and operation reserve	177,907,588,627	277,696,843,214	42,436,135,533	-	-	-	220,343,724,160	277,696,843,214
4. Other equity funds	3,961,374,994	3,961,374,994	-	-	-	-	3,961,374,994	3,961,374,994
6. Undistributed earnings	675,286,734,145	1,230,314,760,376	604,989,070,275	324,807,194,248	562,066,637,162	57,302,488,000	955,468,610,172	1,735,078,909,538
6.1 Realised profit after tax	647,641,022,448	1,133,223,368,908	685,792,087,399	324,807,194,248	518,416,635,945	57,302,488,000	1,008,625,915,599	1,594,337,516,853
6.2 Unrealised profits/(losses) after tax	27,645,711,697	97,091,391,468	(80,803,017,124)	-	43,650,001,217	-	(53,157,305,427)	140,741,392,685
Total	4,440,354,531,385	7,325,252,922,790	689,861,341,341	324,807,194,248	562,066,637,162	57,302,488,000	4,805,408,678,478	7,830,017,071,952

Prepared by



Le Thi Thuy Duong

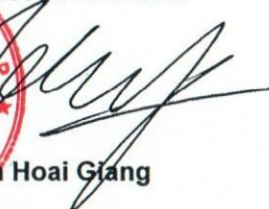
Chief Financial Officer cum
Chief Accountant



Lam Huu Ho

20 July 2022

Chief Executive Officer

Trinh Hoai Giang

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

1 GENERAL INFORMATION***Establishment and listing***

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

Headquarter and contact information

The Company is headquartered at Level 2, 5, 6, 7, 11 and 12, 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 latest updated on 22 April 2021.

Operations

The principal activities of the Company are brokerage services, securities trading, securities investment, consultancy services, corporate finance consultancy services, underwriting and securities custodian services.

Charter capital

The Company’s charter capital is VND 4,580,523,670,000, including VND 1,521,701,040,000 from the public offering closing dated 16 December 2021. The Company is in the process of updating its new charter capital into the operation licence.

Investment objectives and investment restrictions

Being a listed broker firm in the Vietnamese securities market, the Company aims to contribute to development of the securities market and deliver benefits to customers, investors and its shareholders. The Company’s investment portfolio and its investment restrictions shall be in compliance with the investment objectives and strategies as stipulated in its charter and applicable securities rules.

Network of operation

As at 30 June 2022, the Company had 1 branch and 1 representative offices in Vietnam.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation of interim financial statements**

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and prevailing regulations on preparation and presentation of financial statements applicable to securities companies operating in Vietnam. The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets at fair value through profit or loss (FVTPL) based on market value (or fair value in case market value is undetermined).

2.2 Form of records applied

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

2.3 Form of records applied

The Company's fiscal year is from 1 January to 31 December. These financial statements are prepared for the period from 1 January 2022 to 30 June 2022.

2.4 Currency

The financial statements are measured and presented in Vietnamese Dong ("VND").

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognised in profit or loss of the statement of income.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are respectively translated at the buying and selling exchange rates at the reporting date of the commercial bank where the Company regularly trades. Foreign currencies deposited in bank at the reporting date are translated at the buying exchange rate of the commercial bank where the Company opens the foreign currency accounts. Foreign exchange differences arising from these translations are recognised as income or expenses in the statement of income.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank, cash in transit and other short-term investments with an original maturity of 3 months or less which are subject to an insignificant risk of conversion into cash.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Financial assets****(a) Classification and measurement****(i) Financial assets measured at fair value through profit or loss (FVTPL)**

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

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

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

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

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

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

Financial assets at fair value through profit or loss are subsequently measured at market value or fair value (in case market value is indeterminable). Those shares, including derivatives to be settled in shares, that not traded on active market or those whose fair value is not reliably determined are accounted at cost.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 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 followings characteristics:

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

The following assets are excluded from HTM financial assets:

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

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

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

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

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

As at reporting date, HTM investments are provided for impairment loss when there is any objective evidence of impairment or uncollectibility as a result of one or more events that occurred subsequent to the initial recognition and affected estimated future cash flows of HTM investments. Objective evidence of impairment may include:

- Significant financial difficulty of the issuer or the obligor;
- A breach of contract, such as default or delinquency in interest or principal payments;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Financial assets (continued)****(a) Classification and measurement (continued)****(ii) Held-to-maturity financial assets (“HTM”) (continued)**

- 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:
 - Adverse changes in the payment status of borrowers in the group; or
 - National or local economic conditions that correlate with defaults on the assets in the group.

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

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

(iii) Loans

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

In the reporting year, the Company had the following types of loans:

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

Loans are initially recorded at cost and subsequently measured at amortised cost using the EIR method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

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

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.

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;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Financial assets (continued)****(a) Classification and measurement (continued)****(iv) Available-for-sale financial assets ("AFS") (continued)**

- A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

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

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

(b) Reclassification**(i) Reclassification of non-FVTPL financial assets upon disposal**

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

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

Purchases and sales of financial assets are recognised on trade date – the date on which the Company commits to purchase or sell the financial assets. Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or the Company has transferred substantially all risks and rewards of ownership.

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(d) Initial recognition

Financial assets carried at fair value through profit or loss are initially recognised at cost exclusive of transaction costs. Other financial assets are initially recorded at historical cost.

Bonus issues and stock dividends are initially recognised as financial assets at zero value.

(e) Determination of market value/fair value

The Company follows the prevailing regulations in determining the market value/fair value, in particular:

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

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

- (ii) *Unlisted securities registered/unregistered to Vietnam Securities Depository ("VSD")*

The fair values of these shares based on the average of transacted prices announced by the three (03) independent quoting entities at the latest trading date within one (01) month prior to the reporting date. Management and executives of the Company must not be related to management and executives of the quoting entities in accordance with Securities Law.

- (iii) *Certificates of open-ended funds/ exchanged traded fund ETF*

These certificates are revalued at net asset value per fund unit as at the fund's last reporting date prior to the valuation date of the Company.

- (iv) *Delisted shares/ shares suspended from 6 days or longer*

The fair values of these shares are determined at its book value as at latest reporting date.

Unless otherwise stated above, securities are measured at fair value based on review of financial position and book value of the issuers as at valuation date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Financial assets (continued)****(f) Provision for impairment of loans**

Provision for impairment of loans is made when there are indicators of decline in the recoverability of the margin loans and trading advances. Provision is determined at the difference of market value of collateral assets and carrying value of margin loans and trading advances at reporting date.

(g) Provision for impairment of receivables

Receivables are subject impairment assessment based on the overdue status of the receivables or the estimated loss arising from undue debts of which the indebted economic entities fall bankrupt or are undergoing dissolution procedures; debtors are missing, deceased or under legal claims.

The Company has provided for overdue receivables in accordance with Circular 48/2019/TT-BTC issued by Ministry of Finance on 8 August 2019 ("Circular 48/2019/TT-BTC"). Accordingly, the provision rates for overdue receivables are as follows:

	Provision rate
Overdue period	
From 6 months to less than 1 year	30%
From 1 year to less than 2 years	50%
From 2 years to less than 3 years	70%
Over 3 years	100%

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

(h) Recognition of gain/(loss)*Purchasing transaction costs*

Transaction costs related to purchases of FVTPL financial assets are expensed off, while transaction costs related to purchases of other financial assets are capitalised.

Selling transaction costs

Selling transaction costs are expensed off in the reporting period.

Gain/(loss) on disposals

Gain/(loss) on disposals of financial assets are accounted as income/(expenses) in profit or loss of statement of income. Costs of shares and fund certificates are determined using weighted average method up to the end of trading dates, while costs of bonds and derivatives are determined using specific identification method.

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.7 Repurchase and reverse repurchase agreements**

Securities sold under agreements to repurchase at a specified future date (“repos”) are not derecognised from the interim statement of financial position. The corresponding proceed is recognised in the statement of financial position as a liability. The difference between the selling price and the repurchase price is recognised as interest expense and is accrued over the life of the agreement using the straight-line method.

Conversely, securities purchased under agreements to resell at a specified future date (“reverse repos”) are not recognised in the statement of financial position. The corresponding cash paid is recognised in the statement of financial position as an asset. The difference between the purchase price and resale price is recognised as interest income and is allocated over the life of the agreement using the straight-line method.

For overdue commitments, the Company considers to make provision based on the aging of commitments or expected losses in accordance with Circular 48/2019/TT-BTC.

2.8 Fixed assets*Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation/amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets.

Depreciation and amortisation

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

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

Disposals

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

2.9 Leased assets

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.10 Prepaid expenses**

Prepaid expenses include prepayments for goods and services, tools and equipment not qualified to be accounted as fixed assets under current regulations. Prepaid expenses are initially recorded at cost and allocated to expenses over their estimated useful lives.

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

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

2.11 Security deposits

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

2.12 Liabilities**a. Recognition/Derecognition**

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

b. Classification

Classifications of liabilities are based on their nature as follows:

- Borrowings
- Bonds
- Trading obligations including balances with Clearing House and Securities Depository
- Trade payables arising from purchases of goods or services
- Other payables not arising from purchases of goods and services.

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

2.13 Offsetting financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.14 Income tax paid on behalf of customers**

According to the prevailing taxation regulations in Vietnam, the Company is required to withhold foreign contractor tax of 0.1% on trading proceeds of foreign corporate customers and pay on their behalf. For individual customers (both residents and non-residents), the Company is required to withhold personal income tax of 0.1% on the trading proceeds. The Company will declare and make tax payment on behalf of these customers. For customers being local organisations, the Company is not responsible for withholding tax as these customers have responsibility for their own tax payment and declaration.

2.15 Borrowing costs

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised in the statement of income when incurred.

2.16 Accrued expenses

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

2.17 Provisions

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligations. The increase in the provision due to passage of time is recognised as an interest expense.

2.18 Equity**(a) Share capital**

Share capital represents the shareholders' contributed capital. Share capital is recorded at par value.

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

Treasury shares are shares issued by the Company and purchased back by itself but not yet cancelled and may be re-issued in the period permitted by prevailing regulations on securities. Treasury shares are recorded at cost and deducted to equity. The Company does not account for gains/(losses) from purchase/sale, issuance/cancellation of its equity instruments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.18 Equity (continued)****(b) Undistributed profits**

Undistributed profits represents cumulative undistributed post-tax profits as at reporting date including cumulative realised profits and cumulative unrealised profits.

Unrealised profit of the period is total difference between gain or loss arising from revaluation of financial assets at FVTPL or other financial assets charged into the statement of income.

Realised profit during the period is the net difference between total revenue, income and total expenses in the statement of income of the Company, except for gain or loss arising from revaluation of financial assets recognised in unrealised profit.

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

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

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

(d) Other equity funds

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

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

Revenue from provision of services to investors consists of securities brokerage fees, securities underwriting fees and investment consultancy fees, securities custody services and entrustment services.

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.19 Revenue and income recognition (continued)****(b) Income from securities trading and investments in other entities**

Income from securities trading and investments in other entities consists of income from proprietary trading activities and dividend income.

Income from proprietary trading activities is measured as difference between selling price and costs of securities disposed. Costs of shares and fund certificates are determined using weighted average method up to the end of trading dates, while costs of bonds and derivatives are determined using specific identification method.

Dividend income is recognised in the interim statement of income when the Company's right to receive dividend is established, except for scrip dividends which the Company adds their quantity in securities portfolio and does not recognise income.

(c) Income from capital activities

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

(d) Revenue from securities repurchase and reverse repurchase agreements

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

(e) Other income

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

2.20 Expenses**(a) Recognition**

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

(b) Classification

Expenses are classified by function as follows:

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.21 Current and deferred income tax**

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

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

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

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

2.22 Dividend distribution

Dividend of the Company is recognised as a liability in the Company's financial statements when the dividend is declared in accordance with the Company's charter and prevailing applicable regulations.

2.23 Related parties

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

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.24 Segment reporting**

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

Segment reporting is prepared and presented in accordance with accounting policies applied to the preparation and presentation of the Company's financial statements in order to help users of financial statements to understand and evaluate the situation the operations of the Company in a comprehensive way.

2.25 Nil balances

Items or balances required by Circular 210/2014/TT-BTC and Circular 334/2016/TT-BTC that are not presented in these financial statements indicate nil balances.

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION**3.1 Cash and cash equivalents**

	As at	
	30.06.2022	31.12.2021
	VND	VND
Cash on hand	618,611,020	389,670,976
Cash at bank	5,335,911,740,539	6,928,122,316,897
Security deposit for covered warrants issued (i)	196,000,000,000	270,000,000,000
Total	<u>5,532,530,351,559</u>	<u>7,198,511,987,873</u>

- (i) This represents security deposit at custodian banks in relation to covered warrants issued by the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continue)

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

	As at 30.06.2022		As at 31.12.2021	
	Cost VND	Market value/ fair value VND	Cost VND	Market value/ fair value VND
Listed shares, Unlisted and unregistered shares and shares traded on UPCoM	172,060,359,890	160,287,185,476	229,331,627,871	220,305,806,086
Mobile World Investment Corporation (MWG)	18,026,111,839	17,669,366,000	12,065,569,706	12,225,292,200
FPT Corporation (FPT)	17,539,606,681	16,949,678,400	11,753,202,625	11,586,126,000
Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	10,136,013,690	10,205,883,000	15,342,824,645	15,627,881,400
Asia Commercial Joint Stock Bank (ACB)	9,476,990,387	9,544,032,000	11,738,240,141	12,027,321,000
Technology and Commercial Joint Stock Bank (TCB)	9,291,771,174	9,311,256,000	17,058,487,918	17,176,650,000
Phu Nhuan Jewelry Joint Stock Company (PNJ)	8,138,581,837	8,459,669,000	3,085,144,486	3,165,364,800
Vingroup Joint Stock Company (VIC)	7,227,552,324	7,154,931,000	15,553,419,280	15,194,887,800
Hoa Phat Group Joint Stock Company (HPG)	6,482,539,948	6,458,258,400	16,230,143,402	16,324,076,800
Ma San Group Corporation (MSN)	6,281,080,117	6,278,832,000	11,854,837,898	12,084,228,000
Vinhomes Joint Stock Company (VHM)	6,186,458,648	5,979,112,200	12,935,770,237	12,756,576,000
Others	73,273,653,245	62,276,167,476	101,713,987,533	92,137,402,086
Underlying assets designated as hedges for covered warrants	288,659,506,918	283,401,127,100	703,873,926,275	697,942,016,400
Mobile World Investment Corporation (MWG)	101,628,485,059	98,996,040,000	71,212,966,222	71,249,652,000
FPT Corporation (FPT)	49,533,974,841	47,786,694,000	67,199,823,211	64,460,625,000
Military Commercial Joint - Stock Bank (MBB)	27,740,727,614	26,679,628,800	63,849,013,137	63,804,379,600
Phu Nhuan Jewelry Joint Stock Company (PNJ)	19,194,085,897	20,958,350,000	2,512,885,981	2,462,720,000
Sai Gon Thuong Tin Commercial Joint Stock Bank (STB)	18,610,961,663	18,682,425,000	101,687,353,317	109,259,325,000
Vincom Retail Joint Stock Company (VRE)	15,438,599,503	15,250,553,500	44,398,029,760	43,686,237,000
Asia Commercial Joint Stock Bank (ACB)	11,847,437,354	11,742,000,000	1,115,339,375	1,155,750,000
Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	11,441,348,781	11,017,912,000	68,427,642,795	67,584,242,400
Technology and Commercial Joint Stock Bank (TCB)	9,413,950,186	9,395,154,000	66,926,070,527	64,529,000,000
Vinhomes Joint Stock Company (VHM)	7,252,315,788	6,775,358,400	50,365,413,365	49,643,128,000
Ma San Group Corporation (MSN)	6,556,021,016	6,565,440,000	11,506,446,390	11,841,750,000
Hoa Phat Group Joint Stock Company (HPG)	6,276,905,109	5,890,277,400	47,615,783,491	44,421,504,000
Others	3,724,694,107	3,661,294,000	107,057,158,704	103,843,703,400

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

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

	As at 30.06.2022		As at 31.12.2021	
	Cost VND	Market value/ fair value VND	Cost VND	Market value/ fair value VND
Bonds	1,339,066,800,000	1,395,647,245,966	1,328,339,800,000	1,346,221,713,216
Corporate Bonds - BIDB2129001C	1,200,000,000,000	1,251,934,225,558	1,200,000,000,000	1,213,566,491,574
Corporate Bonds – BVJC201901	138,066,800,000	142,666,102,600	127,339,800,000	131,620,701,094
Vietnam Bank for Social Policies	1,000,000,000	1,046,917,808	1,000,000,000	1,034,520,548
ETF certificates	59,371,279,308	59,379,805,148	104,817,693,592	107,194,033,518
VFMDIAMOND ETF	32,546,585,337	32,460,759,828	66,471,464,418	67,620,761,208
VFMVN30 ETF	25,794,348,887	25,450,745,320	37,314,916,590	37,769,657,310
MAFMVN30 ETF	1,030,345,084	1,468,300,000	1,030,345,084	1,802,500,000
SSIAMVNX50 ETF	-	-	967,500	1,115,000
Total	1,859,157,946,116	1,898,715,363,690	2,366,363,047,738	2,371,663,569,220

As at 30 June 2022

	Cost VND	Comparison to market price or fair value		Market price/ fair value VND
		Increase VND	Decrease VND	
Listed shares, Unlisted and unregistered shares and shares traded on UPCoM	172,060,359,890	1,176,400,679	(12,949,575,093)	160,287,185,476
Underlying assets designated as hedges for covered warrants	288,659,506,918	1,845,146,423	(7,103,526,241)	283,401,127,100
Listed Bonds	1,339,066,800,000	56,580,445,966	-	1,395,647,245,966
Certificates	59,371,279,308	437,954,916	(429,429,076)	59,379,805,148
Total	1,859,157,946,116	60,039,947,984	(20,482,530,410)	1,898,715,363,690

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

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

As at 31 December 2021	Cost VND	Comparison to market price or fair value		Market price/ fair value VND
		Increase VND	Decrease VND	
Listed shares, Unlisted and unregistered 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
Certificates	104,817,693,592	2,376,339,926	-	107,194,033,518
Total	2,366,363,047,738	31,212,802,336	(25,912,280,854)	2,371,663,569,220

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)**3.3 Loans**

Details of loans at amortised cost exclusive of provisions for impairments are as follows:

	As at	
	30.06.2022	31.12.2021
	VND	VND
Loans for securities transactions (*)	11,226,994,265,474	13,690,097,115,046
Total	<u>11,226,994,265,474</u>	<u>13,690,097,115,046</u>

(*) Margin loans

Margin loans represent the amounts lent to customers for their purchases of listed securities in accordance with Decision 87/2017/QĐ-UBCK issued by the State Securities Commission on 25 January 2017.

3.4 Receivables

	As at	
	30.06.2022	31.12.2021
	VND	VND
Receivables from services provided by the Company		
Consultancy service fees receivable	42,556,460,000	247,500,000
Receivable from securities purchasing	17,000,000,000	638,215,800,000
Other receivables from trading activities	8,447,873,013	860,564,073
Total	<u>68,004,333,013</u>	<u>639,323,864,073</u>
Other receivables		
Bank interest receivables	179,090,166,846	198,136,507,257
Others	15,155,042,050	2,358,547,419
Total	<u>194,245,208,896</u>	<u>200,495,054,676</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.5 Fixed assets

(a) *Tangible fixed assets*

	Transportation vehicles VND	Office equipment VND	Total VND
Historical cost			
As at 01.01.2022	3,554,183,400	116,178,061,528	119,732,244,928
New purchases	7,963,184,000	8,435,905,380	16,399,089,380
Disposals	<u>(1,131,223,400)</u>	<u>(1,129,482,198)</u>	<u>(2,260,705,598)</u>
As at 30.06.2022	<u>10,386,144,000</u>	<u>123,484,484,710</u>	<u>133,870,628,710</u>
Accumulated depreciation			
As at 01.01.2022	2,339,263,770	89,202,127,885	91,541,391,655
Charge for the period	643,175,778	8,742,037,811	9,385,213,589
Disposals	<u>(1,131,223,400)</u>	<u>(1,129,482,198)</u>	<u>(2,260,705,598)</u>
As at 30.06.2022	<u>1,851,216,148</u>	<u>96,814,683,498</u>	<u>98,665,899,646</u>
Net book value			
As at 01.01.2022	<u>1,214,919,630</u>	<u>26,975,933,643</u>	<u>28,190,853,273</u>
As at 30.06.2022	<u>8,534,927,852</u>	<u>26,669,801,212</u>	<u>35,204,729,064</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.5 Fixed assets (continued)

(b) Intangible fixed assets

	Computer software VND
Historical cost	
As at 01.01.2022	85,006,277,084
New purchases	<u>3,870,000,000</u>
As at 30.06.2022	<u>88,876,277,084</u>
Accumulated depreciation	
As at 01.01.2022	73,192,016,774
Charge for the period	<u>3,313,020,795</u>
As at 30.06.2022	<u>76,505,037,569</u>
Net book value	
As at 01.01.2022	<u>11,814,260,310</u>
As at 30.06.2022	<u>12,371,239,515</u>

(c) Construction in progress

Construction in progress comprises the following:

	As at	
	30.06.2022	31.12.2021
	VND	VND
Purchases of trading software	279,885,999	8,483,996,599

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)**3.6 Long-term prepaid expenses**

	As at	
	30.06.2022 VND	31.12.2021 VND
Office rental	79,788,873,529	81,205,244,065
Office renovation	12,327,721,352	10,713,626,279
Consulting fee	321,990,454	737,916,666
IT costs	258,551,648	415,914,855
Total	<u>92,697,136,983</u>	<u>93,072,701,865</u>

3.7 Deposits in the Settlement Supporting Fund

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

As at 30 June 2022 and as at 31 December 2021, the Company fully contributed the maximum amount.

3.8 Deposits in the Derivatives trading Settlement Fund

According to Policy of management and use of Derivatives trading Settlement Fund attached to Decision No.97/QD-VSD dated 23 March 2017 of the Vietnam Securities Depository, the minimum amount of initial contribution applicable to direct clearing members is VND10 billion.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.9 Short-term borrowings

The movements of short-term borrowings during the period are as follows:

	Interest % per annum	Opening balance VND	Disbursement VND	Repayment VND	Closing balance VND
Short-term borrowings (i)					
Bank borrowings	3,5 – 7,5	14,298,687,250,000	36,825,500,000,000	(41,318,500,000,000)	9,805,687,250,000
Bank overdrafts	5,3 – 7,5	741,182,880,242	13,205,600,221,558	(13,450,601,507,701)	496,181,594,099
Total		15,039,870,130,242	50,031,100,221,558	(54,769,101,507,701)	10,301,868,844,099

(i) Borrowings have maturities from 1 to 3 months and are used for working capital.

The Company had no borrowings from related parties as at 30 June 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.10 Trading obligations

	As at	
	30.06.2022 VND	31.12.2021 VND
Payables to investors for purchasing corporate bonds	521,206,803,279	37,760,957,287
Trading settlement balances with Stock Exchanges	118,668,094,500	1,235,843,248,000
Covered warrant payables	43,454,851,382	142,179,229,746
Payables to investors for purchasing stocks	22,706,448,317	22,697,129,093
Payables to Stock Exchanges and VSD	16,968,996,751	21,754,174,480
Others	2,805,299,173	1,329,525,247
Total	725,810,493,402	1,461,564,263,853

3.11 Tax and other payables to the State budget

	As at	
	30.06.2022 VND	31.12.2021 VND
Business income tax – current	69,418,103,300	56,014,262,210
Personal income tax withheld and paid on behalf of investors	29,198,208,700	40,131,204,613
Corporate income tax withheld and paid on behalf of foreign institutions	7,760,261,625	8,615,193,653
Personal income tax withheld and paid on behalf of foreign contractor tax	4,366,187,068	8,054,279,352
Value added tax	-	6,021,548,881
	345,057,229	124,220,593
Total	111,087,817,922	118,960,709,302

3.12 Short-term accrued expenses

	As at	
	30.06.2022 VND	31.12.2021 VND
Allowance for working performances	55,000,000,000	75,000,000,000
Business development expenses payables	23,400,000,000	70,000,000,000
Interest expenses	44,351,077,470	32,147,819,729
Others	17,735,510,486	17,144,894,993
Total	140,486,587,956	194,292,714,722

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.13 Other short-term liabilities

	As at	
	30.06.2022 VND	31.12.2021 VND
Dividends payable to shareholders	3,434,168,865	155,952,838,630
Receipts from investors for their subscriptions of shares from issuers	34,000,000	15,759,161,000
Dividends paid on behalf	3,319,529,368	5,812,620,544
Other payables	11,852,873,465	18,119,149,874
Total	<u>18,640,571,698</u>	<u>195,643,770,048</u>

3.14 Share capital

a. Number of shares

	As at	
	30.06.2022 VND	31.12.2021 VND
Number of shares registered	458,052,367	458,052,367
Number of shares issued	458,052,367	458,052,367
Number of shares repurchased	(840,418)	(840,418)
Number of existing shares in issue	<u>457,211,949</u>	<u>457,211,949</u>

As at 30 June 2022 and as at 31 December 2021, all of the Company's shares are ordinary shares. Each ordinary share has a par value of VND10,000. Each share is entitled to one vote at 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.14 Share capital (continued)

b. Movement of share capital

	Ordinary shares
As at 1 January 2022	<u>457,211,949</u>
As at 30 June 2022	<u>457,211,949</u>

3.15 Undistributed earnings

	As at	
	30.06.2022	31.12.2021
	VND	VND
Realised post-tax profits	1,594,623,529,414	1,133,223,368,908
Unrealised profits	<u>140,455,380,124</u>	<u>97,091,391,468</u>
Total	<u>1,735,078,909,538</u>	<u>1,230,314,760,376</u>

4 NOTES TO OFF STATEMENT OF FINANCIAL POSITION ITEMS

4.1 Foreign currencies

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

	As at	
	30.06.2022	31.12.2021
US Dollar	1,890.18	1,933.03
Japanese Yen	241,870	241,915
Singapore Dollar	844	844
British Pound	10,647.35	6,654.01
Taiwanese Dollar	3,200	3,200
Canadian Dollar	100	100
Malaysian Ringgit	750	750

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

4 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

4.2 Number of shares in issue

	As at	
	30.06.2022	31.12.2021
Quantity issued for 1 year or more (share)	305,041,845	305,041,845
Quantity issued within 1 year (share)	152,170,104	152,170,104
Total	457,211,949	457,211,949

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

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

4.3 Covered warrant

Ticker symbol	Underlying security	Maturity date	As at 30.06.2022 Covered warrant		
			Number of covered warrants authorised for issue	Number of additional issuance of covered warrants	Number of covered warrants issued
CACB2201	Asia Commercial Joint Stock Bank (ACB)	20.09.2022	10,000,000	3,357,400	6,642,600
CFPT2201	FPT Corporation (FPT)	20.09.2022	7,000,000	6,065,400	934,600
CHPG2203	Hoa Phat Group Joint Stock Company (HPG)	20.09.2022	20,000,000	20,000,000	-
CMBB2201	Military Commercial Joint - Stock Bank (MBB)	20.09.2022	7,000,000	6,700,700	299,300
CMWG2201	Mobile World Investment Corporation (MWG)	20.09.2022	5,000,000	4,774,700	225,300
CPNJ2201	Phu Nhuan Jewelry Joint Stock Company (PNJ)	20.09.2022	5,000,000	1,392,800	3,607,200
CSTB2202	Sai Gon Thuong Tin Commercial Joint Stock Bank (STB)	20.09.2022	7,000,000	6,641,800	358,200
CTCB2201	Technology and Commercial Joint Stock Bank (TCB)	20.09.2022	7,000,000	6,918,200	81,800
CVHM2202	Vinhomes Joint Stock Company (VHM)	20.09.2022	7,000,000	5,455,000	1,545,000
CVPB2201	Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	20.09.2022	7,000,000	6,708,000	292,000
CVRE2201	Vincom Retail Joint Stock Company (VRE)	20.09.2022	7,000,000	6,094,600	905,400
CTPB2201	Tien Phong Commercial Joint Stock Bank (TPB)	21.09.2022	10,000,000	7,000,000	3,000,000
CVPB2206	Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	07.11.2022	10,000,000	379,800	9,620,200
CMSN2204	Masan Group Corporation (MSN)	07.11.2022	7,000,000	1,087,400	5,912,600
CSTB2210	Sai Gon Thuong Tin Commercial Joint Stock Bank (STB)	07.11.2022	10,000,000	3,057,300	6,942,700
CACB2204	Asia Commercial Joint Stock Bank (ACB)	07.11.2022	7,000,000	488,500	6,511,500
CVHM2208	Vinhomes Joint Stock Company (VHM)	07.11.2022	7,000,000	730,400	6,269,600
CTCB2206	Technology and Commercial Joint Stock Bank (TCB)	07.11.2022	10,000,000	1,815,200	8,184,800
CVRE2208	Vincom Retail Joint Stock Company (VRE)	07.11.2022	10,000,000	331,700	9,668,300
CMWG2205	Mobile World Investment Corporation (MWG)	07.11.2022	7,000,000	2,207,600	4,792,400
CKDH2207	Khang Dien House Trading and Investment JSC (KDH)	07.11.2022	7,000,000	102,300	6,897,700
CMBB2204	Military Commercial Joint - Stock Bank (MBB)	07.11.2022	10,000,000	893,100	9,106,900
			184,000,000	92,201,900	91,798,100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

5 NOTES TO THE STATEMENT OF INCOME

5.1 Net realised gains on disposals of FVTPL financial assets

	2nd Quarter		Year to date	
	2022 VND	2021 VND	2022 VND	2021 VND
Realised gains on disposals of FVTPL financial assets	427,228,633,253	385,032,200,755	758,238,465,093	1,010,173,685,216
Realised losses on disposals of FVTPL financial assets	(410,606,980,504)	(254,288,522,549)	(634,326,838,750)	(709,204,448,525)
Total	16,621,652,749	130,743,678,206	123,911,626,343	300,969,236,691

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

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

	2nd Quarter		Year to date	
	2022 VND	2021 VND	2022 VND	2021 VND
Gains from revaluation of FVTPL financial assets	25,536,266,888	16,876,238,446	28,827,145,647	(50,206,687,921)
Losses from revaluation of FVTPL financial assets	7,679,073	441,756,822)	5,429,750,447	15,587,895,392
Total	25,543,945,961	16,434,481,624	34,256,896,090	(34,618,792,529)

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

	2nd Quarter		Year to date	
	2022 VND	2021 VND	2022 VND	2021 VND
Decrease in covered warrants liabilities due to revaluations	48,396,535,209	(9,852,001,128)	5,725,856,231	1,529,705,712
Increase in covered warrants liabilities due to revaluations	1,662,468,939	(59,939,754,146)	3,667,248,892	(47,713,930,307)
Total	50,059,004,148	(69,791,755,274)	9,393,105,123	(46,184,224,595)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

5 NOTES TO THE STATEMENT OF INCOME (continued)

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

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

	Cost VND	Market value/ fair value VND	Accumulated revaluation gains/(losses) 30.06.2022 VND	Accumulated revaluation gains/(losses) 31.12.2021 VND	Credited/ (charged) to statement of income VND
Listed shares, Unlisted and unregistered shares and shares traded on UPCoM	172,060,359,892	160,287,185,476	(11,773,174,414)	(9,025,821,787)	(2,747,352,627)
Underlying assets designated as hedges for covered warrants	288,659,506,918	283,401,127,100	(5,258,379,818)	(5,931,909,875)	673,530,057
Listed bonds	1,339,066,800,000	1,395,647,245,966	56,580,445,966	17,881,913,214	38,698,532,752
Certificates	59,371,279,308	59,379,805,148	8,525,840	2,376,339,926	(2,367,814,086)
Total	1,859,157,946,118	1,898,715,363,690	39,557,417,574	5,300,521,478	34,256,896,096

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

	Cost VND	Market value/ fair value VND	Accumulated revaluation gains/(losses) 30.06.2022 VND	Accumulated revaluation gains/(losses) 31.12.2021 VND	Credited/ (charged) to statement of income VND
Covered warrants	144,638,827,110	43,454,852,000	101,183,975,110	91,790,869,989	9,393,105,121
Total	144,638,827,110	43,454,852,000	101,183,975,110	91,790,869,989	9,393,105,121

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

5 NOTES TO THE STATEMENT OF INCOME (continued)

5.3 Operating expenses not related to financial assets

	2nd Quarter		Year to date	
	2022 VND	2021 VND	2022 VND	2021 VND
Proprietary trading activities	17,876,267,036	12,594,547,952	40,235,434,007	26,495,668,196
Staff costs	4,297,011,643	1,996,473,726	12,972,183,358	2,745,431,352
Brokerage fee	5,229,995,408	4,686,530,030	12,130,952,768	11,464,371,864
Depreciation and amortisation	10,639,126	260,574,126	21,278,251	639,050,118
Outsourcing expenses	2,768,399,560	4,274,877,542	4,931,660,291	5,405,180,593
Allocation expenses	5,570,221,299	1,376,092,528	10,179,359,339	6,241,634,269
Brokerage fee expenses	148,933,365,511	185,313,454,714	315,164,102,707	340,952,423,026
Staff costs	65,477,934,287	85,788,976,715	146,583,316,114	153,549,245,081
Brokerage fee	54,541,958,707	74,258,074,920	110,929,777,918	136,527,715,217
Depreciation and amortisation	2,307,252,105	3,503,680,349	4,636,307,273	7,311,019,227
Outsourcing expenses	12,990,250,664	11,111,132,007	26,411,159,032	21,248,260,754
Office rental expenses	5,856,771,977	5,756,496,892	11,781,070,208	10,300,247,787
Allocation expenses	7,759,197,771	4,895,093,831	14,822,472,162	12,015,934,960
Custody service expenses	2,304,185,729	2,134,269,393	4,607,310,571	4,266,140,989
Financial consultancy service expenses	10,511,764,201	4,054,040,422	15,622,569,461	8,071,418,255
Staff costs	9,766,439,164	3,604,383,405	13,985,929,711	6,933,991,941
Outsourcing expenses	745,325,037	449,657,017	1,636,639,750	1,137,426,314
Other operating expenses	961,068,137	797,366,188	1,912,878,641	1,896,872,800
Total	180,586,650,614	204,893,678,669	377,542,295,387	381,682,523,266

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

5 NOTES TO THE STATEMENT OF INCOME (continued)

5.4 General and administration expenses

	2nd Quarter		Year to date	
	2022 VND	2021 VND	2022 VND	2021 VND
Staff costs	32,146,816,628	23,483,966,415	60,393,370,563	46,364,487,128
Allowance for working performance	19,000,000,000	9,000,000,000	55,000,000,000	21,000,000,000
Office rental expenses	5,378,349,999	3,869,710,196	10,526,132,263	8,100,362,223
Outsourcing expenses	11,647,288,998	8,054,929,437	26,872,621,139	16,686,112,903
Depreciation and amortisation	3,693,461,129	2,153,908,060	7,166,798,750	4,328,413,634
Tax and other fees	(9,971,647)	28,189,146	131,007,505	75,581,069
Office tools and supplies	846,570,919	512,496,604	1,303,899,581	821,200,325
Other administrative expenses	5,202,877,627	13,074,004,398	10,858,096,577	15,728,626,951
Total	<u>77,905,393,653</u>	<u>60,177,204,256</u>	<u>172,251,926,378</u>	<u>113,104,784,233</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

6 RELATED PARTIES DISCLOSURES

Identified related parties and relationships are presented below:

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

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

<u>Related party</u>	<u>Transactions</u>	<u>Current period VND</u>
Dragon Capital Markets Limited (DC)	Dividend payable	45,825,278,000
Ho Chi Minh Finance and Investment State-owned Company (HFIC)	Dividend payable Deposits for securities trading	36,487,590,000 25,170,918

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

6 RELATED PARTIES DISCLOSURES (continued)

Related party transactions in Q2/2022

<i>Related party</i>	<i>Transactions</i>	<i>Current period VND</i>
Compensation of key management (*)	Gross salaries and other benefits in Q2/2022	8,405,472,727

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

Remuneration to the Board of Directors

Mr. Johan Nyvene	Chairperson	650,769,231
Mr. Le Anh Minh	Vice Chairperson	176,666,667
Mr. Le Hoang Anh	Member	143,333,333
Mr. Nguyen Hong Van	Member	76,666,667
Mr. Tran Quoc Tu	Member	76,666,667
Ms. Nguyen Thi Hoang Lan	Member	160,000,000
Mr. Andrew Colin Valis	Member	193,333,333

1,477,435,898**Remuneration to the Board of Supervision**

Mr. Pham Nghiem Xuan Bac	Chief Supervisor	123,333,333
Ms. Dang Nguyet Minh	Member	106,666,667
Ms. Nguyen Thi Thu Thanh	Member	56,666,667

286,666,667**Gross salary of the Chief Executive Officer**

Mr. Trinh Hoai Giang	Chief Executive Officer	2,100,000,000
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

7 SEGMENT INFORMATION

Geographical segments

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

Business activity segments

Information of segment income and expenses based on the activities of the Company are as follows:

	For the period ended 30 June 2022				
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Total VND
Revenue and income (*)	527,656,926,950	979,264,399,176	700,275,681,409	48,590,852,086	2,255,787,859,621
Expenses	(323,984,291,919)	(663,165,273,418)	(380,856,644,720)	(15,622,569,461)	(1,383,628,779,518)
<i>In which:</i>					
<i>Direct cash expenses</i>	(306,622,978,772)	(663,555,457,394)	(380,856,644,720)	(15,570,904,572)	(1,366,605,985,458)
<i>Total amount of significant non-cash expenses, other than depreciation, amortisation and allocation of prepaid expenses</i>	-	9,096,999,339	-	-	9,096,999,339
<i>Total depreciation and amortisation of fixed assets</i>	(4,627,690,606)	(21,278,251)	-	(51,664,889)	(4,700,633,746)
<i>Allocation of long-term and short-term prepaid expenses</i>	(12,733,622,541)	(8,685,537,112)	-	-	(21,419,159,653)
Segment result	<u>203,672,635,031</u>	<u>316,099,125,758</u>	<u>319,419,036,689</u>	<u>32,968,282,625</u>	<u>872,159,080,103</u>
Net financial income					2,290,273,778
Net other income					413,145,454
General and administration expenses					(172,251,926,378)
Operating result					702,610,572,957

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

7 SEGMENT INFORMATION (continued)

Business activity segments (continued)

	For the period ended 30 June 2021				
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Total VND
Revenue and income (*)	660,334,131,066	1,073,752,729,303	493,125,424,170	17,378,069,994	2,244,590,354,533
Expenses	(347,115,436,815)	(767,826,151,636)	(256,520,141,915)	(8,071,418,255)	(1,379,533,148,621)
<i>In which:</i>					
<i>Direct cash expenses</i>	(327,556,170,216)	(728,847,196,617)	(256,520,141,915)	(8,026,023,811)	(1,320,949,532,559)
<i>Total amount of significant non-cash expenses, other than depreciation, amortisation and allocation of prepaid expenses</i>	-	(32,126,034,915)	-	-	(32,126,034,915)
<i>Total depreciation and amortisation of fixed assets</i>	(7,311,019,227)	(639,050,118)	-	(45,394,444)	(7,995,463,789)
<i>Allocation of long-term and short-term prepaid expenses</i>	(12,248,247,372)	(6,213,869,986)	-	-	(18,462,117,358)
Segment result	<u>313,218,694,251</u>	<u>305,926,577,667</u>	<u>236,605,282,255</u>	<u>9,306,651,739</u>	<u>865,057,205,912</u>
Net financial income					1,750,622,606
Net other income					16,311,000
General and administration expenses					(113,104,784,233)
Operating result					753,719,355,285

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

7 SEGMENT INFORMATION (continued)

Business activity segments (continued)

Information of segment assets and liabilities based on the activities of the Company are as follows:

	As at 30 June 2022					
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Unallocated VND	Total VND
Segment assets	152,775,070,334	1,951,205,000,086	16,952,988,858,063	45,755,463,525	-	19,102,724,392,008
Unallocated assets	-	-	-	-	77,086,916,723	77,086,916,723
Total assets	152,775,070,334	1,951,205,000,086	16,952,988,858,063	45,755,463,525	77,086,916,723	19,179,811,308,731
Segment liabilities	735,415,761,270	10,100,000,000	10,346,219,921,569	5,500,000,000	-	11,097,235,682,839
Unallocated liabilities	-	-	-	-	252,558,553,940	252,558,553,940
Total liabilities	735,415,761,270	10,100,000,000	10,346,219,921,569	5,500,000,000	252,558,553,940	11,349,794,236,779

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 01 JANUARY 2022 TO 30 JUNE 2022

7 SEGMENT INFORMATION (continued)

Business activity segments (continued)

As at 31 December 2021

	Brokerage and services VND	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

Prepared by



Le Thi Thuy Duong

Chief Financial Officer cum
Chief Accountant



Lam Huu Ho

20 July 2022
Chief Executive Officer



Trinh Hoai Giang