

FINANCIAL STATEMENTS

QUARTER 04/2023

**HO CHI MINH CITY SECURITIES
CORPORATION**



STATEMENT OF FINANCIAL POSITION

Code	ITEMS	Note	As at	
			31.12.2023 VND	31.12.2022 VND
	ASSETS			
100	CURRENT ASSETS		17,728,214,113,678	15,262,466,982,681
110	Financial assets		17,544,806,470,247	15,196,106,202,469
111	Cash and cash equivalents	3.1	2,824,566,706,906	5,640,650,158,821
111.1	<i>Cash</i>		<i>2,824,566,706,906</i>	<i>5,640,650,158,821</i>
112	Financial assets at fair value through profit or loss (FVTPL)	3.2	2,222,153,115,595	1,424,495,705,829
114	Loans	3.3	12,135,124,175,279	7,378,982,938,005
118	Prepayments to suppliers		9,140,072,049	6,823,098,704
119	Service related receivable	3.4	281,371,095,624	580,568,943,700
122	Other receivables	3.4	72,878,512,132	164,585,357,410
129	Provision for doubtful debts		(427,207,338)	-
130	Other current assets		183,407,643,431	66,360,780,212
131	Advances		492,164,421	794,883,916
133	Short-term prepaid expenses		24,656,347,060	19,308,153,346
134	Short-term security deposits		52,300,000	176,900,000
137	Other current assets		158,206,831,950	46,080,842,950
137.1	<i>Deposits for derivatives trading activities</i>		<i>158,206,831,950</i>	<i>46,080,842,950</i>
200	NON-CURRENT ASSETS		182,460,959,310	184,488,062,533
220	Fixed assets		54,937,378,860	58,275,475,559
221	Tangible fixed assets	3.5	49,004,362,266	48,833,023,729
222	<i>Historical cost</i>		<i>182,850,123,610</i>	<i>157,362,602,910</i>
223a	<i>Accumulated depreciation</i>		<i>(133,845,761,344)</i>	<i>(108,529,579,181)</i>
227	Intangible fixed assets	3.5	5,933,016,594	9,442,451,830
228	<i>Historical cost</i>		<i>91,105,851,084</i>	<i>89,320,899,084</i>
229a	<i>Accumulated amortisation</i>		<i>(85,172,834,490)</i>	<i>(79,878,447,254)</i>
240	Construction in progress		125,518,750	-
250	Other non-current assets		127,398,061,700	126,212,586,974
251	Long-term security deposits		10,512,004,062	10,474,004,062
252	Long-term prepaid expenses	3.6	84,287,371,170	83,495,337,912
253	Deferred income tax assets		2,598,686,468	2,243,245,000
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	<i>Deposits in the Derivatives trading clearing fund</i>	3.8	<i>10,000,000,000</i>	<i>10,000,000,000</i>
270	TOTAL ASSETS		17,910,675,072,988	15,446,955,045,214

STATEMENT OF FINANCIAL POSITION
(continued)

Code	ITEMS	Note	As at	
			31.12.2023 VND	31.12.2022 VND
300	LIABILITIES		9,598,589,845,357	7,555,122,708,990
310	Current liabilities		9,598,589,845,357	7,555,122,708,990
311	Short-term borrowings and finance lease liabilities		9,160,263,661,784	6,938,057,640,000
312	Short-term borrowings	3.9	9,160,263,661,784	6,938,057,640,000
318	Trading obligations	3.10	86,883,655,383	46,315,877,007
320	Short-term trade payables		6,143,330,081	7,079,654,815
322	Taxes and other payables to the State	3.11	72,985,535,867	77,473,019,194
324	Accrued employees' welfares		7,964,741,214	6,746,624,294
325	Short-term accrued expenses	3.12	146,960,118,154	188,422,944,100
329	Other short-term payables	3.13	56,622,200,564	250,047,320,274
331	Bonus and welfare funds		60,766,602,310	40,979,629,306
400	OWNERS' EQUITY		8,312,085,227,631	7,891,832,336,224
410	Owners' equity	3.14	8,312,085,227,631	7,891,832,336,224
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	Ordinary shares with voting rights		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	2,217,147,065,217	1,796,894,173,810
417.1	Realised profits after tax		2,174,138,486,316	1,783,167,200,002
417.2	Unrealised profits		43,008,578,901	13,726,973,808
440	TOTAL RESOURCES		17,910,675,072,988	15,446,955,045,214

HO CHI MINH CITY SECURITIES CORPORATION

Form B01a – CTCK

OFF STATEMENT OF FINANCIAL POSITION ITEMS

Code	ITEMS	Note	As at	
			31.12.2023	31.12.2022
A	ASSETS OF THE COMPANY AND ASSETS UNDER ENTRUSTMENT			
			<i>Amount (VND)</i>	
004	Bad debts written off		39,928,851,148	39,928,851,148
			<i>Original currency</i>	
005	Foreign currencies			
	United States Dollar		6,498.72	2,050.14
	Japanese Yen		241,915	241,915
	Singapore Dollar		-	844
	British Pound		8,130.78	12,641.66
	New Taiwan Dollar		3,200	3,200
	Canadian Dollar		100	100
	Malaysian Ringgit		750	750
	Euro (EUR)		6,164,80	-
			<i>Quantity</i>	
006	Number of shares in issue (shares)	4.1	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 Viet Nam Securities Depository and Clearing Corporation ("VSDC")		1,765,271,820,000	1,428,460,460,000
	<i>Freely traded securities</i>		965,271,820,000	408,460,460,000
	<i>Mortgaged securities</i>		800,000,000,000	1,020,000,000,000
009	Securities in custody of VSDC and not yet traded		658,170,000	423,381,500,000
010	Securities purchased and awaiting settlement		78,829,660,000	158,247,490,000
			<i>Quantity</i>	
014	Covered warrants authorised but not yet issued	4.2	140,644,600	270,920,500
B	ASSETS OF AND LIABILITIES TO CUSTOMERS			
			<i>Par value (VND)</i>	
021	Securities listed/registered at VSDC		34,069,851,203,976	32,775,352,660,320
021.1	<i>Freely traded securities</i>		30,347,866,262,300	30,046,846,107,000
021.2	<i>Restricted securities</i>		249,290,330,000	63,275,910,000
021.3	<i>Pledged securities</i>		2,320,182,040,000	1,853,864,070,000
021.4	<i>Suspended securities</i>		105,492,250,000	102,322,250,000
021.5	<i>Securities awaiting settlement</i>		637,876,922,700	359,531,281,000

OFF STATEMENT OF FINANCIAL POSITION ITEMS
(continued)

Code	ITEMS	Note	As at	
			31.12.2023 VND	31.12.2022 VND
B	ASSETS OF AND LIABILITIES TO CUSTOMERS (continued)			
			<i>Par value (VND)</i>	
021.7	Customers' deposits for derivatives trading		409,143,398,976	349,513,042,320
022	Securities in custody of VSDC and not yet traded		501,465,000,000	112,394,200,000
022.1	Securities in custody of VSDC and not yet traded – freely traded securities		468,783,590,000	26,410,320,000
022.2	Securities in custody of VSDC and not yet traded – suspended securities		32,681,410,000	85,983,880,000
023	Securities purchased and awaiting settlement		550,145,070,000	356,499,962,000
024b	Securities not in custody of VSDC of investors		5,500,000,000	5,500,000,000
026	Customers' deposits		2,507,535,049,674	2,011,394,444,803
027	Customers' deposits for securities trading		2,098,391,650,698	1,661,881,402,483
027.1	Customers' deposits at VSDC		409,143,398,976	349,513,042,320
031	Payables to customers relating to their deposits at the Company for securities trading		2,098,391,650,698	1,661,881,402,483
031.1	Payables to domestic customers relating to their deposits at the Company for securities trading		2,096,658,931,756	1,659,232,766,064
031.2	Payables to foreign customers relating to their deposits at the Company for securities trading		1,732,718,942	2,648,636,419

Prepared by



Le Thi Thuy Duong

Chief Financial Officer cum
Chief Accountant


Lam Huu Ho

19 January 2024
Chief Executive Officer


Trinh Hoai Giang

HO CHI MINH CITY SECURITIES CORPORATION
FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

Form B02a – CTCK

STATEMENT OF INCOME

Code	ITEMS	Note	4 th Quarter		Year to date	
			2023 VND	2022 VND	2023 VND	2022 VND
	OPERATING INCOME					
01	Income from FVTPL financial assets		345,887,159,421	427,822,589,451	1,122,444,712,468	1,673,769,166,596
01.1	<i>Realised gains on disposal of FVTPL financial assets</i>	5.1	256,616,795,008	324,798,853,478	665,608,273,719	1,329,305,033,052
01.2	<i>Increase in revaluation gains of FVTPL financial assets</i>	5.2a	11,444,539,610	(4,489,858,126)	12,425,298,148	(13,745,393,136)
01.3	<i>Dividends and interest income from FVTPL financial assets</i>		77,396,224,835	118,693,124,026	418,916,491,878	454,313,414,603
01.4	<i>Decrease in covered warrants liabilities due to revaluations</i>	5.2b	429,599,968	(11,179,529,927)	25,494,648,723	(96,103,887,923)
03	Interest income from loans and receivables		319,978,290,790	254,749,014,857	1,066,651,824,210	1,273,381,029,024
06	Brokerage fee income		176,010,418,705	194,646,542,037	672,114,746,281	881,714,329,917
09	Custody service income		2,582,372,617	2,577,416,519	10,013,483,537	9,326,084,675
10	Financial consultancy service income		14,010,875,073	4,102,913,499	22,134,559,699	53,809,594,152
11	Other operating income		3,024,546,796	2,780,700,924	9,804,471,264	9,444,588,666
20	TOTAL OPERATING INCOME		861,493,663,402	886,679,177,287	2,903,163,797,459	3,901,444,793,030
	OPERATING EXPENSES					
21	Losses from FVTPL financial assets		260,808,542,713	303,044,998,350	649,559,485,908	1,050,570,428,618
21.1	<i>Realised losses on disposal of FVTPL financial assets</i>	5.1	276,995,641,809	316,309,838,715	640,921,144,130	1,077,055,292,017
21.2	<i>Decrease in revaluation losses of FVTPL financial assets</i>	5.2a	(16,658,801,811)	(13,296,540,239)	8,223,317,807	(21,571,497,129)
21.3	<i>Increase in covered warrants liabilities due to revaluations</i>	5.2b	471,702,715	31,699,874	415,023,971	(4,913,366,270)
24	Provisions for financial assets, losses on bad debts, impairment losses of financial assets and interest expenses associated with loans		117,211,366,513	176,068,635,198	487,338,994,343	750,725,049,674
26	Proprietary trading activities	5.3	10,123,261,932	15,071,863,377	48,141,651,795	72,102,674,942
27	Brokerage fee expenses	5.3	130,158,827,611	136,559,540,022	469,988,244,655	572,805,427,628
30	Custody service expenses	5.3	2,780,567,717	2,674,129,097	10,882,377,718	9,798,386,787
31	Financial consultancy service expenses	5.3	6,309,364,948	5,044,559,259	25,316,156,138	26,093,851,921
32	Other operating expenses	5.3	1,177,263,335	1,149,793,413	4,490,885,157	4,124,185,703
40	TOTAL OPERATING EXPENSES		528,569,194,769	639,613,518,716	1,695,717,795,714	2,486,220,005,273

HO CHI MINH CITY SECURITIES CORPORATION
FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

Form B02a – CTCK

STATEMENT OF INCOME
(continued)

Code	ITEMS	Note	4 th Quarter		Year to date	
			2023 VND	2022 VND	2023 VND	2022 VND
	FINANCIAL INCOME					
42	Dividend income and interest income from demand deposits		309,140,183	192,360,721	2,230,085,646	2,935,810,645
50	TOTAL FINANCIAL INCOME		309,140,183	192,360,721	2,230,085,646	2,935,810,645
62	GENERAL AND ADMINISTRATIVE EXPENSES	5.4	108,110,820,784	87,952,401,935	367,467,373,811	350,767,604,201
70	OPERATING RESULT		225,122,788,032	159,305,617,357	842,208,713,580	1,067,392,994,201
	OTHER INCOME AND EXPENSES					
71	Other income		-	-	21,818,182	413,145,454
80	NET OTHER INCOME		-	-	21,818,182	413,145,454
90	NET ACCOUNTING PROFIT BEFORE TAX		225,122,788,032	159,305,617,357	842,230,531,762	1,067,806,139,655
91	Realised profit		197,061,549,358	161,710,165,045	812,948,926,669	1,151,170,557,315
92	Unrealised profit		28,061,238,674	(2,404,547,688)	29,281,605,093	(83,364,417,660)

HO CHI MINH CITY SECURITIES CORPORATION
 FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

Form B02a – CTCK

STATEMENT OF INCOME
 (continued)

Code	ITEMS	Note	4 th Quarter		Year to date	
			2023 VND	2022 VND	2023 VND	2022 VND
100	CORPORATE INCOME TAX (“CIT”)		45,838,086,731	33,975,052,998	167,871,665,855	215,318,263,721
100.1	Corporate income tax – current		46,193,528,199	34,238,315,498	168,227,107,323	215,581,526,221
100.2	Corporate income tax – deferred		(355,441,468)	(263,262,500)	(355,441,468)	(263,262,500)
200	NET PROFIT AFTER TAX		179,284,701,301	125,330,564,359	674,358,865,907	852,487,875,934

Prepared by



Le Thi Thuy Duong

Chief Financial Officer cum
 Chief Accountant



Lam Huu Ho



19, January 2024
 Chief Executive Officer

Trinh Hoai Giang

STATEMENT OF CASH FLOWS
(Indirect method)

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

HO CHI MINH CITY SECURITIES CORPORATION
FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

Form B03(b)a – CTCK

STATEMENT OF CASH FLOWS
(Indirect method)
(continued)

Code	ITEMS	Year to date	
		2023 VND	2022 VND
52	Other payments for operating activities	(112,125,989,000)	(1,404,910,800)
60	Net cash (outflow for)/inflow from for operating activities	(4,553,328,332,149)	6,731,741,019,936
	Cash flows from investing activities		
61	Cash paid for purchases of fixed assets	(27,794,710,850)	(35,721,688,981)
62	Proceeds from disposals of fixed assets	-	450,000,000
70	Net cash outflow for investing activities	(27,794,710,850)	(35,271,688,981)
	Cash flows from financing activities		
73.2	Proceeds from borrowings	49,420,848,122,941	74,341,648,152,273
74.3	Repayments of principals of borrowings	(47,198,642,101,157)	(82,443,460,642,515)
76	Payment of dividend	(457,166,430,700)	(152,518,669,765)
80	Net cash inflow from/(outflow for) financing activities	1,765,039,591,084	(8,254,331,160,007)
90	Decrease in cash and cash equivalents	(2,816,083,451,915)	(1,557,861,829,052)
101	Cash and cash equivalents at beginning of year	5,640,650,158,821	7,198,511,987,873
101.1	Cash	5,640,650,158,821	7,198,511,987,873
103	Cash and cash equivalents at end of year	2,824,566,706,906	5,640,650,158,821
103.1	Cash	2,824,566,706,906	5,640,650,158,821

HO CHI MINH CITY SECURITIES CORPORATION
FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

Form B03(b)a – CTCK

STATEMENT OF CASH FLOWS
(Indirect method)
(continued)

CASH FLOWS OF BROKERAGE AND ENTRUSTMENT ACTIVITIES

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

Prepared by



Le Thi Thuy Duong

Chief Financial Officer cum
Chief Accountant



Lam Huu Ho

19 January 2024
Chief Executive Officer




Trinh Hoai Giang

HO CHI MINH CITY SECURITIES CORPORATION

STATEMENT OF CHANGES IN EQUITY

Form B04a – CTCK

Items	As at		For the period ended 31 December 2022		For the period ended 31 December 2023		As at	
	1.1.2022	1.1.2023	Increase	Decrease	Increase	Decrease	31.12.2022	31.12.2023
	VND	VND	VND	VND	VND	VND	VND	VND
1. Owners' capital	5,535,583,100,992	5,535,583,100,992	-	-	-	-	5,535,583,100,992	5,535,583,100,992
1.1 Ordinary shares with voting rights	4,580,523,670,000	4,580,523,670,000	-	-	-	-	4,580,523,670,000	4,580,523,670,000
1.2 Share premium	967,536,880,000	967,536,880,000	-	-	-	-	967,536,880,000	967,536,880,000
1.3 Treasury shares	(12,477,449,008)	(12,477,449,008)	-	-	-	-	(12,477,449,008)	(12,477,449,008)
2. Supplementary capital reserve	277,696,843,214	277,696,843,214	-	-	-	-	277,696,843,214	277,696,843,214
3. Financial risk and operation reserve	277,696,843,214	277,696,843,214	-	-	-	-	277,696,843,214	277,696,843,214
4. Other equity funds	3,961,374,994	3,961,374,994	-	-	-	-	3,961,374,994	3,961,374,994
6. Undistributed earnings	1,230,314,760,376	1,796,894,173,810	852,487,875,934	285,908,462,500	674,358,865,907	254,105,974,500	1,796,894,173,810	2,217,147,065,217
6.1 Realised profit after tax	1,133,223,368,908	1,783,167,200,002	935,852,293,594	285,908,462,500	645,077,260,814	254,105,974,500	1,783,167,200,002	2,174,138,486,316
6.2 Unrealised profits after tax	97,091,391,468	13,726,973,808	(83,364,417,660)	-	29,281,605,093	-	13,726,973,808	43,008,578,901
Total	7,325,252,922,790	7,891,832,336,224	852,487,875,934	285,908,462,500	674,358,865,907	254,105,974,500	7,891,832,336,224	8,312,085,227,631

Prepared by



Le Thi Thuy Duong

Chief Financial Officer cum
Chief Accountant



Lam Huu Ho



19 January 2024

Chief Executive Officer



Trinh Hoai Giang

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

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

Ho Chi Minh City Securities Corporation (“the Company”) is a joint stock company incorporated in Vietnam under Business registration certificate No. 4103001573 issued by the Department of Planning and Investment of Ho Chi Minh City on 23 April 2003 and the Establishment and operation licence No. 11/UBCK-GPHĐKD issued by the State Securities Commission (“SSC”) on 29 April 2003. The Establishment and operation licence was amended several times and the latest amendment No. 125/GPĐC-UBCK was issued on 27 December 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 8 August 2022.

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.

Capital position

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

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.

Structure of the Company and businesses

As at 31 December 2023, the Company had 1 branch and 1 transaction office in Vietnam.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

1 GENERAL INFORMATION (continued)**The corporation's operational features in Quarter 4-2023 affecting the financial statements**

The financial statements are influenced by the business operations in Q4-2023, which resulted in a 43% increase in profit after tax compared to the same quarter of 2022. The main factors for this increase are:

- a. Revenue in Q4-2023 increased by 2% compared to the revenue Q4-2022 (excluding the impact of the revenue and expense items of the proprietary-trading activities mentioned below) in which:
 - Revenue from margin lending in Q4-2023 increased by 26% compared to the same period last year due to the positive liquidity of the market, so the demand for margin lending of investors was also more positive;
 - Revenue from financial advisory activities increased more than four times compared to the same period last year because the Company had completed transactions in Q4-2023;
 - The result of proprietary-trading activities (the net value between item 1 and item 21 in the Statement of Income) decreased by 32% over the two comparison periods due to the unfavorable market fluctuations for investment activities.
- b. Operating expenses (excluding the impact of item 21 as mentioned above) of the Q4-2023 decreased by 20% compared to Q4-2022 mainly due to the decrease in securities brokerage business expenses corresponding to the decrease in revenue.
- c. Management expenses in Q4-2023 increased by 23% compared to the management expenses of Q4-2022 due to the adjustment in the structure of the supporting departments in line with the operation and development of the Company.

The corporation's operational features during in 2023 affected financial statements:

The financial statements are influenced by the business operations in 2023, which resulted in a 21% decrease in profit after tax compared to 2022. The main factors for this increase are:

- a. Revenue in 2023 decreased by 26% compared to the revenue of 2022 (excluding the impact of the revenue and expense items of the proprietary-trading activities mentioned below) in which:
 - Revenue from securities brokerage in 2023 decreased by 24% due to the market liquidity decreased by 13% compared to the previous year;
 - Revenue from margin lending in 2023 decreased by 16% partly affected by the lower liquidity in 2023 than in 2022;
 - The result of proprietary-trading activities (the net value between item 1 and item 21 in the Statement of Income) decreased by 24% compared to 2022 due to the unfavorable market fluctuations for investment activities.
- b. Operating expenses (excluding the impact of item 21 as mentioned above) of 2023 decreased by 27% compared to 2022 mainly due to the decrease in securities brokerage business expenses and margin lending expenses corresponding to the decrease in securities brokerage revenue and margin lending revenue.
- c. Management expenses in 2023 increased by 5% in line with the operation of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

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 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 Fiscal year

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

These financial statements are prepared for the period from 1 January 2023 to 31 December 2023.

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 2023 TO 31 DECEMBER 2023

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 2023 TO 31 DECEMBER 2023

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 year where appropriate, to the net present value of a financial asset or a financial liability.

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

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

- Significant financial difficulty of the issuer or the obligor;
- A breach of contract, such as default or delinquency in interest or principal payments;
- The lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

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)**

- 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 period, 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 2023 TO 31 DECEMBER 2023

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

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)*

Objective evidence of impairment for equity instruments may include:

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

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

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

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

Non-FVTPL financial assets are reclassified to FVTPL financial assets before disposal. Accumulated revaluation of AFS financial assets in equity will be recorded 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 2023 TO 31 DECEMBER 2023

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 becomes a party to the contractual provisions of the instruments.

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

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

(d) Initial recognition

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 Viet Nam Securities Depository and Clearing Corporation ("VSDC")*

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 2023 TO 31 DECEMBER 2023

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:

Overdue period	Provision rate
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 2023 TO 31 DECEMBER 2023

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 interim statement of financial position. The corresponding cash paid is recognised in the interim 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 2023 TO 31 DECEMBER 2023

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 the type of transactions on which they arise as follows:

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

Liabilities are classified as current and non-current liabilities in the 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 2023 TO 31 DECEMBER 2023

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 period.

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 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.

2.18 Provisions for severance allowances

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.19 Equity****(a) Owners' capital**

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

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

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

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

(b) 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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.19 Equity (continued)****(c) *Financial and operational risk reserve and supplementary capital reserve (continued)***

Before 1 February 2022:

- According to Circular 146/2014/TT-BTC, securities companies are required to make annual appropriation to the financial and operational risk reserve and supplementary capital reserve at 5% of the post-tax profit for each reserve in each of its profitable years until the accumulated balance of each reserve reaches 10% of the charter capital.
- Financial and operational risk reserve is made to compensate the residual losses and damages arising in operation beyond the indemnification received from the parties causing damages and insurance companies and the utilisation of indemnity funds and the relevant provisions made.
- Supplementary capital reserve serves as a financial resource to increase charter capital.

(d) *Other equity funds*

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

2.20 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.20 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.

2.21 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 2023 TO 31 DECEMBER 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.22 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.

2.23 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.

2.24 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 2023 TO 31 DECEMBER 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.25 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.

2.26 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	
	31.12.2023	31.12.2022
	VND	VND
Cash on hand	381,061,602	720,581,310
Cash at bank	2,604,185,645,304	5,330,529,577,511
Security deposit for covered warrants issued (i)	220,000,000,000	309,400,000,000
Total	<u>2,824,566,706,906</u>	<u>5,640,650,158,821</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 2023 TO 31 DECEMBER 2023

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

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

	As at 31.12.2023		As at 31.12.2022	
	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	602,741,644,831	601,019,022,193	171,030,969,919	168,805,064,625
Vietnam Dairy Products Joint Stock Company (VNM)	53,268,998,570	48,767,924,400	4,006,357,173	3,905,375,900
Military Commercial Joint - Stock Bank (MBB)	46,023,740,848	47,172,004,500	9,071,209,468	8,803,746,900
FPT Corporation (FPT)	45,653,904,602	45,775,697,400	21,712,949,453	21,669,343,400
Vietnam Prosperity Joint Stock Commercial Bank (VPB)	40,651,044,511	42,033,235,200	10,978,406,753	10,967,884,900
PetroVietnam Power Technical Services Center (POW)	38,161,484,166	32,055,412,500	435,561,924	425,680,500
Asia Commercial Joint Stock Bank (ACB)	34,100,725,163	34,934,056,400	9,943,986,599	9,639,832,500
Vietnam Technology and Commercial Joint Stock Bank (TCB)	33,644,085,879	34,539,888,000	12,896,826,886	12,342,341,000
Hoa Phat Group (HPG)	29,722,684,541	30,206,179,900	4,857,142,029	4,759,596,000
Mobile World Investment Corporation (MWG)	25,781,865,698	25,749,164,800	15,598,946,303	15,037,136,400
Sai Gon Thuong Tin Commercial Joint Stock Bank (STB)	22,478,783,251	22,950,304,000	3,670,102,583	3,638,700,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam (VCB)	18,615,545,448	18,172,853,600	3,197,170,226	3,197,280,000
Vinhomes Joint Stock Company (VHM)	18,317,035,689	19,091,592,000	5,629,097,943	5,569,680,000
Vingroup Joint Stock Company (VIC)	16,913,858,528	17,292,445,800	5,978,657,044	5,752,457,400
SSI Securities Corporation (SSI)	15,707,455,096	15,865,720,800	1,680,922,341	1,571,954,700
Ho Chi Minh City Development Joint Stock Commercial Bank (HDB)	14,772,930,331	15,785,300,300	2,566,197,029	2,481,708,350
Ma San Group Corporation (MSN)	14,497,125,472	14,794,940,000	4,664,048,376	4,540,260,000
Saigon Hanoi Commercial Joint Stock Bank (SHB)	13,483,724,296	13,473,194,400	-	-
Vietnam International Commercial Joint Stock Bank (VIB)	11,720,806,964	11,982,146,400	4,088,616,268	3,985,155,000
Southeast Asia Commercial Joint Stock Bank (SSB)	10,829,592,499	11,290,670,700	-	-
Vietjet Aviation Joint Stock Company (VJC)	10,195,667,146	10,299,096,000	5,782,860,715	5,711,739,000
Others	88,200,586,133	88,787,195,093	44,271,910,806	44,805,192,675

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

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

	As at 31.12.2023		As at 31.12.2022	
	Cost	Market value/ fair value	Cost	Market value/ fair value
Underlying assets designated as hedges for covered warrants	260,505,652,264	263,197,145,250	22,373,244,575	22,290,582,800
Sai Gon Thuong Tin Commercial Joint Stock Bank (STB)	72,540,980,342	72,235,377,500	3,009,532,977	3,049,875,000
FPT Corporation (FPT)	51,314,511,309	51,675,853,000	2,356,689,547	2,373,903,000
Mobile World Investment Corporation (MWG)	25,786,848,358	26,257,800,000	-	-
Vietnam Technology and Commercial Joint Stock Bank (TCB)	24,961,407,691	25,938,624,000	1,161,842,344	1,064,503,000
Vinhomes Joint Stock Company (VHM)	19,008,453,131	19,915,200,000	-	-
Vincom Retail Joint Stock Company (VRE)	17,493,519,042	17,530,221,000	545,066,465	540,991,000
Vietnam Dairy Products Joint Stock Company (VNM)	15,690,500,958	15,311,400,000	2,870,720,301	2,800,480,000
Vietnam Prosperity Joint Stock Commercial Bank (VPB)	13,848,447,763	13,992,806,400	9,586,187,608	9,687,336,800
Others	19,860,983,670	20,339,863,350	2,843,205,333	2,773,494,000
Bonds	1,200,000,000,000	1,213,045,479,452	1,201,000,000,000	1,216,336,958,904
Corporate Bonds - BIDB2129001C	1,200,000,000,000	1,213,045,479,452	1,200,000,000,000	1,215,317,917,808
Vietnam Bank for Social Policies	-	-	1,000,000,000	1,019,041,096
ETF certificates	141,577,212,688	144,891,468,700	16,964,865,864	17,063,099,500
VFMDIAMOND ETF	97,375,018,764	99,656,818,000	11,881,092,172	12,060,360,000
FUESSV50 ETF	40,629,532,035	41,235,656,000	-	-
VFMVN30 ETF	1,545,159,689	1,586,894,700	3,056,271,492	3,006,139,500
MAFMVN30 ETF	1,030,345,084	1,341,100,000	1,030,345,084	1,182,300,000
FUEDCMID ETF	997,157,116	1,071,000,000	997,157,116	814,300,000
Total	2,204,824,509,783	2,222,153,115,595	1,411,369,080,358	1,424,495,705,829

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

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 2023	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	602,741,644,831	9,659,702,012	(11,382,324,650)	601,019,022,193
Underlying assets designated as hedges for covered warrants	260,505,652,264	3,378,368,045	(686,875,059)	263,197,145,250
Listed Bonds	1,200,000,000,000	13,045,479,452	-	1,213,045,479,452
Certificates	141,577,212,688	3,314,256,012	-	144,891,468,700
Total	2,204,824,509,783	29,397,805,521	(12,069,199,709)	2,222,153,115,595

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

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	
	31.12.2023	31.12.2022
	VND	VND
Loans for securities transactions (*)	12,135,124,175,279	7,378,982,938,005
Total	<u>12,135,124,175,279</u>	<u>7,378,982,938,005</u>

(*) The balance represented margin loans and trading advances. 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	
	31.12.2023	31.12.2022
	VND	VND
Receivables from services provided by the Company		
Receivable from VSDC	251,011,265,410	549,833,689,050
Receivable from securities purchasing	17,000,000,000	17,000,000,000
Consultancy service fees receivable	11,483,380,000	11,423,380,000
Other receivables from trading activities	1,876,450,214	2,311,874,650
Total	<u>281,371,095,624</u>	<u>580,568,943,700</u>
Other receivables		
Bank interest receivables	71,657,469,039	163,540,195,476
Others	1,221,043,093	1,045,161,934
Total	<u>72,878,512,132</u>	<u>164,585,357,410</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

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 01.01.2023	15,605,254,800	141,757,348,110	157,362,602,910
New purchases	5,508,580,000	20,375,660,100	25,884,240,100
Disposals	(13,640,000)	(383,079,400)	(396,719,400)
As at 31.12.2023	<u>21,100,194,800</u>	<u>161,749,928,810</u>	<u>182,850,123,610</u>
Accumulated depreciation			
As at 01.01.2023	2,933,054,431	105,596,524,750	108,529,579,181
Charge for the period	3,110,524,411	22,602,377,152	25,712,901,563
Disposals	(13,640,000)	(383,079,400)	(396,719,400)
As at 31.12.2023	<u>6,029,938,842</u>	<u>127,815,822,502</u>	<u>133,845,761,344</u>
Net book value			
As at 01.01.2023	<u>12,672,200,369</u>	<u>36,160,823,360</u>	<u>48,833,023,729</u>
As at 31.12.2023	<u>15,070,255,958</u>	<u>33,934,106,308</u>	<u>49,004,362,266</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.5 Fixed assets (continued)

(b) Intangible fixed assets

	Computer software VND
Nguyên giá	
As at 01.01.2023	89,320,899,084
New purchases	<u>1,784,952,000</u>
As at 31.12.2023	<u>91,105,851,084</u>
Accumulated depreciation	
As at 01.01.2023	79,878,447,254
Charge for the period	<u>5,294,387,236</u>
As at 31.12.2023	<u>85,172,834,490</u>
Net book value	
As at 01.01.2023	<u>9,442,451,830</u>
As at 31.12.2023	<u>5,933,016,594</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

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

	As at	
	31.12.2023	31.12.2022
	VND	VND
Office rental	75,539,761,921	78,372,502,993
Office renovation	8,552,361,449	4,961,004,473
IT costs	195,247,800	161,830,446
Total	<u>84,287,371,170</u>	<u>83,495,337,912</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 31 December 2023 and as at 31 December 2022, 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 2023 TO 31 DECEMBER 2023

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)					
Local bank borrowings	2,9 - 10,5 LIBOR + 2 - 2,3	3,515,000,000,000	25,394,000,000,000	(23,129,000,000,000)	5,780,000,000,000
Foreign bank borrowings	SOFR + 2,3 - 2,65	2,697,057,640,000	1,688,598,000,000	(2,697,057,640,000)	1,688,598,000,000
Bank overdrafts	5,0 - 7,6	700,000,000,000	21,221,394,602,290	(21,039,634,365,164)	881,760,237,126
Other borrowings	3,4 - 7,6	26,000,000,000	1,116,855,520,651	(332,950,095,993)	809,905,424,658
Total		6,938,057,640,000	49,420,848,122,941	(47,198,642,101,157)	9,160,263,661,784

- (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 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.10 Trading obligations

	As at	
	31.12.2023 VND	31.12.2022 VND
Covered warrant payables	48,806,417,000	2,999,481,104
Advances from investors for securities purchases	22,718,333,580	22,969,626,993
Payables to Stock Exchanges and VSDC	12,791,855,550	19,019,040,498
Others	2,567,049,253	1,327,728,412
Total	86,883,655,383	46,315,877,007

3.11 Tax and other payables to the State budget

	As at	
	31.12.2023 VND	31.12.2022 VND
CIT - current	46,193,528,199	34,238,315,498
Personal income tax ("PIT") withheld and paid on behalf of investors	14,796,423,824	31,918,221,207
CIT withheld and paid on behalf of foreign institutions	6,537,154,024	4,789,324,711
PIT withheld and paid on behalf of employees	4,676,674,471	4,196,047,521
Value added tax	717,488,105	2,230,058,653
Foreign contractor withholding tax	64,267,244	101,051,604
Total	72,985,535,867	77,473,019,194

3.12 Short-term accrued expenses

	As at	
	31.12.2023 VND	31.12.2022 VND
Allowance for working performances	67,500,000,000	85,000,000,000
Interest expenses	35,548,257,726	48,635,135,551
Business development expenses payables	16,198,000,000	38,959,000,000
Provisions for severance allowances	12,566,225,000	11,216,225,000
Others	15,147,635,428	4,612,583,549
Total	146,960,118,154	188,422,944,100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.13 Other short-term liabilities

	As at	
	31.12.2023 VND	31.12.2022 VND
Receipts from investors for their subscriptions of shares from issuers	36,883,112,000	12,450,000
Dividends paid on behalf	3,734,547,794	3,404,224,244
Dividends payable to shareholders	3,479,687,165	232,040,143,365
Other payables	12,524,853,605	14,590,502,665
Total	<u>56,622,200,564</u>	<u>250,047,320,274</u>

3.14 Owners' capital

a. Number of shares

	As at	
	31.12.2023 VND	31.12.2022 VND
Number of shares registered	458,052,367	458,052,367
Number of shares issued	458,052,367	458,052,367
Number of shares repurchased	(840,418)	(840,418)
Number of shares in issue	<u>457,211,949</u>	<u>457,211,949</u>

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.14 Owners' capital (continued)

b. Movement of share capital

	Ordinary shares in issue
As at 1 January 2023	<u>457,211,949</u>
As at 31 December 2023	<u>457,211,949</u>

3.15 Undistributed earnings

	As at	
	31.12.2023	31.12.2022
	VND	VND
Realised post-tax profits	2,174,138,486,316	1,783,167,200,002
Unrealised profits	<u>43,008,578,901</u>	<u>13,726,973,808</u>
Total	<u>2,217,147,065,217</u>	<u>1,796,894,173,810</u>

4 NOTES TO OFF STATEMENT OF FINANCIAL POSITION ITEMS

4.1 Number of shares in issue

	As at	
	31.12.2023	31.12.2022
Quantity issued for 1 year or more (share)	<u>457,211,949</u>	<u>457,211,949</u>
Total	<u>457,211,949</u>	<u>457,211,949</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

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

4.2 Covered warrant

Ticker symbol	Underlying security	Maturity date	As at 31.12.2023		
			Number of covered warrants authorised for issue	Number of covered warrants issued	Number of covered warrants authorised but not yet issued
CFPT2308	FPT Corporation (FPT)	24.01.2024	7,000,000	2,086,300	4,913,700
CHPG2327	Hoa Phat Group Joint Stock Company (HPG)	24.01.2024	10,000,000	483,700	9,516,300
CMBB2310	Military Commercial Joint - Stock Bank (MBB)	24.01.2024	7,000,000	88,000	6,912,000
CMSN2310	Masan Group Corporation (MSN)	24.01.2024	7,000,000	6,246,800	753,200
CMWG2308	Mobile World Investment Corporation (MWG)	24.01.2024	10,000,000	9,157,100	842,900
CPOW2310	PetroVietnam Power Technical Services Center (POW)	24.01.2024	5,000,000	134,400	4,865,600
CSTB2323	Sai Gon Thuong Tin Commercial Joint Stock Bank (STB)	24.01.2024	15,000,000	2,781,800	12,218,200
CTCB2305	Technology and Commercial Joint Stock Bank (TCB)	24.01.2024	7,000,000	268,300	6,731,700
CVHM2310	Vinhomes Joint Stock Company (VHM)	24.01.2024	7,000,000	6,970,000	30,000
CVPB2310	Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	24.01.2024	10,000,000	278,700	9,721,300
CVRE2311	Vincom Retail Joint Stock Company (VRE)	24.01.2024	7,000,000	6,606,500	393,500
CFPT2309	FPT Corporation (FPT)	06.05.2024	5,000,000	509,100	4,490,900
CHPG2328	Hoa Phat Group Joint Stock Company (HPG)	06.05.2024	10,000,000	295,100	9,704,900
CMBB2311	Military Commercial Joint - Stock Bank (MBB)	06.05.2024	7,000,000	333,700	6,666,300
CMWG2309	Mobile World Investment Corporation (MWG)	06.05.2024	5,000,000	3,234,200	1,765,800
CSTB2324	Sai Gon Thuong Tin Commercial Joint Stock Bank (STB)	06.05.2024	10,000,000	9,586,100	413,900
CTCB2306	Technology and Commercial Joint Stock Bank (TCB)	06.05.2024	7,000,000	3,515,300	3,484,700
CVHM2312	Vinhomes Joint Stock Company (VHM)	06.05.2024	7,000,000	5,914,700	1,085,300
CVNM2308	Vietnam Dairy Products Joint Stock Company (VNM)	06.05.2024	5,000,000	3,169,800	1,830,200
CVPB2311	Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	06.05.2024	7,000,000	4,654,000	2,346,000
CVRE2312	Vincom Retail Joint Stock Company (VRE)	06.05.2024	5,000,000	4,620,400	379,600
CFPT2310	FPT Corporation (FPT)	06.05.2024	5,000,000	2,349,200	2,650,800
CHPG2329	Hoa Phat Group Joint Stock Company (HPG)	06.05.2024	10,000,000	183,500	9,816,500
CMBB2312	Military Commercial Joint - Stock Bank (MBB)	06.05.2024	7,000,000	521,200	6,478,800
CMSN2311	Masan Group Corporation (MSN)	06.05.2024	5,000,000	999,000	4,001,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

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

4.2 Covered warrant (continued)

Ticker symbol	Underlying security	Maturity date	As at 31.12.2023		
			Number of covered warrants authorised for issue	Number of covered warrants issued	Number of covered warrants authorised but not yet issued
CMWG2310	Mobile World Investment Corporation (MWG)	06.05.2024	5,000,000	1,809,100	3,190,900
CSTB2325	Sai Gon Thuong Tin Commercial Joint Stock Bank (STB)	06.05.2024	10,000,000	6,442,800	3,557,200
CTCB2307	Technology and Commercial Joint Stock Bank (TCB)	06.05.2024	7,000,000	1,864,800	5,135,200
CVHM2311	Vinhomes Joint Stock Company (VHM)	06.05.2024	7,000,000	1,094,500	5,905,500
CVPB2312	Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	06.05.2024	7,000,000	107,500	6,892,500
CVRE2313	Vincom Retail Joint Stock Company (VRE)	06.05.2024	5,000,000	1,049,800	3,950,200
			228,000,000	87,355,400	140,644,600

5 NOTES TO THE STATEMENT OF INCOME

5.1 Net realised gains on disposals of FVTPL financial assets

	4 th Quarter		Year to date	
	2023 VND	2022 VND	2023 VND	2022 VND
Realised gains on disposals of FVTPL financial assets	256,616,795,008	324,798,853,478	665,608,273,719	1,329,305,033,052
Realised losses on disposals of FVTPL financial assets	(276,995,641,809)	(316,309,838,715)	(640,921,144,130)	(1,077,055,292,017)
Net realised gain	(20,378,846,801)	8,489,014,763	24,687,129,589	252,249,741,035

HO CHI MINH CITY SECURITIES CORPORATION

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

5 NOTES TO THE STATEMENT OF INCOME (continued)

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

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

	4 th Quarter		Year to date	
	2023 VND	2022 VND	2023 VND	2022 VND
Gains from revaluation of FVTPL financial assets	11,444,539,610	(4,489,858,126)	12,425,298,148	(13,745,393,136)
Losses from revaluation of FVTPL financial assets	16,658,801,811	13,296,540,239	(8,223,317,807)	21,571,497,129
Total	28,103,341,421	8,806,682,113	4,201,980,341	7,826,103,993

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

	4 th Quarter		Year to date	
	2023 VND	2022 VND	2023 VND	2022 VND
Decrease in covered warrants liabilities due to revaluations	429,599,968	(11,179,529,927)	25,494,648,723	(96,103,887,923)
Increase in covered warrants liabilities due to revaluations	(471,702,715)	(31,699,874)	(415,023,971)	4,913,366,270
Total	(42,102,747)	(11,211,229,801)	25,079,624,752	(91,190,521,653)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

5 NOTES TO THE STATEMENT OF INCOME (continued)

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) 31.12.2023 VND	Accumulated revaluation gains/(losses) 31.12.2022 VND	Credited/ (charged) to statement of income VND
Listed shares, Unlisted and unregistered shares and shares traded on UPCoM	602,741,644,831	601,019,022,193	(1,722,622,638)	(2,225,905,294)	503,282,656
Underlying assets designated as hedges for covered warrants	260,505,652,264	263,197,145,250	2,691,492,986	(82,661,775)	2,774,154,761
Listed bonds	1,200,000,000,000	1,213,045,479,452	13,045,479,452	15,336,958,904	(2,291,479,452)
Certificates	<u>141,577,212,688</u>	<u>144,891,468,700</u>	<u>3,314,256,012</u>	<u>98,233,636</u>	<u>3,216,022,376</u>
Total	<u>2,204,824,509,783</u>	<u>2,222,153,115,595</u>	<u>17,328,605,812</u>	<u>13,126,625,471</u>	<u>4,201,980,341</u>

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

	Cost VND	Market value/ fair value VND	Accumulated revaluation gains/(losses) 31.12.2023 VND	Accumulated revaluation gains/(losses) 31.12.2022 VND	Credited/ (charged) to statement of income VND
Covered warrants	<u>74,486,390,089</u>	<u>48,806,417,000</u>	<u>25,679,973,088</u>	<u>600,348,336</u>	<u>25,079,624,752</u>
Total	<u>74,486,390,089</u>	<u>48,806,417,000</u>	<u>25,679,973,088</u>	<u>600,348,336</u>	<u>25,079,624,752</u>

HO CHI MINH CITY SECURITIES CORPORATION

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

5 NOTES TO THE STATEMENT OF INCOME (continued)

5.3 Operating expenses not related to financial assets

	4 th Quarter		Year to date	
	2023 VND	2022 VND	2023 VND	2022 VND
Proprietary trading activities	10,123,261,932	15,071,863,377	48,141,651,795	72,102,674,942
Staff costs	1,316,219,701	2,324,898,848	6,850,652,807	21,498,801,710
Brokerage fee	3,492,318,409	3,156,572,516	11,546,344,107	18,232,238,633
Outsourcing expenses	2,745,024,833	2,457,492,197	10,370,868,323	9,620,792,804
Allocated expenses	2,569,698,989	7,132,899,816	19,373,786,558	22,750,841,795
Brokerage fee expenses	130,158,827,611	136,559,540,022	469,988,244,655	572,805,427,628
Staff costs	53,563,507,789	52,604,015,494	199,162,079,145	252,654,026,557
Brokerage fee	51,079,434,893	47,503,585,657	164,803,026,060	196,006,861,777
Depreciation and amortisation	1,865,547,496	2,289,379,984	8,371,630,000	8,974,657,323
Outsourcing expenses	11,555,248,136	16,319,791,967	46,465,442,323	58,366,058,952
Office rental expenses	5,399,336,331	6,046,539,735	23,663,549,531	23,837,716,225
Allocated expenses	6,695,752,966	11,796,227,185	27,522,517,596	32,966,106,794
Custody service expenses	2,780,567,717	2,674,129,097	10,882,377,718	9,798,386,787
Financial consultancy service expenses	6,309,364,948	5,044,559,259	25,316,156,138	26,093,851,921
Staff costs	5,601,326,931	4,442,258,463	22,269,823,929	22,682,705,175
Outsourcing expenses	708,038,017	602,300,796	3,046,332,209	3,411,146,746
Other operating expenses	1,177,263,335	1,149,793,413	4,490,885,157	4,124,185,703
Total	150,549,285,543	160,499,885,168	558,819,315,463	684,924,526,981

HO CHI MINH CITY SECURITIES CORPORATION

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

5 NOTES TO THE STATEMENT OF INCOME (continued)

5.4 General and administration expenses

	4 th Quarter		Year to date	
	2023 VND	2022 VND	2023 VND	2022 VND
Staff costs	36,670,671,954	35,012,349,542	142,473,355,297	130,825,567,136
Allowance for working performance	20,500,000,000	11,500,000,000	67,500,000,000	85,000,000,000
Office rental expenses	7,459,884,415	6,732,996,867	28,629,168,215	23,537,125,167
Outsourcing expenses	30,226,476,754	21,368,549,607	84,571,576,482	64,637,148,705
Depreciation and amortisation	5,707,695,377	4,172,787,932	20,817,477,821	15,086,324,382
Tax and other fees	47,852,106	6,968,852	105,688,960	206,762,072
Office tools and supplies	901,162,171	746,890,425	2,632,366,792	2,711,810,251
Other administrative expenses	6,597,078,007	8,411,858,710	20,737,740,244	28,762,866,488
Total	<u>108,110,820,784</u>	<u>87,952,401,935</u>	<u>367,467,373,811</u>	<u>350,767,604,201</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

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 Vice Chairman and member of the Board of Directors represent DC's shares.
Dragon Capital VietFund Management ("DCVFM")	The Company's Chairman of the Board of Directors is a member of the Board of Directors of Dragon Capital VietFund Management (DCVFM). The Company's Vice Chairman of the Board of Directors is a member of the Board of Directors of Dragon Capital VietFund Management (DCVFM).
Ho Chi Minh City Finance and Investment State-owned Company ("HFIC")	Strategic shareholder, holding 23.09% of charter capital. The Company's member of the Board of Directors is Head of Legal at HFIC. The Company's member of the Board of Directors is Deputy head of finance Department at HFIC.
Board of Directors and Board of Management	Key management

In Q4/2023, the following significant transactions were carried out with related parties:

<u>Related party</u>	<u>Transactions</u>	<u>Current period VND</u>
Dragon Capital VietFund Management (DCVFM)	Services rendered	2,316,404,959

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

6 RELATED PARTIES DISCLOSURES (continued)**Related party transactions in Q4/2023**

<i>Related party</i>	<i>Transactions</i>	<i>Current period VND</i>
Compensation of key management (*)	Gross salaries and other benefits in Q4/2023	4,254,102,565

(*) Details of remuneration to the Board of Directors, the Board of Supervision and compensation of the Chief Executive Officer are as follows:

Remuneration to the Board of Directors

Mr. Johan Nyvene	Chairperson	740,769,231
Mr. Le Anh Minh	Vice Chairperson	176,666,667
Mr. Le Hoang Anh	Member	143,333,333
Mr. Tran Quoc Tu	Member	76,666,667
Ms. Phan Quynh Anh	Member	76,666,667
Ms. Nguyen Thi Hoang Lan	Member	160,000,000
Mr. Andrew Colin Valis	Member	193,333,333

1,567,435,898

Remuneration to the Board of Supervision

Mr. Pham Nghiem Xuan Bac	Chief Supervisor	123,333,333
Ms. Dang Nguyet Minh	Member	106,666,667
Mr. Tran Thai Phuong	Member	56,666,667

286,666,667

Gross salary of the Chief Executive Officer

Mr. Trinh Hoai Giang	Chief Executive Officer	2,400,000,000
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HO CHI MINH CITY SECURITIES CORPORATION

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

6 RELATED PARTIES DISCLOSURES (continued)

Period-end balances with related parties

	Opening balance VND	Increase during the period VND	Decrease during the period VND	Closing balance VND
DCVFM				
Services rendered	-	2,316,404,959	(2,316,404,959)	-
HFIC				
Deposits for securities trading	25,202,451	6,348	-	25,208,799

01/01/2023

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

7 SEGMENT INFORMATION (continued)

Business activity segments (continued)

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

(*) 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 2023 TO 31 DECEMBER 2023

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 31 December 2023						
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Unallocated VND	Total VND
Segment assets	388,637,839,742	2,382,021,619,107	15,031,737,262,391	16,695,202,450	-	17,819,091,923,690
Unallocated assets	-	-	-	-	91,583,149,298	91,583,149,298
Total assets	388,637,839,742	2,382,021,619,107	15,031,737,262,391	16,695,202,450	91,583,149,298	17,910,675,072,988
Segment liabilities	109,224,985,464	-	9,195,811,919,510	-	-	9,305,036,904,974
Unallocated liabilities	-	-	-	-	293,552,940,383	293,552,940,383
Total liabilities	109,224,985,464	-	9,195,811,919,510	-	293,552,940,383	9,598,589,845,357
As at 31 December 2022						
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Unallocated VND	Total VND
Segment assets	692,911,348,158	1,471,781,628,517	13,183,823,983,714	14,346,491,972	-	15,362,863,452,361
Unallocated assets	-	-	-	-	84,091,592,853	84,091,592,853
Total assets	692,911,348,158	1,471,781,628,517	13,183,823,983,714	14,346,491,972	84,091,592,853	15,446,955,045,214
Segment liabilities	72,193,531,822	15,901,000,000	6,986,692,775,551	4,260,000,000	-	7,079,047,307,373
Unallocated liabilities	-	-	-	-	476,075,401,617	476,075,401,617
Total liabilities	72,193,531,822	15,901,000,000	6,986,692,775,551	4,260,000,000	476,075,401,617	7,891,832,336,224

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023

8 VOLUME AND VALUE OF TRANSACTIONS DURING THE PERIOD

	Volume of transactions during the period	Value of transactions during the period VND
a) Of the Company		
Covered warrants	1,089,161,000	1,584,474,797,000
Shares	1,626,350,810	45,652,721,699,340
Bonds	245,000,000	25,516,077,000,000
Future contracts	437,871	48,214,087,119,000
b) Of investors		
Covered warrants	266,566,612	174,102,250,480
Shares	11,747,112,727	259,626,869,238,320
Bonds	163,100,633	15,524,829,963,687
Future contracts	13,035,158	1,445,333,862,019,000
	15,150,764,811	1,841,627,024,086,837

Prepared by



Le Thi Thuy Duong

Chief Financial Officer cum
Chief Accountant



Lam Huu Ho

19 January 2024

Chief Executive Officer



Trần Hoài Giang

