

FINANCIAL STATEMENTS

QUARTER 01/2021

**HO CHI MINH CITY SECURITIES
CORPORATION**



HO CHI MINH CITY SECURITIES CORPORATION
Form B01a – CTCK
STATEMENT OF FINANCIAL POSITION

Code	ITEMS	Note	As at	
			31.03.2021 VND	31.12.2020 VND
	ASSETS			
100	CURRENT ASSETS		14,780,360,619,535	12,307,866,988,088
110	Financial assets		14,743,936,593,456	12,118,339,034,626
111	Cash and cash equivalents	3.1	2,311,719,336,706	206,860,864,747
111.1	Cash		2,311,719,336,706	206,860,864,747
	Financial assets at fair value through profit or loss (FVTPL)	3.2	1,787,099,959,970	3,061,224,600,123
114	Loans	3.3	8,876,271,890,193	8,623,841,531,603
	Provisions for impairment loss of financial assets and collaterals	3.4	(37,783,317,946)	(37,783,317,946)
118	Prepayments to suppliers		3,311,277,532	7,913,519,184
119	Service related receivable	3.5	1,726,920,437,877	193,223,521,787
122	Other receivables	3.5	78,197,483,326	64,858,789,330
129	Provision for doubtful debts	3.4	(1,800,474,202)	(1,800,474,202)
130	Other current assets		36,424,026,079	189,527,953,462
131	Advances		412,469,865	131,200,582
133	Short-term prepaid expenses		11,806,664,264	8,702,822,930
134	Short-term security deposits		1,223,864,000	1,005,314,000
137	Other current assets		22,981,027,950	179,688,615,950
137.1	Deposits for derivatives trading activities		22,981,027,950	179,688,615,950
200	NON-CURRENT ASSETS		181,469,512,681	180,960,564,999
220	Fixed assets		40,035,564,255	46,878,656,183
221	Tangible fixed assets	3.6	23,116,247,468	26,872,243,833
222	Historical cost		104,656,929,289	104,576,989,289
223a	Accumulated depreciation		(81,540,681,821)	(77,704,745,456)
227	Intangible fixed assets	3.6	16,919,316,787	20,006,412,350
228	Historical cost		83,670,927,010	83,670,927,010
229a	Accumulated amortisation		(66,751,610,223)	(63,664,514,660)
240	Construction in progress	3.6	1,487,645,619	342,334,073
250	Other non-current assets		139,946,302,807	133,739,574,743
251	Long-term security deposits		10,078,244,285	8,365,511,870
252	Long-term prepaid expenses	3.7	98,508,058,522	94,014,062,873
253	Deferred income tax assets		1,360,000,000	1,360,000,000
254	Deposits in the Settlement Supporting Fund	3.8	20,000,000,000	20,000,000,000
255	Other long-term assets	3.9	10,000,000,000	10,000,000,000
255.1	Deposits in the Derivatives trading clearing fund		10,000,000,000	10,000,000,000
270	TOTAL ASSETS		14,961,830,132,216	12,488,827,553,087

HO CHI MINH CITY SECURITIES CORPORATION

Form B01a – CTCK

STATEMENT OF FINANCIAL POSITION
(continued)

Code	ITEMS	Note	As at	
			31.03.2021 VND	31.12.2020 VND
300	LIABILITIES		10,199,662,333,147	8,048,473,021,702
310	Current liabilities		10,199,662,333,147	8,048,473,021,702
	Short-term borrowings and finance lease			
311	liabilities		8,447,830,000,000	6,716,571,061,080
312	Short-term borrowings	3.10	8,447,830,000,000	6,716,571,061,080
318	Trading obligations	3.11	1,448,591,112,413	935,296,094,913
320	Short-term trade payables		2,580,451,383	5,104,995,817
322	Taxes and other payables to the State	3.12	124,659,546,680	67,013,629,923
324	Accrued employees' welfares		5,179,741,021	4,769,951,100
325	Short-term accrued expenses	3.13	94,786,642,620	83,776,529,704
329	Other short-term payables	3.14	50,032,101,297	209,921,021,432
331	Bonus and welfare funds		26,002,737,733	26,019,737,733
400	OWNERS' EQUITY		4,762,167,799,069	4,440,354,531,385
410	Owners' equity		4,762,167,799,069	4,440,354,531,385
411	Owners' capital	3.15	3,405,291,244,992	3,405,291,244,992
411.1	Share capital		3,058,822,630,000	3,058,822,630,000
411.1a	Ordinary shares with voting rights		3,058,822,630,000	3,058,822,630,000
411.2	Share premiums		358,946,064,000	358,946,064,000
411.5	Treasury shares		(12,477,449,008)	(12,477,449,008)
414	Supplementary capital reserve		177,907,588,627	177,907,588,627
415	Financial and operational risk reserve		177,907,588,627	177,907,588,627
416	Other equity reserves		3,961,374,994	3,961,374,994
417	Undistributed earnings	3.16	997,100,001,829	675,286,734,145
417.1	Realised profits after tax		996,900,033,606	647,641,022,448
417.2	Unrealised profits		199,968,223	27,645,711,697
440	TOTAL RESOURCES		14,961,830,132,216	12,488,827,553,087

HO CHI MINH CITY SECURITIES CORPORATION
Form B01a – CTCK
OFF STATEMENT OF FINANCIAL POSITION ITEMS

Code	ITEMS	Note	As at	
			31.03.2021	31.12.2020
A	ASSETS OF THE COMPANY AND ASSETS UNDER ENTRUSTMENT			
			Amount (VND)	
004	Bad debts written off	4.1	345,059,000	345,059,000
			Original currency	
005	Foreign currencies	4.2		
	United States Dollar		1,914.79	1,880.68
	Japanese Yen		241,915	241,915
	Singapore Dollar		844	844
	British Pound		2,663	7,146.28
	New Taiwan Dollar		3,200	3,200
	Canadian Dollar		100	100
	Malaysian Ringgit		750	750
			Quantity	
006	Number of shares in issue (shares)	4.3	305,041,845	305,041,845
007	Number of treasury shares (shares)		840,418	840,418
			Par value (VND)	
008	Securities listed/registered at Vietnam Securities Depository ("VSD")		545,834,275,200	993,631,923,000
009	Securities in custody of VSD and not yet traded		4,150,000,000	23,150,020,000
010	Securities purchased and awaiting settlement		75,263,620,000	51,825,101,000
012	Securities not in custody of VSD		-	3,340,840,000
			Quantity	
014	Covered warrants authorised but not yet issued	4.4	52,639,910	41,100,990
B	ASSETS OF AND LIABILITIES TO CUSTOMERS			
			Par value (VND)	
021	Securities listed/registered at VSD		29,700,988,752,346	29,055,917,558,453
021.1	Freely traded securities		27,324,900,798,000	26,490,060,452,700
021.2	Restricted securities		224,217,040,000	222,878,360,000
021.3	Pledged securities		1,095,006,180,000	1,072,686,420,000
021.4	Suspended securities		105,105,240,000	175,105,240,000
021.5	Securities awaiting settlement		721,125,986,000	768,765,870,100
021.7	Customers' deposits for derivatives trading		230,633,508,346	326,421,215,653

HO CHI MINH CITY SECURITIES CORPORATION

Form B01a – CTCK

OFF STATEMENT OF FINANCIAL POSITION ITEMS
(continued)

Code	ITEMS	Note	As at	
			31.03.2021 VND	31.12.2020 VND
B	ASSETS OF AND LIABILITIES TO CUSTOMERS (continued)			
			Par value (VND)	
022	Securities in custody of VSD and not yet traded		27,215,490,000	226,132,240,000
022.1	Securities in custody of VSD and not yet traded – freely traded securities		14,517,450,000	212,693,340,000
022.2	Securities in custody of VSD and not yet traded – suspended securities		12,698,040,000	13,438,900,000
023	Securities purchased and awaiting settlement		629,867,046,000	685,071,278,200
024b	Securities not in custody of VSD of investors		5,500,000,000	5,500,000,000
026	Customers' deposits		2,152,988,032,030	2,426,782,571,627
027	Customers' deposits for securities trading		1,922,354,523,684	2,100,361,355,974
027.1	Customers' deposits at VSD		230,633,508,346	326,421,215,653
031	Payables to customers relating to their deposits at the Company for securities trading		1,922,354,523,684	2,100,361,355,974
031.1	Payables to domestic customers relating to their deposits at the Company for securities trading		1,892,899,271,720	2,089,526,776,741
031.2	Payables to foreign customers relating to their deposits at the Company for securities trading		29,455,251,964	10,834,579,233

Prepared by


 Le Thi Thuy Duong
Chief Financial Officer cum
Chief Accountant

 Lam Huu Ho
16 April 2021
Chief Executive Officer

 Trinh Hoai Giang

HO CHI MINH CITY SECURITIES CORPORATION
FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

Form B02a – CTCK

STATEMENT OF INCOME

Code	ITEMS	Note	1st Quarter		Year to date	
			2021 VND	2020 VND	2021 VND	2020 VND
	OPERATING INCOME					
01	Income from FVTPL financial assets		627,904,962,630	219,496,506,173	627,904,962,630	219,496,506,173
01.1	Realised gains on disposal of FVTPL financial assets	5.1	625,141,484,461	162,235,082,119	625,141,484,461	162,235,082,119
01.2	Increase in revaluation gains of FVTPL financial assets	5.2a	(67,082,926,367)	(5,489,134,333)	(67,082,926,367)	(5,489,134,333)
01.3	Dividends and interest income from FVTPL financial assets		58,464,697,696	43,678,954,664	58,464,697,696	43,678,954,664
01.4	Decrease in covered warrants liabilities due to revaluations		11,381,706,840	19,071,603,723	11,381,706,840	19,071,603,723
03	Interest income from loans and receivables		222,064,558,207	116,325,089,496	222,064,558,207	116,325,089,496
06	Brokerage fee income		294,526,340,378	107,281,636,973	294,526,340,378	107,281,636,973
09	Custody service income		2,046,762,676	1,899,018,646	2,046,762,676	1,899,018,646
10	Financial consultancy service income		15,637,880,982	1,386,543,311	15,637,880,982	1,386,543,311
11	Other operating income		768,981,992	454,896,239	768,981,992	454,896,239
20	TOTAL OPERATING INCOME		1,162,949,486,865	446,843,690,838	1,162,949,486,865	446,843,690,838
	OPERATING EXPENSES					
21	Losses from FVTPL financial assets		426,660,449,923	143,551,208,324	426,660,449,923	143,551,208,324
21.1	Realised losses on disposal of FVTPL financial assets	5.1	454,915,925,976	159,162,542,981	454,915,925,976	159,162,542,981
21.2	Decrease in revaluation losses of FVTPL financial assets	5.2a	(16,029,652,214)	(15,611,334,657)	(16,029,652,214)	(15,611,334,657)
21.3	Increase in covered warrants liabilities due to revaluations		(12,225,823,839)	-	(12,225,823,839)	-
24	Provisions for financial assets, losses on bad debts, impairment losses of financial assets and interest expenses associated with loans		106,430,896,871	34,295,014,270	106,430,896,871	34,295,014,270
26	Proprietary trading activities	5.3	13,901,120,244	7,935,448,916	13,901,120,244	7,935,448,916
27	Brokerage fee expenses	5.3	155,638,968,312	82,067,026,391	155,638,968,312	82,067,026,391
30	Custody service expenses	5.3	2,131,871,596	1,977,295,647	2,131,871,596	1,977,295,647
31	Financial consultancy service expenses	5.3	4,017,377,833	3,945,219,437	4,017,377,833	3,945,219,437
32	Other operating expenses	5.3	1,099,506,612	787,273,972	1,099,506,612	787,273,972
40	TOTAL OPERATING EXPENSES		709,880,191,391	274,558,486,957	709,880,191,391	274,558,486,957

HO CHI MINH CITY SECURITIES CORPORATION
FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

Form B02a – CTCK

STATEMENT OF INCOME
(continued)

Code	ITEMS	Note	1st Quarter		Year to date	
			2021 VND	2020 VND	2021 VND	2020 VND
	FINANCIAL INCOME					
42	Dividend income and interest income from demand deposits		1,558,526,827	1,294,042,725	1,558,526,827	1,294,042,725
50	TOTAL FINANCIAL INCOME		1,558,526,827	1,294,042,725	1,558,526,827	1,294,042,725
62	GENERAL AND ADMINISTRATIVE EXPENSES	5.4	52,927,579,977	47,483,771,823	52,927,579,977	47,483,771,823
70	OPERATING RESULT		401,700,242,324	126,095,474,783	401,700,242,324	126,095,474,783
	OTHER INCOME AND EXPENSES					
71	Other income		-	12,090,909	-	12,090,909
80	NET OTHER INCOME		-	12,090,909	-	12,090,909
90	NET ACCOUNTING PROFIT BEFORE TAX		401,700,242,324	126,107,565,692	401,700,242,324	126,107,565,692
91	Realised profit		429,145,985,798	96,913,761,645	429,145,985,798	96,913,761,645
92	Unrealised (losses)/profit		(27,445,743,474)	29,193,804,047	(27,445,743,474)	29,193,804,047

HO CHI MINH CITY SECURITIES CORPORATION
FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

Form B02a – CTCK

STATEMENT OF INCOME
(continued)

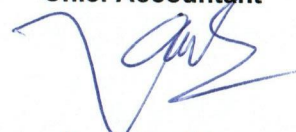
Code	ITEMS	Note	1st Quarter		Year to date	
			2021 VND	2020 VND	2021 VND	2020 VND
100	BUSINESS INCOME TAX (“BIT”)		79,895,074,640	25,128,792,380	79,895,074,640	25,128,792,380
100.1	BIT – current		79,895,074,640	25,128,792,380	79,895,074,640	25,128,792,380
200	NET PROFIT AFTER TAX		321,805,167,684	100,978,773,312	321,805,167,684	100,978,773,312

Prepared by



Le Thi Thuy Duong

Chief Financial Officer cum
Chief Accountant



Lam Huu Ho

16 April 2021

Chief Executive Officer



Trịnh Hoài Giang

HO CHI MINH CITY SECURITIES CORPORATION
FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

Form B03(b)a – CTCK

STATEMENT OF CASH FLOWS
(Indirect method)

Code	ITEMS	Year to date	
		2021 VND	2020 VND
	Cash flows from operating activities		
01	Net profit before tax	401,700,242,324	126,107,565,692
02	Adjustments for:	37,396,775,650	(9,490,284,974)
03	Depreciation and amortisation	6,923,031,928	9,518,549,928
04	Reversal of provisions	-	-
06	Interest expenses	106,430,896,871	34,295,014,271
07	Profits from investing activities	-	(12,090,909)
08	Accrued interest income	(75,957,153,149)	(53,291,758,264)
10	Increase in non-cash expenses	(28,255,476,053)	(15,611,334,657)
11	Decrease in revaluation losses of FVTPL financial assets, revaluation losses of covered warrants	(28,255,476,053)	(15,611,334,657)
18	Decrease in non-cash income	55,701,219,527	(13,582,469,390)
19	Increase in revaluation gains of FVTPL financial assets, decrease in revalued amount of covered warrants liabilities	55,701,219,527	(13,582,469,390)
30	Operating profit before changes in working capital	60,866,910,199	1,234,065,010,463
31	Decrease in FVTPL financial assets	1,245,834,779,680	326,306,072,424
33	Increase/(decrease) in loans	(252,430,358,590)	1,142,910,096,184
37	Decrease in service-related receivables	(1,533,696,916,090)	(30,953,097,386)
39	Decrease in other receivables	62,337,189,870	41,204,713,962
41	Increase/(decrease) in accrued expenses (excluding interest expenses)	3,012,086,839	(40,281,899,819)
42	Increase in prepaid expenses	(7,517,896,983)	(5,911,215,736)
43	BIT paid	(35,382,154,300)	(23,826,556,430)
44	Interest paid	(98,449,870,794)	(36,889,179,780)
45	Increase in trade payables	2,077,697,218	473,778,908
46	Increase in employee welfare payables	409,789,921	542,912,529
47	Increase in tax and other payables to the State (excluding BIT paid)	13,132,996,417	11,643,488,395
50	Decrease/(increase) in other short-term payables, covered warrants payable	506,763,261,426	(138,306,898,788)

HO CHI MINH CITY SECURITIES CORPORATION
FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

Form B03(b)a – CTCK

STATEMENT OF CASH FLOWS
(Indirect method)
(continued)

Code	ITEMS	Year to date	
		2021 VND	2020 VND
51	Other receipts from operating activities	156,707,588,000	-
52	Other payments for operating activities	(1,931,282,415)	(12,847,204,000)
60	Net cash outflows for operating activities	527,409,671,647	1,321,488,487,134
	Cash flows from investing activities		
61	Cash paid for purchases of fixed assets	(1,305,191,546)	(1,145,242,127)
62	Proceeds from disposals of fixed assets	-	13,300,000
70	Net cash outflows for investing activities	(1,305,191,546)	(1,131,942,127)
	Cash flows from financing activities		
72	Payments for share repurchases	-	(1,452,500,000)
73	Proceeds from borrowings	19,727,404,093,762	4,207,601,667,504
74.3	Repayments of principals of borrowings	(17,996,145,154,842)	(5,193,615,814,979)
76	Payment of dividend	(152,504,947,062)	(151,452,643,750)
80	Net cash inflows/(outflows) from financing activities	1,578,753,991,858	(1,138,919,291,225)
90	Net increase in cash and cash equivalents	2,104,858,471,959	181,437,253,782
101	Cash and cash equivalents at beginning of year	206,860,864,747	906,543,226,372
101.1	Cash	206,860,864,747	906,543,226,372
103	Cash and cash equivalents at end of year	2,311,719,336,706	1,087,980,480,154
103.1	Cash	2,311,719,336,706	1,087,980,480,154

HO CHI MINH CITY SECURITIES CORPORATION
FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

Form B03(b)a – CTCK

STATEMENT OF CASH FLOWS
(Indirect method)
(continued)

CASH FLOWS OF BROKERAGE AND ENTRUSTMENT ACTIVITIES

Code	ITEMS	Year to date	
		2021 VND	2020 VND
	Cash flows of brokerage and entrustment activities		
01	Brokerage trading proceeds	54,342,857,352,528	15,813,324,654,766
02	Brokerage trading payments	(55,282,068,072,796)	(16,481,923,233,091)
07	Receipts for settlement of customers' transactions	763,250,650,654	1,370,779,288,772
11	Payments for custody fees of customers	(2,046,762,676)	(1,899,018,646)
20	Increase/(decrease) in customers' deposits	(178,006,832,290)	700,281,691,801
30	Customers' deposits at beginning of year	2,100,361,355,974	741,438,718,235
31	Cash at bank	2,100,361,355,974	741,438,718,235
32	Customers' deposits for securities trading under monitoring of the Company	2,100,361,355,974	741,438,718,235
40	Customers' deposits at end of year	1,922,354,523,684	1,441,720,410,036
41	Cash at bank	1,922,354,523,684	1,441,720,410,036
42	Customers' deposits for securities trading under monitoring of the Company	1,922,354,523,684	1,441,720,410,036

Prepared by



Le Thi Thuy Duong

Chief Financial Officer cum
Chief Accountant



Lam Huu Ho

16 April 2021
Chief Executive Officer



Trình Hoài Giang

HO CHI MINH CITY SECURITIES CORPORATION

STATEMENT OF CHANGES IN EQUITY

Form B04a – CTCK

Items	As at		For the period ended 31 March 2020		For the period ended 31 March 2021		As at	
	1.1.2020 VND	1.1.2021 VND	Tăng VND	Giảm VND	Tăng VND	Giảm VND	31.03.2020 VND	31.03.2021 VND
1. Owners' capital	3,411,931,836,992	3,405,291,244,992	(2,324,000,000)	-	-	-	3,409,607,836,992	3,405,291,244,992
1.1 Ordinary shares with voting rights	3,058,822,630,000	3,058,822,630,000	-	-	-	-	3,058,822,630,000	3,058,822,630,000
1.2 Share premium	358,946,064,000	358,946,064,000	-	-	-	-	358,946,064,000	358,946,064,000
1.3 Treasury shares	(5,836,857,008)	(12,477,449,008)	(2,324,000,000)	-	-	-	(8,160,857,008)	(12,477,449,008)
2. Supplementary capital reserve	151,385,003,919	177,907,588,627	-	-	-	-	151,385,003,919	177,907,588,627
3. Financial risk and operation reserve	151,385,003,919	177,907,588,627	-	-	-	-	151,385,003,919	177,907,588,627
4. Other equity reserve	3,961,374,994	3,961,374,994	-	-	-	-	3,961,374,994	3,961,374,994
6. Undistributed earnings	585,479,819,315	675,286,734,145	100,978,773,312	(78,850,000)	321,805,167,684	(8,100,000)	686,537,442,627	997,100,001,829
6.1 Realised profit after tax	614,251,440,752	647,641,022,448	71,784,969,265	(78,850,000)	349,250,911,158	(8,100,000)	686,036,410,017	996,900,033,606
6.2 Unrealised (losses)/profits after tax	(28,771,621,437)	27,645,711,697	29,193,804,047	-	(27,445,743,474)	-	422,182,610	199,968,223
Total	4,304,143,039,139	4,440,354,531,385	98,654,773,312	(78,850,000)	321,805,167,684	(8,100,000)	4,402,876,662,451	4,762,167,799,069

Prepared by



Le Thi Thuy Duong

Chief Financial Officer cum
Chief Accountant



Lam Huu Ho



16 April 2021

Chief Executive Officer



Trinh Hoai Giang

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

1 GENERAL INFORMATION

Establishment and listing

Ho Chi Minh City Securities Corporation ("the Company") is a joint stock company incorporated in Vietnam under Business registration certificate No. 4103001573 issued by the Department of Planning and Investment of Ho Chi Minh City on 23 April 2003 and the Establishment and operation licence No. 11/UBCK-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. 13/GPĐC-UBCK was issued on 16 March 2020.

Headquarter and contact information

The Company is headquartered at 5th – 6th Floor, AB Tower, 76 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 23 June 2020.

Operations

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

Charter capital

The Company's charter capital according to its latest establishment and operation licence is VND 3,058,822,630,000.

Investment objectives and investment restrictions

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

Network of operation

As at 31 March 2021, the Company had 4 branches and representative offices in Vietnam.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

1 GENERAL INFORMATION (continued)**The corporation's operational features during the Quarter 1 affected financial statements**

The profit after tax for Q1/2021 was three times higher than the same period of last year because of the following reasons:

- a. The revenue for Q1/2021 increased by 159% compared to Q1/2020 (excluded from effect on revenue and expense of proprietary trading activities as mentioned below), in which:
 - Revenue from brokerage services for Q1/2021 climbed 175%, as a result of 307% increasing in market trading value compared to that of the same period of 2020;
 - Revenue of Proprietary trading activities (the difference between the profit from financial assets recognised through profit / loss in section 1.1 and the loss from financial assets recognised through profit / loss in section 2.1 of the Income Statement) went up 165% compared to Q1/2021 because market condition was effective for investment;
 - Revenue from margin lending activities for Q1/2021 rose 91% because the effective market condition, the demand of margin lending increased.
- b. The operating expense for Q1/2021(excluded from affect mentioned in code 2.1) increased 116% compared to the same period of last year because of the following reasons:
 - Interest expenses of bank was triple that of Q1/2020 because HSC increased short-term loans finance for working capital;
 - Brokerage services expenses quickly grew 91% which was corresponded with increasing of revenue from brokerage services.
- c. The administrative expenses for Q1/2021 steadily jumped to 11% compared to Q1/2020 because the restruct among supporting departments corresponded with operation of the Company.

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.2 Form of records applied**

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

2.3 Form of records applied

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

These financial statements are prepared for the period from 1 January 2021 to 31 March 2021.

2.4 Đơn vị tiền tệ sử dụng trong kế toán

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 positio.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

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

- 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

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

The following assets are excluded from HTM financial assets:

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

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

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

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

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

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

- Significant financial difficulty of the issuer or the obligor;
- A breach of contract, such as default or delinquency in interest or principal payments;
- 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 2021 TO 31 MARCH 2021

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 year, the Company had the following types of loans:

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

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 derecognised.

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

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

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

Objective evidence of impairment for equity instruments may include:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

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)*

- 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 2021 TO 31 MARCH 2021

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

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

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

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

(d) Initial recognition

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

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

(e) Determination of market value/fair value

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Financial assets (continued)****(e) Determination of market value/fair value (continued)***(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.

(f) Provision for impairment of loans

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

(g) Provision for impairment of receivables

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Financial assets (continued)****(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.

2.7 Repurchase and reverse repurchase agreements

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

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

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.12 Liabilities*****a. Recognition/Derecognition***

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

b. Classification

Classifications of liabilities are based on their nature as follows:

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

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

2.13 Offsetting financial instruments

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

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.16 Accrued expenses**

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

2.17 Provisions

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

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

2.18 Equity**(a) Share capital**

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

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

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

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.18 Equity (continued)****(c) Financial and operational risk reserve and supplementary capital reserve**

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

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

(d) Other equity funds

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

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

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

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

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

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.18 Revenue and income recognition (continued)****(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.

(a) *Other income*

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

2.20 Expenses**(a) *Recognition***

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

(b) *Classification*

Expenses are classified by function as follows:

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

2.21 Current and deferred income tax

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

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

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

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

2.22 Dividend distribution

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

2.23 Related parties

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

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

2.24 Segment reporting

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

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

2.25 Nil balances

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION

3.1 Cash and cash equivalents

	As at	
	31.03.2021	31.12.2020
	VND	VND
Cash on hand	482,812,258	320,240,493
Cash at bank	2,185,136,524,448	61,440,624,254
Security deposit for covered warrants issued (i)	126,100,000,000	145,100,000,000
Total	<u>2,311,719,336,706</u>	<u>206,860,864,747</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 2021 TO 31 MARCH 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continue)

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

	As at 31.03.2021		As at 31.12.2020	
	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	160,750,223,052	151,601,910,838	1,104,127,046,749	1,125,749,279,172
Hoa Phat Group Joint Stock Company (HPG)	32,659,984,149	33,273,208,800	119,310,637,205	125,368,053,450
Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	16,963,824,298	16,970,125,500	74,221,141,403	76,570,065,000
Asia Commercial Joint Stock Bank (ACB)	14,528,772,902	14,853,365,100	-	-
Technology and Commercial Joint Stock Bank (TCB)	9,549,997,677	9,639,924,800	102,194,797,438	111,300,903,000
FPT Corporation (FPT)	8,824,149,691	8,854,925,100	48,497,394,249	49,802,742,600
Mobile World Investment Corporation (MWG)	7,714,146,713	7,660,341,400	45,468,463,360	46,400,487,200
Vietnam Dairy Products Joint Stock Company (VNM)	-	-	87,541,184,324	86,846,368,400
Vingroup Joint Stock Company (VIC)	-	-	78,786,826,736	80,225,972,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam (VCB)	-	-	50,043,038,361	50,237,091,300
Military Commercial Joint - Stock Bank (MBB)	-	-	49,322,643,032	49,897,281,000
Others	70,509,347,622	60,350,020,138	448,740,920,641	449,100,315,222
Underlying assets designated as hedges for covered warrants	651,814,025,165	687,917,630,500	932,259,927,594	1,004,072,574,000
Hoa Phat Group Joint Stock Company (HPG)	201,514,789,963	220,624,747,200	194,995,190,750	217,894,525,800
Mobile World Investment Corporation (MWG)	111,839,894,263	114,047,804,000	87,701,560,282	90,247,478,000
Vinhomes Joint Stock Company (VHM)	84,595,263,527	86,040,444,000	71,317,148,712	74,990,260,000
Technology and Commercial Joint Stock Bank (TCB)	76,079,822,370	79,162,992,000	76,509,154,400	94,767,120,000
Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	50,748,958,722	52,862,921,000	79,986,737,804	87,016,800,000
Saigon Thuong Tin Commercial Joint Stock Bank (STB)	43,249,955,729	49,576,312,500	40,248,561,855	40,883,635,000
Refrigeration Electrical Engineering Corporation (REE)	25,778,980,626	25,419,476,000	-	-
Vincom Retail Joint Stock Company (VRE)	24,954,738,040	24,726,759,000	55,512,523,269	61,901,018,000
FPT Corporation (FPT)	21,239,114,979	22,907,669,400	91,678,991,563	95,489,170,200
Vietnam Dairy Products Joint Stock Company (VNM)	-	-	71,300,636,822	70,752,640,000
Military Commercial Joint - Stock Bank (MBB)	-	-	54,065,256,727	56,721,611,000
Others	11,812,506,946	12,548,505,400	108,944,165,410	113,408,316,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continue)

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

	As at 31.03.2021		As at 31.12.2020	
	Cost VND	Market value/ fair value VND	Cost VND	Market value/ fair value VND
Bonds	913,548,900,000	932,352,744,142	913,742,600,000	932,804,513,518
Corporate Bonds - BID11908	499,689,600,000	512,325,586,323	499,747,900,000	503,636,349,414
Corporate Bonds - BVJC201901	412,859,300,000	418,995,787,956	412,994,700,000	428,149,123,008
Vietnam Bank for Social Policies	1,000,000,000	1,031,369,863	1,000,000,000	1,019,041,096
ETF certificates	14,733,221,170	15,227,674,490	13,788,161,044	14,114,395,757
VFMVN30 ETF	8,579,663,582	8,677,371,000	10,527,910,282	10,824,248,480
VFMDIAMOND ETF	5,123,212,504	5,156,303,490	2,229,905,678	2,259,802,193
E1VFN30 certificates	1,030,345,084	1,394,000,000	1,030,345,084	1,030,345,084
Total	<u>1,740,846,369,387</u>	<u>1,787,099,959,970</u>	<u>2,963,917,735,387</u>	<u>3,061,224,600,123</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continue)

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

As at 31 March 2021

	Cost VND	Comparison to market price or fair value		Market price/ fair value VND
		Increase VND	Decrease VND	
Listed shares, Unlisted and unregistered shares and shares traded on UPCoM	160,750,223,052	2,508,515,063	(11,656,827,277)	151,601,910,838
Underlying assets designated as hedges for covered warrants	651,814,025,165	36,691,089,001	(587,483,666)	687,917,630,500
Listed and Unlisted Bonds	913,548,900,000	18,803,844,142	-	932,352,744,142
Certificates	14,733,221,170	494,453,320	-	15,227,674,490
Total	1,740,846,369,387	58,497,901,526	(12,244,310,943)	1,787,099,959,970

As at 31 December 2020

	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	1,104,127,046,749	33,832,036,432	(27,725,966,333)	1,110,233,116,848
Underlying assets designated as hedges for covered warrants	932,259,927,594	72,360,643,228	(547,996,822)	1,004,072,574,000
Listed and Unlisted Bonds	913,742,600,000	19,061,913,518	-	932,804,513,518
Certificates	13,788,161,044	326,234,713	-	14,114,395,757
Total	2,963,917,735,387	125,580,827,891	(28,273,963,155)	3,061,224,600,123

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

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

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

		As at	
		31.03.2021	31.12.2020
		VND	VND
Loans for securities transactions	(i)	8,876,271,890,193	8,623,841,531,603
Total		<u>8,876,271,890,193</u>	<u>8,623,841,531,603</u>

(i) Margin loans

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

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

3.4 Provision for loans and doubtful debts

	Doubtful amount		Provision			
	Opening balance VND	Closing balance VND	Opening balance VND	Provided VND	Reversed VND	Closing balance VND
Overdue margin loans	37,783,317,946	37,783,317,946	37,783,317,946	-	-	37,783,317,946
Consultancy service fees receivable	1,145,650,000	1,145,650,000	1,145,650,000	-	-	1,145,650,000
Other receivables from securities trading	654,824,202	654,824,202	654,824,202	-	-	654,824,202
Total	<u>39,583,792,148</u>	<u>39,583,792,148</u>	<u>39,583,792,148</u>	<u>-</u>	<u>-</u>	<u>39,583,792,148</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.5 Receivables

		As at	
		31.03.2021	31.12.2020
		VND	VND
Receivables from services provided by the Company			
Receivable from VSD	-		169,299,572,920
Receivable from securities purchasing (i)	1,722,202,723,761		17,000,000,000
Consultancy service fees receivable	1,607,410,000		1,222,650,000
Other receivables from trading activities	3,110,304,116		5,701,298,867
Total		1,726,920,437,877	193,223,521,787
Other receivables			
Bank interest receivables		75,957,153,149	63,402,331,232
Others		2,240,330,177	1,456,458,098
Total		78,197,483,326	64,858,789,330

- (i) This is receivable from institutional investors in relation to their purchases of securities. This receivable was fully received on the day of T+2.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.6 Fixed assets

(a) *Tangible fixed assets*

	Transportation vehicles VND	Office equipment VND	Total VND
Historical cost			
As at 01.01.2021	4,410,223,640	100,166,765,649	104,576,989,289
New purchases	-	79,940,000	79,940,000
As at 31.03.2021	<u>4,410,223,640</u>	<u>100,246,705,649</u>	<u>104,656,929,289</u>
Accumulated depreciation			
As at 01.01.2021	2,793,750,676	74,910,994,780	77,704,745,456
Charge for the period	100,388,333	3,735,548,032	3,835,936,365
As at 31.03.2021	<u>2,894,139,009</u>	<u>78,646,542,812</u>	<u>81,540,681,821</u>
Net book value			
As at 01.01.2021	<u>1,616,472,964</u>	<u>25,255,770,869</u>	<u>26,872,243,833</u>
As at 31.03.2021	<u>1,516,084,631</u>	<u>21,600,162,837</u>	<u>23,116,247,468</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.6 Fixed assets (continued)

(a) *Intangible fixed assets*

	Computer software VND
Historical cost	
As at 01.01.2021	83,670,927,010
New purchases	-
As at 31.03.2021	<u>83,670,927,010</u>
Accumulated depreciation	
As at 01.01.2021	63,664,514,660
Charge for the period	<u>3,087,095,563</u>
As at 31.03.2021	<u>66,751,610,223</u>
Net book value	
As at 01.01.2021	<u>20,006,412,350</u>
As at 31.03.2021	<u>16,919,316,787</u>

(b) *Construction in progress*

Construction in progress comprises the following:

	As at	
	31.03.2021	31.12.2020
	VND	VND
Purchases of trading software	<u>1,487,645,619</u>	<u>342,334,073</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)**3.7 Long-term prepaid expenses**

	As at	
	31.03.2021 VND	31.12.2020 VND
Office rental	83,329,799,869	84,037,985,137
Office renovation	15,075,366,393	9,390,231,427
IT costs	102,892,260	111,342,309
Consulting fee	-	474,504,000
Total	98,508,058,522	94,014,062,873

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

3.9 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 2021 TO 31 MARCH 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.10 Short-term borrowings

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

	Interest % per annum	Opening balance VND	Disbursement VND	Repayment VND	Closing balance VND
Short-term borrowings (i)					
Bank borrowings	3,0 – 7,2	6,555,630,000,000	14,649,000,000,000	(13,161,800,000,000)	8,042,830,000,000
Bank overdrafts	5,1 – 7,3	160,941,061,080	5,078,404,093,762	(4,834,345,154,842)	405,000,000,000
Total		6,716,571,061,080	19,727,404,093,762	(17,996,145,154,842)	8,447,830,000,000

- (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 March 2021.

HO CHI MINH CITY SECURITIES CORPORATION

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.11 Trading obligations

	As at	
	31.03.2021 VND	31.12.2020 VND
Payables to investors for purchasing corporate bonds	611,091,069,778	422,227,641,347
Trading settlement balances with the Stock Exchanges	347,334,075,925	-
Covered warrant payables	258,816,980,271	311,922,070,959
Advances from investors for securities purchases	209,122,861,210	174,815,723,707
Payables to Stock Exchanges and VSD	21,579,865,262	16,794,928,434
Variation margin payment to VSD	-	8,555,000,000
Others	646,259,967	980,730,466
Others	1,448,591,112,413	935,296,094,913

3.12 Tax and other payables to the State budget

	As at	
	31.03.2021 VND	31.12.2020 VND
Business income tax – current	79,895,074,640	35,382,154,300
Personal income tax withheld and paid on behalf of investors	24,807,876,158	21,270,427,173
Corporate income tax withheld and paid on behalf of foreign institutions	13,632,776,532	4,830,303,088
Personal income tax withheld and paid on behalf of employees	4,894,891,215	4,248,290,370
Value added tax	1,428,928,135	48,750,780
Foreign contractor tax	-	1,233,704,212
Total	124,659,546,680	67,013,629,923

3.13 Short-term accrued expenses

	As at	
	31.03.2021 VND	31.12.2020 VND
Allowance for working performance	49,019,394,168	50,000,000,000
Interest expenses	30,013,192,704	22,032,166,627
Others	15,754,055,748	11,744,363,077
Total	94,786,642,620	83,776,529,704

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.14 Other short-term liabilities

	As at	
	31.03.2021	31.12.2020
	VND	VND
Business development expenses payables	31,088,313,897	31,088,313,897
Dividends payable to shareholders	3,429,078,955	155,942,531,017
Dividends paid on behalf	2,653,899,567	3,413,307,130
Receipts from investors for their subscriptions of shares from issuers	410,410,000	6,364,500,000
Other payables	12,450,398,878	13,112,369,388
Total	50,032,101,297	209,921,021,432

3.15 Share capital

(a) Number of shares

	As at	
	31.03.2021	31.12.2020
	VND	VND
Number of shares registered	305,882,263	305,882,263
Number of shares issued	305,882,263	305,882,263
Number of shares repurchased	(840,418)	(840,418)
Number of existing shares in issue	305,041,845	305,041,845

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.15 Share capital (continued)

(b) Movement of share capital

	Ordinary shares
As at 1 January 2020	305,516,173
New shares issued	-
Treasury shares repurchased	(474,328)
As at 31 December 2020	305,041,845
Treasury shares repurchased	-
As at 31 March 2021	<u>305,041,845</u>

3.16 Undistributed earnings

	As at	
	31.03.2021	31.12.2020
	VND	VND
Realised post-tax profits	996,900,033,606	647,641,022,448
Unrealised profits	199,968,223	27,645,711,697
Total	<u>997,100,001,829</u>	<u>675,286,734,145</u>

4 NOTES TO OFF STATEMENT OF FINANCIAL POSITION ITEMS

4.1 Bad debts written off

	As at	
	31.03.2021	31.12.2020
	VND	VND
Other receivables	<u>345,059,000</u>	<u>345,059,000</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

4 NOTES TO OFF STATEMENT OF FINANCIAL POSITION ITEMS (continued)**4.2 Foreign currencies**

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

	As at	
	31.03.2021	31.12.2020
US Dollar	1,914.79	1,880.68
Japanese Yen	241,915	241,915
Singapore Dollar	844	844
British Pound	2,663	7,146.28
Taiwanese Dollar	3,200	3,200
Canadian Dollar	100	100
Malaysian Ringgit	750	750

4.3 Number of shares in issue

	As at	
	31.03.2021	31.12.2020
Quantity issued for 1 year or more (share)	305,041,845	305,041,845
Total	305,041,845	305,041,845

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

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

4.4 Covered warrant

Ticker symbol	Underlying security	Maturity date	As at 31.03.2021 Covered warrant			
			Number of covered warrants authorised for issue	Number of cancellation of covered warrants registration	Number of additional issuance of covered warrants	Number of covered warrants issued
CFPT2011	FPT Corporation (FPT)	01.04.2021	5,000,000	-	583,210	4,416,790
CHPG2021	Hoa Phat Group Joint Stock Company (HPG)	01.04.2021	5,000,000	-	2,949,540	2,050,460
CMBB2009	Military Commercial Joint - Stock Bank (MBB)	01.04.2021	5,000,000	-	1,007,490	3,992,510
CMSN2011	Masan Group Corporation (MSN)	01.04.2021	5,000,000	(4,000,000)	359,390	640,610
CPNJ2009	Phu Nhuan Jewelry Joint Stock Company (PNJ)	01.04.2021	5,000,000	-	1,749,520	3,250,480
CSTB2012	Saigon Thuong Tin Commercial Joint Stock Bank (STB)	01.04.2021	5,000,000	-	910,050	4,089,950
CTCB2010	Technology and Commercial Joint Stock Bank (TCB)	14.01.2021	5,000,000	-	833,750	4,166,250
CVHM2009	Vinhomes Joint Stock Company (VHM)	14.01.2021	5,000,000	-	2,361,760	2,638,240
CVIC2006	Vingroup Joint Stock Company (VIC)	01.04.2021	5,000,000	-	1,651,750	3,348,250
CVNM2013	Vietnam Dairy Products Joint Stock Company (VNM)	01.04.2021	5,000,000	-	4,992,200	7,800
CVPB2012	Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	01.04.2021	5,000,000	-	132,910	4,867,090
CVRE2012	Vincom Retail Joint Stock Company (VRE)	01.04.2021	5,000,000	-	1,767,520	3,232,480
CVPB2011	Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	04.05.2021	5,000,000	-	311,900	4,688,100
CVHM2010	Vinhomes Joint Stock Company (VHM)	04.05.2021	5,000,000	-	4,968,580	31,420
CFPT2012	FPT Corporation (FPT)	04.05.2021	5,000,000	-	1,313,060	3,686,940
CHPG2022	Hoa Phat Group Joint Stock Company (HPG)	04.05.2021	5,000,000	-	4,747,860	252,140
CMWG2015	Mobile World Investment Corporation (MWG)	10.05.2021	5,000,000	-	4,444,190	555,810
CMWG2016	Mobile World Investment Corporation (MWG)	10.06.2021	5,000,000	-	4,994,490	5,510
CREE2006	Refrigeration Electrical Engineering Corporation (REE)	10.05.2021	5,000,000	-	1,947,820	3,052,180
CHPG2105	Hoa Phat Group Joint Stock Company (HPG)	09.08.2021	5,000,000	-	4,932,100	67,900
CSTB2103	Saigon Thuong Tin Commercial Joint Stock Bank (STB)	09.08.2021	5,000,000	-	4,999,400	600
CTCB2103	Technology and Commercial Joint Stock Bank (TCB)	09.08.2021	5,000,000	-	4,955,100	44,900
CVHM2104	Vinhomes Joint Stock Company (VHM)	09.08.2021	5,000,000	-	4,968,500	31,500
CVPB2103	Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	09.08.2021	5,000,000	-	2,337,200	2,662,800
CVRE2103	Vincom Retail Joint Stock Company (VRE)	09.08.2021	5,000,000	-	4,140,800	859,200
			125,000,000	(4,000,000)	68,360,090	52,639,910

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

5 NOTES TO THE STATEMENT OF INCOME

5.1 Net realised gains on disposals of FVTPL financial assets

	1 st Quarter		Year to date	
	2021 VND	2020 VND	2021 VND	2020 VND
Realised gains on disposals of FVTPL financial assets	625,141,484,461	162,235,082,119	625,141,484,461	162,235,082,119
Realised losses on disposals of FVTPL financial assets	(454,915,925,976)	(159,162,542,981)	(454,915,925,976)	(159,162,542,981)
Total	170,225,558,485	3,072,539,138	170,225,558,485	3,072,539,138

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

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

	1 st Quarter		Year to date	
	2021 VND	2020 VND	2021 VND	2020 VND
Gains from revaluation of FVTPL financial assets	(67,082,926,367)	(5,489,134,333)	(67,082,926,367)	(5,489,134,333)
Losses from revaluation of FVTPL financial assets	16,029,652,214	15,611,334,657	16,029,652,214	15,611,334,657
Total	(51,053,274,153)	10,122,200,324	(51,053,274,153)	10,122,200,324

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

	1 st Quarter		Year to date	
	2021 VND	2020 VND	2021 VND	2020 VND
Decrease in covered warrants liabilities due to revaluations	11,381,706,840	19,071,603,723	11,381,706,840	19,071,603,723
Increase in covered warrants liabilities due to revaluations	12,225,823,839	-	12,225,823,839	-
Total	23,607,530,679	19,071,603,723	23,607,530,679	19,071,603,723

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

5 NOTES TO THE STATEMENT OF INCOME (continued)

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

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

	Cost VND	Market value/ fair value VND	Accumulated revaluation gains/(losses) 31.03.2021 VND	Accumulated revaluation gains/(losses) 31.12.2020 VND	Credited/ (charged) to statement of income VND
Listed shares, Unlisted and unregistered shares and shares traded on UPCoM	160,750,223,052	151,601,910,838	(9,148,312,214)	6,106,070,099	(15,254,382,313)
Underlying assets designated as hedges for covered warrants	651,814,025,165	687,917,630,500	36,103,605,335	71,812,646,406	(35,709,041,071)
Listed bonds	913,548,900,000	932,352,744,142	18,803,844,142	19,061,913,518	(258,069,376)
Certificates	14,733,221,170	15,227,674,490	494,453,320	326,234,713	168,218,607
Total	<u>1,740,846,369,387</u>	<u>1,787,099,959,970</u>	<u>46,253,590,583</u>	<u>97,306,864,736</u>	<u>(51,053,274,153)</u>

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

	Cost VND	Market value/ fair value VND	Accumulated revaluation gains/(losses) 31.03.2021 VND	Accumulated revaluation gains/(losses) 31.12.2020 VND	Credited/ (charged) to statement of income VND
Covered warrants	212,763,357,873	258,816,980,233	(46,053,622,360)	(69,661,153,039)	23,607,530,679
Total	<u>212,763,357,873</u>	<u>258,816,980,233</u>	<u>(46,053,622,360)</u>	<u>(69,661,153,039)</u>	<u>23,607,530,679</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

5 NOTES TO THE STATEMENT OF INCOME (continued)

5.3 Operating expenses not related to financial assets

	Year to date	
	2021	2020
	VND	VND
Proprietary trading activities	13,901,120,244	7,935,448,916
Staff costs	748,957,626	859,277,446
Brokerage fee	6,777,841,834	2,620,178,291
Depreciation and amortisation	378,475,992	383,419,673
Outsourcing expenses	1,130,303,051	654,453,621
Allocation expenses	4,865,541,741	3,418,119,885
Brokerage fee expenses	155,638,968,312	82,067,026,391
Staff costs	67,760,268,366	32,402,878,025
Brokerage fee	62,269,640,297	23,451,270,143
Depreciation and amortisation	3,807,338,878	2,957,516,904
Outsourcing expenses	10,137,128,747	11,226,716,028
Office rental expenses	4,543,750,895	7,200,150,216
Allocation expenses	7,120,841,129	4,828,495,075
Custody service expenses	2,131,871,596	1,977,295,647
Financial consultancy service expenses	4,017,377,833	3,945,219,437
Staff costs	3,329,608,536	3,209,204,071
Outsourcing expenses	687,769,297	736,015,366
Other operating expenses	1,099,506,612	787,273,972
Total	176,788,844,597	96,712,264,363

5.4 General and administration expenses

	Year to date	
	2021	2020
	VND	VND
Staff costs	34,880,520,713	28,974,884,000
Office rental expenses	4,230,652,027	2,478,243,587
Outsourcing expenses	8,631,183,466	9,677,147,571
Depreciation and amortisation	2,174,505,574	3,355,099,373
Tax and other fees	47,391,923	87,655,869
Office tools and supplies	308,703,721	404,601,127
Other administrative expenses	2,654,622,553	2,506,140,296
Total	52,927,579,977	47,483,771,823

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

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 29,96% of charter capital. The Company's Vice Chairman of the Board of Directors is a Director and member of Board of Directors of DC Group. The Company's member of the Board of Directors is a Director of DC Group. The Company's member of the Board of Directors is representative for DC's shares.
Ho Chi Minh Finance and Investment State-owned Company (HFIC)	Strategic shareholder, holding 23,86% of charter capital. Two members of the Board of Directors are Deputy General Director and Chief Accountant at HFIC.
Board of Directors and Board of Management	Key management

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

<u>Related party</u>	<u>Transactions</u>	<u>Current period VND</u>
Dragon Capital Markets Limited (DC)	Dividends payable	45,825,278,000
Ho Chi Minh Finance and Investment State-owned Company (HFIC)	Dividends payable	36,487,590,000
	Deposits for securities trading	25,139,454

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

6 RELATED PARTIES DISCLOSURES (continued)

Related party transactions in Q1/2021

<u>Related party</u>	<u>Transactions</u>	<u>Current period VND</u>
Compensation of key management (*)	Gross salaries and other benefits in Q1/2021	2,947,645,668

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

Remuneration to the Board of Directors

Mr. Do Hung Viet	Chairperson	260,979,000
Mr. Le Anh Minh	Vice Chairperson	216,666,667
Mr. Pham Nghiem Xuan Bac	Member	66,666,667
Mr. Le Thang Can	Member	100,000,000
Mr. Johan Nyvene	Member	100,000,000
Mr. Le Hoang Anh	Member	100,000,000
Mr. Lam Hoai Anh	Member	66,666,667
		910,979,001

Remuneration to the Board of Supervision

Mr. Vo Van Chau	Chief Supervisor	116,666,667
Mr. Doan Van Hinh	Member	20,000,000
Ms. Dang Nguyet Minh	Member	100,000,000

Gross salary of the Chief Executive Officer

Mr Trinh Hoai Giang	Chief Executive	1,800,000,000
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

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 March 2021				
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Total VND
Revenue and income (*)	297,342,085,046	627,904,962,630	222,064,558,207	15,637,880,982	1,162,949,486,865
Expenses	(158,870,346,520)	(440,561,570,167)	(106,430,896,871)	(4,017,377,833)	(709,880,191,391)
<i>In which:</i>					
<i>Direct cash expenses</i>	(149,764,989,628)	(464,818,530,499)	(106,430,896,871)	(3,994,252,835)	(725,008,669,833)
<i>Total amount of significant non-cash expenses, other than depreciation, amortisation and allocation of prepaid expenses</i>	-	28,255,476,053	-	-	28,255,476,053
<i>Total depreciation and amortisation of fixed assets</i>	(3,807,338,878)	(378,475,992)	-	(23,124,998)	(4,208,939,868)
<i>Allocation of long-term and short-term prepaid expenses</i>	(5,298,018,014)	(3,620,039,729)	-	-	(8,918,057,743)
Segment result	138,471,738,526	187,343,392,463	115,633,661,336	11,620,503,149	453,069,295,474
Net financial income					1,558,526,827
Net other income					-
General and administration expenses					(52,927,579,977)
Operating result					401,700,242,324

7 SEGMENT INFORMATION (continued)

Business activity segments (continued)

	For the period ended 31 March 2020				
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Total VND
Revenue and income (*)	109,635,551,858	219,496,506,173	116,325,089,496	1,386,543,311	446,843,690,838
Expenses	(84,831,596,010)	(151,486,657,240)	(34,295,014,270)	(3,945,219,437)	(274,558,486,957)
<i>In which:</i>					
<i>Direct cash expenses</i>	(78,804,236,280)	(164,541,412,545)	(34,295,014,270)	(3,924,631,103)	(281,565,294,198)
<i>Total amount of significant non-cash expenses, other than depreciation, amortisation and allocation of prepaid expenses</i>	-	15,611,334,657	-	-	15,611,334,657
<i>Total depreciation and amortisation of fixed assets</i>	(2,957,516,904)	(383,419,673)	-	(20,588,334)	(3,361,524,911)
<i>Allocation of long-term and short-term prepaid expenses</i>	(3,069,842,826)	(2,173,159,679)	-	-	(5,243,002,505)
Segment result	24,803,955,848	68,009,848,933	82,030,075,226	(2,558,676,126)	172,285,203,881
Net financial income					1,294,042,725
Net other income					12,090,909
General and administration expenses					(47,483,771,823)
Operating result					126,107,565,692

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

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 2021					
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Unallocated VND	Total VND
Segment assets	1,860,643,285,132	1,811,045,729,036	11,230,374,890,878	3,636,389,375	-	14,905,700,294,421
Unallocated assets	-	-	-	-	56,129,837,795	56,129,837,795
Total assets	<u>1,860,643,285,132</u>	<u>1,811,045,729,036</u>	<u>11,230,374,890,878</u>	<u>3,636,389,375</u>	<u>56,129,837,795</u>	<u>14,961,830,132,216</u>
Segment liabilities	1,452,891,537,242	-	8,477,843,192,704	-	-	9,930,734,729,946
Unallocated liabilities	-	-	-	-	268,927,603,201	268,927,603,201
Total liabilities	<u>1,452,891,537,242</u>	<u>-</u>	<u>8,477,843,192,704</u>	<u>-</u>	<u>268,927,603,201</u>	<u>10,199,662,333,147</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

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7 SEGMENT INFORMATION (continued)
Business activity segments (continued)

	As at 31 December 2020					
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Unallocated VND	Total VND
Segment assets	330,925,036,669	3,241,659,928,389	8,860,312,830,607	2,945,599,248	-	12,435,843,394,913
Unallocated assets	-	-	-	-	52,984,158,174	52,984,158,174
Total assets	<u>330,925,036,669</u>	<u>3,241,659,928,389</u>	<u>8,860,312,830,607</u>	<u>2,945,599,248</u>	<u>52,984,158,174</u>	<u>12,488,827,553,087</u>
Segment liabilities	941,731,165,549	-	6,738,603,227,707	-	-	7,680,334,393,256
Unallocated liabilities	-	-	-	-	368,138,628,446	368,138,628,446
Total liabilities	<u>941,731,165,549</u>	<u>-</u>	<u>6,738,603,227,707</u>	<u>-</u>	<u>368,138,628,446</u>	<u>8,048,473,021,702</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

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8 COMPARATIVE FIGURES

STATEMENT OF INCOME

Code	ITEMS	Q1/2020			Year to date		
		Previously reported VND	Restatement/ reclassification (*) VND	Restated VND	Previously reported VND	Restatement/ reclassification (*) VND	Restated VND
	OPERATING INCOME						
01.2	Increase in revaluation gains of FVTPL financial assets	(1,327,714,975)	(4,161,419,358)	(5,489,134,333)	(1,327,714,975)	(4,161,419,358)	(5,489,134,333)
01.3	Dividends and interest income from FVTPL financial assets	39,479,531,506	4,199,423,158	43,678,954,664	39,479,531,506	4,199,423,158	43,678,954,664
01.4	Decrease in covered warrants liabilities due to revaluations	19,109,607,523	(38,003,800)	19,071,603,723	19,109,607,523	(38,003,800)	19,071,603,723
	OPERATING EXPENSES						
24	Provisions for financial assets, losses on bad debts, impairment losses of financial assets and interest expenses associated with borrowings	34,106,150,753	188,863,517	34,295,014,270	34,106,150,753	188,863,517	34,295,014,270
26	Proprietary trading activities	21,602,917,800	(13,667,468,884)	7,935,448,916	21,602,917,800	(13,667,468,884)	7,935,448,916
27	Brokerage fee expenses	70,093,116,301	11,973,910,090	82,067,026,391	70,093,116,301	11,973,910,090	82,067,026,391
31	Financial consultancy service expenses	3,159,907,723	785,311,714	3,945,219,437	3,159,907,723	785,311,714	3,945,219,437
33	Other operating expenses	67,890,409	719,383,563	787,273,972	67,890,409	719,383,563	787,273,972

(*) Reclassify interest from loans and receivables, brokerage fee income to correct line on the report. Reclassify operating expenses to correct line on the report.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2021 TO 31 MARCH 2021

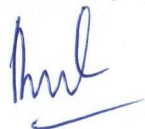
8 COMPARATIVE FIGURES (continued)

STATEMENT OF CASH FLOWS

Code	ITEMS	Year to date		
		Previously reported	Restatement/ reclassification (*)	Restated
02	Adjustments for:			
08	Accrued interest income	(24,812,381,476)	15,322,096,502	(9,490,284,974)
18	Decrease in non-cash income	(68,613,854,766)	15,322,096,502	(53,291,758,264)
19	Decrease in revaluation gains of FVTPL financial assets, decrease in revalued amount of covered warrants liabilities	(17,781,892,548)	4,199,423,158	(13,582,469,390)
		(17,781,892,548)	4,199,423,158	(13,582,469,390)
31	Decrease in FVTPL financial assets	326,268,068,624	38,003,800	326,306,072,424
33	Increase in loans	1,142,907,096,184	3,000,000	1,142,910,096,184
39	Decrease in other receivables	60,729,233,622	(19,524,519,660)	41,204,713,962
50	Increase in other short-term payables, covered warrants payable	(138,268,894,988)	(38,003,800)	(138,306,898,788)

(*) Reclassify revaluation of the market value of bonds which being recorded as financial assets at fair value through profit or loss ("FVTPL") to correct line on the report.

Prepared by



Le Thi Thuy Duong

Chief Financial Officer cum
Chief Accountant


Lam Huu Ho

16 April 2021

Chief Executive Officer




Trinh Hoai Giang
