

HO CHI MINH CITY SECURITIES CORPORATION

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

HO CHI MINH CITY SECURITIES CORPORATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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HO CHI MINH CITY SECURITIES CORPORATION

CORPORATE INFORMATION

Establishment and operation licence

No. 11/UBCK-GPHĐKD dated 29 April 2003 issued by the State Securities Commission. The Establishment and operation licence was amended several times and the latest amendment No. 13/GPĐC-UBCK was issued on 16 March 2020.

Board of Directors

Mr. Do Hung Viet	Chairperson
Mr. Le Anh Minh	Vice Chairperson
Mr. Pham Nghiem Xuan Bac	Member
Mr. Le Thang Can	Member
Mr. Johan Nyvene	Member
Mr. Le Hoang Anh	Member
Mr. Lam Hoai Anh	Member

Board of Supervision

Mr. Vo Van Chau	Chief Supervisor
Mr. Doan Van Hinh	Member
Ms. Dang Nguyet Minh	Member

Board of Management

Mr. Trinh Hoai Giang	Chief Executive Officer (from 16 March 2020) Deputy Chief Executive Officer (until 15 March 2020)
Mr. Johan Nyvene	Chief Executive Officer (until 15 March 2020)
Mr. Le Anh Quan	Managing Director
Mr. Bach Quoc Vinh	Managing Director
Mr. Pham Ngoc Bich	Managing Director
Mr. Christopher Lawrence Hunt	Managing Director
Mr. Stephen James McKeever	Managing Director
Mr. Tran Tan Dat	Managing Director
Mr. Nguyen Canh Thinh	Managing Director
Ms. Nguyen Linh Lan	Managing Director
Mr. Le Nguyen Binh	Managing Director (from 1 December 2020)
Mr. Lam Huu Ho	Chief Financial Officer cum Chief Accountant
Mr. Le Cong Thien	Deputy Chief Executive Officer (until 26 February 2020)

Legal Representative

Mr. Trinh Hoai Giang	Chief Executive Officer (from 16 March 2020)
Mr. Johan Nyvene	Chief Executive Officer (until 15 March 2020)

Registered office

5-6th Floor, AB Tower
76 Le Lai Street, Ben Thanh Ward, District 1
Ho Chi Minh City, Vietnam

Auditor

PwC (Vietnam) Limited

HO CHI MINH CITY SECURITIES CORPORATION

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

The Board of Management of Ho Chi Minh City Securities Corporation (“the Company”) is responsible for preparing the financial statements which give a true and fair view of the financial position of the Company as at 31 December 2020 and of the result of its operations, cash flows and changes in equity for the year then ended. In preparing these financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements as set out on pages 5 to 90 which give a true and fair view of the financial position of the Company as at 31 December 2020 and of the results of its operations, cash flows and changes in equity for the year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and prevailing regulations on preparation and presentation of financial statements applicable to securities companies operating in Vietnam.

On behalf of the Board of Management



Trinh Hoai Giang
Chief Executive Officer

Ho Chi Minh City, Vietnam
18 March 2021

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HO CHI MINH CITY SECURITIES CORPORATION

We have audited the accompanying financial statements of Ho Chi Minh City Securities Corporation ("the Company") which were prepared on 31 December 2020 and approved by the Board of Management on 18 March 2021. The financial statements comprise the statement of financial position as at 31 December 2020, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, and explanatory notes to the financial statements including significant accounting policies, as set out on pages 5 to 90.

The Board of Management's Responsibility

The Board of Management of the Company is responsible for the preparation and the true and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and prevailing regulations on preparation and presentation of financial statements applicable to securities companies operating in Vietnam and for such internal control which the Board of Management determines as necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Auditor's Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2020, the results of its operations, cash flows and changes in equity for the year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and prevailing regulations on preparation and presentation of financial statements applicable to securities companies operating in Vietnam.

Other Matter

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

For and on behalf of PwC (Vietnam) Limited



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

Report reference number: HCM10075
Ho Chi Minh City, 18 March 2021



Tran Thi Cam Tu
Audit Practising Licence No.
2713-2018-006-1

STATEMENT OF FINANCIAL POSITION

Code	ITEM	Note	As at	
			31.12.2020 VND	31.12.2019 VND
	ASSETS			
100	CURRENT ASSETS		12,307,866,988,088	7,295,764,151,145
110	Financial assets		12,118,339,034,626	7,275,687,206,277
111	Cash and cash equivalents	3.1	206,860,864,747	906,543,226,372
111.1	Cash		206,860,864,747	906,543,226,372
112	Financial assets at fair value through profit or loss ("FVTPL")	3.2	3,061,224,600,123	1,306,154,384,308
114	Loans	3.3	8,623,841,531,603	4,734,496,649,940
116	Provisions for impairment loss of financial assets and collaterals	3.4	(37,783,317,946)	(37,783,317,946)
118	Prepayments to suppliers		7,913,519,184	6,445,066,994
119	Service-related receivables	3.5	193,223,521,787	318,126,523,551
122	Other receivables	3.5	64,858,789,330	43,505,147,260
129	Provisions for doubtful debts	3.4	(1,800,474,202)	(1,800,474,202)
130	Other current assets		189,527,953,462	20,076,944,868
131	Advances to employees		131,200,582	251,315,707
133	Short-term prepaid expenses	3.8(a)	8,702,822,930	8,464,775,711
134	Short-term security deposits		1,005,314,000	3,797,282,500
137	Other current assets		179,688,615,950	7,563,570,950
137.1	Deposits for derivatives trading activities	3.6	179,688,615,950	7,563,570,950
200	NON-CURRENT ASSETS		180,960,564,999	192,914,478,203
220	Fixed assets		46,878,656,183	41,889,429,828
221	Tangible fixed assets	3.7(a)	26,872,243,833	24,220,165,536
222	Historical cost		104,576,989,289	86,288,797,369
223a	Accumulated depreciation		(77,704,745,456)	(62,068,631,833)
227	Intangible fixed assets	3.7(b)	20,006,412,350	17,669,264,292
228	Historical cost		83,670,927,010	69,590,128,018
229a	Accumulated amortisation		(63,664,514,660)	(51,920,863,726)
240	Construction in progress	3.7(c)	342,334,073	13,597,128,282
250	Other non-current assets		133,739,574,743	137,427,920,093
251	Long-term security deposits		8,365,511,870	6,192,051,327
252	Long-term prepaid expenses	3.8(b)	94,014,062,873	100,955,484,782
253	Deferred income tax assets	3.16	1,360,000,000	280,383,984
254	Deposits in the Settlement Supporting Fund	3.9	20,000,000,000	20,000,000,000
255	Other non-current assets		10,000,000,000	10,000,000,000
255.1	Deposits in the Derivatives trading clearing fund	3.10	10,000,000,000	10,000,000,000
270	TOTAL ASSETS		12,488,827,553,087	7,488,678,629,348

The notes on pages 15 to 90 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
(continued)

Code	ITEM	Note	As at	
			31.12.2020 VND	31.12.2019 VND
300	LIABILITIES		8,048,473,021,702	3,184,535,590,209
310	Current liabilities		8,048,473,021,702	3,184,535,590,209
311	Short-term borrowings and finance lease liabilities		6,716,571,061,080	2,393,727,235,255
312	Short-term borrowings	3.11	6,716,571,061,080	2,393,727,235,255
318	Trading obligations	3.12	935,296,094,913	487,804,747,433
320	Short-term trade payables		5,104,995,817	1,046,316,763
322	Taxes and other payables to the State	3.13	67,013,629,923	37,937,342,045
324	Accrued employees' welfares		4,769,951,100	3,851,740,871
325	Short-term accrued expenses	3.14	83,776,529,704	56,698,330,262
329	Other short-term payables	3.15	209,921,021,432	184,843,206,969
331	Bonus and welfare funds		26,019,737,733	18,626,670,611
400	OWNERS' EQUITY		4,440,354,531,385	4,304,143,039,139
410	Owners' equity		4,440,354,531,385	4,304,143,039,139
411	Owners' capital		3,405,291,244,992	3,411,931,836,992
411.1	Share capital	3.17	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)	(5,836,857,008)
414	Supplementary capital reserve		177,907,588,627	151,385,003,919
415	Financial risk and operational reserve		177,907,588,627	151,385,003,919
416	Other equity reserves		3,961,374,994	3,961,374,994
417	Undistributed earnings	3.18	675,286,734,145	585,479,819,315
417.1	Realised profits after tax		647,641,022,448	614,251,440,752
417.2	Unrealised profits/(losses)		27,645,711,697	(28,771,621,437)
440	TOTAL RESOURCES		12,488,827,553,087	7,488,678,629,348

The notes on pages 15 to 90 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
(continued)

OFF STATEMENT OF FINANCIAL POSITION ITEMS

Code	ITEM	Note	As at	
			31.12.2020	31.12.2019
A	ASSETS OF THE COMPANY AND ASSETS UNDER ENTRUSTMENT			
			Amount (VND)	
004	Bad debts written off		345,059,000	345,059,000
			Original currency	
005	Foreign currencies			
	United States Dollar		1,880.68	1,899.62
	Japanese Yen		241,915	241,915
	Singapore Dollar		844	844
	British Pound		7,146.28	1,594.70
	New Taiwan Dollar		3,200	3,200
	Canadian Dollar		100	100
	Malaysian Ringgit		750	750
			Quantity	
006	Number of shares in issue (shares)	4.1	305,041,845	305,516,173
007	Number of treasury shares (shares)	3.17	840,418	366,090
			Par value (VND)	
008	Securities listed/registered at Vietnam Securities Depository ("VSD")		993,631,923,000	146,128,706,000
	<i>Freely traded securities</i>		937,631,923,000	146,128,706,000
	<i>Mortgaged securities</i>		56,000,000,000	-
009	Securities in custody of VSD and not yet traded		23,150,020,000	506,139,500,000
	<i>Freely traded securities</i>		23,150,020,000	506,139,500,000
010	Securities purchased and awaiting settlement		51,825,101,000	4,570,802,000
	<i>Securities awaiting settlement</i>		51,825,101,000	4,570,802,000
012	Securities not in custody of VSD		3,340,840,000	391,374,560,000
	<i>Freely traded securities</i>		3,340,840,000	391,374,560,000
			Quantity	
014	Covered warrants authorised but not yet issued	4.2	41,100,990	60,105,000

The notes on pages 15 to 90 are an integral part of these financial statements.

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

Code	ITEM	As at	
		31.12.2020	31.12.2019
B	ASSETS OF AND LIABILITIES TO CUSTOMERS	Par value (VND)	
021	Securities listed/registered at VSD	29,055,917,558,453	21,830,141,746,300
021.1	<i>Freely traded securities</i>	26,490,060,452,700	18,732,929,161,200
021.2	<i>Restricted securities</i>	222,878,360,000	129,406,140,000
021.3	<i>Pledged securities</i>	1,072,686,420,000	2,371,412,250,000
021.4	<i>Suspended securities</i>	175,105,240,000	268,676,880,000
021.5	<i>Securities awaiting settlement</i>	768,765,870,100	203,396,899,000
021.7	<i>Customers' deposits for derivatives trading</i>	326,421,215,653	124,320,416,100
022	Securities in custody of VSD and not yet traded	226,132,240,000	18,424,050,000
022.1	<i>Securities in custody of VSD and not yet traded – freely traded securities</i>	212,693,340,000	11,232,460,000
022.2	<i>Securities in custody of VSD and not yet traded – suspended securities</i>	13,438,900,000	7,191,590,000
023	Securities purchased and awaiting settlement	685,071,278,200	212,253,750,000
024b	Securities not in custody of VSD of investors	5,500,000,000	5,500,000,000
026	Customers' deposits	2,426,782,571,627	865,759,134,335
027	<i>Customers' deposits for securities trading</i>	2,100,361,355,974	741,438,718,235
027.1	<i>Customers' deposits at VSD</i>	326,421,215,653	124,320,416,100
031	Payables to customers relating to their deposits at the Company for securities trading	2,100,361,355,974	741,438,718,235
031.1	<i>Payables to domestic customers relating to their deposits at the Company for securities trading</i>	2,089,526,776,741	733,323,220,892
031.2	<i>Payables to foreign customers relating to their deposits at the Company for securities trading</i>	10,834,579,233	8,115,497,343

Le Thi Thuy Duong
Preparer

Lam Huu Ho
Chief Financial Officer
cum Chief Accountant

Trinh Hoai Giang
Chief Executive Officer
18 March 2021

The notes on pages 15 to 90 are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

Code	ITEM	Note	For the year ended	
			31.12.2020 VND	31.12.2019 VND
	OPERATING INCOME			
01	Income from FVTPL financial assets		1,027,171,623,991	505,990,623,151
01.1	Realised gains on disposal of FVTPL financial assets	5.1	719,339,277,788	374,478,101,972
01.2	Increase in revaluation gains of FVTPL financial assets	5.2	104,750,184,619	16,213,187,476
01.3	Dividends and interest income from FVTPL financial assets	5.3	208,294,399,010	108,888,346,116
01.4	Decrease in covered warrants liabilities due to revaluations	5.2	(5,212,237,426)	6,410,987,587
03	Interest income from loans and receivables		549,942,893,189	508,242,445,291
06	Brokerage fee income		621,464,464,968	482,481,918,443
09	Custody service income		7,575,701,973	7,616,808,263
10	Financial consultancy service income		37,741,467,445	53,627,870,462
11	Other operating income		4,009,821,108	2,171,378,005
20	TOTAL OPERATING INCOME		2,247,905,972,674	1,560,131,043,615
	OPERATING EXPENSES			
21	Losses from FVTPL financial assets		(657,783,171,656)	(299,990,119,345)
21.1	Realised losses on disposal of FVTPL financial assets	5.1	(614,662,557,597)	(300,506,423,395)
21.2	Decrease in revaluation losses of FVTPL financial assets	5.2	27,738,629,141	516,964,050
21.4	Increase in covered warrants liabilities due to revaluations	5.2	(70,859,243,200)	(660,000)
24	Provisions for financial assets, losses on bad debts, impairment losses of financial assets and interest expenses associated with borrowings	5.4	(207,049,930,074)	(113,682,911,467)
26	Proprietary trading activities	5.5	(56,313,185,768)	(33,922,566,120)
27	Brokerage fee expenses	5.5	(420,110,183,582)	(363,693,987,844)
30	Custody service expenses	5.5	(7,961,207,512)	(8,178,428,770)
31	Financial consultancy service expenses	5.5	(20,203,733,179)	(21,241,240,366)
32	Other operating expenses	5.5	(3,594,143,138)	(3,431,286,574)
40	TOTAL OPERATING EXPENSES		(1,373,015,554,909)	(844,140,540,486)

The notes on pages 15 to 90 are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
(continued)

Code	ITEM	Note	For the year ended	
			31.12.2020 VND	31.12.2019 VND
	FINANCIAL INCOME			
42	Dividend income and interest income from demand deposits		1,610,698,997	2,119,729,545
50	TOTAL FINANCIAL INCOME		1,610,698,997	2,119,729,545
62	GENERAL AND ADMINISTRATIVE EXPENSES	5.6	(216,286,598,477)	(186,799,467,128)
70	OPERATING RESULT		660,214,518,285	531,310,765,546
	OTHER INCOME AND EXPENSES			
71	Other income		90,917,424	95,013,636
80	NET OTHER INCOME		90,917,424	95,013,636
90	NET ACCOUNTING PROFIT BEFORE TAX		660,305,435,709	531,405,779,182
91	Realised profit		603,888,102,575	508,265,300,069
92	Unrealised profit		56,417,333,134	23,140,479,113
100	BUSINESS INCOME TAX ("BIT")	5.7	(129,853,741,544)	(98,840,860,805)
100.1	BIT – current		(130,933,357,560)	(97,562,452,910)
100.2	BIT – deferred		1,079,616,016	(1,278,407,895)
200	NET PROFIT AFTER TAX		530,451,694,165	432,564,918,377
300	OTHER COMPREHENSIVE INCOME, NET OF TAX		-	-
400	TOTAL OTHER COMPREHENSIVE INCOME		-	-
500	EARNINGS PER SHARE			
501	Basic earnings per share (VND/share)	5.8	1,738	1,770
502	Diluted earnings per share (VND/share)	5.8	1,738	1,770



Le Thi Thuy Duong
Preparer



Lam Huu Ho
Chief Financial Officer
cum Chief Accountant



Trinh Hoai Giang
Chief Executive Officer
18 March 2021

The notes on pages 15 to 90 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
(Indirect method)

Code	ITEM	Note	For the year ended	
			31.12.2020 VND	31.12.2019 VND
	Cash flows from operating activities			
01	Net accounting profit before tax		660,305,435,709	531,405,779,182
02	Adjustments for:		171,530,263,399	97,402,357,000
03	Depreciation and amortisation	3.7	27,937,372,890	24,717,774,214
04	Reversal of provisions		-	(23,573,148,070)
06	Interest expenses	5.4	207,049,930,074	137,256,059,537
07	Profits from investing activities		(54,708,333)	(95,013,636)
08	Accrued interest income		(63,402,331,232)	(40,903,315,045)
10	Increase/(decrease) for non-cash expenses		43,120,614,059	(516,304,050)
11	Increase/(decrease) revaluation losses of FVTPL financial assets and covered warrants liabilities		43,120,614,059	(516,304,050)
18	Increase for non-cash income		(99,537,947,193)	(22,624,175,063)
19	Increase revaluation gains of FVTPL financial assets and covered warrants liabilities		(99,537,947,193)	(22,624,175,063)
30	Changes in working capital		(5,405,931,732,386)	(1,449,551,028,333)
31	Increase in FVTPL financial assets		(1,622,581,402,055)	(454,584,292,576)
33	Increase in loans		(3,889,344,881,663)	(1,434,698,488,750)
37	Decrease in service-related receivables		124,903,001,764	424,445,031,797
39	Decrease in other receivables		42,168,804,287	14,216,558,439
41	Increase/(decrease) in accrued expenses (excluding interest expenses)		7,741,821,136	(37,810,538,371)
42	Decrease/(increase) in prepaid expenses		9,778,408,813	(270,461,040)
43	BIT paid	3.13	(119,377,759,690)	(90,420,756,280)
44	Interest paid		(197,965,708,789)	(128,261,747,739)
45	Increase/(decrease) in trade payables		2,590,226,864	(6,783,957,063)
46	Increase in employee welfare payables		918,210,229	260,652,936
47	Increase/(decrease) in tax and other payables to the State (excluding BIT paid)		17,490,620,008	(1,669,811,456)
50	Increase in other short-term payables (including covered warrants liabilities)		389,253,463,753	170,388,900,170
51	Other receipts from operating activities		-	95,637,881,600
52	Other payments for operating activities		(171,506,537,043)	-
60	Net cash outflows for operating activities		(4,630,513,366,412)	(843,883,371,264)
	Cash flows from investing activities			
61	Cash paid for purchases of fixed assets		(23,145,130,826)	(28,334,699,237)
62	Proceeds from disposals of fixed assets		498,300,000	104,515,000
70	Net cash outflows for investing activities		(22,646,830,826)	(28,230,184,237)

The notes on pages 15 to 90 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
(Indirect method)
(continued)

Code	ITEM	Note	For the year ended	
			31.12.2020 VND	31.12.2019 VND
	Cash flows from financing activities			
71	Proceeds from issuance of shares		-	1,222,514,474,000
72	Payments for share repurchases		(4,150,370,000)	(2,027,400,000)
73.2	Proceeds from borrowings	3.11	37,610,473,840,008	31,004,520,032,398
74.3	Repayments of principals of borrowings	3.11	(33,287,630,014,183)	(30,314,925,120,338)
76	Payments of dividends		(365,215,620,212)	(248,757,390,185)
80	Net cash inflows from financing activities		3,953,477,835,613	1,661,324,595,875
90	Net (decrease)/increase in cash and cash equivalents		(699,682,361,625)	789,211,040,374
101	Cash and cash equivalents at beginning of year		906,543,226,372	117,332,185,998
101.1	Cash	3.1	906,543,226,372	117,332,185,998
103	Cash and cash equivalents at end of year		206,860,864,747	906,543,226,372
103.1	Cash	3.1	206,860,864,747	906,543,226,372

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

The notes on pages 15 to 90 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
(Indirect method)
(continued)

CASH FLOWS OF BROKERAGE AND ENTRUSTMENT ACTIVITIES

Code	ITEM	For the year ended	
		31.12.2020 VND	31.12.2019 VND
	Cash flows from brokerage and entrustment activities		
01	Brokerage trading proceeds	109,044,199,307,146	67,940,759,977,710
02	Brokerage trading payments	(113,641,108,393,057)	(72,248,211,899,110)
07	Receipts for settlement of customers' transactions	5,963,407,425,623	4,033,540,592,683
11	Payments for custody fees of customers	(7,575,701,973)	(7,616,808,263)
20	Increase/(decrease) in customers' deposits	1,358,922,637,739	(281,528,136,980)
30	Customers' deposits at beginning of year	741,438,718,235	1,022,966,855,215
31	Cash at bank	741,438,718,235	1,022,966,855,215
32	<i>Customers' deposits for securities trading under monitoring of the Company</i>	<i>741,438,718,235</i>	<i>1,022,966,855,215</i>
40	Customers' deposits at end of year	2,100,361,355,974	741,438,718,235
41	Cash at bank	2,100,361,355,974	741,438,718,235
42	<i>Customers' deposits for securities trading under monitoring of the Company</i>	<i>2,100,361,355,974</i>	<i>741,438,718,235</i>



Le Thi Thuy Duong
Preparer



Lam Huu Ho
Chief Financial Officer
cum Chief Accountant



Trinh Hoai Giang
Chief Executive Officer
18 March 2021



The notes on pages 15 to 90 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

Items	As at		For the year ended		For the year ended		As at	
	1.1.2019	1.1.2020	Increase	Decrease	Increase	Decrease	31.12.2019	31.12.2020
I. Changes in equity								
1. Owners' capital	1,625,017,521,491	3,411,931,836,992	2,117,258,114,000	(330,343,798,499)	(6,640,592,000)	-	3,411,931,836,992	3,405,291,244,992
1.1 Ordinary shares with voting rights	1,297,567,580,000	3,058,822,630,000	1,761,255,050,000	-	-	-	3,058,822,630,000	3,058,822,630,000
1.2 Share premiums	330,343,798,499	358,946,064,000	358,946,064,000	(330,343,798,499)	-	-	358,946,064,000	358,946,064,000
1.3 Treasury shares	(2,893,857,008)	(5,836,857,008)	(2,943,000,000)	-	(6,640,592,000)	-	(5,836,857,008)	(12,477,449,008)
2. Supplementary capital reserve	129,756,758,000	151,385,003,919	21,628,245,919	-	26,522,584,708	-	151,385,003,919	177,907,588,627
3. Financial risk and operation reserve	129,756,758,000	151,385,003,919	21,628,245,919	-	26,522,584,708	-	151,385,003,919	177,907,588,627
4. Other equity funds	3,961,374,994	3,961,374,994	-	-	-	-	3,961,374,994	3,961,374,994
5. Undistributed earnings	1,172,043,750,012	585,479,819,315	432,564,918,377	(1,019,128,849,074)	530,451,694,165	(440,644,779,335)	585,479,819,315	675,286,734,145
5.1 Realised profit after tax	1,223,955,850,562	614,251,440,752	409,424,439,264	(1,019,128,849,074)	474,034,361,031	(440,644,779,335)	614,251,440,752	647,641,022,448
5.2 Unrealised profit/(losses) after tax	(51,912,100,550)	(28,771,621,437)	23,140,479,113	-	56,417,333,134	-	(28,771,621,437)	27,645,711,697
Total	3,060,536,162,497	4,304,143,039,139	2,593,079,524,215	(1,349,472,647,573)	576,856,271,581	(440,644,779,335)	4,304,143,039,139	4,440,354,531,385

Le Thi Thuy Duong
Preparer

Lam Huu Ho
Chief Financial Officer
cum Chief Accountant



Trinh Hoai Giang
Chief Executive Officer
18 March 2021

The notes on pages 15 to 90 are an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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.

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

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.

Capital size

	As at 31 December 2020 (“reporting date”) VND
The Company’s charter capital	3,058,822,630,000
Total owners’ equity	4,440,354,531,385
Total assets	<u>12,488,827,553,087</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****1 GENERAL INFORMATION (continued)*****Investment objectives and investment restrictions***

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

Structure of the Company and businesses

As at the reporting date, the Company had 4 branches and transaction offices in Vietnam.

Principal activities

The principal activities of the Company include provision of securities brokerage service, margin loans, proprietary securities trading, securities investment consultancy service, corporate finance consultancy service, underwriting securities services and securities custodian services.

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

In 2020, the Company's profit after tax increased by 23% as compared to the result of 2019, details are as follows:

- Brokerage fee income increased by 29% mostly due to a rise of 59% in trading volume of shares in Viet Nam's market;
- Income from proprietary trading (including net gains on disposal of financial assets, dividends and interest income, and revaluation gains of financial assets) increased by 79% mainly due to positive market conditions for investment. In addition, the Company has been investing in corporate bonds since the end of 2019 which contributes bond interest income to the total income from proprietary trading in 2020;
- Financial consultancy service income decreased by 30% as compared to 2019 due to fewer financial consultancy transactions completed in the year 2020;
- Operating expenses (excluding losses from FVTPL financial assets and interest expenses) slightly increased by 18%, in line with higher revenue and income;
- Interest expenses from bank borrowings increased by 33% as compared to 2019 as the Company raised new borrowings to supplement working capital during the year;
- General and administrative expenses increased by 16% as compared to 2019 due to increase in headcounts at supporting functions to cope with the Company's expansion.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System, Circular 210/2014/TT-BTC dated 30 December 2014 ("Circular 210/2014/TT-BTC"), Circular 334/2016/TT-BTC dated 27 December 2016 ("Circular 334/2016/TT-BTC"), Official Letter No. 6190/BTC-CĐKT dated 12 May 2017 ("Official Letter 6190/BTC-CĐKT") and Circular 23/2018/TT-BTC dated 12 March 2018 ("Circular 23/2018/TT-BTC") all issued by the Ministry of Finance, and prevailing regulations on preparation and presentation of financial statements applicable to securities companies operating in Vietnam.

The accompanying financial statements are not intended to present financial position and results of operations, cash flows and changes in equity in accordance with accounting principles generally accepted in jurisdictions other than Vietnam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

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

The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets at fair value through profit or loss ("FVTPL") and available-for-sale financial assets ("AFS") based on market value or fair value (in case market value is indeterminable).

2.2 Accounting estimates

The preparation of financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and prevailing regulations on preparation and presentation of financial statements applicable to securities companies operating in Vietnam requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the financial year.

The areas involving significant estimates and assumptions are as follows:

- Market value/fair value of financial assets (Note 2.7 and Note 3.2);
- Provisions for impairment loss of loans (Note 2.7 and Note 3.3);

2.3 Form of records applied

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

2.4 Fiscal year

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.5 Currency**

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

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

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

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

Monetary assets and liabilities denominated in foreign currencies at the reporting date, except liabilities that have been hedged, are respectively translated at the buying and selling exchange rates at the reporting date of the commercial bank where the Company regularly trades. Foreign currencies deposited in bank at the reporting date are translated at the buying exchange rate of the commercial bank where the Company opens the foreign currency accounts.

Foreign exchange differences arising from these translations are recognised as income or expenses in profit or loss of the statement of comprehensive income.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank of the Company, security deposit for covered warrants issued and other short-term investments with maturity within three (3) months since purchase, which are highly liquid, readily convertible to cash and subject to an insignificant risk of conversion.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.7 Financial assets****(a) Classification and measurement****(i) Financial assets measured at fair value through profit or loss (“FVTPL”)**

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

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

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

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

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

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

Financial assets at fair value through profit or loss are subsequently measured at market value or fair value (in case market value is indeterminable). 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 YEAR ENDED 31 DECEMBER 2020****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.7 Financial assets (continued)****(a) Classification and measurement (continued)****(ii) Held-to-maturity financial assets ("HTM")**

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

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

The following assets are excluded from HTM financial assets:

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.7 Financial assets (continued)****(a) Classification and measurement (continued)****(ii) Held-to-maturity financial assets ("HTM") (continued)**

As at reporting date, HTM investments are provided for impairment loss when there is any objective evidence of impairment or 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;
- It becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
 - (i) Adverse changes in the payment status of borrowers in the group; or
 - (ii) National or local economic conditions that correlate with defaults on the assets in the group.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.7 Financial assets (continued)****(a) Classification and measurement (continued)****(iii) Loans**

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

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 effective interest rate method ("EIR").

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.7 Financial assets (continued)****(a) Classification and measurement (continued)****(iv) Available-for-sale financial assets ("AFS") (continued)**

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

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

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

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

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

Objective evidence of impairment for equity instruments may include:

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.7 Financial assets (continued)****(b) Reclassification***(i) Reclassification of non-FVTPL financial assets upon disposal*

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

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

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

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

(c) Recognition/de-recognition

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.7 Financial assets (continued)****(d) Initial recognition**

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

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

(e) Determination of market value/fair value

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

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

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

(ii) Other shares

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

(iii) Bonds listed on stock exchanges

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

(iv) Unlisted bonds

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.7 Financial assets (continued)****(e) *Determination of market value/fair value (continued)*****(v) *Certificates of open-ended funds/exchanged traded fund (“ETF”)***

These open-ended funds/ETF certificates are revalued at net asset value per fund unit at the fund’s latest reporting date prior to the valuation date of the Company.

(vi) *Delisted shares/shares suspended from six days or longer*

These shares are revalued based on its book value at the latest reporting date.

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

(f) *Recognition of gains/(losses)****Purchase transaction costs***

Transaction costs related to purchases of FVTPL financial assets are expensed off, while transaction costs related to purchases of other financial assets are included in the purchase cost of these assets.

Selling transaction costs

Selling transaction costs are expensed off.

Gain/(loss) on disposal

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.8 Receivables**

Receivables comprise receivables from disposal of financial assets, dividend and interest receivable, service-related receivables, receivables from trading errors and other receivables. Receivables are recorded on an accrual basis and presented at cost less provision for impairment or uncollectibility (if any).

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

Provision for doubtful debts is made for each outstanding amount based on number of days past due according to initial payment commitment (ignoring any mutually agreed extension), or based on the estimated loss that may arise. Bad debts are written off when identified.

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

2.9 Repurchase and reverse repurchase agreements

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.10 Futures**

Futures are listed derivatives in which the parties commit to:

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

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

Proprietary trading activities

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

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

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

Interest arising on deposit for derivatives trading activities is accounted as a financial income in the statement of comprehensive income under item “Dividend income and interest income from demand deposits”.

Brokerage activities

Deposit in Derivatives Clearing Fund is accounted as “Other non-current assets” in the statement of financial position.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.11 Fixed assets***Tangible and intangible fixed assets*

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

Depreciation and amortisation

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

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

Disposals

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

Construction in progress

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

2.12 Leased assets

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.13 Prepaid expenses**

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

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

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

2.14 Short-term/long-term security deposits

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

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

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

(b) Classification

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.16 Offsetting financial instruments**

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

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

2.17 Borrowings

Borrowings include borrowings from banks. Borrowings are stated at cost as at reporting date.

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

2.18 Covered warrants

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.18 Covered warrants (continued)*****Covered warrants issued by the Company***

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

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

All costs incurred for buybacks and issuance of covered warrants are expensed off immediately. Indemnifications and late payments for customers are accounted as other expenses.

As at reporting date, covered warrants are fair valued. Increase (or decrease) in fair value of covered warrants is recognised in gain (or loss) in the statement of comprehensive income.

Gain (or loss) on expiry of covered warrant is recognised as gain (or loss) on disposal of FVTPL financial assets in the statement of comprehensive income.

Authorised quantity of covered warrants, issued quantity of covered warrants and buyback quantity of covered warrants are monitored off the statement of financial position. Such quantities as at reporting date are disclosed in off the statement of financial position items.

Securities used as hedges against covered warrants

Securities used as hedges against position of covered warrants are monitored under separate accounts and revalued at reporting date. Revaluation result is accounted similarly to FVTPL financial assets.

Proprietary trading of covered warrants

When the Company purchases covered warrants issued by other issuers for investing purpose, such covered warrants are accounted as FVTPL financial assets.

2.19 Income tax paid on behalf of investors

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.20 Accrued expenses**

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

2.21 Provisions

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

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

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

2.22 Provisions for severance allowances

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.23 Equity****(a) *Owners' capital***

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

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

Treasury shares are shares issued by the Company and bought back by itself, but these are not cancelled and may be re-issued in accordance with the Law on securities. 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.

(b) *Revaluation reserve*

Revaluation reserve reflects the differences arising on revaluation of AFS.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.23 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.

Supplementary capital reserve serves as a financial resource to increase charter capital.

(d) *Other equity funds*

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

(e) *Undistributed earnings*

Undistributed earnings represent cumulative undistributed post-tax profits at the reporting date including cumulative realised profits and cumulative unrealised profits.

Unrealised profit/(loss) of the year is the total difference between gain and loss arising from revaluation of financial assets at FVTPL or other financial assets charged into the statement of comprehensive income and deferred income tax arising from such revaluation.

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

2.24 Dividend distribution

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.25 Assets of customers and liabilities to customers**

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

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

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

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

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.26 Revenue and income recognition (continued)****(b) *Income from proprietary trading of financial assets***

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

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

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

(c) *Income from working capital management*

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

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

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

(e) *Other income*

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

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

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

(b) *Classification*

Expenses are classified by function as follows:

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.28 Financial income**

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

2.29 Borrowing costs

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

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

2.30 General and administration expenses

General and administration expenses represent expenses for administrative purposes.

2.31 Current and deferred income tax

Income taxes include all income taxes which are based on taxable profits 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 income tax expense.

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.32 Related parties**

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

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

2.33 Segment reporting

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

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 Company's operations in a comprehensive way.

2.34 Nil items

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION

3.1 Cash

	As at	
	31.12.2020	31.12.2019
	VND	VND
Cash		
Cash on hand	320,240,493	282,536,566
Cash at bank	61,440,624,254	837,260,689,806
Security deposit for covered warrants issued (*)	145,100,000,000	69,000,000,000
Total	206,860,864,747	906,543,226,372

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

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

	Ticker symbol	As at 31.12.2020		As at 31.12.2019	
		Cost VND	Market value/ fair value VND	Cost VND	Market value/ fair value VND
Listed shares and shares traded on UPCoM		1,094,278,046,749	1,109,899,032,848	360,948,994,027	321,227,493,648
Hoa Phat Group Joint Stock Company	HPG	119,310,637,205	125,368,053,450	2,345,112,669	2,372,325,000
Technological and Commercial Joint Stock Bank	TCB	102,194,797,438	111,300,903,000	17,845,690,449	17,462,136,600
Viet Nam Dairy Products Joint Stock Company	VNM	87,541,184,324	86,846,368,400	3,996,792,268	3,909,973,000
Vingroup Joint Stock Company	VIC	78,786,826,736	80,225,972,000	3,195,480,736	3,196,080,000
Vietnam Prosperity Joint-Stock Commercial Bank	VPB	74,221,141,403	76,570,065,000	21,988,881,980	20,336,680,000
Military Commercial Joint Stock Bank	MBB	49,322,643,032	49,897,281,000	170,048,570,935	154,448,944,000
Mobile World Investment Corporation	MWG	45,468,463,360	46,400,487,200	67,247,958,612	63,776,388,000
Others		537,432,353,251	533,289,902,798	74,280,506,378	55,724,967,048
Unlisted and unregistered shares		9,849,000,000	334,084,000	19,009,000,000	4,833,498,000
Underlying assets designated as hedges for covered warrants		932,259,927,594	1,004,072,574,000	74,115,366,734	73,306,695,400
Hoa Phat Group Joint Stock Company	HPG	194,995,190,750	217,894,525,800	-	-
FPT Corporation	FPT	91,678,991,563	95,489,170,200	19,752,343,224	20,188,124,000
Mobile World Investment Corporation	MWG	87,701,560,282	90,247,478,000	22,618,399,146	22,761,240,000
Vietnam Prosperity Joint-Stock Commercial Bank	VPB	79,986,737,804	87,016,800,000	-	-
Technological and Commercial Joint Stock Bank	TCB	76,509,154,400	94,767,120,000	-	-
Vinhomes Joint Stock Company	VHM	71,317,148,712	74,990,260,000	-	-
Viet Nam Dairy Products Joint Stock Company	VNM	71,300,636,822	70,752,640,000	6,267,307,012	5,968,295,000
Others		258,770,507,261	272,914,580,000	25,477,317,352	24,389,036,400

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

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

	Ticker symbol	As at 31.12.2020		As at 31.12.2019	
		Cost VND	Market value/ fair value VND	Cost VND	Market value/ fair value VND
Listed bond		913,742,600,000	932,804,513,518	500,989,500,000	505,470,280,219
Bank for Investment and Development of Vietnam	BID11908	499,747,900,000	503,636,349,414	499,989,500,000	504,470,280,219
Vietnam Bank for Social Policies	BVBS18164	1,000,000,000	1,019,041,096	1,000,000,000	1,000,000,000
Vietjet Aviation Joint Stock Company (*)	VJC11912	412,994,700,000	428,149,123,008	-	-
Unlisted bond		-	-	386,124,240,000	401,164,979,441
Vietjet Aviation Joint Stock Company (*)	BVJC201901	-	-	386,124,240,000	401,164,979,441
ETF certificates		13,788,161,044	14,114,395,757	149,232,571	151,437,600
VFMVN30 ETF	E1VFN30	10,527,910,282	10,824,248,480	149,232,571	151,437,600
VFMDIAMOND ETF	FUEVFN30	2,229,905,678	2,259,802,193	-	-
MAFMVN30 ETF	FUEMAV30	1,030,345,084	1,030,345,084	-	-
Total		2,963,917,735,387	3,061,224,600,123	1,341,336,333,332	1,306,154,384,308

(*) Bonds issued by Vietjet Aviation Joint Stock Company were officially listed on Ho Chi Minh City Stock Exchange on 2 November 2020.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

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

Detailed information of bonds are as follows:

	Collateral assets	Issuance date	Maturity date	Interest rate per annum	Par value/ share VND
Listed bond					
Bank for Investment and Development of Vietnam - BID11908	No	21/11/2019	21/11/2026	(*)	100,000
Vietnam Bank for Social Policies - BVBS18164	No	14/08/2018	14/08/2023	5%	100,000
Vietjet Aviation Joint Stock Company - VJC11912	No	26/07/2019	26/07/2022	(**)	100,000

(*) Interest rate is determined at the total of the reference interest and a margin of 1.3% per annum. Interest rate is periodically adjusted in every 6 months. The reference interest rate is the arithmetic average of 12-month (or equivalent term) interest rate for VND savings deposits (interest paid in arrears) published on the websites of the four (04) banks being Vietnam Bank for Agriculture and Rural Development (“Agribank”), Vietnam Bank for Industry and Trade (“Vietinbank”), Joint Stock Commercial Bank for Foreign Trade of Vietnam (“Vietcombank”) – Transaction Office, and Joint Stock Commercial Bank for Investment and Development of Vietnam (“BIDV”) – Hanoi.

If the issuer does not redeem the bond on redemption date, the interest rate applied for 6th and 7th interest period will be the total of the reference interest rate and a margin of 3.55% per annum.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

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

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

As at 31 December 2019		Comparison to market price or fair value		Market price/ fair value VND
	Cost VND	Increase VND	Decrease VND	
Listed shares and shares traded on UPCoM	360,948,994,027	727,671,953	(40,449,172,332)	321,227,493,648
Unlisted and unregistered shares	19,009,000,000	-	(14,175,502,000)	4,833,498,000
Underlying assets designated as hedges for covered warrants	74,115,366,734	579,246,630	(1,387,917,964)	73,306,695,400
Listed bond	500,989,500,000	4,480,780,219	-	505,470,280,219
Unlisted bond	386,124,240,000	15,040,739,441	-	401,164,979,441
ETF certificates	149,232,571	2,205,029	-	151,437,600
Total	1,341,336,333,332	20,830,643,272	(56,012,592,296)	1,306,154,384,308

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.3 Loans

	As at 31.12.2020		As at 31.12.2019	
	Amortised cost VND	Provisions VND	Amortised cost VND	Provisions VND
Loans for securities transactions (*)	8,623,841,531,603	37,783,317,946	4,734,496,649,940	37,783,317,946

(*) The balance represented margin loans and trading advances. Securities purchased on margin are held by the Company as collaterals for margin loans. The market value of collateral assets as at 31 December 2020 was VND33,527,912,173,430 (as at 31 December 2019: VND11,945,957,954,288).

3.4 Provision for loans and doubtful debts

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

(*) This is the residual amount of margin loans after force sales of collaterals which the Company made full provision since February 2017. The Company fully made provisions for this balance as at 31 December 2020 and 31 December 2019.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.5 Short-term receivables

	As at 31.12.2020		As at 31.12.2019	
	Carrying value VND	Doubtful amount VND	Carrying value VND	Doubtful amount VND
Service-related receivables				
Receivables from VSD	169,299,572,920	-	-	-
Receivable from securities purchasing (*)	17,000,000,000	-	313,839,645,938	-
Financial consultancy service fee receivables	1,222,650,000	1,145,650,000	1,292,650,000	1,145,650,000
Other receivables from securities trading	5,701,298,867	-	2,994,227,613	-
	193,223,521,787	1,145,650,000	318,126,523,551	1,145,650,000
Other receivables				
Bank interest receivables	63,402,331,232	-	40,903,315,045	-
Others	1,456,458,098	654,824,202	2,601,832,215	654,824,202
	64,858,789,330	654,824,202	43,505,147,260	654,824,202
Total	258,082,311,117	1,800,474,202	361,631,670,811	1,800,474,202

(*) This is receivable from institutional investors in relation to their purchases of securities. The market collateral value as at 31 December 2020 was VND17,000,000,000 (as at 31 December 2019: VND322,040,000,000).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.6 Deposits for derivatives trading activities

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

3.7 Fixed assets

(a) Tangible fixed assets

	Motor vehicles VND	Office equipment VND	Total VND
Historical cost			
As at 1.1.2020	4,009,883,640	82,278,913,729	86,288,797,369
New purchases	1,356,240,000	7,179,405,300	8,535,645,300
Transfers from construction In progress(Note3.7(c))	-	10,708,446,620	10,708,446,620
Disposals	(955,900,000)	-	(955,900,000)
As at 31.12.2020	4,410,223,640	100,166,765,649	104,576,989,289
Accumulated depreciation			
As at 1.1.2020	2,977,607,065	59,091,024,768	62,068,631,833
Charge for the year	373,751,944	15,819,970,012	16,193,721,956
Disposals	(557,608,333)	-	(557,608,333)
As at 31.12.2020	2,793,750,676	74,910,994,780	77,704,745,456
Net book value			
As at 1.1.2020	1,032,276,575	23,187,888,961	24,220,165,536
As at 31.12.2020	1,616,472,964	25,255,770,869	26,872,243,833

Historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2020 was VND53,927,983,726 (as at 31 December 2019: VND38,231,696,706).

The Company had no tangible fixed assets awaiting disposal as at 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.7 Fixed assets (continued)

(b) *Intangible fixed assets*

	Computer software VND
Historical cost	
As at 1.1.2020	69,590,128,018
New purchases	2,605,039,601
Transfers from construction in progress (Note 3.7(c))	11,475,759,391
As at 31.12.2020	<u>83,670,927,010</u>
Accumulated amortisation	
As at 1.1.2020	51,920,863,726
Charge for the year	11,743,650,934
As at 31.12.2020	<u>63,664,514,660</u>
Net book value	
As at 1.1.2020	<u>17,669,264,292</u>
As at 31.12.2020	<u>20,006,412,350</u>

Historical cost of fully amortised intangible fixed assets but still in use as at 31 December 2020 was VND38,728,471,028 (as at 31 December 2019: VND29,835,153,028).

The Company had no intangible fixed asset awaiting disposal as at 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.7 Fixed assets (continued)

(c) *Construction in progress*

Construction in progress comprises the following:

	As at	
	31.12.2020 VND	31.12.2019 VND
Purchases of trading software	342,334,073	13,597,128,282

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

	Year ended	
	31.12.2020 VND	31.12.2019 VND
Opening balance	13,597,128,282	4,447,220,550
Increase	12,004,445,925	16,918,536,897
Transfer to tangible fixed assets (Note 3.7(a))	(10,708,446,620)	(4,835,153,510)
Transfer to intangible fixed assets (Note 3.7(b))	(11,475,759,391)	(2,933,475,655)
Transfers to prepaid expenses	(3,075,034,123)	-
Closing balance	342,334,073	13,597,128,282

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.8 Prepaid expenses

(a) Short term prepaid expenses

	As at	
	31.12.2020 VND	31.12.2019 VND
IT costs	6,347,644,735	4,880,053,421
Office rental	1,635,095,768	2,154,581,284
Others	720,082,427	1,430,141,006
Total	8,702,822,930	8,464,775,711

(b) Long term prepaid expenses

	As at	
	31.12.2020 VND	31.12.2019 VND
Office rentals	84,037,985,137	86,870,726,211
Office renovations	9,390,231,427	6,674,971,837
Consulting fee	474,504,000	5,090,746,989
IT costs	111,342,309	2,319,039,745
Total	94,014,062,873	100,955,484,782

3.9 Deposits in the Settlement support fund

According to Decision No. 45/QĐ-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 2020 and as at 31 December 2019, the Company fully contributed the maximum amount.

3.10 Deposits in the Derivatives trading clearing fund

According to the Policy on Management and Use of Derivatives trading clearing fund issued in conjunction with Decision No. 97/QĐ-VSD dated 23 March 2017 by 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 YEAR ENDED 31 DECEMBER 2020

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.11 Borrowings and issued bonds

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

	Interest % per annum	Opening balance VND	Disbursement VND	Repayment VND	Closing balance VND
Short-term borrowings					
Local bank borrowings	4.0 – 7.8	1,219,000,000,000	24,161,000,000,000	(19,983,200,000,000)	5,396,800,000,000
Foreign bank borrowings (*), (**)	LIBOR + 2	1,159,975,000,000	1,158,830,000,000	(1,159,975,000,000)	1,158,830,000,000
Bank overdrafts	5.6 – 7.5	14,752,235,255	12,290,643,840,008	(12,144,455,014,183)	160,941,061,080
Total		2,393,727,235,255	37,610,473,840,008	(33,287,630,014,183)	6,716,571,061,080

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

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

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

The Company had no borrowings from related parties as at 31 December 2020 and as at 31 December 2019.

As at 31 December 2020 and 31 December 2019, there was no balance of short-term borrowings that was past due.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.12 Trading obligations

	As at	
	31.12.2020	31.12.2019
	VND	VND
Payables from bond trading activities	422,227,641,347	-
Covered warrant payables (Note 5.2)	311,922,070,959	14,266,498,303
Advances from investors for securities purchases	174,815,723,707	455,507,692,520
Payables to stock exchanges and VSD	16,794,928,434	6,478,153,144
Payables to VSD from loss positions of derivative trading	8,555,000,000	-
Trading settlement balances with the stock exchanges	-	7,714,529,000
Others	980,730,466	3,837,874,466
Total	935,296,094,913	487,804,747,433

As at 31 December 2020 and as at 31 December 2019, there were no payables past due but not yet settled.

As at 31 December 2020 and as at 31 December 2019, there was no doubt on the Company's ability to repay these balances.

3.13 Tax and other payables to the State

	As at 1.1.2020 VND	Incurred during the year VND	Paid during the year VND	As at 31.12.2020 VND
BIT – current	23,826,556,430	130,933,357,560	(119,377,759,690)	35,382,154,300
Personal income tax ("PIT") withheld and paid on behalf of investors	7,674,988,622	132,903,672,154	(119,308,233,603)	21,270,427,173
BIT withheld and paid on behalf of foreign institutions	3,366,021,036	51,016,501,717	(49,552,219,665)	4,830,303,088
PIT withheld and paid on behalf of employees	2,254,066,042	41,919,640,986	(39,925,416,658)	4,248,290,370
Foreign contractor withholding tax	643,345,304	9,419,080,774	(8,828,721,866)	1,233,704,212
Value added tax	172,364,611	4,205,495,743	(4,329,109,574)	48,750,780
Business licence tax	-	10,000,000	(10,000,000)	-
Total	37,937,342,045	370,407,748,934	(341,331,461,056)	67,013,629,923

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.14 Short-term accrued expenses

	As at	
	31.12.2020 VND	31.12.2019 VND
Allowance for working performance	50,000,000,000	35,000,000,000
Interest expenses	22,032,166,627	12,947,945,342
Others	11,744,363,077	8,750,384,920
Total	83,776,529,704	56,698,330,262

3.15 Other short-term liabilities

	As at	
	31.12.2020 VND	31.12.2019 VND
Dividends payable to shareholders	155,942,531,017	155,070,718,509
<i>Dividends of previous years (*)</i>	3,421,608,517	2,316,782,009
<i>1st dividends of the year 2019</i>	-	152,753,936,500
<i>1st dividends of the year 2020</i>	152,520,922,500	-
Business development expenses payables	31,088,313,897	6,062,313,897
Additional shares issued	6,364,500,000	9,460,360,000
Dividends paid on behalf	3,413,307,130	2,864,711,582
Board of Directors' operating fund	1,870,087,893	3,274,017,325
Others	11,242,281,495	8,111,085,656
Total	209,921,021,432	184,843,206,969

(*) Some shareholders have not yet completed their dividend claim forms, as a result the Company has not yet settled these dividends.

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

As at 31 December 2020 and as at 31 December 2019, there was no doubt on the Company's ability to repay these balances.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.16 Deferred income tax assets

	As at	
	31.12.2020	31.12.2019
	VND	VND
Deferred tax assets recoverable within 12 months	-	280,383,984
Deferred tax assets recoverable after 12 months	1,360,000,000	-
Total	1,360,000,000	280,383,984

The movements in deferred income tax assets are as follows:

	Year ended	
	31.12.2020	31.12.2019
	VND	VND
Opening balance	280,383,984	1,558,791,879
Charged to profit or loss	1,079,616,016	(1,278,407,895)
Closing balance	1,360,000,000	280,383,984

Details of deferred income tax assets are as below:

	As at	
	31.12.2020	31.12.2019
	VND	VND
Deductible temporary differences:		
Provisions for impairment of overdue margin loans	-	1,401,919,920
Provisions for severance allowances	6,800,000,000	-
	6,800,000,000	1,401,919,920
At tax rate of 20%:		
Deferred tax assets:	1,360,000,000	280,383,984

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.17 Owners' capital

(a) *Number of shares*

	As at	
	31.12.2020	31.12.2019
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)	(366,090)
Number of shares in issue	305,041,845	305,516,173

As at 31 December 2020 and as at 31 December 2019, all of the Company's shares are ordinary shares. Each ordinary share has a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividends as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets.

(b) *Movement of share capital*

	Ordinary shares
As at 1 January 2019	129,554,168
New shares issued	176,125,505
Treasury shares repurchased	(163,500)
As at 31 December 2019	305,516,173
Treasury shares repurchased	(474,328)
As at 31 December 2020	305,041,845

3.18 Undistributed earnings

	As at	
	31.12.2020 VND	31.12.2019 VND
Realised post-tax profits	647,641,022,448	614,251,440,752
Unrealised profits/(losses)	27,645,711,697	(28,771,621,437)
Total	675,286,734,145	585,479,819,315

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.18 Undistributed earnings (continued)

Movements in undistributed earnings during the year are as follows:

	As at 31.12.2019 VND	Profit for the year VND	Dividend declared VND	Appropriation to reserves VND	Other (*) VND	As at 31.12.2020 VND
Realised post-tax profits	614,251,440,752	474,034,361,031	(366,050,214,000)	(74,673,415,335)	78,850,000	647,641,022,448
Unrealised (losses)/profits	(28,771,621,437)	56,417,333,134	-	-	-	27,645,711,697
Undistributed earnings	585,479,819,315	530,451,694,165	(366,050,214,000)	(74,673,415,335)	78,850,000	675,286,734,145

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

4 NOTES TO OFF STATEMENT OF FINANCIAL POSITION ITEMS

4.1 Number of shares in issue

	As at	
	31.12.2020	31.12.2019
Ordinary shares		
Quantity issued within 1 year (share)	-	176,125,505
Quantity issued for 1 year or more (share)	305,041,845	129,390,668
Total	305,041,845	305,516,173

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.2 Covered warrants authorised but not yet issued

Ticker symbol	Underlying security	Issue date	Maturity date	As at 31.12.2020			
				Number of covered warrants authorised for issue	Number of covered warrants cancelled	Number of covered warrants issued	Number of covered warrants authorised but not yet issued
CFPT2008	FPT Corporation (FPT)	14.07.2020	14.01.2021	5,000,000	(2,000,000)	1,474,530	1,525,470
CHPG2016	Hoa Phat Group Joint Stock Company (HPG)	14.07.2020	14.01.2021	5,000,000	(4,000,000)	564,950	435,050
CMBB2007	Military Commercial Joint Stock Bank (MBB)	14.07.2020	14.01.2021	5,000,000	(2,000,000)	972,740	2,027,260
CMSN2006	Masan Group Joint Stock Company (MSN)	14.07.2020	14.01.2021	5,000,000	(4,000,000)	300,140	699,860
CMWG2010	Mobile World Investment Corporation (MWG)	14.07.2020	14.01.2021	5,000,000	-	818,300	4,181,700
CPNJ2006	Phu Nhuan Jewelry Joint Stock Company (PNJ)	14.07.2020	14.01.2021	5,000,000	(2,000,000)	253,220	2,746,780
CREE2005	Refrigeration Electrical Engineering Corporation (REE)	14.07.2020	14.01.2021	5,000,000	(3,500,000)	45,850	1,454,150
CTCB2007	Technological and Commercial Joint Stock Bank (TCB)	14.07.2020	14.01.2021	5,000,000	-	1,414,060	3,585,940
CVHM2005	Vinhomes Joint Stock Company (VHM)	14.07.2020	14.01.2021	5,000,000	-	2,262,840	2,737,160
CVNM2008	Vietnam Dairy Products Joint Stock Company (VNM)	14.07.2020	14.01.2021	5,000,000	(2,000,000)	2,772,170	227,830
CVPB2008	Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	14.07.2020	14.01.2021	5,000,000	(3,500,000)	277,080	1,222,920
CVRE2008	Vincom Retail Joint Stock Company (VRE)	14.07.2020	14.01.2021	5,000,000	-	3,988,140	1,011,860
CFPT2011	FPT Corporation (FPT)	01.10.2020	01.04.2021	5,000,000	-	4,245,210	754,790
CHPG2021	Hoa Phat Group Joint Stock Company (HPG)	01.10.2020	01.04.2021	5,000,000	-	4,989,040	10,960
CMBB2009	Military Commercial Joint Stock Bank (MBB)	01.10.2020	01.04.2021	5,000,000	-	3,504,090	1,495,910
CMSN2011	Masan Group Joint Stock Company (MSN)	01.10.2020	01.04.2021	5,000,000	(4,000,000)	558,890	441,110
CPNJ2009	Phu Nhuan Jewelry Joint Stock Company (PNJ)	01.10.2020	01.04.2021	5,000,000	-	4,756,420	243,580

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.2 Covered warrants authorised but not yet issued (continued)

Ticker symbol	Underlying security	Issue date	Maturity date	As at 31.12.2020			
				Number of covered warrants authorised for issue	Number of covered warrants cancelled	Number of covered warrants issued	Number of covered warrants authorised but not yet issued
CSTB2012	Saigon Thuong Tin Commercial Joint Stock Bank (STB)	01.10.2020	01.04.2021	5,000,000	-	2,663,850	2,336,150
CTCB2010	Technological and Commercial Joint Stock Bank (TCB)	01.10.2020	01.04.2021	5,000,000	-	4,732,010	267,990
CVHM2009	Vinhomes Joint Stock Company (VHM)	01.10.2020	01.04.2021	5,000,000	-	4,168,860	831,140
CVIC2006	Vingroup Joint Stock Company (VIC)	01.10.2020	01.04.2021	5,000,000	-	4,407,750	592,250
CVNM2013	Vietnam Dairy Products Joint Stock Company (VNM)	01.10.2020	01.04.2021	5,000,000	-	4,999,600	400
CVPB2012	Vietnam Prosperity Joint Stock Commercial Bank (VPB)	01.10.2020	01.04.2021	5,000,000	-	2,744,110	2,255,890
CVRE2012	Vincom Retail Joint Stock Company (VRE)	01.10.2020	01.04.2021	5,000,000	-	4,998,420	1,580
CFPT2012	FPT Corporation (FPT)	01.10.2020	04.05.2021	5,000,000	-	3,651,260	1,348,740
CHPG2022	Hoa Phat Group Joint Stock Company (HPG)	01.10.2020	04.05.2021	5,000,000	-	4,999,300	700
CVHM2010	Vinhomes Joint Stock Company (VHM)	01.10.2020	04.05.2021	5,000,000	-	3,636,680	1,363,320
CVPB2011	Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	01.10.2020	04.05.2021	5,000,000	-	2,728,400	2,271,600
CMWG2015	Mobile World Investment Corporation (MWG)	10.11.2020	10.05.2021	5,000,000	-	4,447,290	552,710
CREE2006	Refrigeration Electrical Engineering Corporation (REE)	10.11.2020	10.05.2021	5,000,000	-	954,920	4,045,080
CMWG2016	Mobile World Investment Corporation (MWG)	10.11.2020	10.06.2021	5,000,000	-	4,568,890	431,110
				155,000,000	(27,000,000)	86,899,010	41,100,990

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.2 Covered warrants authorised but not yet issued (continued)

Ticker symbol	Underlying security	Issuance date	Maturity date	As at 31.12.2019		
				Number of covered warrants authorised for issue	Number of covered warrants issued	Number of covered warrants authorised but not yet issued
CFPT1906	FPT Corporation (FPT)	08.10.2019	08.04.2020	5,000,000	2,580,050	2,419,950
CMBB1905	Military Commercial Joint Stock Bank (MBB)	08.10.2019	08.04.2020	5,000,000	4,781,620	218,380
CMWG1907	Mobile World Investment Corporation (MWG)	08.10.2019	08.04.2020	5,000,000	5,000,000	-
CVNM1904	Vietnam Dairy Products Joint Stock Company (VNM)	08.10.2019	08.04.2020	5,000,000	1,473,760	3,526,240
CVRE1902	Vincom Retail Joint Stock Company (VRE)	08.10.2019	08.04.2020	5,000,000	1,029,570	3,970,430
CVNM2001	Vietnam Dairy Products Joint Stock Company (VNM)	20.12.2019	22.06.2020	5,000,000	10,000	4,990,000
CREE2001	Refrigeration Electrical Engineering Corporation (REE)	20.12.2019	22.06.2020	5,000,000	20,000	4,980,000
CVPB2001	Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	20.12.2019	22.06.2020	5,000,000	-	5,000,000
CTCB2001	Technological and Commercial Joint Stock Bank (TCB)	20.12.2019	22.06.2020	5,000,000	-	5,000,000
CMWG2001	Mobile World Investment Corporation (MWG)	20.12.2019	22.06.2020	5,000,000	-	5,000,000
CMBB2001	Military Commercial Joint Stock Bank (MBB)	20.12.2019	22.06.2020	5,000,000	-	5,000,000
CGMD2001	Gemadept Corporation (GMD)	20.12.2019	22.06.2020	5,000,000	-	5,000,000
CFPT2001	FPT Corporation (FPT)	20.12.2019	22.06.2020	5,000,000	-	5,000,000
CVRE2002	Vincom Retail Joint Stock Company (VRE)	20.12.2019	22.06.2020	5,000,000	-	5,000,000
CHPG2001	Hoa Phat Group Joint Stock Company (HPG)	30.12.2019	30.06.2020	5,000,000	-	5,000,000
				75,000,000	14,895,000	60,105,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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

4.3 Futures

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

Contract symbol	First trading date	Last trading date	Open quantity	As at 31.12.2020		Open quantity	As at 31.12.2019	
				Closing settlement price	Open short position		Closing settlement price	Open short position
VN30F2101	20.11.2020	21.01.2021	8,496	1,083,900	920,881,440,000	-	-	-
VN30F2001	22.11.2019	16.01.2020	-	-	-	434	876,300	38,031,420,000
					<u>920,881,440,000</u>			<u>38,031,420,000</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5 NOTES TO STATEMENT OF COMPREHENSIVE INCOME

5.1 Net realised gains on disposal of FVTPL financial assets and redemption/expiry of covered warrants ("CW")

	For the year ended	
	31.12.2020	31.12.2019
	VND	VND
Realised gains on disposal of FVTPL financial assets	719,339,277,788	374,478,101,972
<i>In which:</i>		
<i>Underlying securities</i>	320,839,984,672	105,000,564,332
<i>Derivatives</i>	360,635,618,000	257,769,953,000
<i>Covered warrants redeemed</i>	18,919,632,186	7,075,212,520
<i>Covered warrants expired</i>	18,944,042,930	4,632,372,120
Realised losses on disposal of FVTPL financial assets	(614,662,557,597)	(300,506,423,395)
<i>In which:</i>		
<i>Underlying securities</i>	(205,989,412,953)	(149,995,875,538)
<i>Derivatives</i>	(328,131,683,000)	(146,448,756,000)
<i>Covered warrants redeemed</i>	(79,327,729,458)	(4,061,791,857)
<i>Covered warrants expired</i>	(1,213,732,186)	-
Net realised gains	104,676,720,191	73,971,678,577

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5 NOTES TO STATEMENT OF COMPREHENSIVE INCOME (continued)

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

Details by category are as follows:

	Quantity disposed	Sales proceeds VND	Costs of disposal (*) VND	Realised (losses)/gains during the year VND	Realised (losses)/gains in prior year VND
Shares	381,875,168	13,316,040,221,143	(13,231,100,767,615)	84,939,453,528	(30,899,255,667)
Bonds	17,036,320	1,749,026,394,773	(1,732,950,759,846)	16,075,634,927	985,953,811
ETF certificates	336,905,070	4,559,005,643,829	(4,544,861,836,472)	14,143,807,357	(14,290,818,902)
Covered warrants	730,530	1,612,391,210	(1,920,715,303)	(308,324,093)	(791,190,448)
Realised (losses)/gain on disposal of underlying securities	736,547,088	19,625,684,650,955	(19,510,834,079,236)	114,850,571,719	(44,995,311,206)
Net position gains from future contracts				32,503,935,000	111,321,197,000
Gain on redemption of covered warrants issued by the Company				(60,408,097,272)	3,013,420,663
Gain upon expiry of covered warrants issued by the Company				17,730,310,744	4,632,372,120
Total				104,676,720,191	73,971,678,577

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5 NOTES TO STATEMENT OF COMPREHENSIVE INCOME (continued)

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

	For the year ended	
	31.12.2020 VND	31.12.2019 VND
Increase in revaluation gains of FVTPL financial assets	104,750,184,619	16,213,187,476
Decrease on revaluation losses of FVTPL financial assets	27,738,629,141	516,964,050
Total	132,488,813,760	16,730,151,526

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) as at 31.12.2020 VND	Accumulated revaluation gains/(losses) as at 31.12.2019 VND	Credited/ (debited)/ to profit or loss VND
Listed shares and shares traded on UPCoM	1,094,278,046,749	1,109,899,032,848	15,620,986,099	(39,721,500,379)	55,342,486,478
Unlisted and unregistered shares	9,849,000,000	334,084,000	(9,514,916,000)	(14,175,502,000)	4,660,586,000
Underlying assets designated as hedges for covered warrants	932,259,927,594	1,004,072,574,000	71,812,646,406	(808,671,334)	72,621,317,740
Listed bond	913,742,600,000	932,804,513,518	19,061,913,518	4,480,780,219	14,581,133,299
Unlisted bonds	-	-	-	15,040,739,441	(15,040,739,441)
ETF certificates	13,788,161,044	14,114,395,757	326,234,713	2,205,029	324,029,684
Total	2,963,917,735,387	3,061,224,600,123	97,306,864,736	(35,181,949,024)	132,488,813,760

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5 NOTES TO STATEMENT OF COMPREHENSIVE INCOME (continued)

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

	For the year ended	
	31.12.2020 VND	31.12.2019 VND
(Increase)/decrease in covered warrants liabilities due to revaluations	(5,212,237,426)	6,410,987,587
Increase in in covered warrants liabilities due to revaluations	(70,859,243,200)	(660,000)
Total	(76,071,480,626)	6,410,327,587

Details of revaluation of covered warrants are as follows:

	Cost VND	Market value/ fair value VND	Accumulated revaluation losses as at 31.12.2020 VND	Accumulated revaluation gains as at 31.12.2019 VND	Debited to profit or loss of the statement of comprehensive income VND
Covered warrants	242,260,917,920	311,922,070,959	(69,661,153,039)	6,410,327,587	(76,071,480,626)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

5 NOTES TO STATEMENT OF COMPREHENSIVE INCOME (continued)

5.3 Dividends and interest income from financial assets

	For the year ended	
	31.12.2020 VND	31.12.2019 VND
Dividends	4,833,857,588	10,302,309,634
Interest	203,460,541,422	98,586,036,482
Total	208,294,399,010	108,888,346,116

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

	For the year ended	
	31.12.2020 VND	31.12.2019 VND
Reversal of provision for impairment loss of financial assets and mortgages	-	(23,573,148,070)
Interest expense	207,049,930,074	137,256,059,537
	207,049,930,074	113,682,911,467

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5 NOTES TO STATEMENT OF COMPREHENSIVE INCOME (continued)

5.5 Operating expenses not related to financial assets

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

	For the year ended	
	31.12.2020 VND	31.12.2019 VND
Proprietary trading activities	56,313,185,768	33,922,566,120
Staff costs	5,366,337,260	5,055,709,055
Office rental expenses	16,121,782,626	11,446,025,817
Depreciation and amortisation	1,530,061,966	1,494,668,566
Outsourcing expenses	7,100,203,422	2,671,284,803
Allocation expenses (*)	26,194,800,494	13,254,877,879
Brokerage fee expenses	420,110,183,582	363,693,987,844
Staff costs	159,644,766,034	143,319,316,864
Brokerage fee	133,567,817,357	100,791,078,077
Outsourcing expenses	51,297,651,575	56,124,913,849
Office rental expenses	28,212,408,977	34,237,663,501
Depreciation and amortisation	12,083,692,467	9,758,357,479
Allocation expenses (*)	35,303,847,172	19,462,658,074
Custody service expenses	7,961,207,512	8,178,428,770
Custody service	7,961,207,512	8,178,428,770
Financial consultancy service expenses	20,203,733,179	21,241,240,366
Staff costs	12,558,611,678	12,971,146,173
Outsourcing expenses	7,002,439,886	7,742,121,188
Others	642,681,615	527,973,005
Other operating expenses	3,594,143,138	3,431,286,574
Depreciation and amortisation	2,753,395,799	3,075,455,193
Others	840,747,339	355,831,381
	508,182,453,179	430,467,509,674

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

5 NOTES TO STATEMENT OF COMPREHENSIVE INCOME (continued)

5.6 General and administration expenses

	For the year ended	
	31.12.2020	31.12.2019
	VND	VND
Staff costs	140,843,142,916	110,653,787,607
Outsourcing expenses	35,680,891,089	32,497,259,578
Depreciation and amortisation	12,483,791,976	12,501,438,521
Office rental expenses	15,663,078,668	10,709,912,296
Other administrative expenses	11,615,693,828	20,437,069,126
Total	216,286,598,477	186,799,467,128

5.7 BIT

The BIT on the Company's profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% as follows:

	For the year ended	
	31.12.2020	31.12.2019
	VND	VND
Accounting profit before tax	660,305,435,709	531,405,779,182
Tax calculated at a rate of 20%:	132,061,087,142	106,281,155,836
Adjustment:		
Non-taxable income	(966,771,518)	(7,689,671,031)
Non-deductible expenses	239,053,018	249,376,000
Reversal of provision for OTC stocks in previous years	(1,479,627,098)	-
BIT charge (*)	129,853,741,544	98,840,860,805
Charged/(credited) to profit or loss:		
BIT – current	130,933,357,560	97,562,452,910
BIT – deferred (Note 3.16)	(1,079,616,016)	1,278,407,895
Total	129,853,741,544	98,840,860,805

(*) The BIT charge for the year is based on estimated taxable income and is subject to review and possible adjustment by the tax authorities.

The tax authorities have finalised the Company's corporate income tax up to 31 December 2016.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5 NOTES TO STATEMENT OF COMPREHENSIVE INCOME (continued)

5.8 Earnings per share

(a) *Basic earnings per share*

According to prevailing regulations, basic earnings per share are calculated by dividing the net profit attributable to shareholders after deducting the appropriations to bonus and welfare funds by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares repurchased by the Company and held as treasury shares.

Other comprehensive income is not included in earnings to calculate earnings per shares as such treatment is not guided by authority.

	For the year ended	
	31.12.2020	31.12.2019 (**)
Net profit after tax attributable to ordinary shareholders (VND)	530,451,694,165	432,564,918,377
Adjustment due to appropriation to bonus and welfare fund (VND) (*)	-	(15,139,772,143)
	530,451,694,165	417,425,146,234
Weighted average number of ordinary shares in issue (shares)	305,197,408	235,813,044
Basic earnings per share (VND/share)	1,738	1,770

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5 NOTES TO STATEMENT OF COMPREHENSIVE INCOME (continued)

5.8 Earnings per share (continued)

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

(**) The basic earnings per share for the fiscal year ended 31 December 2019 is recalculated after adjusting the net appropriation of bonus and welfare fund from retained earnings in accordance with the Resolution of the General Meeting of Shareholders date 23 June 2020 as follows:

Items	For the year ended 31.12.2019		
	Restated figure after adjusting the number of shares	Adjustment due to appropriation to bonus and welfare fund	Restated if deducting amount appropriated to bonus and welfare funds
Net profit after tax attributable to ordinary shareholders (VND)	432,564,918,377	(15,139,772,143)	417,425,146,234
Weighted average number of ordinary shares in issue (shares)	235,813,044	-	235,813,044
Basic earnings per share (VND/share)	<u>1,834</u>		<u>1,770</u>

(b) *Diluted earnings per share*

The Company did not have potentially diluted ordinary shares during the year.

6 NOTES TO THE STATEMENT OF CASH FLOWS

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

	For the year ended	
	31.12.2020	31.12.2019
Dividend declared but not yet paid (Note 7.1) (*)	152,520,922,500	152,753,936,500
Capital increase from equity	-	897,769,640,000
<i>In which:</i>		
From share premium	-	330,426,798,499
From undistributed earnings	-	533,338,591,501
From bonus and welfare funds	-	34,004,250,000

(*) According to the Resolution of the Annual General Meeting of shareholders on 8 December 2020, the Board of Directors decided to make first dividend payments for the year 2020 to the shareholders named in the final list on 30 December 2020. The payment date was 20 January 2021.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

7 NOTES TO THE STATEMENT OF CHANGES IN EQUITY

7.1 Details of changes in equity

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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

7.1 Details of changes in equity (continued)

		Share capital VND	Share premium VND	Treasury shares VND	Supplementary capital reserve VND	Financial risk and operation reserve VND	Other equity funds VND	Undistributed earnings VND	Total VND
As at 1.1.2019		1,297,567,580,000	330,343,798,499	(2,893,857,008)	129,756,758,000	129,756,758,000	3,961,374,994	1,172,043,750,012	3,060,536,162,497
Post-tax profit for the year		-	-	-	-	-	-	432,564,918,377	432,564,918,377
Final dividend of the year 2018	(iii)	-	-	-	-	-	-	(245,873,619,200)	(245,873,619,200)
First dividend of the year 2019	(iv)	-	-	-	-	-	-	(152,753,936,500)	(152,753,936,500)
Appropriation to bonus and welfare funds	(iii)	-	-	-	-	-	-	(33,774,007,719)	(33,774,007,719)
Appropriation to operation fund of Board of Directors	(iii)	-	-	-	-	-	-	(10,132,202,316)	(10,132,202,316)
Appropriation to statutory reserves (Note 2.23)		-	-	-	21,628,245,919	21,628,245,919	-	(43,256,491,838)	-
Capital increase from equity	(v)	863,682,390,000	(330,343,798,499)	-	-	-	-	(533,338,591,501)	-
Issue under ESOP 2018 program	(vi)	64,770,000,000	25,908,000,000	-	-	-	-	-	90,678,000,000
New shares issue	(vii)	832,802,660,000	333,121,064,000	-	-	-	-	-	1,165,923,724,000
Issuance fee		-	(83,000,000)	-	-	-	-	-	(83,000,000)
Share repurchases		-	-	(2,943,000,000)	-	-	-	-	(2,943,000,000)
As at 31.12.2019		3,058,822,630,000	358,946,064,000	(5,836,857,008)	151,385,003,919	151,385,003,919	3,961,374,994	585,479,819,315	4,304,143,039,139

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****7 NOTES TO THE STATEMENT OF CHANGES IN EQUITY (continued)****7.1 Details of changes in equity (continued)**

- (i) According to the Resolution of the Annual General Meeting of shareholders on 23 June 2020:
- Final dividend of the year 2019 was 7% of par value, equivalent to VND700/share.
 - 3.5% of post-tax profit for the year 2019 was appropriated to bonus and welfare funds;
 - 1.5% of post-tax profit for the year 2019 was appropriated to operation fund of Board of Directors;
 - Planned dividend of the year 2020 was 12% of par value, equivalent to VND1,200/share.
- (ii) According to the Resolution of the Annual General Meeting of shareholders on 8 December 2020, first dividend of the year 2020 was 5% of charter capital of VND3,058,822,630,000, equivalent to VND500/share. The first dividend of 2020 is paid in cash based on the list of shareholders finalised on 20 December 2020, and the expected payment date is 20 January 2021 (Note 6.1).
- (iii) According to the Resolution of the Annual General Meeting of shareholders on 25 April 2019:
- Final dividend of the year 2018 was 19% of chartered capital of VND1,297,567,580,000, equivalent to VND1,900/share.
 - 5% of post-tax profit for the year 2018 was appropriated to bonus and welfare funds;
 - 1.5% of post-tax profit for the year 2018 was appropriated to operation fund of Board of Directors;
 - Planned dividend of the year 2019 was 15% of par value, equivalent to VND1,500/share.
- (iv) According to the Resolution of the Board of Directors on 11 November 2019, the first dividend of the year 2019 was 5% of charter capital of VND3,058,822,630,000, equivalent to VND500/share. The first dividend of 2019 is paid in cash based on the list of shareholders finalised on 20 December 2019, and the expected payment date is 10 January 2020 (Note 6.1).
- (v) According to the Shareholders' Resolution No. 02/2018/NQ-ĐHČĐ dated 22 October 2018, shareholders voted and approved the capital increase from equity at a ratio of 3 : 2 (a shareholder owing 3 shares as at closing date is entitled to 2 new shares). Number of shares entitled would be round down to the unit so that the decimal fraction would be cancelled. Pursuantly, the Company had issued 86,368,239 additional shares based on the shareholders list as of 21 February 2019.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****7 NOTES TO THE STATEMENT OF CHANGES IN EQUITY (continued)****7.1 Details of changes in equity (continued)**

- (vi) Following the Shareholders' Resolution No. 02/2018/NQ-ĐHCHĐ dated 22 October 2018 approving employee stock option plan issuance, the Board of Directors issued its resolution No. 23/2018/NQ-HĐQT dated 22 October 2018 to define criteria of eligible employees, principles to determine number of shares allotted to each eligible employee, implementation time, and policies of the program (ESOP 2018). Accordingly the Company had issued 6,477,000 ordinary shares on 6 May 2019 at VND14,000/share. Total issuance value was VND90,678,000,000, in which appropriation from bonus and welfare fund was VND34,000,250,000 and employees' contributions was VND56,673,750,000. The Company had recognised difference between issue price of VND14,000 and par value of VND10,000 to share premium. These shares are restricted from transfer in accordance with the ESOP 2018 Policy approved by the Board of Directors.
- (vii) According to the Shareholders' Resolution No. 02/2018/NQ-ĐHCHĐ dated 22 October 2018, shareholders voted and approved the share issuance to existing shareholders at VND14,000/share with a right ratio of 3 : 2 (a shareholder owning 3 shares is entitled to a right of take up 2 new shares). Number of rights entitled would be round down to the unit so that the decimal fraction would be cancelled. The right to take up new shares is transferrable only once. The Board of Directors was authorised to distribute remaining shares that not taken up to other investors at prices not lower than one offered to existing shareholders. Accordingly, the Company had issued 83,230,266 additional shares. The Company had recognised difference between issued price of VND14,000 and par value of VND10,000 to share premium. Except for 25,000,000 shares distributed to Ho Chi Minh City Finance and Investment State-owned Company (HFIC) which are restricted from transferring within 1 year (from 22 May 2019 to 21 May 2020), additional issued shares are not restricted from transferring.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

7.2 Distributed earnings

	For the year ended	
	31.12.2020	31.12.2019
	VND	VND
Undistributed earnings brought forward	614,251,440,752	1,223,955,850,562
Accumulated unrealised gain/(losses)	-	(28,771,621,437)
Realised profit incurred in the year	474,034,361,031	409,424,439,264
Appropriations from undistributed earnings:	(74,673,415,335)	(620,501,293,374)
<i>To share capital</i>	-	(533,338,591,501)
<i>To bonus and welfare funds</i>	(15,139,772,143)	(33,774,007,719)
<i>To operation fund of Board of Directors</i>	(6,488,473,776)	(10,132,202,316)
<i>To supplementary capital reserve</i>	(26,522,584,708)	(21,628,245,919)
<i>To financial and operational risk reserve fund</i>	(26,522,584,708)	(21,628,245,919)
Distributable profits to shareholders	1,013,612,386,448	984,107,375,015
Dividend declared	366,050,214,000	398,627,555,700
Income tax withheld	(2,102,963,350)	(2,756,753,675)
Net amount distributed to shareholders	363,947,250,650	395,870,802,025

8 RELATED PARTIES DISCLOSURES

Identified related parties and relationships are presented below:

Related party	Relationship
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.
Ho Chi Minh City Finance and Investment State-owned Company (HFIC)	The Company's member of the Board of Directors is representative for DC's shares. 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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8 RELATED PARTIES DISCLOSURES (continued)

(a) Related parties transactions

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

	For the year ended	
	31.12.2020	31.12.2019
	VND	VND
Dragon Capital Markets Limited (DC)		
Brokerage service - sales	-	153,552,000,000
Dividend paid	109,980,667,200	120,455,017,000
Ho Chi Minh City Finance and Investment State-owned Company (HFIC)		
Dividend paid	105,000,000,000	115,000,000,000
Compensation of key management		
Gross salaries and other benefits (*)	46,576,741,357	32,097,803,791

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

Remuneration to the Board of Directors			
Mr. Do Hung Viet	Chairperson	1,043,916,000	1,040,880,000
Mr. Le Anh Minh	Vice Chairperson	866,666,667	866,666,667
Mr. Pham Nghiem Xuan Bac	Member	266,666,667	266,666,667
Mr. Le Thang Can	Member	400,000,000	400,000,000
Mr. Johan Nyvene	Member	360,000,000	360,000,000
Mr. Le Hoang Anh	Member	400,000,000	400,000,000
Mr. Lam Hoai Anh	Member	266,666,667	266,666,667
		3,603,916,001	3,600,880,001
Remuneration to the Board of Supervision			
Mr. Vo Van Chau	Chief Supervisor	466,666,667	466,666,667
Mr. Doan Van Hinh	Member	80,000,000	80,000,000
Ms. Dang Nguyet Minh	Member	400,000,000	400,000,000
		946,666,667	946,666,667
Gross salaries of the Chief Executive Officer			
Mr. Trinh Hoai Giang (from 16 March 2020)	Chief Executive Officer	5,132,500,000	-
Mr. Johan Nyvene (until 15 March 2020)	Chief Executive Officer	421,200,000	2,434,892,308
		5,553,700,000	2,434,892,308

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8 RELATED PARTIES DISCLOSURES (continued)

(b) Year-end balances with related parties

	As at	
	31.12.2020	31.12.2019
	VND	VND
Dragon Capital Markets Limited (DC)		
Dividend payable	45,825,278,000	45,825,278,000
Ho Chi Minh City Finance and Investment State-owned Company (HFIC)		
Dividend payable	36,487,590,000	43,750,000,000
Deposits for securities trading	25,133,244	25,083,088

9 SEGMENT REPORTING

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

(a) Geographical segments

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

(b) Business segments

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

9 SEGMENT REPORTING (continued)

(b) Business activity segments

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

9 SEGMENT REPORTING (continued)

(b) Business activity segments (continued)

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

	For the year ended 31 December 2019				
	Brokerage and services VND	Proprietary trading VND	Lending VND	Consultancy VND	Total VND
Revenue and income (*)	492,270,104,711	505,990,623,151	508,242,445,291	53,627,870,462	1,560,131,043,615
Expenses	(375,303,703,188)	(333,912,685,465)	(113,682,911,467)	(21,241,240,366)	(844,140,540,486)
<i>In which:</i>					
Direct cash expenses	(326,726,067,531)	(322,126,477,606)	(113,682,911,467)	(21,163,317,587)	(783,698,774,191)
Total amount of significant non-cash expenses, other than depreciation, amortisation and allocation of prepaid expenses	-	516,304,050	-	-	516,304,050
Total depreciation and amortisation of fixed assets	(9,758,357,479)	(1,494,668,566)	-	(77,922,779)	(11,330,948,824)
Allocation of long-term and short-term prepaid expenses	(38,819,278,178)	(10,807,843,343)	-	-	(49,627,121,521)
Segment result	<u>116,966,401,523</u>	<u>172,077,937,686</u>	<u>394,559,533,824</u>	<u>32,386,630,096</u>	<u>715,990,503,129</u>
Net financial income					2,119,729,545
Net other income					95,013,636
General and administration expenses					(186,799,467,128)
Operating result before tax					<u>531,405,779,182</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

9 SEGMENT REPORTING (continued)

(b) Business activity segments (continued)

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

	As at 31 December 2020					
	Brokerage and services VND	Proprietary trading VND	Lending VND	Consultancy VND	Unallocated VND	Total VND
Segment assets	330,925,036,669	3,241,659,928,389	8,860,312,830,607	2,945,599,248	-	12,435,843,394,913
Unallocated assets	-	-	-	-	52,984,158,174	52,984,158,174
Total assets	<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>
Total expense incurred for purchases of fixed assets in 2020	20,742,310,345	-	1,384,059,391	-	11,198,521,176	33,324,890,912
Segment assets	20,742,310,345	-	1,384,059,391	-	-	22,126,369,736
Unallocated assets	-	-	-	-	11,198,521,176	11,198,521,176

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

9 SEGMENT REPORTING (continued)

(b) Business activity segments (continued)

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

	As at 31 December 2019					
	Brokerage and services VND	Proprietary trading VND	Lending VND	Consultancy VND	Unallocated VND	Total VND
Segment assets	458,599,485,137	1,316,457,115,775	5,647,303,334,297	2,426,071,426	-	7,424,786,006,635
Unallocated assets	-	-	-	-	63,892,622,713	63,892,622,713
Total assets	458,599,485,137	1,316,457,115,775	5,647,303,334,297	2,426,071,426	63,892,622,713	7,488,678,629,348
Segment liabilities	(491,960,004,500)	-	(2,406,675,180,597)	-	-	(2,898,635,185,097)
Unallocated liabilities	-	-	-	-	(285,900,405,112)	(285,900,405,112)
Total liabilities	(491,960,004,500)	-	(2,406,675,180,597)	-	(285,900,405,112)	(3,184,535,590,209)
Total expense incurred for purchases of fixed assets in 2019	8,700,714,965	-	-	62,480,000	10,421,596,540	19,184,791,505
Segment assets	8,700,714,965	-	-	62,480,000	-	8,763,194,965
Unallocated assets	-	-	-	-	10,421,596,540	10,421,596,540

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10 FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Credit risk

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

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

	As at	
	31.12.2020	31.12.2019
	VND	VND
Cash at bank (Note 3.1)	61,440,624,254	837,260,689,806
Security deposits for covered warrants issued (Note 3.1)	145,100,000,000	69,000,000,000
Listed bonds (Note 3.2)	932,804,513,518	505,470,280,219
Unlisted bonds (Note 3.2)	-	401,164,979,441
Loans (Note 3.3)	8,623,841,531,603	4,734,496,649,940
Receivables (Note 3.5)	258,082,311,117	361,631,670,811
Deposit for derivatives trading activities (Note 3.6)	179,688,615,950	7,563,570,950
Security deposits	9,370,825,870	9,989,333,827
Total credit risk exposure	10,210,328,422,312	6,926,577,174,994

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****10 FINANCIAL RISK MANAGEMENT (continued)****(a) Credit risk (continued)****(i) *Balances with banks***

Balances with banks include demand deposits, term deposits and accrued interest.

All bank balances are placed with local credit institutions which have high creditworthiness or qualifying as clearing members. Balances with banks are continuously monitored by treasury function in compliance with the Company's policies and periodically reported to the Board of Management. Credit risk from balances with banks is assessed as low.

As at 31 December 2020 and as at 31 December 2019, there were no balance with banks that were past due nor impaired.

(ii) *FVTPL financial assets*

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

As at 31 December 2020 and as at 31 December 2019, there were no debt security that exceeds 15% of the Company's equity.

As at 31 December 2020 and as at 31 December 2019, there were no debt security that were past due nor impaired.

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****10 FINANCIAL RISK MANAGEMENT (continued)****(a) Credit risk (continued)***(iii) Trading advances and deposit for derivatives trading activities (continued)*

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

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

As at 31 December 2020 and as at 31 December 2019, there were no balance with VSD that were past due nor impaired.

(iv) Margin loans

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

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

The market value of collateral assets as at 31 December 2020 was VND33,527,912,173,430 (as at 31 December 2019 : VND11,945,957,954,288).

According to prevailing securities regulations, the margin loan limit applicable to a balance (for either an individual customer or an institution customer) is 3% of the securities company's equity. As at 31 December 2020 and as at 31 December 2019, there were no margin loan balance that exceeds 3% of the Company's equity.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10 FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (continued)

(iv) Margin loans (continued)

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

	As at	
	31.12.2020	31.12.2019
	VND	VND
Past due and impaired	37,783,317,946	37,783,317,946
Neither past due nor impaired	8,586,058,213,657	4,696,713,331,994
Provision made	(37,783,317,946)	(37,783,317,946)
Net balance	8,586,058,213,657	4,696,713,331,994

(v) Receivables

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

As at 31 December 2020 and as at 31 December 2019, there were no receivable that exceeds 15% of the Company's equity.

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

	Past due and impaired VND	Past due but not impaired VND	Neither past due nor impaired VND	Total VND
As at 31.12.2020				
Current	-	-	256,281,836,915	256,281,836,915
Overdue for more than 3 years	1,800,474,202	-	-	1,800,474,202
Provision made	(1,800,474,202)	-	-	(1,800,474,202)
Net balance	-	-	256,281,836,915	256,281,836,915
As at 31.12.2019				
Current	-	-	359,831,196,609	359,831,196,609
Overdue for more than 3 years	1,800,474,202	-	-	1,800,474,202
Provision made	(1,800,474,202)	-	-	(1,800,474,202)
Net balance	-	-	359,831,196,609	359,831,196,609

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****10 FINANCIAL RISK MANAGEMENT (continued)****(b) Market risk**

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

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

- Interest rate risk

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

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

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

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

- Market price risk

Shares held by the Company, open position in futures and covered warrants are affected by market risk due to the uncertainty in the future value of these items.

The Company manages its share price risk by setting up investment limits and hedging where necessary. The Investment Committee of the Company also takes part in appraisal and approval of investment in shares and issuance of covered warrants.

At 31 December 2020, had the prices of securities increased/decreased by 10% with all other variables being held constant (including tax rate), the Company's profit before tax for the year would have been higher/lower by VND182,842,108,916 (at 31 December 2019: higher/lower by VND125,385,646,601).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

- **Currency risk**

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

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

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

	Original currency USD		Equivalent to VND	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Financial assets				
Cash	1,880.68	1,899.62	42,770,475	43,249,211
Financial liabilities				
Borrowings				
(unhedged amount)	(25,000,000.00)	(25,000,000.00)	(579,425,000,000)	(579,987,500,000)
Net financial liabilities	(24,998,119.32)	(24,998,100.38)	(579,382,229,525)	(579,944,250,789)
Net currency exposure	(24,998,119.32)	(24,998,100.38)	(579,382,229,525)	(579,944,250,789)

As at 31 December 2020, if the USD had strengthened/weakened by 10% (estimated % change in exchange rate) against the VND with all other variables being held constant, the Company's profit before tax profit for the year would have been higher/lower by VND57,938,222,953 respectively as a result of foreign exchange losses/gains on translation of USD-denominated financial instruments (as at 31 December 2019: lower/higher by VND57,994,425,079 respectively).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10 FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk

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

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

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

	As at	
	31.12.2020	31.12.2019
	VND	VND
Short-term borrowings (Note 3.11)	6,716,571,061,080	2,393,727,235,255
Trading obligations (Note 3.12)	935,296,094,913	487,804,747,433
Short-term trade account payables	5,104,995,817	1,046,316,763
Short-term accrued expenses (Note 3.14)	83,776,529,704	56,698,330,262
Other short-term payables (Note 3.15)	209,921,021,432	184,843,206,969
Total financial liabilities	7,950,669,702,946	3,124,119,836,682

(d) Capital Adequacy Ratio

Capital Adequacy Ratio ("CAR") is an indicator that measures the Company's financial safety and ability to meet its financial obligations and absorb certain losses resulting from risks arising during its business operation.

This ratio is calculated and presented in the Company's capital adequacy ratio report. This report is prepared monthly in accordance with Circular 87/2017/TT-BTC, according to Circular 87, the Company is required to maintain a prescribed minimum level of CAR of 180%.

As at 31 December 2020, the Company's CAR was 658% (as at 31 December 2019: 566%).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11 OPERATING LEASE COMMITMENTS

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

	As at	
	31.12.2020	31.12.2019
	VND	VND
Within 1 year	15,537,882,954	22,406,759,219
Between 1 and 5 years	44,709,911,637	46,051,389,766
Total minimum payments	60,247,794,591	68,458,148,985

12 CAPITAL COMMITMENTS

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

	As at	
	31.12.2020	31.12.2019
	VND	VND
Software purchases	397,206,400	5,991,400,000

13 VOLUME AND VALUE OF TRANSACTIONS DURING THE YEAR

	Volume of transactions during the year	Value of transactions during the year VND
a) Of the Company		
Covered warrants	659,578,300	1,328,573,988,400
Shares	1,723,442,778	47,883,820,935,964
Bonds	225,451,605	24,161,117,042,382
Future contracts	454,395	38,204,027,737,000
b) Of Investors		
Covered warrants	165,746,270	251,408,276,200
Shares	10,896,523,026	203,153,562,050,582
Bonds	641,342,411	71,681,315,149,142
Future contracts	8,306,540	678,339,546,586,000
	14,320,845,325	1,065,003,371,765,670

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation, in particular:

(a) Statement of financial position

Code	ITEMS	As at 31 December 2019		
		Previously reported VND	Reclassification (*) VND	Reclassified VND
112	Financial assets at FVTPL	1,286,632,864,648	19,521,519,660	1,306,154,384,308
114	Loans	4,696,713,331,994	37,783,317,946	4,734,496,649,940
116	Provisions for impairment loss of financial assets and collaterals	-	(37,783,317,946)	(37,783,317,946)
122	Other receivables	100,809,984,866	(57,304,837,606)	43,505,147,260
129	Provisions for doubtful debts	(39,583,792,148)	37,783,317,946	(1,800,474,202)
417.1	Realised profits after tax	633,772,960,412	(19,521,519,660)	614,251,440,752
417.2	Unrealised losses	(48,293,141,097)	19,521,519,660	(28,771,621,437)

(*) Reclassification of revaluation gains of bonds to FVTPL financial assets and overdue margin loan balances to proper line items.

(b) Statement of comprehensive income

Code	ITEMS	For the year ended 31 December 2019		
		Previously reported VND	Reclassification (*) VND	Reclassified VND
01	Income from FVTPL financial assets	522,443,256,133	(16,452,632,982)	505,990,623,151
01.1	Realised gains on disposal of FVTPL financial assets	390,930,734,954	(16,452,632,982)	374,478,101,972
01.2	Revaluation gains of FVTPL financial assets	(3,308,332,184)	19,521,519,660	16,213,187,476
01.3	Dividends and interest income from FVTPL financial assets	128,409,865,776	(19,521,519,660)	108,888,346,116
03	Interest income from loans and receivables	495,988,943,636	12,253,501,655	508,242,445,291
06	Brokerage fee income	478,282,787,116	4,199,131,327	482,481,918,443
26	Self-trading expenses	78,706,309,030	(44,783,742,910)	33,922,566,120
27	Brokerage fee expenses	326,959,927,736	36,734,060,108	363,693,987,844
30	Custody service expenses	8,102,665,080	75,763,690	8,178,428,770
31	Investment consultancy service income	16,242,652,044	4,998,588,322	21,241,240,366
32	Other operating expenses	455,955,784	2,975,330,790	3,431,286,574

(*) Reclassification of interest income from loans and receivables and brokerage fee income to proper line items and reclassification of expenses to conform to current year's allocation basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14 COMPARATIVE FIGURES (continued)

(c) Statement of cash flows

Code	ITEMS	For the year ended 31 December 2019		
		Previously reported VND	Reclassification (*) VND	Reclassified VND
02	Adjustments for:	77,880,837,340	19,521,519,660	97,402,357,000
08	Accrued interest income	(60,424,834,705)	19,521,519,660	(40,903,315,045)
11	Revaluation losses of FVTPL financial assets and covered warrants liabilities	(516,964,050)	660,000	(516,304,050)
11.1	Revaluation losses of covered warrants	660,000	(660,000)	-
18	Changes in non-cash income	(3,102,655,403)	(19,521,519,660)	(22,624,175,063)
19	Revaluation gains of FVTPL financial assets and covered warrants liabilities	3,308,332,184	(25,932,507,247)	(22,624,175,063)
20	Revaluation gains of covered warrants liabilities	(6,410,987,587)	6,410,987,587	-
50	Increase in other short-term payables	149,712,074,280	20,676,825,890	170,388,900,170
50.1	Increase in covered warrants payable	20,676,825,890	(20,676,825,890)	-

(*) Reclassification of revaluation gains of bonds as FVTPL financial assets and other items to proper lines according to current year's presentation.

The financial statements were approved by the Board of Management on 18 March 2021.



Le Thi Thuy Duong
Preparer



Lam Huu Ho
Chief Financial Officer
cum Chief Accountant



Trinh Hoai Giang
Chief Executive Officer