



Pinetree Securities Corporation

Financial statements

For the year ended 31 December 2022

Pinetree Securities Corporation

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Pinetree Securities Corporation

GENERAL INFORMATION

THE COMPANY

Pinetree Securities Corporation (“the Company”), initially HFT Securities Corporation, is a joint stock company established under Vietnam Law on Enterprises, Securities Trading License No. 10/GPHDKD issued by the State Securities Commission for the first time on 18 February 2003 with initial charter capital at VND 6,000,000,000. The Company’s charter capital was approved to increase to VND 970,000,000,000 in accordance with the latest amended License No. 127/GPDC-UBCK dated 27 December 2021 granted by the State Securities Commission. The Company is operating under Business Registration Certificate No. 0101294902 with the 2nd amended Business Registration dated 04 November 2022.

As at 31 December 2022, total charter capital of the Company was VND 970,000,000,000 (as at 31 December 2021: VND 970,000,000,000).

The Company’s head office is located at Floor 20th, TNR Tower, 54A Nguyen Chi Thanh Street, Lang Thuong Ward, Dong Da District, Hanoi.

The Company’s current principal activities are:

- ▶ Brokerage services;
- ▶ Underwriting for securities issuance;
- ▶ Financial and investment advisory services;
- ▶ Proprietary trading;
- ▶ Securities depository; and
- ▶ Other services in accordance with law and regulations applicable to securities companies.

BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are:

Mr. Noh Eun Woo	Chairman	Appointed on 22 October 2021
Mr. Lee Jun Hyuck	Member	Appointed on 15 May 2019
Mr. Nguyen Huy Duong	Member	Appointed on 15 May 2019

BOARD OF SUPERVISION

Members of the Board of Supervision during the year and at the date of this report are:

Ms. Chu Thi Lua	Head of the Board of Supervision	Appointed on 15 May 2019
Mr. Lee Jun Hyeob	Member	Appointed on 15 May 2019
Mr. Kim Ji Yoon	Member	Appointed on 15 May 2019

MANAGEMENT AND CHIEF ACCOUNTANT

Member of the Management and the Chief Accountant during the year and at the date of this report are:

Mr. Lee Jun Hyuck	General Director	Appointed on 26 August 2019
Ms. Dinh Thi Lan Phuong	Chief Accountant	Reappointed on 03 October 2022

Pinetree Securities Corporation

GENERAL INFORMATION (continued)

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr. Lee Jun Hyuck – General Director.

AUDITORS

The auditors of the Company are Ernst & Young Vietnam Limited.

Reference: 61591189/22987493

INDEPENDENT AUDITORS' REPORT

**To: The Shareholders of
Pinetree Securities Corporation**

We have audited the accompanying financial statements of Pinetree Securities Corporation ("the Company") as prepared on 06 March 2023 and set out on pages 6 to 53, which comprise the statement of financial position as at 31 December 2022, the income statement, the cash flow statement and the statement of changes in equity for the year then ended and the notes thereto.

Management's responsibility

Management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to securities companies and the statutory requirements relevant to the preparation and presentation of the financial statements, and for such internal control as Management determines is necessary to enable the preparation and 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 requirements and plan and perform the audit to obtain reasonable assurance about 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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.

Opinion

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of the Company as at 31 December 2022, and of the results of its operations, its cash flows and its changes in equity for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to securities companies and the statutory requirements relevant to preparation and presentation of the financial statements.

Ernst & Young Vietnam Limited



Dang Phuong Ha
Deputy General Director
Audit Practising Registration
Certificate No. 2400-2023-004-1



Nguyen Van Trung
Auditor
Audit Practising Registration
Certificate No. 3847-2021-004-1

Hanoi, Vietnam

06 March 2023

STATEMENT OF FINANCIAL POSITION
as at 31 December 2022

Code	ITEMS	Notes	31/12/2022 VND	31/12/2021 VND
100	A. CURRENT ASSETS		2,461,897,420,174	2,052,345,296,273
110	I. Financial assets		2,454,967,641,053	2,047,152,622,109
111	1. Cash and cash equivalents	5	69,031,549,737	43,325,119,239
111.1	1.1 Cash		69,031,549,737	43,325,119,239
112	2. Financial assets at fair value through profit or loss ("FVTPL")	7.1	740,407,960,824	106,545,727,849
113	3. Held-to-maturity ("HTM") investments	7.2	750,000,000,000	200,000,000,000
114	4. Loans	7.3	871,586,956,636	1,685,666,532,157
117	5. Receivables	8	22,042,617,945	9,024,311,509
117.1	5.1 Receivables from disposals of financial assets		91,801,710	-
117.2	5.2 Receivables and accruals from dividend and interest income		21,950,816,235	9,024,311,509
117.4	5.2.1 Undue accrued dividend and interest		21,950,816,235	9,024,311,509
118	6. Advances to suppliers	9	644,254,496	1,608,436,050
119	7. Receivables from services provided by the Company	10	60,579,592	311,753,427
122	8. Other receivables	11	1,193,721,823	670,741,878
130	II. Other current assets		6,929,779,121	5,192,674,164
133	1. Short-term prepaid expenses	13	5,483,369,989	3,845,824,818
134	2. Short-term deposits, collaterals and pledges	12	107,645,250	42,937,250
135	3. Deductible value added tax		1,338,763,882	1,213,353,101
136	4. Tax and other receivables from the State		-	90,558,995
200	B. NON-CURRENT ASSETS		71,317,777,258	79,083,135,585
220	I. Fixed assets		58,028,207,669	68,623,929,768
221	1. Tangible fixed assets	14	12,671,210,799	13,927,968,848
222	1.1 Cost		22,914,640,453	20,798,267,453
223a	1.2 Accumulated depreciation		(10,243,429,654)	(6,870,298,605)
227	2. Intangible assets	15	45,356,996,870	54,695,960,920
228	2.1 Cost		65,292,467,401	64,932,967,401
229a	2.2 Accumulated amortization		(19,935,470,531)	(10,237,006,481)
250	III. Other non-current assets		13,289,569,589	10,459,205,817
251	1. Long-term deposits, collaterals and pledges	16	1,248,486,840	1,294,406,840
252	2. Long-term prepaid expenses	17	2,785,380,090	2,421,920,553
254	3. Payments to Settlement Assistance Fund	18	9,255,702,659	6,742,878,424
270	TOTAL ASSETS		2,533,215,197,432	2,131,428,431,858

STATEMENT OF FINANCIAL POSITION (continued)
as at 31 December 2022

Code	ITEMS	Notes	31/12/2022 VND	31/12/2021 VND
300	C. LIABILITIES		1,055,394,693,035	666,656,362,542
310	I. Current liabilities		1,055,394,693,035	666,656,362,542
311	1. Short-term borrowings and financial leases		1,027,400,000,000	648,940,000,000
312	1.1 Short-term borrowings	19	1,027,400,000,000	648,940,000,000
318	2. Payables for securities trading activities	20	2,571,295,218	4,206,362,232
320	3. Short-term trade payables	21	488,663,026	608,443,388
322	4. Statutory obligations	22	7,337,159,997	8,708,557,877
323	5. Payables to employees		49,179,650	8,549,209
325	6. Short-term accrued expenses	23	16,927,260,559	4,001,977,804
329	7. Other short-term payables		621,134,585	182,472,032
400	D. OWNERS' EQUITY		1,477,820,504,397	1,464,772,069,316
410	I. Owners' equity	24	1,477,820,504,397	1,464,772,069,316
411	1. Share capital		1,480,000,000,000	1,480,000,000,000
411.1	1.1 Contributed capital	24.1	970,000,000,000	970,000,000,000
411.1a	1.1.1 Ordinary shares		970,000,000,000	970,000,000,000
	1.2 Share premium	24.2	510,000,000,000	510,000,000,000
415	2. Operational risk and financial reserve		1,321,976,000	1,321,976,000
417	3. Undistributed loss		(3,501,471,603)	(16,549,906,684)
417.1	3.1 Realized loss	24.3	(3,501,816,058)	(16,601,767,901)
417.2	3.2 Unrealized gain		344,455	51,861,217
440	TOTAL LIABILITIES AND OWNERS' EQUITY		2,533,215,197,432	2,131,428,431,858

STATEMENT OF FINANCIAL POSITION (continued)
as at 31 December 2022

OFF-BALANCE SHEET ITEMS

Code	ITEMS	Notes	31/12/2022 VND	31/12/2021 VND
A. ASSETS OF THE COMPANY AND ASSETS MANAGED UNDER AGREEMENTS				
006	Outstanding shares (number of shares)	24.4	97,000,000	97,000,000
008	Financial assets listed/registered for trading at the Vietnam Securities Depository ("VSDC") of the Company	25.1	4,557,110,000	70,540,000
009	Non-traded financial assets deposited at VSDC of the Company		-	230,000
012	Financial assets which have not been deposited at VSDC of the Company		-	600,000
B. ASSETS AND PAYABLES UNDER AGREEMENTS WITH INVESTORS				
021	Financial assets listed/registered for trading at the VSDC of investors	25.2	3,520,500,650,000	2,578,529,920,000
021.1	<i>Unrestricted financial assets</i>		3,369,924,740,000	2,269,657,150,000
021.2	<i>Restricted financial assets</i>		736,670,000	610,000,000
021.3	<i>Mortgaged financial assets</i>		-	-
021.4	<i>Blocked financial assets</i>		-	9,879,000,000
021.5	<i>Financial assets awaiting settlement</i>		149,839,240,000	298,383,770,000
026	Investors' deposits	25.3	549,188,401,467	946,504,709,202
027	Investors' deposits for securities trading activities managed by the Company	25.3	549,188,401,467	946,504,709,202
031	Payables to investors for deposits for securities trading activities managed by the Company	25.4	549,184,854,467	946,382,044,627
031.1	<i>Payables to domestic investors for deposits for securities trading activities managed by the Company</i>		537,189,461,327	934,304,766,762
031.2	<i>Payables to foreign investors for deposits for securities trading activities managed by the Company</i>		11,995,393,140	12,077,277,865
035	Dividends, bond principal and interest payables		3,547,000	122,664,575

Prepared by:

Reviewed by:

Approved by:


Ms. Tran Thi Minh Hien
Accountant

Ms. Dinh Thi Lan Phuong
Chief AccountantMr. Lee Jun Hyuck
General Director

Hanoi, Vietnam

06 March 2023

INCOME STATEMENT
for the year ended 31 December 2022

Code	ITEMS	Notes	2022 VND	2021 VND
	I. OPERATING INCOME			
01	1. Gain from financial assets at fair value through profit or loss ("FVTPL")		28,242,072,402	10,330,556,189
01.1	1.1 Gain from disposals of financial assets at FVTPL	26.1	22,413,474,955	7,441,728,532
01.2	1.2 Gain from revaluation of financial assets at FVTPL	26.2	119,780,537	123,368,070
01.3	1.3 Dividend, interest income from financial assets at FVTPL	26.3	5,708,816,910	2,765,459,587
02	2. Gain from held-to-maturity ("HTM") investments	26.3	30,213,238,352	7,743,816,440
03	3. Gain from loans and receivables	26.3	122,727,646,425	89,115,083,778
06	4. Revenue from brokerage services		34,011,836,392	35,032,277,805
09	5. Revenue from securities depository services		2,300,861,192	1,528,850,294
11	6. Revenue from other activities		496,398,592	570,962,835
20	Total operating income		217,992,053,355	144,321,547,341
	II. OPERATING EXPENSES			
21	1. Loss from financial assets at FVTPL		2,667,952,696	698,836,750
21.1	1.1 Loss from disposals of financial assets at FVTPL	26.1	2,482,655,397	601,360,400
21.2	1.2 Loss from revaluation of financial assets at FVTPL	26.2	171,297,299	65,077,275
21.3	1.3 Transaction costs for acquisition of financial assets at FVTPL		14,000,000	32,399,075
26	2. Expenses for proprietary trading activities		44,054,801	102,121,636
27	3. Expenses for brokerage services	27	94,961,960,385	71,965,330,290
30	4. Expenses for securities depository services		1,792,330,324	1,137,550,305
32	5. Expenses for other activities		6,759,570	4,718,447
40	Total operating expenses		99,473,057,776	73,908,557,428
	III. FINANCIAL INCOME			
42	1. Dividends and interest income from demand deposits	28	2,691,328,051	1,743,950,950
44	2. Other financial income	28	441,901,841	538,098,159
50	Total financial income		3,133,229,892	2,282,049,109
	IV. FINANCIAL EXPENSES			
52	1. Interest expenses from borrowings	29	30,017,932,502	9,313,209,205
55	2. Other financial expenses	29	18,783,318,879	4,796,466,983
60	Total financial expenses		48,801,251,381	14,109,676,188
62	V. GENERAL & ADMINISTRATIVE EXPENSES	30	55,177,100,786	33,171,221,905

INCOME STATEMENT (continued)
for the year ended 31 December 2022

Code	ITEMS	Notes	2022 VND	2021 VND
70	VI. OPERATING PROFIT		17,673,873,304	25,414,140,929
	VII. OTHER INCOME AND EXPENSES			
71	1. Other income		39,936,903	35,630,066
72	2. Other expenses		491,489,485	67,113,388
80	Total other operating loss		(451,552,582)	(31,483,322)
90	VIII. PROFIT BEFORE TAX		17,222,320,722	25,382,657,607
91	1. Realized profit		17,273,837,484	25,324,366,812
92	2. Unrealized (loss)/profit		(51,516,762)	58,290,795
100	IX. CORPORATE INCOME TAX ("CIT") EXPENSES		4,173,885,641	-
100.1	1. Current CIT expenses	31	4,173,885,641	-
200	X. PROFIT AFTER TAX		13,048,435,081	25,382,657,607
501	Profit per share	32	135	307

Prepared by:



Ms. Tran Thi Minh Hien
Accountant

Reviewed by:



Ms. Dinh Thi Lan Phuong
Chief Accountant

Approved by:



Mr. Lee Jun Hyuck
General Director

Hanoi, Vietnam

06 March 2023

CASH FLOW STATEMENT
for the year ended 31 December 2022

Code	ITEMS	Notes	2022 VND	2021 VND
	I. CASH FLOW FROM OPERATING ACTIVITIES			
01	1. Profit before tax		17,222,320,722	25,382,657,607
02	2. Adjusted for		(43,056,489,945)	(29,658,888,454)
03	Depreciation and amortization		13,071,595,099	10,619,385,021
06	Interest expenses from borrowings	29	30,017,932,502	9,313,209,205
07	Gain from investing activities		3,223,060,353	458,467,649
08	Accrued interest		(89,369,077,899)	(50,049,950,329)
10	3. Increase in non-monetary expenses		171,297,299	65,077,275
11	Loss from revaluation of financial assets at FVTPL	26.2	171,297,299	65,077,275
18	4. Decrease in non-monetary income		(119,780,537)	(123,368,070)
19	Gain from revaluation of financial assets at FVTPL	26.2	(119,780,537)	(123,368,070)
30	5. Operating loss before changes in working capital		(327,186,372,092)	(1,402,629,316,483)
31	Increase in financial assets at FVTPL		(633,913,749,737)	(54,686,197,774)
32	Increase in HTM investments		(550,000,000,000)	(94,500,000,000)
33	Decrease/(Increase) in loans		814,079,575,521	(1,293,432,450,096)
35	(Increase)/Decrease in receivables from disposals of financial assets		(91,801,710)	2,880,000
36	Decrease in receivables and accruals from dividend and interest income		76,442,573,173	43,880,228,168
37	Decrease/(Increase) in receivables from services provided by the Company		251,173,835	(256,839,734)
39	(Increase)/Decrease in other receivables		(522,979,945)	2,256,076,552
40	Increase in other assets		(2,638,235,016)	(2,228,119,565)
41	Increase/(Decrease) in accrued expenses (excluding interest expenses)		2,327,358,791	(134,871,130)
42	Increase in prepaid expenses		(2,001,004,708)	(1,400,830,883)
43	CIT paid		(3,693,941,540)	-
44	Interest paid		(25,334,396,942)	(8,459,443,063)
45	Increase/(Decrease) in trade payables		844,401,192	(2,561,615,546)
47	(Decrease)/Increase in tax and payables to the State (excluding CIT paid)		(1,760,782,986)	6,096,884,161
48	Increase/(Decrease) in payables to employees		40,630,441	(169,685,487)
50	(Decrease)/Increase in other payables		(1,196,404,461)	3,366,957,254
51	Other receipts from operating activities		55,920,000	96,540,000
52	Other payments for operating activities		(74,708,000)	(498,829,340)
60	Net cash flows used in operating activities		(352,969,024,553)	(1,406,963,838,125)

CASH FLOW STATEMENT (continued)
for the year ended 31 December 2022

Code	ITEMS	Notes	2022 VND	2021 VND
	II. CASH FLOW FROM INVESTING ACTIVITIES			
61	1. Payments for purchase & construction of fixed assets, investment properties and other long-term assets		(2,475,873,000)	(26,147,750,124)
65	2. Interest from loans, dividends from long-term investments received		2,691,328,051	1,743,950,950
70	Net cash flows from/ (used in) investing activities		215,455,051	(24,403,799,174)
	III. CASH FLOW FROM FINANCING ACTIVITIES			
71	1. Proceeds from share issuance, capital contribution from owners		-	865,000,000,000
73	2. Drawdown of borrowings		4,166,846,527,402	4,020,049,000,000
73.1	2.1 Borrowings from others		4,166,846,527,402	4,020,049,000,000
74	3. Repayment of borrowings		(3,788,386,527,402)	(3,410,654,000,000)
	3.1 Borrowings from others		(3,788,386,527,402)	(3,410,654,000,000)
80	Net cash flows from financing activities		378,460,000,000	1,474,395,000,000
90	NET CASH FLOW DURING THE YEAR		25,706,430,498	43,027,362,701
101	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		43,325,119,239	297,756,538
101.1	Cash		43,325,119,239	297,756,538
103	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5	69,031,549,737	43,325,119,239
103.1	Cash		69,031,549,737	43,325,119,239

CASH FLOW STATEMENT (continued)
for the year ended 31 December 2022

CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF CUSTOMERS

Code	ITEMS	Notes	2022 VND	2021 VND
	I. Cash flows from brokerage and trust activities of customers			
01	1. Cash receipts from disposal of brokerage securities of customers		56,345,454,150,930	50,058,398,912,850
02	2. Cash payments for purchase of brokerage securities of customers		(57,203,434,821,356)	(53,687,122,923,100)
07	3. Cash receipts for settlement of securities transactions of customers		71,701,206,525,206	40,855,875,171,797
08	4. Cash payment for settlement of securities transactions of customers		(71,240,423,044,940)	(36,547,552,146,096)
14	5. Cash receipts from securities issuers		93,031,637,818	92,601,233,685
15	6. Cash payments for securities issuers		(93,150,755,393)	(92,500,039,110)
20	Net increase in cash during the year		(397,316,307,735)	679,700,210,026
30	II. Cash and cash equivalents of customers at the beginning of the year		946,504,709,202	266,804,499,176
31	Cash at banks at the beginning of the year		946,504,709,202	266,804,499,176
32	Investors' deposits managed by the Company for securities trading activities		946,504,709,202	266,804,499,176
40	III. Cash and cash equivalents of customers at the end of the year		549,188,401,467	946,504,709,202
41	Cash at banks at the end of the year		549,188,401,467	946,504,709,202
42	Investors' deposits managed by the Company for securities trading activities		549,188,401,467	946,504,709,202

Prepared by:


Ms. Tran Thi Minh Hien
Accountant

Reviewed by:


Ms. Dinh Thi Lan Phuong
Chief Accountant

Approved by:


Mr. Lee Jun Hyuck
General Director

Hanoi, Vietnam

06 March 2023

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2022

ITEMS	Opening balance		Increase/Decrease				Closing balance	
	01/01/2021 VND	01/01/2022 VND	Prior year		Current year		31/12/2021 VND	31/12/2022 VND
			Increase VND	Decrease VND	Increase VND	Decrease VND		
I. CHANGES IN OWNERS' EQUITY								
1. Share capital	615,000,000,000	1,480,000,000,000	865,000,000,000	-	-	-	1,480,000,000,000	1,480,000,000,000
1.1 Contributed capital	615,000,000,000	970,000,000,000	355,000,000,000	-	-	-	970,000,000,000	970,000,000,000
1.2 Share premium	-	510,000,000,000	510,000,000,000	-	-	-	510,000,000,000	510,000,000,000
3. Operational risk and financial reserve	1,321,976,000	1,321,976,000	-	-	-	-	1,321,976,000	1,321,976,000
4. Undistributed loss	(41,932,564,291)	(16,549,906,684)	25,382,657,607	-	13,048,435,081	-	(16,549,906,684)	(3,501,471,603)
4.1 Realized loss	(41,926,134,713)	(16,601,767,901)	25,324,366,812	-	13,099,951,843	-	(16,601,767,901)	(3,501,816,058)
4.2 Unrealized gain	(6,429,578)	51,861,217	58,290,795	-	(51,516,762)	-	51,861,217	344,455
TOTAL	574,389,411,709	1,464,772,069,316	890,382,657,607	-	13,048,435,081	-	1,464,772,069,316	1,477,820,504,397

Prepared by:



Ms. Tran Thi Minh Hien
Accountant

Reviewed by:



Ms. Dinh Thi Lan Phuong
Chief Accountant

Approved by:



Mr. Lee Jun Hyuck
General Director

Hanoi, Vietnam

06 March 2023

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2022 and for the year then ended

1. CORPORATE INFORMATION

Pinetree Securities Corporation (“the Company”), initially HFT Securities Corporation, is a joint stock company established under Vietnam Law on Enterprises, Securities Trading License No. 10/GPHDKD issued by the State Securities Commission for the first time on 18 February 2003 with initial charter capital at VND 6,000,000,000. The Company’s charter capital was approved to increase to VND 970,000,000,000 in accordance with the latest amended License No. 127/GPDC-UBCK dated 27 December 2021 granted by the State Securities Commission. The Company is operating under Business Registration Certificate No. 0101294902 with the 2nd amended Business Registration dated 04 November 2022.

The Company’s principal activities are to provide brokerage services, securities underwriting, financial and investment advisory services, proprietary trading, securities depository, and other services in accordance with law and regulations applicable to securities companies.

The Company’s head office is located at floor 20th, TNR Tower, 54A Nguyen Chi Thanh Street, Lang Thuong Ward, Dong Da District, Hanoi.

The total number of employees of the Company as at 31 December 2022 was 95 persons (as at 31 December 2021: 72 persons).

Operations of the Company

Charter capital

As at 31 December 2022, total charter capital of the Company was VND 970,000,000,000 (as at 31 December 2021: VND 970,000,000,000).

Investment objectives

The Company is a securities company with current principal activities are to provide brokerage services; financial and investment advisory services; proprietary trading; securities depository services and other services in accordance with legal regulations applicable to securities companies. The Company’s objective is going to be one of the leading securities companies in the market, contributing to the development of the Vietnamese stock market and bringing core benefits to customers, investors and shareholders of the Company.

Investment restrictions

The Company complies with Article 28 of Circular No. 121/2020/TT-BTC dated 31 December 2020 prescribing the operation of securities companies and other applicable regulations on investment restrictions. The current applicable practices on investment restrictions are as follows:

- ▶ A securities company is not allowed to purchase, contribute capital to invest in properties except for the use of head office, branches, and transaction offices directly serving operating activities of the securities company;
- ▶ A securities company may purchase, contribute capital to invest in properties and fixed assets on the principle that the carrying value of fixed assets and investment properties should not exceed fifty percent (50%) of the total assets of the securities company;
- ▶ A securities company is not allowed to use more than seventy percent (70%) of its owners’ equity to invest in corporate bonds. A securities company, licensed to engage in propriety trading, is allowed to repurchase listed bonds in accordance with relevant regulations on securities repurchase agreement;

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

1. CORPORATE INFORMATION (continued)

Operations of the Company (continued)

Investment restrictions (continued)

- ▶ A securities company must not by itself, or authorize another organizations or individuals to:
 - Invest in shares or contribute capital to companies that owned more than fifty percent (50%) of the charter capital of the securities company, except for purchasing of odd shares per request of customers;
 - Make joint investments with a related party in five percent (5%) or more of the charter capital of another securities company;
 - Invest more than twenty percent (20%) in the total circulating shares or fund certificates of a listed entity;
 - Invest more than fifteen percent (15%) in the total circulating shares or fund certificates of a non-listed entity, this provision shall not apply to member fund, exchange-traded fund and open-ended fund certificates;
 - Invest or contribute capital in more than ten percent (10%) of the total contributed capital of a limited liability company or a business project;
 - Invest or contribute capital more than fifteen percent (15%) of its owners' equity in an entity or a business project;
 - Invest more than seventy percent (70%) of its owners' equity in shares, capital contribution and business projects, specifically invest more than twenty percent (20%) of its owners' equity in non-listed shares, capital contribution and business projects.

2. BASIS OF PREPARATION

2.1 *Applied accounting standards and systems*

The financial statements of the Company expressed in Vietnam dong ("VND") are prepared in accordance with Vietnamese Enterprise Accounting System, accounting guidance applicable to securities companies as set out in Circular No. 210/2014/TT-BTC dated 30 December 2014 ("Circular 210"), Circular No. 334/2016/TT-BTC dated 27 December 2016 amending, supplementing and replacing Appendix No. 02 and No. 04 of Circular 210/2014/TT-BTC, providing guidance on financial regime applicable to securities companies and asset management companies and other Vietnamese Accounting Standards promulgated by the Ministry of Finance as per:

- ▶ Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 1);
- ▶ Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 2);
- ▶ Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 3);
- ▶ Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 4); and
- ▶ Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 5).

2.2 *Applied accounting documentation system*

The Company's applied accounting documentation system is the General Journal.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

2. BASIS OF PREPARATION (continued)

2.3 Fiscal year

The Company's fiscal year applicable for the presentation of its financial statements starts on 01 January and ends on 31 December.

The Company also prepares interim financial statements for the six-month period ended 30 June annually, and quarterly financial statements for the three-month periods ended 31 March, 30 June, 30 September and 31 December each year.

2.4 Accounting currency

The financial statements are prepared in Vietnam Dong ("VND"), which is also the accounting currency of the Company.

2.5 Basis of assumptions and uses of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the income and expenses and the resultant provisions. Such estimates are necessarily based on assumptions involving varying degrees of subjectivity and uncertainty and actual results may differ resulting in future changes in such provision.

3. STATEMENT OF COMPLIANCE WITH VIETNAMESE ACCOUNTING STANDARDS AND SYSTEMS

Management confirms that the Company has complied with Vietnamese Accounting Standards and Vietnamese Enterprise Accounting Systems, accounting regulations and guidance applicable to securities companies and the statutory requirements relevant to the preparation and presentation of financial statements.

Accordingly, the accompanying financial statements and their utilization are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position, results of operation, cash flows and changes in equity in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Changes in accounting policies and disclosures

The accounting policies adopted by the Company in the preparation and presentation of the financial statements are consistent with those used in the preparation and presentation of the financial statements for the year ended 31 December 2021, except for:

Circular No. 114/2021/TT-BTC was issued to cancel Circular No. 146/2014/TT-BTC of the Minister of Finance guiding the financial regulations for securities companies, fund management companies ("Circular 114").

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 *Changes in accounting policies and disclosures* (continued)

On 17 December 2021, the Ministry of Finance issued Circular No. 114/2021/TT-BTC with the main changes are:

- ▶ The making of provision and resolution for devaluation of inventories, impairment of investments, bad debts will be conducted by securities companies, fund management companies, branches of foreign fund management companies who are licensed to establish and operate in Vietnam in compliance with the provisions of Circular 48/2019/TT-BTC dated 08 August 2019 of the Minister of Finance guiding the setting up and handling provisions for devaluation of inventory, impairment of investments, bad debts and warranties for products, goods, services, construction works at the enterprise and amendment documents, supplement, replace (if any);
- ▶ For charter capital supplementary reserve which is appropriated under provision of Circular No. 146/2014/TT-BTC: used to adjust and supplement the charter capital according to current regulations;
- ▶ For operational risk and financial reserve which is appropriated under provisions of Circular No. 146/2014/TT-BTC: used to supplement charter capital or utilized as per decision of the General Meeting shareholders, the Board of members or the Chairman of the company in accordance with current regulations.

Circular 114 is effective from 01 February 2022.

Circular No. 24/2022/TT-BTC ("Circular No. 24") dated 7 April 2022 amending and supplementing a number of articles of Circular No. 48/2019/TT-BTC ("Circular No. 48") dated 8 August 2019 of the Ministry of Finance guiding the establishment and handling of provisions for devaluation of inventories, failed investments, bad debts and warranties for products, goods and services. services, construction works at enterprises.

Circular No. 24 is effective from 25 May 2022 amending and supplementing regulations on objects of provisioning. Accordingly, subjects for provision making comprise securities issued by domestic economic organizations under privilege laws which are owned by enterprises and being listed or registered for trading on the domestic stock market. As at the reporting date, these securities have market value less than its book value recognizing on accounting book of enterprises.

Subjects for provision making do not include Government bonds, bond issued under guarantee by the Government and local government bonds.

4.2 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at banks, deposits for clearing and settlement of securities trading and short-term, highly liquid investments with an original terms of three months or less that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

Cash deposited by customers for securities trading and cash deposited by securities issuers are presented on the off-balance sheet.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Financial assets at FVTPL are financial assets that satisfy either of the following conditions:

- a) It is classified as held for trading. A financial asset is classified as held for trading if:
 - ▶ It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
 - ▶ There is evidence of a recent actual pattern of short-term profit-taking; or
 - ▶ It is a derivative (except derivatives that are financial guarantee contracts or effective hedging instruments).
- b) Upon initial recognition, the classification of the financial asset into financial asset at FVTPL is deemed reasonable if it meets one of the following criteria:
 - ▶ The classification eliminates or significantly reduces the inconsistent treatments that would otherwise arise from measuring the asset or recognizing gains or losses on a different basis;
 - ▶ The financial asset is part of a group of financial assets which are managed and their performance is evaluated on a fair value basis, in accordance with the Company's risk management or investment strategy.

Financial assets at FVTPL are initially recognized at cost (excluding transaction cost arising from the purchase) and subsequently recognized at fair value.

Increase in the difference arising from revaluation of financial assets at FVTPL in comparison with the prior year is recognized into the income statement under "*Gain from revaluation of financial assets at FVTPL*". Decrease in the difference arising from revaluation of financial assets at FVTPL in comparison with the prior year is recognized into the income statement under "*Loss from revaluation of financial assets at FVTPL*".

Transaction costs relating to the purchase of the financial assets at FVTPL are recognized when incurred as expenses in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Loans

Loans are non-derivative financial assets with fixed or identifiable payments and are non-listed in the market, with the exceptions of:

- a) The items that the Company intends to sell immediately or in a near future which are classified as assets held for trading, and those which, upon initial recognition, are classified as financial assets at fair value through profit or loss by the Company;
- b) The items classified as available-for-sale upon initial recognition by the Company; or
- c) The items whose holders cannot recover the majority of initial investment value not due to the impairment of credit quality and which are classified as available-for-sale.

Loans are initially recognized at cost. After initial recognition, loans are subsequently measured at amortized cost using the effective interest rate method.

Amortized cost of loans is the amount at which the financial asset is measured at initial recognition minus (-) principal repayments, plus (+) or minus (-) the accumulated amortization using the effective interest rate method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility (if any).

Loans are subject to impairment assessment at the balance sheet date. Provision is made based on its estimated loss which is determined by the difference between the market value of securities used as collaterals for such loan and the loan outstanding balance. Any increase/decrease in the balance of provision is recorded in "Provision expenses for diminution in value and impairment of financial assets, doubtful debts, and interest expenses from borrowings" in the income statement.

Margin lending

Margin lending is the activity that the Company lends money to investors to buy securities on the margin trading accounts opened at the Company and, at the same time, the investors are responsible for depositing a part or the whole of permitted securities in the margin trading accounts to secure such loans. Margin loans are initially recognized at cost. After initial recognition, margin loans continue to be recorded at cost and periodically assessed for impairment (if any).

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Held-to-maturity (“HTM”) investments

Held-to-maturity (“HTM”) investments are non-derivative financial assets with fixed or identifiable payments and fixed maturity that the Company intends and is able to hold to maturity, except for:

- a) The financial assets classified as financial assets at fair value through profit or loss upon initial recognition by the Company;
- b) The financial assets classified as available-for-sale;
- c) The financial assets satisfying the definition of loans and receivables.

HTM investments are initially recognized at cost (purchase value plus (+) transaction costs which are directly attributable to the investments such as brokerage fee, trading fee, agent fee, issuance agent fee and banking fee). After initial recognition, held-to-maturity investments are subsequently measured at amortized cost using the effective interest rate method.

Amortized cost of HTM investments is the amount at which the financial asset is measured at initial recognition minus (-) principal repayments, plus (+) or minus (-) the accumulated amortization using the effective interest rate method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility (if any), and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility (if any).

The effective interest rate method is a method of calculating the cost allocation on interest income or interest expense in the year of a financial assets or a group of HTM investments.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset.

HTM investments are subject to impairment assessment at the balance sheet date. Provision is made for an HTM investment when there is any objective evidence that the investment is unrecoverable or there is uncertainty of recoverability, resulting from one or more events that has occurred after the initial recognition of the investment and that event has an impact on the estimated future cash flows of the investment that can be reliably estimated. Evidence of impairment may include a drop in the fair value/market value of the investment, indications that the debtors or a group of debtors are experiencing significant financial difficulties, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. When there is any evidence of impairment, provision for an HTM investment is determined as the negative difference between its fair value and amortized cost at the assessment date. Any increase/decrease in the balance of provision is recorded in “*Provision expenses for diminution in value and impairment of financial assets, doubtful debts, and interest expenses from borrowings*” in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 Fair value of financial assets

Fair value/market value of the securities is determined as follows:

- ▶ For securities listed on Hanoi Stock Exchange and Ho Chi Minh City Stock Exchange, market prices are closing prices on the last trading date preceding the revaluation date;
- ▶ For securities non-listed on the stock market but registered for trading on UPCoM, market prices are determined as the average of the reference prices in the last 30 consecutive trading days before the time of making financial statements published by the Stock Exchange;
- ▶ For trading securities on Upcom market that have not been traded within 30 days before the time of preparing the financial statements, the provisioning rate for each securities investment package shall be determined. According to regulations on the level of deductions for other investments;
- ▶ For listed securities which are canceled or suspended from trading or suspended from trading from the sixth trading day onwards, the actual securities price is the book value at the date of the latest statement of financial position;
- ▶ For non-listed securities and securities non-registered for trading on UPCoM, actual market prices are average of actual trading prices quoted by three (03) securities companies conducting transactions at the last trading date before the revaluation date.

For securities which do not have reference prices from the above sources, the fair value is determined at cost plus accrued interest (if any) or based on the internal valuation method of the Company.

For the purposes of determining taxable income, the tax base of the Company's financial assets is measured at cost less provision for devaluation. Accordingly, the market value of securities for the purpose of making provision is determined in accordance with Circular No. 48/2019/TT- BTC dated 8 August 2019 ("Circular 48") of the Ministry of Finance and Circular No. 24/2022/TT-BTC ("Circular No. 24") dated 7 April 2022 amending and supplementing a number of articles of Circular No. 48.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 *Derecognition of financial assets*

A financial asset (or a part of a group of similar financial assets) is derecognized when:

- ▶ The Company no longer has the rights to receive cash flows from the asset; or
- ▶ The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a transfer arrangement; and either:
 - The Company has transferred substantially the risks and rewards of the asset; or
 - The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a transfer arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is still recognized as the Company's asset. In that case, the Company also recognizes a corresponding liability. The transferred asset and the corresponding liability are measured on a basis that reflects the rights and obligations that the Company has retained.

The continued participation in transferred assets in the form of guarantee will be recognized at the smaller between the initial carrying value of the assets and the maximum obligation incurred by the Company.

4.8 *Reclassification of financial assets*

Reclassification when selling financial assets other than FVTPL

When selling financial assets other than FVTPL, securities companies are required to reclassify those financial assets to financial assets at FVTPL. Difference arising from revaluation of AFS financial assets which are recognized under "Gain/(Loss) from revaluation of assets at fair value" will be recognized to the corresponding revenue or expenses at the date of reclassification of AFS financial assets.

Reclassification due to change in purpose or ability to hold

Securities companies are able to reclassify financial assets to appropriate categories upon changes in purpose or ability to hold, accordingly:

- ▶ Non-derivative financial assets at FVTPL or financial assets that are not required to classify as financial assets at FVTPL at initial recognition can be classified as loans and other receivables or as cash and cash equivalents if the requirements are met. The gains or losses arising from revaluation of financial assets at FVTPL prior to the reclassification are not allowed to be reversed;
- ▶ Due to changes in purpose or ability to hold, certain HTM investments are required to be reclassified into available-for-sale financial assets and measured at fair value. The difference arising from revaluation between carrying value and fair value are recognized as "Gain/(loss) from revaluation of assets at fair value" in owners' equity.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 *Recognition of mortgaged financial assets*

During the year, the Company had mortgaged/pledged financial assets as collaterals for financial obligations of the Company.

According to the terms and conditions of the mortgage/pledge contracts, during the valid period of the contracts, the Company is not allowed to sell, transfer or use the mortgaged/pledged assets under repurchase agreements or swap contracts with any other third party.

In case the Company is unable to fulfill its obligations, the mortgagee/pledgee is allowed to use the mortgaged/pledged assets to settle the obligations of the Company after a specified period in the mortgage/pledge contracts after the due date.

The mortgaged/pledged assets are monitored in the Company's statement of financial position in accordance with accounting principles relevant to the assets' classification.

4.10 *Receivables*

Receivables are initially recognized at cost and are continuously presented at cost in subsequent periods.

Provision for receivables is determined based on the overdue status of debts or expected loss of current debts in case the debts are undue yet the organization has fallen into bankruptcy, is under dissolution process or has absconded; or individual who is being prosecuted, detained, on trial or under sentence or is suffering from fatal diseases (with medical certificate) or has deceased or the debts requested for sentence yet are unenforceable due to individual escaping or the debts sued for debt collection yet are under suspension. Provision expenses incurred are recorded in "Other operating expenses" in the income statement in the year.

Provision rates for overdue receivables are prescribed in Circular No. 48/2019/TT-BTC dated 08 August 2019 by the Ministry of Finance as follows:

<u>Overdue period</u>	<u>Provision rate</u>
From over six (06) months to less than one (01) year	30%
From one (01) year to less than two (02) years	50%
From two (02) years to less than three (03) years	70%
From over three (03) years	100%

Management also makes assessment on estimated losses of undue receivables based on qualitative factors and makes provision thereto.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Fixed assets

Fixed assets are stated at cost less accumulated depreciation or amortization.

The cost of a fixed asset comprises of its purchase price and any directly attributable costs of bringing the fixed asset to working condition for its intended use.

Cost related to additions, improvements and renewals are capitalized. Expenditures for maintenance and repairs are charged to the income statement when incurred.

When fixed assets are sold or liquidated, any gains or losses resulting from their disposal (the difference between the net proceeds from the sale of assets and the remaining value of the assets) are recorded to the income statement.

4.12 Depreciation and amortization

Depreciation of tangible and amortization of intangible assets are computed on a straight-line basis over the estimated useful lives of these assets as follows:

Machines and equipment	03 – 07 years
Office equipment	03 – 05 years
Other assets	05 years
Computer software	03 – 07 years

4.13 Leases

Whether an agreement is determined as a lease agreement depends on the nature of the agreement at the beginning: whether the implementation of the agreement depends on the use of a certain asset and whether the agreement includes terms on the rights of use of the asset.

When the Company is the lessee

Rentals under operating leases are charged to the income statement on a straight-line basis over the term of the leases.

4.14 Prepaid expenses

Prepaid expenses, including short-term prepaid expenses and long-term prepaid expenses in the statement of financial position, are amortized over the period for which the amounts are paid and in which economic benefits are generated in relation to these expenses.

The following expenses are recorded as long-term prepaid expenses and are amortized from one (01) year to three (03) years to the income statement:

- ▶ Maintenance expenses, software expenses;
- ▶ Office tools expenses and other prepaid expenses.

4.15 Borrowings

Borrowings of the Company are recorded and stated at cost at the end of the accounting period.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.16 Payables and accrued expenses

Payables and accrued expenses are recognized for amounts to be paid in the future for interest of convertible bonds, goods and services received, whether or not billed to the Company.

4.17 Employees' benefits

4.17.1 Retirement benefits

Retirement benefits are paid to retired employees of the Company by the Social Insurance Agency which belongs to the Ministry of Labour, Invalids and Social Affairs. The Company is required to pay social insurance premium to the Social Insurance Agency at the rate of 17.5% of an employee's basic salary on a monthly basis. Other than that, the Company has no further obligations.

4.17.2 Voluntary resignation benefits

Under Article 46 of the Vietnam Labor Code No. 45/2019/QH14 taking effect on 01 January 2021 and the Decree No. 145/2020/ND-CP of Government regulating and guiding the implementation of articles of the Vietnam Labor Code regarding working conditions and labor relations, the Company has the responsibility to pay allowance equivalent to half of their monthly salary for each year of employment for voluntarily resigned employees who fully meet the requirements in accordance with the regulations. Working time to calculate the severance allowance is the total time the employee has worked for the Company minus the time that the employee has participated in unemployment insurance in accordance with the regulations on unemployment insurance and the working time during which the employer has paid severance allowance and job-loss allowance. The average monthly salary used in this calculation is the average monthly salary of the latest six-month period up to the resignation.

4.17.3 Unemployment allowance

According to Article 57 of the Law on Employment No. 38/2013/QH13 effective from 01 January 2015 and Decree No. 28/2015/ND-CP dated 12 March 2015 of the Government providing guidelines for the Law on Employment in term of unemployment insurance, the Company is required to contribute to the unemployment insurance at the rate of 1% of salary and wage fund of unemployment insurance joiners and deduct 1% of monthly salary and wage of each employee to contribute to the unemployment insurance. According to Decision No. 28/2021/QD-TTg of the Prime Minister, from 01 October 2021, the Company is entitled to reduce the unemployment insurance contributions rate of 1% mentioned above to 0% within 12 months until 30 September 2022.

4.18 Foreign currency transactions

Transactions in currencies other than the Company's reporting currency ("VND") are recorded at the actual exchange rates at transaction dates which are determined as follows:

- ▶ Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- ▶ Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment;
- ▶ Capital contributions are recorded at the buying exchange rates of the commercial banks designated for capital contribution; and

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.18 *Foreign currency transactions* (continued)

- ▶ Payments for assets or expenses without liabilities initially being recognized is recorded at the buying exchange rates of the commercial banks that process these payments.

At the end of the fiscal year, monetary items denominated in foreign currencies are revalued at actual exchange rates at the date of the balance sheet (except for loans and liabilities that have used financial instruments to hedge against foreign exchange risks) on the following basis:

- ▶ Monetary items classified as assets are revalued at the buying rate of the commercial bank where the Company regularly conducts transactions; and
- ▶ Monetary items classified as liabilities are revalued at the selling rate of the commercial bank where the Company regularly conducts transactions;
- ▶ Borrowings and liabilities denominated in foreign currencies that have been hedged by financial instruments are not revalued.

All foreign exchange differences incurred are taken to the income statement.

4.19 *Revenue recognition*

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of receipts or receivables less trade discount, concessions and sales return. The following specific recognition criteria must also be met before revenue is recognized.

Revenue from brokerage services

Where the contract outcome can be reliably measured, revenue is recognized with reference to the stage of completion. Where the contract outcome cannot be reliably measured, revenue is recognized only to the extent that the incurred expenses would be recoverable.

Income from proprietary trading

Income from proprietary trading is determined by the difference between the selling price and the weighted average cost of securities sold.

Other income

Other incomes are income from irregular activities other than operating activities, including: income from disposals and sales of fixed assets; fines paid by customers for contract breaches; collection of insurance compensation; recoveries from bad debts previously written off; liabilities recognized as an increase in income as their owners no longer exist; collection of reduced and reimbursed tax; and other receipts recognizable as other income as stipulated by VAS 14 – Revenue and other incomes.

Interest income

Interest income is recognized on an accrual basis (including the effective yield on the asset) unless there is an uncertainty in the collectability.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.19 Revenue recognition (continued)

Dividend

Dividends are recognized when the Company's right to receive payment is established. Stock dividends are not recognized as an increase in income of the Company, only the number of shares is updated.

Revenue from other services provided

When there is a certainty in determining contract performance, income would be recognized based on percentage of contract completion.

When a certainty in determining contract performance is unavailable, income would be recognized to the extent of recoverable amount of expenses incurred.

4.20 Interest expenses

Interest expenses include accrued interests from borrowings and interests directly related to borrowings of the Company. Interest expenses are recognized on an accrual basis.

4.21 Method of calculation for costs of securities in proprietary trading

Costs of securities in proprietary trading are determined using weighted average cost at the end of the transaction date method.

4.22 Corporate income tax

Current income tax

Current tax assets and liabilities for the current and prior year are measured at the amount expected to be paid to (or recovered from) the tax authorities using the tax rates and tax laws effective at the balance sheet date.

Current income tax is charged or credited to the income statement, except when it relates to items recognized directly to equity, in this case, the current tax is also directly recorded in equity.

Current tax assets and liabilities are offset when there is a legally enforceable right for the Company to offset current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred income tax

Deferred income tax is provided on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except for deferred tax liability arising from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are levied on deductible temporary differences, deductible amounts carried over to subsequent years of taxable losses, and unutilized tax advantages when it is likely that earnings are generated in foreseeable future to use deductible temporary differences, taxable losses and tax advantages, except for deferred tax asset arising from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither the accounting profit nor taxable profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.22 Corporate income tax (continued)

Deferred income tax (continued)

The carrying amount of deferred tax assets is reviewed at the balance sheet date and reduced to the extent that sufficient taxable profits will be available to allow all or part of the asset to be used. Unrecognized deferred tax assets are reassessed at the balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates expected to apply in the year when the asset is realized or the liability is settled based on tax rates and tax laws effective at the balance sheet date. Deferred income tax is charged or credited to the income statement, except when it relates to items recognized directly to equity, in this case, the deferred income tax is also directly recorded in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities relating to income tax levied by the same tax authority on either the same taxable entity or when the Company intends to settle its deferred tax assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously, in each future year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

4.23 Owners' equity

Contributed capital

Contributed capital from stock issuance is recorded in the charter capital at par value.

Undistributed profit

Undistributed profit comprises of realized and unrealized profit.

Unrealized profit of the year is the difference between gain and loss arising from revaluation of financial assets at FVTPL or other financial assets in the income statement under the Company's financial assets and deferred tax income/expenses in the year.

Realized profit during the year is the net difference between total revenue and income, and total expenses in the income statement of the Company, except for gain or loss arising from revaluation of financial assets recognized in unrealized profit.

Profit distribution

Net profit after tax is available for distribution to shareholders after being approved in the General Meeting of Shareholders and after making appropriation to reserves in accordance with the Company's Charter and Vietnamese regulatory requirements.

4.24 Related parties

Parties are considered to be related parties of the Company if a party has the ability, either directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Company and other parties are under common control or under common significant influence. Related parties can be enterprises or individuals, including close family members of individuals who are related parties.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.25 Nil balances

Items or balances required by Circular No. 210/2014/TT-BTC dated 30 December 2014, Circular No. 334/2016/TT-BTC dated 27 December 2016 issued by the Ministry of Finance that are not included in these financial statements indicate nil balance.

5. CASH AND CASH EQUIVALENTS

	31/12/2022 VND	31/12/2021 VND
Cash at bank for operations of the Company (*)	69,031,549,737	43,325,119,239
	<u>69,031,549,737</u>	<u>43,325,119,239</u>

(*) At the time of reporting, bank deposits of the Company include a deposit of VND 2,000,000,000 at Lien Viet Post Joint Stock Commercial Bank for the purpose of ensuring obligations arising from SWAP Contract No. 487/2022/HĐSWAP/LVBTL-PINETREE dated May 27, 2022.

6. TRADING VALUE AND VOLUME DURING THE YEAR

	2022		2021	
	<i>Trading volume Unit</i>	<i>Trading value VND</i>	<i>Trading volume Unit</i>	<i>Trading value VND</i>
The Company	37,585,935	9,275,560,390,819	15,458,987	3,996,993,549,118
Shares	89,240	3,151,869,940	408,738	8,369,067,180
Bonds	36,576,820	4,948,544,472,740	14,845,885	1,883,623,371,904
Other securities	919,875	4,323,864,048,139	204,364	2,105,001,110,034
Investors	5,386,492,905	112,705,023,655,396	4,152,063,571	104,804,357,281,150
Shares	4,952,701,280	112,172,920,688,290	4,008,673,971	104,250,032,980,150
Bonds	5,494	552,061,776	-	-
Other securities	433,786,131	531,550,905,330	143,389,600	554,324,301,000
Total	<u>5,424,078,840</u>	<u>121,980,584,046,215</u>	<u>4,167,522,558</u>	<u>108,801,350,830,268</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

7. FINANCIAL ASSETS

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

	31/12/2022		31/12/2021	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Shares				
Listed shares	10,980,695	11,325,150	265,385,333	321,434,550
Other shares	-	-	4,188,000	-
Bonds				
Listed bonds	24,712,654,249	24,712,654,249	-	-
Unlisted bonds	439,420,724,135	439,420,724,135	5,027,748,244	5,027,748,244
Valuable papers				
Certificate of deposits	276,263,257,290	276,263,257,290	101,196,545,055	101,196,545,055
Total	740,407,616,369	740,407,960,824	106,493,866,632	106,545,727,849

7.2 Held-to-maturity (“HTM”) investments

	31/12/2022 VND	31/12/2021 VND
Term deposits with terms of 03 months or more	750,000,000,000	50,000,000,000
- Bank for Investment and Development of Vietnam – Thai Ha Branch (*)	150,000,000,000	50,000,000,000
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Tay Ha Noi Branch	150,000,000,000	-
- Lien Viet Post Joint Stock Commercial Bank - Thang Long Branch	50,000,000,000	-
- Bank for Investment and Development of Vietnam – Ha Thanh Branch	150,000,000,000	-
- Ho Chi Minh City Development Joint Stock Commercial Bank – Hoan Kiem Branch	20,000,000,000	-
- Vietnam International Commercial Joint Stock Bank	150,000,000,000	-
- Vietnam Prosperity Joint Stock Commercial Bank	80,000,000,000	-
Certificate of deposit	-	150,000,000,000
- Vietnam Joint Stock Commercial Bank for Industry and Trade	-	150,000,000,000
	750,000,000,000	200,000,000,000

(*) As at 31 December 2022, held-to-maturity investments are term deposits with terms of up to 12-months and earn interest at rates ranging from 5.0% p.a. to 9.30% p.a. (as at 31 December 2021, held-to-maturity investments are term deposits with terms of 12-months earned interest at rates of 4.9% p.a).

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

7. FINANCIAL ASSETS (continued)

7.3 Loans

	31/12/2022		31/12/2021	
	Cost VND	Fair value (**) VND	Cost VND	Fair value (**) VND
Margin lending (*)	761,528,436,675	761,528,436,675	1,204,524,997,861	1,204,524,997,861
Advance lending	110,058,519,961	110,058,519,961	481,141,534,296	481,141,534,296
Total	871,586,956,636	871,586,956,636	1,685,666,532,157	1,685,666,532,157

(*) Securities under margin activities are used as collaterals for the margin lendings granted by the Company to investors. The par value and market value of securities used as collaterals for margin lending are as follows:

	31/12/2022		31/12/2021	
	Face value VND	Market value VND	Face value VND	Market value VND
Securities used as collaterals	915,288,810,000	1,630,549,287,000	661,572,790,000	2,800,325,104,900

(**) The fair value of loans is measured at cost less provision for doubtful debts.

7.4 Changes in fair value of financial assets

Changes in fair value of financial assets as at 31 December 2022 are as follows:

<i>Financial assets</i>	Cost VND	Revaluation difference		Revaluation value VND
		Increase VND	Decrease VND	
FVTPL				
Shares				
Listed shares	10,980,695	1,715,600	(1,371,145)	11,325,150
Other shares	-	-	-	-
Bonds				
Listed bonds	24,712,654,249	-	-	24,712,654,249
Unlisted bonds	439,420,724,135	-	-	439,420,724,135
Valuable papers				
Certificate of deposits	276,263,257,290	-	-	276,263,257,290
Total	740,407,616,369	1,715,600	(1,371,145)	740,407,960,824

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

7. FINANCIAL ASSETS (continued)

7.4 Changes in fair value of financial assets (continued)

Changes in fair value of financial assets as at 31 December 2021 are as follows:

<i>Financial assets</i>	<i>Cost VND</i>	<i>Revaluation difference</i>		<i>Revaluation value VND</i>
		<i>Increase VND</i>	<i>Decrease VND</i>	
FVTPL				
Shares				
Listed shares	265,385,333	60,946,112	(4,896,895)	321,434,550
Other shares	4,188,000	-	(4,188,000)	-
Bonds				
Listed bonds				
Unlisted bonds	5,027,748,244	-	-	5,027,748,244
Valuable papers				
Certificate of deposits	101,196,545,055	-	-	101,196,545,055
Total	106,493,866,632	60,946,112	(9,084,895)	106,545,727,849

8. RECEIVABLES

	<i>31/12/2022 VND</i>	<i>31/12/2021 VND</i>
Receivables from disposals of financial assets	91,801,710	-
Receivables from sales of listed bonds	91,801,710	-
Receivables and accruals from dividend and interest income	21,950,816,235	9,024,311,509
Accrued interest from term deposits	15,166,936,980	2,946,712,330
Accrued interest from margin lending	6,743,145,163	6,027,334,369
Accrued interest from advance lending	40,734,092	50,264,810
	22,042,617,945	9,024,311,509

9. ADVANCES TO SUPPLIERS

	<i>31/12/2022 VND</i>	<i>31/12/2021 VND</i>
Clever Group Corporation	486,233,796	244,420,000
Hai Han Intellectual Property Company Limited	133,694,000	83,558,750
Frontier Consulting Vietnam Company Limited	-	504,411,270
Phu Cuong Computer Company Limited	-	383,889,000
NME Investment and Development Joint Stock Company	-	121,115,280
Other advances to supplier	24,326,700	271,041,750
	644,254,496	1,608,436,050

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

10. RECEIVABLES FROM SERVICES PROVIDED BY THE COMPANY

	31/12/2022 VND	31/12/2021 VND
Receivables from securities brokerage activities	60,579,592	201,753,427
Others	-	110,000,000
	60,579,592	311,753,427

11. OTHER RECEIVABLES

	31/12/2022 VND	31/12/2021 VND
Others	1,193,721,823	670,741,878
	1,193,721,823	670,741,878

12. SHORT-TERM DEPOSITS, COLLATERALS AND PLEDGES

	31/12/2022 VND	31/12/2021 VND
Deposit for expats' rentals	103,095,250	38,387,250
Others	4,550,000	4,550,000
	107,645,250	42,937,250

13. SHORT-TERM PREPAID EXPENSES

	31/12/2022 VND	31/12/2021 VND
Fees for payment Guarantee	2,954,138,187	1,475,014,348
Software expenses	562,545,634	527,174,515
Prepaid rentals and tuition fees for expats' children	1,062,987,135	975,865,482
Data purchasing and internet expenses	310,853,750	557,293,357
Brand marketing and recruitment expenses	287,041,830	299,491,603
Other prepaid expenses	305,803,453	10,985,513
	5,483,369,989	3,845,824,818

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

14. TANGIBLE FIXED ASSETS

	<i>Machines & equipment VND</i>	<i>Office equipment VND</i>	<i>Other tangible fixed assets VND</i>	<i>Total VND</i>
Cost				
Opening balance	19,246,262,109	1,452,433,344	99,572,000	20,798,267,453
Additions	<u>1,279,630,000</u>	<u>836,743,000</u>	-	<u>2,116,373,000</u>
Closing balance	<u>20,525,892,109</u>	<u>2,289,176,344</u>	<u>99,572,000</u>	<u>22,914,640,453</u>
<i>In which:</i>				
- Fully depreciated tangible fixed assets in use	451,879,909	515,985,344	-	967,865,253
Accumulated depreciation				
Opening balance	6,004,757,225	820,733,989	44,807,391	6,870,298,605
Depreciation for the year	<u>3,042,922,855</u>	<u>310,293,798</u>	<u>19,914,396</u>	<u>3,373,131,049</u>
Closing balance	<u>9,047,680,080</u>	<u>1,131,027,787</u>	<u>64,721,787</u>	<u>10,243,429,654</u>
Net book value				
Opening balance	<u>13,241,504,884</u>	<u>631,699,355</u>	<u>54,764,609</u>	<u>13,927,968,848</u>
Closing balance	<u>11,478,212,029</u>	<u>1,158,148,557</u>	<u>34,850,213</u>	<u>12,671,210,799</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

15. INTANGIBLE ASSETS

	<i>Computer software</i> <i>VND</i>	<i>Total</i> <i>VND</i>
Cost		
Opening balance	64,932,967,401	64,932,967,401
Additions	359,500,000	359,500,000
Closing balance	<u>65,292,467,401</u>	<u>65,292,467,401</u>
Accumulated amortization		
Opening balance	10,237,006,481	10,237,006,481
Amortization for the year	9,698,464,050	9,698,464,050
Closing balance	<u>19,935,470,531</u>	<u>19,935,470,531</u>
Net book value		
Opening balance	<u>54,695,960,920</u>	<u>54,695,960,920</u>
Closing balance	<u>45,356,996,870</u>	<u>45,356,996,870</u>

16. LONG-TERM DEPOSITS, COLLATERALS AND PLEDGES

	<i>31/12/2022</i> <i>VND</i>	<i>31/12/2021</i> <i>VND</i>
Office rental deposits	1,167,074,340	1,167,074,340
House rental deposits	51,412,500	107,332,500
Other deposits	30,000,000	20,000,000
	<u>1,248,486,840</u>	<u>1,294,406,840</u>

17. LONG-TERM PREPAID EXPENSES

	<i>31/12/2022</i> <i>VND</i>	<i>31/12/2021</i> <i>VND</i>
Tools and equipment	1,975,173,055	1,545,049,125
Software expenses	84,928,040	220,735,408
Data purchasing and internet	14,574,598	191,493,473
Other prepaid expenses	710,704,397	464,642,547
	<u>2,785,380,090</u>	<u>2,421,920,553</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

18. PAYMENTS TO SETTLEMENT ASSISTANCE FUND

Payments to Settlement Assistance Fund represent the amount deposited at the Vietnam Securities Depository and Clearing Corporation (“VSDC”).

According to circular No. 119/2020/TT-BTC dated 31 December 2020 by the Minister of Finance providing regulations on the registration, depository, clearing and settlement of securities, Decision No. 45/QĐ-VSDC dated 22 May 2014 on the promulgation of regulations on the management and use of the Settlement Assistance Fund by the General Director of the VSDC, the Company is required to deposit an initial amount of VND 120 million at the VSDC and pay an addition of 0.01% of the total amount of brokered securities in the prior year, but not over VND 2.5 billion p.a. The maximum contribution of each depository member being a securities company engaging in proprietary trading and brokerage services to the Settlement Assistance Fund is VND 20 billion.

Details of the payments to Settlement Assistance Fund are as follows:

	31/12/2022 VND	31/12/2021 VND
Initial balance	120,000,000	120,000,000
Additions	8,758,848,419	6,258,848,419
Distributed interest	376,854,240	364,030,005
	<u>9,255,702,659</u>	<u>6,742,878,424</u>

19. SHORT-TERM BORROWINGS

	31/12/2022 VND	31/12/2021 VND
Opening balance	648,940,000,000	39,545,000,000
Increase during the year	4,166,846,527,402	4,020,049,000,000
Decrease during the year	<u>(3,788,386,527,402)</u>	<u>(3,410,654,000,000)</u>
Short-term borrowings from credit institutions	<u>1,027,400,000,000</u>	<u>648,940,000,000</u>

Short-term borrowings as at 31 December 2022 include:

- ▶ Overdrafts, with interest at rates ranging from 5.50% p.a. to 5.90% p.a, from domestic credit institutions; and
- ▶ Offshore borrowings with term less than 12 months and floating SOFR 3M + 1.60% p.a. interest rate.

These borrowings are for the purpose of supplementing working capital for the Company. In which, foreign borrowings with Woori Bank Hong Kong Branch have been hedged against foreign exchange risk by cross-currency swap contracts with Lien Viet Post Joint Stock Commercial Bank – Thang Long Branch and Wooribank Vietnam Limited – Hoan Kiem Branch. Accordingly, at the time of preparation of financial statements, the Company did not re-evaluate the borrowing denominated in foreign currencies that used financial instruments to hedge the above-mentioned foreign exchange risks.

As at the end of the year, the short-term borrowings are secured by the Company's financial assets, whose fair value are:

	31/12/2022 VND	31/12/2021 VND
Certificates of deposit	-	250,000,000,000
Term deposits	-	-
	<u>-</u>	<u>250,000,000,000</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

19. SHORT-TERM BORROWINGS (continued)

In addition, the Company is also pledging term deposit contracts (VND 150 billion) for overdraft limit contracts with the Bank for Investment and Development of Vietnam, and term deposit contracts (VND 150 billion) for overdraft limit contracts with Vietnam Joint Stock Commercial Bank for Industry and Trade. In which, only contracts with the Bank for Investment and Development of Vietnam have outstanding balance of VND 100 billion at the end of the year.

20. PAYABLES FOR SECURITIES TRADING ACTIVITIES

	31/12/2022 VND	31/12/2021 VND
Payables to the Stock Exchanges	2,370,896,435	4,050,486,704
Payables to the VSDC	200,398,783	155,875,528
	<u>2,571,295,218</u>	<u>4,206,362,232</u>

21. SHORT-TERM TRADE PAYABLES

	31/12/2022 VND	31/12/2021 VND
Grab Company Limited	120,707,125	-
Frontier Consulting Vietnam Company Ltd	99,122,400	-
PTI Thang Long Company	72,380,817	-
ADG National Investment and Technology Development Corporation	43,405,200	-
Stitch Appeal Company Limited	32,400,000	-
Branch of Peace Real Estate Investment Company Limited - Novotel Thai Ha Ha Noi	29,937,600	-
VCCorp Corporation	25,920,000	-
GPay Network Viet Nam Company Limited	19,769,184	-
Other trade payables	45,020,700	608,443,388
	<u>488,663,026</u>	<u>608,443,388</u>

22. STATUTORY OBLIGATIONS

	31/12/2022 VND	31/12/2021 VND
Corporate income tax ("CIT")	389,385,106	-
Personal income tax ("PIT")	6,947,774,891	8,708,557,877
	<u>7,337,159,997</u>	<u>8,708,557,877</u>

Movements of taxation and statutory obligations during the year:

Unit: VND

	<i>Opening balance</i>	<i>Movements in the year</i>		<i>Closing balance</i>
		<i>Increases</i>	<i>Decreases</i>	
CIT	-	4,083,326,646	3,693,941,540	389,385,106
PIT	8,708,557,877	73,908,354,737	75,669,137,723	6,947,774,891
Foreign contractor tax	-	2,111,932,540	2,111,932,540	-
Other taxes	-	3,000,000	3,000,000	-
	<u>8,708,557,877</u>	<u>80,106,613,923</u>	<u>81,478,011,803</u>	<u>7,337,159,997</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

23. SHORT-TERM ACCRUED EXPENSES

	31/12/2022	31/12/2021
	<u>VND</u>	<u>VND</u>
Accrued interest expenses for borrowings	5,559,834,119	876,298,559
Accrued interest expense for swap contract	10,738,622,585	2,594,048,384
Other accrued expenses	628,803,855	531,630,861
	<u>16,927,260,559</u>	<u>4,001,977,804</u>

24. OWNERS' EQUITY

24.1 Details of owners' equity

	31/12/2022		31/12/2021	
	<u>VND</u>	<u>%</u>	<u>VND</u>	<u>%</u>
Hanwha Investment and Securities Co., Ltd	969,929,000,000	99.99	960,050,000,000	98.97
Nguyen Huy Duong	-	-	9,879,000,000	1.02
Others	71,000,000	0.01	71,000,000	0.01
Total	<u>970,000,000,000</u>	<u>100.00</u>	<u>970,000,000,000</u>	<u>100.00</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

24. OWNERS' EQUITY (continued)

24.2 Changes in owners' equity

	Contributed capital VND	Share premium VND	Operational risk and financial reserve VND	Undistributed loss VND	Total VND
As at 1 January 2021	615,000,000,000	-	1,321,976,000	(41,932,564,291)	574,389,411,709
Capital increase	355,000,000,000	510,000,000,000	-	-	865,000,000,000
Net profit for the year	-	-	-	25,382,657,607	25,382,657,607
As at 31 December 2021	970,000,000,000	510,000,000,000	1,321,976,000	(16,549,906,684)	1,464,772,069,316
Net profit for the year	-	-	-	13,048,435,081	13,048,435,081
As at 31 December 2022	970,000,000,000	510,000,000,000	1,321,976,000	(3,501,471,603)	1,477,820,504,397

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

24. OWNERS' EQUITY (continued)

24.3 Changes in distribution to shareholders

	31/12/2022 VND	31/12/2021 VND
Realized loss undistributed at the beginning of the year	(16,601,767,901)	(41,926,134,713)
Realized gain during the year	17,273,837,484	25,324,366,812
Additional CIT	(4,173,885,641)	-
Realized loss undistributed at the end of the year	(3,501,816,058)	(16,601,767,901)

24.4 Shares

	31/12/2022		31/12/2021	
	Number of shares	VND	Number of shares	VND
Registered shares	97,000,000	970,000,000,000	97,000,000	970,000,000,000
Issued shares	97,000,000	970,000,000,000	97,000,000	970,000,000,000
- Ordinary shares	97,000,000	970,000,000,000	97,000,000	970,000,000,000
Circulating shares	97,000,000	970,000,000,000	97,000,000	970,000,000,000
- Ordinary shares	97,000,000	970,000,000,000	97,000,000	970,000,000,000

25. DISCLOSURES OF OFF-BALANCE SHEET ITEMS

25.1 Financial assets listed/registered for trading at the Vietnam Securities Depository ("VSDC") of the Company

	31/12/2022 VND	31/12/2021 VND
Unrestricted financial assets	4,557,110,000	70,540,000
	4,557,110,000	70,540,000

25.2 Financial assets listed/registered for trading at the VSDC of investors

	31/12/2022 VND	31/12/2021 VND
Unrestricted financial assets	3,369,924,740,000	2,269,657,150,000
Restricted financial assets	736,670,000	610,000,000
Mortgaged financial assets	-	-
Blocked financial assets	-	9,879,000,000
Financial assets awaiting settlement	149,839,240,000	298,383,770,000
	3,520,500,650,000	2,578,529,920,000

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

25. DISCLOSURES OF OFF-BALANCE SHEET ITEMS (continued)

25.3 Investors' deposits

	31/12/2022 VND	31/12/2021 VND
Investors' deposits for securities trading activities managed by the Company	549,188,401,467	946,504,709,202
- Domestic investors' deposits for securities trading activities managed by the Company	537,193,008,327	934,427,431,337
- Foreign investors' deposits for securities trading activities managed by the Company	11,995,393,140	12,077,277,865
	549,188,401,467	946,504,709,202

25.4 Payables to investors

	31/12/2022 VND	31/12/2021 VND
Payables to investors for deposits for securities trading activities managed by the Company	549,184,854,467	946,382,044,627
- Payables to domestic investors for deposits for securities trading activities managed by the Company	537,189,461,327	934,304,766,762
- Payables to foreign investors for deposits for securities trading activities managed by the Company	11,995,393,140	12,077,277,865
	549,184,854,467	946,382,044,627

25.5 Investors' payables for services of securities companies

	31/12/2022 VND	31/12/2021 VND
Payables for margin lending activities	768,271,581,838	1,210,552,332,230
Principal payables for margin lending activities	761,528,436,675	1,204,524,997,861
- Domestic investors	761,528,436,675	1,204,524,997,861
Interest payables for margin lending activities	6,743,145,163	6,027,334,369
- Domestic investors	6,743,145,163	6,027,334,369
Payables for advance lending activities	110,099,254,053	481,191,799,106
Principal payables for advance lending activities	110,058,519,961	481,141,534,296
- Domestic investors	110,058,519,961	481,141,534,296
Interest payables for advance lending activities	40,734,092	50,264,810
- Domestic investors	40,734,092	50,264,810

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

26. GAIN/(LOSS) FROM FINANCIAL ASSETS

26.1 Gain/(loss) from disposals of financial assets at FVTPL

26.1.1 Gain from disposals of financial assets at FVTPL

No.	Financial assets	Quantity unit	Selling price VND/unit	Proceeds VND	Weighted average cost at the end of transaction date VND	Gain from disposal in the current year VND	Gain from disposal in the prior year VND
1	Listed shares	23,295	45,222	1,053,453,230	926,316,411	127,136,819	218,092,923
2	Other shares	100	72,126	7,212,600	6,416,000	796,600	-
3	Listed bonds	1,680,792	102,503	172,286,301,252	171,580,066,413	706,234,839	240,477,500
4	Unlisted bonds	13,921,885	137,668	1,916,597,174,014	1,907,118,275,671	9,478,898,343	4,552,019,708
5	Valuable papers	459,915	4,304,937	1,979,905,310,484	1,967,804,902,130	12,100,408,354	2,431,138,401
	Total	16,085,987	4,662,456	4,069,849,451,580	4,047,435,976,625	22,413,474,955	7,441,728,532

26.1.2 Loss from disposals of financial assets at FVTPL

No.	Financial assets	Quantity unit	Selling price VND/unit	Proceeds VND	Weighted average cost at the end of transaction date VND	Loss from disposal in the current year VND	Loss from disposal in the prior year VND
1	Listed shares	25,080	26,135	655,463,910	761,600,427	106,136,517	254,036,128
2	Listed bonds	207,070	101,096	20,934,036,750	21,278,358,500	344,321,750	-
3	Unlisted bonds	1,400,000	99,150	138,810,600,000	140,834,030,000	2,023,430,000	347,324,272
4	Valuable papers	10	10,053,917,808	100,539,178,080	100,547,945,210	8,767,130	-
	Total	1,632,160	10,054,144,189	260,939,278,740	263,421,934,137	2,482,655,397	601,360,400

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

26. GAIN/(LOSS) FROM FINANCIAL ASSETS (continued)

26.2 Gain from revaluation of financial assets at FVTPL

Financial assets	Cost VND	Fair value VND	Revaluation difference at the end of the year VND	Revaluation difference at the beginning of the year VND	Gain/(Loss) recorded in the current year VND	Increase VND	Decrease VND
FVTPL							
Shares	10,980,695	11,325,150	344,455	51,861,217	(51,516,762)	119,780,537	(171,297,299)
Listed shares	10,980,695	11,325,150	344,455	51,861,217	(51,516,762)	119,780,537	(171,297,299)
Other shares	-	-	-	-	-	-	-
Bonds	464,133,378,384	464,133,378,384	-	-	-	-	-
Listed bonds	24,712,654,249	24,712,654,249	-	-	-	-	-
Unlisted bonds	439,420,724,135	439,420,724,135	-	-	-	-	-
Valuable papers	276,263,257,290	276,263,257,290	-	-	-	-	-
Certificate of deposits	276,263,257,290	276,263,257,290	-	-	-	-	-
Total	740,407,616,369	740,407,960,824	344,455	51,861,217	(51,516,762)	119,780,537	(171,297,299)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

26. GAIN/(LOSS) FROM FINANCIAL ASSETS (continued)

26.3 Dividend, interest income from financial assets

	2022 VND	2021 VND
Financial assets at FVTPL	5,708,816,910	2,765,459,587
Term deposits and accrued interest	30,213,238,352	7,743,816,440
Loans	122,727,646,425	89,115,083,778
	<u>158,649,701,687</u>	<u>99,624,359,805</u>

27. EXPENSES FOR BROKERAGE SERVICES

	2022 VND	2021 VND
Securities trading brokerage expenses	29,925,845,705	27,624,013,453
Salaries expenses for collaborators & other expenses	103,907,887	2,973,365,575
Salaries and other benefits for employees	21,658,581,466	21,489,763,749
Depreciation and amortization expenses	12,582,310,539	10,494,813,225
Advertising and marketing expenses	16,632,272,701	3,164,099,996
IT services expenses (maintenance, upgrading, connection, network)	3,861,910,350	2,617,062,471
Other expenses	10,197,131,737	3,602,211,821
	<u>94,961,960,385</u>	<u>71,965,330,290</u>

28. FINANCIAL INCOME

	Năm 2022 VND	Năm 2021 VND
Interest income from demand deposits	2,314,473,811	1,379,920,945
Interest income from payments to Settlement Assistance Fund in the year	376,854,240	364,030,005
Other financial incomes	441,901,841	538,098,159
	<u>3,133,229,892</u>	<u>2,282,049,109</u>

29. FINANCIAL EXPENSES

	2022 VND	2021 VND
Interest expenses	30,017,932,502	9,313,209,205
Other financial expenses	18,783,318,879	4,796,466,983
	<u>48,801,251,381</u>	<u>14,109,676,188</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

30. GENERAL AND ADMINISTRATIVE EXPENSES

	2022 VND	2021 VND
Employees expenses	38,379,778,820	21,405,192,185
Office supplies	97,094,588	72,235,202
Tools and equipment	774,372,858	637,617,416
Depreciation and amortization expenses	489,284,560	124,571,796
Tax, fees and charges	3,530,711,715	1,383,860,045
Outsourcing expenses	11,851,238,424	9,206,123,899
Other expenses	54,619,821	341,621,362
	<u>55,177,100,786</u>	<u>33,171,221,905</u>

31. CURRENT CORPORATE INCOME TAX (“CIT”)

31.1 Current CIT expenses

The Company’s tax reports are subject to examination by the tax authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, amount reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

Current CIT payables are determined based on taxable income of the year. Taxable income differs from the one reported in the income statement since taxable income excludes incomes which are taxable or expenses which are deducted in prior years due to the differences between the Company’s accounting policies and the tax regulations. It also excludes non-taxable income and non-deductible expenses. The current CIT payable of the Company is calculated based on the statutory tax rates applicable at the end of the year. The Company is obliged to pay CIT at the rate of 20% (in 2021: 20%) of the total taxable profit under Circular No. 78/2014/TT-BTC effective from 02 August 2014.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

31. CURRENT CORPORATE INCOME TAX (“CIT”) (continued)

31.1 Current CIT expenses (continued)

The estimated current CIT of the Company is represented in the table below:

	2022 VND	2021 VND
Profit before tax	17,222,320,722	25,382,657,607
<i>Plus</i>		
- Loss from revaluation of financial assets at FVTPL	171,297,299	2,640,126
<i>Minus</i>		
- Gain from revaluation of financial assets at FVTPL	(119,780,537)	(60,750,696)
- Dividend received	(6,070,748)	(4,565,306)
- Losses carried forward	-	(25,319,981,731)
Estimated current taxable loss	17,267,766,736	-
CIT rate	20%	20%
Estimated CIT expenses	3,453,553,347	-
CIT adjustment in accordance with tax finalization	720,332,294	-
CIT receivables at the beginning of the year	(90,558,995)	(90,558,995)
Recoverable CIT at the end of the year	4,083,326,646	(90,558,995)

31.2 Tax losses carried forward

The Company is entitled to carry tax loss forward to offset against taxable income arising within five years subsequent to the year in which the loss was incurred. As at 31 December 2022, the Company has aggregated accumulated tax losses of VND 0 (as at 31 December 2021: VND 0) available for offset against future taxable income.

Details of losses carried forward are as follows:

<i>Accounting period (*)</i>	<i>Can be utilized up to</i>	<i>Taxable loss VND</i>	<i>Loss utilized as at the end of the year VND</i>	<i>Loss allowed to carry forward as at the end of the year VND</i>
2015	2020	(8,734,498,222)	-	-
2019	2024	(4,610,367,825)	(4,610,367,825)	-
2020	2025	(21,358,984,682)	(21,358,984,682)	-
		(34,703,850,729)	(25,969,352,507)	-

(*) Taxable loss according to Tax examination minute.

The Company has not recognized deferred income tax assets on these accumulated losses carried over from prior years due to uncertainty that future taxable profit will allow the offsetting against these losses.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

32. PROFIT PER SHARE

	<u>2022</u>	<u>2021</u>
Profit after tax distributed to ordinary shareholders (VND)	13,048,435,081	25,382,657,607
Weighted average outstanding ordinary shares (number of shares)	<u>97,000,000</u>	<u>82,668,493</u>
Basic profit per share (VND/share)	<u>135</u>	<u>307</u>

33. RELATED PARTIES TRANSACTIONS

List of related parties and relationships with the Company is as follows:

<u>Related parties</u>	<u>Relationship</u>
Hanwha Investment and Securities Co., Ltd	Shareholders

Significant balances with related parties of the Company as the end of the year are as follows:

<u>Related parties</u>	<u>Description</u>	<u>31/12/2022</u> <u>Receivables/(Payables)</u> <u>VND</u>	<u>31/12/2021</u> <u>Receivables/(Payables)</u> <u>VND</u>
Hanwha Investment & Securities Co., Ltd	Prepaid expenses	2,954,138,187	1,475,014,348

Significant balances with related parties of the Company at the end of the year are as follows:

<u>Related parties</u>	<u>Description</u>	<u>2022</u> <u>Income/(Expenses)</u> <u>VND</u>	<u>2021</u> <u>Income/(Expenses)</u> <u>VND</u>
Hanwha Investment & Securities Co., Ltd	Capital increase	-	865,000,000,000
	Payment guarantee fees	(5,914,388,404)	(2,202,418,599)

Related parties being individuals

Remuneration of members of the Board of Directors

	<u>2022</u> <u>VND</u>	<u>2021</u> <u>VND</u>
General Director	<u>6,667,535,155</u>	<u>4,112,089,663</u>

34. OPERATING LEASES COMMITMENTS

	<u>31/12/2022</u> <u>VND</u>	<u>31/12/2021</u> <u>VND</u>
Within one year	5,261,275,985	1,886,904,250
From one year to five years	<u>2,943,209,355</u>	<u>-</u>
	<u>8,204,485,340</u>	<u>1,886,904,250</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

35. PURPOSES AND POLICIES OF FINANCIAL RISK MANAGEMENT

The Company's financial liabilities comprise mostly loans and borrowings, payables to suppliers and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company has loans, trade and other receivables, cash and short-term deposits that arise directly from its operations.

The Company is exposed to market risk, equity price risk, credit risk and liquidity risk.

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to maintain an acceptable balance between the cost arising from risks and the cost of managing the risks. Management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

Management reviews and agrees policies for monitoring each of these risks which are summarized below:

35.1 *Market risk*

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. There are four types of market risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk due to changes in interest rate relates primarily to cash and short-term deposits, held-to-maturity investments and loans. Financial liabilities have fixed interest rates.

The Company manages interest rate risk by looking at the competitive structure of the market to identify a proper interest rate policy which is favorable for its purposes within its risk management limits. No analysis on interest sensitivity is performed since the Company's exposure to risk of changes in interest rate is insignificant.

Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (in which revenue or expense is denominated in a different currency from the Company's accounting currency).

The Company manages foreign exchange risk by hedging against transactions that are expected to take place in the future .

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

35. PURPOSES AND POLICIES OF FINANCIAL RISK MANAGEMENT (continued)

35.2 *Equity price risk*

Listed and non-listed securities which are held by the Company are affected by market risk arising from the uncertainty of future value of invested securities. The Company manages equity price risk by establishing investment limits. The Company's Operational Management Division considers and approves decisions on investment in securities.

At the date of the financial statements, the fair value of the investments in listed shares and UPCoM shares of the Company was VND 11,325,150 (as at 31 December 2021: VND 321,434,550). If market index decreases by 10%, the Company's profit after tax will decrease by VND 1,132,515, depending on its magnitude and length as well as the Company's ownership position of securities which have significant influence on market index.

35.3 *Credit risk*

Credit risk is the risk that a counterparty would not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for loans and receivables) and from its financing activities, including deposits with banks.

Receivables

Customer credit risk is managed by the Company based on its established policies, procedures and controls relating to customer credit risk management.

Outstanding customer receivables are regularly monitored. Customer credit quality's impairment is analyzed at each reporting date on an individual basis for major clients. The Company closely monitors outstanding receivables and operates a credit control unit to mitigate credit risk. Due to the fact that the Company's receivables relate to a large number of diversified customers and corresponding collateral assets, there is no significant concentration of credit risk.

Deposits at banks

The Company's bank balances are mainly maintained with high credit rating banks in Vietnam. Credit risk from balances with banks is managed by the Company's accounting department in accordance with the Company's policy. The Company evaluates the concentration of credit risk in respect to bank deposits as low.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

35. PURPOSES AND POLICIES OF FINANCIAL RISK MANAGEMENT (continued)

35.3 Credit risk (continued)

Margin lending and advances to customers

The Company manages its credit risks via the use of internal control policies, processes and procedures relevant to margin lending and advances to customers. The Company only allows margin lending for permitted securities which are in accordance with regulations for margin lending and which are rated using the Company's quality assessment principles for securities. Credit limit is controlled on the basis of collaterals, credit worthiness of customers and other indicators on control limits.

The Company's Management assesses that all financial assets are not overdue and not impaired because these financial assets are related to customers who are reputable and have payment capability as shown below:

	<i>Neither overdue nor impaired VND</i>	<i>Overdue but not impaired VND</i>	<i>Overdue and impaired VND</i>	<i>Total VND</i>
Cash at bank and cash equivalents	69,031,549,737	-	-	69,031,549,737
HTM investments	750,000,000,000	-	-	750,000,000,000
Loans	856,862,113,334	14,724,843,302	-	871,586,956,636
Receivables	22,042,617,945	-	-	22,042,617,945
Receivables from services provided by the Company	60,579,592	-	-	60,579,592
Other receivables	1,193,721,823	-	-	1,193,721,823
Advances to suppliers	644,254,496	-	-	644,254,496
Short-term deposits, collaterals and pledges	107,645,250	-	-	107,645,250
Long-term deposits, collaterals and pledges	1,248,486,840	-	-	1,248,486,840
Prepaid expenses	8,268,750,079	-	-	8,268,750,079
Total	<u>1,709,459,719,096</u>	<u>14,724,843,302</u>	<u>-</u>	<u>1,724,184,562,398</u>

35.4 Liquidity risk

The liquidity risk is the risk that the Company will encounter difficulties in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of maturities of financial assets and liabilities.

The Company monitors its liquidity risk by maintaining a level of cash and cash equivalents and borrowings from banks deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The Company assesses that the level of risk concentration on debt repayment is low and that the Company is able to access capital resources.

The below table summarizes the payment period of the Company's financial liabilities based on the expected payments under contracts as at 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

35. PURPOSES AND POLICIES OF FINANCIAL RISK MANAGEMENT (continued)

35.4 Liquidity risk (continued)

	Overdue VND	Current VND	Less than 1 year VND	From 1 – 5 years VND	More than 5 years VND	Total VND
FINANCIAL ASSETS						
Cash and cash equivalents	-	69,031,549,737	-	-	-	69,031,549,737
Financial assets at fair value through profit or loss ("FVTPL")	-	740,407,960,824	-	-	-	740,407,960,824
Held-to-maturity ("HTM") investments	-	-	750,000,000,000	-	-	750,000,000,000
Loans	-	-	871,586,956,636	-	-	871,586,956,636
Receivables	-	-	22,042,617,945	-	-	22,042,617,945
Receivables from services provided by the Company	-	-	60,579,592	-	-	60,579,592
Other receivables	-	-	1,193,721,823	-	-	1,193,721,823
Fixed assets	-	-	122,396,747	18,834,061,382	39,071,749,540	58,028,207,669
Payments to Settlement Assistance Fund	-	9,255,702,659	-	-	-	9,255,702,659
Total assets	-	818,695,213,220	1,645,006,272,743	18,834,061,382	39,071,749,540	2,521,607,296,885
FINANCIAL LIABILITIES						
Short-term borrowings	-	-	1,027,400,000,000	-	-	1,027,400,000,000
Payables for securities trading activities	-	-	2,571,295,218	-	-	2,571,295,218
Short-term trade payables	-	-	488,663,026	-	-	488,663,026
Tax and payables to the State	-	-	7,337,159,997	-	-	7,337,159,997
Short-term accrued expenses	-	-	16,927,260,559	-	-	16,927,260,559
Other current payables	-	-	621,134,585	-	-	621,134,585
Total liabilities	-	-	1,055,345,513,385	-	-	1,055,345,513,385
Net liquidity difference	-	818,695,213,220	589,660,759,358	18,834,061,382	39,071,749,540	1,466,261,783,500

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

36. EVENTS AFTER THE BALANCE SHEET DATE

There is no matter or circumstance that has arisen since the balance sheet date that requires adjustment or disclosure in the financial statements of the Company.

Prepared by:

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Reviewed by:

Ms. Dinh Thi Lan Phuong
Chief Accountant

Approved by:

Mr. Lee Jun Hyuck
General Director

Hanoi, Vietnam

06 March 2023

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