

**CÔNG BỐ THÔNG TIN TRÊN CỔNG THÔNG TIN ĐIỆN TỬ  
CỦA ỦY BAN CHỨNG KHOÁN NHÀ NƯỚC VÀ SGDCK**  
**INFORMATION DISCLOSURE ON ELECTRONIC PORTAL OF  
THE STATE SECURITIES COMMISSION AND HO CHI MINH STOCK EXCHANGE**

**Kính gửi/To:** - Ủy ban Chứng khoán Nhà nước/ *The State Securities Commission*  
- Sở Giao dịch Chứng khoán TP HCM/ *Ho Chi Minh Stock Exchange*  
- Sở Giao dịch Chứng khoán TP HN/ *Ha Noi Stock Exchange*

Công ty: Cổ Phần Chứng Khoán Thiên Việt (TVS)

*Name of Company: Thien Viet Securities Joint Stock Company (TVS)*

Mã chứng khoán/Securities code: TVS

Địa chỉ trụ sở chính: Tòa nhà TDL, 22 Láng Hạ, Quận Đống Đa, TP. Hà Nội

*Head office address: TDL Building, 22 Lang Ha, Lang Ha Ward, Dong Da District, Ha Noi*

Điện thoại/ Telephone: 024 3248 4820

Fax: 024 3248 4821

Người thực hiện công bố thông tin/ *Spokeswoman: Trần Thị Hồng Nhung*

Điện thoại/Telephone: 028.62992099 (ext: 2240)

Fax: 028.62992088

Loại thông tin công bố  24 giờ  72 giờ  bất thường  theo yêu cầu  định kỳ:

*Type of information disclosure:  24h  72h  Irregular  On Demand  Periodic*

Nội dung thông tin công bố/ *Information to be disclosed:*

Đính chính nội dung Báo cáo thường niên Công ty cổ phần chứng khoán Thiên Việt 2021 bản tiếng Anh/ *Correction of the content of the TVS Annual Report 2021 in English version:*

- Nội dung trước khi đính chính/ *Contents before correction:*

“...RETAIL BROKERAGE

... Tỷ trọng khách hàng của công ty vẫn chiếm tỷ trọng lớn trong cơ cấu khách hàng...”

- Nội dung sau khi đính chính/ *Contents after correction:*

Lược bỏ phần tiếng Việt trong bản tiếng Anh. Thêm báo cáo tài chính năm 2020/ *Remove Vietnamese sentence in English version. Add 2020 financial statement*

Lý do/Reason: sơ suất trong lúc gửi báo cáo, điều chỉnh theo báo cáo cuối cùng/ *Sending mistake, adjusted to be consistent with the final version*

Thông tin này đã được công bố trên trang thông tin điện tử của công ty vào ngày 22/09/2021 tại đường dẫn <https://www.tvs.vn/vi/quan-he-co-dong/> This information have been posted on the Company's website on Sep 22<sup>nd</sup>, 2021: <https://www.tvs.vn/en/investor-relation>

Chúng tôi xin cam kết các thông tin công bố trên đây là đúng sự thật và hoàn toàn chịu trách nhiệm trước pháp luật về nội dung các thông tin đã công bố.

*We would declare to be fully responsible for the accuracy of the above information.*



**Người được ủy quyền công bố thông tin**  
**Authorised Representative to disclose information**



Trần Thị Hồng Nhung  
Trưởng Bộ phận Quản trị rủi ro  
*Risk Management Manager*



# ANNUAL REPORT

## 2020





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# MESSAGE FROM OUR CHAIRMAN



**Chairman Nguyen Trung Ha**

**Dear Shareholders,**

2020 will be remembered as a year of unparalleled challenges for years to come. The terrible toll of Covid-19 on the world has been devastating but the lasting impact is still very difficult to quantify. Vietnam thus far has been fortunate as the government quickly enacted policies in regards to Covid-19, in particular the track and trace strategy that helped to quickly stamp out the virus on three different occasions. Due to these policies, we were able to enjoy freedom of movement and experience much less economic disruption than many of our peers in other countries. That being said, the Vietnamese economy slowed to +2.9% in 2020 compared to 7.0% in 2019. Equity markets were also impacted as the VN-Index experienced a dramatic sell-off in Market before recovering strongly into the end of the year. Ultimately the VN-index ended the year up 14.9%, with average daily trading of VND 6,450bn (+56.3% YoY). We feel optimistic that the Vietnamese market will rise in 2021 as the world economy continues to recover.

*We recognize that the long-term success of our business is dependent on the success of all our stakeholders, therefore we put them at the heart of our decision making. We are working hard to ensure we engage openly with our shareholders. To further align our decision making process, our remuneration package ensures shareholder and management interests are the same. We believe employee ownership will increase over time, as our staff are excited to participate and be part of our long-term story.*

*We are pleased to welcome Co-Vice Chairman, Terrence Ting who joined the board at the beginning of 2021. Terrence brings with him a wealth of knowledge and experience and will help lead the firm's private equity, especially early-stage tech investment efforts which should further strengthen our firms position as a domestic leader in the Tech space, especially Fintech. I am very proud of all of the hard work and dedication from our board and staff this year and would like to take this opportunity to thank them for their hard work and commitment. We all look forward to continuing this good work in the future.*

*I believe 2021 will also be a challenging year as the world continues to battle with Covid-19, but I am optimistic we are turning the corner and the Vietnamese economy, in particular, will continue to recover. We maintain our strategy and believe we are well positioned to grow. Our focus remains consistent as we continue to build up our Investment banking and Asset Management businesses while also growing our other business segments. With our disciplined investment approach and favorable economic and market conditions, we expect our portfolio and the funds of TVAM to grow by more than 20% in 2021.*

# MESSAGE FROM OUR CEO

*Dear Shareholders,*

*It is impossible to reflect on 2020 without focusing on the Covid-19 pandemic and the subsequent impact it has had. While Vietnam has not been as badly affected as other countries, the pandemic still shaped our business strategy and forced us to change our approach. Fortunately, our nimble business model and entrepreneurial teams allowed us to find opportunities to overcome the challenges which arose in 2020.*

*At TVS we were both lucky and resilient in the face of challenges that left many other business sectors very significantly impacted. We attribute this partly to good fortune but also to our multi-faceted business model and strong risk management systems which limited our downside. Furthermore, our business operations were not interrupted unduly by the pandemic thanks to a strong business continuity plan.*

*That being said Covid-19 did bring difficult challenges to our core business, Investment Banking as well as to our Institutional Client Group. Several of the deals that had been in our pipeline were put on hold or canceled as international investors struggled to enter Vietnam to perform necessary due diligence or simply made the decision not to invest during such uncertain times. Despite these challenges the company had a financially successful year.*

*Buoyed by a positive interest rate environment, our Treasury Business performed exceptionally well; revenue increased by 65% and profit increase 2.8 times YoY. However, we would caution expectations for 2021 as the environment in 2020 was rather unique so we'd expect more modest returns this coming year.*



**CEO Nguyen Thanh Thao**

*Our Asset Management Business also had very strong results, ranging from 32% to 51%, versus the VN-index return of 14.9%, and an average fund return of 18.8% in the industry as a whole. On an absolute return basis, our portfolio with the highest return in 2020 was an outstanding 51%. We are extremely proud of the team's efforts during such a challenging and volatile year. This success is attributable to our Investment committee guidelines as well as team's ability to identify companies with solid fundamental and sustainable growth. The fund manager's benefited from very good timing but also from strategic selections focused on companies which were less affected by the pandemic and had stable operations.*

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## TOTAL ASSETS

VND 3,911bn

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## REVENUE

VND 635bn

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## PROFIT BEFORE TAX

VND 288bn

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*We are very proud of the achievements our investee company MoMo has made over the past year. In early 2021, MoMo announced the completion of a fourth round of funding. MoMo has also achieved spectacular business results in doubling its customer numbers, which now stand at 23 million accounts and increasing its total transaction volume by 3.5 times to USD 14bn.*

*In late 2020, we put an upgraded Unified Transaction System (UTS) into operation, completing the goal of replacing the previous system that was no longer effective.*

*In 2020, TVS also finished the design of a derivative securities trading and settlement project. The registration procedures are being completed with the SSC, VSD and HNX. It is expected that all the procedures will be completed and ready for the official operational start in Q2 2021.*

*In 2020 we made a VND 20.7bn VND investment into Galaxy Education JSC which is a subsidiary of Galaxy Media & Entertainment. Galaxy Education was established to bring a top-quality and world-class digital education platform to Vietnam. This was a strategic investment which aligns well with our history and expertise in investing in the Tech sector. We expect this holding to further strengthen our position as a domestic market leader in the Tech space.*

*I am proud of the efforts all of our staff have made during a year with such uncertainties. I would like to thank them for their dedication and loyalty to the company. We continue to believe that our most valued resource is our people. Following this mantra, we expanded the team with several key hires in 2020 and continue to focus on finding the best talent for our business into 2021. We are investing in our staff and believe in the importance of providing growth opportunities. Keeping with this ethos, we are embarking on several professional training programs to further develop our team's business communication and soft skills.*

*Looking to the future, our strategy remains consistent; we are committed to focusing our efforts on growing our core business activities: Investment Banking and Asset Management. In terms of the Investment Banking division we are concentrating on private equity and helping our domestic clients attract good quality international investors. We will grow our Asset Management business by launching new funds in both the listed equity and fixed income markets in 2021.*

*We look to the future with optimism and enthusiasm as we feel we are well positioned to continue to grow.*



# ABOUT TVS



# COMPANY OVERVIEW

Founded in 2007, TVS is a Vietnamese independent and fully licensed investment bank, which adheres to international standards. We are dedicated to serving the needs of our diverse client base. Our financial services include investment banking, Principal Investment, Asset Management (under TVAM), Institutional Client Group, Treasury Services and Research. TVS has been listed on Ho Chi Minh City Stock Exchange (HOSE) under the ticker “TVS” since January 2015.

<b>Trading name</b>	Thien Viet Securities Join Stock Company
<b>Ticker</b>	TVS
<b>Charter capital</b>	VND 982,4bn
<b>Equity</b>	VND 1,308bn
<b>Website</b>	<a href="http://www.tvs.vn">http://www.tvs.vn</a>



## Headquarters

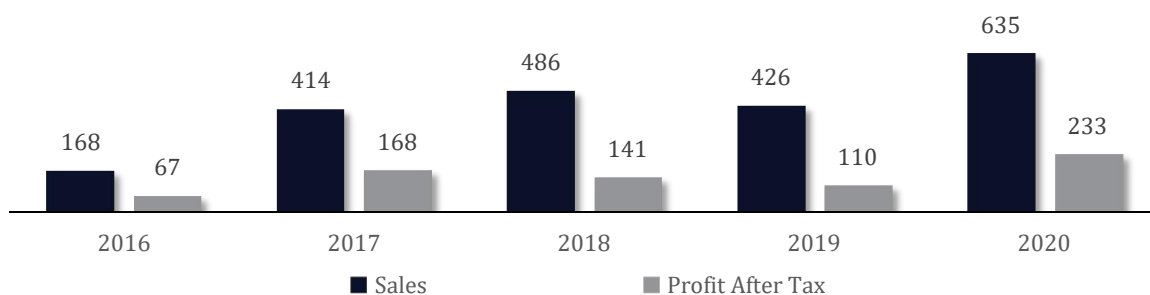
Room 402, TĐL Building, 22  
Lang Ha, Dong Da District,  
Hanoi  
Tel: +84 24 3248 4820  
Fax: +84 24 3248 4821

## Branch office

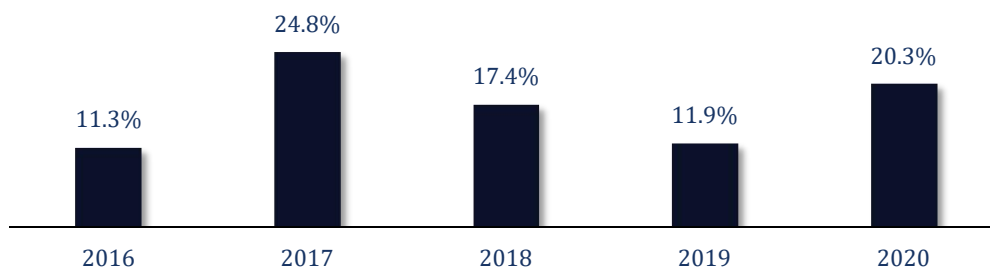
9th Floor, Bitexco Nam Long  
Building, 63A Vo Van Tan,  
District 3, Ho Chi Minh City  
Tel: +84 28 6299 2099  
Fax: +84 28 6299 2088

# TVS over the years

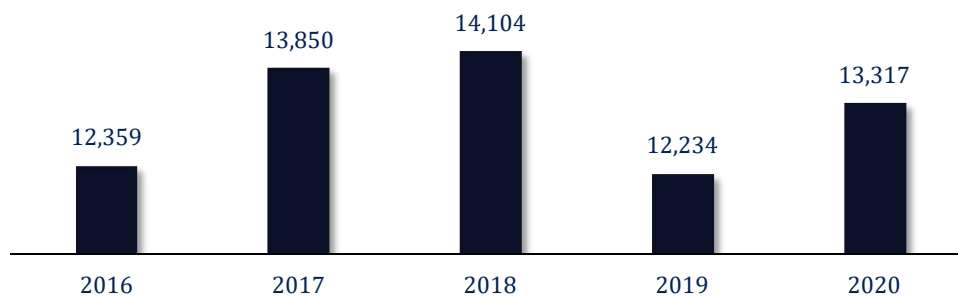
## Sales and Profit after Tax (VNDbn)



## Return on Equity (%)



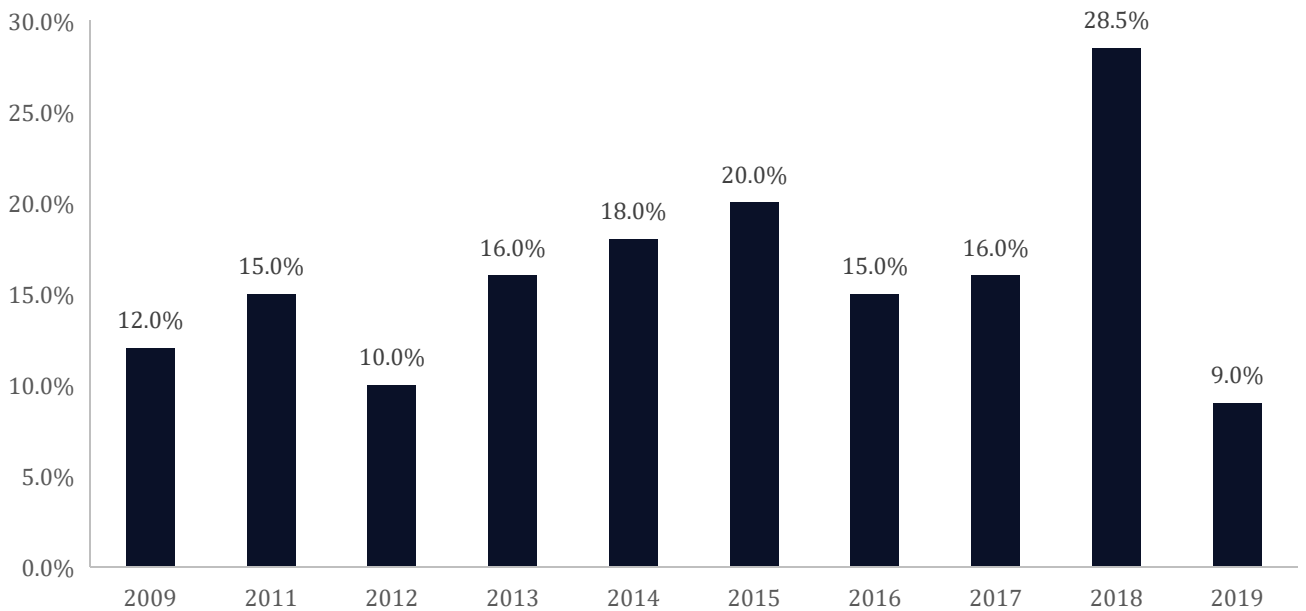
## Book Value per Share (VND)



## TVS Stock price

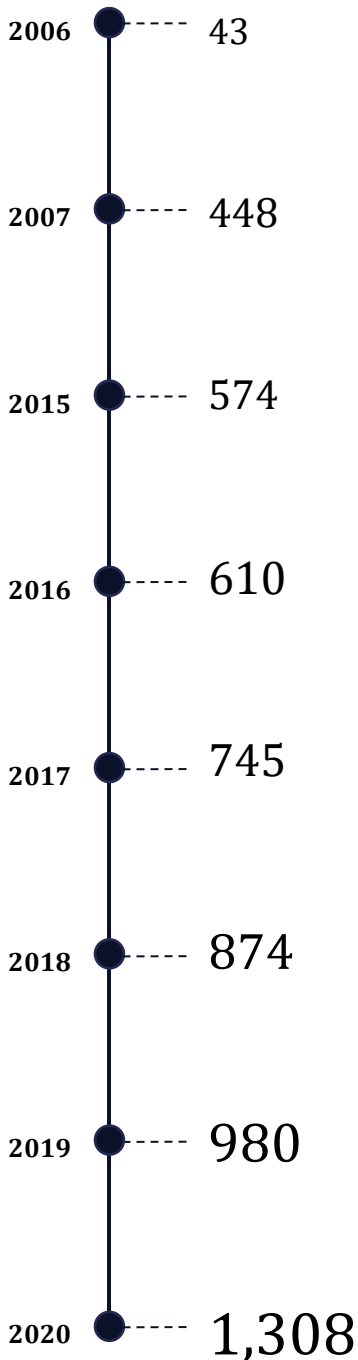


## Dividend payout



# MILESTONES

## Equity size (VNDbn)



**2006**

TVS was established in December 2006 in Hanoi with charter capital of VND 36bn.

**2007**

Increased charter capital from VND 43bn to VND 430bn. HCMC Branch was established, marking its expansion to the South.

**2010**

TVS became the first and only investment bank in Vietnam to receive funding from IFC, a member of the World Bank.

**2011**

TVS won The Asset Magazine's **Deal of the Year** award for its Diana – Unicharm deal, where TVS served as Diana shareholders' exclusive financial advisor.

**2015**

TVS bought 99.2% of An-Phuc Securities Investment Fund Management Company and established Thien Viet Asset Management Company (TVAM).

**2016**

Thien Viet Growth Fund (TVGF1) was mobilized by TVAM and listed on HOSE with total value of VND 150bn.

**2017**

Thien Viet Growth Fund 2 (TVGF2) was mobilized by TVAM with total value of VND 170bn.

**2020**

TVS increased ownership of TVAM to 99.8% and TVAM's charter capital to VND 125bn.

Over the past 15 years, TVS has continuously expanded its charter capital through stock dividend and bonus share to expand business, enabling the company to provide better services to its domestic and international clients.



# BUSINESS LINES

Investment Banking



Asset Management



Principal Investment



Brokerage



Treasury

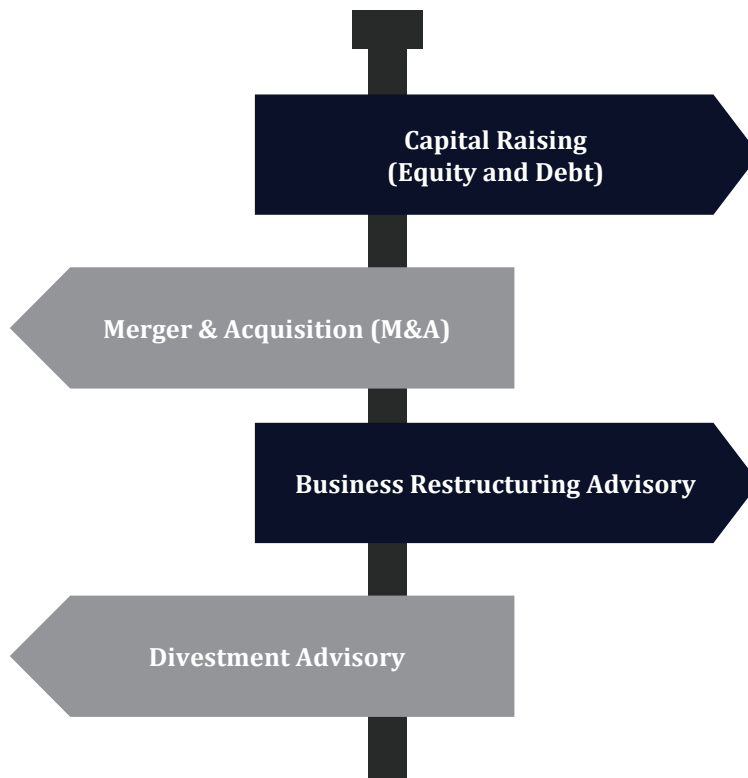


Research



# INVESTMENT BANKING

As one of the company's core business, the Investment Banking Division offers a comprehensive range of services, including capital raising (equity and debt), merger and acquisitions (M&A), business restructuring advisory and divestment advisory. Through rigorous examination of our client's business model, stage of development, capital structure and overall financial profile, TVS provides tailored corporate finance advisory to our customers, regardless of their development stage. We focus on transactions that will bring the best value to stakeholders, which include high value added fund raising and M&A transactions, particularly in those sectors where the team has specialist knowledge.





# Our Network



Consumer



Technology



Infrastructure



Real Estate



Education



Transportation



Media &  
Entertainment



Pharmaceutical



Agriculture

# Our Expertise

# Our notable deals ....

## 2007-2011

Advised shareholders of Diana Company in the sale of 95% ownership to Unicharm Group - Japan

\$184mn

## 2011-2012

Advised domestic shareholders in their sale of a 49% stake in B.O.O Thu Duc Water Joint Stock Company to Manila Water Inc. - Philippines

\$40mn

\$41mn

\$80mn



## 2014 - Ongoing

Advised Online Services Joint Stock Company (MoMo) on investment from Standard Chartered Private Equity (SCPE) and Goldman Sachs Global Investment Bank

## 2010-2016

Advised Ho Chi Minh City Infrastructure Investment Company (CII) to issue convertible bonds to Goldman Sachs Investment Partners

# ... Our deals in 2020

Issuer	Buyer
	
<b>USD 8.65mn</b>	
Bond issuance transaction in financial services sector	

Seller	Buyer
	
<b>Undisclosed Value</b>	
Capital raising transaction in technology sector	

Seller	Buyer
	
<b>USD 7mn</b>	
M&A transaction in education sector	



# ASSET MANAGEMENT



THIEN VIET  
ASSET MANAGEMENT

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*“As a value investor,  
TVS’s core philosophy is  
to focus on businesses  
with sustainable long  
term growth.”*

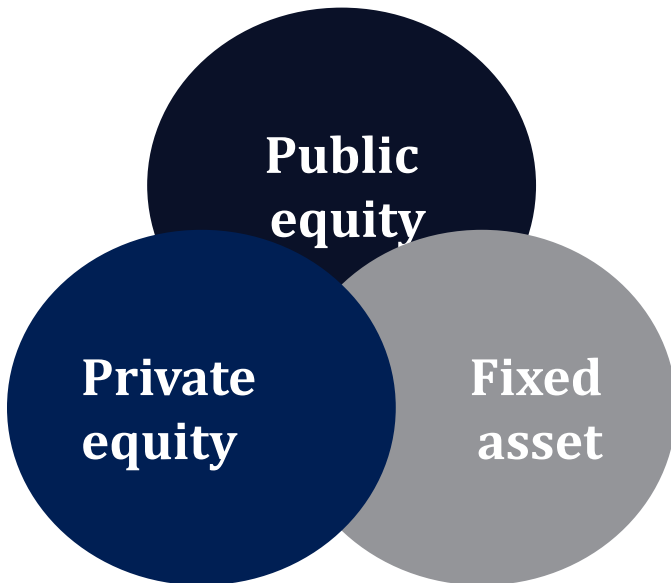
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<b>Name</b>	<b>Thien Viet Asset Management (TVAM)</b>
<b>Address</b>	9th Floor, Bitexco Nam Long Building, 63A Vo Van Tan, District 3, HCMC
<b>Business</b>	Fund and Portfolio Management
<b>Charter capital</b>	VND 125bn
<b>Ownership</b>	99.84%

In 2015, aiming to provide an opportunity for long-term investors to participate and benefit from the growth of Vietnam’s stock market, TVS founded **Thien Viet Asset Management (TVAM)**. TVAM provides two types of services: 1) fund management and 2) managed accounts with medium-term objective, which normally hold stocks in their portfolios for 1-2 years.

At the beginning of 2020, the total assets under management (AUM) were VND 672bn and by the end of 2020, the AUM reached VND 1,464bn of which VND 438bn was in close ended funds and VND 1,026bn in managed portfolios.

# PRINCIPAL INVESTMENT



Our **Investment Committee and Investment Execution team** is comprised of entrepreneurs and industry veterans, who each have **over 20 years of experience in finance and investment.**

Our investment principles are derived from both the Investment Committee's guidance and an on-the-ground investment team. Thanks to our **Disciplined Value Investment Approach** which utilizes a top-down macro view and bottom-up stock picking, our AUM was less impacted by market volatility which can typically be high in a frontier market like Vietnam.

By targeting companies where 70% of revenue comes from their core business, return from Principal Investment has reached 22.6% during the past 5 years.

## Some of our investments



## Institutional

TVS reestablished Institutional Client Group (ICG) in early 2019 with the goal of servicing Institutional clients interested in investing in Vietnam. The primary focus of ICG is to provide brokerage services and research to foreign funds, but the team also serves family offices and local institutions.

**+30 years** of combined experience in **Sales and Trading**, strong local and foreign client knowledge and a good record of completing sizable off-market transactions.

**+25 years** of combined experience in **Research**, dedicated to providing excellent research focused on Vietnam's leading listed companies, sector specific topics and the macro economic environment.

## Retail

The Retail Brokerage department provides brokerage services to domestic retail customers. The team assists domestic clients who wish to trade Vietnamese listed equities.

TVS Brokerage Service includes two sub-services:  
Institutional Client Group (ICG) and Retail Brokerage

## Research

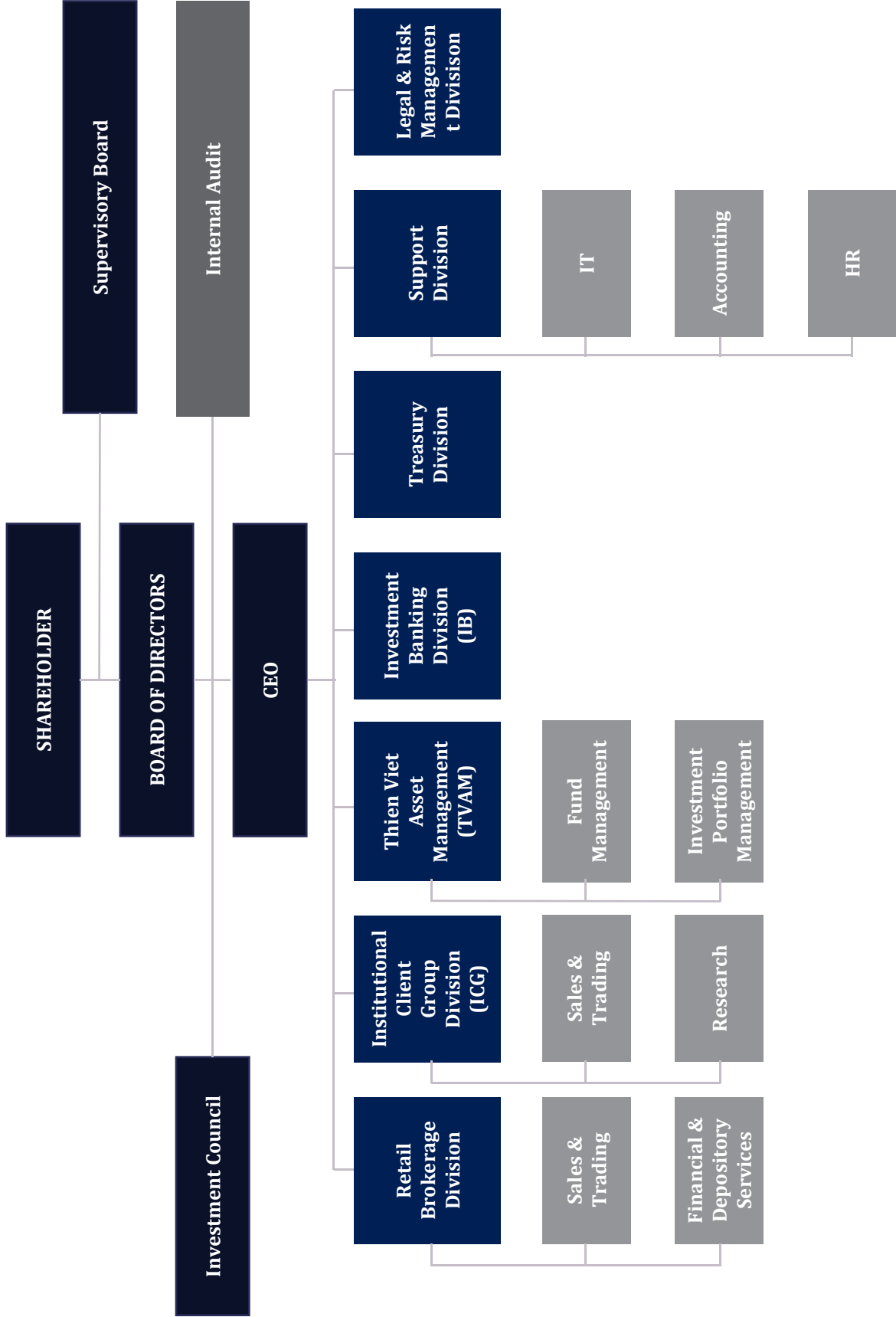
The TVS Research Division offers a comprehensive range of research products, including company and sector reports, technical snapshots and periodic reports. The team comprises of competent analysts with extensive expertise in research and investment banking. This diverse background enables TVS to not only have a broad view, but also an in-depth understanding of the macro economy and company prospects.

## Treasury Service

The Treasury department's principal activities include: 1) trading fixed-income financial instruments (certificate deposit and bond) and 2) providing margin lending service and advances to investors.



# ORGANIZATION STRUCTURE



# CORE DEVELOPMENT

Since inception, we have consistently delivered positive operating results with a 5-year average ROE of 16.4% and stable dividends for shareholders with an average total dividend of 14.5% since 2009. Going forward, we will maintain our focus on the Investment Banking and Asset Management businesses.



## Investment Banking

With a track record of 38 successful deals (totaling more than USD 1bn) and a strong advisory team, TVS continues to focus on transactions that bring in the best value for stakeholders. This includes high value-added fund-raising and M&A transactions in industries where we have a strong understanding and competency in, such as consumer, infrastructure, pharmaceutical and fin-tech. Our recently established ICG will generate a powerful synergy since they will bring in more opportunities for the IB team, as well as providing more customized services to our existing client base.



## Asset Management

TVAM's AUM is VND 1,464bn. As a value investor, we prudently seek investments that maximize risk-adjusted returns and focuses on strong businesses at reasonable valuations. We strive to remain among the top 10 funds by performance, while diversifying product offerings to other asset classes, including fixed-income, REIT and structured products.



## Treasury

In order to make the most of interest rate movements, we have been building up our treasury business since 2016. We will continue promoting capital investment transactions through bond deposits, repos, interest swap transactions and other specially structured transactions..

*“Our focus is being a best in class Investment Banking house with an equally strong Asset Management business”*

**Nguyen Thanh Thao, CEO**



# RISK MANAGEMENT



## Market Risk

With 50% of TV's investments in listed equities, our profit is significantly affected by stock market fluctuations. We limit this market risk by only investing in stocks with good fundamentals in their growth phase. We also have an investment committee which oversees the decisions of portfolio management. In addition, the Risk Management Department monitors investment approvals and manages losses through a daily, weekly, and monthly reporting system.

## Credit Risk

Credit risk arises from customers or partners' inability to meet their financial obligations, which is mainly caused by margin lending activities and payments on behalf of customers. TVS mitigates credit risk through rigorous analysis of asset quality and customer credit against the company's liquidity criteria before making lending decisions. Investment Committee approves criteria to select appropriate margin stock list.

## Legal Risk

As Vietnam's capital market is still in an early stage, the legal system is more complex and susceptible to changes, creating potential legal risks for the company. We prevent breaches of law through regular communication with regulatory authorities.

## Brokerage

Operational risks relating to brokerage comes in many potential forms, such as errors in placing orders, fraud by employees, or technology infrastructure instability. In order to mitigate these risks, we continuously improve our internal control systems, risk management systems, and regularly organizes internal training sessions to improve employees' qualifications.

## Principal Investment

The risks associated with Principal Investments can be significantly mitigated at the asset allocation stage. In order to minimize these risks, we adopt a disciplined Value Investment approach. We diversify the investment portfolio and carry out a rigorous due diligence process for stock picking.



## Human Resource

Human capital is always the most valued asset in our industry. Having been around for only 20 years, the Vietnam securities market is still lacking a highly-skilled and qualified labor force, posing challenges for company development. In order to attract and retain talent, we maintain a competitive compensation policy and provide a professional and friendly work environment.

## Information Technology

In order to carry out customer's orders conveniently, quickly and confidentially, the IT system and technical infrastructure must always connect with the stock exchanges. Interrupted connections will not only cause financial damage to TVS and its customers, but also jeopardizes the company reputation, making it difficult to attract new clients. In order to limit the risks relating to IT, we actively and closely monitor IT upgrades and development plans of state agencies such as the SSC and VSD. We also update our systems regularly to meet the state agencies' requirements regarding technical standards and the compliance process.



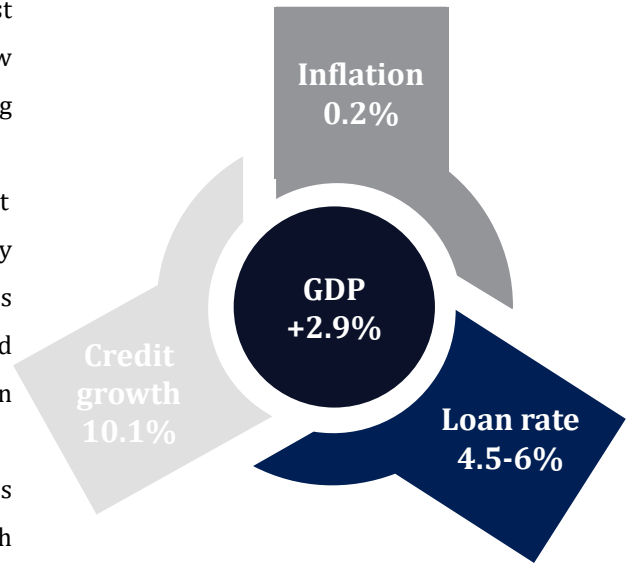
**2020**  
**PERFORMANCE**

# VIETNAM'S ECONOMY

Due to the effects of Covid-19, Vietnam experienced its lowest GDP growth in the past 10 years. Yet GDP still managed to grow +2.9% in 2020, which made Vietnam the fastest-growing economy in Southeast Asia.

The positive economic growth can be attributed to government support and foreign investment flow. In terms of monetary policy, the decision by the SBV to cut interest rates three times in 2020 lowered the real cost of borrowings and encouraged investment. Committed FDI flows of approximately USD 28bn also boosted exports and the trade surplus.

In 2020, CPI (end-year) rose only 0.2% YoY, a five-year low as food and foodstuff prices (~33.6% CPI basket) stayed flat with the rebuilding of pig herds. In addition, the transportation group (10% of CPI basket) was 11.7% lower due to weak demand and low gasoline prices.

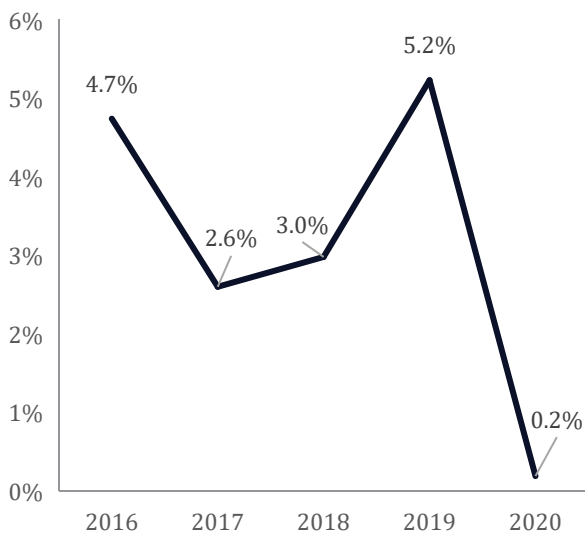


Source: GSO, HSX, HNX & Upcom, Bloomberg  
\* end-period

CPI is at a five year low of 0.2% YoY due to weak consumption

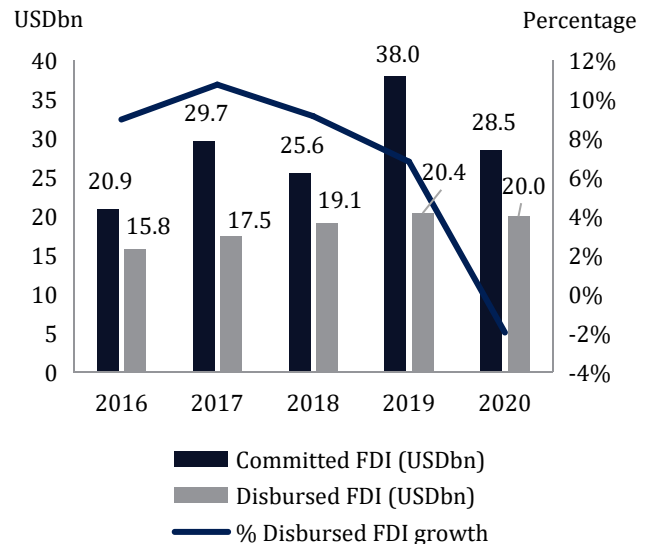
FDI Flow of USD 28bn in committed capital

## Vietnam inflation



Source: FiinPro, GSO \* end-period

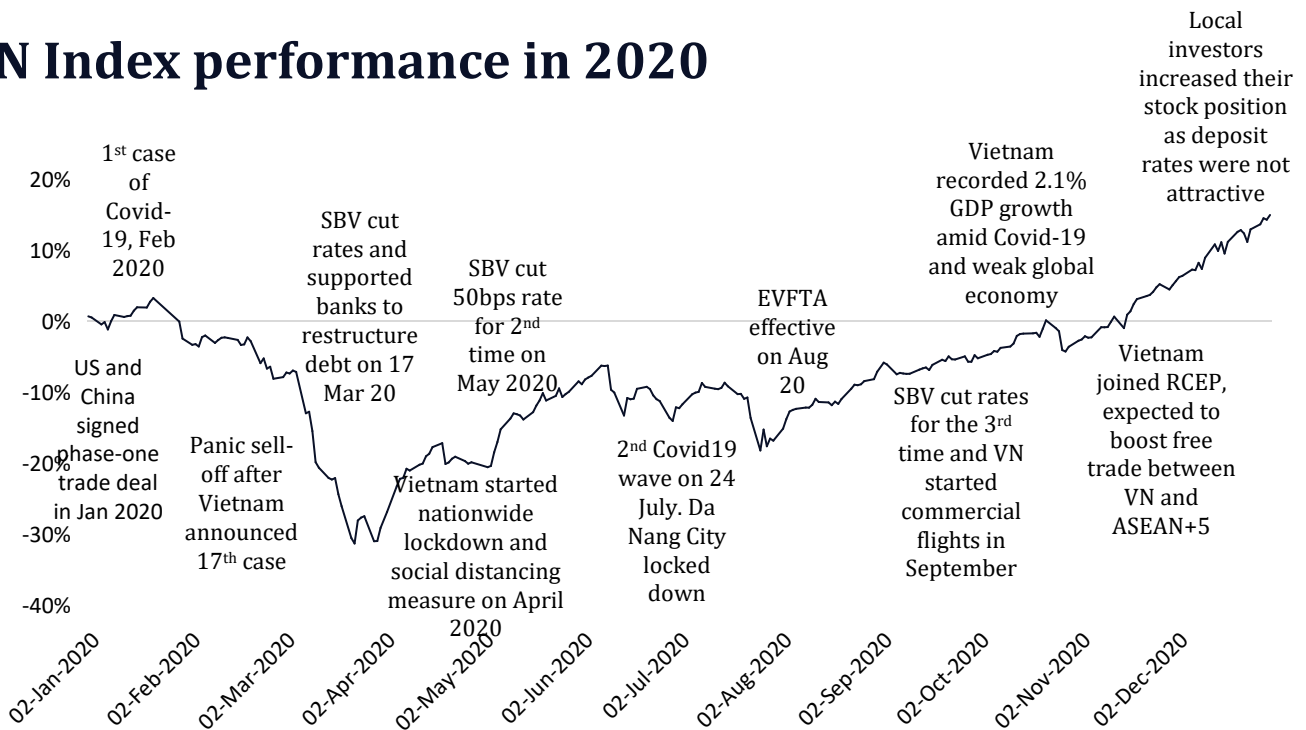
## Foreign direct investment



Source: Bloomberg, TVS Research

# VIETNAM STOCK MARKET

## VN Index performance in 2020

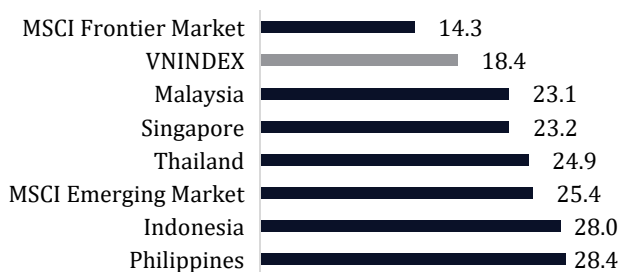


Source: Bloomberg & TVS Research

VN-Index experienced a significant drop from 960 to 659 points on March 24<sup>th</sup>. The market saw substantial foreign selling of over USD 650mn on the HSX. If we exclude the VHM deal (~ USD 660mn), then foreigners sold USD 1,286mn. However the VN-Index then climbed 1,103pts by the end of 2020, increasing +67%. Retail investors were key drivers for the stock market as they moved towards investing in stocks amid a low interest rate environment. By the end of the year the VN-Index ended up 17.4% in USD terms, helped by supportive government policies and increased retail investors.

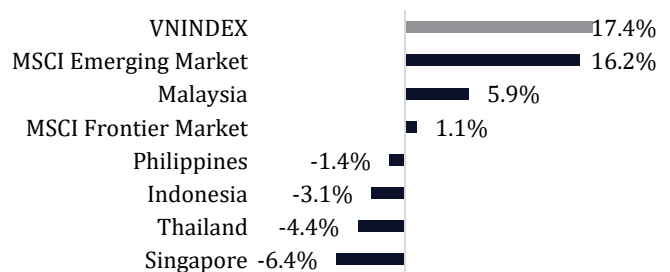
## Regional comparison

### Comparison by P/E



Source: Bloomberg & TVS Research

### Comparison by returns



Source: Bloomberg & TVS Research in USD terms

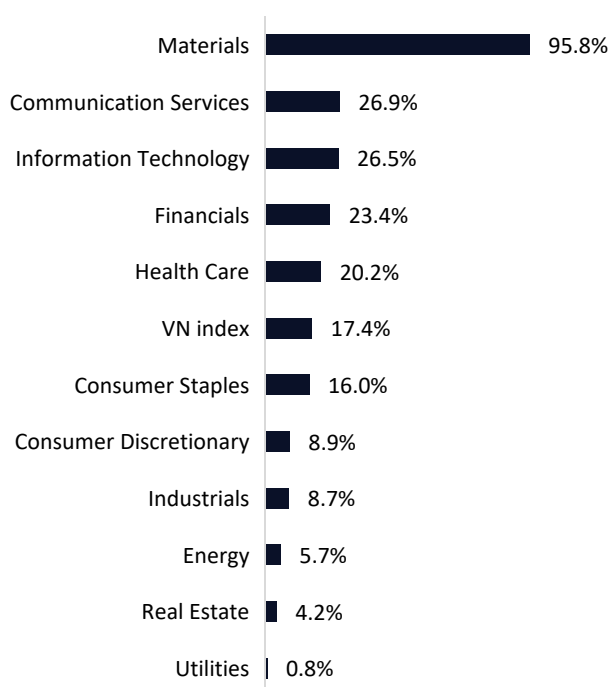
## Growing derivatives market

The derivatives market had a strong performance in 2020 as transaction liquidity increased to a record-high of +80% in July. The daily average derivative trading was approximately 158,390 contracts compared to 89,000 daily trades in 2019.

## Sector performance

The material sector surged 95.8%, primarily due to a resurgence in the steel stock HPG. Also standing out was the financial sector with a return of 23.4% due to a low-interest rate environment.

## Return by sector



Top performance stocks in 2020	Materials	HPG, GVR, PHR
	IT	FPT, CMG, DGW
	Banking	VCB, BID, CTG, TCB

Source: Bloomberg & TVS Research in USD terms

## Expansion of local exchange-traded funds

ETFs in Vietnam have increased over the past 10 years. Currently, there are around 13 ETFs operating in Vietnam with a total size of USD 1.79bn. In 2020, five new domestic ETFs were launched in Vietnam, namely VFM VN-Diamond, SSIAM VNFIN Lead, VinaCapital VN100, SSIAM VN30, Mirae Asset VN30.

## Rise of corporate bonds

The total value of corporate bonds issued in 2020 reached VND 455,000bn (+48.4%YoY). Financials and real estate were the two dominating sectors with the highest number of successful bond issuances. The corporations with the highest bond issuance value were Bank for Investment and Development of Vietnam (BIDV), Sovico Holdings, and Masan Group.

## Cash inflows from new investors

Even with uncertainties amid COVID-19, according to the VSD new investors entered the market at a record-level of around 29,667 new accounts per month (+85% yoy). The surge in the number of new investors increased the liquidity of the market by 56.3% to VND 6,450bn. Average liquidity within the last two months 2020 reached VND 10,000bn and VND 14,800bn, almost double YoY.

# TVS IN 2020



# TVS AT A GLANCE

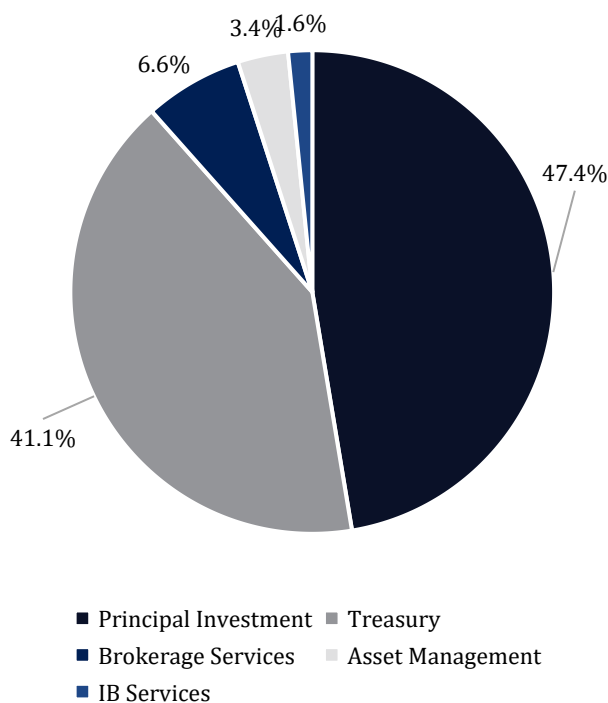
No	Code	Name	2020 P/B	TTM ROE 31/12/2020	MktCap @ 31/12/2020	Total Asset	Total Equity	NPAT
1	TCBS(*)	Techcom Securities	3.1x	39.8%	19,155	8,759	6,179	2,152
2	SHS	Sai Gon - Ha Noi Securities	1.8x	25.5%	5,804	6,930	3,226	754
3	VIX	VIX Securities	2.6x	20.7%	4,496	2,115	1,749	328
<b>4</b>	<b>TVS</b>	<b>Thien Viet Securities</b>	<b>1.4x</b>	<b>20.3%</b>	<b>1,862</b>	<b>3,920</b>	<b>1,308</b>	<b>233</b>
5	VND	VNDIRECT	1.6x	19.7%	6,047	14,542	3,824	697
6	VCI	Viet Capital Securities	2.0x	17.9%	9,025	8,382	4,521	769
7	TVSI(*)	Tan Viet Securities	1.3x	16.6%	2,032	3,956	1,563	241
8	VCBS(*)	Vietcombank Securities	1.2x	15.7%	2,167	5,848	1,806	262
9	MBS	MB Securities	1.8x	14.0%	3,730	7,016	2,060	269
10	VDS	Viet Dragon Securities	1.1x	13.6%	1,281	2,568	1,166	150
11	SSI	SSI Securities Corp.	2.1x	13.1%	20,995	35,770	9,873	1,256
12	HCM	Ho Chi Minh Securities	2.1x	12.0%	9,456	12,489	4,440	530
13	VPBS(*)	VPS Securities	1.1x	10.4%	5,466	16,065	4,969	497
14	CTS	Vietinbank Securities	1.1x	9.3%	1,644	4,274	1,437	128
15	BSI	BIDV Securities	1.2x	8.9%	1,726	2,921	1,491	127

(\*) Estimates for OTC market

VNDbn

With ROE of 20.3% compared to industry ROE of 12.5%, TVS is in the top 5 securities company in terms of operation efficiency. We had revenue of VND 635bn (+49% YoY) and profit after tax of VND 233bn (+112% YoY) in 2020. This was mainly driven by a strong performance in Principal Investment (+53% YoY) and Treasury (+65% YoY). In particular, Principal Investment and Asset Management Services reported around VND 152bn in profit (before allocated expenses) as the Investment team increased their exposure in listed market in beginning of Q2/2020, when the market was down significantly due to global negative impact from COVID-19. Otherwise, the Treasury segment experienced a stellar performance with profit (before allocating expenses) of VND 152bn (+148% YoY) thanks to a low interest rate environment and favorable rate movements. With the interest downtrend in 2020, Investment committee and Treasury department increased their short-term borrowing (+26.6%) for early purchase of fixed income, CDs. As a result, TVS has recorded high profits in the third quarter and fourth quarter of 2020.

## Revenue Breakdown





VND million	2020	2019	% Change
<b>Profit and Loss Statement</b>			
Others/ Gain from held-to-maturity (HTM) investments	138,846	132,775	4.6%
Total operating revenue	635,319	425,508	49.3%
Total operating expense	-214,617	-172,927	24.1%
Total finance income	826	1,353	-39.0%
Total finance expense	-107,714	-95,148	13.2%
General & Administrative Expenses	-25,142	-21,783	15.4%
Profit before Tax	288,672	137,000	110.7%
Profit after tax	232,670	110,234	111.1%
Net profit after tax and minorities interest	232,635	110,235	111.0%
<b>Statement of Financial Position</b>			
Current assets	3,892,845	2,971,798	31.0%
Non-current assets	18,236	14,942	22.0%
Total Asset	3,911,080	2,986,740	30.9%
Liabilities	2,602,903	2,006,462	29.7%
Current liabilities	2,555,702	2,000,229	27.8%
ST borrowing	2,477,821	1,956,488	26.6%
Non-current liabilities	47,201	6,233	657.3%
LT borrowing	20,000	-	
Total borrowings	2,497,821	1,956,488	27.7%
Owners' equity	1,308,177	980,278	33.4%
Chartered Capital	982,352	801,247	22.6%
<b>Financial Ratio</b>			
Return on Equity (%)	20.33%	11.25%	71.0%
Return on Asset (%)	6%	4%	73.5%
Current ratio	1.52	1.49	2.5%
Financial Safety ratio (%)	311%	273%	13.9%
Capital Structure ratio			
- Debt/Total assets ratio	0.64	0.66	-2.5%
- Debt/ Owner's Equity ratio	1.91	2.00	-4.3%
Operation capability ratio			
- Total asset turnover	0.16	0.14	14.0%
Profitability ratio			
- Profit after tax/ Net revenue ratio	0.37	0.26	41.4%

Per Share Ratio	2020	2019	%Change
Outstanding Shares	98,235,174	80,124,700	22.6%
Basic earnings per share (VND)	2,661	1,337	99.0%
Diluted earnings per share (VND)	2,464	1,320	86.7%
Book value per share (VND)	13,317	12,234	8.8%
Dividend and stock bonus	9%	28.5%	-68.4%
Last Trading Price (VND)	14,550	14,000	3.9%
P/E (x)	5.5	10.5	-47.8%
P/B (x)	1.09	1.14	-4.5%

## Assets

In 2020 total assets reached VND 3,911bn (+31% YoY). This growth was due to a rise in current assets. Cash and cash equivalents in 2020 increased due to gains in net cash from financing activities. In terms of financial assets, unlisted bonds and unlisted shares rose to VND 112,119mn (+120.9% YoY), while unlisted shares decreased from VND 27,062mn to VND 1,026mn (-96.2%).

## Liabilities and Equity

As of 31st December 2020, total shareholder's equity stood at VND 1,308bn (+33.5% YoY) and accounted for 33% of total capital. Equity has increased steadily over the years as we have used the majority of undistributed earnings to issue additional shares to increase chartered capital. Our investment activities are funded principally by equity capital. From 2016 to 2020, we increased short-term debt to grow the treasury business.

As of 31st December 2020, liabilities were VND 2,602bn (+29.7% YoY) and accounted for 67% of total capital. Short-term debt increased to VND 2,477bn (+25.6% YoY) to finance capital businesses such as deposit activities, certificates of deposit and bonds. Loans were secured by term deposit contracts and certificates of deposit. Although debt has increased, the leverage is below the safe threshold for the brokerage industry with: (i) debt/equity ratio of 2x (well below the legal required maximum level of 3x), (ii) short-term debt ratio of 0.66x (below threshold of 1.0x), (iii) short-term payment ratio of 1.5x, and (iv) financial safety ratio of 311%, higher than the safe level of 180%.

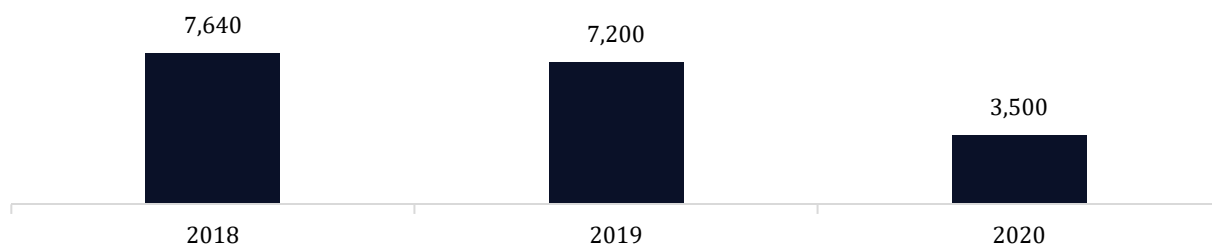
# INVESTMENT BANKING

According to The Ministry of Planning and Investment, in 2020, the estimated value of all M&A deals in Vietnam fell by 49% YoY to USD 3.5bn as a result of the Covid-19 pandemic. Mirroring this, TVS's Investment Banking Division earnings before tax declined. However, in 2020, we started to focus more on venture capital investments and reviewed more than five opportunities.

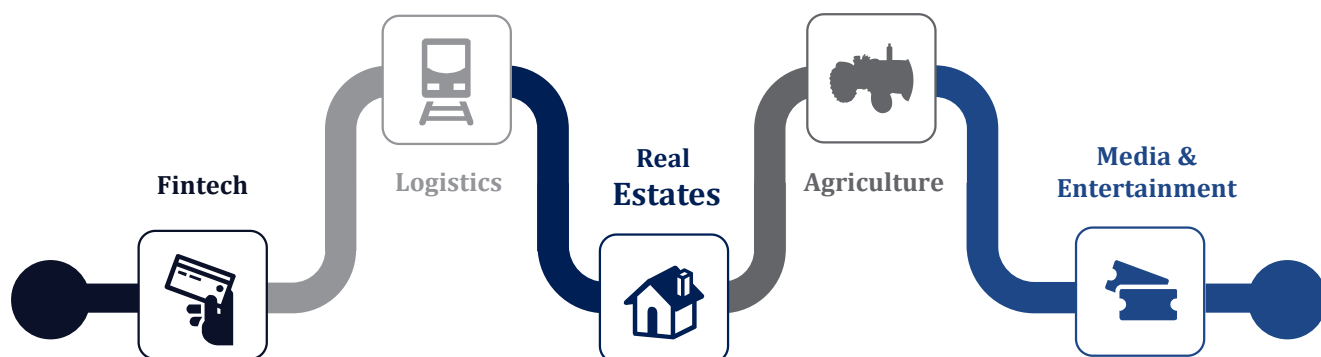
In 2020, the Investment Banking team set various goals to increase the team's size and capability. In particular, we aimed to recruit three additional members, one senior and two junior members. Our goal was to have each member involved in at least one successful deal. In addition, we expanded the team's expertise in technology and key sectors, including logistics, real estates and agriculture. We targeted getting involved in at least one technology-related and one key sector-related deal, by organizing industry calls every month and expanding our network in the above mentioned sectors.

## Vietnam M&A deal value

USDmn, 2018-2020



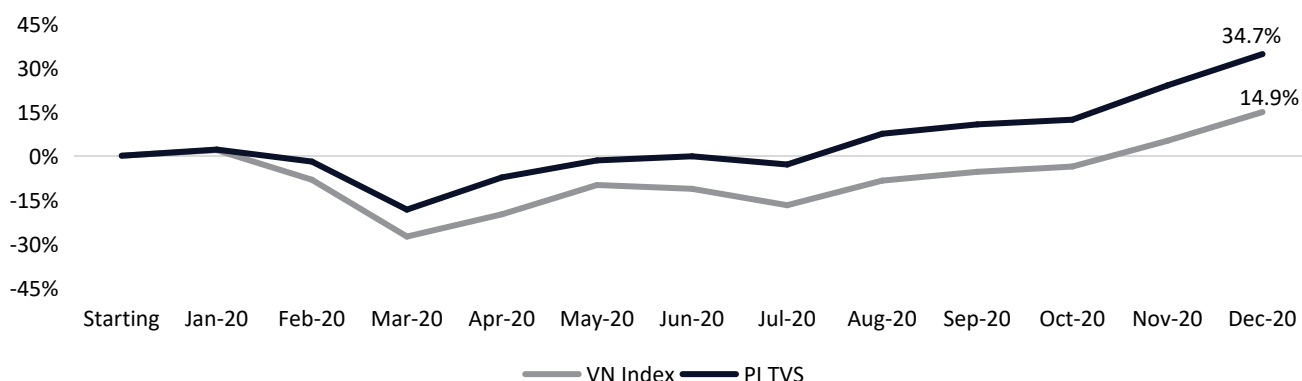
Moving forward, we are determined to close all deals in our current pipeline, which cover various sectors such as Fintech, Real Estates, and, Agriculture.



# PRINCIPAL INVESTMENT

Investing in leading companies with good growth potential, our Principal Investment Team has kept the portfolio efficient and stable relative to the general economy. The unrealized profit/loss of the investment portfolio outperformed the market by 19.8%, achieving growth of 34.7%.

## TVS's Principal investment performance vs VN-Index in 2020



# TREASURY



## Revenue and profit growth

In the period from 2016 to 2020, revenue and profit increased significantly with a compound annual growth rate (CAGR) of 65.8%.



## Breaking the record

The Treasury Division had its best year in terms of revenue growth with earnings of VND 262bn, +65% YoY. The segment's gross profit was VND 152bn (2.8 times Treasury's gross profits in 2019).



## Overall performance

The Treasury Department contributed 41% revenue and 49% of the company's gross profit in 2020.

# ASSET MANAGEMENT

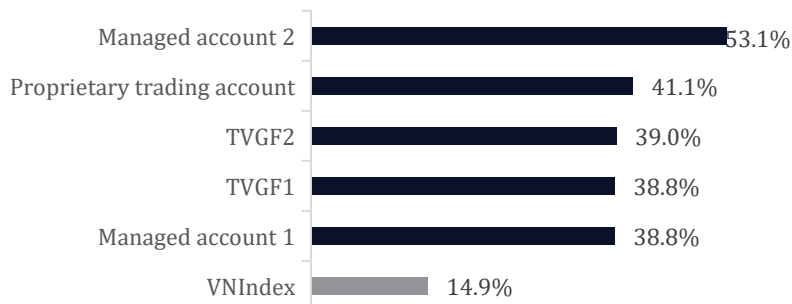
In 2020, TVAM prioritized investing in sectors with stable operations and lower susceptibility to the downside caused by the pandemic, such as securities, textile, banks, oil & gas and real estate. Stocks in these sectors account for 60-70% of TVAM's portfolio and brought in returns of 20-50% in realized and unrealized profits, which enabled the company to outperform the VN-Index.

At the end of 2020, **TVGF1's NAV reached nearly VND 223bn and NAVPS reached VND 14,833**, equivalent to a return of 38.8% in 2020 and **97.8% since inception**. Notably, for the past 5-years, TVGF1 has paid a cash dividend to investors three times with a total ratio of 50% (VND 5,000 per fund certificate). After three challenging years, **TVGF2's NAV reached around VND 208bn and NAVPS reached VND 12,243**, equivalent to a return of 39% in 2020 and 25.2% since inception. TVGF2's investor meeting approved extending the Fund's lifespan for two more years to January 2023.

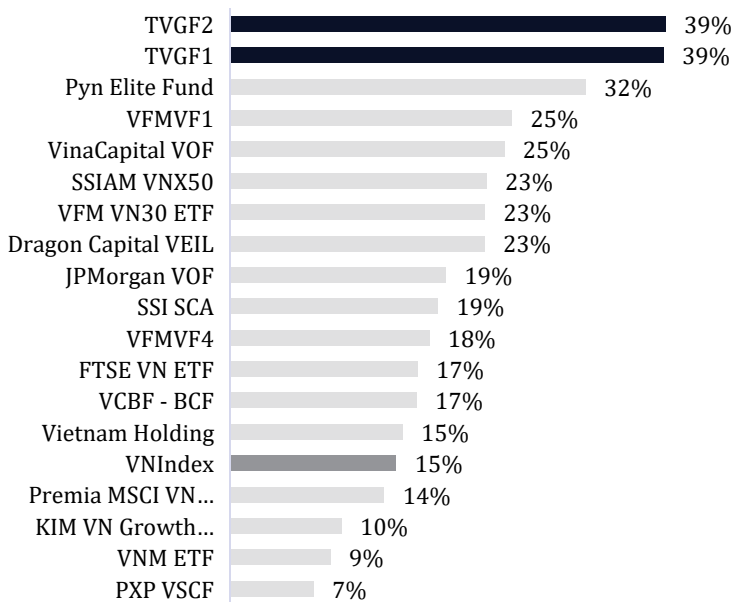
## ICG

2020 was a challenging year for ICG due to the various complications that Covid brought. In particular our strategy to focus on block trades and institutional investment banking type deals was dealt a serious blow as travel in and out of Vietnam was severely restricted. This resulted in the fact that clients were unable to visit the country and complete due diligence which severely impacted their ability and interest in investing. However, we were able to complete one large off-market transaction which made up a major part of our VND 7.5bn in revenue for the year. We opened accounts with two large Vietnam investors. Other successes in 2020 included the opening of one other Institutional account and the hiring of three analysts for our Institutional Research Group.

## TVAM's 2020 performance



## Peer comparison



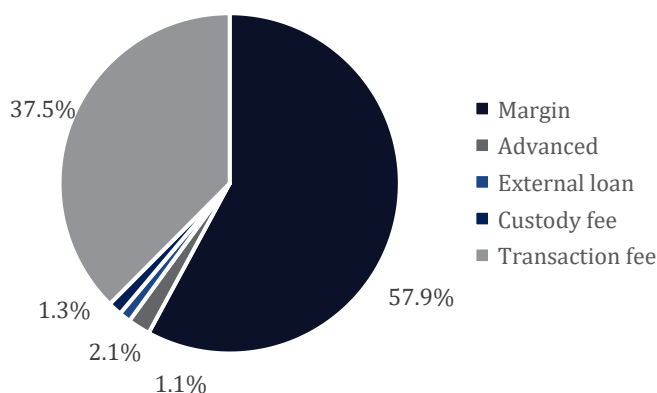
# RETAIL BROKERAGE

Feature	Total transaction value (VNDbn)	Total transaction fee (VNDbn)
First quarter	1,790	2.7
Second quarter	1,418	2.5
Third quarter	1,817	2.4
Fourth quarter	4,497	5.6
<b>Grand Total</b>	<b>9,524</b>	<b>13.3</b>

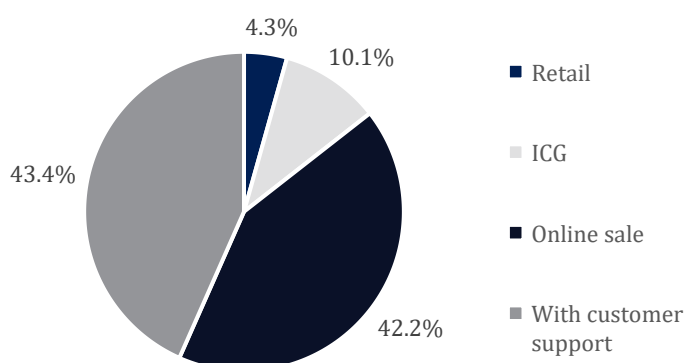
The total transaction value for 2020 was VND 9,524bn with a corresponding transaction cost of VND 13.3bn, which equates to a transaction cost of 0.14%. The first three quarters of the year transaction value was fairly consistent averaging around VND 1,675bn across all three quarters. However, the fourth quarter of 2020 saw a major uptick as interest in the Vietnamese stock market increased and many new accounts were opened. As a result 47% of 2020 transactions were completed in the last quarter of 2020.

Our margin revenue reached VND 20,616bn, accounting for 58% of operating income for the division. Revenue from cash advance sales was VND 759mn, equivalent to 2%. Fee revenue based on the company's loan activities accounted for 60% of total fees collected. The retail brokerage division had total revenue from brokerage and interest loans of VND 35bn.

## Revenue by operating activities



## Revenue by customer segment

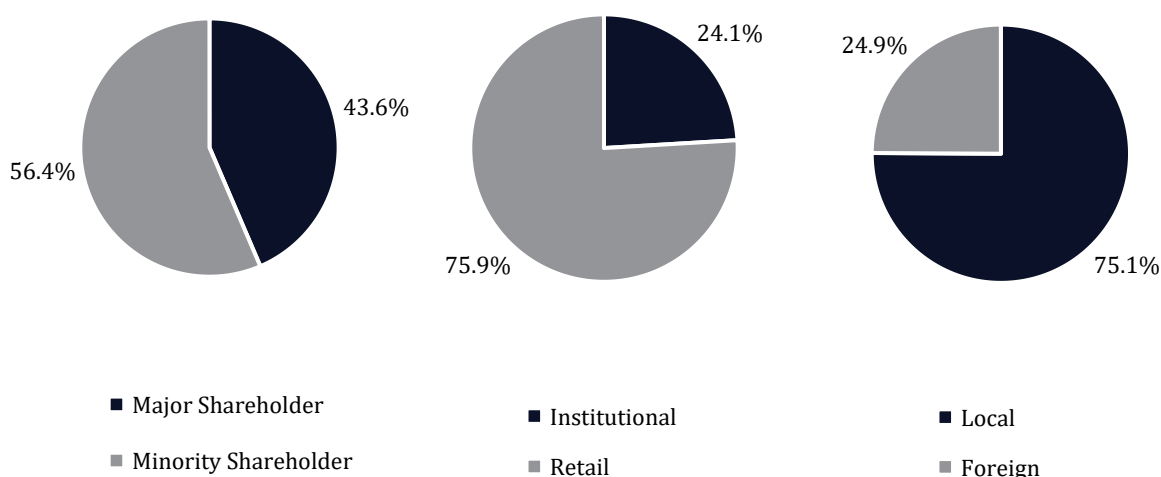


# SHAREHOLDER STRUCTURE

TVS only has common shares, none of which are owned by the State. As of December 31, 2020, TVS had 98,235,174 common shares.

In 2020, TVS successfully issued 10,000,000 shares with total proceeds of VND 100bn. In addition, we issued shares to pay a 2019 dividend at the rate of 8% and issued shares at the rate of 1% from share premium.

## Ownership structure



## List of internal shareholders

	Name	Position	Ownership as of 09/04/2020
<b>Board of Directors</b>			
1	Mr. Nguyen Trung Ha	Chairman	29.8%
2	Ms. Dinh Thi Hoa	Vice-chairwoman	4.9%
3	Mr. Nguyen Nam Son	Board Member	0.0%
4	Mr. Phan Minh Tam	Board Member	0.0%
5	Ms. Bui Thi Kim Oanh	Board Member	1.4%
6	Mr. Nguyen Thanh Nam	Board Member	0.0%
7	Ms. Nguyen Thanh Thao	Board Member	0.8%
<b>Supervisory Board</b>			
1	Mr. Do Viet Hung	Head	0.0%
2	Ms. Tran Thi Hong Nhung	Member	0.2%
3	Ms. Dong Thi Phuong Lien	Member	0.0%
<b>BOARD OF MANAGEMENT</b>			
1	Ms. Nguyen Thanh Thao	CEO	0.8%
2	Mr. Le Quang Tien	Chief Accountant	0.4%

An aerial photograph of terraced rice fields on a hillside. The terraces are filled with vibrant green rice plants. A small wooden structure with a white roof is situated on a higher terrace in the upper right. In the lower right, three people are walking along a path between the terraces. The overall scene is lush and green, with a central valley or stream bed visible between the terraces.

# CORPORATE RESPONSIBILITY



# Towards the Community

TVS values its community at the core of its business. In 2020, TVS donated VND 50mn to Bo Trach District, Quang Binh Province to help the community rebuild their lives after a historic flood. We also sponsored VND 11.5mn to CHANGE VN, whose mission is to promote and encourage the care and preservation of the environment through education and innovative communications.

# Towards our Employees

The number of TVS's employees as of 31 December 2020 was 69 and the average salary for the year ended 31 December 2020 was VND 46.1mn per month (increased by VND 12.5mn compared to 2019). Considering people as the most important asset, TVS management team designs personnel policies that promote creativity.

## Gender diversity

We believe having a gender balanced workforce brings diversity of thought which in turn leads to better decision making. As this topic gains traction, more and more research is coming out in support of women being involved in the investment process, as these investments generate a greater return and possess less of a downside risk. Women are represented at all levels of our company from the board, to the CEO, to middle management and below. We are proud that this has evolved naturally as we find the best candidate for each role independent of gender.



## Unique to TVS Meditation and Yoga

AT TVS we believe in providing a working environment that allows staff to thrive by allowing the freedom to create and encourage our staff to have an entrepreneurial mindset. As part of this mantra we believe in the importance of strong mental and physical health. We provide unique opportunities which allow our staff to push their mental ability forward through meditation and yoga classes held within our building. We also have offsite leadership workshops for mindfulness and meditation which we believe help our leaders to think outside the box and allows the team to keep a steady mind when facing challenging business scenarios. We are particularly proud of this effort to help bring out the best version of all our employees.

## Working environment

TVS offers a friendly, sociable and approachable working environment which aims to allow each employee to thrive. In addition, all staffs are fully equipped with the necessary technology to excel at their job. TVS employees work a standard work week of five days per week and are offered paid leave in accordance with the Labor Code. All these factors enable us to maintain our employees' loyalty, resulting in 70% of our staff having worked with the company for over five years.

## Salary, bonus and allowance

Salary, bonus and welfare policies are compliant with the Labor Code. Apart from the fixed base salary, we offer a yearly bonus that is based on company/department performance and personal contribution. The company grants allowances for different activities, such as lunch, telephone and training.

## Comprehensive care of workers

In addition to social insurance, health insurance and unemployment insurance, we offer additional insurance to cover accident and health care. AT TVS, employees can be provided outpatient treatment and examination at leading medical facilities in Vietnam.

In order to build a strong culture within the company, we organizes a Family Party every year, creating an opportunity for employees and families to meet, share and care about each other. These programs have been a bridge bringing people closer together.

## Continuing education

AT TVS, the senior leadership team is dedicated to training and developing human resources, newly recruited employees are trained professionally to improve their own knowledge and skills. Annually, TV'S supports core employees to attend advanced professional and managerial training courses at domestic and international organizations such as:

- Attending required legal/financial courses organized by the SSC's Training Center
- Attending training courses on auditing and information technology
- Receiving support for exams and study for the ACCA and CFA accreditation

An aerial photograph of a tropical coastline. The left side of the image shows clear, turquoise water with visible coral reefs and rocks. A narrow, sandy beach runs along the coast, bordered by a rocky shoreline. To the right of the beach is a dense, lush green forest. The text "2021 VISION" is overlaid in white, bold, serif font on the water area.

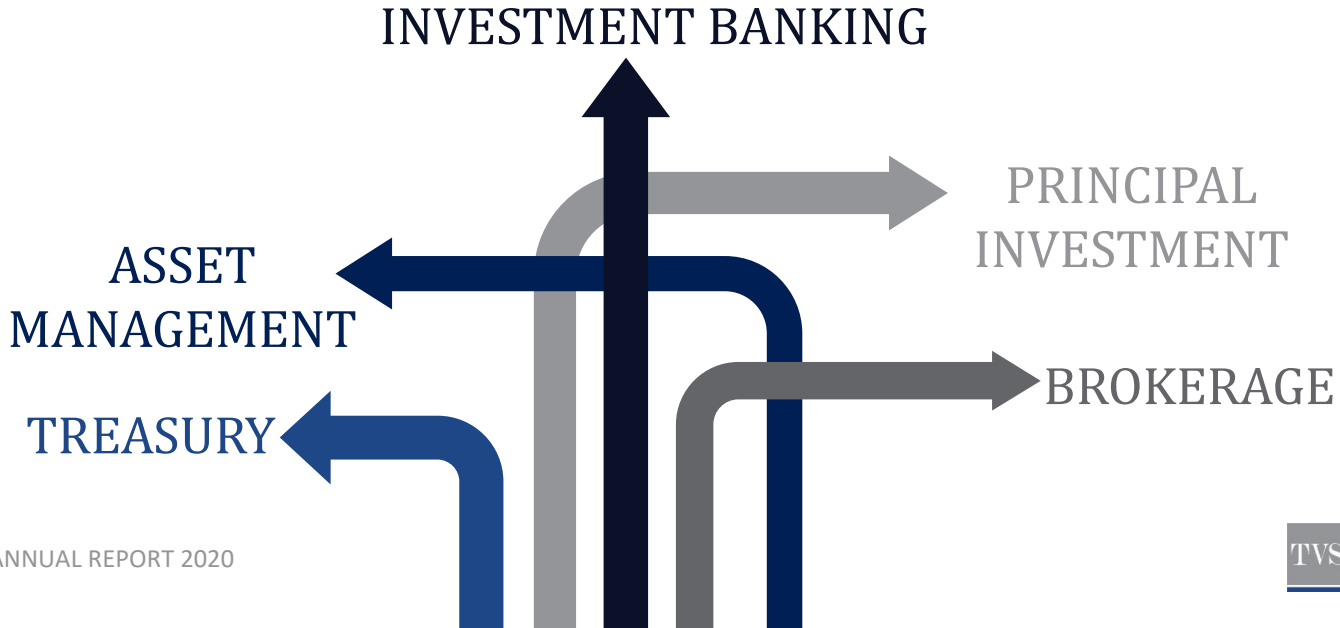
# 2021 VISION

Vietnam’s economy is expected to recover in 2021 with GDP growth of over 6% thanks to several factors. Firstly, new free trade agreements, such as the EU-Vietnam Free Trade Agreement (EVFTA) and the Regional Comprehensive Economic Partnership, are likely to bring positive benefits to key export industries such as manufacturing of electronics and textiles. In particular, as commented by the Ministry of Planning and Investment, EVFTA will help increase Vietnam’s GDP by 4.6% and increase exports to the EU by 42.7% by 2025. The amended Law on Enterprises and Investment, which simplifies administration processes and increases investment incentives, will improve the business environment and encourage domestic growth.

All of these factors have made Vietnam a popular location in Southeast Asia for businesses. The Euromonitor International M&A index report, ranked Vietnam second in terms of being the most dynamic and having the potential for M&A activity. As estimated by the Corporate Investment and Mergers & Acquisitions Center (CMAC), Vietnam’s M&A activity is expected to recover to around USD 4.5-5bn in 2021 and to the pre-COVID-19 figure of USD 7bn by 2022. Taking the economic recovery into account, TVS’s earnings are expected to grow by 20-25% in 2021.

Investment Banking is a strategic business segment to create long-term growth for TVS and indirectly contribute to profits in the Principal Investment business through private equity pipeline deals. The Board of Directors believes that with state divestments and large private company IPOs, investment banking service in Vietnam has great growth potential. With our experience, M&A reputation, selective customer profile and high deal closing rate, we believe that we are in a good position to seize further opportunities. We are also determined to grow our Asset Management business by continuing to follow our Disciplined Value Investing Approach and focusing on underpriced stocks with promising growth potential.

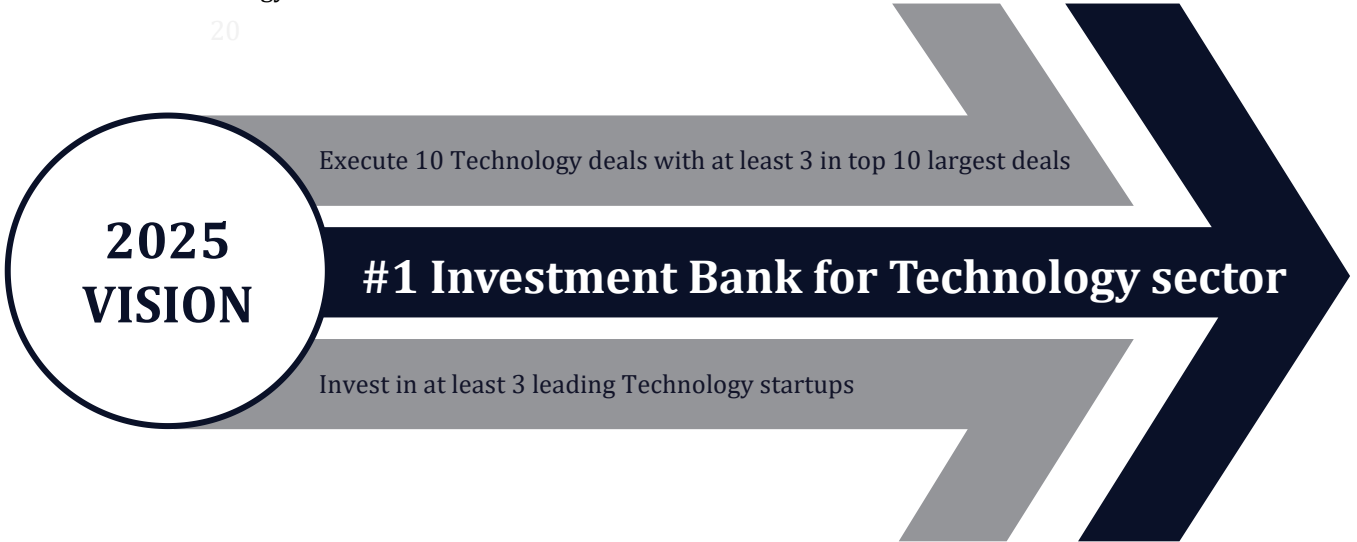
In 2021, we aimed to strengthen our Treasury business through continuous improvement in product, management and customer relationships. As for our Brokerage business, we continue to focus on adding institutional customers, both domestically and internationally and on providing derivatives trading services. To support this goal, we will improve our institutional research function, which works closely with the sales team and provides research that is in line with what our clients find valuable.



As our core business, the Investment Banking team, is determined to continually broaden and strengthen the team's capabilities.

Going into 2021, we will prioritize recruiting an additional senior member to support the Investment Banking and Venture Capital business lines. Our goal is to have each member involved in at least two successful deals. We will continue to build our team expertise in critical sectors by getting involved in more deals, organizing industry calls and participating in networking events related to those sectors. In particular, we will get involved in at least three technology-related deals and from our selected sectors. We also aim to organize nine industry calls covering a variety of markets, including Genetic Testing, Fashion, Point of Sales, Food Delivery, Wealth Tech, EdTech, Maternity Retail and Solar Energy.

# INVESTMENT BANKING



# PRINCIPAL INVESTMENT

2021 started with the Vietnamese government successfully controlling the pandemic and continuing to loosen monetary policy. The exchange rate remained stable. With a 4.5% GDP growth rate in the fourth quarter of 2020 coupled with the low 2020 GDP base, Vietnam's 2021 GDP growth of over 6% is feasible.

Going forward in 2021, our Principal Investment team will continue focusing on companies with growth potential, high dividend payments and attractive P/Es in consumer & retail, technology, banking and real estate sectors. In particular, we will focus on companies where 70% of their revenue comes from their core business. With our Disciplined Investment Approach and favorable economic conditions, it is expected that our portfolio and the funds of TVAM will grow 20% in 2021.

# TREASURY

## Forecasted Return on Equity 20% per annum

### Products

- Continue to enhance investments in fixed-income financial products;
- Develop new corporate bonds: for the purpose of increasing the diversification in investor’s portfolios, optimizing the interest rate and increasing the flexibility of the term.

### Partners

- Enhance cooperation with domestic financial institutions (Banks, capital management companies, securities companies);
- Continue to seek and expand low-interest rate loans from foreign institutions.

### Management

- Invest in bond trading management software;
- Train and develop professional personnel;
- Improve the operational process and risk management.



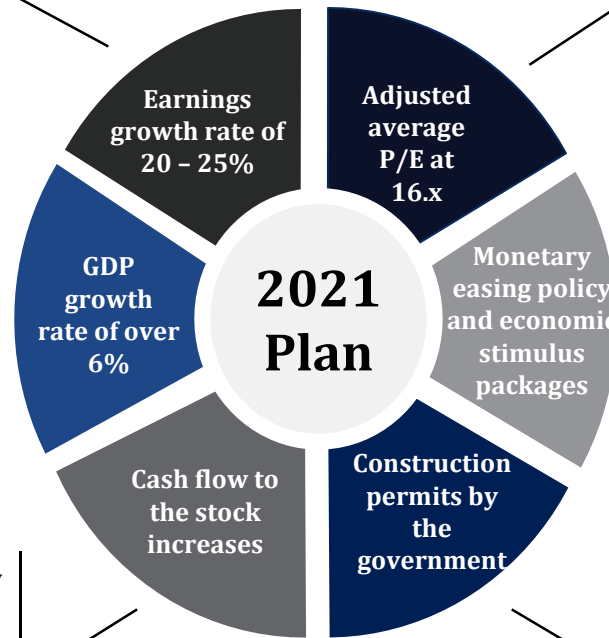
Vietnam’s interest rate is considered to be in a trough stage. Therefore, interest rates are expected to begin an upward trend from mid 2021. As a result we expect net interest margin to be squeezed.

# ASSET MANAGEMENT

Earnings growth rate is predicted to be 20 - 25% once the pandemic is controlled through vaccinations.

The economy is expected to recover in 2021 with GDP growth of over 6%. Supported by increases in FDI flows, export activities, public investment disbursement, FTAs and economic stimulus packages from the Government. Inflation and exchange rates will remain stable in 2021.

Factors that will boost cash flow to the market:  
 1) the Government's monetary easing policy,  
 2) the prospect of upgrading the market in the coming years and  
 3) return of foreign capital once the pandemic is controlled.



Vietnam stock market valuation is still quite reasonable with adjusted average P/E of 16.x, which is one of the lowest levels among Asian countries.

The global economy is being supported by monetary easing policies and economic stimulus packages. The Fed has signaled they will hold interest rates near zero until 2023.

The Government will grant construction permits and boost public investment disbursement.

## Strategy

✓ Use a value investing strategy, which focuses on stocks which are underpriced, in sectors with strong fundamentals and have potential earnings growth of more than 20%.

✓ Sectors of interest include banking, oil and gas, consumer goods, real estate and securities.

✓ Adjust the ratio of stocks and fixed income products to maximize returns for the portfolios depending on stock market volatility.

## 5-year plan

✓ Maintain the annual return of over 15%.

✓ TVGF2's investor meeting approved extending the lifespan of the Fund for two more years to January 2023.

# INSTITUTIONAL CLIENT GROUP

In 2021 we have slightly changed our strategy due to opportunities presented to us by the unique market environment. Namely we have been able to open new trading accounts as a result of trading issues within HOSE. Since 2019 we have almost tripled the amount of active accounts. As a result we have already seen a positive financial impact from the opening of these accounts.

In 2021 we plan to add to our trading team, and continue to develop our trading business. We have not lost sight of the bigger picture which is to continually develop our client relationships with the end goal of being able to serve them when Covid-19 travel restrictions ease. We still believe that the end goal for ICG will be to provide bespoke services to investors who are looking to invest into Vietnam from overseas.

This year we are focusing on making improvements to the institutional research function. Our focus will be on two broad efforts this year, strengthening the team through recruitment and secondly, through creating new products to engage our existing and potential new clients.

## RETAIL BROKERAGE

### HUMAN RESOURCES

- 1 Recruit additional staff for Sales & Trading
- 2 Recruit additional staff to support customer service

### TRAINING

- 1 Customer service
- 2 Training on derivatives market
- 3 Financial statements reporting and analyses

### TECHNOLOGY

- 1 Applications which run smoothly and are user friendly
- 2 Enhance automatic advisory services via robot
- 3 Improve reporting system



# TVS PEOPLE



# BOARD OF DIRECTORS (BOD)



**Nguyen Trung Ha**  
Chairman

Mr. Ha is one of the founders of TVS and is the Chairman of the company. With a portfolio of more than 30 local companies, he is acknowledged as a prominent strategic thinker with extensive angel investment experience in Vietnam. Prior to TVS, he was the founder of FPT in 1988, where he was the Chief Strategist for many years. He was also a founder of Asia Commercial Bank (ACB), which is now the biggest private commercial bank in Vietnam. He earned his Bachelor from University of Moscow State in Russia.



**Dinh Thi Hoa**  
Vice chairwoman

Ms. Hoa is one of the founders of TVS and is the Vice Chairwoman of the company. She also founded and now serves as the Chairwoman of the Galaxy Group, one of the most successful and largest media and entertainment groups in Vietnam. She sits on the board of Asia Commercial Bank (ACB) and makes angel investments into local startup companies. She earned her Bachelor from University of Moscow State in Russia and an MBA from Harvard Business School in the United States.



**Terrence Ting**  
Vice chairman

Mr. Terrence joined TVS in 2021 as the Vice Chairman to lead the firm's early stage tech investment efforts. He is an independent board member. Prior to TVS, he co-led the growth of the private equity investment business at Tybourne Capital in Hong Kong, and remains an Adviser to Tybourne. He also spent 11 years at Goldman Sachs in Hong Kong, leading the private equity teams and focusing on growth investments in China, Taiwan and across select markets in Southeast Asia, particularly Vietnam. Terry earned his BA and MA from Cornell University in the United States.



**Nguyen Thanh Thao**  
Board member

Ms. Thao joined TVS in 2007 as the Head of Research. She has been the CEO of TVS since 2013 and a Managing Director and Head of TVS Ho Chi Minh City office since 2008. Prior to TVS, she was a Senior Financial Analyst at Ameriquest Capital Holdings, one of the largest mortgage lenders in the US. Prior to that, she was the Legal Office Manager for Liebovitz & Do, a law firm based in California, USA. She earned her Bachelor from Moscow State University of Foreign Affairs in Russia and an MBA in California, United States.



**Phan Minh Tam**  
Board member

Mr. Tam joined TVS' Board of Director in 2010. He is an independent board member.

He is also the Chairman and CEO of Simple Tech Investment Holding Group (STI), which invests and operates multiple business across media, automobile, education, technology and human resources sectors. He was one of the founders of 24H Online Advertising JSC, which is one of the leading online advertising companies in Vietnam. He earned his Bachelor from Hanoi University of Science and Technology in Vietnam.



**Nguyen Nam Son**  
Board member

Mr. Son joined TVS's Board of Director in 2010. He is an independent board member.

Before starting Vietnam Capital Partners (his fund and boutique investment bank) in 2009, he was the Managing Director and Head of Investment Banking for Citigroup Vietnam. Prior to that, he was an investment banker for Salomon Brothers and Citigroup for 14 years, including 5 years in New York and 8 years in Hong Kong, where he was the Managing Director in the Asia Technology, Media, Telecom Group. He earned his BS from the University of Colorado and an MBA from Harvard Business School in the United States.



**Bui Thi Kim Oanh**  
Board member

Ms. Oanh joined TVS' Board of Directors in the early days and has been a member of TVS and TVAM's Investment Committee since their establishment.

She has had 20 years of experience in fund management and managed several funds such as Vietnam Equity Fund, Finansa Vietnam Fund and New Finasa Vietnam Balanced Fund. Prior to that, she worked for Bao Viet National Insurance Corporation for 8 years. She earned her Bachelor from Humbolt University in Germany and her MBA from Asian Institute of Technology in Thailand.



**Nguyen Thanh Nam**  
Board member

Mr. Nam joined TVS' Board of Directors in 2019. He is an independent board member.

He is now the Innovative Advisor to the Chairman of FPT Board and the Vice chairman of FPT Education. Prior to that, he was one of the founders of FPT and the former CEO of FPT Software. He also founded FUNiX, the first online university of Vietnam. He earned his Bachelor and PhD from University of Moscow State in Russia.



The BOD supervised the operation and management of the CEO and Executive Board through regular meetings, the Board of Supervisors and Internal Audit to ensure their management and operation under the compliance of Resolutions of the BOD and General Shareholders meetings. The CEO reported to the Board of Directors regularly, periodically or as requested by the Board of Directors (BOD) regarding investment, brokerage, principle investment, financial advisory, operating management, research, investment banking, finance, human resources and risk management of the Company.

In 2020, TVS's BOD organized 16 meetings, including one in-person meeting and 15 meetings in the form of written opinions, to discuss the following issues

- Reviewing and approving the 2020 Business Plan
- Organizing the Annual General Shareholders Meeting 2020
- Conducting independent audits on the 2019 Financial Statements and semi-annual reviewed Financial Statements in 2020
- Executing the issuance of 10 million shares for existing shareholders
- Proposing the 2019 stock dividend (8%) and bonus share (1%) to the AGM for approval
- Reviewing and approving plans for investment and borrowing in 2020
- Selecting and signing the audit contract with EY for 2020 Fiscal year
- Conducting the increase of TVAM charter capital to VND125bn
- Buying shares of Finhay VietNam
- Contributing capital to establish Galaxy Education JSC and Thien Minh Credit Rating JSC
- Enhancing management and risk control activities-

## Investment Committee

The Investment Committee decides investment and capital allocation. The Investment Committee is composed of the following members:

- Mr. Nguyen Trung Ha
- Ms. Dinh Thi Hoa
- Ms. Nguyen Thanh Thao
- Ms. Bui Thi Kim Oanh

## Risk Management

The Risk Management Committee revises the risk appetite and policy for TVS. Every six months, the Risk Management Division will send a list of important risks along with an action plan to the Risk Management Committee. The Risk Management Committee is composed of the following members:

- Mr. Nguyen Trung Ha
- Ms. Nguyen Thanh Thao

## On TVS operation

The 2020 world economy witnessed unprecedented difficulties caused by the Covid-19 pandemic. Global GDP dropped by 4.2%. Vietnam's GDP grew 2.9% in 2020, making Vietnam one of only a few economies in the world to avoid a contraction last year as many nations struggled to contain the Covid-19 pandemic. The VN-Index fell sharply from 960 points to 650 points by the end of March (-32%). However, with continuous easing policies in place, the global equities markets ended the year positively. Under these condition, TVS, through its strategy of investing in leading companies with good growth potential, has kept the portfolio efficient and stable compared to the general economy.

With ROE of 20.3%, TVS was among the top 5 best-performing medium-sized brokers. In 2020, TVS reported VND 635bn (+49% YoY) in revenue and VND 233bn (+111.1% YoY) in Profit after Tax.

- Principal Investment & Fund Management Service reported around VND 148bn profit (before allocated expenses) thanks to favorable market movement and manager's good decision making in terms of sector allocation & stock picking.
- TVAM reported 2020 Profit-after-tax of VND 9.8bn (+118% YoY). By the end of 2019, NAV of TVGF1 and TVGF2 increased 37.8% and 38.7%, respectively versus the VN-Index which returned 14.9%
- IB posted VND 10bn in revenue and VND 0.5bn in profit (before allocated expenses) as some deal transactions got delayed due to Covid-19 (offshore customers cannot conduct due diligence due to travel restriction).
- Treasury posted revenue of VND 261bn (+65% YoY), and profit (before allocated expense) of VND 155bn (+148% YoY). In addition to term deposits, deposit certificates, TVS has also been trading government bonds and bonds of financial institutions on the secondary market.
- The brokerage services & margin services posted revenue of VND 41.9bn (+27% YoY) due to a favorable market and increased volumes.

The Board of Directors appreciates the efforts of all our divisions in its business and investment activities in the face of a difficult market environment.

## On Board of Management's performance

The Board of Directors (BOD) works closely with the Supervisory Board as well as through internal audits to understand the company's operating environment. The BOD, supports the CEO and the Board of Management (BOM) to fulfill their assigned responsibilities. Based on the charter, resolution, and corporate governance's best practices, the BOD guides and delegates the BOM to decide daily business operations in line with direction of General Meeting of Shareholders. The BOD stated that the BOM in 2019 has fulfilled its executive responsibilities within the legal framework of the Law on Securities and Enterprise Law, as well as the company charter and resolutions of the General Meeting of Shareholders.

No	Board of Director' member	Number of meetings attended by Board of Directors	Attendance rate
1	Mr. Nguyen Trung Ha	16/16	100%
2	Mrs. Đinh Thi Hoa	16/16	100%
3	Mrs. Bui Thi Kim Oanh	16/16	100%
4	Mr. Phan Minh Tam	16/16	100%
5	Mrs. Nguyen Thanh Thao	16/16	100%
6	Mr. Nguyen Nam Son	16/16	100%
7	Mr. Nguyen Thanh Nam	16/16	100%

No	Resolution No/ Decision	Date	Contents
1	11032020/NQ HĐQT	11/03/2020	Approved the 2020 Annual General Meeting of Shareholders
2	13032020/NQ HĐQT	13/03/2020	Approved the new stock issuance plan
3	13032020/NQ HĐQT	13/03/2020	Approved the eligible shareholder list for remainings of public offering
4	26032020/NQ HĐQT	26/03/2020	Approved the AGM delay due to Covid-19
5	14042020/NQ HĐQT	15/04/2020	Approved Charter Capital increase to VND 901,247,000,000
6	29042020/NQ HĐQT	29/04/2020	Approved loans in USD
7	11052020/NQ HĐQT	11/05/2020	Approved the AGM time and ex-AGM date
8	05052020/NQ HĐQT	05/05/2020	Approved the contract terms with Finhay
9	26052020/NQ HĐQT	26/05/2020	Approved withdrawals of Underwriting business at HCM branch
10	09062020/NQ HĐQT	09/06/2020	Approved time, venue and document for 2020 AGM
11	24062020/NQ HĐQT	24/06/2020	Approved investment limit, loan and EY's audit contract
12	20072020/NQ HĐQT	20/07/2020	Approved buying new share issuance of TVAM
13	20072020/NQ HĐQT	20/07/2020	Approved redemption of ESOP shares
14	20072020/NQ HĐQT	20/07/2020	Approved investment of Galaxy Eduction JSC
15	03082020/NQ HĐQT	03/08/2020	Approved buying 10 million share issuance of TVAM
16	10082020/NQ HĐQT	10/08/2020	Approved investment of Thien Minh Credit Rating JSC
17	10082020/NQ HĐQT	10/08/2020	Approved investment of Finsight JSC
18	12082020/NQ HĐQT	12/08/2020	Approved interest rate derivative transaction with bank
19	24082020/NQ HĐQT	24/08/2020	Approved new stock issuance for dividend and stock bonus
20	14092020/NQ HĐQT	14/09/2020	Approved the related transaction (contract) with Thien Minh JSC
21	04112020/NQ HĐQT	04/11/2020	Approved new chartered capital and amended charter
22	20112020/NQ HĐQT	20/11/2020	Approved loans in USD
23	23112020/NQ HĐQT	23/11/2020	Approved to transfer 1.3 million treasury stock to TVAM

# SUPERVISORY BOARD

No.	Name	Position	Ownership 09/04/2020
1	Mr. Do Viet Hung	Head	0.0%
2	Ms. Tran Thi Hong Nhung	Member	0.2%
3	Ms. Dong Thi Phuong Lien	Member	0.0%

## Supervisory Board's Activities

In 2020, the Supervisory Board completed specified goals regarding the TVS Charter, internal management regulations and the operating regulations of the Supervisory Board. The SB supported the Board of Management ("BOM") of TVS in implementing business plans and related plans approved by the General Meeting of Shareholders ("GMS"). Overall, the Supervisory Board coordinated well with the BOD and the BOM without affecting or hindering TVS's business operations.

## General remarks of 2020 results

In 2020, the Supervisory Board concludes that the Board of Directors and the Board of Managers of TVS have planned and strictly implemented all resolutions of the General Meeting of Shareholders in 2020. These executions have always complied with the legal framework of the Law on Securities, the Law on Enterprises and the Company Charter. During 2020, the Supervisory Board did not detect any cases causing damage to shareholders from members of the Board of Directors or the Board of Managers.

For more than ten consecutive years, TVS has not incurred any minor or major incidents in business activities and has not been penalized or warned by the SSC for any minor or major violations in Securities law.

TVS has continuously affirmed that it is a safe and reliable listed securities company.

## Conclusion and recommendation

As mentioned above, 2020 was a record-breaking year for TVS in terms of business results. Therefore, the Supervisory Board recommends some key advice as follows

- TVS builds on the achievements of 2020 but makes sure that decisions are made with strong and clear thinking and with long-term growth in mind. TVS must keep its reputation intact and continue to be seen as a safe and reliable securities company.
- With its newly added professional staff and the success of the last year's results, TVS has the ability to expand the current core professions (Proprietary Trading, Fund Management, Treasury Trading and Investment Banking) and continue to develop other business segments that have considerable potential (Consulting, Fixed Income, Institutional Client Group and Research).
- Finally, the operating expenses of the Supervisory Board in 2021 will remain 300 (Three hundred) million which is the same as during the period of 2018-2020.

# BOARD OF MANAGEMENT



**Ms. Nguyen Thanh Thao - CEO**

Ms. Thao holds a Bachelor degree with honors in Economics from the Moscow State University of Foreign Affairs (MGIMO), Russia and an MBA from California, USA. Before being appointed as the CEO of TVS in 2013, she has been the Head of TVS’s Ho Chi Minh City office since 2008. Prior to joining TVS as a Research Manager, she was a Senior Financial Analyst at Ameriquest Capital Holdings, one of the largest mortgage lenders in the US. Previously, Thao served as the Legal Office Manager for a law firm based in California, USA.



**Mr. Le Quang Tien – Chief Accountant**

Mr. Tien holds a Bachelor of Business Administration from Hanoi National University. He has more than 20 years of experience in finance and accounting, holding leadership roles in several companies in Vietnam. Before joining TVS in 2007, he was the Chief Accountant of Hanpack Packaging and Chief Finance Officer of Vista.





## Transactions between related parties

No.	Transaction executor	Number of shares owned at the beginning of the period		Number of shares owned at the end of the period		Reasons for increase, decrease (buying, selling, converting, rewarding)
		Number of shares	Percentage	Number of shares	Percentage	
1	Nguyen Trung Ha	18,650,826	29.4%	23,454,909	29.3%	Buy/Dividends by shares/Bonus shares
		23,454,909	29.3%	26,892,625	29.8%	Right to buy stocks
2	Gian Don JSC	0	0	150,000	0.2%	Right to buy stocks
3	Nguyen Trung Thanh	75,585	0.1%	75,585	0.1%	Transfer of right to buy
4	Nguyen Nhan	145,942	0.2%	145,942	0.2%	Transfer of right to buy
5	Phan Thanh Dien	1,708,202	2.1%	1,708,202	2.1%	Transfer of right to buy
		1,752,940	1.9%	1,672,940	1.8%	Sell shares

No.	Name of organization/ individual	Relationship	Time of transactions	Number of resolutions/ decisions of the AGM/ BOM adopted	Total value of transaction	Note
1	Thien Minh Credit Rating JSC	Affiliated person	14/09/2020	14092020/ NQ-HĐQT dated 14/09/2020	VND 21bn	Signing loan contract with Thien Minh Credit Rating JSC, related party of TVS

## Remuneration

Remuneration of members of the Board of Directors and the Board of Management of the Company and subsidiaries of the current year amounted to VND7,286,838,545 (Previous year: VND5,718,220,182).

## Corporate Governance

Training courses on corporate governance were attended by members of the Board of Directors, the Board of Supervisors, Director (General Director), other managers and secretaries in accordance with regulations on corporate governance

## Non-Executive Independent Board Member operation

TVS has four independent members and one executive management member, helping the Board of Directors to make decisions objectively and independently. There are four members of the Board of Directors participating in Sub-Committees. Therefore, in addition to the general duties of the Board of Directors, these members take various role in Sub-Committee as well.

**Hanoi, 19<sup>th</sup> April 2021**  
**COMPANY'S REPRESENTATIVE**  
**Chairman**

**NGUYEN TRUNG HA**

A close-up, low-angle shot of a laptop screen displaying a financial dashboard. The screen is the central focus, showing a candlestick chart on the left and a list of market indices on the right. The text "FINANCIAL STATEMENTS" is overlaid in large, white, bold, sans-serif font across the middle of the screen. The background is softly blurred, showing a desk with a metallic figurine and a warm, ambient light source. The laptop's keyboard is visible at the bottom, and the "MacBook Pro" logo is on the bezel.

# FINANCIAL STATEMENTS

# **Thien Viet Securities Joint Stock Company**

Separate financial statements

For the year ended 31 December 2020



# Thien Viet Securities Joint Stock Company

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# Thien Viet Securities Joint Stock Company

## GENERAL INFORMATION

### THE COMPANY

Thien Viet Securities Joint Stock Company ("the Company") is incorporated under the Law on Enterprises of Vietnam pursuant to Business Registration Certificate No. 0103014996 issued by the Hanoi Department of Planning and Investment on 13 December 2006. The Company subsequently received Securities Operating License No.36/UBCK-GPHDKD issued by the State Securities Commission on 25 December 2006 and the following amended licenses:

<i>The amended Securities Operating License No.</i>	<i>Date granted</i>	<i>Amendments</i>
36/UBCK-GPHDKD	25/12/2006	First issuance
67/UBCK-GP	24/08/2007	Increase the charter capital from VND43,000,000,000 to VND86,000,000,000
92/UBCK-GPDCCTCK	05/12/2007	Increase the charter capital from VND86,000,000,000 to VND430,000,000,000
115/GPDC-UBCK	03/12/2012	Change the head office's address
38/GPDC-UBCK	27/08/2015	Increase the charter capital from VND430,000,000,000 to VND476,438,880,000
32/GPDC-UBCK	05/09/2016	Increase the charter capital from VND476,438,880,000 to VND520,005,060,000
44/GPDC-UBCK	12/12/2016	Increase the charter capital from VND520,005,060,000 to VND534,295,060,000
42/GPDC-UBCK	29/08/2017	Increase the charter capital from VND534,295,060,000 to VND578,710,410,000
67/GPDC-UBCK	29/08/2018	Increase the charter capital from VND578,710,410,000 to VND635,023,750,000
43/GPDC-UBCK	19/07/2019	Increase the charter capital from VND635,023,750,000 to VND784,247,000,000
57/GPDC-UBCK	27/09/2019	Increase the charter capital from VND784,247,000,000 to VND801,247,000,000
19/GPDC-UBCK	05/05/2020	Increase the charter capital from VND801,247,000,000 to VND901,247,000,000
77/GPDC-UBCK	27/11/2020	Increase the charter capital from VND901,247,000,000 to VND982.351.740.000

The Company's primary activities during the year are to provide brokerage service, securities trading, finance and investment advisory service, custodian service and underwriting for securities issues.

The Company has its head office located at 22 Lang Ha Street, Dong Da District, Hanoi and has one (1) branch (Ho Chi Minh City Branch) as at 31 December 2020.

### **Main features of operation of the Company**

#### *Capital*

According to the separate statement of financial position as at 31 December 2020, the Company's charter capital amounted to VND 982,351,740,000 while its owners' equity was VND 1,296,844,915,157 and its total assets were VND 3,612,272,172,814.

#### *Investment objectives*

The Company's aims are to contribute to the development of the securities market and bring benefits to its customers, investors and shareholders.

#### *Investment restrictions*

The Company complies with regulations on investment restrictions in accordance with Article 44, Circular No. 210/2012/TT-BTC dated 30 November 2012 promulgating the establishment and operation of securities companies and Circular No. 07/2016/TT-BTC dated 18 January 2016 amending and supplementing certain articles of Circular No. 210/2012/TT-BTC.

# Thien Viet Securities Joint Stock Company

## GENERAL INFORMATION (continued)

### BOARD OF DIRECTORS

Members of the Board of Directors of the Company during the year and at the date of these separate financial statements are as follows:

<i>Name</i>	<i>Title</i>	<i>Date of appointment/reappointment</i>
Mr. Nguyen Trung Ha	Chairman	Reappointed on 29 March 2019
Ms. Dinh Thi Hoa	Deputy Chairman	Reappointed on 29 March 2019
Ms. Nguyen Thanh Thao	Member	Reappointed on 29 March 2019
Mr. Nguyen Nam Son	Member	Reappointed on 29 March 2019
Ms. Bui Thi Kim Oanh	Member	Reappointed on 29 March 2019
Mr. Phan Minh Tam	Member	Appointed on 29 March 2019
Mr. Nguyen Thanh Nam	Member	Appointed on 29 March 2019

### BOARD OF SUPERVISION

Members of the Board of Supervision of the Company during the year and at the date of these separate financial statements are as follows:

<i>Name</i>	<i>Title</i>	<i>Date of appointment/reappointment</i>
Mr. Do Viet Hung	Head	Reappointed on 29 March 2019
Ms. Tran Thi Hong Nhung	Member	Reappointed on 29 March 2019
Ms. Dong Thi Phuong Lien	Member	Appointed on 23 October 2019

### GENERAL DIRECTOR

The General Director of the Company during the year and at the date of these separate financial statements is Ms. Nguyen Thanh Thao, reappointed on 8 March 2018.

### LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of these separate financial statements is Mr. Nguyen Trung Ha, the Chairman.

Ms. Nguyen Thanh Thao is authorized by Mr. Nguyen Trung Ha to sign the accompanying separate financial statements for the year ended 31 December 2020 in accordance with the Letter of Authorization No. 03-13/UQ-HDQT dated 5 April 2013.

### AUDITORS

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

# Thien Viet Securities Joint Stock Company

## REPORT OF THE GENERAL DIRECTOR

The General Director of Thien Viet Securities Joint Stock Company ("the Company") is pleased to present this report and the separate financial statements of the Company for the year ended 31 December 2020.

### THE GENERAL DIRECTOR'S RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

The General Director is responsible for the separate financial statements of each financial year which give a true and fair view of the separate financial position of the Company and of the separate results of its operation, its separate cash flows and its separate changes in owners' equity for the year. In preparing those separate financial statements, the General Director is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgments and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the separate financial statements; and
- ▶ prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

The General Director is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the separate financial position of the Company and to ensure that the accounting records comply with the applied accounting system. She is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The General Director confirmed that she has complied with the above requirements in preparing the accompanying separate financial statements for the year ended 31 December 2020.

### STATEMENT BY THE GENERAL DIRECTOR

The General Director does hereby state that, in her opinion, the accompanying separate financial statements give a true and fair view of the separate financial position of the Company as at 31 December 2020 and of the separate results of its operations, its separate cash flows and its separate changes in owners' 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 the preparation and presentation of the separate financial statements.

The Company has subsidiaries as disclosed in the separate financial statements. The Company prepared these separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company has also prepared the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2020 dated 30 March 2021.

Users of the separate financial statements should read them together with the said consolidated financial statements in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Company and its subsidiaries.



Ms. Nguyen Thanh Thao  
General Director

Hanoi, Vietnam

30 March 2021



Reference: 61343540/22074733-R

## **INDEPENDENT AUDITORS' REPORT**

**To: The Shareholders of Thien Viet Securities Joint Stock Company**

We have audited the accompanying separate financial statements of Thien Viet Securities Joint Stock Company ("the Company") as prepared on 30 March 2021 and set out on pages 6 to 63, which comprise the separate statement of financial position as at 31 December 2020, the separate income statement, the separate cash flow statement and the separate statement changes in owners' equity for the year then ended and the notes thereto.

### ***The General Director's responsibility***

The Company's General Director is responsible for the preparation and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to securities companies and statutory requirements relevant to the preparation and presentation of the separate financial statements, and for such internal control as the General Director determines is necessary to enable the preparation and presentation of the separate financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' responsibility***

Our responsibility is to express an opinion on the separate 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 separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the separate 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the General Director, as well as evaluating the overall presentation of the separate financial statements.

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




**Auditors' opinion**

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the separate financial position of the Company as at 31 December 2020, the separate results of its operations, its separate cash flows and its changes in owners' 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 the preparation and presentation of the separate financial statements.

**Ernst & Young Vietnam Limited**



  
Nguyen Phuong Nga  
Deputy General Director  
Audit Practicing Registration  
Certificate No. 0763-2019-004-1



Hoang Thi Hong Minh  
Auditor  
Audit Practicing Registration  
Certificate No. 0761-2018-004-1

Ho Chi Minh City, Vietnam

30 March 2021

# Thien Viet Securities Joint Stock Company

SEPARATE STATEMENT OF FINANCIAL POSITION  
as at 31 December 2020

B01-CTCK

Code	ITEMS	Notes	Ending balance VND	Beginning balance VND
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>3,442,905,699,664</b>	<b>2,930,275,102,398</b>
<b>110</b>	<b>I. Financial assets</b>		<b>3,439,613,486,689</b>	<b>2,929,349,204,038</b>
111	1. Cash and cash equivalents	4	125,119,269,320	15,505,156,800
111.1	1.1 Cash		125,119,269,320	15,505,156,800
111.2	1.2 Cash equivalents		-	-
112	2. Financial assets at fair value through profit and loss	6.1	589,207,486,162	492,591,467,309
113	3. Held-to-maturity investments ("HTM")	6.3	2,370,050,000,000	2,170,484,153,005
114	4. Loans	6.4	182,762,276,608	164,228,754,587
115	5. Available-for-sale financial assets ("AFS")	6.2	63,772,363,882	38,847,363,882
116	6. Provision for impairment of financial assets and mortgage assets	6.6	(2,934,808,718)	(2,934,808,718)
117	7. Receivables	7	101,225,174,899	37,077,203,024
117.1	7.1 Receivables from disposal of financial assets		8,225,159,100	212,020,000
117.2	7.2 Receivables and accruals from dividend and interest income		93,000,015,799	36,865,183,024
117.4	7.2.1 Accruals for undue dividend and interest income		93,000,015,799	36,865,183,024
118	8. Advances to suppliers	8	5,276,302,925	7,499,060,000
119	9. Receivables from services provided by the Company		5,089,813,611	6,031,774,149
122	10. Other receivables		45,608,000	19,080,000
<b>130</b>	<b>II. Other current assets</b>		<b>3,292,212,975</b>	<b>925,898,360</b>
131	1. Advances		554,500,000	4,500,000
133	2. Short-term prepaid expenses	9	2,737,712,975	921,398,360
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>169,366,473,150</b>	<b>50,816,871,979</b>
<b>210</b>	<b>I. Long-term financial assets</b>	<b>6.7</b>	<b>151,704,000,000</b>	<b>36,704,000,000</b>
212	1. Investments		151,704,000,000	36,704,000,000
212.2	1.1. Investments in subsidiary		151,704,000,000	36,704,000,000
<b>220</b>	<b>II. Fixed assets</b>		<b>1,934,698,689</b>	<b>3,861,574,265</b>
221	1. Tangible fixed assets	10	1,067,507,529	2,274,415,519
222	1.1 Cost		20,063,303,348	19,787,637,347
223a	1.2 Accumulated depreciation		(18,995,795,819)	(17,513,221,828)
227	2. Intangible fixed assets	11	867,191,160	1,587,158,746
228	2.1 Cost		12,946,036,309	12,183,276,309
229a	2.2 Accumulated amortization		(12,078,845,149)	(10,596,117,563)
<b>240</b>	<b>III. Construction in progress</b>		<b>5,283,757,600</b>	<b>255,796,481</b>
<b>250</b>	<b>IV. Other long-term assets</b>		<b>10,444,016,861</b>	<b>9,995,501,233</b>
251	1. Long-term deposits, collaterals and pledges	12	1,117,693,000	1,112,843,000
252	2. Long-term prepaid expenses	9	1,313,794,844	1,428,067,443
253	3. Deferred income tax assets	13	2,136,564,460	2,136,564,460
254	4. Deposits to Settlement Assistance Fund	14	5,875,964,557	5,318,026,330
<b>270</b>	<b>TOTAL ASSETS</b>		<b>3,612,272,172,814</b>	<b>2,981,091,974,377</b>

# Thien Viet Securities Joint Stock Company

SEPARATE STATEMENT OF FINANCIAL POSITION (continued)  
as at 31 December 2020

B01-CTCK

Code	ITEMS	Notes	Ending balance VND	Beginning balance VND
<b>300</b>	<b>C. LIABILITIES</b>		<b>2,315,427,257,657</b>	<b>2,002,519,022,918</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>2,270,832,679,898</b>	<b>1,997,210,070,455</b>
311	1. Short-term borrowings and financial leases		2,198,610,902,000	1,956,448,000,000
312	1.1 Short-term borrowings	17	2,198,610,902,000	1,956,448,000,000
318	2. Payables for securities trading activities	15	503,464,728	322,867,974
320	3. Short-term trade payables	16	17,341,473,238	1,302,878,217
321	4. Short-term advances from customers		12,000,000	12,000,000
322	5. Statutory obligations	18	24,723,074,666	18,073,286,640
323	6. Payables to employees		13,379,186,545	6,626,369,196
325	7. Short-term accrued expenses	19	9,065,804,423	12,037,326,634
329	8. Other liabilities	20	1,697,557,473	1,677,680,351
331	9. Bonus and welfare fund	21	5,499,216,825	709,661,443
<b>340</b>	<b>II. Non-current liabilities</b>		<b>44,594,577,759</b>	<b>5,308,952,463</b>
341	1. Long-term borrowings and financial leases		20,000,000,000	-
342	1.1 Long-term borrowings	17	20,000,000,000	-
356	2. Deferred income tax payable	13	24,594,577,759	5,308,952,463
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>1,296,844,915,157</b>	<b>978,572,951,459</b>
<b>410</b>	<b>I. Owners' equity</b>		<b>1,296,844,915,157</b>	<b>978,572,951,459</b>
411	1. Share capital		982,462,781,300	810,367,431,300
411.1	1.1 Capital contribution		982,351,740,000	801,247,000,000
411.1a	1.1.1 Ordinary shares		982,351,740,000	801,247,000,000
411.2	1.2 Share premium		111,041,300	9,120,431,300
411.5	1.3 Treasury shares		-	-
414	2. Charter capital supplementary reserve		16,354,350,882	5,201,274,928
415	3. Operational risk and financial reserve		53,173,617,882	42,020,541,928
417	4. Undistributed profit	22.2	244,854,165,093	120,983,703,303
417.1	4.1. Realized profit		146,657,461,600	99,747,893,456
417.2	4.2. Unrealized profit		98,196,703,493	21,235,809,847
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>3,612,272,172,814</b>	<b>2,981,091,974,377</b>

# Thien Viet Securities Joint Stock Company

SEPARATE STATEMENT OF FINANCIAL POSITION (continued)  
as at 31 December 2020

B01-CTCK

## SEPARATE OFF-BALANCE SHEET ITEMS

Code	ITEMS	Notes	Ending balance VND	Beginning balance VND
	<b>A. ASSETS OF THE COMPANY AND ASSETS MANAGED UNDER AGREEMENTS</b>			
004	1. Bad debts written off	23.1	38,032,022,388	38,032,022,388
005	2. Foreign currencies	23.2	1,895,748,419	2,503,439,765
006	3. Outstanding shares (*)	23.3	98,235,174	80,124,700
008	4. Financial assets listed/registered for trading at Vietnam Securities Depository ("VSD") of the Company	23.4	180,534,450,000	175,791,220,000
009	5. Non-traded financial assets deposited at VSD of the Company	23.5	1,560,000	1,470,000
010	6. Awaiting financial assets of the Company	23.6	2,275,000,000	563,900,000
012	7. Financial assets which have not been deposited at VSD of the Company	23.7	91,542,363,882	190,754,750,000

(\*) Balances of these accounts represent the quantity of securities.

# Thien Viet Securities Joint Stock Company

SEPARATE STATEMENT OF FINANCIAL POSITION (continued)  
as at 31 December 2020

B01-CTCK

## SEPARATE OFF-BALANCE SHEET ITEMS (continued)

Code	ITEMS	Notes	Ending balance VND	Beginning balance VND
	<b>B. ASSETS AND PAYABLES UNDER AGREEMENTS WITH INVESTORS</b>			
021	1. Financial assets listed/registered at VSD of investors	23.8	1,242,210,310,000	1,119,933,770,000
021.1	a. <i>Unrestricted financial assets</i>		1,134,172,740,000	1,033,658,380,000
021.2	b. <i>Restricted financial assets</i>		7,599,140,000	2,575,990,000
021.3	c. <i>Mortgage financial assets</i>		79,200,000,000	79,200,000,000
021.5	d. <i>Financial assets awaiting for settlement</i>		21,238,430,000	4,499,400,000
022	2. Non-traded financial assets deposited at VSD of investors	23.9	8,368,420,000	8,488,190,000
022.1	a. <i>Unrestricted and non-traded financial assets deposited at VSD</i>		8,368,420,000	8,488,190,000
023	3. Awaiting financial assets of investors	23.10	21,444,800,000	3,224,100,000
025	4. Entitled financial assets of investors	23.11	803,830,000	661,310,000

# Thien Viet Securities Joint Stock Company

SEPARATE STATEMENT OF FINANCIAL POSITION (continued)  
as at 31 December 2020

B01-CTCK

## SEPARATE OFF-BALANCE SHEET ITEMS (continued)

Code	ITEMS	Notes	Ending balance VND	Beginning balance VND
	<b>B. ASSETS AND PAYABLES UNDER AGREEMENTS WITH INVESTORS (continued)</b>			
026	5. Investors' deposits	23.12	161,351,884,867	63,167,204,628
027	5.1 Investors' deposits for securities trading activities		161,343,116,615	63,158,058,860
029	5.2 Investors' deposits for clearing and settlement securities transactions		8,768,252	9,145,768
029.1	a. Domestic investors' deposits for clearing and settlement securities transactions		8,731,620	8,911,449
029.2	b. Foreign investors' deposits for clearing and settlement securities transactions		36,632	234,319
031	6. Payables to investors - investors' deposits for securities trading activities managed by the Company	23.13	161,351,884,867	63,167,204,628
031.1	6.1 Payables to investors - domestic investors' deposits for securities trading activities managed by the Company		161,042,390,056	62,423,988,031
031.2	6.2 Payables to investors - foreign investors' deposits for securities trading activities managed by the Company		309,494,811	743,216,597
035	7. Dividend, bond principal and interest payables	23.14	1,641,438,595	1,661,928,385



Ms. Hoang Khanh Ly  
Preparer



Mr. Le Quang Tien  
Chief Accountant



Ms. Nguyễn Thanh Thảo  
General Director

Hanoi, Vietnam

30 March 2021

# Thien Viet Securities Joint Stock Company

SEPARATE INCOME STATEMENT  
for the year ended 31 December 2020

B02-CTCK

Code	ITEMS	Notes	Current year VND	Previous year VND
	<b>I. OPERATING INCOME</b>			
01	1. Gain from financial assets at fair value through profit or loss (FVTPL)		429,805,941,913	219,074,946,808
01.1	1.1 Gain from disposal of financial assets at FVTPL	24.1	213,182,430,064	107,138,281,357
01.2	1.2 Gain from revaluation of financial assets at FVTPL	24.2	207,132,337,032	98,795,300,781
01.3	1.3 Dividend, interest income from financial assets at FVTPL	24.3	9,491,174,817	13,141,364,670
02	2. Gain from held-to-maturity (HTM) investments	24.3	133,446,176,413	132,775,025,491
03	3. Gain from loans and receivables	24.3	21,381,736,309	24,138,492,582
06	4. Revenue from brokerage services		19,794,305,583	8,438,200,861
09	5. Revenue from securities custodian services		683,245,178	468,696,483
10	6. Revenue from financial advisory services		10,204,090,909	29,444,037,909
11	7. Other revenue		-	71,581,818
<b>20</b>	<b>Total operating revenue</b>		<b>615,315,496,305</b>	<b>414,410,981,952</b>
	<b>II. OPERATING EXPENSES</b>			
21	1. Loss from financial assets at FVTPL		(146,025,702,504)	(118,287,361,152)
21.1	1.1 Loss from disposal of financial assets at FVTPL	24.1	(34,720,226,472)	(40,556,013,183)
21.2	1.2. Loss from revaluation of financial assets at FVTPL	24.2	(111,080,110,583)	(77,591,910,936)
21.3	1.3. Transaction costs for acquisition of financial assets at FVTPL		(225,365,449)	(139,437,033)
24	2. Provision expenses for diminution in value and impairment of financial assets, doubtful debts and borrowing costs of loans	25	(15,137,897,762)	(16,383,493,831)
26	3. Expenses for proprietary trading activities	26	(23,966,009,713)	(7,000,478,680)
27	4. Expenses for brokerage services	27	(17,926,386,451)	(14,342,413,261)
30	6. Expenses for securities custodian services		(434,703,241)	(470,648,677)
31	7. Expenses for advisory services	28	(14,471,569,430)	(6,342,939,871)
32	8. Expenses for other operating activities		(53,393,203)	(54,444,818)
<b>40</b>	<b>Total operating expenses</b>		<b>(218,015,662,304)</b>	<b>(162,881,780,290)</b>
	<b>III. FINANCE INCOME</b>			
41	1. Realized and unrealized gain from changes in foreign exchange rates		7,233,519	10,359,609
42	2. Dividend and interest income from demand deposits		4,309,530,311	1,023,342,966
<b>50</b>	<b>Total finance income</b>	<b>29</b>	<b>4,316,763,830</b>	<b>1,033,702,575</b>



# Thien Viet Securities Joint Stock Company

SEPARATE INCOME STATEMENT (continued)  
for the year ended 31 December 2020

B02-CTCK

Code	ITEMS	Notes	Current year VND	Previous year VND
	<b>IV. FINANCE EXPENSES</b>			
51	1. Realized and unrealized loss from changes in foreign exchange rates		(10,580,955)	(13,787,081)
52	2. Borrowing costs		(103,832,448,996)	(95,133,873,882)
<b>60</b>	<b>Total finance expenses</b>	<b>30</b>	<b>(103,843,029,951)</b>	<b>(95,147,660,963)</b>
<b>62</b>	<b>V. GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>31</b>	<b>(21,700,076,955)</b>	<b>(17,896,474,944)</b>
<b>70</b>	<b>VI. OPERATING PROFIT</b>		<b>276,073,490,925</b>	<b>139,518,768,330</b>
	<b>VII. OTHER INCOME AND EXPENSES</b>			
71	1. Other income		15,121	1,395,005
72	2. Other expenses		(328,779)	(3,112,434)
<b>80</b>	<b>Total other operating profit</b>	<b>32</b>	<b>(313,658)</b>	<b>(1,717,429)</b>
<b>90</b>	<b>VIII. PROFIT BEFORE TAX</b>		<b>276,073,177,267</b>	<b>139,517,050,901</b>
91	1. Realized profit		179,826,658,325	118,313,661,056
92	2. Unrealized profit		96,246,518,942	21,203,389,845
<b>100</b>	<b>IX. CORPORATE INCOME TAX (CIT) EXPENSES</b>	<b>33</b>	<b>(53,011,658,187)</b>	<b>(26,763,231,382)</b>
100.1	1. Current CIT expenses	33.2	(33,726,032,891)	(22,522,553,412)
100.2	2. Deferred CIT expenses	33.3	(19,285,625,296)	(4,240,677,970)
<b>200</b>	<b>X. PROFIT AFTER TAX</b>		<b>223,061,519,080</b>	<b>112,753,819,519</b>
<b>400</b>	<b>TOTAL COMPREHENSIVE INCOME</b>		<b>223,061,519,080</b>	<b>112,753,819,519</b>



Ms. Hoang Khanh Ly  
Preparer



Mr. Le Quang Tien  
Chief Accountant



Ms. Nguyen Thanh Thao  
General Director

Hanoi, Vietnam

30 March 2021

# Thien Viet Securities Joint Stock Company

SEPARATE CASH FLOW STATEMENT  
for the year ended 31 December 2020

B03b-CTCK

Code	ITEMS	Notes	Current year VND	Previous year VND
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>	<b>1. Profit before tax</b>		<b>276,073,177,267</b>	<b>139,517,050,901</b>
<b>02</b>	<b>2. Adjustments for</b>		<b>27,161,593,105</b>	<b>61,382,196,168</b>
03	- Depreciation and amortization expenses	10,11	2,965,301,577	2,723,905,310
06	- Interest expenses	30	103,832,448,996	95,133,873,882
08	- Accrued interest income		(79,636,157,468)	(36,475,583,024)
<b>10</b>	<b>3. Increase in non-monetary expenses</b>		<b>111,080,110,583</b>	<b>77,591,910,936</b>
11	- Loss from revaluation of financial assets at FVTPL	24.2	111,080,110,583	77,591,910,936
<b>18</b>	<b>4. Decrease in non-monetary income</b>		<b>(207,132,337,032)</b>	<b>(98,795,300,781)</b>
19	- Gain from revaluation of financial assets at FVTPL	24.2	(207,132,337,032)	(98,795,300,781)
<b>30</b>	<b>5. Operating losses before changes in working capital</b>		<b>(338,633,240,793)</b>	<b>(465,797,107,639)</b>
31	- Increase in financial assets at FVTPL		(563,792,404)	(103,822,861,123)
32	- Increase in HTM investments		(199,565,846,995)	(301,763,571,241)
33	- (Increase)/decrease in loans		(18,533,522,021)	9,824,710,570
34	- Increase in AFS		(24,925,000,000)	(8,000,000,000)
35	- (Increase)/decrease in receivables from sale of financial assets		(8,013,139,100)	16,260,810,000
36	- Decrease in receivables of dividend and accrued interests of financial assets		23,501,324,693	86,635,302,487
37	- Decrease/(increase) in receivables from services provided by the Company		941,960,538	(5,831,051,995)
39	- Decrease/(increase) in other receivables		2,196,229,075	(7,348,565,701)
40	- Increase in other assets		(1,107,938,227)	(600,573,972)
41	- Decrease in accrued expenses (excluding interest expenses)		-	(120,000,000)
42	- Increase in prepaid expenses		(1,702,042,016)	(767,339,006)
43	- Corporate income tax paid	18	(29,224,264,132)	(43,489,141,016)
44	- Interest expenses paid		(106,803,971,207)	(96,625,286,372)
45	- Increase/(decrease) in trade payables		16,038,595,021	(439,281,899)
47	- Increase in taxes and statutory obligation payables (excluding CIT paid)		2,148,019,267	125,448,685
48	- Increase/(decrease) in payables to employees		6,752,817,349	(1,349,537,702)
50	- Increase in other payables		232,179,366	142,979,646
52	- Other payments for operating activities		(4,850,000)	(8,629,149,000)
<b>60</b>	<b>Net cash used in operating activities</b>		<b>(131,450,696,870)</b>	<b>(286,101,250,415)</b>

# Thien Viet Securities Joint Stock Company

SEPARATE CASH FLOW STATEMENT (continued)  
for the year ended 31 December 2020

B03b-CTCK

Code	ITEMS	Notes	Current year VND	Previous year VND
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
61	Purchase and construction of fixed assets, investment properties and other long-term assets		(6,066,387,120)	(527,446,481)
63	Cash payments for investments in subsidiaries, joint ventures, associates and other investments		(115,000,000,000)	-
<b>70</b>	<b>Net cash flows used in investing activities</b>		<b>(121,066,387,120)</b>	<b>(527,446,481)</b>
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
71	Cash receipt from issuance of bonds, capital contributed from shareholders		100,000,000,000	21,811,500,000
73	Drawdown of borrowings		12,165,309,147,000	11,403,125,929,364
73.2	- Other borrowings		12,165,309,147,000	11,403,125,929,364
74	Repayment of borrowings		(11,903,146,245,000)	(11,168,702,929,364)
74.3	- Other repayment of borrowings		(11,903,146,245,000)	(11,168,702,929,364)
76	Dividends, profit paid to shareholders		(31,705,490)	(31,626,417,350)
<b>80</b>	<b>Net cash from financing activities</b>		<b>362,131,196,510</b>	<b>224,608,082,650</b>
<b>90</b>	<b>NET CASH DURING THE YEAR</b>		<b>109,614,112,520</b>	<b>(62,020,614,246)</b>
<b>101</b>	<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>4</b>	<b>15,505,156,800</b>	<b>77,525,771,046</b>
101.1	Cash		15,505,156,800	68,025,771,046
101.2	Cash equivalents		-	9,500,000,000
<b>103</b>	<b>CASH AND CASH EQUIVALENT AT THE END OF THE YEAR</b>	<b>4</b>	<b>125,119,269,320</b>	<b>15,505,156,800</b>
103.1	Cash		125,119,269,320	15,505,156,800

# Thien Viet Securities Joint Stock Company

SEPARATE CASH FLOW STATEMENT (continued)  
for the year ended 31 December 2020

B03b-CTCK

## CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF THE CUSTOMERS

Code	ITEMS	Notes	Current year VND	Previous year VND
	<b>I. Cash flows from brokerage and trust activities of the customers</b>			
01	1. Cash receipts from sale of brokerage securities of customers		1,100,482,046,400	951,174,333,350
02	2. Cash payments for acquisition of brokerage securities of customers		(1,016,903,661,300)	(699,367,299,100)
07	3. Cash receipts for settlement of securities transactions of customers		5,155,427,942,885	1,316,698,598,356
08	4. Cash payments for settlement of securities transactions of customers		(5,155,037,539,017)	(1,699,885,939,638)
11	5. Cash payments for custodian fees of customers		(465,655,499)	(442,547,780)
14	6. Cash receipts from securities issuers		54,342,734,770	60,260,264,134
15	7. Cash payments to securities issuers		(39,661,188,000)	(2,644,118,200)
20	<b>(Decrease)/increase in cash during the year</b>		<b>98,184,680,239</b>	<b>(74,206,708,878)</b>
30	<b>II. Cash and cash equivalents of the customers at the beginning of the year</b>	23.12	<b>63,167,204,628</b>	<b>137,373,913,506</b>
31	Cash at banks at the beginning of the year:		63,167,204,628	137,373,913,506
32	- Investors' deposits managed by the Company for securities trading activities		63,158,058,860	137,363,335,613
34	- Deposits for clearing and settlement of securities transaction		9,145,768	10,577,893
40	<b>III. Cash and cash equivalents of the customers at the end of the year</b>	23.12	<b>161,351,884,867</b>	<b>63,167,204,628</b>
41	Cash at banks at the end of the year:		161,351,884,867	63,167,204,628
42	- Investors' deposits managed by the Company for securities trading activities		161,343,116,615	63,158,058,860
44	- Deposits for clearing and settlement of securities transaction		8,768,252	9,145,768

Ms. Hoang Khanh Ly  
Preparer

Mr. Le Quang Tien  
Chief Accountant



Ms. Nguyen Thanh Thao  
General Director

Hanoi, Vietnam

30 March 2021

# Thien Viet Securities Joint Stock Company

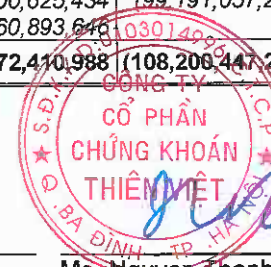
SEPARATE STATEMENT OF CHANGES IN OWNERS' EQUITY  
for the year ended 31 December 2020

B04-CTCK

ITEMS	Note	Beginning balance		Increase/(decrease)				Ending balance	
		01/01/2019 VND	01/01/2020 VND	Previous year		Current year		31/12/2019 VND	31/12/2020 VND
				Increase VND	Decrease VND	Increase VND	Decrease VND		
<b>I. CHANGES IN OWNERS' EQUITY</b>									
1. Share capital	22.3	636,300,714,300	810,367,431,300	175,190,948,882	(1,124,231,882)	181,104,740,000	(9,009,390,000)	810,367,431,300	982,462,781,300
1.1 Ordinary share		635,023,750,000	801,247,000,000	166,223,250,000	-	181,104,740,000	-	801,247,000,000	982,351,740,000
1.2 Share premium		14,120,765,418	9,120,431,300	8,967,698,882	(13,968,033,000)	-	(9,009,390,000)	9,120,431,300	111,041,300
1.3 Treasury share		(12,843,801,118)	-	-	12,843,801,118	-	-	-	-
2. Charter capital supplementary reserve	22.3	8,665,556,546	5,201,274,928	4,789,555,382	(8,253,837,000)	11,153,075,954	-	5,201,274,928	16,354,350,882
3. Operational risk and financial reserve	22.3	37,230,986,546	42,020,541,928	4,789,555,382	-	11,153,075,954	-	42,020,541,928	53,173,617,882
4. Undistributed profit	22.2	187,212,274,876	120,983,703,303	112,753,819,519	(178,982,391,092)	223,061,519,080	(99,191,057,290)	120,983,703,303	244,854,165,093
- Realized profit		182,939,176,904	99,747,893,456	95,791,107,644	(178,982,391,092)	146,100,625,434	(99,191,057,290)	99,747,893,456	146,657,461,600
- Unrealized profit		4,273,097,972	21,235,809,847	16,962,711,875	-	76,960,893,646	-	21,235,809,847	98,196,703,493
<b>TOTAL</b>	<b>22.3</b>	<b>869,409,532,268</b>	<b>978,572,951,459</b>	<b>297,523,879,165</b>	<b>(188,360,459,974)</b>	<b>426,472,410,988</b>	<b>(108,206,447,290)</b>	<b>978,572,951,459</b>	<b>1,296,844,915,157</b>

Ms. Hoang Khanh Ly  
Preparer

Mr. Le Quang Tien  
Chief Accountant



Ms. Nguyen Thanh Thao  
General Director

Hanoi, Vietnam

30 March 2021

# Thien Viet Securities Joint Stock Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
as at 31 December 2020 and for the year then ended

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## 1. CORPORATE INFORMATION

Thien Viet Securities Joint Stock Company ("the Company") is incorporated under the Law on Enterprises of Vietnam pursuant to Business Registration Certificate No. 0103014996 issued by the Hanoi Department of Planning and Investment on 13 December 2006. The Company subsequently received Securities Operating License No. 36/UBCK-GPHDKD issued by State Securities Commission on 25 December 2006 and the following amended licenses:

### *The amended Securities*

<i>Operating License No.</i>	<i>Date granted</i>	<i>Amendments</i>
36/UBCK-GPHDKD	25/12/2006	First issuance
67/UBCK-GP	24/08/2007	Increase the charter capital from VND43,000,000,000 to VND86,000,000,000
92/UBCK-GPDCCTCK	05/12/2007	Increase the charter capital from VND86,000,000,000 to VND430,000,000,000
115/GPDC-UBCK	03/12/2012	Change the head office's address
38/GPDC-UBCK	27/08/2015	Increase the charter capital from VND430,000,000,000 to VND476,438,880,000
32/GPDC-UBCK	05/09/2016	Increase the charter capital from VND476,438,880,000 to VND520,005,060,000
44/GPDC-UBCK	12/12/2016	Increase the charter capital from VND520,005,060,000 to VND534,295,060,000
42/GPDC-UBCK	29/08/2017	Increase the charter capital from VND534,295,060,000 to VND578,710,410,000
67/GPDC-UBCK	29/08/2018	Increase the charter capital from VND578,710,410,000 to VND635,023,750,000
43/GPDC-UBCK	19/07/2019	Increase the charter capital from VND635,023,750,000 to VND784,247,000,000
57/GPDC-UBCK	27/09/2019	Increase the charter capital from VND784,247,000,000 to VND801,247,000,000
19/GPDC-UBCK	05/05/2020	Increase the charter capital from VND801,247,000,000 to VND901,247,000,000
77/GPDC-UBCK	27/11/2020	Increase the charter capital from VND901,247,000,000 to VND982,351,740,000

The Company's primary activities during the year are to provide brokerage service, securities trading, finance and investment advisory service, custodian service and underwriting for securities issues.

The Company has its head office located at 22 Lang Ha Street, Dong Da District, Hanoi and has one (1) branch (Ho Chi Minh City Branch) as at 31 December 2020.

The Company has 56 employees as at 31 December 2020 (31 December 2019: 51 employees).

### **Main features of operation of the Company**

#### *Capital*

According to the separate statement of financial position as at 31 December 2020, the Company's charter capital amounted to VND982,351,740,000 while its owners' equity was VND1,296,844,915,157 and its total assets were VND3,612,272,172,814.

#### *Investment objectives*

The Company's aims are to contribute to the development of the securities market and bring benefits to its customers, investors and shareholders.

# Thien Viet Securities Joint Stock Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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## 1. CORPORATE INFORMATION (continued)

### *Investment restrictions*

The Company is required to comply with Article 44 under Circular No. 210/2012/TT-BTC dated 30 November 2012 providing guidance on establishment and operation of securities companies, Circular No. 07/2016/TT-BTC dated 18 January 2016 amended some articles on Circular No. 210/2012/TT-BTC and other applicable regulations on investment restrictions. The current applicable practices on investment restrictions are as follows:

- ▶ Securities company is not allowed to invest, contribute capital to invest in real-estate investment except for the purpose of use for head office, branches, and transaction offices directly serving professional business activities of the securities company.
- ▶ Securities company may invest in real-estate investment and fixed assets on the principle that the carrying value of the fixed assets and real-estate investment should not exceed fifty percent (50%) of the total value of assets of the securities company.
- ▶ Securities company is not allowed to use more than seventy percent (70%) of its charter capital to invest in corporate bonds. Securities company, licensed to engage in self-trading activity, is allowed to trade listed bonds in accordance with relevant provision on trading Government bonds.
- ▶ Securities company must not by itself, or authorize another organization 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 lots at the request of customers; Make joint investment with an affiliated person of five percent (5%) or more in the charter capital of another securities company; Invest more than twenty percent (20%) in the total currently circulating shares or fund certificates of a listing organization; Invest more than fifteen percent (15%) in the total currently circulating shares or fund certificates of an unlisted organization, this provision shall not apply to member fund certificates; Invest or contribute capital of more than fifteen percent (15%) in the total paid-up capital of a limited liability company or of a business project; Invest more than fifteen percent (15%) of its equity in a single organization or of a business project; Invest more than seventy percent (70%) of its total equity in shares, capital contribution and a business project, specifically invest more than twenty percent (20%) of its total equity in unlisted shares, capital contribution and a business project.

### **Subsidiary**

At 31 December 2020, the Company has 2 subsidiaries as follow:

<u>Subsidiary</u>	<u>Address</u>	<u>Main activity</u>	<u>% ownership</u>
Thien Viet Asset Management Joint Stock Company	Floor 9, Bitexco Nam Long Tower, 63A Vo Van Tan Street, Ward 6, District 3, Ho Chi Minh City, Vietnam.	Asset management	99.84%
Finsight Joint Stock Company(*)	Floor 7, Bitexco Nam Long Tower, 63A Vo Van Tan Street, Ward 6, District 3, Ho Chi Minh City, Vietnam.	Investment Advisory	99.72%

(\*) As at 31 December 2020, the Company holds directly 14.99% and indirectly 84.73% shares and voting rights of Finsight through TVAM.

# Thien Viet Securities Joint Stock Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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## 2. BASIS OF PREPARATION

### 2.1. *Applied accounting standards and system*

The separate financial statements of the Company expressed in Vietnam dong ("VND") are prepared in accordance with Vietnamese Enterprise Accounting System, the accounting regulation and guidance applicable to securities companies as set out in Circular No. 210/2014/TT-BTC dated 30 December 2014, Circular No. 334/2016/TT-BTC dated 27 December 2016 amending, supplementing and replacing Appendices No. 02 and No. 04 of Circular No. 210/2014/TT-BTC, Circular No. 146/2014/TT-BTC dated 6 October 2014 providing guidance on financial regime applicable to securities companies and asset management companies and 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).

Accordingly, the accompanying separate financial statements, including their utilisation 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 separate statement of financial position, the separate income statement, the separate cash flow statement and the separate statement of changes in owners' equity in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

### 2.2 *Applied accounting documentation system*

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

### 2.3 *Fiscal year*

The Company's fiscal year applicable for the preparation of its separate financial statements starts on 1 January and ends on 31 December.

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

### 2.4 *Purpose of separate financial statements*

The Company has two subsidiaries<sup>1</sup> as presented at *Note 1*. The Company has prepared these separate financial statements in accordance with requirements of financial reporting disclosure, particularly Circular No. 155/2015/TT-BTC - Guidance on information disclosure in the stock market. According to this regulation, the Company has prepared the consolidated financial statements for the year ended 31 December 2020 on 30 March 2021.



# Thien Viet Securities Joint Stock Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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## 2. BASIS OF PREPARATION (continued)

### 2.4 *Purpose of separate financial statements* (continued)

The users of the separate financial statements should read these separate financial statements together with the said consolidated financial statements in order to obtain full information on the consolidated financial position, the consolidated results of their operations, the consolidated cash flows and the consolidated changes in owners' equity of the Company and its subsidiary.

### 2.5 *Accounting currency*

The separate financial statements are prepared in Vietnam dong ("VND") which is also the Company's accounting currency.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.1 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash at banks and short-term, highly liquid investments with an original maturity 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 separate off-balance sheet.

### 3.2 *Financial assets at fair value through profit and loss (FVTPL)*

Financial assets recognized at fair value through profit and loss 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 derivative that is a financial guarantee contract or effective hedging instrument).
- b) Upon initial recognition, a financial asset is designated by the entity as at fair value through profit and loss as it meets one of the following criteria:
  - ▶ The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the asset or recognising gains or losses on a different basis; or
  - ▶ The assets and liabilities are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

Financial assets at FVTPL are initially recognized at cost (acquisition cost of the assets 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 previous year is recognized into the separate 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 previous year is recognized into the separate 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 separate income statement.

# Thien Viet Securities Joint Stock Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.3 *Held-to-maturity investments (HTM)*

Held-to-maturity investments are non-derivative financial assets with determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity other than:

- a) Those that the entity upon initial recognition designates as at fair value through profit or loss;
- b) Those that the entity designates as available for sale; and
- c) Those meet the definition of loans and receivables.

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

Amortized cost of HTM financial investments is the amount at which the financial asset is measured at initial recognition minus (-) principal repayments, plus (+) or minus (-) the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, 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 an assessment of impairment at the separate financial statement 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 difficulty, 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 recognized in the separate income statement under "Provision expense for diminution in value and impairment of financial assets and doubtful receivables, and borrowing costs of loans".

# Thien Viet Securities Joint Stock Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.4 Loans

Loans are non-derivative financial assets with fixed or identifiable payments and not listed on the market, with the exceptions of:

- a) The amounts the entity has the intent to immediately sell or will sell in a near future which are classified as assets held for trading, and like those which, upon initial recognition, the entity categorized as such recognized at fair value through separate profit or loss statements;
- b) The amounts categorized by the entity as available for sale upon initial recognition; or
- c) The amounts whose holders cannot recover most of the initial investment value not due to credit quality impairment and which are categorized as available for sale.

Loans are recognized initially at cost. After initial recognition, held-to-maturity financial investments are subsequently measured at amortized cost using the effective interest rate ("EIR").

Amortized cost of loans is the amount at which the financial asset is measured at initial recognition minus (-) principal repayments, plus (+) or minus (-) the cumulative amortisation using the effective interest 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 an assessment of impairment at the separate financial statement date. Provision is made for loan based on its estimated loss which is determined by the negative difference between the market value of securities used as collaterals for such loan and the loan balance. Any increase/decrease in the balance of provision is recognized in the separate income statement under "Provision expense for diminution in value and impairment of financial assets and doubtful debts and borrowing costs of loans".

### 3.5 Available-for-sale financial assets (AFS)

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as:

- a) Loans and receivables;
- b) Held-to-maturity investments; or
- c) Financial assets at fair value through profit or loss.

Available-for-sale financial assets are recognized initially at cost plus (+) transaction costs which are directly attributable to the purchase of the financial assets. After initial recognition, available-for-sale financial assets are subsequently measured at fair value, except for equity investments that are not quoted in the active market and investments whose value can not be determined reliably, these instruments shall be recognized at cost.

Difference arising from the revaluation of AFS in comparison with previous year is recognized under "Gain/(loss) from revaluation of AFS financial assets" in "Other comprehensive income after tax" which is a part of the separate income statement.

As at the separate financial statement date, the Company assessed whether there is any objective evidence that an AFS is impaired. Any increase/decrease in the balance of provision is recognized in the separate income statement under "Provision expenses for diminution in value and impairment of financial assets and doubtful debts and borrowing costs of loans".

# Thien Viet Securities Joint Stock Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.5 *Available-for-sale financial assets (AFS)* (continued)

- ▶ Where an equity instrument is classified as available-for-sale, evidence of impairment includes a significant or prolonged decline in the fair value of the investment below its original cost. "Significant" is to be evaluated against the original cost of the asset and 'prolonged' indicates the period in which the fair value has been below its original cost. When any evidence of impairment exists, provision is determined as the difference between the AFS asset's cost and fair value at the assessment date.
- ▶ Where a debt instrument is classified as available-for-sale, the assessment of impairment is conducted using the same criteria as those applied for HTM investments. When there is any evidence of impairment, provision for an AFS asset is determined as the negative difference between its fair value and amortized cost at the assessment date.

### 3.6 *Fair value/market 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, their market prices are their closing prices on the trading day preceding the date of setting up the provision.
- ▶ For securities registered for trading on UPCoM, their market prices are weighted average price of transaction prices executed in continuous auction on the trading day preceding the date of setting up the provision.
- ▶ For the delisted securities and suspended trading securities from the sixth day afterward, their prices are the book value at the latest financial report date.
- ▶ The market price for unlisted securities and securities unregistered for trading on UPCoM used as a basis for setting up the provision is the average of actual trading prices quoted by 3 securities companies conducting transactions at the latest date preceding the revaluation date.

For provision purpose, market value is determined in accordance with the Circular No.146/2014/TT-BTC.

For securities which do not have reference price from the above sources, the impairment is determined based on the financial performance and the book value of securities issuers as at the assessment date.

### 3.7 *Derecognition of financial assets*

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

- ▶ The rights to receive cash flows from the asset have expired; 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 "pass-through" arrangement; and either:
  - The Company has transferred substantially all 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.

# Thien Viet Securities Joint Stock Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.7 *Derecognition of financial assets* (continued)

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

The continued participant in transferred assets in the form of guarantee will be recognized at smaller value between the initial carrying value of the assets and the maximum amount that the Company is required to pay.

### 3.8 *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. The difference arising from the revaluation of financial assets AFS which recognized in "Gain/(loss) from revaluation of financial assets AFS" will be recognized as corresponding revenue or expenses at the date of reclassification of financial assets AFS for selling purpose.

#### *Reclassification due to change in purpose or ability to hold*

Securities companies are required to reclassify financial assets to their applicable categories if their purpose or ability to hold has changed, consequently:

Non-derivative financial assets at FVTPL or financial assets that are not required to classify as financial asset at FVTPL at the 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 purposes or ability to hold, some HTM investments are required to be reclassified into AFS. The difference arising from revaluation between carrying value and fair value are recognized under "Gain/loss from revaluation of assets at fair value" in separate owners' equity.

### 3.9 *Long-term investment in financial assets*

#### *Investments in subsidiary*

The Company's investments in subsidiaries are recorded at cost in the separate financial statements. Distributed profit from the subsidiary's after-tax profit is accounted for as an income in the separate income statement.

Provision for loss of investments in subsidiary is made for individual investments, if incurred, and reviewed at the end of the reporting year. The provision is made upon loss in financial result of the subsidiary. Increases or decreases to the provision balance are charged to the financial expense during the year.

# Thien Viet Securities Joint Stock Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.10 Recognition of mortgaged, pledged financial assets

During the year, the Company had mortgaged/pledged financial assets which are used 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 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 period specified in the mortgage/pledge contracts, since the obligations due date.

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

### 3.11 Receivables

Receivables are initially recorded at cost and subsequently always presented at cost.

Receivables are subject to review for impairment based on their overdue status or estimated loss arising from undue debts of corporate debtors who have bankruptcy or are under liquidation; or of individual debtors who are missing, have fled, are prosecuted, detained or tried by law enforcement bodies, are serving sentences or have deceased. Increases or decreases to the provision balance are recorded as "Provision expenses for diminution in value and impairment of financial assets, doubtful debts and borrowing costs of loans" in the period.

The Company has made provision for doubtful receivables in accordance with Circular No. 48/2019/TT-BTC dated 10 October 2019 issued by the Ministry of Finance. Accordingly, the provision rates for overdue receivables are as follows:

<u>Overdue period</u>	<u>Provision rate</u>
From over six (6) months to less than one (1) year	30%
From one (1) year to less than two (2) years	50%
From two (2) years to less than three (3) years	70%
From three (3) years and above	100%

# Thien Viet Securities Joint Stock Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.12 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

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

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the separate income statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the separate income statement.

### 3.13 *Intangible fixed assets*

Intangible assets are stated at cost less accumulated amortization.

The cost of an intangible fixed asset comprises of its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and other expenditures are charged to the separate income statement as incurred.

When intangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the separate income statement.

### 3.14 *Depreciation and amortization*

Depreciation and amortization of tangible fixed assets and intangible assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	3 years
Means of transportation	6 years
Machineries and equipment	2-5 years
Other tangible fixed assets	3 years
Computer software	1-5 years
Land use rights with indefinite life	not amortized
Other intangible fixed assets	2-3 years

### 3.15 *Operating leases*

Whether an agreement is determined as a property 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 clauses on the use rights of the asset.

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

# Thien Viet Securities Joint Stock Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.16 *Prepaid expenses*

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

The following types of expenses are recorded as prepaid expenses and are amortised over the period from two (2) months to three (3) years to the separate income statement:

- ▶ System maintenance expenses;
- ▶ Office rentals expenses;
- ▶ Insurance expenses;
- ▶ Employees' uniform expenses;
- ▶ Other services expenses;
- ▶ Computer equipment expenses; and
- ▶ Tools and supplies expenses.

### 3.17 *Borrowings*

Loans and borrowings issued by the Company are recorded and stated at cost of the balance at the end of the accounting year.

### 3.18 *Payables and accrued expenses*

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

### 3.19 *Employee benefits*

#### 3.19.1 *Post-employment benefits*

Post-employment benefits are paid to retired employees of the Company by the Social Insurance Agency, which belongs to the Ministry of Labor and Social Affairs. The Company is required to contribute to these post-employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 17.5% of an employee's basic salary and allowance on a monthly basis. The Company has no further obligation to fund the post-employment benefits of its employees, other than the liability to pay Social Insurance Agency on a monthly basis.

#### 3.19.2 *Unemployment allowance*

According to prevailing regulations, the Company is required to pay the unemployment insurance at 1% of salary fund of employees who engage in the unemployment insurance program and to deduct 1% from each employer's basic salary to contribute to the Unemployment Insurance Fund.



# Thien Viet Securities Joint Stock Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.20 *Foreign currency transactions*

Transactions in currencies other than the Company's reporting currency of VND are recorded at the actual transaction exchange rates of commercial banks at transaction dates. At the end of the year, monetary balances denominated in foreign currencies are determined as follows:

- ▶ Monetary assets are translated at buying exchange rate of the commercial bank where the Company conducts transactions regularly.
- ▶ Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company conducts transactions regularly.

All foreign exchange differences incurred during the year and arisen from the revaluation of monetary accounts denominated in foreign currencies at the end of the year are taken to the separate statement of income.

### 3.21 *Treasury shares*

Equity instruments issued by the Company which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in separate income statement upon purchase, sale, issue or cancellation of the Company's own equity instruments.

### 3.22 *Revenue recognition*

Revenue is recognised 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 recognised:

#### *Revenue from brokerage services*

Where the contract outcome can be reliably measured, revenue is recognized by reference to the stage of completion. Where the contract outcome cannot be reliably measured, revenue is recognized only to the extent of the expenses recognized which are recoverable.

#### *Revenue from trading of securities*

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

#### *Other income*

Revenues from irregular activities other than turnover-generating activities are recorded to other incomes as stipulated by VAS 14 - "Revenue and other income", including: Revenues from asset liquidation and sale; fines paid by customers for their contract breaches; collected insurance compensation; collected debt which had been written off and included in the preceding year expenses; payable debts which are now recorded as revenue increase as their owners no longer exist; collected tax amounts which now are reduced and reimbursed; and other revenues.

#### *Interest income*

Revenue is recognized on accrual basis (taking into account the effective yield on the asset) unless collectability is in doubt.

# Thien Viet Securities Joint Stock Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.22 Revenue recognition (continued)

#### *Dividends*

Income is recognized when the Company's entitlement as an investor to receive the dividend is established, except for dividend received in shares in which only the number of shares is updated.

#### *Other revenues from rendering services*

Where the contract outcome can be reliably measured, revenue is recognised by reference to the stage of completion.

Where the contract outcome cannot be reliably measured, revenue is recognised only to the extent of the expenses recognised which are recoverable.

### 3.23 Borrowing costs

Borrowing costs consist of interest and other costs that incur in connection with the Company's borrowing of funds.

Borrowing costs are recorded as expense during the year in which they incur, except to the extent that they are capitalized.

### 3.24 Cost of securities sold

The Company applies monthly moving weighted average method to calculate cost of equity securities sold and specific identification method to calculate cost of debt securities sold.

### 3.25 Corporate income tax

#### *Current income tax*

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the end of accounting period.

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

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to set off 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 using the liability method on temporary differences at the reporting 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 where the deferred tax liability arises 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.

# Thien Viet Securities Joint Stock Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.25 *Corporate income tax* (continued)

#### *Deferred income tax* (continued)

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profits will be available against which deductible temporary differences, carry forward of unused tax credits and unused tax losses can be utilized, except where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to a certain extent that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Previously unrecognized deferred income tax assets are re-assessed at each reporting 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 that are expected to apply in the year when the asset realized or the liability is settled based on tax rates and tax laws that have been enacted at the reporting date. Deferred tax is recorded to the income statement, except when it relates to items recognized directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxable entity and the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

### 3.26 *Owners' equity*

#### *Contributed capital from shareholders*

Contributed capital from stock issuance is recorded in Charter Capital at par value.

#### *Undistributed profit*

Undistributed profit comprises of realised and unrealised undistributed profit.

Unrealised profit of the year is the difference between gain and loss arisen from revaluation of FVTPL financial assets or other financial assets through profit and loss in the separate income statement.

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

# Thien Viet Securities Joint Stock Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.26 *Owners' equity* (continued)

#### *Reserves*

According to Circular No. 146/2014/TT-BTC issued by the Ministry of Finance on 6 October 2014, securities companies are required to make appropriation of profit after tax to the following reserves:

	<u>Percentage of profit after tax</u>	<u>Maximum balance</u>
Charter capital supplementary reserve	5%	10% of charter capital
Operational risk and financial reserve	5%	10% of charter capital

Other reserves are appropriated in accordance with the Resolution of the General Meeting of Shareholder.

### 3.27 *Distribution of net profits*

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

### 3.28 *Nil balances*

Items or balances required by Circular 334/2016/TT-BTC dated 27 December 2016 and Circular No. 146/2014/TT-BTC dated 6 October 2014 issued by the Ministry of Finance that are not shown in these separate financial statements indicate nil balance.

# Thien Viet Securities Joint Stock Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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## 4. CASH AND CASH EQUIVALENTS

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Cash on hand	144,246,107	226,314,956
Cash at banks for operation of the Company	124,975,023,213	15,278,841,844
	<b>125,119,269,320</b>	<b>15,505,156,800</b>

## 5. VALUE AND VOLUME OF TRADING IN THE YEAR

	<i>Volume of trading</i> <i>in the year</i> <i>(Unit)</i>	<i>Value of trading</i> <i>in the year</i> <i>(VND)</i>
a. The Company	<b>86,349,359</b>	<b>46,332,799,213,299</b>
- Shares	65,973,890	1,209,738,670,853
- Bonds	20,333,084	7,665,058,066,556
- Others	42,385	37,458,002,475,890
b. Investors	<b>391,845,820</b>	<b>7,944,975,102,600</b>
- Shares	377,462,240	7,014,332,872,800
- Bonds	9,000,000	903,471,000,000
- Others	5,383,580	27,171,229,800
	<b>478,195,179</b>	<b>54,277,774,315,899</b>

## 6. FINANCIAL ASSETS

### 6.1 Financial assets at fair value through profit and loss (FVTPL)

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i> VND	<i>Fair value</i> VND	<i>Cost</i> VND	<i>Fair value</i> VND
<b>Listed shares</b>	<b>403,401,360,333</b>	<b>514,766,671,741</b>	<b>323,047,833,818</b>	<b>352,522,304,009</b>
FPT	58,529,849,173	71,645,925,300	16,997,090,191	22,448,240,100
VHM	53,997,894,000	60,239,765,000	-	-
TCB	50,152,949,871	66,465,000,000	21,533,055,500	21,430,500,000
MWG	38,586,773,570	54,658,330,000	35,718,156,000	45,600,000,000
DXG	30,680,147,849	45,457,739,250	131,631	217,500
REE	28,417,545,858	42,129,062,250	17,265,353,497	18,694,681,500
PNJ	27,056,715,200	29,160,891,000	30,347,403,620	41,280,946,000
PVS	24,413,391,584	32,040,000,000	-	-
PVT	19,087,586,018	20,300,028,000	16,518	33,600
TDM	14,164,616,000	16,144,978,500	-	-
NVL	14,005,000,000	13,860,000,000	-	-
VRE	13,904,250,000	14,130,000,000	-	-
Others	30,404,641,210	48,534,952,441	201,186,626,861	203,067,685,309

# Thien Viet Securities Joint Stock Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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## 6. FINANCIAL ASSETS (continued)

### 6.1 Financial assets at fair value through profit and loss (FVTPL) (continued)

	Ending balance		Beginning balance	
	Cost VND	Fair value VND	Cost VND	Fair value VND
<b>Unlisted shares</b>	<b>1,026,455,056</b>	<b>993,519,900</b>	<b>27,062,726,181</b>	<b>19,204,113,300</b>
BSR	1,015,000,000	990,000,000	-	-
LPB	-	-	27,051,340,001	19,200,000,000
Others	11,455,056	3,519,900	11,386,180	4,113,300
<b>Unlisted bonds</b>	<b>10,131,587,014</b>	<b>9,937,294,521</b>	<b>50,755,050,000</b>	<b>50,755,050,000</b>
NEWCO112020	-	-	50,755,050,000	50,755,050,000
F88-BOND20.03	10,131,587,014	9,937,294,521	-	-
<b>Fund certificates</b>	<b>52,051,095,000</b>	<b>63,510,000,000</b>	<b>65,181,095,000</b>	<b>70,110,000,000</b>
FUCTVGF1	33,871,095,000	42,000,000,000	33,871,095,000	35,700,000,000
FUCTVGF2	18,180,000,000	21,510,000,000	31,310,000,000	34,410,000,000
	<b>466,610,497,403</b>	<b>589,207,486,162</b>	<b>466,046,704,999</b>	<b>492,591,467,309</b>

### 6.2 Available-for-sale financial assets (AFS)

	Ending balance		Beginning balance	
	Cost VND	Revaluation value VND	Cost VND	Revaluation value VND
<b>Unlisted shares</b>				
- Online Mobile Service JSC	27,847,363,882	27,847,363,882	27,847,363,882	27,847,363,882
- Tinh Van Telecom JSC	3,000,000,000	645,350,000	3,000,000,000	645,350,000
- Finhay JSC	9,000,000,000	9,000,000,000	8,000,000,000	8,000,000,000
- Galaxy Education JSC	20,700,000,000	20,700,000,000	-	-
- Thien Minh Credit Rating JSC	3,225,000,000	3,225,000,000	-	-
	<b>63,772,363,882</b>	<b>61,417,713,882</b>	<b>38,847,363,882</b>	<b>36,492,713,882</b>

# Thien Viet Securities Joint Stock Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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## 6. FINANCIAL ASSETS (continued)

### 6.3 Held-to-maturity investments (HTM)

	Ending balance		Beginning balance	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Term deposits and certificates of deposit at credit institutions	2,370,050,000,000	2,370,050,000,000	2,069,700,000,000	2,069,700,000,000
Unlisted bonds	-	-	100,784,153,005	100,784,153,005
	<b>2,370,050,000,000</b>	<b>2,370,050,000,000</b>	<b>2,170,484,153,005</b>	<b>2,170,484,153,005</b>

Term deposits and certificates of deposit at credit institutions in VND which have original terms ranging from 12 months to 13 months.

The Company used some term deposits and certificates of deposit amounting to VND2,110,185 million for security of its borrowings as at 31 December 2020 (31 December 2019: VND1,946,679 million).

### 6.4 Loans

	Ending balance		Beginning balance	
	Cost VND	Fair value (*) VND	Cost VND	Fair value (*) VND
Margin activities	165,795,361,685	165,215,202,967	160,389,296,901	159,809,138,183
Advances to customers	16,966,914,923	16,966,914,923	3,839,457,686	3,839,457,686
	<b>182,762,276,608</b>	<b>182,182,117,890</b>	<b>164,228,754,587</b>	<b>163,648,595,869</b>

(\*) The fair value of loans is determined by their carrying amounts less provision for impairment.

# Thien Viet Securities Joint Stock Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 6. FINANCIAL ASSETS (continued)

### 6.5 Changes in market values of financial assets

Financial assets	Ending balance				Beginning balance			
	Cost VND	Revaluation difference		Fair value VND	Cost VND	Revaluation difference		Fair value VND
		Increase VND	Decrease VND			Increase VND	Decrease VND	
<b>Financial assets at fair value through profit or loss (FVTPL)</b>								
<b>1. Listed shares</b>								
FPT	58,529,849,173	13,116,076,127	-	71,645,925,300	16,997,090,191	5,451,149,909	-	22,448,240,100
VHM	53,997,894,000	6,241,871,000	-	60,239,765,000	-	-	-	-
TCB	50,152,949,871	16,312,050,129	-	66,465,000,000	21,533,055,500	-	(102,555,500)	21,430,500,000
MWG	38,586,773,570	16,071,556,430	-	54,658,330,000	35,718,156,000	9,881,844,000	-	45,600,000,000
DXG	30,680,147,849	14,777,591,401	-	45,457,739,250	131,631	85,869	-	217,500
REE	28,417,545,858	13,711,516,392	-	42,129,062,250	17,265,353,497	1,429,328,003	-	18,694,681,500
PNJ	27,056,715,200	2,104,175,800	-	29,160,891,000	30,347,403,620	10,933,542,380	-	41,280,946,000
PVS	24,413,391,584	7,626,608,416	-	32,040,000,000	-	-	-	-
PVT	19,087,586,018	1,212,441,982	-	20,300,028,000	16,518	17,082	-	33,600
TDM	14,164,616,000	1,980,362,500	-	16,144,978,500	-	-	-	-
NVL	14,005,000,000	-	(145,000,000)	13,860,000,000	-	-	-	-
VRE	13,904,250,000	225,750,000	-	14,130,000,000	-	-	-	-
Others	30,404,641,210	18,133,642,867	(3,331,636)	48,534,952,441	201,186,626,861	20,881,836,790	(19,000,778,342)	203,067,685,309
	<b>403,401,360,333</b>	<b>111,513,643,044</b>	<b>(148,331,636)</b>	<b>514,766,671,741</b>	<b>323,047,833,818</b>	<b>48,577,804,033</b>	<b>(19,103,333,842)</b>	<b>352,522,304,009</b>



# Thien Viet Securities Joint Stock Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 6. FINANCIAL ASSETS (continued)

### 6.5 Changes in market values of financial assets (continued)

Financial assets	Ending balance				Beginning balance			
	Cost VND	Revaluation difference		Fair value VND	Cost VND	Revaluation difference		Fair value VND
		Increase VND	Decrease VND			Increase VND	Decrease VND	
<b>Financial assets at fair value through profit or loss (FVTPL) (continued)</b>								
<b>2. Unlisted shares</b>								
LPB	-	-	-	-	27,051,340,001	-	(7,851,340,001)	19,200,000,000
BSR	1,015,000,000	-	(25,000,000)	990,000,000	-	-	-	-
Others	11,455,056	340,753	(8,275,909)	3,519,900	11,386,180	982,653	(8,255,533)	4,113,300
	<b>1,026,455,056</b>	<b>340,753</b>	<b>(33,275,909)</b>	<b>993,519,900</b>	<b>27,062,726,181</b>	<b>982,653</b>	<b>(7,859,595,534)</b>	<b>19,204,113,300</b>
<b>3. Unlisted bonds</b>								
NEWCO11 2020	-	-	-	-	50,755,050,000	-	-	50,755,050,000
F88- BOND20.03	10,131,587,014	-	(194,292,493)	9,937,294,521	-	-	-	-
	<b>10,131,587,014</b>	<b>-</b>	<b>(194,292,493)</b>	<b>9,937,294,521</b>	<b>50,755,050,000</b>	<b>-</b>	<b>-</b>	<b>50,755,050,000</b>
<b>4. Fund certificates</b>								
FUCTVGF1	33,871,095,000	8,128,905,000	-	42,000,000,000	33,871,095,000	1,828,905,000	-	35,700,000,000
FUCTVGF2	18,180,000,000	3,330,000,000	-	21,510,000,000	31,310,000,000	3,100,000,000	-	34,410,000,000
	<b>52,051,095,000</b>	<b>11,458,905,000</b>	<b>-</b>	<b>63,510,000,000</b>	<b>65,181,095,000</b>	<b>4,928,905,000</b>	<b>-</b>	<b>70,110,000,000</b>
	<b>466,610,497,403</b>	<b>122,972,888,797</b>	<b>(375,900,038)</b>	<b>589,207,486,162</b>	<b>466,046,704,999</b>	<b>53,507,691,686</b>	<b>(26,962,929,376)</b>	<b>492,591,467,309</b>

# Thien Viet Securities Joint Stock Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 6. FINANCIAL ASSETS (continued)

### 6.6 Provision for impairment of financial assets

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Loans and receivables	580,158,718	580,158,718
Available-for-sale financial assets	2,354,650,000	2,354,650,000
	<b>2,934,808,718</b>	<b>2,934,808,718</b>

Breakdown of financial assets recognized at cost and corresponding provision for impairment is as follows:

No.	Financial assets	Basis for provision		Provision at 31/12/2020 VND	Provision at 31/12/2019 VND	Charge of provision during the year VND
		Quantity Shares	Cost VND			
<b>I</b>	<b>HTM</b>		<b>2,370,050,000,000</b>	<b>2,370,050,000,000</b>	-	-
	Term deposits at credit institutions		50,000,000	50,000,000	-	-
	Fund certificates		2,370,000,000,000	2,370,000,000,000	-	-
	Unlisted bonds				-	-
<b>II</b>	<b>Loans</b>		<b>182,762,276,608</b>	<b>182,182,117,890</b>	<b>(580,158,718)</b>	<b>(580,158,718)</b>
	Margin activities		165,795,361,685	165,215,202,967	(580,158,718)	(580,158,718)
	Advances to customers		16,966,914,923	16,966,914,923	-	-
<b>III</b>	<b>AFS (shares)</b>		<b>63,772,363,882</b>	<b>61,417,713,882</b>	<b>(2,354,650,000)</b>	<b>(2,354,650,000)</b>
	Online Mobile Service JSC	918,404	27,847,363,882	27,847,363,882	-	-
	Tinh Van Telecom JSC	50,000	3,000,000,000	645,350,000	(2,354,650,000)	(2,354,650,000)
	Galaxy education JSC	2,070,000	20,700,000,000	20,700,000,000	-	-
	Thien Minh Credit Rating JSC	322,500	3,225,000,000	3,225,000,000	-	-
	Finhay JSC	41,743	9,000,000,000	9,000,000,000	-	-
			<b>2,616,584,640,490</b>	<b>2,613,649,831,772</b>	<b>(2,934,808,718)</b>	<b>(2,934,808,718)</b>

# Thien Viet Securities Joint Stock Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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## 6. FINANCIAL ASSETS (continued)

### 6.7 Long-term financial asset investment

ITEMS	Quantity		Cost VND	
	Ending balance	Beginning balance	Ending balance	Beginning balance
<b>I. Investment</b>				
Investment in subsidiary				
- Thien Viet Asset Management Joint Stock Company (*)	12,480,000	2,480,000	136,704,000,000	36,704,000,000
- Finsight JSC (**)	1,500,000	-	15,000,000,000	-
	<b>13,980,000</b>	<b>2,480,000</b>	<b>151,704,000,000</b>	<b>36,704,000,000</b>

(\*) This represents an investment in 99.84% of share capital of Thien Viet Asset Management Joint Stock Company which is incorporated and operates in accordance with Business Registration Certificate No. 4103005793 issued by the Ho Chi Minh Department of Planning and Investment on 26 December 2006. This subsidiary received its first License No. 15/UBCK-GPHDQLQ dated 28 December 2006 and the latest No. 21/GPDC-UBCK dated 1 September 2015 granted by the State Securities Commission.

(\*\*) This represents an investment in 14.99% of the equity of Finsight Joint Stock Company, a joint stock company established and operating under the Business Registration Certificate No. 0316449345 dated 20 August 2020 by the Department of Accounting, Ho Chi Minh City Planning and Investment.

## 7. RECEIVABLES

	Ending balance VND	Beginning balance VND
Receivables from selling financial assets	8,225,159,100	212,020,000
- Listed shares	3,199,871,600	212,020,000
- Bonds	5,025,287,500	-
Receivables from dividend, interest of investments	93,000,015,799	36,865,183,024
- Accrued interests on financial assets	92,115,643,799	36,475,583,024
- Dividends	884,372,000	389,600,000
	<b>101,225,174,899</b>	<b>37,077,203,024</b>

# Thien Viet Securities Joint Stock Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 8. ADVANCES TO SUPPLIERS

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
	<u>                    </u>	<u>                    </u>
Other advances	<b>5,276,302,925</b>	<b>7,499,060,000</b>

## 9. PREPAID EXPENSES

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
	<u>                    </u>	<u>                    </u>
Short-term prepaid expenses	2,737,712,975	921,398,360
- System maintenance fee	251,875,000	254,187,500
- Office rentals	164,392,560	164,569,860
- Insurance fee	19,543,958	18,915,870
- Guarantee contract fee	1,570,865,489	-
- Other services fee	731,035,968	483,725,130
Long-term prepaid expenses	1,313,794,844	1,428,067,443
- Computer equipment	347,190,284	331,680,151
- Tools and supplies	966,604,560	1,096,387,292
	<b>4,051,507,819</b>	<b>2,349,465,803</b>

# Thien Viet Securities Joint Stock Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 10. TANGIBLE FIXED ASSETS

	<i>Buildings and structures VND</i>	<i>Machineries and equipment VND</i>	<i>Means of transportation VND</i>	<i>Others VND</i>	<i>Total VND</i>
<b>Cost</b>					
1 January 2020	1,491,567,770	16,202,351,997	1,891,120,700	202,596,880	19,787,637,347
Newly purchase	-	275,666,001	-	-	275,666,001
31 December 2020	<u>1,491,567,770</u>	<u>16,478,017,998</u>	<u>1,891,120,700</u>	<u>202,596,880</u>	<u>20,063,303,348</u>
<b>Accumulated depreciation</b>					
1 January 2020	1,491,567,770	14,831,479,490	987,577,688	202,596,880	17,513,221,828
Depreciation charge	-	1,167,387,211	315,186,780	-	1,482,573,991
31 December 2020	<u>1,491,567,770</u>	<u>15,998,866,701</u>	<u>1,302,764,468</u>	<u>202,596,880</u>	<u>18,995,795,819</u>
<b>Net book value</b>					
1 January 2020	<u>-</u>	<u>1,370,872,507</u>	<u>903,543,012</u>	<u>-</u>	<u>2,274,415,519</u>
31 December 2020	<u>-</u>	<u>479,151,297</u>	<u>588,356,232</u>	<u>-</u>	<u>1,067,507,529</u>

Cost of tangible fixed assets which have been fully depreciated but are still in use at 31/12/2020 amounted to VND16,747,442,157 (31/12/2019: VND12,574,408,457).

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 11. INTANGIBLE FIXED ASSETS

	<i>Computer software VND</i>	<i>Others VND</i>	<i>Total VND</i>
<b>Cost</b>			
1 January 2020	9,881,729,909	2,301,546,400	12,183,276,309
Newly purchase	762,760,000	-	762,760,000
31 December 2020	<u>10,644,489,909</u>	<u>2,301,546,400</u>	<u>12,946,036,309</u>
<b>Accumulated amortization</b>			
1 January 2020	8,294,571,163	2,301,546,400	10,596,117,563
Amortization charge	1,482,727,586	-	1,482,727,586
31 December 2020	<u>9,777,298,749</u>	<u>2,301,546,400</u>	<u>12,078,845,149</u>
<b>Net book value</b>			
1 January 2020	<u>1,587,158,746</u>	-	<u>1,587,158,746</u>
31 December 2020	<u>867,191,160</u>	-	<u>867,191,160</u>

Cost of intangible fixed assets which have been fully amortized but are still in use at 31/12/2020 amounted to VND6,917,747,195 (31/12/2019: VND6,917,747,195).

## 12. LONG-TERM DEPOSITS, COLLATERALS AND PLEDGES

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Office rental deposits	771,901,000	771,901,000
Visa card deposits	250,000,000	250,000,000
Other long-term deposits	95,792,000	90,942,000
	<u>1,117,693,000</u>	<u>1,112,843,000</u>

## 13. DEFERRED INCOME TAX ASSETS AND DEFERRED INCOME TAX PAYABLE

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
<b>Deferred income tax assets</b>		
Provision for impairment of securities investments	470,930,000	470,930,000
Provision for doubtful receivables	1,665,634,460	1,665,634,460
	<u>2,136,564,460</u>	<u>2,136,564,460</u>
<b>Deferred income tax payable</b>		
Increase from revaluation of financial assets at FVTPL	<u>24,594,577,759</u>	<u>5,308,952,463</u>

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## 14. DEPOSITS TO SETTLEMENT ASSISTANCE FUND

Advances to settlement assistance fund represent amounts deposited at Vietnam Securities Depository.

According Decision No. 27/QD-VSD dated 13 March 2015 regarding the regulations on management and usage of the Assistance Fund issued by the General Director of the Vietnam Securities Depository, the Company must deposit an initial amount of VND120 million at the Vietnam Securities Depository and pay an addition of 0,01% of the total amount of brokered securities in the previous year, but not over VND2,5 billion per annum.

Details of the advance to settlement assistance fund during the year are as follows:

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Initial payment	120,000,000	120,000,000
Addition payment	5,755,964,557	5,198,026,330
	<b>5,875,964,557</b>	<b>5,318,026,330</b>

## 15. PAYABLES FOR SECURITIES TRADING ACTIVITIES

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Payable to Stock Exchanges	431,648,234	259,739,549
Payable to Vietnam Securities Depository	71,816,494	63,128,425
	<b>503,464,728</b>	<b>322,867,974</b>

## 16. SHORT-TERM TRADE PAYABLES

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Financial assets purchasing payables	7,692,000,000	1,182,729,500
Other payables	9,649,473,238	120,148,717
	<b>17,341,473,238</b>	<b>1,302,878,217</b>

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## 17. SHORT-TERM AND LONG-TERM BORROWINGS

	<i>Beginning balance VND</i>	<i>Addition during the year VND</i>	<i>Repayment during the year VND</i>	<i>Ending balance VND</i>
Short-term borrowings	<b>1,956,448,000,000</b>	<b>12,144,309,147,000</b>	<b>11,902,146,245,000</b>	<b>2,198,610,902,000</b>
- Financial institutions	1,822,448,000,000	11,927,809,147,000	11,583,646,245,000	2,166,610,902,000
- Economic organizations	79,000,000,000	-	79,000,000,000	-
- Others	55,000,000,000	216,500,000,000	239,500,000,000	32,000,000,000
Long-term borrowings	-	<b>21,000,000,000</b>	<b>1,000,000,000</b>	<b>20,000,000,000</b>
- Economic organizations	-	21,000,000,000	1,000,000,000	20,000,000,000
	<b>1,956,448,000,000</b>	<b>12,165,309,147,000</b>	<b>11,903,146,245,000</b>	<b>2,218,610,902,000</b>

Annual interest rate of above mentioned borrowings in VND ranges from 4.75% - 8.50% and in USD 1.42% - 1.43% and the borrowings are secured by term deposits of the Company.

## 18. TAXATION AND STATUTORY OBLIGATIONS

<i>No.</i>	<i>Items</i>	<i>Beginning balance VND</i>	<i>Payable in the year VND</i>	<i>Paid in the year VND</i>	<i>Ending balance VND</i>
1	Corporate income tax	14,522,553,412	33,726,032,891	(29,224,284,132)	19,024,322,171
2	Value added tax	276,658,182	521,447,291	(368,105,473)	430,000,000
3	Personal income tax	3,274,075,046	7,412,098,080	(5,465,600,157)	5,220,572,969
	- <i>Deductible PIT of employees</i>	2,587,910,125	5,006,251,641	(3,455,903,177)	4,138,258,589
	- <i>Deductible PIT of investors</i>	603,338,164	1,565,031,784	(1,447,336,561)	721,033,387
	- <i>Deductible PIT of service suppliers</i>	82,826,757	513,751,974	(414,276,799)	182,301,932
	- <i>Deductible PIT from dividends</i>	-	327,062,681	(148,083,620)	178,979,061
4	Others tax	-	48,179,526	-	48,179,526
		<b>18,073,286,640</b>	<b>41,707,757,788</b>	<b>(35,057,969,762)</b>	<b>24,723,074,666</b>



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## 19. SHORT-TERM ACCRUED EXPENSES

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Accrued interest expenses for borrowings	8,885,804,423	11,857,326,634
Professional service fees	180,000,000	180,000,000
	<b>9,065,804,423</b>	<b>12,037,326,634</b>

## 20. OTHER LIABILITIES

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Dividend payables to shareholders of the Company	1,630,222,895	1,661,928,385
Payable on behalf of the bond principal, interest and dividend to the issuer	11,215,700	-
Other liabilities	56,118,878	15,751,966
	<b>1,697,557,473</b>	<b>1,677,680,351</b>

## 21. BONUS AND WELFARE FUND

	<i>Current year</i> VND	<i>Previous year</i> VND
Beginning balance	709,661,443	15,638,292,615
Increase during the year	4,789,555,382	10,650,712,828
Use during the year	-	(25,579,344,000)
<b>Ending balance</b>	<b>5,499,216,825</b>	<b>709,661,443</b>

## 22. OWNERS' EQUITY

### 22.1 Share capital

The Company's shares are as follows:

	<i>Ending balance</i> Unit	<i>Beginning balance</i> Unit
Authorized shares	98,235,174	80,124,700
Ordinary shares	98,235,174	80,124,700
Shares issued and fully paid	98,235,174	80,124,700
Ordinary shares	98,235,174	80,124,700
Outstanding shares	98,235,174	80,124,700
Ordinary shares	98,235,174	80,124,700

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 22. OWNERS' EQUITY (continued)

### 22.1 Share capital (continued)

Movement of the number of shares in the year as follows:

	<i>Current year</i> <i>Unit</i>	<i>Previous year</i> <i>Unit</i>
Beginning balance	80,124,700	61,952,375
Share dividends	7,209,535	12,700,138
Bonus shares	900,939	2,222,187
Sold treasury shares	-	1,550,000
Issue ESOP shares	10,000,000	1,700,000
<b>Ending balance</b>	<b>98,235,174</b>	<b>80,124,700</b>

Movements in the number of treasury shares during the year were as follows:

	<i>Current year</i> <i>Unit</i>	<i>Previous year</i> <i>Unit</i>
Beginning balance	-	1,550,000
Selling treasury shares	-	(1,550,000)
<b>Ending balance</b>	<b>-</b>	<b>-</b>

### 22.2 Undistributed profit

	<i>Ending balance</i> <i>VND</i>	<i>Beginning balance</i> <i>VND</i>
Undistributed realized profit	146,657,461,600	99,747,893,456
Undistributed unrealized profit	98,196,703,493	21,235,809,847
	<b>244,854,165,093</b>	<b>120,983,703,303</b>

Statement of profit distribution to shareholders is as follows:

	<i>Current balance</i> <i>VND</i>	<i>Beginning balance</i> <i>VND</i>
Undistributed realized profit at the beginning of the year	99,747,893,456	182,939,176,904
Unrealized profit at the beginning of the year	21,235,809,847	4,273,097,972
<b>Increased during the year</b>	<b>223,061,519,080</b>	<b>112,753,819,519</b>
Unrealized profit during the year	76,960,893,646	16,962,711,875
Realized profit during the year	146,100,625,434	95,791,107,644
<b>Decreased during the year</b>	<b>(99,191,057,290)</b>	<b>(178,982,391,092)</b>
Appropriation to reserves	(27,095,707,290)	(20,229,823,592)
- Bonus and welfare fund	(4,789,555,382)	(10,650,712,828)
- Charter capital supplementary reserve	(11,153,075,954)	(4,789,555,382)
- Operational risk and financial reserve	(11,153,075,954)	(4,789,555,382)
Dividends paid to shareholders	(72,095,350,000)	(158,752,567,500)
- Cash dividends	-	(31,751,187,500)
- Stock dividends	(72,095,350,000)	(127,001,380,000)
<b>Total undistributed profit to shareholders at the end of year</b>	<b>244,854,165,093</b>	<b>120,983,703,303</b>

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 22. OWNERS' EQUITY (continued)

### 22.3 Changes in owners' equity

The changes of equity in the year is shown in the below table:

<i>Criteria</i>	<i>Share capital VND</i>	<i>Share premium VND</i>	<i>Charter capital reserve VND</i>	<i>Operational risk and financial reserve VND</i>	<i>Realized undistributed profit VND</i>	<i>Unrealized undistributed profit VND</i>	<i>Total VND</i>
Beginning balance	801,247,000,000	9,120,431,300	5,201,274,928	42,020,541,928	99,747,893,456	21,235,809,847	978,572,951,459
Profit after tax	-	-	-	-	146,100,625,434	76,960,893,646	223,061,519,080
Increased capital for the year	100,000,000,000	-	-	-	-	-	100,000,000,000
Appropriation to charter capital reserve in 2020	-	-	11,153,075,954	-	(11,153,075,954)	-	-
Appropriation to operational risk and financial reserve in 2020	-	-	-	11,153,075,954	(11,153,075,954)	-	-
Appropriation to welfare and bonus	-	-	-	-	(4,789,555,382)	-	(4,789,555,382)
Dividends and bonus shares from equity surplus and reserve fund	72,095,350,000	-	-	-	(72,095,350,000)	-	-
Increased capital from share premium	9,009,390,000	(9,009,390,000)	-	-	-	-	-
<b>Ending balance</b>	<b>982,351,740,000</b>	<b>111,041,300</b>	<b>16,354,350,882</b>	<b>53,173,617,882</b>	<b>146,657,461,600</b>	<b>98,196,703,493</b>	<b>1,296,844,915,157</b>

According to the Resolution of the General Meeting of Shareholders No. 02/2019/NQ-DHCD dated 23 October 2019 of the General Meeting of Shareholders approving the plan to increase charter capital through private placement of shares, expected number of shares is 10,000,000 ordinary shares for existing shareholders at the issue price of 10,000 dong/share. Accordingly, the Company has successfully issued 10,000,000 shares with the total proceeds of VND100,000,000,000.

In addition, during the year, the company issued shares to pay 2019 dividend at the rate of 8% and issued shares at the rate of 1% from share premium according to Resolution No. 04112020/NQ-HĐQT dated 4 November 2020.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 23. DISCLOSURE OF SEPARATE OFF-BALANCE SHEET ITEMS

### 23.1 *Bad debts written off*

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Settlement supporting loans	21,474,230,387	21,474,230,387
Advance for securities trading	14,470,476,001	14,470,476,001
Dividend receivables	1,114,000,000	1,114,000,000
Advisory services receivables	973,316,000	973,316,000
	<b><u>38,032,022,388</u></b>	<b><u>38,032,022,388</u></b>

### 23.2 *Foreign currency*

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
USD	<b><u>1,895,748,419</u></b>	<b><u>2,503,439,765</u></b>

### 23.3 *Outstanding shares*

	<i>Ending balance</i> Shares	<i>Beginning balance</i> Shares
Outstanding shares of the Company	<b><u>98,235,174</u></b>	<b><u>80,124,700</u></b>

### 23.4 *The Company's financial assets listed/registered at VSD*

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Unrestricted financial assets at par value	178,864,650,000	175,735,220,000
Financial assets awaiting settlement at par value	1,669,800,000	56,000,000
	<b><u>180,534,450,000</u></b>	<b><u>175,791,220,000</u></b>

### 23.5 *The Company's non-traded financial assets deposited at VSD*

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
The Company's unrestricted and non-traded financial assets deposited at VSD	<b><u>1,560,000</u></b>	<b><u>1,470,000</u></b>

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## 23. DISCLOSURE OF SEPARATE OFF-BALANCE SHEET ITEMS (continued)

### 23.6 The Company's awaiting financial assets

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Shares	<u>2,275,000,000</u>	<u>563,900,000</u>

### 23.7 The Company's financial assets which have not been deposited at VSD

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Shares	81,772,363,882	140,754,740,000
Bonds	9,770,000,000	50,000,010,000
	<u>91,542,363,882</u>	<u>190,754,750,000</u>

### 23.8 Investors' financial assets listed/registered at VSD

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Unrestricted financial assets	1,134,172,740,000	1,033,658,380,000
Mortgage financial assets	79,200,000,000	79,200,000,000
Financial assets awaiting settlement	21,238,430,000	4,499,400,000
Restricted financial assets	7,599,140,000	2,575,990,000
	<u>1,242,210,310,000</u>	<u>1,119,933,770,000</u>

### 23.9 Investors' non-traded financial assets deposited at VSD

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Unrestricted and non-traded financial assets deposited at VSD	<u>8,368,420,000</u>	<u>8,488,190,000</u>

### 23.10 Investors' awaiting financial assets

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Shares	<u>21,444,800,000</u>	<u>3,224,100,000</u>

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## 23. DISCLOSURE OF SEPARATE OFF-BALANCE SHEET ITEMS (continued)

### 23.11 Investors' entitled financial assets

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Shares	<b>803,830,000</b>	<b>661,310,000</b>

### 23.12 Investors' deposits

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Investors' deposits for securities trading activities managed by the Company	161,343,116,615	63,158,058,860
- Domestic investors' deposits for securities trading activities managed by the Company	161,033,658,436	62,415,076,582
- Foreign investors' deposits for securities trading activities managed by the Company	309,458,179	742,982,278
The investors' deposits for securities transaction clearing and settlement	8,768,252	9,145,768
- Domestic investors' deposits for securities transaction clearing and settlement	8,731,620	8,911,449
- Foreign investors' deposits for securities transaction clearing and settlement	36,632	234,319
	<b>161,351,884,867</b>	<b>63,167,204,628</b>

### 23.13 Payables to investors for deposits for securities trading activities managed by the Company

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Payables to investors - Investors' deposits for securities trading activities managed by the Company	108,115,862,767	59,171,301,428
Domestic investors	107,806,367,956	58,428,084,831
Foreign investors	309,494,811	743,216,597
Payables to investors - Deposits for securities transaction clearing and settlement	53,236,022,100	3,995,903,200
Domestic investors	53,236,022,100	3,995,903,200
	<b>161,351,884,867</b>	<b>63,167,204,628</b>

### 23.14 Dividend, bond principal and interest payables

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Interest and dividend payable on be half of investors	11,215,700	-
Dividend, bond principal and interest payables to capital contributors	1,630,222,895	1,661,928,385
	<b>1,641,438,595</b>	<b>1,661,928,385</b>

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## 24. GAIN/LOSS FROM FINANCIAL ASSETS

### 24.1 Gain/loss from sale of financial assets at FVTPL

No.	Financial assets	Quantity Shares	Selling price VND	Proceeds VND	Weighted average cost at the end of the transaction date VND	Gain/(loss) from sale during the year VND
<b>1</b>	<b>Listed shares</b>					<b>55,999,768,294</b>
	ACB	6,474,120	24,684	159,808,931,500	135,173,253,754	24,635,677,746
	PVS	3,470,000	13,865	48,112,700,000	40,952,928,416	7,159,771,584
	KBC	2,623,980	14,484	38,006,176,500	30,900,100,955	7,106,075,545
	MWG	427,330	90,738	38,775,144,000	31,759,005,430	7,016,138,570
	TCM	1,785,800	19,280	34,431,094,000	27,385,877,297	7,045,216,703
	PNJ	368,410	62,285	22,946,250,000	18,754,366,420	4,191,883,580
	DXG	1,925,400	12,216	23,521,328,000	19,860,586,082	3,660,741,918
	REE	764,090	35,741	27,309,062,500	23,802,367,639	3,506,694,861
	MBB	975,000	20,057	19,555,750,000	18,792,833,535	762,916,465
	NLG	546,360	26,768	14,624,942,000	14,451,734,340	173,207,660
	TCB	955,000	23,646	22,582,033,000	22,453,710,629	128,322,371
	LPB	2,680,000	7,934	21,262,000,000	27,345,340,001	(6,083,340,001)
	SSI	2,230,030	17,411	38,827,971,000	45,154,869,600	(6,326,898,600)
	Others					3,023,359,892
<b>2</b>	<b>Unlisted</b>					<b>5,120,540,000</b>
	TD1929178	3,000,000	119,371	358,112,000,000	353,826,000,000	4,286,000,000
	TD1727397	1,000,000	122,295	122,295,000,000	121,786,000,000	509,000,000
	BVDB17269	1,300,000	112,983	146,877,900,000	146,621,800,000	256,100,000
	BVDB17218	1,000,000	105,550	105,550,000,000	105,563,000,000	(13,000,000)
	TD1631464	500,000	131,499	65,749,500,000	66,402,500,000	(653,000,000)
	Others					735,440,000

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## 24. GAIN/LOSS FROM FINANCIAL ASSETS (continued)

### 24.1 Gain/loss from sale of financial assets at FVTPL (continued)

<u>No.</u>	<u>Financial assets</u>	<u>Quantity Shares</u>	<u>Selling price VND</u>	<u>Proceeds VND</u>	<u>Weighted average cost at the end of the transaction date VND</u>	<u>Gain/(loss) from sale during the year VND</u>
	<b>Unlisted bonds and fund certificates</b>					<b>117,341,895,298</b>
3	BID2_RL_20.06	1,193	1,031,881,931	1,231,035,143,849	1,229,586,771,600	1,448,372,249
	F88-BOND2019-023	421,068	102,826	43,296,937,000	42,131,039,000	1,165,898,000
	F88-BOND20.02	282,000	103,380	29,153,203,000	28,200,000,000	953,203,000
	F88-BOND20.03	417,131	102,357	42,696,291,000	41,927,071,425	769,219,575
	Others					113,005,202,474
						<b>178,462,203,592</b>
	<i>In which:</i>					
	- Gain on sale of financial assets at FVTPL					213,182,430,064
	- Loss on sale of financial assets at FVTPL					(34,720,226,472)



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## 24. GAIN/LOSS FROM FINANCIAL ASSETS (continued)

### 24.2 Difference from revaluation of financial assets

No.	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	Difference adjustment in current year VND
<b>I</b>	<b>FVTPL</b>	<b>466,610,497,403</b>	<b>589,207,486,162</b>	<b>122,596,988,759</b>	<b>26,544,762,310</b>	<b>96,052,226,449</b>
1	Listed shares	403,401,360,333	514,766,671,741	111,365,311,408	29,474,470,191	81,890,841,217
2	Unlisted shares	1,026,455,056	993,519,900	(32,935,156)	(7,858,612,881)	7,825,677,725
3	Fund certificates	52,051,095,000	63,510,000,000	11,458,905,000	4,928,905,000	6,530,000,000
4	Unlisted bonds	10,131,587,014	9,937,294,521	(194,292,493)	-	(194,292,493)
	<i>In which:</i>					
	- Increase in revaluation					207,132,337,032
	- Decrease in revaluation					(111,080,110,583)
<b>II</b>	<b>HTM</b>	<b>2,370,050,000,000</b>	<b>2,370,050,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>III</b>	<b>Loans and receivables</b>	<b>182,762,276,608</b>	<b>182,182,117,890</b>	<b>(580,158,718)</b>	<b>(580,158,718)</b>	<b>-</b>
<b>IV</b>	<b>AFS</b>	<b>63,772,363,882</b>	<b>61,417,713,882</b>	<b>(2,354,650,000)</b>	<b>(2,354,650,000)</b>	<b>-</b>
		<b>3,083,195,137,893</b>	<b>3,202,857,317,934</b>	<b>119,662,180,041</b>	<b>23,609,953,592</b>	<b>96,052,226,449</b>

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## 24. GAIN/LOSS FROM FINANCIAL ASSETS (continued)

### 24.3 Dividend, interest income from financial assets at FVTPL, HTM investments, loans and receivables

	<i>Current year</i> VND	<i>Previous year</i> VND
From HTM investments	133,446,176,413	132,775,025,491
From loans and receivables	21,381,736,309	24,138,492,582
From financial assets at FVTPL	9,491,174,817	13,141,364,670
	<b><u>164,319,087,539</u></b>	<b><u>170,054,882,743</u></b>

## 25. PROVISION EXPENSES FOR IMPAIRMENT OF FINANCIAL ASSETS, LOSS FROM DOUBTFUL DEBTS AND BORROWING COSTS OF LOANS

	<i>Current year</i> VND	<i>Previous year</i> VND
Borrowing costs of margin loans	<b><u>15,137,897,762</u></b>	<b><u>16,383,493,831</u></b>

## 26. EXPENSES FOR PROPRIETARY TRADING ACTIVITIES

	<i>Current year</i> VND	<i>Previous year</i> VND
Portfolio management expenses	12,595,445,949	3,361,736,352
Salary expenses	7,835,877,500	343,543,803
External service expenses	1,145,599,991	1,137,908,813
Depreciation and amortization expenses	1,026,896,684	857,898,838
Transaction fee for selling proprietary financial assets	385,419,901	491,551,709
Custodian expenses for proprietary trading activities	344,968,724	262,306,909
Others	631,800,964	545,532,256
	<b><u>23,966,009,713</u></b>	<b><u>7,000,478,680</u></b>

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## 27. EXPENSES FOR BROKERAGE SERVICES

	<i>Current year</i> VND	<i>Previous year</i> VND
Salary expenses	8,507,586,159	6,252,980,423
External service expenses	3,481,550,499	3,563,339,327
Transaction fee for brokerage activities	2,595,227,235	1,905,102,702
Depreciation and amortization expenses	1,116,205,831	974,968,985
Others	2,225,816,727	1,646,021,824
	<b><u>17,926,386,451</u></b>	<b><u>14,342,413,261</u></b>

## 28. EXPENSES FOR FINANCIAL ADVISORY SERVICES

	<i>Current year</i> VND	<i>Previous year</i> VND
Salary expenses	10,151,361,665	3,937,025,547
External service expenses	2,702,261,860	696,500,286
Depreciation and amortization expenses	354,202,746	370,444,003
Office supplies	197,408,350	184,996,065
Others	1,066,334,809	1,153,973,970
	<b><u>14,471,569,430</u></b>	<b><u>6,342,939,871</u></b>

## 29. FINANCE INCOME

	<i>Current year</i> VND	<i>Previous year</i> VND
Interest income from demand deposits	4,309,530,311	1,023,342,966
Foreign exchange difference	7,233,519	10,359,609
	<b><u>4,316,763,830</u></b>	<b><u>1,033,702,575</u></b>

## 30. FINANCE EXPENSES

	<i>Current year</i> VND	<i>Previous year</i> VND
Interest expense	103,832,448,996	95,133,873,882
Foreign exchange difference	10,580,955	13,787,081
	<b><u>103,843,029,951</u></b>	<b><u>95,147,660,963</u></b>

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## 31. GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Current year</i> VND	<i>Previous year</i> VND
Salary and other related expenses	12,323,441,624	8,710,746,832
External service expenses	3,114,014,000	3,161,467,174
Social insurance, health insurance, unemployment insurance and union fee	1,292,711,450	1,168,467,300
Depreciation and amortization expenses	467,996,316	520,593,485
Office supplies	379,386,015	330,827,936
Tax and fee expenses	43,501,074	38,830,373
Others	4,079,026,476	3,965,541,844
	<b><u>21,700,076,955</u></b>	<b><u>17,896,474,944</u></b>

## 32. OTHER INCOME AND EXPENSES

	<i>Current year</i> VND	<i>Previous year</i> VND
Other income	15,121	1,395,005
Other expenses	(328,779)	(3,112,434)
	<b><u>(313,658)</u></b>	<b><u>(1,717,429)</u></b>

## 33. CORPORATE INCOME TAX

The Company has the obligations to pay the Corporate Income Tax ("CIT") at a rate of 20% of taxable profits (2019: 20%).

The tax returns filed by the Company are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the separate financial statements could change later upon final determination by the tax authorities.

### 33.1 Corporate income tax

	<i>Current year</i> VND	<i>Previous year</i> VND
Current corporate income tax expenses	33,726,032,891	22,522,553,412
Deferred corporate income tax expenses	19,285,625,296	4,240,677,970
	<b><u>53,011,658,187</u></b>	<b><u>26,763,231,382</u></b>

# Thien Viet Securities Joint Stock Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 33. CORPORATE INCOME TAX (continued)

### 33.2 Current corporate income tax

The current tax payable is based on taxable profit for the year. The taxable profit of the Company for the year differs from the profit as reported in the separate statement of income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the reporting date.

Reconciliation between CIT expense and accounting profit multiplied by CIT rate presented below:

	Current year VND	Previous year VND
<b>Profit before tax</b>	<b>276,073,177,267</b>	<b>139,517,050,901</b>
<b>At applicable CIT tax rate of 20%</b>	55,214,635,453	27,903,410,180
Increase adjustments	311,873,800	288,094,134
- Non-deductible expenses	309,965,974	285,597,516
- Unrealized loss from changes in foreign exchange rates	1,907,826	2,496,618
Decrease adjustments	(21,802,187,082)	(5,668,950,902)
- Dividend income	(2,516,561,786)	(1,428,272,934)
- Net increase from revaluation of financial assets at FVTPL	(19,285,625,296)	(4,240,677,968)
Additional CIT expenses for previous year	1,710,720	-
<b>CIT expense</b>	<b>33,726,032,891</b>	<b>22,522,553,412</b>

### 33.3 Deferred corporate income tax

	Separate Statement of financial position		Separate income statement	
	Ending balance VND	Beginning balance VND	Current year VND	Previous year VND
<b>Deferred tax assets</b>				
Provision for impairment of investment securities	470,930,000	470,930,000	-	-
Provision for doubtful receivables	1,665,634,460	1,665,634,460	-	-
	<b>2,136,564,460</b>	<b>2,136,564,460</b>	-	-
<b>Deferred tax payable</b>				
Difference from revaluation of financial assets at FVTPL	24,594,577,759	5,308,952,463	(19,285,625,296)	(4,240,677,970)
<b>Deferred tax (expenses)/income</b>			<b>(19,285,625,296)</b>	<b>(4,240,677,970)</b>

# Thien Viet Securities Joint Stock Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 34. OTHER INFORMATION

### 34.1 Related party transactions

Significant transactions with related party during the year are as follows:

<u>Related parties</u>	<u>Relationship</u>	<u>Transaction</u>	<u>Current year VND</u>	<u>Previous year VND</u>
Thien Viet Asset Management Joint Stock Company	Subsidiary	Portfolio investment management fee	12,595,445,949	3,361,736,352
Finsight Joint Stock Company	Subsidiary	Capital contribution	15,000,000,000	-

At the reporting date, balances with related party are as follows:

<u>Related parties</u>	<u>Relationship</u>	<u>Transaction</u>	<u>Ending balance VND</u>	<u>Beginning balance VND</u>
Thien Viet Asset Management Joint Stock Company	Subsidiary	Entrusted investment portfolio	233,226,151,050	352,390,591,188
Finsight Joint Stock Company	Subsidiary	Investors' deposits	2,287,703	-

### 34.2 Other related party transactions

Remuneration of members of the Board of Directors and the General Director in the current year amounted to VND4,945,313,636 (Previous year: VND3,967,145,455).

# Thien Viet Securities Joint Stock Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 34. OTHER INFORMATION (continued)

### 34.3 Segment information

	<i>Brokerage and customer services VND</i>	<i>Trading VND</i>	<i>Financial advisory VND</i>	<i>Capital trading VND</i>	<i>Total VND</i>
<b>For the year ended 31 December 2020</b>					
1. Net revenue from securities trading activities	41,859,287,070	305,859,251,840	10,204,090,909	261,709,630,316	619,632,260,135
2. Direct costs	(32,436,174,826)	(168,787,428,890)	(9,337,366,684)	(108,800,416,594)	(319,361,386,994)
3. Depreciation, amortization and other allocation expenses	(1,116,205,831)	(1,026,896,684)	(354,202,746)	(467,996,316)	(2,965,301,577)
<b>Department operating result</b>	<b>8,306,906,413</b>	<b>136,044,926,266</b>	<b>512,521,479</b>	<b>152,441,217,406</b>	<b>297,305,571,564</b>
4. Unallocated expenses					(21,232,394,297)
<b>Profit before tax from operating activities</b>					<b>276,073,177,267</b>
<b>As at 31 December 2020</b>					
<b>1. Segment assets</b>	<b>182,464,231,501</b>	<b>756,726,527,045</b>	<b>4,807,700,000</b>	<b>125,565,028,143</b>	<b>1,069,563,486,689</b>
- Cash and cash equivalents	-	98,064,645,901	-	27,054,623,419	125,119,269,320
- Financial assets at FVTPL	-	589,207,486,162	-	-	589,207,486,162
- Available-for-sale (AFS) financial asset - net	-	60,344,863,882	-	1,072,850,000	61,417,713,882
- Loans - net	182,182,117,890	-	-	-	182,182,117,890
- Accruals for dividend and interest income	-	884,372,000	-	92,115,643,799	93,000,015,799
- Receivable from selling financial asset	-	8,225,159,100	-	-	8,225,159,100
- Receivable from services provided by the Company	282,113,611	-	4,807,700,000	-	5,089,813,611
- Other receivables	-	-	-	5,321,910,925	5,321,910,925
<b>2. Allocation assets</b>	<b>735,263,785</b>	<b>2,797,571,121</b>	<b>267,687,373</b>	<b>2,368,184,176,409</b>	<b>2,371,984,698,689</b>
- Term deposits	-	2,209,548,000	-	2,367,840,452,000	2,370,050,000,000
- Fixed assets	735,263,785	588,023,121	267,687,373	343,724,409	1,934,698,689
<b>3. Unallocated assets</b>					<b>170,723,987,436</b>
<b>Total assets</b>	<b>183,199,495,286</b>	<b>759,524,098,166</b>	<b>5,075,387,373</b>	<b>2,493,749,204,552</b>	<b>3,612,272,172,814</b>
<b>1. Segment liabilities</b>	<b>183,265,741,336</b>	<b>17,341,473,238</b>	-	<b>2,035,848,625,392</b>	<b>2,236,455,839,966</b>
- Borrowings	182,762,276,608	-	-	2,035,848,625,392	2,218,610,902,000
- Payables for securities transaction activities	503,464,728	-	-	-	503,464,728
- Short-term trade payables	-	17,341,473,238	-	-	17,341,473,238
<b>2. Unallocated liabilities</b>					<b>78,971,417,691</b>
<b>Total liabilities</b>	<b>183,265,741,336</b>	<b>17,341,473,238</b>	-	<b>2,035,848,625,392</b>	<b>2,315,427,257,657</b>

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## 34. OTHER INFORMATION (continued)

### 34.4 Commitments under operating lease

The Company currently leases its offices under the operating lease contracts. As at 31 December 2020, the future rental fee payables as stated in the rental contracts are as follows:

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Within 1 year	2,811,918,144	3,251,908,800
From 1 year to 5 years	1,118,956,608	946,990,800
	<b><u>3,930,874,752</u></b>	<b><u>4,198,899,600</u></b>

### 34.5 Purposes and policies of financial risk management

Financial liabilities of the Company mainly comprised of borrowings, trade payables and other payables. Primary purpose of financial liabilities is to finance main business operation of the Company. The Company possesses loans, receivables from customers and other receivables, cash on hand and short-term deposit incurring directly from business operation of the Company. The Company does not hold or issue any derivative instruments.

The Company is exposed to market risk, credit risk and liquidity risk in its daily operation.

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

The General Director reviews and agrees policies for managing each of these risks which are summarized as below.

#### **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market price comprises four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk including loans, deposits and available-for-sale 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 for changes in interest rate relates primarily to the Company's cash, short-term deposits and borrowings.

The Company manages interest rate risk by looking at the competitive structure of the market to obtain relevant interest policies, which are favorable for its purposes within its risk management limits.

A sensitivity analysis is not performed for the interest rate risk as the Company's financial instrument bearing fixed interest rate.



# Thien Viet Securities Joint Stock Company

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## 34. OTHER INFORMATION (continued)

### 34.5 *Purposes and policies of financial risk management* (continued)

#### *Foreign currency risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company assesses that its exposure to currency risk is at low level because its assets and liabilities in foreign currency are insignificant.

#### *Share price risk*

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainty about future values of the investment securities. The Company manages share price risk by establishing investment limit. The Board of Directors of the Company also reviews and approves decisions to invest in shares.

Changes in share price can affect to the Company's profit and equity.

#### **Credit risk**

Credit risk is the risk that counterparty will 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 margin loans and advances to customers) and from its financing activities, including deposits with banks.

#### *Trade receivables*

The Company based on its established policies, procedures and controls relating to customer credit risk management manages customer credit risk.

The Company is regularly monitored outstanding customer receivables and required secured methods or credit insurance to large customers' receivables. The requirement for impairment is analyzed at each reporting date on an individual basis for major clients. The Company has maintained strict control over its outstanding receivables and has a credit control department to minimize credit risk. In view of the aforementioned and the fact that the Company's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

#### *Deposits at banks*

The Company's bank balances are mainly maintained with well-known banks in Vietnam. Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. The Company's maximum exposure to credit risk for the components of the balance sheet at each reporting dates are the carrying amounts. The Company evaluates the concentration of credit risk in respect to bank deposit as low.

#### *Loans and advances to customers*

The Company manages its credit risks via the use of internal control policies, processes and procedures relevant to margin loans and advances to customer process.

The Company conducts the customer assessment and appraisal for determining credit and advance limits, margin ratio, prior to the signing of margin loans and advance contracts. Also, the Company periodic examines customers' financial position in order to make appropriate and timely adjustments for margin ratio and credit limits.

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## 34. OTHER INFORMATION (continued)

### 34.5 Purposes and policies of financial risk management (continued)

#### Credit risk (continued)

##### Loans and advances to customers (continued)

Except financial assets that the Company made provision as mentioned in Note 6.6, the General Director assessed that all financial assets are neither past due nor impaired as they are related to recognize and credit worthy counter parties, except receivables presented as below are past due but not impaired as at 31 December 2020 due to being fully covered by securities assets.

The table below summarizes the credit risk related to financial assets as at 31 December 2020:

31 December 2020	Neither past due nor impaired VND	Past due but not impaired				Over 1 year VND	Impaired VND	Total VND
		Less than 3 months VND	3 - 6 months VND	6 - 12 months VND				
<b>HTM financial assets</b>	<b>2,370,050,000,000</b>	-	-	-	-	-	<b>2,370,050,000,000</b>	
<b>Loans</b>	<b>182,182,117,890</b>	-	-	-	-	<b>580,158,718</b>	<b>182,762,276,608</b>	
<b>Other financial assets</b>	<b>113,308,646,067</b>	-	-	-	-	-	<b>113,308,646,067</b>	
Receivables from selling financial asset	8,225,159,100	-	-	-	-	-	8,225,159,100	
Receivables and accruals from dividend and interest income	93,000,015,799	-	-	-	-	-	93,000,015,799	
Receivables from services provided by the company	5,089,813,611	-	-	-	-	-	5,089,813,611	
Deposits, collaterals and pledges	1,117,693,000	-	-	-	-	-	1,117,693,000	
Others	5,875,964,557	-	-	-	-	-	5,875,964,557	
<b>Total</b>	<b>2,665,540,763,957</b>	-	-	-	-	<b>580,158,718</b>	<b>2,666,120,922,675</b>	

#### Liquidity risk

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

The Company monitors its liquidity risk by maintain a level of cash and cash equivalents and bank loans deemed adequate to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

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## 34. OTHER INFORMATION (continued)

### 34.5 Purposes and policies of financial risk management (continued)

#### Liquidity risk (continued)

The table below summarizes the maturity profile of the Company's financial assets and financial liabilities as at 31 December 2020:

	Overdue VND	On demand VND	Up to 1 year VND	From 1 to 5 years VND	Over 5 years VND	Total VND
<b>FINANCIAL ASSETS</b>						
<b>Held-for-trading investments</b>	-	<b>579,270,191,641</b>	-	-	<b>9,937,294,521</b>	<b>589,207,486,162</b>
Listed shares	-	514,766,671,741	-	-	-	514,766,671,741
Unlisted shares	-	993,519,900	-	-	-	993,519,900
Unlisted bonds	-	-	-	-	9,937,294,521	9,937,294,521
Fund certificates	-	63,510,000,000	-	-	-	63,510,000,000
<b>Available-for-sale investments</b>	-	<b>63,772,363,882</b>	-	-	-	<b>63,772,363,882</b>
Unlisted shares	-	63,772,363,882	-	-	-	63,772,363,882
<b>Held-to-maturity investments</b>	-	-	<b>2,370,050,000,000</b>	-	-	<b>2,370,050,000,000</b>
Term deposits	-	-	50,000,000	-	-	50,000,000
Fund certificates	-	-	2,370,000,000,000	-	-	2,370,000,000,000
<b>Loans</b>	<b>580,158,718</b>	-	<b>182,182,117,890</b>	-	-	<b>182,762,276,608</b>
<b>Investment in subsidiary</b>	-	-	-	-	<b>151,704,000,000</b>	<b>151,704,000,000</b>
<b>Other financial assets</b>	-	-	<b>106,314,988,510</b>	<b>1,117,693,000</b>	<b>5,875,964,557</b>	<b>113,308,646,067</b>
Receivable from selling financial assets	-	-	8,225,159,100	-	-	8,225,159,100
Receivables and accruals from dividend and interest income	-	-	93,000,015,799	-	-	93,000,015,799
Receivables from services provided by the Company	-	-	5,089,813,611	-	-	5,089,813,611
Deposits, collaterals and pledges	-	-	-	1,117,693,000	-	1,117,693,000
Others	-	-	-	-	5,875,964,557	5,875,964,557
<b>Cash and cash equivalents</b>	-	<b>125,119,269,320</b>	-	-	-	<b>125,119,269,320</b>
	<b>580,158,718</b>	<b>768,161,824,843</b>	<b>2,658,547,106,400</b>	<b>1,117,693,000</b>	<b>167,517,259,078</b>	<b>3,595,924,042,039</b>
<b>FINANCIAL LIABILITIES</b>						
Borrowings	-	-	2,198,610,902,000	20,000,000,000	-	2,218,610,902,000
Payables from securities trading activities	-	503,464,728	-	-	-	503,464,728
Others	-	11,347,030,711	16,757,804,423	-	-	28,104,835,134
	-	<b>11,850,495,439</b>	<b>2,215,368,706,423</b>	<b>20,000,000,000</b>	-	<b>2,247,219,201,862</b>
<b>Net liquidity gap</b>	<b>580,158,718</b>	<b>756,311,329,404</b>	<b>443,178,399,977</b>	<b>(18,882,307,000)</b>	<b>167,517,259,078</b>	<b>1,348,704,840,177</b>

# Thien Viet Securities Joint Stock Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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## 34. OTHER INFORMATION (continued)

### 34.5 *Purposes and policies of financial risk management* (continued)

#### *Liquidity risk* (continued)

The Company assessed that concentration of payment risk is low. The Company is capable of accessing capital resource and borrowings that matures in 12 months could be renewed with existing lenders.

## 35. EVENTS AFTER THE SEPARATE BALANCE SHEET DATE

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

Ms. Hoang Khanh Ly  
Preparer

Mr. Le Quang Tien  
Chief Accountant



Ms. Nguyen Thanh Thao  
General Director

Hanoi, Vietnam

30 March 2021