

**CÔNG TY CỔ PHẦN  
CHỨNG KHOÁN TP.HỒ CHÍ MINH  
HO CHI MINH CITY SECURITIES  
CORPORATION**

Số/ No.: 20/2022/CV-CBTT

**CỘNG HÒA XÃ HỘI CHỦ NGHĨA VIỆT NAM**  
Độc lập - Tự do - Hạnh phúc  
**THE SOCIALIST REPUBLIC OF VIETNAM**  
*Independence - Freedom – Happiness*

TP.Hồ Chí Minh, ngày 13 tháng 04 năm 2022  
*Ho Chi Minh City, 13 April 2022*

**CÔNG BỐ THÔNG TIN ĐỊNH KỲ  
PERIODIC INFORMATION DISCLOSURE**

Kính gửi/To: - Ủy ban Chứng khoán Nhà nước  
*The State Securities Commission*  
- Sở Giao dịch Chứng khoán Việt Nam  
*Vietnam Stock Exchange*  
- Sở Giao dịch Chứng khoán TP.Hồ Chí Minh  
*Hochiminh Stock Exchange*  
- Sở Giao dịch Chứng khoán Hà Nội  
*Hanoi Stock Exchange*

- Tên tổ chức: Công ty Cổ phần Chứng khoán TP. Hồ Chí Minh  
*Name of organization: Ho Chi Minh City Securities Corporation*
  - Mã chứng khoán: HCM  
*Securities code: HCM*
  - Địa chỉ liên lạc: Tầng 2, 5, 6, 7, 11 và 12 Tòa nhà AB, 76A Lê Lai, P. Bến Thành, Quận 1, TP.HCM  
*Address: Level 2, 5, 6, 7, 11 & 12, AB Tower, 76A Le Lai Str., Ben Thanh Ward, Dist.1, HCM City*
  - Điện thoại: (+84 8) 3823 3299  
*Telephone: (+84 8) 3823 3299*
  - Fax: (+84 8) 3823 3301  
*Fax: (+84 8) 3823 3301*
  - Email: cbtt@hsc.com.vn  
*Email: cbtt@hsc.com.vn*
- Nội dung thông tin công bố: Báo cáo thường niên năm 2021  
*Contents of disclosure: 2021 Annual Report*
- Thông tin này đã được công bố trên trang thông tin điện tử của công ty vào ngày 13/04/2022 tại đường dẫn <https://www.hsc.com.vn/cong-bo-thong-tin>  
*This information was published on the company's website on 13 April 2022, as in the link <https://www.hsc.com.vn/en/information-disclosure>*

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 hereby certify that the information provided is true and correct; we bear the full responsible to the law.*



**ĐẠI DIỆN TỔ CHỨC**  
**ORGANIZATION REPRESENTATIVE**

Người được ủy quyền công bố thông tin  
*Person authorized to disclose information*



**Lê Anh Quân**

Giám đốc Điều hành Phát triển Quan hệ hợp tác  
*Chief Partnership Officer*

**Tài liệu đính kèm / Attached documents:**

- Báo cáo thường niên năm 2021  
*2021 Annual Report*

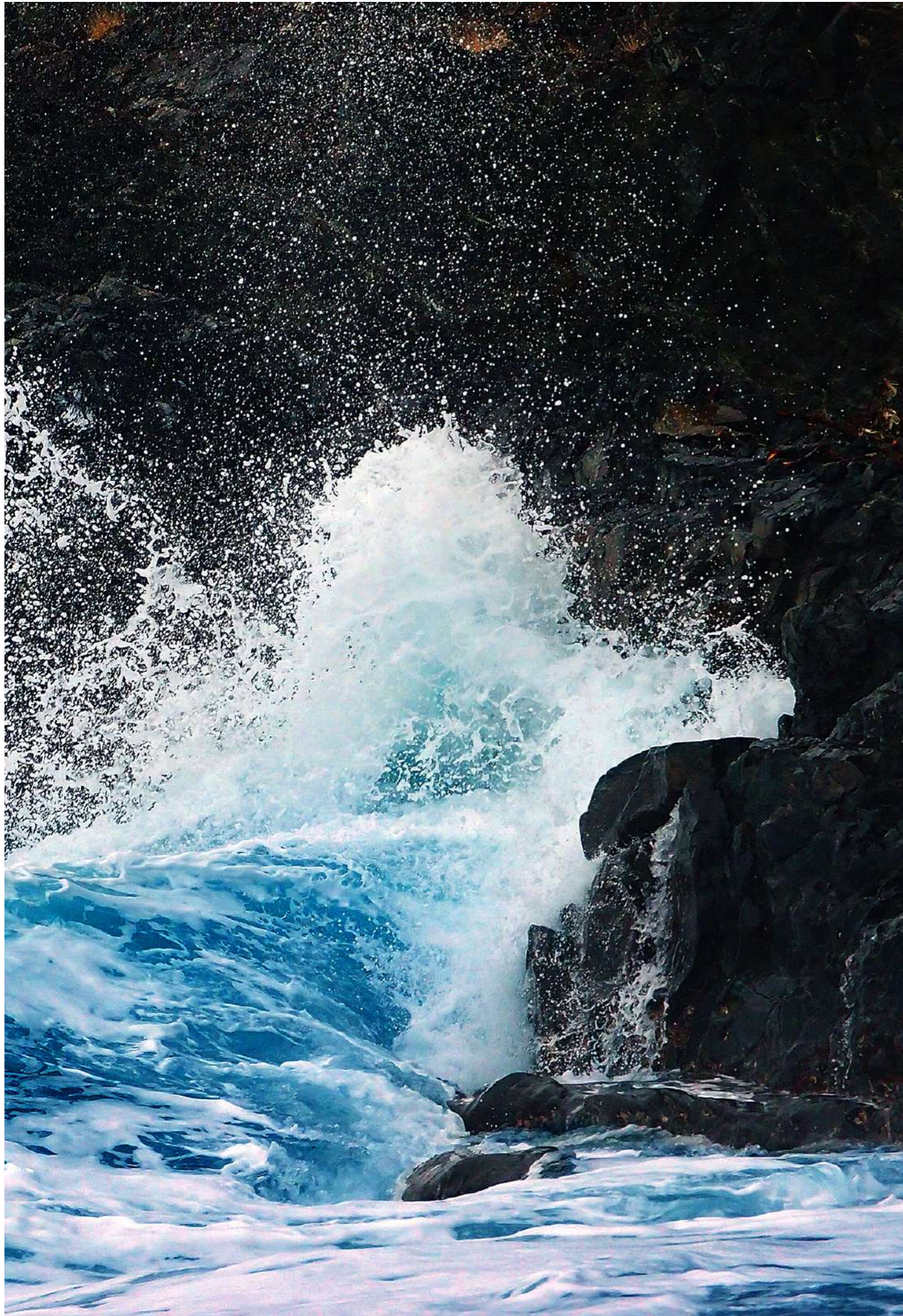




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# RESILIENCE

| Annual Report 2021



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*Annual Report 2021*

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## MESSAGE FROM OUR CEO

Dear Fellow Shareholders,

2021 marks HSC's most successful year in history with record business results. Both revenue and net profit reached all-time high levels of VND3,368 billion and VND1,114.7 billion, which translate to 112% and 116% yoy growths, respectively. This performance is especially meaningful given that the Covid-19 pandemic posed significant challenges to our operations and required us to make tremendous efforts to keep our employees safe and to maintain exceptional client service quality. By taking timely response measures such as providing financial support to employees and their family members who were infected with the virus and investing in facilities and safety protocols to allow all employees to work remotely during lockdowns and welcome them back to the office safely, we were able to exceed our business guidance. I am proud of the efforts we made and believe those enhanced our employee engagement considerably.

In addition to delivering strong business performance, we also successfully raised our shareholder capital from VND4,440 billion to VND7,325 billion to further enhance our competitiveness and capture opportunities. Besides, we continued our pursuit of sustainable growth as we upgraded our internal control framework and strengthened our business management and risk control capabilities. Particularly, we established the Governance, Risk and Compliance division and specialized executive committees and completed the restructuring of the retail client division. Those are pivotal to our sustainable growth strategy given the much larger scale of HSC's businesses and the fast-paced market landscape.

The Vietnamese stock market is expected to maintain the momentum in 2022 on the back of domestic economic recovery. Corporate earnings prospect also looks bright. However, there are certain headwinds, especially from inflationary pressure and geopolitical tensions. However, I believe with HSC's resilient business model, right business strategies and stronger capabilities, we will be able to deliver strong business results in 2022. Furthermore, to solidify our leading position and accelerate growth to continue enhancing business and shareholder values, we set a clear plan to reinforce our strengths on people, technology and capital as follows:

In terms of human capital, our goals are to further enhance employee engagement and attract top talent. To achieve the goals, we will continue to foster our professional and positive work environment and seek to reward our people by performance-based and long-term incentive plans including stock option (ESOP).

As regards technology, digitalization will be further embedded in our organization. Our approach is to develop core proprietary technologies and design business processes and services in house to further enhance the agility of our operations.

With respect to capital, strengthening capital base will allow us serve clients better given the rapid expansion of the stock market. Capital raising will be thoroughly considered to optimize shareholder return. We will also consider debt financing with attractive cost of funds to achieve optimal capital structure.

It is worth to emphasize that our rigorous risk management policies and robust corporate governance will allow us to deploy additional resources to fuel growth without impact on our risk appetite and profile. I am excited about a much stronger HSC, across key metrics, in the years to come.

On behalf of all employees of HSC, I would like to thank you for your trust and continued support. As a strong believer in the long-term prospect of the Vietnamese capital markets, I am also highly confident in our ability to stay ahead of the curve and continue to increase shareholder value.

Yours sincerely,

Trinh Hoai Giang  
Chief Executive Officer

# ABOUT HSC



## FINANCIAL HIGHLIGHTS

	2017	2018	2019	2020	2021	CAGR in 5 years
<b>Statement of income (VND Billion)</b>						
<b>Revenue</b>	<b>1,382</b>	<b>1,702</b>	<b>1,262</b>	<b>1,592</b>	<b>3,368</b>	<b>20%</b>
<i>In which:</i>						
<i>Brokerage fees</i>	602	759	478	621	1,390	22%
<i>Margin lending</i>	439	523	496	550	1,179	
<i>Principal investment (*)</i>	270	278	222	369	722	
<i>Financial advisory services</i>	45	119	54	38	47	
<i>Other revenues</i>	25	23	12	13	30	
<b>Operating expenses</b>	<b>689</b>	<b>860</b>	<b>731</b>	<b>932</b>	<b>1,938</b>	
<b>Net profit from operating activities</b>	<b>692</b>	<b>842</b>	<b>531</b>	<b>660</b>	<b>1,430</b>	
<b>Profit before tax</b>	<b>693</b>	<b>842</b>	<b>531</b>	<b>660</b>	<b>1,430</b>	
<b>Profit after tax</b>	<b>554</b>	<b>675</b>	<b>433</b>	<b>530</b>	<b>1,147</b>	<b>16%</b>
<b>Balance sheet (VND Billion)</b>						
Total assets	6,681	5,256	7,489	12,489	24,369	30%
Charter capital	1,298	1,298	3,059	3,059	4,581	29%
Shareholders' equity	2,791	3,061	4,304	4,440	7,325	21%
<b>Financial indicators</b>						
Return on average assets (ROAA)	10.8%	11.3%	6.8%	5.3%	6.2%	-10%
Return on average equity (ROAE)	21.4%	23.1%	11.7%	12.1%	23.8%	2%
<b>Equity's value</b>						
Outstanding shares	129,570,368	129,554,168	305,516,173	305,041,845	457,211,949	29%
Basic earnings per share - VND	4,289	5,214	1,596	1,738	3,685	-3%
Book value per common share - VND	21,542	23,624	14,088	14,557	16,022	-6%
Dividend - VND (**)	2,100	2,500	1,200	1,200	1,200	-11%
Market price at year end - VND	60,100	46,850	21,350	31,400	45,500	-5%
P/E	14.0	9.0	13.4	18.1	12.1	-3%

(\*) Gains and losses arising from proprietary investments were netted off for comparative purposes

(\*\*) Estimated for Y2021 and subject for final approval at AGM

Revenue (VND Billion)	Profit Before Tax (VND Billion)	Book Value Per Common Share (VND)	Basic Earnings Per Share (VND)	Total Assets (VND Billion)	Shareholders' Equity (VND Billion)
2021 <b>3,368</b>	2021 <b>1,430</b>	2021 <b>16,022</b>	2021 <b>3,760</b>	2021 <b>24,369</b>	2021 <b>7,325</b>
2020 1,592	2020 660	2020 14,557	2020 1,738	2020 12,489	2020 4,440
2019 1,262	2019 531	2019 14,088	2019 1,596	2019 7,489	2019 4,304
2018 1,702	2018 842	2018 23,624	2018 5,214	2018 5,256	2018 3,061
2017 1,382	2017 693	2017 21,542	2017 4,289	2017 6,681	2017 2,791

## HSC PROFILE

### VISION

**Being a leading securities company** in the industry and Vietnam's capital markets with the standards of professionalism, innovation, financial strength and sustainability.

### MISSION

To become one of the country's most admired, trusted, and valued financial institution, and be an active contributor to the economy and community of Vietnam.



### OUR CORE VALUES



#### INTEGRITY

We act with integrity in every business decision and daily operation.

#### POSITIVITY

We demonstrate good intention with respectful manner in our interaction with others.

#### PROFESSIONALISM

We innovate and continuously improve our capabilities as a leader in capital markets.

#### DEDICATION

We are committed to providing excellent services to all stakeholders.

#### PARTNERSHIP

We build trusting partnerships by displaying empathy and providing collaborative support to one another.

## HSC BUSINESSES

### BROKERAGE & SALES

#### Securities Services

- Opening of trading accounts
- Brokerage: Equity, Fixed Income, Derivatives
- Advisory
- Account management
- Cash transaction
- Securities depository
- Fund certificates distribution
- OTC stocks quoting
- Shareholder Book management
- Managed Account
- IPO auction agent
- Corporate bond distribution

#### Financial Services

- Margin lending
- Cash advances
- Government bond brokerage, auction & repo
- Short-term funding for buying government bond

#### Trading Services

- Web trading
- Mobile trading
- DMA & STP
- FIX
- OMGEO
- Contact center
- SMS

### INVESTMENT BANKING

#### Corporate Finance Advisory

- Equitization
- Divesting the State's interest in SOEs
- Enterprise valuation
- Financial Restructuring
- Public company registration
- Listing and Initial Public Offering (IPO) advisory

#### Merger & Acquisition (M&A) Advisory

#### Capital Raising in Domestic and International Capital Market

- Stocks issuance and underwriting
- Bond & derivatives issuance via public offering or private placement
- Financial Restructuring
- Listing and Initial Public Offering (IPO) advisory



### RESEARCH

#### Coverage

- Companies
- Sectors
- Economics
- Fixed Income
- Strategy
- Technical analysis

#### Full Access

- Analyst calls
- Working models
- Corporate Access

### PRINCIPAL INVESTMENT

#### Proprietary Investment

- Fixed income
- Equity
- Futures
- Covered Warrant
- Structured products

#### Market Making



## CORPORATE MILESTONES

“ Since inception in 2003, HSC has steadily grown in size and capital base to become one of the leading securities and financial services firms in Vietnam

## 2003 – 2008

- Initiated operations with an initial capital of VND 50 billion
- Increased charter capital to VND 395 billion.
- Issued shares for strategic shareholders HDBANK and FIDICO.
- Launched the VITrade system to facilitate Internet trading.

## 2009 - 2014

- Officially listed on Ho Chi Minh City Stock Exchange under stock ticker HCM
- Increased charter capital to over VND 1,273 billion.
- Launched HSC Trade on Android, fulfilled HSC's trading channels on mobile devices: Web, Android, iOS.
- Officially launched direct connections to both Bloomberg and Reuters networks by FIX (Financial Information Exchange) - standard electronic protocol for pre-trade communications and trade executions.
- Obtained certification of ISO/IEC 27001:2005 standard for "Providing online trading and brokerage services" from TUV Rheinland (Germany)
- Received Certificate of Merit from Ministry of Finance for significant contribution to HNX's development from 2009 - 2014.
- Received Certificate of Merit from The Prime Minister of Vietnam for significant contributions to securities market development from 2010 - 2014.

## 2015 - 2020

- Increased charter capital to VND 3,058 billion
- Launched an online customer brokerage channel: [www.online.hsc.com.vn](http://www.online.hsc.com.vn)
- Launched eKYC – electronically verifying the authenticity of the client – which allows HSC's client to open accounts online
- Launched myhsc.com.vn – an integrated digital platform that support investor to trade all financial products in one application
- Participated as a pioneer in the inauguration of Vietnam Derivatives Market, marking a milestone in the development of Vietnam's securities market.
- HSC was one of three first Authorized-Participant of Vietnam local ETF VFMVN30 DIAMOND
- Successfully issued VND 800 million corporate bond.
- Successfully issued covered warrant product
- Successfully organized the Emerging Vietnam 2018 Conference which is considered as a bridge between more than 40 leading companies in Vietnam and 200 international investors.
- Mr. Trinh Hoai Giang – Deputy CEO was appointed to the position of Chief Executive Officer
- Launched a high-quality Client Center at AB Tower

## 2021

- Increased charter capital to **VND 4,581 billion**
- Amending the license for establishment and operation, gathering transaction offices in Ho Chi Minh City to a single address at: Level 2,5,6,7,11 and 12, AB Tower, 76A Le Lai, District 1, Ho Chi Minh City
- Received the Certificate of Merit from the Vietnamese Fatherland Front for great contributions to the government in the prevention of the Covid-19 epidemic
- Successfully organized webinar series C2C – Connecting to customers to connect individual customers with leading listed companies in Vietnam
- Successfully organized the Emerging Vietnam virtual conference and Investor Conference series to connect international institutional investors with Vietnam companies.

## AWARDS & ACCOLADES

### 2012

- Best Brokerage House in Vietnam 2012", at the Triple A Country Awards 2012, awarded by The Asset magazine.
- "Best Local Brokerage in Vietnam" and 21 other major accolades in Asiamoney Brokers Poll 2012.
- Platinum Award for Annual Report in Financial - Capital Markets and 6 other accolades at LACP 2012 Vision Awards by League of American Communications Professionals (LACP).
- "Vietnam's Top 50 Performing Companies 2012", voted by Nhip Cau Dau Tu magazine
- "M&A Advisory Firm of the Year 2011 - 2012", awarded at M&A Forum Vietnam 2012.

### 2013

- "The Best Brokerage Firm in Vietnam 2013" at the Triple A Country Awards 2013, awarded by The Asset magazine
- "Top 50 Listed Companies in Vietnam 2013", voted by Forbes Vietnam Magazine
- "Most Outstanding Securities Company in 2013", awarded by Hanoi Stock Exchange.
- "Top 10 Members of Government Bond Trading 2013", awarded by Hanoi Stock Exchange.

### 2014

- "Best Brokerage House in Vietnam" and "Best M&A House in Vietnam" at the Triple A Country Awards 2014, awarded by The Asset magazine.
- "Top 3 Best Salespersons in Vietnam" in 2014 plus other accolades for brokerage services and research coverage by Asiamoney.
- "The Best Managed Brokerage House in the APAC Region", awarded by the Asian Banker.
- Certificate of Merit from Ministry of Finance for significant contribution to HNX's development from 2009 - 2014.
- "Top 50 Best Performing Companies in Vietnam 2014", voted by Nhip Cau Dau Tu magazine.
- "Top 50 Listed Companies in Vietnam 2014", voted by Forbes Vietnam magazine.
- "Bronze Award" for Traditional Annual Report in Financial Services: Brokerage & Commodity Category, and "Honors Award" for Written Text Category at the 2014 ARC Awards.
- "Gold Award" in Financial - Capital Markets and 3 other major accolades at the 2013 LACP Vision Awards for Annual Reports.
- "Top 10 Best Annual Reports", awarded by HOSE and Dau tu Chung khoan Newspaper.

### 2015

- "Top 50 Performing Companies in Vietnam 2015", voted by Nhip Cau Dau Tu magazine
- "Top 50 Listed Companies in Vietnam 2015". voted by Forbes Vietnam magazine
- "Top 3 Publicly Listed Companies in Vietnam 2015" by ASEAN Corporate Governance Scorecard, awarded in Manila, Philippines.
- Certificate of Merit from the Prime Minister for significant contribution to securities market development in 2010 - 2014.
- Certificate of Merit from the Ho Chi Minh City People's Committee.
- "Best Member Firm", voted by Ha Noi Stock Exchange
- 1st Prize for Best Annual Report, Best Content of Corporate Governance 2015 and Top 3 Best Sustainability Reports given by Vietnam Investment Review and HOSE.
- "Bronze Award" for Traditional Annual Report in Financial Services - Brokerage & Commodity Category" and "Honors Award" for Written Text Category at 2015 ARC Awards.

### 2016

- "Top 50 Listed Companies in Vietnam", awarded by Forbes Vietnam magazine
- Certificate of Merit from the Ministry of Finance for significant contributions to the development of the securities market, economy and social aspect in Vietnam.
- "Top 100 Sustainable Companies in Vietnam 2016", awarded by VCCI
- "Top 10 Best Annual Reports in Vietnam" at Annual Report Award, organized by Dau Tu Chung Khoan Newspaper and HOSE

### 2017

- "Best Brokerage House in Vietnam" at the Triple A Country Awards 2017, awarded by The Asset magazine.
- "Top 50 Listed Companies in Vietnam 2017", voted by Forbes Vietnam magazine
- "Top 50 Performing Companies in Vietnam 2017", voted by Nhip Cau Dau Tu magazine
- "Top 10 Best Annual Report" & "Best Corporate Governance report" at Annual Report Award, organized by Dau Tu Chung Khoan Newspaper and HOSE

### 2018

- Top 3 public listed companies in Vietnam 2018, awarded at the 2nd ASEAN Corporate Governance Awards Ceremony held in Malaysia by ASEAN Capital Markets Forum.
- "Top 5 Best Corporate Governance Companies - Large Cap Group" and "Top 10 Best Annual Reports" at the ceremony of the Vietnam Listed Company Awards
- "Top 50 Best Performing Companies in Vietnam 2018", awarded by Nhip Cau Dau Tu Magazine
- "Top 50 Best Listed Companies" awarded by Forbes Vietnam magazine.
- "Best Company for Investor Relation Activities 2018" at IR Awards 2018 organized by Vietstock in collaboration with Finance and Electronic Life - FiLi.vn.
- "The Best Securities Company in 2017 - 2018 for IPO Advisory & Private Issuance at Vietnam M&A forum

### 2019

- "Best Institutional Broker in Vietnam" awarded by Alpha Southeast Asia magazine.
- "Top 50 best listed company in Vietnam 2019", voted by Forbes Vietnam magazine
- "Top 50 Best Performing Companies in Vietnam 2019", awarded by Nhip Cau Dau Tu Magazine
- "Best Brokerage House in Vietnam" at the Triple A Country Awards 2017, awarded by The Asset magazine
- "Top 5 Best Corporate Governance Companies - Large Cap Group" at "Vietnam Listed Company Awards 2019", awarded by SSC and HSX

### 2020

- "Best Investment Bank in Vietnam" awarded by Alpha Southeast Asia magazine.
- "Top 50 Best Performing Companies in Vietnam", awarded by Nhip Cau Dau Tu Magazine
- "The listed company with best IR activities 2020 voted by investors", awarded by Vietstock.
- "Top 5 Best Corporate Governance Companies - Large Cap Group", awarded by State Securities Commission (SSC), Hochiminh Stock Exchange (HOSE), Hanoi Stock Exchange (HNX) and Vietnam Investment Review (VIR)

## AWARDS & ACCOLADES

2021



**"Top 50 best listed company in Vietnam 2021"**  
Voted by Forbes Vietnam magazine



**"Best Investment Bank in Vietnam"**  
awarded by Finance Asia magazine.



**"Top 50 Best Performing Companies in Vietnam"**  
Awarded by Nhip Cau Dau Tu Magazine



**"Top 25 leading financial brands in 2021"**  
Voted by Forbes Vietnam magazine

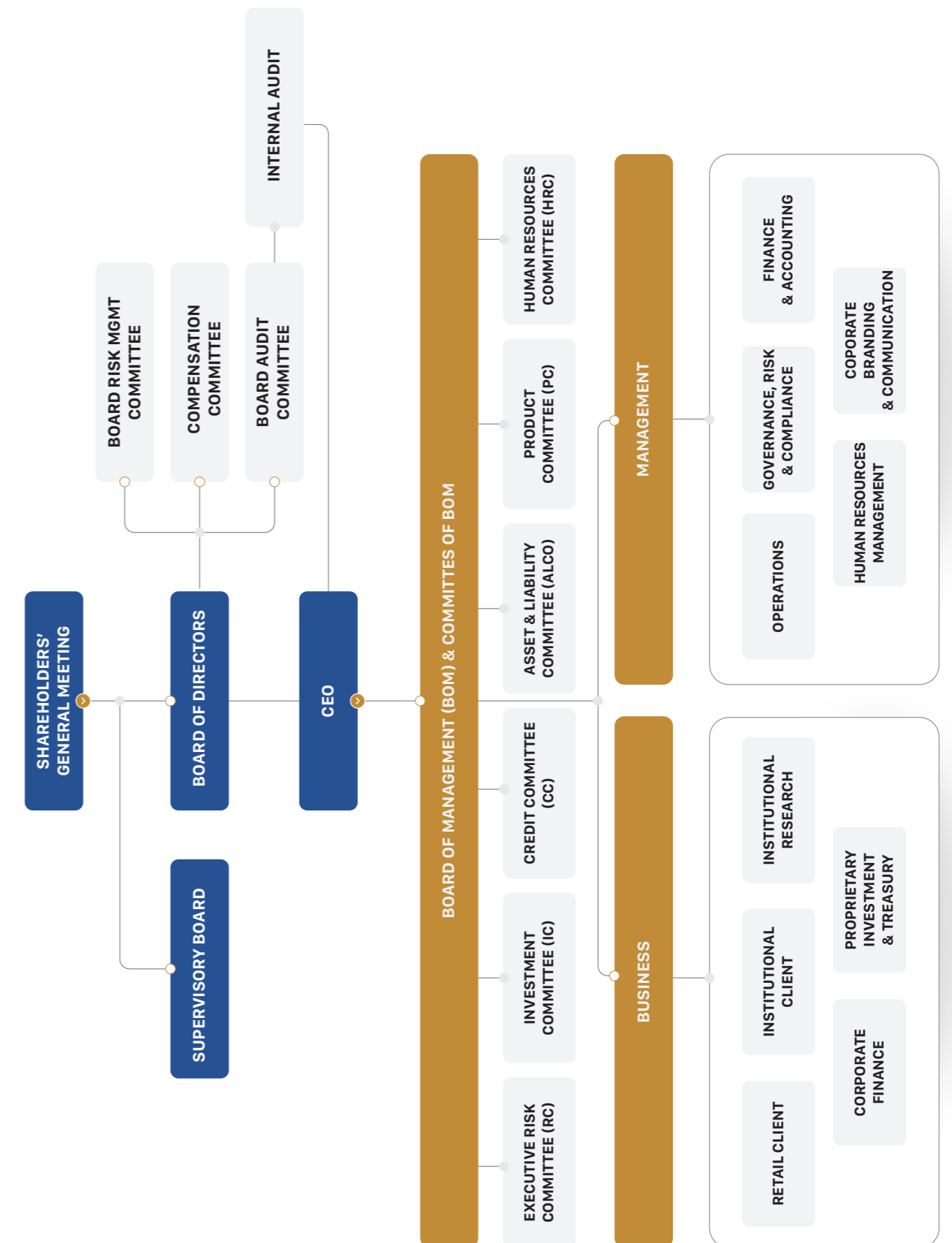


**"Top 5 Best Corporate Governance Companies—Large Cap Group"**,  
awarded by State Securities Commission (SSC), Hochiminh Stock Exchange (HOSE), Hanoi Stock Exchange (HNX) and Vietnam Investment Review (VIR)



**"Listed company with best IR activities 2021 voted by financial institutions"**  
Awarded by Vietstock.

## ORG CHART



## BOARD OF DIRECTORS



**Mr. JOHAN NYVENE**  
Chairman

Mr. Johan Nyvene was elected Chairman of HSC's Board of Directors in April 2021. He was also CEO and executive member of the BoD for 13 years from 2007 to March 2020. During that time, he implemented several reforms, leading HSC to become one of the largest securities companies in Vietnam. Prior to HSC, Mr. Nyvene had been with HSBC Vietnam, where he set up and led the Securities Service Department of the Bank.



**Mr. TRAN QUOC TU**  
Non-executive member

Mr. Tran Quoc Tu was appointed a member of HSC's BoD in April 2021. He is from Ho Chi Minh City Finance and Investment Company (HFIC) and represents HFIC's interests at HSC. He is the Chief Legal Officer of HFIC. He has over 12 years of experience at the Ho Chi Minh City Department of Justice as Deputy Head of Document Inspection Division and Deputy Head of Legal Documents Division. He holds a Bachelor of Administrative Law degree from Ho Chi Minh City Law University.



**Mrs. NGUYEN THI HOANG LAN**  
Independent member

Mrs. Nguyen Thi Hoang Lan joined HSC's BoD as an independent member in April 2021. She had been Vice Chairman of the BoD cum Executive Deputy General Director of the Hanoi Stock Exchange (HNX) for 12 years. Before HNX, she took several important roles at the State Securities Commission (SSC). She received a Master's degree in International Economic Relations from the Plekhannov Economic Institute, Russia, in 1995.



**Mr. NGUYEN HONG VAN**  
Non-executive member

Mr. Nguyen Hong Van was appointed a member of HSC's BoD in April 2021. He is from Ho Chi Minh City Finance and Investment Company (HFIC) and represents HFIC's interests at HSC. He is current Deputy CEO of HFIC. He has a Master's degree in Construction Management from the University of Reading, England, under the Scholarship 300 Program of Ho Chi Minh City People's Committee.



**Mr. LE ANH MINH**  
Vice Chairman  
Non-executive member

Mr. Le Anh Minh has been a member of the BoD for 13 years and appointed Vice Chairman for 02 consecutive terms, term IV (2011 - 2020) and term V (2021 - 2025). He is currently a Senior Director of Dragon Capital VietFund Management (DCVFM). He holds a MBA degree from the Wharton School of the University of Pennsylvania, USA.



**Mr. ANDREW COLIN VALLIS**  
Independent member

Mr. Andrew Colin Vallis joined HSC's BoD as an independent member in April 2021. He has over 30 years of experience in the banking sector in Asia and Europe. Currently, he is also a non-executive member of the BoD of Beta Media JSC and Beta Holdings JSC. He has an honors degree in Law from Nottingham University and qualified as a Chartered Accountant with PwC in London.



**Mr. LE HOANG ANH**  
Non-executive member

Mr. Le Hoang Anh has been a non-executive member of HSC's BoD since April 2016. Currently, he is the Chief Representative of Dragon Capital Management (HK) Limited in Ho Chi Minh City. Prior to Dragon Capital, Mr. Hoang Anh had worked at the HCMC Department of Planning and Investment and NLN Trading Company, Hungary, as an Economist and Financial Analyst. He holds a PhD in Economics.



**Mr. PHAM NGHIEM XUAN BAC**  
Head of Supervisory Board

Mr. Pham Nghiem Xuan Bac was appointed as the Head of the HSC's Supervisory Board in April 2021. Prior to that, he had served 19 years as member of HSC's BoD and contributed greatly to HSC's development. Currently, Mr. Bac is the CEO of Vision & Associates Co., Ltd., Chairman of the Member's Council of Vision & Associates Co., Ltd., Chairman of Resonance JSC. He has an MBA and a Bachelor of laws.



**Ms. DANG NGUYET MINH**  
Member of Supervisory Board

Since April 2011, Ms. Dang Nguyet Minh has been a member of HSC's Supervisory Board for nearly 10 years. Currently, Ms. Minh is the Senior Analyst at Dragon Capital VietFund Management (DCVFM). Before that, she had worked as an Investment Analyst of Dragon Capital Management (HK) Limited Representative Office in Ho Chi Minh City and Dragon Capital Group (DCG). She holds a Bachelor's degree in Economics, Business Administration from Coe College, USA.



**Ms. NGUYEN THI THU THANH**  
Member of Supervisory Board

Ms. Nguyen Thi Thu Thanh was appointed a member of HSC's Supervisory Board in April 2021. Currently, she works at Ho Chi Minh city Finance and Investment Company (HFIC). From 2016, she is a senior analyst of the Finance - Accounting Department. She holds a Master's degree in Development Economics from University of Economics Ho Chi Minh City under the Vietnam - Netherlands Program and a Bachelor of Finance from Banking University Ho Chi Minh City.

## BOARD OF MANAGEMENT



**Mr. TRINH HOAI GIANG**  
Chief Executive Officer

Mr. Trinh Hoai Giang was appointed Chief Executive Officer of HSC on January 09, 2020. Prior to this appointment, he has contributed 13 years as Deputy General Director, in charge of Investments and Operations of HSC. Before HSC, he worked in the Treasury Department of the Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank) from 1994 to 2002. Mr. Giang joined Dragon Capital Limited as a Director in 2005. He has contributed greatly to the development of Vietnam's capital market as the Vice Chairman of Vietnam Bond Market Association since 2010. Mr. Giang was a Fulbright U.S. Scholar and earned his Master of Business Administration in the United States in 2005.



**Mr. NGUYEN CANH THINH**  
Managing Director  
Retail Client Division

Nguyen Canh Thinh was appointed the Managing Director in charge of the Retail Client Brokerage Division in March 2019. Mr. Thinh has been with HSC since the beginning years of its establishment and has held many important roles in the Division. With his long-year experience and deep knowledge, Mr. Thinh has successfully built high quality sales team which help the Retail Client Division developing, greatly contributing to revenue growth and reputation of HSC as the leading securities firm in the financial industry.



**Mr. PHAM NGOC BICH**  
Managing Director  
Corporate Finance Division

Mr. Pham Ngoc Bich joined HSC on January 17, 2016. He has over 25 years of global investment experience in various senior roles, including Assistant Vice President of Derivatives Trading at Credit Lyonnais Canada, Managing Director at CIBC Global Asset Management in Canada and Hong Kong, CEO at Prudential/Eastspring Vietnam Fund Management and Managing Director of Institutional Sales at SSI Securities, before joining HSC.



**Ông LÊ NGUYỄN BÌNH**  
Giám đốc Điều hành  
Khối vận hành

Mr. Le Nguyen Binh joined HSC as Managing Director of Operations from 2020. Prior to HSC, he was Head of Operations and Performance Analytics of Eastspring Vietnam. Prior to that, He also served as Senior Finance Specialist at Mitsui Chemical Group, a Japanese joint venture company in Vietnam. He is a member of the Back-Office Market Development Committee of the Vietnam Bond Market Association and member of Vietnamese Financial Reporting Standard Board for Capital Market led by the MoF of Vietnam.



**Mr. TONG CONG CUONG**  
Managing Director  
Chief Risk Officer

Mr. Tong Cong Cuong joined HSC as a Managing Director, Chief Risk Officer since 2 August 2021. Cuong has more than 20 years of legal practice, compliance and risk management. Prior to joining HSC, Cuong has held several important roles such as: Director, Head of Risk, Compliance and Legal at Eastspring Vietnam, Compliance Manager at HSBC Vietnam, senior associate at Russin & Vecchi law firm. Cuong holds Master of Comparative Law (LLM) degree from Law School, Nagoya University, Japan, and was admitted as the attorney at law at Ho Chi Minh City Bar Association.



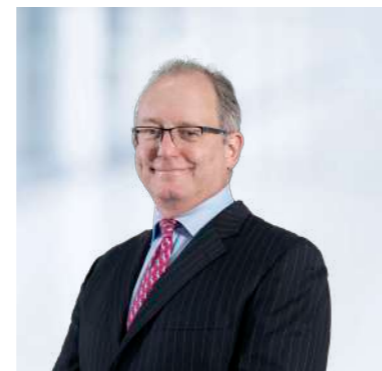
**Mr. STEPHEN JAMES MCKEEVER**  
Managing Director  
Institutional Client Division

Mr Stephen James McKeever joined HSC in 2018 as the Managing Director in charge of the Institutional Sales Division. Before joining HSC, Mr McKeever was global head of Asia ex-Japan equity sales at Mizuho Securities Asia and prior to that was Head of Hong Kong Equity Sales for Standard Chartered Bank. He has also held senior positions in equity sales and research with Goldman Sachs and Lehman Brothers. He holds an honours degree in Economics from the London School of Economics.



**Mr. TRAN TAN DAT**  
Managing Director Head of Trading-  
Institutional Client Division

Mr. Tran Tan Dat was appointed Managing Director in charge of Trading of Institutional Client Division in 2018. Mr. Dat has been with HSC for 14 years, since graduating from the Hogeschool Zeeland University, major International Business Management Studies. With his continuous contribution, HSC's ISD became and stayed firm as the largest broker for foreign institutional investors in Vietnam.



**Mr. CHRISTOPHER HUNT**  
Head of Research Division

Mr. Chris Hunt joined HSC as Managing Director, Head of Research - Research Division from August 2019. Mr. Christ Hunt has over 30 years of experience in research, financial advisory and managing research and product development. He was Head of Research at top-rate financial companies as HSBC Securities, Macquarie Securities, SG Warburg, Alliance Capital Management, PXP Management, CIMB and Standard Chartered.



**Mr. LE ANH QUAN**  
Chief Partnership Officer

Mr. Le Anh Quan joined HSC as Managing Director in charge of partnership development in 2018. He has more than 26 years of experience in various senior positions at several large corporations in and outside Vietnam, in particular, CMO at Techcombank, VP of Marketing at Kinh Do Group, Business Development Director at DID TV Media Group, Business Unit Director at Unilever, and Online Marketing Manager at The Walt Disney Company, among others. Mr. Quan holds a Master of Business Administration degree at Anderson School of Management at California State University in Los Angeles (UCLA).



**Mr. LAM HUU HO**  
Chief Financial Officer

Mr. Lam Huu Ho was appointed Chief Financial Officer at HSC on November 1, 2007. Before HSC, Mr. Ho had more than 05 years of experience in audit at KPMG Vietnam and was the Internal Audit Manager at Cai Lan Oil and Fats Industry Company from 2003 to 2007.



**Mrs. NGUYEN LINH LAN**  
Managing Director  
Human Resource Management

Mrs. Nguyen Linh Lan joined HSC on December 02, 2019 as the Managing Director in charge of the Human Resource Department. Before HSC, Mrs. Lan has 25 years of experience and be an expertise in Talent acquisition, Operations & Strategic planning at regional & global corporates such as AIA, M&P International, Saigon Shipping, Katran Shipping, Mayer Brown - American Law firm.

## SHAREHOLDER INFORMATION

### OWNERSHIP STRUCTURE

Category	Restricted transferable shares	Transferable shares	Total	Percentage of Ownership %
<b>I. Inside Shareholders</b>	<b>534,960</b>	<b>247,560,738</b>	<b>248,095,698</b>	<b>54.16%</b>
<b>II. Treasury shares</b>	<b>-</b>	<b>840,418</b>	<b>840,418</b>	<b>0.18%</b>
<b>III. Others</b>	<b>2,276,199</b>	<b>206,840,052</b>	<b>209,116,251</b>	<b>45.65%</b>
<b>1. Local</b>	<b>2,132,835</b>	<b>143,006,122</b>	<b>145,138,957</b>	<b>31.69%</b>
1.1 Individual	2,132,835	135,046,091	137,178,926	29.95%
1.2 Institutional	-	7,960,031	7,960,031	1.74%
In which State - owned:	-	105,772,520	105,772,520	23.09%
<b>2. Foreign</b>	<b>143,364</b>	<b>63,833,930</b>	<b>63,977,294</b>	<b>13.97%</b>
2.1 Individual	143,364	1,610,909	1,754,273	0.38%
2.2 Institutional	-	62,223,021	62,223,021	13.58%
<b>TOTAL</b>	<b>2,811,159</b>	<b>455,241,208</b>	<b>458,052,367</b>	<b>100.00%</b>

### SPECIAL SHAREHOLDERS

No	Name of Institution / Individual	ID/ Passport / Business Licence	Issued day	Address	Number of Stocks	Percentage of Ownership (%)
<b>A. State Shareholders cum Strategic Shareholders (above 5% ownership)</b>						
1	Hochiminh city Finance and Investment state - owned Company (HFIC)	300535140	4/13/2010	33- 39 Pastuer, Quận 1, TP.HCM	105,772,520	23.09%
1.1	Nguyen Hong Van	022992084	4/19/2011	20A Nguyễn Thị Diệu, phường 6, quận 3, TP.HCM	74,040,764	16.16%
1.2	Tran Quoc Tu	025878993	1/16/2014	1/26 đường 5A, Khu phố 21, Phường Bình Hưng Hòa A, Quận Bình Tân, TP.HCM	31,731,756	6.93%
<b>Total A:</b>					<b>105,772,520</b>	<b>23.09%</b>
<b>B. Major Shareholders cum Strategic Shareholders (above 5% ownership)</b>						
2	Dragon Capital Markets Limited (DC)	C00001	7/27/2000	P.1501, Tầng 15, Mê Linh, Số 02 Ngô Đức Kế, Q.1, TP.HCM	137,475,834	30.01%
2.1	Le Anh Minh	079069012218	8/12/2019	349/169 Lê Đại Hành, Quận 11, TP. HCM	68,737,918	15.01%
2.2	Le Hoang Anh	001068013747	4/26/2018	318/A4 Điện Biên Phủ, Phường 17, Quận Bình Thạnh, TP. HCM	68,737,916	15.01%
<b>Total B:</b>					<b>137,475,834</b>	<b>30.01%</b>
<b>Total (A+B):</b>					<b>243,248,354</b>	<b>53.10%</b>

### SHAREHOLDERS' EQUITY RATIO

No	Category	Stocks	Percentage of ownership (%)	Number of Shareholders	Shareholder structure (*)	
					Institutional	Individual
<b>1</b>	<b>State Shareholders</b>	<b>105,772,520</b>	<b>23.09%</b>	<b>1</b>	<b>1</b>	<b>-</b>
<b>2</b>	<b>Major Shareholders</b>	<b>137,475,834</b>	<b>30.01%</b>	<b>1</b>	<b>1</b>	<b>-</b>
	- Local	-	-	-	-	-
	- Foreign	137,475,834	30.01%	1	1	-
<b>3</b>	<b>Treasury Shares</b>	<b>840,418</b>	<b>0.18%</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>4</b>	<b>Others</b>	<b>213,963,595</b>	<b>46.71%</b>	<b>29,833</b>	<b>165</b>	<b>29,668</b>
	- Local	149,986,301	32.74%	29,407	96	29,311
	- Foreign	63,977,294	13.97%	426	69	357
<b>TOTAL</b>		<b>458,052,367</b>	<b>100.00%</b>	<b>29,835</b>	<b>167</b>	<b>29,668</b>
In which:						
	- Local	256,599,239	56.02%	29,408	97	29,311
	- Foreign	201,453,128	43.98%	427	357	70

### MAJOR SHAREHOLDERS

No	Category	Number of Stocks	Percentage of ownership (%)	Number of Shareholders	Shareholder structure (*)	
					Institutional	Individual
<b>1</b>	<b>Major Shareholders (above 5% ownership, not classified as Securites Companies)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	- Local	-	-	-	-	-
	- Foreign	-	-	-	-	-
<b>2</b>	<b>Securites Companies (above 5% ownership)</b>	<b>243,248,354</b>	<b>53.10%</b>	<b>2</b>	<b>2</b>	<b>-</b>
	- Local	105,772,520	23.09%	1	1	-
	- Foreign	137,475,834	30.01%	1	1	-
<b>3</b>	<b>Securites Companies (less than 5% ownership)</b>	<b>66,127,196</b>	<b>14.44%</b>	<b>69</b>	<b>69</b>	<b>-</b>
	- Local	5,861,351	1.28%	18	18	-
	- Foreign	60,265,845	13.16%	51	51	-
<b>TOTAL</b>		<b>309,375,550</b>	<b>67.54%</b>	<b>71</b>	<b>71</b>	<b>-</b>

## SHAREHOLDER INFORMATION

### INSIDE SHAREHOLDERS

No	Full name	Position	Restricted transferable shares		Transferable shares	Total	Percentage of Ownership (%)	Percentage of Representative (%)
			ESOP 2018	Distributed in 2021				
<b>BOARD OF DIRECTORS</b>								
1	<b>Johan Nyvene</b>	<b>Chairman</b>	<b>91,440</b>	-	<b>1,479,090</b>	<b>1,570,530</b>	<b>0.34%</b>	-
2	<b>Le Anh Minh</b>	<b>Vice Chairman</b>	-	-	<b>68,891,806</b>	<b>68,891,806</b>	<b>0.03%</b>	<b>15.03%</b>
	Own share number		-	-	153,888	153,888	0.03%	
	Represented share number Dragon Capital Markets Limited (DC)			68,737,918	68,737,918		15.03%	
3	<b>Le Hoang Anh</b>	<b>Member</b>	-	-	<b>68,737,916</b>	<b>68,737,916</b>	-	<b>15.03%</b>
	Own share number		-	-	-	-	0.00%	
	Represented share number Dragon Capital Markets Limited (DC)		-	68,737,916	68,737,916		15.03%	
4	<b>Nguyen Hong Van</b>	<b>Member</b>	-	-	<b>74,040,764</b>	<b>74,040,764</b>	<b>0.00%</b>	<b>16.19%</b>
	Own share number		-	-	-	-	-	
	Represented share number Hochiminh city Finance and Investment state - owned company (HFIC) (State shareholder)		-	74,040,764	74,040,764		16.19%	
5	<b>Tran Quoc Tu</b>	<b>Member</b>	-	-	<b>31,731,756</b>	<b>31,731,756</b>	-	<b>6.94%</b>
	Own share number		-	-	-	-	-	
	Represented share number Hochiminh city Finance and Investment state - owned company (HFIC) (State shareholder)		-	31,731,756	31,731,756		6.94%	
6	<b>Andrew Colin Vallis</b>	<b>Member</b>						
7	<b>Nguyen Thi Hoang Lan</b>	<b>Member</b>						
	<b>Total</b>		<b>91,440</b>	<b>-</b>	<b>244,881,332</b>	<b>244,972,772</b>	<b>0.38%</b>	<b>53.20%</b>
<b>MANAGEMENT TEAM</b>								
1	<b>Trinh Hoai Giang</b>	<b>CEO</b>	<b>91,440</b>	<b>128,500</b>	<b>1,323,586</b>	<b>1,543,526</b>	<b>0.34%</b>	-
	<b>Total</b>		<b>91,440</b>	<b>128,500</b>	<b>1,323,586</b>	<b>1,543,526</b>	<b>0.34%</b>	-
<b>SUPERVISORY BOARD</b>								
1	<b>Pham Nghiem Xuan Bac</b>	<b>Chairman</b>			<b>375,000</b>	<b>375,000</b>	<b>0.08%</b>	-
2	<b>Dang Nguyet Minh</b>	<b>Member</b>						
3	<b>Nguyen Thi Thu Thanh</b>	<b>Member</b>						
	<b>Total</b>				<b>375,000</b>	<b>375,000</b>	<b>0</b>	-
1	<b>Lam Huu Ho</b>	<b>Chief Accounting Officer</b>	<b>46,440</b>	<b>51,500</b>	<b>669,743</b>	<b>767,683</b>	<b>0.17%</b>	-
2	<b>Le Anh Quan</b>	<b>Chief Partnership Officer</b>	<b>59,040</b>	<b>51,500</b>	<b>227,160</b>	<b>337,700</b>	<b>0.07%</b>	
3	<b>Than Thi Thu Dung</b>	<b>Corporate Governance Officer</b>	<b>6,600</b>	<b>8,500</b>	<b>83,917</b>	<b>99,017</b>	<b>0.02%</b>	
	<b>TOTAL</b>		<b>294,960</b>	<b>240,000</b>	<b>247,560,738</b>	<b>248,095,698</b>	<b>1.06%</b>	<b>53.20%</b>

### SHARES

<b>TOTAL NUMBER OF SHARES:</b>	<b>458,052,367</b>	<b>SHARE</b>
Par value	10,000 VND	Share
Treasury shares:	840,418	Share
Number of outstanding shares:	457,211,949	Share
Number of restricted transferable shares:	2,811,159	Share
Number of transferable shares:	454,400,790	Share



# PERFORMANCE 2021





## THE VIETNAMESE STOCK MARKET IN 2021

In 2021, the Vietnamese stock market grew impressively:

- The VNIndex increased by 35.7% and was one of the best performing indices in Asia.
- The average daily trading value reached more than VND26.6 trillion, 3.6 times of that in 2020. The increased liquidity was mainly driven by trading value of local retail investors.
- The demand for margin loans also increased strongly. The total margin loan balance of the market at the end of 2021 reached nearly VND200 trillion, an increase of more than two times yoy.
- Foreign investors' trading value accounted for only 6.7% of total market transactions (2020: 11.3%).

The surge in liquidity of the stock market in 2021 can be attributed to the following key reasons:

- The stock market emerged as an attractive investment channel and attracted retail investor attention given the low bank deposit rates and the stagnation of various business sectors due to impacts of the Covid-19 pandemic; and
- Retail investors have been able to access the stock investment channel conveniently after securities companies offered online securities services account opening.

Trading value of the stock market (VND billion)	2021	2020	%YoY
Total trading value of the stock market	6,663,509	1,872,337	256%
The average daily trading value	26,654	7,430	259%
Trading value of local investors	5,774,697	1,448,674	299%
% of total trading value of the market	93.3%	88.7%	n.a
Trading value of foreign investors	888,812	423,663	110%
% of total trading value of the market	6.7%	11.3%	n.a

## BUSINESS PERFORMANCE OF HSC IN 2021

In 2021, HSC achieved record-high business results with a pre-tax profit of VND1,430 billion, which translates to a 117% growth yoy and a 119% of the year plan.

- Total revenue reached the record level of VND3,368 billion, up 112% yoy.
- Operating expenses increased by 108% yoy which was lower than the revenue growth of 112% as fixed costs were well controlled and only increased by 26% yoy. Cost to revenue ratio reached 58%, which was similar to 2020 level.
- Earnings per share (EPS) reached VND3,685, which increased by 116% yoy.
- Return on capital (ROE) reached 23.8%, significantly higher than that in 2020 (12.1%).



Business Performance (VND billion)	2021	2020	% YoY	% 2021 Plan
Revenue (*)	3,368	1,592	112%	126%
Operating expenses (*)	1,938	932	108%	132%
Profit before tax	1,430	660	117%	119%
Profit after tax	1,147	530	116%	119%
Return on average equity (ROAE)	23.8%	12.1%	n.a.	139%
Total outstanding shares	457,211,949	305,041,845	50%	100%
Earnings per share (EPS) (VND)	3,685	1,738	116%	180%
Book value per share (VND)	16,022	14,557	10%	106%

(\*) Profit and loss are presented on a net basis for comparison purpose

Detailed business performances of major businesses are as follows:

### SECURITIES BROKERAGE SERVICES

Securities Brokerage Fee Revenue (VND billion)	2021	2020	% YoY	% 2021 Plan
Total securities brokerage fee revenue	1,390	621	124%	134%
Fee revenue from retail clients	969	379	156%	138%
Fee revenue from institutional clients	421	243	74%	126%

Securities brokerage services remain the core business of HSC. In 2021, revenue from brokerage fees reached VND1,390 billion, up by 124% yoy and accounting for 41% of HSC's revenue (2020: 39%). This impressive result was mainly driven by the sharp increase in brokerage fees on the underlying stock market. Specifically:

- Revenue of securities brokerage services provided to retail investors increased sharply to VND969 billion, an increase of 156% yoy. HSC has been able to maintain its strong position in the high-net-worth client segment underpinned by its strong team of highly qualified professionals, exceptional service quality and large margin lending capacity.
- Revenue of securities brokerage services provided to institutional investors reached VND421 billion, up 74% yoy. HSC's market share in this segment was stable at 24%.

## BUSINESS PERFORMANCE

### MARGIN LENDING

HSC's margin loan balance increased sharply to nearly VND13,700 billion, which increased by 59% over the last year balance and accounted for approximately 7% of the total margin loan balance of the market. Interest income from margin loans was nearly VND1,180 billion, which was a record-high level and accounted for 35% of total revenue of HSC in 2021.

We still strictly adhered to our prudent approach to margin lending and regularly assessed the risks of securities in our margin loan portfolio. The portfolio is currently comprised of only 60 names, which are the largest stocks in the market that have high liquidity and of companies with strong fundamentals.

### INVESTMENT BANKING

2021 continued to be a challenging year for the Investment Banking business as the Covid-19 pandemic disrupted the progress of almost all corporate financial advisory deals. However, the business still was able to deliver encouraging revenue of VND46,5 billion, an increase of 23.6% yoy. Furthermore, the Investment Banking division successfully secured various new deals, promising good growth prospect of fee revenue in 2022.

### PROPRIETARY INVESTMENTS AND TREASURY MANAGEMENT

HSC's proprietary investments primarily focus on market-making activities for exchange-traded funds (ETF) and market-making for covered warrants. These two businesses have relatively low risk while could potentially generate attractive returns. In 2021, HSC's proprietary trading portfolio delivered a rate of return of 30%, better than that in 2020 of 25%.

#### Market-making activities for ETFs and covered warrants

Market making activities for ETF index funds recorded good results in 2021 with a profit of VND153 billion. At the end of 2021, the total asset value (AUM) managed by the two ETFs that HSC is amongst the market markers for, E1VFN30 and Diamond, was about VND24,400 billion.

The covered warrant business delivered impressive growth in 2021 with a profit of VND162 billion, an increase of more than five times yoy. In 2021, HSC was the second largest player in the market in terms of warrant trading value with a market share of 23%.

#### Treasury Management

In 2021, the Treasury Management division well accomplished its roles in raising and mobilizing capitals to help HSC optimize capital structure and costs of capital. Specifically, the division successfully raised nearly US\$150 million of unsecured loans from foreign financial institutions, bringing HSC's total USD-denominated unsecured loans to nearly US\$200 million. The division has also been working with prospective international lenders for new debt financing packages in 2022.

## FINANCIAL POSITION


- Total assets reached VND24,370 billion as at the end of 2021, an increase of nearly 100% compared to that at the end of 2020. The balance was primarily comprised of margin loans and short-term deposits.
- In 2021, HSC actively sought short-term debt financing, from both domestic and international banks to finance for high margin loan demand. The debt-to-equity ratio as at the end of 2021 was 2.3 times (31/12/2020: 1.8 times).
- The newly raised equity capital was just available for disbursement at the end of 2021. Therefore, the capital will be put to work and contribute to business performance of HSC in 2022.

**TOTAL ASSETS REACHED**  
**24,370**  
**VND BILLION**

Balance sheet (VND billion)	31/12/2021	31/12/2020	% YoY
<b>Current assets</b>	<b>24,187</b>	<b>12,308</b>	<b>97%</b>
Cash and cash-equivalents	7,199	207	3380%
Financial assets through profit or loss	2,372	3,061	-23%
Margin loans	13,690	8,586	59%
Other receivables	854	264	223%
Other current assets	72	190	-62%
<b>Long-term assets</b>	<b>182</b>	<b>181</b>	<b>1%</b>
<b>Total assets</b>	<b>24,369</b>	<b>12,489</b>	<b>95%</b>
<b>Short-term liabilities</b>	<b>17,044</b>	<b>8,048</b>	<b>112%</b>
Short-term borrowings	15,040	6,717	124%
Other payables	2,004	1,332	-75%
<b>Owners' equity</b>	<b>7,325</b>	<b>4,440</b>	<b>65%</b>
<b>Total resources</b>	<b>24,369</b>	<b>12,489</b>	<b>95%</b>

# OPERATIONS

## OPERATIONS



**"Client interests always come first" philosophy is the center of our operational transformation strategy**

In 2021, when the Covid-19 pandemic broke out on a large scale, threatening the continuity of HSC's operations, the IT department immediately invested in technologies and equipment to allow all employees to work from home during the time of lockdowns. We also invested in cloud infrastructure to enhance the data processing capability of our system. That not only allowed us to continue to serve our clients without disruptions but also helped our divisions and leadership team make important decisions timely. In addition, the IT department also strengthened the application development team so that we could proactively develop new applications to serve evolving demands of our clients. Those efforts once again speak for our client-centric philosophy.

As we reiterated, our operational success was built upon three pillars: restructuring our operation model, digitalizing our processes and services and diversifying our services. In 2021, we continued to pursue this model. Besides, we have also been moving towards complete autonomy of our operating model, from Designing to Constructing and Implementing all products and services. We believe this model better reflects HSC's own core values while further enhance the agility of our operations. Specifically in this model, our action plans and goals are as follows:

01

Build and strengthen internal human resources capabilities as we believe that is the foundation for us to achieve both short-term and long-term business goals and to solidify our leading position in the capital markets in Vietnam

02

Provide our clients investment products and services that best suit their needs in a timely manner

03

Standardize business and client-services processes to offer our clients seamless and exceptional experiences

04

Continue to digitalize our business and client-service processes

05

Enhance business management and corporate governance to further protect client interests

## OPERATIONS

### Strengthening information security management, ensuring smooth and safe operations

With the goal of ensuring information security at the highest level, HSC continued to make substantial investments to maintain the security of our information system. Information security management system has been consistently managed in accordance with the international standard ISO 27001:2013. Our information security

operation center was also strengthened so that it is capable of monitoring, warning, analyzing and resolving incidents in a timely manner. Therefore, we have been able to identify and manage major risks related to the information system and client data proactively and effectively.

### Extend our lead in the technology space in the securities industry

The Information Technology (IT) department, a member of the Operations division, has been proactively cooperating with other departments to accelerate the implementation of digital transformation across all applications of the company to ensure that our clients can access our services and execute their transactions quickly, safely and conveniently. Particularly to enhance our retail client service quality, we have upgraded comprehensively the web and mobile versions of the myhsc platform to cater demands of all retail client segments. Clients can track status and balances of their investment portfolios real time to make timely investment decision. Other client support tools and functions which are developed using our proprietary FIX standard (Private Fix Connections) will be developed in 2022.

Following the achievements in 2021, we will continue to expand our digitalization capabilities to strengthen our position and to serve our clients better. To upgrade our retail customer service platform to a next level, we will integrate the existing trading function and client services to the myhsc platform. Furthermore, client service processes will be designed and developed in house using the most advanced technologies. This integrated platform is expected to come online in 2Q 2022. After launching, we will also continue to equip the platform more advanced functions to serve professional clients with sophisticated demands.

2022 is a pivotal year in the long-term development plan of HSC. One of our focuses in this next phase of growth is to strengthen our in-house technological capabilities to achieve complete digital and operational autonomy. Besides, as we have been doing in the past, we will continue to enhance our human resources, corporate governance, business management capabilities and operational processes, which will allow us to extend our lead in product and service innovation and to create more value to our clients.



**RISK  
MANAGEMENT**

## RISK MANAGEMENT

### GOVERNANCE, RISK AND COMPLIANCE DIVISION (GRC)

August 2021, HSC appointed Mr. Tong Cong Cuong as Managing Director of the division. With this important appointment, the GRC division has not only improved the effectiveness of risk management activities but also participated more actively in the strategic decision-making process at senior management level of the Company.

### BUSINESS MANAGEMENT

HSC set up specialized management committees to further enhance its corporate governance model towards global best standards. Staffed by the Company's top leaders, these committees are responsible for and capable of making important business and management decisions in an accurate and timely manner. Specifically, the following committees were established in 2021:

Executive Risk Committee	Investment Committee	Credit Committee	Asset & Liability Committee - ALCO
This committee is responsible for and authorized to decide on matters related to risk management and supervises and evaluates risk management activities of the Company. The committee is completely independent from the Board Risk Management Committee.	This committee is responsible for and authorized to decide on matters related to proprietary investment activities, securities trading, securities underwriting and other business activities that employ the Company's capital.	This committee is responsible for and authorized to decide on matters related to margin lending and credit limit.	This committee is responsible for and authorized to decide on matters related to assets and liabilities in the Company's balance sheet.

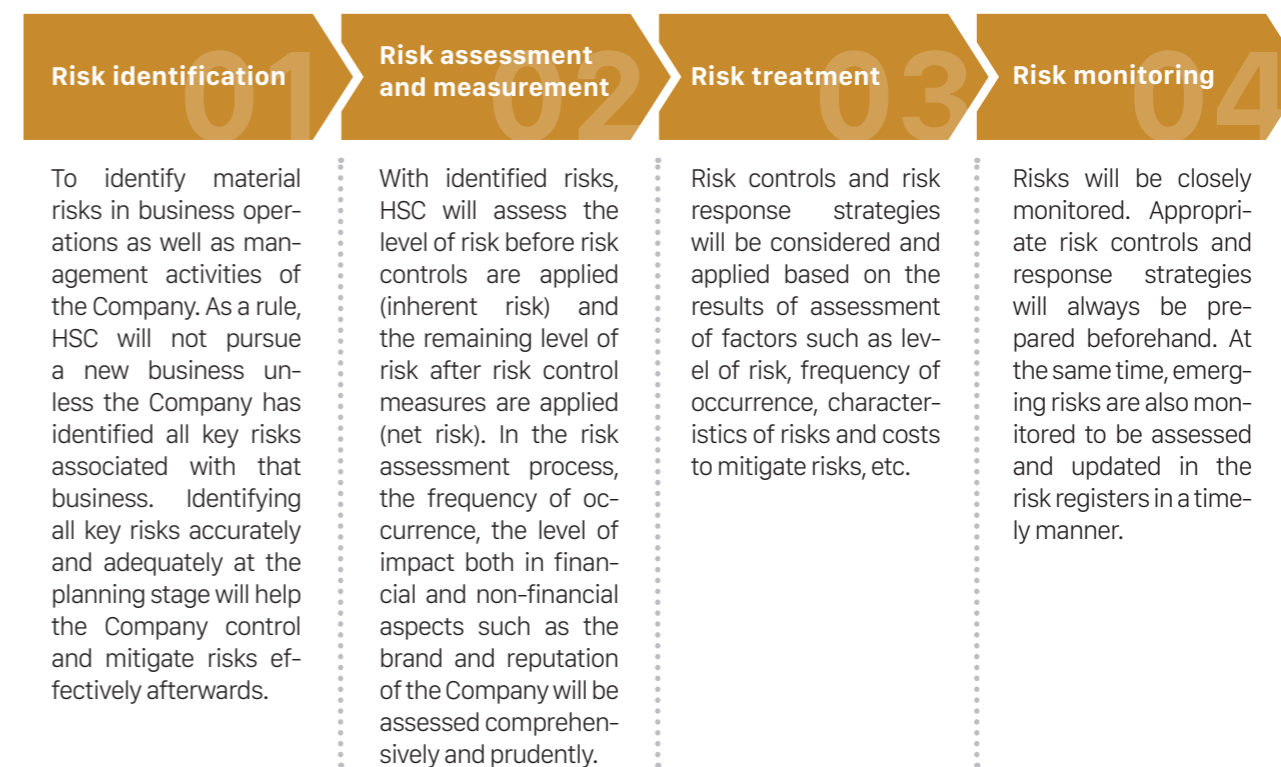
### RISK MANAGEMENT

To manage risks properly and effectively, HSC continued to strictly pursue the three lines of defense model in risk management. The first line of defense is at business and management divisions, the second line of defense is at the Risk Management department under the GRC division and the third line of defense is the Internal Audit department. According to this model and HSC's approach, risk management is not only the responsibility of a single department but also of all employees across all functions. We believe that segregating of duties and maintaining a robust internal control system could help us grow our businesses sustainably:

- Apply risk management principles systematically in all day-to-day business and management activities of the Company, especially in making of important decisions;
- Ensure the Company's risk management process is implemented properly and consistently;
- Comply with internal policies and procedures and promptly respond to regulatory changes; and
- Support business divisions to promote and improve operational efficiency to control and minimize risks.

HSC has been highly focusing on developing, updating and applying risk management policies. In 2021, the Company continued to upgrade its Risk Management Policy to better suit the larger scale of operations and evolving market conditions.

HSC's risk management process is comprised of the following four steps:



### INTERNAL CONTROL AND COMPLIANCE

Risk management and compliance are pivotal to HSC's business strategy. Therefore, the primary focus of GRC's activities is to ensure that internal control, compliance and risk mitigation activities are maintained throughout all activities of the Company. These relentless efforts have helped HSC maintain a high level of compliance with both internal policies, procedures and regulatory requirements. As a result, HSC has been able to manage risks effectively as evidenced by the fact that the Company committed no violation of regulations and laws in 2021.

Similarly in previous years, various activities under the internal control and compliance program were carried out and completed in 2021. These activities were implemented in many different divisions and business segments but mainly focused on two main ones: margin lending and proprietary investments. These two key businesses have contributed the most to profit and growth of HSC, but on the other hand are also subject to high level of risk and therefore must always be closely monitored.

For business activities, the internal control and compliance department under the GRC division performed both pre-monitoring and post-monitoring. The monitoring programs are tailored for each business activity based on the results of risk assessment. Accordingly, business activities that have higher levels of risk are subject to more frequent monitoring. The monitoring plans are scheduled annually and are updated on an ad-hoc basis where there are emerging requirements or changes.

## RISK MANAGEMENT

### INTERNAL CONTROL AND COMPLIANCE

The key monitoring activities in 2021 are as follows:

- |   |  |
|---|--|
| <p>a) Comply with the Law on Securities and other relevant laws:</p> <ul style="list-style-type: none"> <li>● Capital adequacy and financial safety</li> <li>● Separation of customer assets</li> <li>● Protection and custody of clients' assets</li> <li>● Law on prevention of money laundering</li> <li>● Disclosure of information</li> <li>● Investment limits</li> <li>● Margin lending limit</li> <li>● Qualification of securities practitioner</li> </ul> | <p>b) Comply with the Company's policies, processes and internal regulations</p> <ul style="list-style-type: none"> <li>● Company charter</li> <li>● Resolutions and decisions of the General Meeting of Shareholders</li> <li>● Resolutions and decisions of the Board of Directors</li> <li>● Policies, internal regulations and business processes</li> <li>● Risk management and compliance policies</li> <li>● Activities that have high level of potential conflicts of interest within the Company</li> <li>● Code of ethics</li> </ul> |
|---|--|

### CORPORATE LEGAL ACTIVITIES

2021 was considered a pivotal year of the Vietnamese capital and securities markets as policies makers issued various important laws and regulations to further enhance quality of the market. Guided by our unwavering commitment to strictly complying with all applicable laws and regulations, right after new laws and/or regulations were issued, HSC proactively assessed the potential impacts, comprehensively reviewed relevant business activities and timely implemented the new laws and regulations. HSC's Legal Department plays a critical role in the process coordinating with relevant departments and divisions to carry out necessary works including updating and revising internal policies, procedures and systems to ensure that the Company could continue operating smoothly and

safely and comply with all applicable laws and regulations. This has helped us strengthen our the risk management culture, maintaining high level of awareness of legal risks and contributing to HSC's sustainable development.

We deeply understand that the newly issued laws and regulations reflect the efforts of policy makers in promoting the development of the Vietnamese capital and securities markets towards fairness, sustainability and global best practices. The GRC division has been and will continue to contribute to development of relevant laws and regulations, thereby demonstrating HSC's leading position in the industry and creating positive impacts to the development of the markets.



### 2022 PLAN

Ultimately, HSC's goal is to develop and put in place a risk management, compliance and corporate legal model that is in line with global standards and best practices but is aligned with the Vietnamese laws. In light of that, the GRC division will continue to enhance operational efficiency and develop a detailed and comprehensive action plan. Specifically, in 2022, we will focus on the following main activities:

- Comprehensively review and update the Company's charter, the internal regulations on corporate governance, the regulations on operations of the Board of Directors and the regulations on operations of the Supervisory Board
- Continue to support the leadership team in institutionalizing the establishment and setting up operation framework for specialized executive committees
- Coordinate with other divisions to build risk registers of the Company and each division
- Strengthen control procedures over business activities to ensure that all activities are carried out in compliance with HSC's risk appetite as determined by the Board of Directors and business limits based on HSC's new capital structure and size of total assets
- Complete and strictly carry out monitoring plan in 2022 for all key businesses and management activities of the Company with a focus on relatively high-risk business activities
- Continue to review and update the existing policies, processes, procedures and and issue new ones to ensure compliance with laws, regulations and market standards and to standardize procedures, processes and business documents
- Promote regulatory and compliance advisory, upgrade the impact assessment over new legal documents and conduct gap analysis on existing processes and procedures against new regulatory requirements to ensure that the Company completely complies with all, especially key, applicable laws and regulations



## RISK MANAGEMENT

### INTERNAL AUDIT

At HSC, internal audit activities focus on checking the adequacy and compliance of established policies and procedures to ensure that identified control measures operational effectiveness and are aligned with our strategies and objectives as well as current industry best practices. Internal audit activities are considered effective and value-added only they appropriately challenge the business management, corporate governance and risk management systems towards better efficiency and compliance. In HSC's risk management and control model, internal audit lies at the third line of defense as independent assurance and the Internal Audit department reports directly to the Board Audit Committee under the Board of Directors to ensure the independence of the internal audit activities. Accordingly, the Internal Audit department is able to objectively provide relevant assurance and strive to offer ways to enhance governance, risk management and control processes.

In 2021, the Internal Audit department proactively reviewed and timely made necessary changes to align

the Company's compliance policies and procedures with new laws and regulations as well as international best practices on internal audit. Those efforts were to ensure that HSC must strictly complies with applicable laws and regulations and to mitigate legal risks upon changes in legal regulations.

HSC's internal audit activities focus not only on a systematic, disciplined and risk-based approach but also on a mixture of risk-based and performance audit approach. This approach allows the Internal Audit department to create more values to the overall operations of the Company and offer new insights align its functions with international best practices as well as consider future impact. Specifically, in using a mixture of risk-based and performance audit approach, we evaluate our existing operational models against the best industry benchmarks and suggest the appropriate recommendation to improve HSC's operational activities to ensure the alignment of the Company' strategies, objectives and future development.



### INTEGRATED AUDIT ACTIVITIES

By integrating different functional level of internal audit activities including consulting and assurance services, the Internal Audit department aims to offer more values to enhance the operational effectiveness of HSC's businesses in addition to improving the governance, risk management, control and compliance systems of the Company. Having a strong team of qualified and capable members allow the department to carry out the integrated audit activities effectively. Besides, the department also coordinated with the independent auditor, KPMG Vietnam, to carry out co-auditing activities. Specifically in 2021, the Internal Audit department conducted the following internal audit projects:

- 01 Carrying out internal audit on anti-money laundering activities
- 02 Reviewing and conducting as-is assessment of Finance – Accounting and Treasury activities (FTOM)
- 03 Monitoring the progress of implementing audit findings of internal audit reports issued in 2020 and audit works conducted in 2021

We identify that HSC's finance target operating model should be updated and assessed risks that may prevent the Company from achieving goals as well as evaluated the effectiveness of current business processes against business strategies and industry best practices. The first review of the FTOM was conducted. The main objective of the engagement was to provide the Board of Directors, the Supervisory Board and the Board of Management an independent assessment of risk management and control measures in the financial and accounting activities, including governance structure, cost control, cash flow and capital management, financial planning, budgeting and forecasting, and financial management reporting. Based on our observations, the Internal Audit department proposed the recommendations to enhance the governance, risk management and control processes of the FTOM model to ensure that it is consistent with and integrated to the Target Operating Model (TOM) of HSC to achieve the Company's objective of growth and enhance shareholder value sustainably.

Internal audit activities in 2022 will focus on the following projects:

- 01 Internal audit on anti-money laundering activities
- 02 The project in which the Internal Audit department advises the Board of Management on its action plan for the FTOM review
- 03 The project in which the Internal Audit department provides assurance services to HSC's high-risk operations

In 2022, the Internal Audit department will continue to enhance our role as a value creator and contribute meaningfully to HSC's goals of offering our clients high quality products and exceptional services, timely and safely.



**SUSTANABILITY  
REPORT**



# SUSTANABILITY REPORT

## INTRODUCTION

### HSC's sustainable development vision

Since our first day in business, we have always based our business activities on economic, social and environmental aspects, which are crucial for our long-term sustainable development and success.

HSC has been consistently pursuing sustainable corporate objectives that are aligned with our vision: "To become one of the most admired, trusted, and valued financial institutions, and be an active contributor to the economy and community in Vietnam". HSC's sustainable development model is built on our mission to deliver positive impacts to stakeholders in three areas: **Economy, Society and Environment.**

In 2021, HSC continued to develop the Integrated Sustainability Report with reference to the most updated Core option of the Standards of Sustainability Reporting Guidelines of Global Reporting Initiatives (GRI). That is the highest global standard which was upgraded from the G4 version to help corporates develop sustainable development reports more conveniently and effectively. HSC's approach is to proactively identify important matters to its sustainable development and cooperate with relevant stakeholders to address the matters.



### HSC's sustainable development model

We build our sustainability development model upon an ultimate goal of delivering positive impacts to stakeholders in three areas: Economy, society and environment. That goal will guide our efforts in the sustainable development path including determining roles, responsibilities and actions to be taken.

### HSC's sustainable development model

<b>Positive Impacts Economy</b>	<ul style="list-style-type: none"> <li>To pursue stable and steady growth, thereby positively fulfilling financial obligations to the state budget</li> <li>To ensure and increase employee income and benefits</li> <li>To enhance shareholder's value through a stable dividend payment policy</li> </ul>	<ul style="list-style-type: none"> <li>To implement effective operational and financial risk mitigation strategies to protect the Company and its clients</li> <li>To apply the highest international practices in corporate governance and information disclosure to ensure the transparency to all stakeholders</li> <li>To proactively contribute to the development of the capital markets such as to legal framework enhancement and new product development</li> </ul>
<b>Positive Impacts Society</b>	<ul style="list-style-type: none"> <li>To create jobs and stable income for employees</li> <li>To continuously invest in human resources to make positive and meaningful contributions to the development of the Company and community</li> <li>To always be driven by the "client-centricity" philosophy to constantly develop new products, services and systems to meet all client needs</li> </ul>	<ul style="list-style-type: none"> <li>To constantly improve the quality of services to enhance client satisfaction and trust</li> <li>To actively carry out social responsibility activities primarily through long-term educational development initiatives</li> <li>To strictly comply with regulations and guiding documents from the authorities, fulfill all tax obligations, and actively contribute to the development of a civilized society</li> </ul>
<b>Positive Impacts Environment</b>	<ul style="list-style-type: none"> <li>To build a green &amp; clean working environment to minimize energy consumption and disposal in daily operations</li> </ul>	<ul style="list-style-type: none"> <li>To positively participate in environmental protection initiatives through impactful communication and uses of environmental-friendly products</li> </ul>

### HSC's Sustainable Corporate Governance Model

<b>The Board of Directors</b>	<ul style="list-style-type: none"> <li>Set general strategic guidance on sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>Approve goals and action plans</li> </ul>
<b>Chief Executive Officer and the Board of Management</b>	<ul style="list-style-type: none"> <li>Set sustainable development plans and targets and submit them to the Board of Directors</li> <li>Communicate sustainable development strategies, goals and action plans to all relevant stakeholders</li> <li>Assign tasks to divisions and departments in accordance with their roles and responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>Closely monitor to ensure all plans are implemented and all goals are achieved</li> <li>Provide necessary supports and guidance to help divisions and departments accomplish their tasks in a timely manner</li> <li>Report to the Board of Directors progress and results of the sustainable development plans</li> </ul>
<b>Business divisions and departments</b>	<ul style="list-style-type: none"> <li>Carry out the sustainable development action plans in accordance with their assigned roles and responsibilities.</li> <li>Perform daily tasks related to HSC' sustainable development goals.</li> </ul>	<ul style="list-style-type: none"> <li>Actively contribute initiatives to improve the sustainable development plan.</li> </ul>

REPORT ON SUSTAINABLE DEVELOPMENT ACTIVITIES IN 2021

Stakeholders and objectives of HSC's sustainable development plan

HSC's long-term goal is to make broad and intensive impacts on the economy, society and environment and in our sustainable development plan, we clearly identify specific stakeholder groups and set corresponding objectives of our activities. Particularly:

Stakeholders	Objectives	HSC's sustainable development activities
Clients	Enhancing client experience	<ul style="list-style-type: none"> <li>Building HSC brand as the most trusted securities company in the industry</li> <li>Continuing to develop and offer our clients high-quality financial products and services</li> <li>Improving client service quality through hosting regular online client events to enhance client engagement, especially during the pandemic</li> </ul>
Employees	Creating motivation and nurturing talent	<ul style="list-style-type: none"> <li>Offering employees competitive compensation, stable source of income as well as enhanced benefits</li> <li>Digitalizing human resource management system</li> <li>Creating a motivating and engaging working environment</li> <li>Nurturing and developing our talent</li> <li>Attracting top talent for business development</li> </ul>
Shareholders and investors	Maximize shareholder values	<ul style="list-style-type: none"> <li>Pursuing stable and steady growth</li> <li>Treating shareholders equally and enhancing return on their capital</li> <li>Being transparent in information disclosure</li> </ul>
Community	Contributing actively and meaningfully to community development	<ul style="list-style-type: none"> <li>Creating stable jobs to support economic development</li> <li>Training and utilizing local human resources</li> <li>Contributing to society development through educational and philanthropy activities</li> <li>Participating actively in campaigns against Covid-19</li> </ul>
Authorities	Strictly comply and positively contribute	<ul style="list-style-type: none"> <li>Complying with all applicable laws, regulations and guidelines</li> <li>Fulfilling obligation and responsibilities to the state budget</li> </ul>

CONTENT OF SUSTAINABLE DEVELOPMENT REPORT 2021

Client - Enhancing client experience

In 2021, HSC focused on improving client service quality, thereby enhancing customer experience, and at the same time making adaptive changes in response to the Covid-19 pandemic.

Upgrading digital infrastructure

The prolonged Covid-19 pandemic has changed client behavior dramatically and accelerated the trend of online transactions. In light of the emerging trend, HSC has been speeding up various digital transformation initiatives to attract potential clients and retain the existing ones. For instance, in 2021, we continued to upgrade myhsc trading system by adding more features to the platform and renovating its interface to improve the online trading experience of our clients.

Launching online platform for client training

In 2021, there was a strong rise of new retail investors in the Vietnamese stock market. Understanding the need of the investors for investment literacy and information, we launched HSC Edu, an educational online platform in which top investment professionals of HSC run classes to provide retail investors necessary knowledge for investing, from basic to advanced level. The classes are personalized to best suit each investor. Besides, topics are digitalized and visualized to help investors grasp and absorb knowledge quickly. The platform is truly beneficial for investors to enhance their investment skills and accelerate their paths to become investment professionals. Therefore, it has been well-received by HSC's clients. As at the end of 2021, the platform had 10,000 active users.

Engaging clients proactively

We deeply understand that many retail investors face certain difficulties when investing including lack of insightful information about industries and companies. Those limit their ability to analyze investment opportunities and make effective investment decisions. Therefore, we have held monthly Connecting to Customers (C2C) seminars to connect retail investors with our research professionals and senior executives from leading companies. Our goal is to offer our retail clients unparalleled opportunities to gain indepth knowledge about macroeconomics, industries as well as corporate outlook. The seminars also provide retail investors well-grounded analysis and recommendations on the stock market and specific stocks via both fundamental and technical lens. In 2021, HSC held four (4) C2C seminars, which attracted attention of thousands of investors.

Enhancing client advisory service quality

Client engagement is crucial for HSC's success. In 2020, we established the Customer Service Center, which serves as the frontline to receive inquiries and feedback from customers about HSC's services and products. Clients can set up in-person meetings or contact our Customer Service Center via its hotline, email or online platform. In 2021, we further strengthened our omni-channel communication by launching social media channels such as Facebook, Youtube, podcasts and offering daily newsletters and 24/7 advisory services. Accordingly, we have been not only responding to inquires of our clients quickly but also offering them most updated and insightful information on the capital markets and companies for their investment decisions. The efforts has allowed us to serve existing clients better and reach prospective clients effectively.

CONTENT OF SUSTAINABLE DEVELOPMENT REPORT 2021

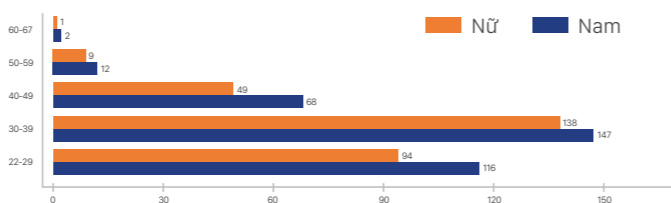
Employees - Creating motivation and nurturing talent

The pandemic had profound effects, directly and indirectly, on both physical and mental health of many workers and their families. To overcome the unprecedented situation, HSC's leadership team made timely, right and people-first decisions to ensure that we could continue to serve our clients without disruptions and that our employees' incomes and health are secured and protected. This is considered one of the biggest successes of HSC in 2021.

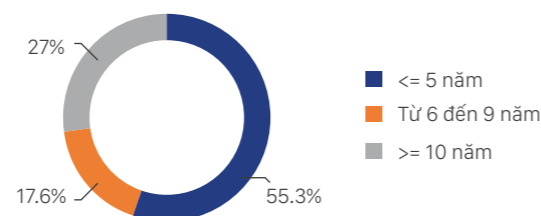
Despite the challenges caused by the pandemic, HSC continued to carry out various programs to enhance employee engagement and loyalty as we have long been considering people our most valuable asset. In terms of salary and benefits, the Board of Management made comprehensive revision of HSC's remuneration and benefit policies to further motivate employees and increase our competitiveness on the labor market. Besides, during the time of Covid-19 pandemic, HSC promptly introduced well-being initiatives to support our employees and their loved ones. Particularly, we provided financial supports to 62 employees and 127 family members who were infected with the virus. Additionally, HSC cooperated with specialized medical units to provide online consultation on Covid-19 prevention and personal health protection to our employees. In addition to the efforts to retain the existing team, in 2021, HSC also successfully recruited various positions, from specialists to senior managers to further strengthen our workforce and prepare for future growth.

With these unwavering commitments, HSC has been able to enhance employee engagement and retention, critical success factors for our business. This is evident by the result of employee engagement survey in 2021 with the participation of nearly 90% of HSC employees. Particularly, the employee engagement index in 2021 was considerably higher than that in the last survey conducted in 2019. HSC employees are proud of working at the Company and consider the openness, inclusiveness and cohesiveness amongst employees as well as the supportive and trusting relationship between employees and upper managers are the most important factors that keep them stay and motivated to work harder and contribute further to the success and future development of the Company.

Giới tính và độ tuổi CBNV HSC



Tỷ lệ thời gian làm việc



Salary and other employee-related expenses	2019	2020	2021
Salaries	168,938,720,045	174,180,269,605	200,591,661,180
Social and health insurances and trade union fees	23,055,812,952	23,309,844,700	24,232,853,700
Bonuses and other employee-related costs	106,258,169,671	164,069,223,042	365,016,398,189
Covid-19 financial supports to employees and other related costs	-	-	2,732,594,000
<b>Total</b>	<b>298,252,702,668</b>	<b>361,559,337,347</b>	<b>592,573,507,069</b>

Phong cách lãnh đạo chiếm đa số tại HSC



Training and employee development

The tradition of developing people and the spirit of learning and improving knowledge at HSC were continued to be promoted in 2021 in spite of the difficulties caused by the Covid-19 pandemic. Various professional and skill enhancement training courses were offered to employees in 2021; all were conducted online to ensure health and safety of employees and to comply with the Government's disease prevention measures. Specifically, a total of 18 courses were deployed to departments and individuals with the entire costs sponsored by the Company. Of which, 80% of courses were online through HSC E-Learning platform and 20% through other platforms such as Zoom and Microsoft Teams. 98% of employees participated in the courses via the HSC E-Learning platform with a total 2,125 visits in last year. 1,969 videos and 568 documents were produced and stored on the platform to offer HSC employees useful learning materials to improve their expertise and skills as well as to keep them up to date with the latest internal policies and regulations.

To ensure that employees are reward properly, their performances need to be evaluated in a correct manner. Therefore, in 2021, HSC improved the quality of employee performance evaluation by building and completing the digitalized Employee Performance Appraisal System (EPM). With this

system, employees could actively look up relevant information while managers could timely update the work progress of their units in the most convenient way. Therefore, employees at all levels at HSC have been able to save a considerable amount of time related to monitoring and evaluating work quality and progress, improving the operational efficiency of the whole company.

Talent attraction and acquisition

As the labor market for the financial services sector has been increasingly competitive, retaining a high-quality workforce is HSC's top priority. In 2021, after conducting extensive surveys carried out internally and externally, we were able to redefine HSC's value proposition to employees (EVP) as "Work-Life Balance and Prosperity". Accordingly, HSC sets out two missions for our human resource development strategy: to ensure HSC employees have a work-life balance and a prosperous future. This is considered a unique strength that helps HSC enhance cohesion between the Company and employees in a sustainable way and stand out in the labor market to attract high-quality candidates. We believe that these are the two decisive factors for HSC's future success. Based on the core values and missions, we have also introduced our recruitment message "Engage Your Values to Flourish" to spread the beauty of HSC's culture and environment to potential candidates in the market.

## CONTENT OF SUSTAINABLE DEVELOPMENT REPORT 2021

Underpinned by the core values and with strong efforts of the Human Resources department, HSC continued to achieve many remarkable results in building our image as a friendly and professional employer in the labor market and attracting interests of candidates. Specifically on social networking platforms, HSC's business information page on LinkedIn platform recorded 2,800 followers, 350% higher than 2021 plan and the "Life at HSC" Facebook fan page recorded more than 9,000 followers, 18% higher than the year plan. Going forward, we will continue to deliver the recruitment message and other messages about HSC's core values through other channels to attract talents. We will also further promote the application of technology in attracting talent and developing recruitment brand to optimize the recruitment process and affirm HSC's professionalism in the Vietnamese labor market.

### Key talent acquisition and people development strategies in 2022

- Roll out a succession planning program to select high-calibre candidates who could fill key positions in the future and develop training plans to help these candidates develop and hone necessary skills
- Develop a knowledge and skills training roadmap (learning map) based on the career ladder system to help employees further improve their professional knowledge and soft skills.
- Continue to improve HR policies, regulations, and professional processes to meet HSC's future development needs.
- Continue to build internal cohesion programs, improve team spirit through extracurricular activities and sports activities.

### Shareholders – Maximize shareholder values

#### Sucessfully carried out businesses efficiently and sustainably

As at 31 December 2021, HSC had 29,835 shareholders, of which 176 were institutional investors and 29,659 were individual investors. Since listing in 2009, HSC has maintained a stable cash dividend policy ranging from 12% to 25% of par value. Particularly in 2021, HSC distributed a total cash dividend of VND366 billion

to shareholders, which translated to a dividend ratio of 12% on the charter capital of VND3,050 billion. This speaks for HSC's efforts in creating shareholder value through stable dividend income despite the challenges caused by the pandemic. In addition, HSC relentlessly focuses on solidifying its strengths including its capital base to further increase its business value. We will continue to provide transparent information to shareholders and investors adequately and timely to help them determine the intrinsic value of HSC.

#### Equal treatment of shareholders and protection of their rights

At HSC, Investor Relations (IR) activities are standardized. HSC devotes a considerable amount of resources to Investor Relations activities to ensure the rights and interests of shareholders as well as the equality among shareholders. HSC's Investor Relations activities are carried out by the Communications department. Through the General Meeting of Shareholders and the Annual Report, HSC's shareholders are fully informed about HSC's business results and all strategic development of the Company including sustainable development initiatives and activities.

Other rights of shareholders such as the rights to participate and vote at the General Meeting of Shareholders, to elect and remove members of the Board of Directors and to vote in absentia are always guaranteed. The number of votes corresponds to the number of shares that shareholders own. The Company's charter and internal governance regulations have clear provisions on equal treatment of shareholders and no preference for any shareholder.

#### Transparent disclosure of information and proactive engagement with investors

Transparent and timely disclosure of information is HSC's top priority in order to ensure shareholders' rights and interests. HSC has a complete, accurate and timely information disclosure process that strictly complies with Circular 155/2015/TT-BTC of the Ministry of Finance and the Circular 96/96/2020/TT-BTC which came into effect from January 01, 2021. Information is published both in Vietnamese and English on the websites of the Stock Exchange, the State Securities Commission and HSC to ensure equal access to corporate information among all local and global shareholders.

### Shareholders – Maximize shareholder values

Furthermore, HSC has maintained quarterly virtual meetings with investors and the press to update the stakeholders quarterly business performance as well as other relevant information. We also prepared quarterly investor newsletters, which are available in both Vietnamese and English to provide our shareholders and investors official information about HSC's performance and business updates in a timely manner.

#### Proactive responses to the Covid-19 pandemic

In 2021, amid the disruptions caused by the pandemic, HSC completed the process of organizing virtual General Meeting of Shareholders to ensure shareholders can exercise their rights to attend and vote at the General Meeting of Shareholders in all circumstances. That effort once again proves our commitment to enhancing shareholders' rights and interests.

### Community – Contributing actively and meaningfully to community development

#### Actively participated in campaigns against Covid-19 initiated by the Government

In 2021, Vietnam faced the most virulent Covid-19 wave, which caused heavy loss of life and severe economic impact. To support the community, HSC actively participated in the campaign initiated by the Government: "All people unite, make every effort to prevent and control the Covid-19 epidemic". Particularly in May 2021, HSC joined hands with Dragon Capital Vietnam Fund Management Company to contribute VND50 billion to the Covid-19 vaccine fund. Also in July 2021, HSC donated three ambulances worth VND7.5 billion in total to bolster Ho Chi Minh City's public health infrastructure and capability in the race to fight the Covid-19. The timely and meaningful participation of HSC contributed to the success of Vietnam in containing the Covid-19 epidemic. That was well-recognized by the Government as evidenced by the certificate of merit awarded to HSC by the Standing Committee of the Fatherland Front Committee.

#### The PCD Prosperity Fund

Established in November 2018 with the "Sharing Love, Nurturing Prosperity" mission, the Fund has connected charity and philanthropy enthusiasts who want to help disadvantaged children and elderly people.

Since its inception, the Fund has organized 38 philanthropy events across provinces in Vietnam such as Ho Chi Minh City, Ben Tre, Tien Giang, Dong Nai, Lam Dong, Dak Lak, Dak Nong, Ca Mau, etc. In those events, the Fund gifted to orphanages and safe houses where disadvantaged children are being taken care of. In addition to gifts, representatives of the Fund also organized fun and educational activities for the children to help them nurture dreams for better futures.

In 2021, to support people who are vulnerable to the impacts of Covid-19, the PCD Prosperity Fund arranged food trucks to offer free foods to disadvantaged people in quarantined areas in Ho Chi Minh City. Despite the health risks, the team was able to help alleviate the hardship brought on by the epidemic to those people.



**Spreading education to foster brighter futures**

**Gifting computers to underprivileged schools in Quang Binh province**

HSC believes that fostering and cultivating knowledge for the young generation is important to future development of Vietnam. Therefore, HSC always pays attention and invests in education, especially for children in disadvantaged provinces, helping them to get closer to knowledge. In 2020, Quang Binh was one of the localities heavily affected by natural disaster. In 2021, HSC gifted good preowned computers to Luu Trong Lu Secondary School in Bo Trach district and Truong Son Ethnic Minority Semi-boarding Primary School in Quang Ninh district, Quang Binh province. HSC's practical and meaningful gifts offer the students opportunities to improve their knowledge through access to modern technology. With the mission of spreading "Positive influence" to the community, HSC will continue to organize and participate in social activities to contribute the most practical values to the development of Vietnam.



**Authorities – strictly comply and positively contribute**

**Adherence to laws, regulations and instructions set forth by the authorities**

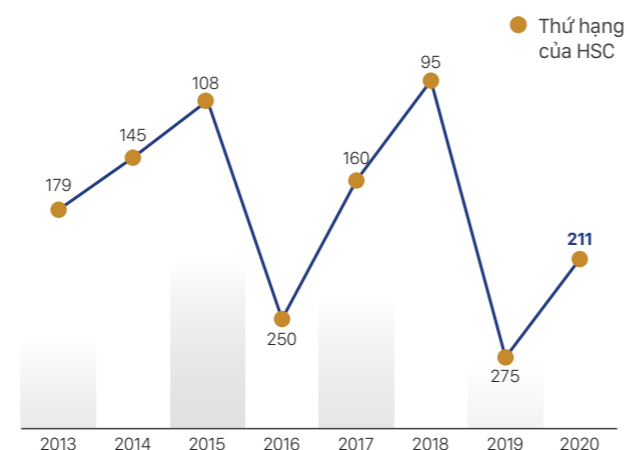
Compliance with all applicable laws and regulations is embedded in HSC's culture and therefore is committed by the Board of Directors, the Board of Management and all employees. We are deeply aware of the risks and consequences of the failure to comply with socio-economic laws and regulations including operation disruption, financial penalty and reputation damage, which will lead to unsustainable development. Therefore, HSC's Board of Directors and Board of Management pay special attention to this matter and accordingly any legal risks due to intentional violation will not be tolerated.

In 2021, all employees of HSC strictly complied with the regulations and laws on corporate operations. HSC did not record any violations of socioeconomic laws and regulations.

**Contribution to the state budget**

Fulfilling financial obligations with government is part of HSC's commitment to contributing to the development and stable growth of the Vietnamese economy and society. HSC's total contribution to the state budget in 2021 was nearly VND887 billion including corporate income tax and individual income tax on dividend advanced to investors. HSC's position in the V1000 – the list of top 1,000 corporate income tax contributors in Vietnam has been higher year by year primarily because of our greater contributions. Particularly in 2020, HSC was ranked 211th amongst the largest contributors to the state budget.

**Thuế & các khoản phải nộp cho Ngân sách Nhà nước**



**REPORT OF THE BOARD OF DIRECTORS**

**EVALUATION OF 2020 PERFORMANCE BY THE BOARD OF DIRECTORS**

**EVALUATION OF 2020 PERFORMANCE BY THE BOARD OF DIRECTORS**

**The Vietnamese Stock Market in 2021**

In 2021, Vietnam faced unprecedented challenges and difficulties when the Covid-19 pandemic impacted the economy and society severely. However, the Vietnamese stock market in 2021 recorded an exceptional year when it continuously set new records and grew strongly in all aspects, from index level to liquidity and the number of securities accounts. The number of newly opened securities trading accounts increased sharply, showing the prospect and attractiveness of the stock market to investors and help the stock market increased the liquidity. Vietnam's stock market has really become an important channel for businesses and the economy to raise medium and long-term capital. With that performance, the Vietnamese stock market was one of the best performing markets globally in last year. 2021 also marks a year of transformation of the Vietnamese stock market as the Vietnam Stock Exchange (VNX) made debut to kick-off the operational restructuring process towards professional direction.

**HSC's Business Performance in 2021**

HSC delivered solid business performance in 2021 on the back of the strong recovery of the stock market. The Company achieved total revenue of VND3,368 billion, or an increase of 112% YoY and 126% of the approved guidance. Profit before tax increased by 117% YoY to VND1,430 billion, which was equal to 119% of the approved guidance.

**REVENUE**

**3,368**

**VND BILLION**

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**EQUAL TO 119% OF THE APPROVED GUIDANCE**

**BoD Supervision of the Chief Executive Officer and Board of Management**

In 2021, the BoD maintained close supervision of activities of the Chief Executive Officer ("CEO") and Board of Management ("BoM") in implementing the resolutions approved by the AGM and BoD, with details as follows:

**Methods of Supervision**

The BoD and the Supervisory Board ("BoS") cooperated closely with the Committees under the BoD to understand the HSC's business operations. This high level of understanding has enabled the two boards to support the CEO and BoM in implementing the corporate plan and fulfilling their assigned responsibilities.

The BoD issued resolutions after each periodic and ad-hoc meeting to approve quarterly, semi-annually, and annually business results and other matters under the BoD's authorization. At the same time, the BoD also provided strategic guidance, assessments of the market and overall economic circumstances to support reviews of business plans for upcoming quarters. The CEO, the BoM and the BoD maintained regular communication and interaction throughout the year. That collaborative approach supported the implementation of business plan and made necessary adjustment to ensure that the overall objectives of HSC were achieved.

## REPORT OF THE BOARD OF DIRECTORS

### BoD Supervision of the Chief Executive Officer and Board of Management

#### Supervision Results

The summary of 2021 financial performance is as follows:

Target	FY2021	FY2020	% Change	FY2021 plan	% 2021 Plan completion
Revenue	3,368	1,592	112%	2,669	126%
Profit before tax	1,430	660	117%	1,203	119%
Profit after tax	1,147	530	116%	963	119%

#### Conclusion

In accordance with HSC's Charter, policies and procedures, the BoD authorized the CEO and BoM to implement and manage day-to-day operations of HSC, and to ensure the deployment of resources to pursue strategic decisions that were aligned with approved business plans. Through the mechanism of reporting on periodical inspection, supervision, financial performance, the daily operation of the Company, and reporting on unexpected affairs as required, the BoD concluded that the CEO and the BoM successfully and compliantly exercised their rights and duties in accordance with the prevailing laws, as well as the Company Charter and other resolutions as discussed in the FY2020 AGM. Additionally, the BoD exercised its assigned rights and responsibilities in a manner that was prudent, professional, and demonstrated integrity to ensure the maximum legitimate interests of the Company and its shareholders were attained. Moreover, the CEO and the BoM made their best efforts to deliver and exceed the business objectives approved by the FY2019 AGM. At the same time, the CEO and the BoM also well achieved an important accomplishment - to further fortify the already-solid business environment at HSC where the main focuses were sustainable development, strong corporate governance, and the enhancement of risk management enhancement and control.



### The Vision and Strategic Plans of the Board of Directors

The Vietnamese securities markets in 2022 have bright outlook. However, there are certain challenges including the inflation risks and geopolitical tension. Quality of the markets is expected to be further improved, particularly with the following developments:

- Restructuring the stock, bond and derivative markets towards professionalization
- Building and putting into operation the private bond trading market
- Implementing T+0 settlement cycle and the central clearing and settlement model (CCP) as well as other capital market development initiatives
- Completing the overhaul of the management and organization framework of the stock market through the establishment of the Vietnam Stock Exchange (VNX)
- Completing the legal framework regulating all activities of the stock market, in which versions of the Laws on Securities and legal documents guiding the implementation of the Laws on Securities are harmonized with the actual movement of the capital markets and economic development of Vietnam to ensure that the operations and management of the capital markets are smooth, safe, fair, open, transparent and efficient.

Over the last few years, the markets have developed remarkably, both in terms of quality and quantity, and enhanced their resilience against external factors. Therefore, the markets have buoyant medium- and long-term prospect underpinned by its strengths and favorable macroeconomic conditions in Vietnam. Recognizing the opportunities, the Board of Directors will focus on the following activities in 2022:

- Formulating business development strategies, which are built upon digital transformation to capture emerging trends in the stock market and to create positive changes
- Focusing on fundamental factors to continuously improve competitiveness and ability to stay ahead of market trends primarily through a comprehensive talent development plan and a strong push to digital transformation
- Improving corporate governance and raising levels of responsibilities and risk management of the financial management, accounting and auditing departments
- Enhancing the capacity and roles of subcommittees under the Board of Directors and independent members of the Board of Directors
- Developing strategic plans for social responsibility activities to improve transparency, bolster competitive advantages and promote sustainable development further.



## REPORT OF THE BOARD OF DIRECTORS

### CORPORATE GOVERNANCE IN 2021

HSC believes that strong corporate governance is one of the key factors for building a solid corporate foundation that delivers sustainable business value, enhances long term competitive advantages and reputation of companies. Having these strengths will facilitate companies' capital market access, which in turn supports growth of the capital markets and the economy.

Our corporate governance goal in 2021 was to nurture and promote internal resources and to utilize external forces timely and effectively to pursue growth amid the unprecedented challenges and difficulties caused by the Covid-19 pandemic.

In the midst of the fast-paced development of the stock market, we have further improved the transparency of our operations and enhanced the quality of our corporate governance in accordance with international best practices. As a result, we have been able to solidify the trust from both local and foreign investors.

We have strong commitment to the excellence in corporate governance standards, which we believe the foundation of the development of our business. In order to maximize corporate value, HSC focuses not only on achieving business development goals for revenue and profit growths, but also on enhancing our corporate governance in line with international best practices. The combination of growth strategy and good corporate governance will help us maximize our resources and effectively exploit opportunities to create sustainable value in the long run.

#### Board of Directors

The BoD is responsible for ensuring that the best corporate governance practices are applied throughout the Company. The BoD has been and is going to implement the best corporate governance standards from the highest level of management board to every HSC employee as the foundation to achieve the Company's goals. Not only that, but it is also empowered by HSC to carry out its role and responsibilities and fulfil its obligations to shareholders, as well as to enhance corporate value.

**We have strong commitment to the excellence in corporate governance standards, which we believe the foundation of the development of our business.**

The BoD is also responsible to shareholders for all activities of the Company. In 2021, the BoD not only fulfilled its responsibilities in implementing the Company's development strategy and in managing risks effectively, but also stood side by side with employees, shareholders, and the community during the challenging times of the Covid-19 outbreak.

#### Members of the Board of Directors

HSC's BoD for term V (2021-2025) comprises seven (07) members with the structure including the Supervisory Board according to the Resolution No. 02/2021/NQ-ĐHĐCD dated April 22, 2021 of the FY2020 General Meeting of Shareholders.

All members of HSC's BoD are senior executives, who have strong managerial capabilities and in-depth knowledge and experience in law, corporate finance, and capital markets. The structure of HSC's BoD has a good balance of independent and non-executive members.

#### Changes in the BoD

Seven (07) members of BOD term V (2021-2025) were elected by the General Meeting of Shareholders at the FY2020 General Meeting of Shareholders, held on April 22, 2021. In which, there were three (03) re-elected members and four (04) new members. Among the four (04) new members, there were two (02) independent members and two (02) non-executive members. Therefore, HSC's BoD for term V (2021-2025) comprises seven (07) directors, including the Chairman, two (02) independent directors and four (04) non-executive directors.

### Non-executive and Independent Members of the Board of Directors

#### Assessing the independence of independent members of the Board of Directors

Assessing the independence of a member is not only based on the factors of competence, experience, ethics and understanding on the Company's business operation but also must be based on integrity, objectivity, independence and assurance to ensure their loyalty to the common interests of the Company and be able to make the right decision to protect the legitimate interests of shareholders, especially the minority shareholders.

The existing of two (02) independent members in the BoD helps HSC not only to comply with legal regulations but also to bring out new ideas, helping HSC to apply international management practices

#### Assessing the independence of the non-executive members of the Board of Directors

The non-executive members of HSC's BoD are representatives of two (02) major shareholders: Ho Chi Minh City Finance and Investment State-owned Company (HFIC) and the strategic investor, the Dragon Capital Markets Limited (DC).

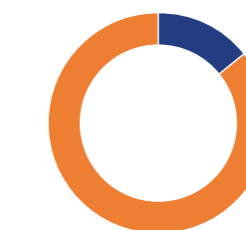
Assessing the independence of its non-executive BoD members is based on their capabilities, knowledge and experience on law, corporate finance, and the capital markets, as well as on their soft skills and personalities. Their decisions and contributions to the development of the Company are made from their independent standpoints. Although they have dual roles and dual responsibilities, they have been able to separate these roles when making relevant and important management decisions and successfully accomplished their duties.

#### Separation of Chairman and CEO roles

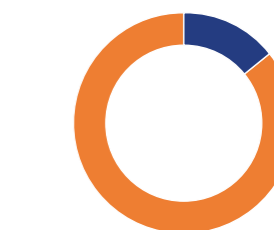
The separation of the role of the Chairman and the CEO reflects independence and a clear division of responsibilities between the BoD and the BoM to ensure a fair division of powers in decision-making, increased accountability and enhanced governance. The powers and duties of the Chairman and the CEO are clearly stated in the Company Charter.

The current Chairman was the Chief Executive Officer of the Company from 2007 to 2020. He was appointed as the Chairman for the term V (2021-2025).

Cơ cấu



Giới tính



Độc lập



Kinh nghiệm



#### Roles of the Board of Directors

The BoD is the governing body of the Company and has full authority to act on behalf of the Company to exercise its rights and obligations beyond the authority of the Company's Annual General Shareholder Meetings. The BoD is responsible for monitoring HSC's operations to ensure that the Company complies with all applicable laws and the Company Charter, as well as internal regulations, and to assure the rights of its shareholders and stakeholders.

Accordingly, the major roles of the BoD are:

- Developing the Company's long-term strategic plan;
- Developing risk management policies and risk appetite statement;
- Building and enhancing the Company's competitive advantages;
- Responding to major business challenges;
- Developing the company's core competencies;
- Enhancing value for company stakeholders;

## REPORT OF THE BOARD OF DIRECTORS

### CORPORATE GOVERNANCE IN 2021

#### Overall Assessment on the Operational Effectiveness of the BoD

The BoD has made great efforts to improve the corporate governance and align with current regulations and international best practices. Particularly:

- Maintained regular activities in accordance with the Company Charter, ensuring that regular meetings are held and that all Board members attended the meetings to meet legal requirements;
- Clearly defined the roles for independent and nonexecutive members have been made to maximize the interests of all shareholders and to assure fairness of minor shareholders.
- Supervised the implementation of the BoD' decisions and resolutions that were made at the AGM.
- Supervised activities of Committee to ensure compliance with the operating principles and the Company Charter.

#### Meetings of the BoD in 2021

Members of the Board of Directors are responsible for attending all meetings of the BoD during the year. In case a member cannot attend a meeting, that member must send to the BoD a notice clearly stating the reason and may authorize another member of the Board of Directors or another person to attend.

Meeting notice and agenda must be sent to all members of the BoD via emails at least fifteen (15) days before the meeting and meeting documents must be circulated at least seven (07) days before the meeting is held. For meetings that collect opinions of members of the BoD in writing via email, the content of opinion collection must be presented in detail in the proposals and the time required for members of the BoD to feedback is no later than seven (07) days after the proposals were sent to the members.

In 2021, the BoD held fifty-two (52) meetings, of which there were four (04) regular meetings, twenty-eight (28) extraordinary meetings and twenty (20) meetings in the form of written ballot. In order to ensure the timeliness in decision-making while still complying with the regulations on prevention and control of the Covid-19 epidemic, the regular and extraordinary meetings of the BoD were held virtually via online platforms.

Position	BoD member	Date of appointment	Meeting			%
			Periodic	Extraordinary	Written ballot	
Chairman	<b>Johan Nyvene</b>	22/04/2021	4/52	28/52	20/52	100%
Vice chairman	<b>Le Anh Minh</b>	22/04/2021	4/52	28/52	20/52	100%
	<b>Le Hoang Anh</b>	22/04/2021	4/52	28/52	20/52	100%
	<b>Nguyen Hong Van</b>	22/04/2021	2/52	23/52	12/52	97%
Non-executive member	<b>Tran Quoc Tu</b>	22/04/2021	2/52	24/52	12/52	100%
	<b>Andrew Colin Vallis</b>	22/04/2021	2/52	24/52	12/52	100%
Independent member	<b>Nguyen Thi Hoang Lan</b>	22/04/2021	2/52	24/52	12/52	100%

In each regular quarterly meeting, the BoD reviewed and approved the Company's actual quarterly financial performance. The BoD also discussed prevailing market conditions and reviewed and revised the strategic plans for upcoming quarters. The board also approved other matters falling under its responsibility and authority to ensure that the Company's operations are well managed. At the first meeting of the year, the BoD discussed macroeconomic conditions and the local and global stock market outlooks; thereby reviewing the feasibility of the Company's business plan and targets for the year. At the last meeting of a year, the BoD finalizes dates of meetings in the upcoming year to accommodate schedule of all BoD members.

All BoD members fulfilled their responsibilities in terms of BoD meeting participation. Furthermore, the BoD made important decisions, which were greatly beneficial to the performance of the Company in 2021. A BoD resolution was only ratified when more than half of the members of the board voted for it.

#### Activities of the Board of Directors in 2021

The Roles of the Board	Activities of the Board of Directors in 2021
<b>Finance</b>	
Financial performance supervision	Reviewed and approved actual financial performance of FY2020, Q1.2021, Q2.2021, Q3.2021.
Bank loan monitoring	Approved credit limits at bank within the total approved limit.
Proposing and conducting the shares issuance	Collected the opinion of the General Meeting of Shareholders on the issuance of shares to existing shareholders. Approved the decision regarding to the issuance.
Decisions on Investment	The Tier 2 capital bond of the Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV)
Covered warrant issuance	Approved the issuance of covered warrants.
1st advanced cash dividend payment of 2021	Approved the dividend rate and final registration date for exercising the right to receive the 1st advanced cash dividend payment of 2021.
<b>Corporate governance</b>	
Reviewing and approving the operational regulations of committees under the BoD	Approved the operational regulations of the Risk Management Committee; the Internal Audit Committee and the Remuneration Committee.
Reviewing and approving the operational regulations of management committee under the BoM	Approved the operation regulation of the Executive Risk Committee.
Decision on total debt	Approved to increase the total debt
Decision on total bank credit limit	Approved to increase total credit limit at banks
Approving the contracts and transactions	Approved the principal contracts and transaction between the Company and related persons, which expected to occur in 2021.



## REPORT OF THE BOARD OF DIRECTORS

### CORPORATE GOVERNANCE IN 2021

The Roles of the Board	Activities of the Board of Directors in 2021
<b>Corporate governance</b>	
Human Resources	Elected the Chairman and Vice Chairman of the Term V (2021 – 2025) Approved the structure of the Risk Committee, the Internal Audit Committee and the Remuneration Committee. Approved to change the Representative of Ha Noi branch
Office location	Revised the address of the head quarter. Revised the address of Ha Noi branch
Annual General Meeting of Shareholders	The General Meeting of Shareholders approved the plan to issue shares to existing shareholders by the form of written ballots. The FY2020 Annual General Meeting of Shareholders
Contribution to the community	Contributed to the Vietnam Covid-19 vaccination fund Bought the ambulances to support the Ho Chi Minh City Health Department

### Remuneration of the Board of Directors, and the Supervisory Board

#### The BoD and Supervisory Board remuneration and operating expenses in 2021

Item	Amount (VND)
The opening balance of Operation fund of the BoD & BoS in 2021	1,870,087,893
Operation fund of the BoD & BoS in 2021 (accounting for 1.5% of profit after tax in 2020)	7,979,741,160
Operating expenses for the BoD & BoS In which:	8,165,040,291
Remuneration for BoD	3,787,645,667
Remuneration for BoS	1,280,000,001
Bonus for BoD & BoS	0
Other operating expenses	3,097,394,623
Unused funds of the BOD & Supervisory Board in 2021	1,684,788,762

#### Other benefits for BoD members

Currently, the cost-benefit regimes (the company's car, telephones, social, medical and other insurance, annual health check, and other items specified in the Company's policies) only apply to the Chairman of the BoD. Only business travel expenses for other members of the BoD and BoS are charged to HSC (if costs are incurred).

#### Participation by the BoD members in corporate governance programs

New BoD & BoS members elected at the 2020 General Meeting of Shareholders will be arranged to attend the "Corporate Governance" course soon.

### Committees under the Board of Directors

There are three committees reporting to the BoD. They are the Risk Management Committee, the Audit Committee, and the Remuneration Committee.

These three committees are tasked with advising and assisting the Board in maintaining and enhancing internal control operations. All members of these three committees are all non-executive members. The Chairmen of the Risk Management Committees and the Remuneration Committees are all independent members.

Name	Position	Risk Management Committee	Internal Audit Committee	Remuneration Committee
Johan Nyvene	<b>Chairman</b> <b>Non-executive Board member</b>	✓		✓
Le Anh Minh	<b>Vice Chairman</b> <b>Non-executive Board member</b>	✓	✓	✓
Le Hoang Anh	<b>Member</b> <b>Non-executive Board member</b>	✓	✓	
Andrew Colin Vallis	<b>Member</b> <b>Independent member</b>	Chairman	✓	
Nguyen Thi Hoang Lan	<b>Member</b> <b>Non-executive Board member</b>			Chairman
Dang Nguyet Minh	<b>Member</b> <b>The Supervisory Board</b>		Chairman	



## REPORT OF THE BOARD OF DIRECTORS

### Activities of the Board Committees

#### The Risk Management Committee

The Risk Management Committee was established in 2013. The Risk Management Committee is responsible for advising the BoD on the issuance of risk management strategies, processes, and policies.

The Chairman of the Risk Management Committee is an independent member of the BoD elected at the FY2021 AGM. This structure strengthens HSC current corporate governance framework and meet with international practice of risk management in financial service sector.

#### Activities of the Risk Management Committee in 2021:

- Approved the operational regulation of the Executive Risk Committee under the Board of Management before submitting to the BoD for approval.
- Reviewed and approved the risk management policy before submitting to the BoD for approval
- Reviewed the compliance control and risk management reports on a monthly, quarterly, six-monthly and annual basis.
- Reviewed and approved the transactions within its authority.

#### The Internal Audit Committee

The Internal Audit Committee was established in 2014 to assist the BoD in performing their rights and obligation related to internal audit function. The Internal Audit Department was also established, as an independent department, supporting the BoD through the Internal Audit Committee. Currently the Internal Audit department is conducting co-audit with the consulting service of KPMG Vietnam Co., Ltd.

#### Activities of the Internal Audit Committee in 2021:

- Approved the amended and supplemented operating regulations of the Audit Committee before submitting to the Board of Directors for approval.
- Adjusted the Internal Audit Handbook in line with legal regulations and advanced practices.
- Reviewed the Anti-Money Laundering Activity Report, Operational Model of the Finance and Accounting Department and the Treasury Department issued by the Internal Audit Department.

#### The Remuneration Committee

The Board Remuneration Committee was officially established in 2016 with the aim of advising and proposing the BoD on rights and obligation related to compensation, remuneration and benefits for employees.

#### Activities of the Remuneration Committee in 2021:

- Approved the revised and supplemented operational regulation of the Remuneration Committee before submitting to the BoD.
- Carefully reviewed profile of candidates for the BoD members term V (2021-2025) according to the criteria and progress before submitting to BoD consideration and AGM for election.
- Approved the remuneration package for each member of BoD and BoS of term V (2021-2025) before submitting to BoD.

## ENGAGING SHAREHOLDERS, INVESTOR AND PARTNERS

### INVESTOR RELATIONS

Shareholders are provided with accurate, timely and completed information through all company's channels. The information provided to shareholders includes quarterly financial statements, audited interim financial statements, audited full year financial statements, annual report and other information announced at the annual shareholder meeting.

#### Annual General Shareholder Meeting

Annual general meeting ("AGM") is an important corporate event in which the Company's representatives meet and interact with shareholders. At an AGM, the BoD presents financial performance of the previous year, business guidance for the upcoming year and other business matters that are deemed important and under the authorization of an AGM.

The FY2020 General Meeting of Shareholders (AGM) was held on April 22, 2021. The AGM procedures has followed and complied with current statutory regulations to ensure the protection of shareholders' rights and benefits.

- All shareholders whose registrations were undertaken by March 17, 2021, at the latest as provided for by the Ho Chi Minh City Branch of the Vietnam Securities Depository, received full and clear information related to the FY2020 AGM as in the invitation. The notice of invitation clearly specified the time, venue, agenda and basic information about registration for the meeting. The full 2020 AGM documents were published on HSC website, in both Vietnamese and English languages, twenty-one (21) days before the date of the 2020 AGM. Profiles of all candidates nominated to the BoD & BoS Term V (2021-2025) had been publicly announced ten (10) days before the FY2020 AGM for shareholders' consideration and review. The candidates shall be chosen based on not only their qualification but also their experience and enthusiasms for the sustainable development of HSC. In addition, the notice of invitation for the FY2020 AGM was broadly published in the Dau Tu Chung Khoan newspaper No. 72 on April 05, 2021.

- To ensure the health safety of shareholders, the Company has taken appropriate precaution against such as handing out masks and spraying disinfectant hand sanitizer to all shareholders and their authorized representatives attending the FY2020 AGM. The FY2020 was held on a working day with the registration and admission desk opened one (01) hour prior to the meeting. HSC used QR codes to confirm shareholder identification and other supporting documents, as well as for calculating the voting ratios.

- The Chairman of the BoD, BoD members, Chairman of Committees and the CEO chaired the FY2020 AGM. In addition, representatives of the independent audit firm were also presenting at the meeting and representatives of minority shareholders were elected to the Vote Counting Committee to count the votes.

- The BoD, BoS members were responsible and available to respond to all questions of shareholders in the meeting time and continued to respond via email to unanswered questions. The delegator team encouraged shareholders or their authorized representatives to contribute their ideas to the sustainable growth of HSC.

- Each of proposals by the BoD was presented separately to facilitate the review and approval by shareholders at the AGM. The voting results for each proposal were announced immediately and recorded in the AGM minutes.

- The method of election, the procedure of election, the votes counting, and the announcement of election results were implemented in accordance with the current legal regulations and the Regulations on election of members of the BoD and the BoS term V (2021–2025).

- The minutes of the meeting, votes counting reports of BoD & BoS members, and resolutions from the FY2020 AGM were published on HSC website in both English and Vietnamese languages within 24 hours after the meeting.

## ENGAGING SHAREHOLDERS, INVESTOR AND PARTNERS

### INVESTOR RELATIONS

#### Dividend policy

HSC's dividend policy is reviewed by the BoD on an annual basis. However, HSC practice is to maintain a dividend payout ratio of at least 50%. Over the years, HSC has distributed annual dividends of 12% to 20% of par value depending on its financial performance in each year. Dividend payment announcements are transparent and come with detailed information. Also, HSC always ensures the correct payment time with dividend rate equal to or higher than the rate approved by the AGM.

At the FY2020 AGM, shareholders approved the 2021 dividend payment plan based on the allocation of the FY2020 profit after tax after making appropriations to the funds and operating budgets according to regulations and HSC Charter. The execution plan for the FY2020 dividend payment is summarized as follows:

- HSC advanced the first cash dividend payment of 5% on January 06, 2022 following the approval by the Board of Directors in Resolution No. 41/2021/NQ-HĐQT issued on November 24, 2021.

- At the upcoming FY2021 AGM, the BoD plans to propose the FY2021 second cash dividend payment which is aligned with 2021 financial performance and HSC dividend policy.

#### Investor relations

HSC is always proactive in engaging shareholders by providing timely, completed, reliable and accurate information. The data and information are provided through a number of communication and media channels, such as, the website, the AGM, newsletters, quarterly meetings and direct email.

Despite the Covid-19 pandemic, HSC keeps continue its investor relation activities thoroughly via online platform with flexible timeframe which allows local and foreign shareholders to be fully participated.

HSC encourages all shareholders, investors, and partners to discuss or contribute ideas to HSC through the email address of Communications Department.

### EQUAL TREATMENT OF SHAREHOLDERS

#### Appointing a proxy to the Annual General Meeting

HSC strongly encourages shareholder participation at the AGM. Should a shareholder be unable to attend the AGM, they may nominate an authorized representative, such as a BoD member or BoS member, to vote on their behalf on resolutions and issues discussed at the AGM.

#### Voting at the AGM and Voting by Written Ballots

##### Voting at the AGM

Each shareholder or their authorized representative attending the AGM are given voting cards and voting forms printed by HSC. The cards and forms have QR code so that the vote counting process can be more efficient and accurate. Shareholders shall use their voting cards to vote for resolutions raised at the AGM. The shareholders must confirm their vote by marking a cross in one of the three boxes provided. The contents of the three boxes are "For", "Against" and "Abstain". Shareholders are required to sign the form to confirm and validate the vote.

#### Voting by Written Ballots

The written ballots and other relevant documents will be sent to each of HSC shareholders by guaranteed post mail and email (if any) to the addresses registered with the Vietnam Securities Depository Centre. In order to ensure the shareholders' rights, HSC BoD sent out the written ballots and materials to shareholders fifteen (15) days prior to the deadline by which shareholders had to send back their votes.

#### Election of BoD Members

The election, dismissal, removal, and addition of members of the BoD must be approved by the AGM. The selection of candidates and the election of new members to the BoD are carried out in accordance with the procedures stated in HSC Charter, the internal regulations on corporate governance, and election regulations.

The voting to elect members of the BoD shall be implemented by using a closed ballot and adopting the method of cumulative voting, whereby each shareholder has his total number of the votes equal to the total number of shares he owns multiplied by the number of members to be elected to the Board of Directors, and each shareholder may accumulate all or part of his votes for one or more candidates. When candidates for the BoD have been identified, the information related to them must be published at least ten (10) days before the opening day of the meeting of the Shareholders' General Meeting on the website of the company so that shareholders can find out information about the candidates before voting.

#### Conflict of Interest Management

HSC recognizes that it is necessary to have internal policies, procedures, and monitoring system to prevent conflicts of interest in operations and decision-making activities. Currently, HSC is complying with "conflict of interest avoidance" regulations of Vietnam law. The Company is in the progress of developing an internal regulation of avoiding conflict of interest with an aim to identify and prevent or manage conflicts that might arise during the operation of the company.

#### Related Party Transactions

##### Transactions of insiders and related parties

The insiders and their related parties who want to execute transactions in HSC shares must report and disclose all required information at least 03 business days prior to the transaction date. They also have to report their trading results to the State Securities Commission of Vietnam ("SSC") and the Ho Chi Minh Stock Exchange ("HOSE") within five (05) business days after trading day.

The Insiders and their related persons must report to the BoD any potential conflict of interest with HSC's interests from the benefits that they might receive from any transaction in HSC shares that are executed by themselves or by any related legal entity or individual. The Insiders and their related persons are not allowed to use any internal information regarding HSC's operations obtained by virtue of their position to serve their personal interests, or the interests other legal entities or individuals. HSC does not provide a grant or guarantee to Insiders and their related persons, unless otherwise approved by the General Meeting of Shareholders. HSC is not permitted to engage in any transaction whose values are more than 35% of the total value of assets as recorded in the latest financial with the Insiders and their related persons; or with shareholders, their proxies or related parties who collectively own more than 10% of HSC's total outstanding shares unless otherwise approved at the AGM.



## ENGAGING SHAREHOLDERS, INVESTOR AND PARTNERS

### Contact channels

Contact channels are divided according to needs for ease of contact. Information is transferred to the appropriate department who responsible for the issue. Contact channels related to Recruitment, Corporate Customer Service, Institutional Customer Service, Retail Customer Service, Press Activity – Shareholder Relations – Social Responsibility at HSC have fully met the needs of shareholders, investors, customers, partners, and stakeholders when requiring support.

### INFORMATION DISCLOSURE

#### Policy and the implementation of information disclosure

The information disclosure framework at HSC has been developed and implemented in compliance with corporate governance policies. Information disclosure must be in accordance with the following fundamental principles:

- The disclosed information should be accurate, complete, and clear.
- The disclosed information must strictly comply with current statutory regulations
- All stakeholders have the right to access the disclosed information;

### Language of information disclosure

HSC commits that the information disclosure language is Vietnamese and English, so that shareholders and foreign investors can access information conveniently and quickly.

### Channel of information disclosure

HSC maintains information disclosure channels in various forms:

- HSC's website (website).
- SSC's information disclosure system.
- Website of HOSE.
- Website of VSD.



## ENGAGING SHAREHOLDERS, INVESTOR AND PARTNERS

### TRANSACTIONS OF THE BOARD OF DIRECTORS, BOARD OF MANAGEMENT AND THE SUPERVISORY BOARD

#### Share trading transactions of internal shareholders and related parties

In 2021, there were several transactions of HCM share of the internal shareholders and their related entities. HSC has announced the Notice of transaction about HCM trading of internal people and their related organizations to the authorities three (03) working days before the transaction to the relevant authorities. The report of transaction results had also been sent to the relevant authorities within five (05) working days after the end of the transaction. As follows:

No	Name	Relationship with internal shareholders	Number of shares owned initially		Number of shares owned at the end period		Reasons for increase, decrease
			Number of shares	%	Number of shares	%	
1	<b>Dragon Capital Markets Limited (DC)</b>	Company related to Le Anh Minh – Vice Chairman and Le Hoang Anh – Member of the Board of Directors	91,650,556	30,05	137,475,834	30,05	Registered to buy 91,650,556 buying rights (equivalent to 45,825,278 shares) (November 10, 2021–December 7, 2021), the transaction completed on December 3, 2021–December 6, 2021 (*),
2	<b>Ho Chi Minh City Finance and Investment state – owned Company (HFIC)</b>	Company related to Nguyen Hong Van and Tran Quoc Tu – Members of the Board of Directors	72,975,180	23,86	105,772,520	23,07	Registered to sell 10,475,180 shares (October 5, 2021–November 3, 2021), but no transactions executed, Registered to sell 10,475,180 shares (December 7, 2021–January 5, 2022), but no transactions executed, Registered and bought 32,797,340 shares on December 16, 2021 (**),
3	<b>Synergy Company Limited</b>	Company related to Pham Nghiem Xuan Bac – Chairman of the Supervisory Board	691,030	0,23	570,045	0,12	Registered to sell 200,000 shares (December 25, 2020 to January 22, 2021), 191,000 shares sold, Registered to sell 200,000 shares (May 24, 2021 – June 22, 2021), 120,000 shares sold, Registered to buy 380,030 buying rights (equivalent to 190,015 shares) (November 30, 2021–December 7, 2021), completed the transaction on November 30, 2021 (*),
4	<b>Phi Thuyen Investment Company Limited</b>	Company related to Pham Nghiem Xuan Bac – Chairman of the Supervisory Board	-	-	0	0	Registered to sell 350,000 shares (December 25, 2020 to January 22, 2021), but no transactions executed,
5	<b>Pham Nghiem Xuan Bac</b>	Chairman of the Supervisory Board	460,000	0,15	375,000	0,08	Registered to sell 160,000 shares (December 25, 2020 to January 25, 2021), 110,000 shares sold, Registered to buy 200,000 shares (May 24, 2021–June 23, 2021), but no transactions executed, Registered to sell 100,000 shares (July 5, 2021–August 3, 2021), completed the transaction on July 9, 2021, Registered to buy 250,000 buying rights (equivalent to 125,000 shares) (November 30, 2021 – December 17, 2021), completed the transaction on November 30, 2021 (*), Registered to buy 21,500 shares (December 16, 2021 – December 17, 2021), but no transactions executed (**),
6	<b>Johan Nyvene</b>	Chairman of the BoD	1,333,020	0,44	1,575,030	0,34	Sold 40,000 shares (March 3, 2021 – April 13, 2021) Registered to sell 300,000 shares (April 23, 2021 – May 21, 2021), but no transactions executed, Registered to sell 300,000 shares (May 6, 2021–June 4, 2021), 243,000 shares sold, Registered to buy 1,050,020 rights to buy (equivalent to 525,010 shares) (November 30, 2021 – December 7, 2021), completed the transaction on December 6, 2021 (*), Registered to buy 32,000 shares (December 16, 2021 – December 17, 2021), but no transactions executed (**),
7	<b>Le Anh Minh</b>	Vice Chairman of the BoD	102,592	0,03	153,888	0,03	Registered to buy 102,592 buying rights (equivalent to 51,296 shares) (November 30, 2021–December 7, 2021), completed the transaction on November 30, 2021 (*),
8	<b>Nguyen Thi Hoang Lan</b>	Member of the BoD	0	0	0	0	Registered to buy 32,000 shares (December 16, 2021 – December 17, 2021), but no transactions executed (**),

## ENGAGING SHAREHOLDERS, INVESTOR AND PARTNERS

### TRANSACTIONS OF THE BOARD OF DIRECTORS, BOARD OF MANAGEMENT AND THE SUPERVISORY BOARD

#### Share trading transactions of internal shareholders and related parties

No	Name	Relationship with internal shareholders	Number of shares owned initially		Number of shares owned at the end period		Reasons for increase, decrease
			Number of shares	%	Number of shares	%	
9	<b>Trinh Hoai Giang</b>	Chief Executive Officer	943,351	0,31	1,543,526	0,34	Registered to buy 943,351 buying rights (equivalent to 471,675 shares) (November 30, 2021–December 7, 2021), completed the transaction on December 6, 2021 (*), Registered to buy 161,500 shares (December 16, 2021 - December 17, 2021), 128,500 shares bought on December 16, 2021 (**),
10	<b>Lam Huu Ho</b>	Chief Financial Officer	478,789	0,16	769,683	0,17	Registered to buy 478,789 buying rights (equivalent to 239,394 shares) (November 30, 2021–December 7, 2021), completed on December 1, 2021 (*), Registered to buy 61,500 shares (December 16, 2021 - December 17, 2021), completed transaction of 51,500 shares on December 16, 2021 (**),
11	<b>Le Anh Quan</b>	Person authorized to disclose information	196,800	0,06	337,700	0,07	Registered to buy 196,800 buying rights (equivalent to 98,400 shares) (November 30, 2021–December 7, 2021), completed the transaction on December 3, 2021 (*), Registered to buy 61,500 shares (December 16, 2021 - December 17, 2021), completed transaction of 51,500 shares on December 16, 2021 (**),
12	<b>Than Thi Thu Dung</b>	Person in charge of corporate governance / Company secretary	60,345	0,02	99,017	0,02	Registered to buy 60,345 buying rights (equivalent to 30,172 shares) (November 30, 2021–December 7, 2021), completed the transaction on November 30, 2021 (*), Registered to buy 10,500 shares (December 16, 2021 - December 17, 2021), 8,500 shares bought on December 16, 2021 (**),

Note:

(\*) Exercising the right to buy in the issuance of shares to the public according to the Certificate of registration of the public offering of securities No. 186/GCN-UBCK dated September 22, 2021.

(\*\*) Executing transactions according to the List of investors who are entitled to receive distributed shares in the issuance of shares to the public according to the Certificate of Registration of the Public Offering No. 186/GCN-UBCK dated September 22, 2021

#### Transactions between HSC and related persons

In 2021, HSC executed transactions with the relevant organization as a market maker for the DCVFMVN30 Fund and the DCVFMVN DIAMOND managed by DCVFM. As follows:

No	Organization	Relation-ship with HSC	Số Giấy NSH	Address	Trading period	Fund certificate	Content			
							Số đầu kỳ (01/01/2021)		Số cuối kỳ (31/12/2021)	
							Quantity	Par value	Quantity	Par value
1	<b>Dragon Capital Vietfund Fund Management Company (DCVFM)</b>	Relevant organization	45/UBCK-GP issued by the State Securities Commission on January 8, 2009	Floor 17, Me Linh Point, No. 2 Ngo Duc Ke, District 1, HCMC	From January 1, 2021 to December 31, 2021	DCVFMVN30	602,720	6,027,200,000	1,463,770	14,637,700,000
							133,141	1,331,410,000	2,401,476	24,014,760,000

## REPORT OF BOARD OF SUPERVISORS

In 2021, the Board of Supervisors ("BoS") fulfilled its duties as stated in HSC's Charter and Governance regulations on the organization and operation of the BoS, assisting the Board of Management ("BoM") in executing the business plan and other matters that were approved by shareholders at the 2020 annual general meeting ("AGM"). The BoS is comprised of three (03) members including one independent member, who is the chairman of the board. The BoS represents shareholders to carry out regular audit and supervision tasks and make necessary and important recommendations to enhance HSC's risk management and corporate governance. In 2021, the BoS carried out the following activities:

- Supervised activities of the Board of Directors ("BoD") and the implementation of resolutions approved at the 2020 AGM
- Supervised HSC's business activities and financial performances in 2021
- Supervised the activities of the internal audit department in 2021

### Supervision of activities of the BoD and the execution of resolutions approved at the 2020 AGM

In 2021, the BoD held fifty-two (52) meetings, of which thirty-two (32) meetings were in-person and virtual meetings and the remaining twenty (20) meetings were in the form of written opinions. In these meetings, the BoS reviewed the Company's performance and, along with the BoD and BoM, contributed strategic opinions to help the Company achieve the business plan as approved by the 2020 AGM.

The key issues discussed in the BoD's meetings included the followings:

- FY2020 business performance and 2021 quarterly business reports
- Approval of the agenda and proposals related to the 2020 AGM
- Approval of the intention, detailed plan, and result of issuing shares to existing shareholders to increase shareholders' capital
- Acceptance of the letter of resignation of members of the BoD for the term IV (2016-2020) and election of the Chairman and Vice Chairman of the BoD for the term V (2021-2025)
- Approval of the personnel and the terms of reference of the Board Risk Management Committee, the Board Audit Committee and the Board Nomination and Remuneration Committee
- Approval of the change in Representatives of Hanoi branch, the change in location of Hoan Kiem transaction office and Hanoi branch

- Use-of-capital plans for each business, capital needs in the following years and bank-loan proposals
- Approval on covered warrant issuances in 2021
- Approval on the first interim cash dividend in 2021 of 5% on par value
- Approval of contributions to the Covid-19 Vaccine Fund and to Ho Chi Minh City's Department of Health

All contributions and recommendations of the Supervisory Board as supervisors and representatives of shareholders were respected and thoughtfully considered by the BoD when they made decisions and resolutions on relevant matters.

### Supervision of 2021 business activities and financial performances

In 2021, together with members of the Board Audit Committee ("BAC") members, the BoS participated in the interim and year-end meetings with HSC's external auditor, PwC (Vietnam) Limited, to discuss the scope, audit findings and relevant matters mentioned in the Management letter. According to the auditor's opinion, HSC's business operations were conducted in a transparent manner and had no violations in accounting, finance, and operational processes.

In last year, PwC provided statutory audit service to HSC with total fee of VND1,005,400,000 (one billion five million four hundred thousand dong) (VAT included). Besides, in 2021, PwC also prepared and issued the Report on change in owner equity after HSC completed the share issuance to existing shareholders pursuant to the Certificate of registering for the offer of shares to public No. 186/GCN-UBCK dated 22/09/2021 for a service fee of VND49,500,000 (forty nine five hundred thousand dong) (VAT included). PwC did not provide any other advisory services in addition to the services mentioned.

In addition, the BoS also reviewed and analyzed HSC's quarterly and YE2021 financial statements and capital adequacy ratio review reports. About financial safety, HSC maintained high liquidity and capital-related ratios. HSC's financial safety ratio, calculated in accordance with the guidances of the Ministry of Finance, was 707% as at the end of 2021 (658% as at the end of 2020), 3.9 times higher than the 180% requirement of the State Securities Commission of Vietnam.

Regarding business results, in 2021, HSC achieved a total revenue of VND3,368 billion, which translates to a 112% growth yoy and 126% of the approved business plan. Net profit after tax in 2021 was up by 116% yoy to

VND1,147 billion, or 119% of the approved business plan. That was the record financial performance of HSC since its inception. The BoS highly appreciates the efforts of the BoM and of all employees of HSC in overcoming the profound challenges caused by the Covid-19 pandemic with positive results exceeding the yearly plan. HSC was well-positioned to capture opportunities from favorable conditions of the stock market and the strong enthusiasm of retail investors. In last year, the stock market liquidity surged as the combined average daily trading value of the three stock exchanges reached VND26,654 billion, 3.6 times higher yoy. The number of new retail trading accounts opened in 2021 was 1,532,637, 1.5 times higher than the total number of new retail trading accounts opened during 2017-2020 (total of 4 years achieved is 1,039,490 accounts).

The BoS acknowledged growth across major businesses of HSC. Particularly:

- Revenue of brokerage fees reached VND1,390 billion, an increase of VND759 billion or 120% yoy, accounting for 41% of HSC's total revenue.
  - In which: brokerage fees from the underlying stock market was VND1,331 billion (+127% yoy) and brokerage fees from the derivatives market was VND59 billion (+35% yoy).
- The margin lending business posted a total revenue of VND1,179 billion, which was VND629 billion or 114% higher yoy, accounting for 35% of HSC's total revenue.
  - The average lending rate lowered to 10.1% p.a. from 10.7% p.a. in 2020. The rate adjustment was aligned with HSC's strategy in 2021 to enhance the competitiveness of this business.
  - HSC was one of the top five (05) securities companies with the largest margin lending book as at the end of 2021 and consistently pursued a prudent approach to margin lending, in which HSC focused primarily on large-cap companies with strong fundamentals and high liquidity.
  - In 2021, HSC faced margin lending capacity constraint as the completion of the approved share issuance was behind the initially expected schedule. As a result, despite the impressive performance, HSC was not able to fully capture market demand.
- The proprietary trading business delivered impressive performance with a total revenue of VND722 billion, which translates to an average return of 31% and increase of VND353 billion or 95% yoy, contributing to 21.4% of HSC's total revenue.

- The corporate financial advisory business delivered VND47 billion, which was VND9 billion or 28% increase yoy.

- The revenue in 2021 was primarily contributed by successfully concluded deals in the banking, real estate, and financial services industries.

Total operating expenses in 2021 was 32% higher than the budget, largely because variable expenses increased proportionally with revenue, which was up by 26% yoy.

The BoM recognized the importance of effective branding positioning and client-engaging activities to strengthening client relationship and enlarging target client base across frontline divisions. Therefore, in 2021, HSC carried out different client-centricity campaigns as follows:

- Renovating the office spaces at the headquarter in AB tower in Ho Chi Minh City and at Hanoi branch in Red River building in Hanoi in 1Q 2021 to offer clients better experience.
- Launching the version 3.0 of myhsc, the first digital platform of HSC in April 2021.
- Retail clients:
  - Organizing C2C events to serve the existing clients and attract prospective ones. Particularly, the events were held in cooperation with leading companies including the Orient Commercial Joint Stock Bank (OCB), Housing Development Bank (HDB), REE Corporation (REE) and Vinhomes JSC (VHM) to offer clients more insights about the companies to facilitate their investment decisions.
  - Redesigning the client advisory process to provide information and analysis on listed companies and the stock market that are customized to best suit clients in each segment.
- Institutional clients:
  - Organizing the virtual conferences in cooperation with Goldman Sachs.
  - Organizing the annual Emerging Vietnam conference.

HSC's total brokerage market share in the total trading value of the Ho Chi Minh City Stock Exchange (HSX) was at 6.6% in 2021. HSC also had a leading position in the derivatives market (HNX) with approximately 15.4% market share. The BoS recommends HSC to further digitalize its services and operational processes in order to achieve target market share and business goals.

## REPORT OF BOARD OF SUPERVISORS

### KEY FINANCIAL INDICATORS

No.	Indicators	2021	2020
1	Capital safety ratio	707%	658%
2	Liquidity ratio		
a	Current ratio (times)	1,4	1,5
b	Total debt to Total assets ratio (times)	0,7	0,6
3	Capital structure ratios		
a	Shareholder's capital to Total resources (times)	0,3	0,4
4	Profitability ratios		
a	ROAE (Net profit after tax/ Owner's equity)	23,8%	12,1%
b	ROAA (Net profit after tax/ Total assets)	6,2%	5,3%

### Supervision of internal audit activities in 2021

For the internal audit activities, the BoS proposed HSC to update and rebuild the terms of reference ("ToR") and policy and procedure ("P&P") of the internal audit activities to be aligned with the company's current operations, new applicable laws of Vietnam as well as global internal audit practices. The BoS acknowledged the Board Audit Committee under the BoD approved the ToR and P&P, which was implemented since the beginning of 2022.

In 2021, HSC's Internal Audit department completed and issued the following audit reports

No	Project
1	Carrying out internal audit on anti-money laundering activities
2	Reviewing and conducting as-is assessment of Finance – Accounting and Treasury activities (FTOM)
3	Monitoring the progress of implementing audit findings of internal audit reports issued in 2020 and audit works conducted in 2021

In 2021, the Internal Audit department conducted the first review of the FTOM departments after it recognized that HSC's finance target operating model should be updated and assessed risks that may prevent the Company from achieving goals as well as evaluated the effectiveness of current business processes against business strategies and industry best practices. The main objective of the engagement was to provide the BoD, the BoS and the BoM an independent assessment of risk management and control measures in the financial and accounting activities, including governance structure, cost control, cash flow and capital management, financial planning, budgeting and forecasting, and financial management reporting. The Internal Audit department continued to coordinate with the independent co-auditor, KPMG Vietnam Limited ("KPMG"), to conduct specialized audits in which the department needed to have opinions of external experts on. In the year, KPMG only provided the internal audit service to HSC at the total service fee of VND1,081,176,250 (one billion eighty one million one hundred and seventy six thousand two hundred and fifty dong) (VAT included).

The BoS did not identify any significant audit findings during the audit of the FTOM. However, the BoS recognized that there are the lack of sufficient resources to carry out HSC FTOM's operations and functions efficiently. Besides, the BoS recommended that HSC should review the organization of the Finance and Accounting department and enhance the treasury management and the governance, risk management and control processes of the FTOM model to ensure that it is consistent with and integrated to HSC's Total Operating Model (TOM) to achieve the Company's objective of growth and enhance shareholder value sustainably.

Based on the assessment and recommendations of the Internal Audit, in 2021, the Chief Executive Officer ("CEO") decided to redesign the organization and redefine the roles and responsibilities of not only the Finance and Accounting department and the Treasury Management department but also other business functions of the company. Besides, the CEO also decided to rebuild the financial operation model of HSC after receiving approval from the BoD. The BoS acknowledged that those initiatives had been being carried out since 3Q 2021.

### Remuneration of the BoS in 2021

Total remuneration of the BoS in 2021 was VND1,280,000,000 (one billion two hundred and eighty million dong) (inclusive of personal income tax). Detailed remuneration of each member is as follows:

No	Member	Position	Monthly after tax remuneration (VND)
1	<b>Mr. Pham Nghiem Xuan Bac</b>	Chairman (Since 22/04/2021)	37,000,000
2	<b>Ms. Dang Nguyet Minh (Representative of Dragon Capital Management Limited)</b>	Member	32,000,000
3	<b>Ms. Nguyen Thi Thu Thanh (Representative of Ho Chi Minh City Finance and Investment State-Owned Company)</b>	Member (Since 22/04/2021)	17,000,000
4	<b>Mr. Vo Van Chau</b>	Chairman (Resigned on 21/04/2021)	35,000,000
5	<b>Mr. Doan Van Hinh</b>	Member (Resigned on 21/04/2021)	6,000,000

### Plan of the BoS in 2022

In 2022, the BoS will continue to accompany and supervise the Internal Audit department in completing the audit projects in the approved 2022 audit plan as below:

No	Internal Audit Review
1	Anti-money laundering activities (annual audit)
2	The project in which the Internal Audit department advises the BoM on its action plan for the FTOM review
3	The project in which the Internal Audit department provides assurance services to HSC's high-risk operations



# FINANCIAL STATEMENTS

## CORPORATE INFORMATION

### Business registration certificate

No. 4103001573 dated 23 April 2003 issued by the Department of Planning and Investment of Ho Chi Minh City.

### Establishment and operation licence

No. 11/UBCK-GPHDKD dated 29 April 2003 issued by the State Securities Commission. The Establishment and operation licence was amended several times and the latest amendment No. 02/GPDC-UBCK was issued on 7 January 2022.

### Board of Directors

Mr. Johan Nyvene	Chairperson (from 22 April 2021) Member (until 21 April 2021)
Mr. Do Hung Viet	Chairperson (until 21 April 2021)
Mr. Le Anh Minh	Vice Chairperson
Mr. Le Hoang Anh	Member
Mr. Nguyen Hong Van	Member (from 22 April 2021)
Mr. Tran Quoc Tu	Member (from 22 April 2021)
Mr. Andrew Colin Vallis	Member (from 22 April 2021)
Ms. Nguyen Thi Hoang Lan	Member (from 22 April 2021)
Mr. Pham Nghiem Xuan Bac	Member (until 21 April 2021)
Mr. Le Thang Can	Member (until 21 April 2021)
Mr. Lam Hoai Anh	Member (until 21 April 2021)

### Board of Supervision

Mr. Pham Nghiem Xuan Bac	Chief Supervisor (from 22 April 2021)
Mr. Vo Van Chau	Chief Supervisor (until 21 April 2021)
Ms. Dang Nguyet Minh	Member
Ms. Nguyen Thi Thu Thanh	Member (from 22 April 2021)
Mr. Doan Van Hinh	Member (until 21 April 2021)

### Board of Management

Mr. Trinh Hoai Giang	Chief Executive Officer
Mr. Le Anh Quan	Managing Director
Mr. Pham Ngoc Bich	Managing Director
Mr. Christopher Lawrence Hunt	Managing Director
Mr. Stephen James McKeever	Managing Director
Mr. Tran Tan Dat	Managing Director
Mr. Nguyen Canh Thinh	Managing Director
Ms. Nguyen Linh Lan	Managing Director
Mr. Le Nguyen Binh	Managing Director
Mr. Lam Huu Ho	Chief Financial Officer cum Chief Accountant
Mr. Tong Cong Cuong	Managing Director (from 2 August 2021)
Mr. Bach Quoc Vinh	Managing Director (until 11 May 2021)

### Chief Executive Officer and Legal Representative

Mr. Trinh Hoai Giang

### Registered office

2-5-6-7-11-12th Floor, AB Tower,  
76A Le Lai Street, Ben Thanh Ward, District 1, Ho Chi Minh City, Vietnam

### Auditor

PwC (Vietnam) Limited

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

The Board of Management of Ho Chi Minh City Securities Corporation ("the Company") is responsible for preparing the financial statements which give a true and fair view of the financial position of the Company as at 31 December 2021 and of the results of its operations, cash flows and changes in equity for the year then ended. In preparing these financial statements, the Board of Management is required to:

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

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

### APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements as set out on pages 6 to 98 which give a true and fair view of the financial position of the Company as at 31 December 2021 and of the results of its operations, cash flows and changes in equity for the year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and prevailing regulations on preparation and presentation of financial statements applicable to securities companies operating in Vietnam.

On behalf of the Board of Management

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Trinh Hoai Giang  
Chief Executive Officer

Ho Chi Minh City, Vietnam  
22 March 2022

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

We have audited the accompanying financial statements of Ho Chi Minh City Securities Corporation ("the Company") which were prepared on 31 December 2021 and approved by the Board of Management on 22 March 2022. The financial statements comprise the statement of financial position as at 31 December 2021, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, and explanatory notes to the financial statements including significant accounting policies, as set out on pages 6 to 98.

### The Board of Management's Responsibility

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

### Auditor's Responsibility

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

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

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

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

### Auditor's Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, the results of its operations, cash flows and changes in equity for the year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and prevailing regulations on preparation and presentation of financial statements applicable to securities companies operating in Vietnam.

### Other Matter

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

### For and on behalf of PwC (Vietnam) Limited

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

Doan Tran Phuong Thao  
Audit Practising Licence No.  
4701-2019-006-1

Report reference number: HCM11641  
Ho Chi Minh City, 22 March 2022

## STATEMENT OF FINANCIAL POSITION

Form B01 – CTCK

		As at		
CODE	ITEM	NOTE	31.12.2021 VND	31.12.2020 VND
<b>ASSETS</b>				
<b>100</b>	<b>CURRENT ASSETS</b>		<b>24,186,710,802,908</b>	<b>12,307,866,988,088</b>
<b>110</b>	<b>Financial assets</b>		<b>24,114,470,306,909</b>	<b>12,118,339,034,626</b>
111	Cash and cash equivalents	3.1	7,198,511,987,873	206,860,864,747
111.1	Cash		7,198,511,987,873	206,860,864,747
112	Financial assets at fair value through profit or loss ("FVTPL")	3.2	2,371,663,569,220	3,061,224,600,123
114	Loans	3.3	13,690,097,115,046	8,623,841,531,603
116	Provisions for impairment loss of financial assets and collaterals	3.4	-	(37,783,317,946)
118	Prepayments to suppliers		14,378,716,021	7,913,519,184
119	Service-related receivables	3.5	639,323,864,073	193,223,521,787
122	Other receivables	3.5	200,495,054,676	64,858,789,330
129	Provisions for doubtful debts	3.4	-	(1,800,474,202)
<b>130</b>	<b>Other current assets</b>		<b>72,240,495,999</b>	<b>189,527,953,462</b>
131	Advances to employees		727,974,286	131,200,582
133	Short-term prepaid expenses	3.8(a)	9,816,990,763	8,702,822,930
134	Short-term security deposits		395,450,000	1,005,314,000
137	Other current assets		61,300,080,950	179,688,615,950
137.1	Deposits for derivatives trading activities	3.6	61,300,080,950	179,688,615,950
<b>200</b>	<b>NON-CURRENT ASSETS</b>		<b>182,392,337,809</b>	<b>180,960,564,999</b>
<b>220</b>	<b>Fixed assets</b>		<b>40,005,113,583</b>	<b>46,878,656,183</b>
221	Tangible fixed assets	3.7(a)	28,190,853,273	26,872,243,833
222	Historical cost		119,732,244,928	104,576,989,289
223a	Accumulated depreciation		(91,541,391,655)	(77,704,745,456)
227	Intangible fixed assets	3.7(b)	11,814,260,310	20,006,412,350
228	Historical cost		85,006,277,084	83,670,927,010
229a	Accumulated amortisation		(73,192,016,774)	(63,664,514,660)
<b>240</b>	<b>Construction in progress</b>	<b>3.7(c)</b>	<b>8,483,996,599</b>	<b>342,334,073</b>
<b>250</b>	<b>Other non-current assets</b>		<b>133,903,227,627</b>	<b>133,739,574,743</b>
251	Long-term security deposits		8,850,543,262	8,365,511,870
252	Long-term prepaid expenses	3.8(b)	93,072,701,865	94,014,062,873
253	Deferred income tax assets	3.16	1,979,982,500	1,360,000,000
254	Deposits in the Settlement Supporting Fund	3.9	20,000,000,000	20,000,000,000
255	Other non-current assets		10,000,000,000	10,000,000,000
255.1	Deposits in the Derivatives trading clearing fund	3.10	10,000,000,000	10,000,000,000
<b>270</b>	<b>TOTAL ASSETS</b>		<b>24,369,103,140,717</b>	<b>12,488,827,553,087</b>

## STATEMENT OF FINANCIAL POSITION

Form B01 – CTCK

CODE	ITEM	NOTE	31.12.2021 VND	31.12.2020 VND
<b>300</b>	<b>LIABILITIES</b>		<b>17,043,850,217,927</b>	<b>8,048,473,021,702</b>
310	Current liabilities		17,043,850,217,927	8,048,473,021,702
311	Short-term borrowings and finance lease liabilities		15,039,870,130,242	6,716,571,061,080
312	Short-term borrowings	3.11	15,039,870,130,242	6,716,571,061,080
318	Trading obligations	3.12	1,461,564,263,853	935,296,094,913
320	Short-term trade payables		1,551,194,104	5,104,995,817
322	Taxes and other payables to the State	3.13	118,960,709,302	67,013,629,923
324	Accrued employees' welfares		6,137,000,317	4,769,951,100
325	Short-term accrued expenses	3.14	194,292,714,722	114,864,843,601
329	Other short-term payables	3.15	195,643,770,048	178,832,707,535
331	Bonus and welfare funds		25,830,435,339	26,019,737,733
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>7,325,252,922,790</b>	<b>4,440,354,531,385</b>
410	Owners' equity		7,325,252,922,790	4,440,354,531,385
411	Owners' capital		5,535,583,100,992	3,405,291,244,992
411.1	Share capital	3.17, 7.1	4,580,523,670,000	3,058,822,630,000
411.1a	Ordinary shares with voting rights		4,580,523,670,000	3,058,822,630,000
411.2	Share premiums		967,536,880,000	358,946,064,000
411.5	Treasury shares		(12,477,449,008)	(12,477,449,008)
414	Supplementary capital reserve		277,696,843,214	177,907,588,627
415	Financial risk and operational reserve		277,696,843,214	177,907,588,627
416	Other equity reserves		3,961,374,994	3,961,374,994
417	Undistributed earnings	3.18	1,230,314,760,376	675,286,734,145
417.1	Realised profits after tax		1,133,223,368,908	647,641,022,448
417.2	Unrealised profits		97,091,391,468	27,645,711,697
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>24,369,103,140,717</b>	<b>12,488,827,553,087</b>

## STATEMENT OF FINANCIAL POSITION

Form B01 – CTCK

## OFF STATEMENT OF FINANCIAL POSITION ITEMS

CODE	ITEM	NOTE	31.12.2021 VND	31.12.2020 VND
<b>A</b>	<b>ASSETS OF THE COMPANY AND ASSETS UNDER ENTRUSTMENT</b>			
			<b>Amount (VND)</b>	
004	Nợ khó đòi đã xử lý		39,928,851,148	345,059,000
			<b>Original currency</b>	
005	Foreign currencies			
	United States Dollar		1,933.03	1,880.68
	Japanese Yen		241,915	241,915
	Singapore Dollar		844	844
	British Pound		6,654.01	7,146.28
	New Taiwan Dollar		3,200	3,200
	Canadian Dollar		100	100
	Malaysian Ringgit		750	750
			<b>Quantity</b>	
006	Number of shares in issue (shares)	4.1(a)	457,211,949	305,041,845
007	Number of treasury shares (shares)	4.1(b)	840,418	840,418
			<b>Par value (VND)</b>	
008	Securities listed/registered at Vietnam Securities Depository ("VSD")		1,534,001,710,000	993,631,923,000
	Freely traded securities		334,001,710,000	937,631,923,000
	Mortgaged securities		1,200,000,000,000	56,000,000,000
009	Securities in custody of VSD and not yet traded		3,150,750,000	23,150,020,000
	Freely traded securities		3,150,750,000	23,150,020,000
010	Securities purchased and awaiting settlement		38,050,920,000	51,825,101,000
	Securities awaiting settlement		38,050,920,000	51,825,101,000
012	Securities not in custody of VSD		-	3,340,840,000
	Freely traded securities		-	3,340,840,000
			<b>Quantity</b>	
014	Covered warrants authorised but not yet issued	4.2	125,119,700	41,100,990

## STATEMENT OF FINANCIAL POSITION

Form B01 – CTCK

## OFF STATEMENT OF FINANCIAL POSITION ITEMS

CODE	ITEM	NOTE	31.12.2021 VND	31.12.2020 VND
<b>B</b>	<b>ASSETS OF AND LIABILITIES TO CUSTOMERS</b>			
			<b>Par value (VND)</b>	
021	Securities listed/registered at VSD		29,233,137,338,247	29,055,917,558,453
021.1	Freely traded securities		26,729,328,284,000	26,490,060,452,700
021.2	Restricted securities		77,797,610,000	222,878,360,000
021.3	Pledged securities		1,367,875,900,000	1,072,686,420,000
021.4	Suspended securities		102,406,820,000	175,105,240,000
021.5	Securities awaiting settlement		665,069,237,000	768,765,870,100
021.7	Customers' deposits for derivatives trading		290,659,487,247	326,421,215,653
022	Securities in custody of VSD and not yet traded		90,528,440,000	226,132,240,000
022.1	Securities in custody of VSD and not yet traded – freely traded securities		43,018,500,000	212,693,340,000
022.2	Securities in custody of VSD and not yet traded – suspended securities		47,509,940,000	13,438,900,000
023	Securities purchased and awaiting settlement		752,891,009,000	685,071,278,200
024b	Securities not in custody of VSD of investors		5,500,000,000	5,500,000,000
026	Customers' deposits		2,567,360,017,939	2,426,782,571,627
027	Customers' deposits for securities trading		2,276,700,530,692	2,100,361,355,974
027.1	Customers' deposits at VSD		290,659,487,247	326,421,215,653
031	Payables to customers relating to their deposits at the Company for securities trading		2,276,700,530,692	2,100,361,355,974
031.1	Payables to domestic customers relating to their deposits at the Company for securities trading		2,250,847,001,197	2,089,526,776,741
031.2	Payables to foreign customers relating to their deposits at the Company for securities trading		25,853,529,495	10,834,579,233

Le Thi Thuy Duong  
Preparer

Lam Huu Ho  
Chief Financial Officer  
cum Chief Accountant

Trinh Hoai Giang  
Chief Executive Officer  
22 March 2022

## STATEMENT OF COMPREHENSIVE INCOME

Form B02 – CTCK

CODE	ITEM	NOTE	31.12.2021 VND	31.12.2020 VND
	<b>OPERATING INCOME</b>			
01	Income from FVTPL financial assets		1,816,405,892,159	1,027,171,623,991
01.1	Realised gains on disposal of FVTPL financial assets	5.1	1,512,892,400,808	719,339,277,788
01.2	Upward revaluation of FVTPL financial assets	5.2	(94,368,025,555)	104,750,184,619
01.3	Dividends and interest income from FVTPL financial assets	5.3	302,261,585,535	208,294,399,010
01.4	Downward revaluation of covered warrants liabilities	5.2	95,619,931,371	(5,212,237,426)
03	Interest income from loans and receivables		1,178,676,110,277	549,942,893,189
06	Brokerage fee income		1,390,496,531,451	621,464,464,968
07	Underwriting income and placing fee income		5,500,000,000	-
09	Custody service income		8,575,387,729	7,575,701,973
10	Financial consultancy service income		41,050,757,392	37,741,467,445
11	Other operating income		19,408,158,804	4,009,821,108
<b>20</b>	<b>TOTAL OPERATING INCOME</b>		<b>4,460,112,837,812</b>	<b>2,247,905,972,674</b>
	<b>OPERATING EXPENSES</b>			
21	Losses from FVTPL financial assets		(1,094,396,956,075)	(657,783,171,656)
21.1	Realised losses on disposal of FVTPL financial assets	5.1	(1,162,590,730,033)	(614,662,557,597)
21.2	Downward revaluation of FVTPL financial assets	5.2	2,361,682,301	27,738,629,141
21.4	Upward revaluation of covered warrants liabilities	5.2	65,832,091,657	(70,859,243,200)
24	Provisions for financial assets, losses on bad debts, impairment losses of financial assets and interest expenses associated with borrowings	5.4	(747,190,551,120)	(207,049,930,074)
26	Proprietary trading activities	5.5	(91,924,223,288)	(56,313,185,768)
27	Brokerage fee expenses	5.5	(766,756,414,595)	(420,110,183,582)
30	Custody service expenses	5.5	(8,909,326,503)	(7,961,207,512)
31	Financial consultancy service expenses	5.5	(21,786,770,977)	(20,203,733,179)
32	Other operating expenses	5.5	(4,456,527,541)	(3,594,143,138)
<b>40</b>	<b>TOTAL OPERATING EXPENSES</b>		<b>(2,735,420,770,099)</b>	<b>(1,373,015,554,909)</b>

## STATEMENT OF COMPREHENSIVE INCOME

Form B02 – CTCK

CODE	ITEM	NOTE	31.12.2021 VND	31.12.2020 VND
<b>FINANCIAL INCOME</b>				
42	Dividend income and interest income from demand deposits		2,367,957,861	1,610,698,997
<b>50</b>	<b>TOTAL FINANCIAL INCOME</b>		<b>2,367,957,861</b>	<b>1,610,698,997</b>
<b>62</b>	<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>5.6</b>	<b>(296,812,554,290)</b>	<b>(216,286,598,477)</b>
<b>70</b>	<b>OPERATING RESULT</b>		<b>1,430,247,471,284</b>	<b>660,214,518,285</b>
<b>OTHER INCOME AND EXPENSES</b>				
71	Other income		87,846,363	90,917,424
<b>80</b>	<b>NET OTHER INCOME</b>		<b>87,846,363</b>	<b>90,917,424</b>
<b>90</b>	<b>NET ACCOUNTING PROFIT BEFORE TAX</b>		<b>1,430,335,317,647</b>	<b>660,305,435,709</b>
91	Realised profit		1,360,889,637,873	603,888,102,575
92	Unrealised profit		69,445,679,774	56,417,333,134
<b>100</b>	<b>BUSINESS INCOME TAX ("BIT")</b>	<b>5.7</b>	<b>(283,272,936,560)</b>	<b>(129,853,741,544)</b>
100.1	BIT – current		(283,892,919,060)	(130,933,357,560)
100.2	BIT – deferred		619,982,500	1,079,616,016
<b>200</b>	<b>NET PROFIT AFTER TAX</b>		<b>1,147,062,381,087</b>	<b>530,451,694,165</b>
<b>300</b>	<b>OTHER COMPREHENSIVE INCOME, NET OF TAX</b>		<b>-</b>	<b>-</b>
<b>400</b>	<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>500</b>	<b>EARNINGS PER SHARE</b>			
501	Basic earnings per share (VND/share)	5.8	3,685	1,677
502	Diluted earnings per share (VND/share)	5.8	3,685	1,677

Le Thi Thuy Duong  
Preparer

Lam Huu Ho  
Chief Financial Officer  
cum Chief Accountant

Trinh Hoai Giang  
Chief Executive Officer  
22 March 2022

## STATEMENT OF CASH FLOWS

Mẫu số B03b – CTCK

(Indirect method)

CODE	ITEM	NOTE	31.12.2021 VND	31.12.2020 VND
<b>Cash flows from operating activities</b>				
<b>01</b>	<b>Net accounting profit before tax</b>		<b>1,430,335,317,647</b>	<b>660,305,435,709</b>
<b>02</b>	<b>Adjustments for:</b>		<b>573,274,232,416</b>	<b>171,530,263,399</b>
03	Depreciation and amortisation		24,220,188,553	27,937,372,890
06	Interest expenses	5.4	747,190,551,120	207,049,930,074
07	Profits from investing activities		-	(54,708,333)
08	Accrued interest income	3.5	(198,136,507,257)	(63,402,331,232)
<b>10</b>	<b>(Decrease)/increase for non-cash expenses</b>		<b>(68,193,773,958)</b>	<b>43,120,614,059</b>
11	Downward revaluation of FVTPL financial assets and upward revaluation of covered warrants liabilities		(68,193,773,958)	43,120,614,059
<b>18</b>	<b>Increase for non-cash income</b>		<b>(1,251,905,816)</b>	<b>(99,537,947,193)</b>
19	Upward revaluation of FVTPL financial assets and downward revaluation of covered warrants liabilities		(1,251,905,816)	(99,537,947,193)
<b>30</b>	<b>Changes in working capital</b>		<b>(5,004,635,685,459)</b>	<b>(5,405,968,951,106)</b>
31	Decrease/(increase) in FVTPL financial assets		597,554,687,649	(1,622,581,402,055)
33	Increase in loans		(5,104,038,901,389)	(3,889,344,881,663)
37	(Increase)/decrease in service-related receivables		(446,100,342,286)	124,903,001,764
39	Decrease in other receivables		60,102,994,005	42,168,804,287
41	Increase in accrued expenses (excluding interest expenses)		69,161,618,019	38,830,135,033
42	(Increase)/decrease in prepaid expenses		(172,806,825)	9,778,408,813
43	BIT paid	3.13	(263,260,811,150)	(119,377,759,690)
44	Interest paid		(737,074,898,018)	(197,965,708,789)
45	(Decrease)/increase in trade payables		(10,018,998,550)	2,590,226,864
46	Increase in employee welfare payables		1,367,049,217	918,210,229
47	Increase in tax and other payables to the State (excluding BIT paid)		31,314,971,469	17,490,620,008
50	Increase in other short-term payables (including covered warrants liabilities)		678,016,384,792	358,127,931,136
51	Other receipts from operating activities		118,513,367,608	-
52	Other payments for operating activities		-	(171,506,537,043)
<b>60</b>	<b>Net cash inflow from operating activities</b>		<b>(3,070,471,815,170)</b>	<b>(4,630,550,585,132)</b>
<b>Cash flows from investing activities</b>				
61	Cash paid for purchases of fixed assets		(25,488,308,479)	(23,145,130,826)
62	Proceeds from disposals of fixed assets		-	498,300,000
<b>70</b>	<b>Net cash outflow for investing activities</b>		<b>(25,488,308,479)</b>	<b>(22,646,830,826)</b>

## STATEMENT OF CASH FLOWS

(Indirect method)

Form B03b – CTCK

CODE	ITEM	NOTE	31.12.2021 VND	31.12.2020 VND
<b>Cash flows from financing activities</b>				
71	Proceeds from issue of shares	7.1(iii)	2,130,291,856,000	-
72	Payments for share repurchases		-	(4,150,370,000)
73.2	Proceeds from borrowings	3.11	127,794,031,447,296	37,610,473,840,008
74.3	Repayments of principals of borrowings	3.11	(119,470,732,378,134)	(33,287,630,014,183)
76	Payments of dividends	3.15	(365,979,678,387)	(365,178,401,492)
<b>80</b>	<b>Net cash outflow from financing activities</b>		<b>10,087,611,246,775</b>	<b>3,953,515,054,333</b>
<b>90</b>	<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>6,991,651,123,126</b>	<b>(699,682,361,625)</b>
<b>101</b>	<b>Cash and cash equivalents at beginning of year</b>		<b>206,860,864,747</b>	<b>906,543,226,372</b>
101.1	Cash	3.1	206,860,864,747	906,543,226,372
<b>103</b>	<b>Cash and cash equivalents at end of year</b>		<b>7,198,511,987,873</b>	<b>206,860,864,747</b>
103.1	Cash	3.1	7,198,511,987,873	206,860,864,747

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

Form B03b – CTCK

## CASH FLOWS OF BROKERAGE AND ENTRUSTMENT ACTIVITIES

CODE	ITEM	NOTE	31.12.2021 VND	31.12.2020 VND
<b>Cash flows from brokerage and entrustment activities</b>				
01	Brokerage trading proceeds		296,767,448,913,962	109,044,199,307,146
02	Brokerage trading payments		(295,884,250,997,606)	(113,641,108,393,057)
07	Receipts for settlement of customers' transactions		-	5,963,407,425,623
08	Payments for customers' securities transactions		(698,283,353,909)	-
11	Payments for custody fees of customers		(8,575,387,729)	(7,575,701,973)
<b>20</b>	<b>Increase in customers' deposits</b>		<b>176,339,174,718</b>	<b>1,358,922,637,739</b>
<b>30</b>	<b>Customers' deposits at beginning of year</b>		<b>2,100,361,355,974</b>	<b>741,438,718,235</b>
31	Cash at bank		2,100,361,355,974	741,438,718,235
32	Customers' deposits for securities trading under monitoring of the Company		2,100,361,355,974	741,438,718,235
<b>40</b>	<b>Customers' deposits at end of year</b>		<b>2,276,700,530,692</b>	<b>2,100,361,355,974</b>
41	Cash at bank		2,276,700,530,692	2,100,361,355,974
42	Customers' deposits for securities trading under monitoring of the Company		2,276,700,530,692	2,100,361,355,974

Le Thi Thuy Duong  
Preparer

Lam Huu Ho  
Chief Financial Officer  
cum Chief Accountant

Trinh Hoai Giang  
Chief Executive Officer  
22 March 2022

## STATEMENT OF CHANGES IN EQUITY

Form B04 – CTCK

ITEMS	AS AT		FOR THE YEAR ENDED 31 DECEMBER 2020		FOR THE YEAR ENDED 31 DECEMBER 2021		TẠI NGÀY	
	1.1.2020 VND	1.1.2021 VND	INCREASE VND	DECREASE VND	INCREASE VND	DECREASE VND	31.12.2020 VND	31.12.2021 VND
<b>I. Changes in equity</b>								
1. Owners' capital	3,411,931,836,992	3,405,291,244,992	(6,640,592,000)	-	2,130,291,856,000	-	3,405,291,244,992	5,535,583,100,992
1.1 Ordinary shares with voting rights	3,058,822,630,000	3,058,822,630,000	-	-	1,521,701,040,000	-	3,058,822,630,000	4,580,523,670,000
1.2 Share premiums	358,946,064,000	358,946,064,000	-	-	608,590,816,000	-	358,946,064,000	967,536,880,000
1.3. Treasury shares	(5,836,857,008)	(12,477,449,008)	(6,640,592,000)	-	-	-	(12,477,449,008)	(12,477,449,008)
2. Supplementary capital reserve	151,385,003,919	177,907,588,627	26,522,584,708	-	99,789,254,587	-	177,907,588,627	277,696,843,214
3. Financial risk and operation reserve	151,385,003,919	177,907,588,627	26,522,584,708	-	99,789,254,587	-	177,907,588,627	277,696,843,214
4. Other equity funds	3,961,374,994	3,961,374,994	-	-	-	-	3,961,374,994	3,961,374,994
5. Undistributed earnings	585,479,819,315	675,286,734,145	530,451,694,165	(440,644,779,335)	1,147,062,381,087	(592,034,354,856)	675,286,734,145	1,230,314,760,376
5.1 Realised profits after	614,251,440,752	647,641,022,448	474,034,361,031	(440,644,779,335)	1,077,616,701,316	(592,034,354,856)	647,641,022,448	1,133,223,368,908
5.2 Unrealised (losses/ profits	(28,771,621,437)	27,645,711,697	56,417,333,134	-	69,445,679,771	-	27,645,711,697	97,091,391,468
<b>Total</b>	<b>4,304,143,039,139</b>	<b>4,440,354,531,385</b>	<b>576,856,271,581</b>	<b>(440,644,779,335)</b>	<b>3,476,932,746,261</b>	<b>(592,034,354,856)</b>	<b>4,440,354,531,385</b>	<b>7,325,252,922,790</b>

Le Thi Thuy Duong  
Preparer

Lam Huu Ho  
Chief Financial Officer  
cum Chief Accountant

Trinh Hoai Giang  
Chief Executive Officer  
22 March 2022



# NOTES TO THE FINANCIAL STATEMENTS

Form B09 – CTCK

FOR THE YEAR ENDED 31 DECEMBER 2021

## 1 GENERAL INFORMATION

### Establishment and listing

Ho Chi Minh City Securities Corporation ("the Company") is a joint stock company incorporated in Vietnam under Business registration certificate No. 4103001573 issued by the Department of Planning and Investment of Ho Chi Minh City on 23 April 2003 and the Establishment and operation licence No. 11/UBCK-GPHDKD issued by the State Securities Commission ("SSC") on 29 April 2003. The Establishment and operation licence was amended several times and the latest amendment No. 02/GPDC-UBCK was issued on 7 January 2022.

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

### Headquarter and contact information

The Company is headquartered at 2-5-6-7-11-12th Floor, AB Tower, 76A Le Lai Street, Ben Thanh Ward, District 1, Ho Chi Minh City, Vietnam.

Contact information:  
Email: info@hsc.com.vn  
Telephone: (+84 28) 3823 3299

### Company charter

The Company's Charter was latest updated on 22 April 2021.

### Headcount

As at 31 December 2021, the Company had 635 employees (as at 31 December 2020: 666 employees).

### Capital size

	AS AT 31 DECEMBER 2021 ("THE REPORTING DATE") VND
The Company's charter capital	4,580,523,670,000
Total owners' equity	7,325,252,922,790
Total assets	24,369,103,140,717

### Investment objectives and investment restrictions

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

### Structure of the Company and businesses

As at 31 December 2021, the Company had 1 branch and 1 transaction office in Vietnam.

### Principal activities

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

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

In 2021, the Company's profit after tax increased by 116% as compared to the result of 2020, in which:

- Brokerage fee income increased by 124% mostly due to a boost of 227% in trading volume of shares in Viet Nam's market in 2021, whilst the Company's market shares for 2021 witnessed a shrink;
- Income from margin loans increased by 114% compared to that earned in 2020 due to active liquidity in the market, which led to high demand from investors;
- Income from proprietary trading (including net gains on disposal of financial assets, dividends and interest income, and revaluation gains of financial assets) increased by 95% mainly due to positive market conditions for investment;
- Operating expenses, excluding losses from FVTPL financial assets and interest expenses, increased by 76% in line with the rise in revenue and income;
- Interest expenses from bank borrowings increased by 261% as compared to that in 2020 as the Company raised new short-term borrowings to supplement working capital during the year;
- General and administrative expenses increased by 37% as compared to that spent in 2020 due to internal restructuring of supporting functions, in order to cope with the Company's operation.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation of financial statements

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

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

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

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

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### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.2 Accounting estimates

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

The areas involving significant estimates and assumptions are as follows:

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

#### 2.3 Form of records applied

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

#### 2.4 Fiscal year

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

#### 2.5 Currency

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

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

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

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

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

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

#### 2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand; cash at bank of the Company; cash of the Company being placed in accounts of customers under monitoring of the Company, pertaining transactions occurring at the end of reporting year and awaiting settlements, mainly margin loan disbursements, margin loan collections and trading advances; security deposit for covered warrants issued; and other short-term investments with maturity within three (3) months since purchase, which are highly liquid, readily convertible to cash and subject to an insignificant risk of conversion.

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

#### 2.7 Financial assets

##### (a) Classification and measurement

##### (i) Financial assets measured at fair value through profit or loss ("FVTPL")

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

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

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

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

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

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

Financial assets at fair value through profit or loss are subsequently measured at market value or fair value (in case market value is indeterminable). Shares not traded on active market and those whose fair value is not reliably determined are accounted at cost.

All gains or losses from change in fair value of FVTPL financial assets are recognised in profit or loss of the statement of comprehensive income.

## NOTES TO THE FINANCIAL STATEMENTS

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### 2.7 Financial assets

#### (a) Classification and measurement

##### (ii) Held-to-maturity financial assets ("HTM")

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

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

The following assets are excluded from HTM financial assets:

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

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

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

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

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

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

- Significant financial difficulty of the issuer or the obligor;
- A breach of contract, such as default or delinquency in interest or principal payments;
- The lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:

##### (ii) Held-to-maturity financial assets ("HTM")

- (i) Adverse changes in the payment status of borrowers in the group; or
- (ii) National or local economic conditions that correlate with defaults on the assets in the group.

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

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

##### (iii) Loans

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

During the year, the Company had the following types of loans:

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

Loans are initially recorded at cost and subsequently measured at amortised cost using the effective interest rate method ("EIR").

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

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

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### 2.7 Financial assets

#### (a) Classification and measurement

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

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

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

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

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

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

Objective evidence of impairment for equity instruments may include:

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

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

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

#### (b) Reclassification

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

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

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

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

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

#### (c) Recognition/de-recognition

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

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

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

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**2.7 Financial assets****(d) Initial recognition**

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

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

**(e) Determination of market value/fair value**

The Company applies valuation bases for financial assets in accordance with Circular 91/2020/TT-BTC dated 13 November 2020 regarding capital adequacy ratio of securities trading entities ("Circular 91/2020/TT-BTC") (2020: Circular 87/2017/TT-BTC dated 15 August 2017 issued by the Ministry of Finance) and Circular 146/2014/TT-BTC dated 6 October 2014 regarding financial regimes for securities companies and fund management companies ("Circular 146/2014/TT-BTC"), both issued by the Ministry of Finance in determining the market value/fair value of financial assets, in particular:

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

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

**(ii) Other shares**

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

**(iii) Bonds listed on stock exchanges**

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

**(iv) Unlisted bonds**

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

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

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

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

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

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

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

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

**Selling transaction costs**

Selling transaction costs are expensed off.

**Gain/(loss) on disposal**

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

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

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

**2.8 Receivables**

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

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

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

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

**2.9 Repurchase and reverse repurchase agreements**

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

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

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

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### 2.10 Futures

Futures are listed derivatives in which the parties commit to:

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

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

#### Proprietary trading activities

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

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

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

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

#### Brokerage activities

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

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

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

### 2.11 Fixed assets

#### Tangible and intangible fixed assets

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

#### Depreciation and amortisation

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

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

#### Disposals

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

#### Construction in progress

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

### 2.12 Leased assets

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

### 2.13 Prepaid expenses

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

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

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

### 2.14 Short-term/long-term security deposits

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

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

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

**(b) Classification**

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

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

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

**2.16 Offsetting financial instruments**

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

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

**2.17 Borrowings**

Borrowings include borrowings from banks and third parties. Borrowings are stated at cost as at the reporting date.

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

**2.18 Covered warrants**

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

**2.18 Covered warrants**

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

***Covered warrants issued by the Company***

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

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

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

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

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

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

***Securities used as hedges against covered warrants***

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

***Proprietary trading of covered warrants***

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

**2.19 Income tax paid on behalf of investors**

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

**2.20 Accrued expenses**

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

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### 2.21 Provisions

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

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

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

### 2.22 Provisions for severance allowances

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

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

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

### 2.23 Equity

#### (a) Owners' capital

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

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

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

- Treasury shares brought before the effective date of the Securities Law 2019 (ie. 1 January 2021) are shares issued by the Company and bought back by itself, but these are not cancelled and may be re-issued subsequently in accordance with the Law on Securities.

- Treasury shares brought after 1 January 2021 will be cancelled and adjusted to reduce equity. The Company has no transaction to repurchase treasury shares after 1 January 2021 until the report issuance date.

### 2.23 Equity

#### (b) Revaluation reserve

Revaluation reserve reflects the differences arising on revaluation of AFS.

#### (c) Financial and operational risk reserve and supplementary capital reserve

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

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

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

#### (d) Other equity funds

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

#### (e) Undistributed earnings

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

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

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

### 2.24 Dividend distribution

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

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

### 2.25 Assets of customers and liabilities to customers

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

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



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### 2.26 Revenue and income recognition

#### (a) Revenue from provision of services to investors

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

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

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

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

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

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

#### (b) Income from proprietary trading of financial assets

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

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

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

#### (c) Income from working capital management

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

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

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

#### (e) Other income

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

### 2.27 Expenses

#### (a) Recognition

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

#### (b) Classification

Expenses are classified by function as follows:

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

### 2.28 Financial income

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

### 2.29 Borrowing costs

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

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

### 2.30 General and administration expenses

General and administration expenses represent expenses for administrative purposes.

### 2.31 Current and deferred income tax

Income taxes include all income taxes which are based on taxable profits. Income tax expense comprises current tax expense and deferred income tax expense.

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

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

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

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## 2.32 Related parties

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

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

## 2.33 Segment reporting

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

## 2.34 Nil items

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

## 3 NOTES TO THE STATEMENT OF FINANCIAL POSITION

## 3.1 Cash

	TẠI NGÀY	
	31.12.2021 VND	31.12.2020 VND
<b>Cash</b>		
Cash on hand	389,670,976	320,240,493
Cash at bank	6,928,122,316,897	61,440,624,254
Of which:		
Restricted proceeds from capital contributions (Note 7.1(iii))	459,162,760,000	-
Cash awaiting settlement (*)	1,235,843,248,000	-
Security deposit for covered warrants issued (**)	270,000,000,000	145,100,000,000
<b>Total</b>	<b>7,198,511,987,873</b>	<b>206,860,864,747</b>

(\*) This balance represents cash of the Company being placed in accounts of customers under monitoring of the Company, pertaining transactions occurring at the end of reporting year and awaiting settlements, mainly margin loan disbursements, margin loan collections and trading advances.

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

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

Ticker symbol	As at 31.12.2021		As at 31.12.2020	
	Cost	Market value/ fair value	Cost	Market value/ fair value
	VND	VND	VND	VND
<b>Listed shares and shares traded on UPCoM</b>	<b>229,331,627,871</b>	<b>220,305,806,086</b>	<b>1,094,278,046,749</b>	<b>1,109,899,032,848</b>
Technological and Commercial Joint Stock Bank	17,058,487,918	17,176,650,000	102,194,797,438	111,300,903,000
Hoa Phat Group Joint Stock Company	16,230,143,402	16,324,076,800	119,310,637,205	125,368,053,450
Vingroup Joint Stock Company	15,553,419,280	15,194,887,800	78,786,826,736	80,225,972,000
Vietnam Prosperity Joint-Stock Commercial Bank	15,342,824,645	15,627,881,400	74,221,414,403	76,570,065,000
Vinhomes Joint Stock Company	12,935,770,237	12,756,576,000	44,628,705,740	45,927,014,500
Mobile World Investment Corporation	12,065,569,706	12,225,292,200	45,468,463,360	46,400,487,200
Masan Group Corporation	11,854,837,898	12,084,228,000	42,913,733,142	45,632,370,000
FPT Corporation	11,753,202,625	11,586,126,000	48,497,394,248	49,802,742,600
Asia Commercial Bank	11,738,240,141	12,027,321,000	-	-
Viet Nam Dairy Products Joint Stock Company	10,531,194,908	10,591,689,600	87,541,184,324	86,846,368,400
Others	94,267,937,111	84,711,077,286	450,715,163,152	441,825,056,698
<b>Unlisted and unregistered shares</b>	<b>-</b>	<b>-</b>	<b>9,849,000,000</b>	<b>334,084,000</b>

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

	As at 31.12.2021		As at 31.12.2020	
	Cost	Market value/ fair value	Cost	Market value/ fair value
<b>Underlying assets designated as hedges for covered warrants</b>	<b>703,873,926,275</b>	<b>697,942,016,400</b>	<b>932,259,927,594</b>	<b>1,004,072,574,000</b>
Sai Gon Thuong Tin Commercial Joint Stock Bank	101,687,353,317	109,259,325,000	40,248,561,855	40,883,635,000
Mobile World Investment Corporation	71,212,966,222	71,249,652,000	87,701,560,282	90,247,478,000
Vietnam Prosperity Joint-Stock Commercial Bank	68,427,642,795	67,584,242,400	79,986,737,804	87,016,800,000
Technological and Commercial Joint Stock Bank	66,926,070,527	64,529,000,000	76,509,154,400	94,767,120,000
FPT Corporation	67,199,823,211	64,460,625,000	91,678,991,563	95,489,170,200
Military Commercial Joint Stock Bank	63,849,013,137	63,804,379,600	54,065,256,727	56,721,611,000
Vingroup Joint Stock Company	57,341,287,278	55,066,133,400	40,060,898,932	41,150,624,000
Vinhomes Joint Stock Company	50,365,413,365	49,643,128,000	71,317,148,712	74,990,260,000
Viet Nam Dairy Products Joint Stock Company	49,644,491,426	48,703,680,000	71,300,636,822	70,752,640,000
Hoa Phat Group Joint Stock Company	47,615,783,491	44,421,504,000	194,995,190,750	217,894,525,800
Vincom Retail Joint Stock Company	44,398,029,760	43,686,237,000	55,512,523,269	61,901,018,000
Masan Group Corporation	11,506,446,390	11,841,750,000	14,498,331,792	15,233,015,000
Others	3,699,605,356	3,692,360,000	54,384,934,686	57,024,677,000
<b>Listed bonds</b>	<b>1,328,339,800,000</b>	<b>1,346,221,713,216</b>	<b>913,742,600,000</b>	<b>932,804,513,518</b>
Bank for Investment and Development of Vietnam	1,200,000,000,000	1,213,566,491,574	-	-
Vietjet Aviation Joint Stock Company	127,339,800,000	131,620,701,094	412,994,700,000	428,149,123,008
Vietnam Bank for Social Policies	1,000,000,000	1,034,520,548	1,000,000,000	1,019,041,096
Bank for Investment and Development of Vietnam	-	-	499,747,900,000	503,636,349,414
<b>ETF certificates</b>	<b>104,817,693,592</b>	<b>107,194,033,518</b>	<b>13,788,161,044</b>	<b>14,114,395,757</b>
VFMDIAMOND ETF	66,471,464,418	67,620,761,208	2,229,905,678	2,259,802,193
VFMVN30 ETF	37,314,916,590	37,769,657,310	10,527,910,282	10,824,248,480
MAFMVN30 ETF	1,030,345,084	1,802,500,000	1,030,345,084	1,030,345,084
SSIAMVN50 ETF	967,500	1,115,000	-	-
<b>Total</b>	<b>2,366,363,047,738</b>	<b>2,371,663,569,220</b>	<b>2,963,917,735,387</b>	<b>3,061,224,600,123</b>

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

Detailed information of bonds are as follows:

	Collateral assets	Issuance date	Maturity date	Interest rate per annum	Par value/ bond
<b>Listed bonds</b>					
Bank for Investment and Development of Vietnam - BID121027	None	28.10.2021	28.10.2029	(*)	100,000
Vietjet Aviation Joint Stock Company - VJC11912	None	26.07.2019	26.07.2022	(**)	100,000
Vietnam Bank for Social Policies - BVBS18164	None	14.08.2018	14.08.2023	5%	100,000

(\*) Interest rate is determined at the total of the reference interest and a margin of 0.9% per annum. Interest rate is periodically adjusted in every 6 months. The reference interest rate is the arithmetic average of 12-month (or equivalent term) interest rate for VND savings deposits (interest paid in arrears) published on the websites of the four (04) banks being Vietnam Bank for Agriculture and Rural Development ("Agribank"), Vietnam Bank for Industry and Trade ("Vietinbank"), Joint Stock Commercial Bank for Foreign Trade of Vietnam ("Vietcombank") – Transaction Office, and Joint Stock Commercial Bank for Investment and Development of Vietnam ("BIDV") – Hanoi.

If the issuer does not redeem the bond on redemption date, the interest rate applied for 6th and 7th interest period will be the total of the reference interest rate and a margin of 2.57% per annum.

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

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

AS AT 31 DECEMBER 2021	Comparison to market price or fair value			Market price /fair value VND
	Cost VND	Increase VND	Decrease VND	
Listed shares and shares traded on UPCoM	229,331,627,871	2,967,667,498	(11,993,489,283)	220,305,806,086
Underlying assets designated as hedges for covered warrants	703,873,926,275	7,986,881,696	(13,918,791,571)	697,942,016,400
Listed bonds	1,328,339,800,000	17,881,913,216	-	1,346,221,713,216
ETF certificates	104,817,693,592	2,376,339,926	-	107,194,033,518
<b>Total</b>	<b>2,366,363,047,738</b>	<b>31,212,802,336</b>	<b>(25,912,280,854)</b>	<b>2,371,663,569,220</b>

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

## 3.3 Loans

	As at 31.12.2021		As at 31.12.2020	
	Amortised cost VND	Provisions VND	Amortised cost VND	Provisions VND
Loans for securities transactions (*)	13,690,097,115,046	-	8,623,841,531,603	37,783,317,946

(\*) The balance represented margin loans and trading advances. Securities purchased on margin are held by the Company as collaterals for margin loans. The market value of collateral assets as at 31 December 2021 was VND55,356,391,622,480 (as at 31 December 2020: VND33,527,912,173,430).

## 3.4 Provision for loans and doubtful debts

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

(\*) This is the residual amount of margin loans from 2008 to 2017 after the Company forced sales of collateral assets.

(\*\*) In 2021, the Company wrote off bad debts according to the handling minute dated 30 December 2021 of the Debt Settlement Council. The Company made provisions for this balance before writing them off.

## 3.5 Short-term receivables

	As at 31.12.2021		As at 31.12.2020	
	Carrying value VND	Doubtful amount VND	Carrying value VND	Doubtful amount VND
<b>Service-related receivables</b>				
Receivables from securities purchasing (*)	638,215,800,000	-	17,000,000,000	-
Financial consultancy service fee receivables	247,500,000	-	1,222,650,000	1,145,650,000
Receivable from VSD	-	-	169,299,572,920	-
Other receivables from securities trading	860,564,073	-	5,701,298,867	-
	<b>639,323,864,073</b>	<b>-</b>	<b>193,223,521,787</b>	<b>1,145,650,000</b>
Other receivables				
Bank interest receivables	198,136,507,257	-	63,402,331,232	-
Others	2,358,547,419	-	1,456,458,098	654,824,202
	<b>200,495,054,676</b>	<b>-</b>	<b>64,858,789,330</b>	<b>654,824,202</b>
<b>Total</b>	<b>839,818,918,749</b>	<b>-</b>	<b>258,082,311,117</b>	<b>1,800,474,202</b>

(\*) These are receivables from institutional investors in relation to their purchases of securities (stocks and bonds). The fair value of collateral assets as at 31 December 2021 was VND638,215,800,000 (as at 31 December 2020: VND17,000,000,000).

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## 3.6 Deposits for derivatives trading activities

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

## 3.7 Fixed assets

## (a) Tangible fixed assets

	Motor vehicles VND	Office equipment VND	Total VND
<b>Historical cost</b>			
As at 1.1.2021	4,410,223,640	100,166,765,649	<b>104,576,989,289</b>
New purchases	-	590,906,390	<b>590,906,390</b>
Transfers from construction in progress (Note 3.7(c))	-	15,420,389,489	<b>15,420,389,489</b>
Disposals	(856,040,240)	-	<b>(856,040,240)</b>
As at 31.12.2021	3,554,183,400	116,178,061,528	<b>119,732,244,928</b>
<b>Accumulated depreciation</b>			
As at 1.1.2021	(2,793,750,676)	(74,910,994,780)	<b>(77,704,745,456)</b>
Charge for the year	(401,553,334)	(14,291,133,105)	<b>(14,692,686,439)</b>
Disposals	856,040,240	-	<b>856,040,240</b>
As at 31.12.2021	(2,339,263,770)	(89,202,127,885)	<b>(91,541,391,655)</b>
<b>Net book value</b>			
As at 1.1.2021	1,616,472,964	25,255,770,869	<b>26,872,243,833</b>
As at 31.12.2021	1,214,919,630	26,975,933,643	<b>28,190,853,273</b>

As at 31 December 2021, historical cost of fully depreciated tangible fixed assets but still in use was VND70,068,947,479 (as at 31 December 2020: VND53,927,983,726).

The Company had no tangible fixed assets awaiting for disposal as at 31 December 2021.

## 3.7 Fixed assets

## (b) Intangible fixed assets

	Computer software VND
<b>Historical cost</b>	
As at 1.1.2021	83,670,927,010
Transfers from construction in progress (Note 3.7(c))	1,335,350,074
As at 31.12.2021	85,006,277,084
<b>Accumulated amortisation</b>	
As at 1.1.2021	(63,664,514,660)
Charge for the year	(9,527,502,114)
As at 31.12.2021	(73,192,016,774)
<b>Net book value</b>	
As at 1.1.2021	20,006,412,350
As at 31.12.2021	11,814,260,310

As at 31 December 2021, historical cost of fully amortised intangible fixed assets but still in use was VND62,186,147,563 (as at 31 December 2020: VND38,728,471,028).

The Company had no intangible fixed asset awaiting for disposal as at 31 December 2021.

## (c) Construction in progress

Construction in progress comprises the following:

	As at	
	31.12.2021 VND	31.12.2020 VND
Purchases of trading software	8,483,996,599	342,334,073

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

	For the year ended	
	31.12.2021 VND	31.12.2020 VND
Opening balance	342,334,073	13,597,128,282
Increase	24,897,402,089	12,004,445,925
Transfers to tangible fixed assets (Note 3.7(a))	(15,420,389,489)	(10,708,446,620)
Transfers to intangible fixed assets (Note 3.7(b))	(1,335,350,074)	(11,475,759,391)
Transfers to prepaid expenses	-	(3,075,034,123)
<b>Closing balance</b>	<b>8,483,996,599</b>	<b>342,334,073</b>

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## 3.8 Prepaid expenses

## (a) Short-term prepaid expenses

	As at	
	31.12.2021 VND	31.12.2020 VND
IT costs	8,746,652,848	6,347,644,735
Office rental	-	1,635,095,768
Other short-term prepaid expenses	1,070,337,915	720,082,427
<b>Total</b>	<b>9,816,990,763</b>	<b>8,702,822,930</b>

## (b) Long-term prepaid expenses

	As at	
	31.12.2021 VND	31.12.2020 VND
Office rentals	81,205,244,065	84,037,985,137
Office renovations	10,713,626,279	9,390,231,427
Consulting fee	737,916,666	474,504,000
IT costs	415,914,855	111,342,309
<b>Total</b>	<b>93,072,701,865</b>	<b>94,014,062,873</b>

## 3.9 Deposits in the Settlement support fund

According to Decision No. 45/QD-VSD dated 22 May 2014 issued by the Vietnam Securities Depository, the Company is required to deposit an initial amount of VND120 million at the Vietnam Securities Depository and an additional annual contribution equivalent to 0.01% of the total value of brokered securities in the previous year up to the maximum limit of VND2.5 billion in any one year. The maximum amount of contribution is VND20 billion.

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

## 3.10 Deposits in the Derivatives trading clearing fund

According to the Policy on Management and Use of Derivatives trading clearing fund issued in conjunction with Decision No. 97/QD-VSD dated 23 March 2017 by the Vietnam Securities Depository, the minimum amount of initial contribution applicable to direct clearing members is VN D10 billion.

## 3.11 Borrowings and issued bonds

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

	Interest % per annum	As at 1.1.2021 VND	Drawdown VND	Repayment VND	As at 31.12.2021 VND
<b>Short-term borrowings</b>					
Local bank borrowings	3,0 – 8,1	5,396,800,000,000	83,215,200,000,000	(79,383,000,000,000)	9,229,000,000,000
Foreign bank borrowings (*), (**)	LIBOR+ 2-2,3	1,158,830,000,000	4,174,687,250,000	(1,158,830,000,000)	4,174,687,250,000
Third party borrowings	6,1 – 7,0	-	2,955,000,000,000	(2,060,000,000,000)	895,000,000,000
Bank overdrafts	5,1 – 9,2	160,941,061,080	37,449,144,197,296	(36,868,902,378,134)	741,182,880,242
<b>Total</b>		<b>6,716,571,061,080</b>	<b>127,794,031,447,296</b>	<b>(119,470,732,378,134)</b>	<b>15,039,870,130,242</b>

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

(\*) The loan interest rate is floating at the reference interest rate plus a margin of 2 – 2.3% per annum. The reference rate is the London Interbank Offered Rate ("LIBOR") for United States Dollar ("USD") of equivalent term quoted at 10:00 am (London local time) on interest calculation date. In case the LIBOR for USD of equivalent term is not available, the reference interest rate will be the LIBOR for USD converted to the same loan term at the same quoted time mentioned above ("the converted interest rate"). In case the converted interest rate is indeterminable, the reference rate will be the mobilising interest rate of each lender.

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

As at 31 December 2021 and 31 December 2020, there was no balance of short-term borrowings that was past due.

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## 3.12 Trading obligations

	As at	
	31.12.2021 VND	31.12.2020 VND
Trading settlement balances with the stock exchanges	1,235,843,248,000	-
Covered warrant payables (Note 5.2)	142,179,229,746	311,922,070,959
Payables from bond trading activities	37,760,957,287	422,227,641,347
Advances from investors for securities purchases	22,697,129,093	174,815,723,707
Payables to stock exchanges and VSD	21,754,174,480	16,794,928,434
Others	1,329,525,247	9,535,730,466
<b>Total</b>	<b>1,461,564,263,853</b>	<b>935,296,094,913</b>

As at 31 December 2021 and as at 31 December 2020, there were no payables past due but not yet settled.

As at 31 December 2021 and as at 31 December 2020, there was no doubt on the Company's ability to repay these balances.

## 3.13 Tax and other payables to the State

	As at 1.1.2021 VND	Incurred during the year VND	Paid during the year VND	As at 31.12.2021 VND
BIT – current	35,382,154,300	283,892,919,060	(263,260,811,150)	56,014,262,210
Personal income tax ("PIT") withheld and paid on behalf of investors	21,270,427,173	419,293,571,708	(400,432,794,268)	40,131,204,613
BIT withheld and paid on behalf of foreign institutions	4,830,303,088	108,033,705,666	(104,248,815,101)	8,615,193,653
PIT withheld and paid on behalf of employees	4,248,290,370	108,529,709,049	(104,723,720,067)	8,054,279,352
Foreign contractor withholding tax	1,233,704,212	14,427,516,011	(9,639,671,342)	6,021,548,881
Value added tax	48,750,780	4,702,918,489	(4,627,448,676)	124,220,593
Business licence tax	-	7,000,000	(7,000,000)	-
<b>Total</b>	<b>67,013,629,923</b>	<b>938,887,339,983</b>	<b>(886,940,260,604)</b>	<b>118,960,709,302</b>

## 3.14 Short-term accrued expenses

	As at	
	31.12.2021 (VND)	31.12.2020 (VND)
Performance bonus	75,000,000,000	50,000,000,000
Business development expense payables	70,000,000,000	31,088,313,897
Interest expenses	32,147,819,729	22,032,166,627
Others	17,144,894,993	11,744,363,077
<b>Total</b>	<b>194,292,714,722</b>	<b>114,864,843,601</b>

## 3.15 Other short-term liabilities

	As at	
	31.12.2021 (VND)	31.12.2020 (VND)
Dividends payable to shareholders (*)	155,952,838,630	155,942,531,017
Additional shares issued	15,759,161,000	6,364,500,000
Dividends paid on behalf	5,812,620,544	3,413,307,130
Board of Directors' operating fund	1,684,788,762	1,870,087,893
Others	16,434,361,112	11,242,281,495
<b>Total</b>	<b>195,643,770,048</b>	<b>178,832,707,535</b>

(\*) Movements in dividends payable to shareholders during the year were as follows:

	As at	
	31.12.2021 (VND)	31.12.2020 (VND)
Opening balance	155,942,531,017	155,070,718,509
Dividend in cash declared in the year	365,989,986,000	366,050,214,000
<i>In which</i>		
<i>Second dividend of the year 2019 (Note 7.1(iv))</i>	-	213,529,291,500
<i>First dividend of the year 2020 (Note 7.1(v))</i>	-	152,520,922,500
<i>Second dividend of the year 2020 (Note 7.1(i))</i>	213,469,063,500	-
<i>First dividend of the year 2021 (Note 7.1(ii))</i>	152,520,922,500	-
Dividend paid	(365,979,678,387)	(365,178,401,492)
Closing balance	<b>155,952,838,630</b>	<b>155,942,531,017</b>
<i>In which</i>		
Dividends of previous years (**)	3,431,916,130	3,421,608,517
First dividend of the year 2021 – due on 13/01/2022	152,520,922,500	-
First dividend of the year 2020 – due on 20/01/2021	-	152,520,922,500
	<b>155,952,838,630</b>	<b>155,942,531,017</b>

(\*\*) Dividends of previous years were unpaid as at the reporting date because some shareholders have not yet claimed their dividends.

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

As at 31 December 2021 and as at 31 December 2020, there was no doubt on the Company's ability to repay these balances.

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## 3 NOTES TO THE STATEMENT OF FINANCIAL POSITION

## 3.16 Deferred income tax assets

	As at	
	31.12.2021 (VND)	31.12.2020 (VND)
Deferred tax assets recoverable after 12 months	1,979,982,500	1,360,000,000

The movements in deferred income tax assets were as follows:

	For the year ended	
	31.12.2021 (VND)	31.12.2020 (VND)
Opening balance	1,360,000,000	280,383,984
Charged to profit or loss	619,982,500	1,079,616,016
<b>Closing balance</b>	<b>1,979,982,500</b>	<b>1,360,000,000</b>

Details of deferred income tax assets are as below:

	Năm tài chính kết thúc ngày	
	31.12.2021 (VND)	31.12.2020 (VND)
Deductible temporary differences:		
Provisions for severance allowances	9,899,912,500	6,800,000,000
At tax rate of 20%:		
Deferred tax assets:	1,979,982,500	1,360,000,000

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

## 3.17 OWNERS' CAPITAL

## (a) Number of shares

	As at	
	31.12.2021 (VND)	31.12.2020 (VND)
Number of shares registered	458,052,367	305,882,263
Number of shares issued	458,052,367	305,882,263
Number of shares repurchased	(840,418)	(840,418)
<b>Number of shares in issue</b>	<b>457,211,949</b>	<b>305,041,845</b>

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

## (b) Details by shareholders

	As at 31.12.2021		As at 31.12.2020	
	Ordinary shares	%	Ordinary shares	%
<b>Interest of the State</b>				
Ho Chi Minh City Finance and Investment State-owned Company (HFIC) (*)	105,772,520	23.09	72,975,180	23.86
<b>Interest of other shareholders</b>				
Dragon Capital Markets Limited (DC)	137,475,834	30.01	91,650,556	29.96
Others (**)	213,963,595	46.72	140,416,109	45.91
<b>Treasury shares</b>				
Treasury shares	840,418	0.18	840,418	0.27
<b>Number of shares issued</b>	<b>458,052,367</b>	<b>100.00</b>	<b>305,882,263</b>	<b>100.00</b>



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## 3.17 Owners' capital

## (b) Details of owners' shareholdings

(\*) Included in the number of shares held by HFIC as at 31 December 2021 are 32,797,340 shares that the SSC requested to restrict from trading until further notice (Note 7.1(iii)). In addition, these shares are also restricted from transfer within 1 year from the completion date of the offering (16 December 2021) according to the issuance plan stated in the prospectus (Note 7.1(iii)).

(\*\*) Included in the number of shares held by other shareholders as at 31 December 2021 are 1,034,367 shares re-distributed to employees. These shares are also restricted from transfer within 1 year from the completion date of the offering (16 December 2021) according to the issuance plan stated in the prospectus (Note 7.1(iii)).

## (c) Movements of share capital

	Ordinary shares
As at 1 January 2020	305,516,173
Treasury shares repurchased	(474,328)
As at 31 December 2020	305,041,845
New shares issued (Note 7.1 (iii))	152,170,104
<b>As at 31 December 2021</b>	<b>457,211,949</b>

## 3.18 Undistributed earnings

	As at	
	31.12.2021 (VND)	31.12.2020 (VND)
Realised post-tax profits	1,133,223,368,908	647,641,022,448
Unrealised profits	97,091,391,468	27,645,711,697
<b>Total</b>	<b>1,230,314,760,376</b>	<b>675,286,734,145</b>

Movements in undistributed earnings during the year were as follows:

	As at 31.12.2020 VND	Profit for the year VND	Dividend declared VND	Appropriation to reserves VND	Other (*) VND	As at 31.12.2021 VND
Realised post-tax profits	647,641,022,448	1,077,616,701,316	(365,989,986,000)	(226,062,548,856)	18,180,000	1,133,223,368,908
Unrealised profits	27,645,711,697	69,445,679,771	-	-	-	97,091,391,468
Undistributed earnings	675,286,734,145	1,147,062,381,087	(365,989,986,000)	(226,062,548,856)	18,180,000	1,230,314,760,376

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

## 4 NOTES TO OFF STATEMENT OF FINANCIAL POSITION ITEMS

## 4.1 Number of shares

## (a) Shares in issue

	As at	
	31.12.2021	31.12.2020
<b>Ordinary shares</b>		
Quantity issued under 1 year (share)	152,170,104	-
Quantity issued for 1 year or more (share)	305,041,845	305,041,845
	<b>457,211,949</b>	<b>305,041,845</b>

## (b) Treasury shares

	As at	
	31.12.2021	31.12.2020
<b>Ordinary shares</b>		
Quantity repurchased under 1 year (share)	-	474,328
Quantity repurchased for 1 year or more (share)	840,418	366,090
	<b>840,418</b>	<b>840,418</b>

## NOTES TO THE FINANCIAL STATEMENTS

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## 4 NOTES TO OFF STATEMENT OF FINANCIAL POSITION ITEMS

## 4.2 Covered warrants authorised but not yet issued

Ticker symbol	Underlying security	Issue date	Maturity date	As at 31.12.2021			
				Number of covered warrants authorised for issue	Number of covered warrants cancelled	Number of covered warrants issued	Number of covered warrants authorised but not yet issued
CFPT2103	FPT Corporation (FPT)	07.07.2021	07.01.2022	5,000,000	-	2,152,700	2,847,300
CMBB2103	Military Commercial Joint Stock Bank (MBB)	07.07.2021	07.01.2022	5,000,000	-	4,982,200	17,800
CMWG2106	Mobile World Investment Corporation (MWG)	07.07.2021	07.01.2022	5,000,000	-	463,800	4,536,200
CVNM2107	Vietnam Dairy Products Joint Stock Company (VNM)	07.07.2021	07.01.2022	5,000,000	-	3,284,600	1,715,400
CPNJ2104	Phu Nhuan Jewelry Joint Stock Company (PNJ)	07.07.2021	07.01.2022	5,000,000	-	4,992,600	7,400
CVIC2104	Vingroup Joint Stock Company (VIC)	07.07.2021	07.01.2022	5,000,000	-	4,748,400	251,600
CHPG2113	Hoa Phat Group Joint Stock Company (HPG)	06.09.2021	07.03.2022	10,000,000	-	9,429,200	570,800
CSTB2109	Saigon Thuong Tin Commercial Joint Stock Bank (STB)	06.09.2021	07.03.2022	10,000,000	-	6,911,100	3,088,900
CTCB2109	Technological and Commercial Joint Stock Bank (TCB)	06.09.2021	07.03.2022	10,000,000	-	9,313,100	686,900
CVHM2110	Vinhomes Joint Stock Company (VHM)	06.09.2021	07.03.2022	10,000,000	-	9,715,500	284,500
CVPB2108	Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	06.09.2021	07.03.2022	10,000,000	-	9,310,900	689,100
CVRE2109	Vincom Retail Joint Stock Company (VRE)	06.09.2021	07.03.2022	10,000,000	-	9,512,900	487,100
CFPT2109	FPT Corporation (FPT)	08.10.2021	08.04.2022	10,000,000	-	9,826,600	173,400
CMBB2107	Military Commercial Joint Stock Bank (MBB)	08.10.2021	08.04.2022	10,000,000	-	8,114,000	1,886,000
CMSN2110	Masan Group Joint Stock Company (MSN)	08.10.2021	08.04.2022	10,000,000	-	932,200	9,067,800
CMWG2111	Mobile World Investment Corporation (MWG)	08.10.2021	08.04.2022	10,000,000	-	7,900,300	2,099,700
CVIC2107	Vingroup Joint Stock Company (VIC)	08.10.2021	08.04.2022	10,000,000	-	9,504,200	495,800
CVNM2112	Vietnam Dairy Products Joint Stock Company (VNM)	08.10.2021	08.04.2022	10,000,000	-	9,162,000	838,000
ACB-HSC-MET01	Asia Commercial Bank (ACB)	20.12.2021	20.09.2022	10,000,000	-	220,000	9,780,000
FPT-HSC-MET09	FPT Corporation (FPT)	20.12.2021	20.09.2022	7,000,000	-	-	7,000,000
HPG-HSC-MET08	Hoa Phat Group Joint Stock Company (HPG)	20.12.2021	20.09.2022	20,000,000	-	38,000	19,962,000
MBB-HSC-MET09	Military Commercial Joint Stock Bank (MBB)	20.12.2021	20.09.2022	7,000,000	-	-	7,000,000
MWG-HSC-MET10	Mobile World Investment Corporation (MWG)	20.12.2021	20.09.2022	5,000,000	-	-	5,000,000
PNJ-HSC-MET05	Phu Nhuan Jewelry Joint Stock Company (PNJ)	20.12.2021	20.09.2022	5,000,000	-	55,000	4,945,000
STB-HSC-MET04	Saigon Thuong Tin Commercial Joint Stock Bank (STB)	20.12.2021	20.09.2022	7,000,000	-	3,070,000	3,930,000
TCB-HSC-MET07	Technological and Commercial Joint Stock Bank (TCB)	20.12.2021	20.09.2022	7,000,000	-	-	7,000,000
VHM-HSC-MET07	Vinhomes Joint Stock Company (VHM)	20.12.2021	20.09.2022	7,000,000	-	-	7,000,000
VPB-HSC-MET08	Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	20.12.2021	20.09.2022	7,000,000	-	221,000	6,779,000
VRE-HSC-MET08	Vincom Retail Joint Stock Company (VRE)	20.12.2021	20.09.2022	7,000,000	-	10,000	6,990,000
TPB-HSC-MET01	Tien Phong Commercial Joint Stock Bank (TPB)	21.12.2021	21.09.2022	10,000,000	-	10,000	9,990,000
				<b>249,000,000</b>	<b>-</b>	<b>123,880,300</b>	<b>125,119,700</b>

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## 4 NOTES TO OFF STATEMENT OF FINANCIAL POSITION ITEMS

## 4.2 Covered warrants authorised but not yet issued

Ticker symbol	Underlying security	Issue date	Maturity date	As at 31.12.2021			
				Number of covered warrants authorised for issue	Number of covered warrants cancelled	Number of covered warrants issued	Number of covered warrants authorised but not yet issued
CFPT2008	FPT Corporation (FPT)	14.07.2020	14.01.2021	5,000,000	(2,000,000)	1,474,530	1,525,470
CHPG2016	Hoa Phat Group Joint Stock Company (HPG)	14.07.2020	14.01.2021	5,000,000	(4,000,000)	564,950	435,050
CMBB2007	Military Commercial Joint Stock Bank (MBB)	14.07.2020	14.01.2021	5,000,000	(2,000,000)	972,740	2,027,260
CMSN2006	Masan Group Joint Stock Company (MSN)	14.07.2020	14.01.2021	5,000,000	(4,000,000)	300,140	699,860
CMWG2010	Mobile World Investment Corporation (MWG)	14.07.2020	14.01.2021	5,000,000	-	818,300	4,181,700
CPNJ2006	Phu Nhuan Jewelry Joint Stock Company (PNJ)	14.07.2020	14.01.2021	5,000,000	(2,000,000)	253,220	2,746,780
CREE2005	Refrigeration Electrical Engineering Corporation (REE)	14.07.2020	14.01.2021	5,000,000	(3,500,000)	45,850	1,454,150
CTCB2007	Technological and Commercial Joint Stock Bank (TCB)	14.07.2020	14.01.2021	5,000,000	-	1,414,060	3,585,940
CVHM2005	Vinhomes Joint Stock Company (VHM)	14.07.2020	14.01.2021	5,000,000	-	2,262,840	2,737,160
CVNM2008	Vietnam Dairy Products Joint Stock Company (VNM)	14.07.2020	14.01.2021	5,000,000	(2,000,000)	2,772,170	227,830
CVPB2008	Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	14.07.2020	14.01.2021	5,000,000	(3,500,000)	277,080	1,222,920
CVRE2008	Vincom Retail Joint Stock Company (VRE)	14.07.2020	14.01.2021	5,000,000	-	3,988,140	1,011,860
CFPT2011	FPT Corporation (FPT)	01.10.2020	01.04.2021	5,000,000	-	4,245,210	754,790
CHPG2021	Hoa Phat Group Joint Stock Company (HPG)	01.10.2020	01.04.2021	5,000,000	-	4,989,040	10,960
CMBB2009	Military Commercial Joint Stock Bank (MBB)	01.10.2020	01.04.2021	5,000,000	-	3,504,090	1,495,910
CMSN2011	Masan Group Joint Stock Company (MSN)	01.10.2020	01.04.2021	5,000,000	(4,000,000)	558,890	441,110
CPNJ2009	Phu Nhuan Jewelry Joint Stock Company (PNJ)	01.10.2020	01.04.2021	5,000,000	-	4,756,420	243,580
CSTB2012	Saigon Thuong Tin Commercial Joint Stock Bank (STB)	01.10.2020	01.04.2021	5,000,000	-	2,663,850	2,336,150
CTCB2010	Technological and Commercial Joint Stock Bank (TCB)	01.10.2020	01.04.2021	5,000,000	-	4,732,010	267,990
CVHM2009	Vinhomes Joint Stock Company (VHM)	01.10.2020	01.04.2021	5,000,000	-	4,168,860	831,140
CVIC2006	Vingroup Joint Stock Company (VIC)	01.10.2020	01.04.2021	5,000,000	-	4,407,750	592,250
CVNM2013	Vietnam Dairy Products Joint Stock Company (VNM)	01.10.2020	01.04.2021	5,000,000	-	4,999,600	400
CVPB2012	Vietnam Prosperity Joint Stock Commercial Bank (VPB)	01.10.2020	01.04.2021	5,000,000	-	2,744,110	2,255,890
CVRE2012	Vincom Retail Joint Stock Company (VRE)	01.10.2020	01.04.2021	5,000,000	-	4,998,420	1,580
CFPT2012	FPT Corporation (FPT)	01.10.2020	04.05.2021	5,000,000	-	3,651,260	1,348,740
CHPG2022	Hoa Phat Group Joint Stock Company (HPG)	01.10.2020	04.05.2021	5,000,000	-	4,999,300	700
CVHM2010	Vinhomes Joint Stock Company (VHM)	01.10.2020	04.05.2021	5,000,000	-	3,636,680	1,363,320
CVPB2011	Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	01.10.2020	04.05.2021	5,000,000	-	2,728,400	2,271,600
CMWG2015	Mobile World Investment Corporation (MWG)	10.11.2020	10.05.2021	5,000,000	-	4,447,290	552,710
CREE2006	Refrigeration Electrical Engineering Corporation (REE)	10.11.2020	10.05.2021	5,000,000	-	954,920	4,045,080
CMWG2016	Mobile World Investment Corporation (MWG)	10.11.2020	10.06.2021	5,000,000	-	4,568,890	431,110
				<b>155,000,000</b>	<b>(27,000,000)</b>	<b>86,899,010</b>	<b>41,100,990</b>

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## 4 NOTES TO OFF STATEMENT OF FINANCIAL POSITION ITEMS

## 4.3 Futures

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

Contract symbol	First trading date	Last trading date	As at 31.12.2021			As at 31.12.2020		
			Open quantity	Closing settlement price	Open short position	Open quantity	Closing settlement price	Open short position
VN30F2201	19.11.2021	20.01.2022	2,195	1,537,000	337,371,500,000	-	-	-
VN30F2101	20.11.2020	21.01.2021	-	-	-	8,496	1,083,900	920,881,440,000
					337,371,500,000			920,881,440,000

## 5 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

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

	For the year ended	
	31.12.2021 VND	31.12.2020 VND
Realised gains on disposal of FVTPL financial assets	1,512,892,400,808	719,339,277,788
<i>In which:</i>		
<i>Underlying securities</i>	883,067,350,137	320,839,984,672
<i>Derivatives</i>	577,346,285,000	360,635,618,000
<i>Covered warrants redeemed</i>	33,858,032,756	18,919,632,186
<i>Covered warrants expired</i>	18,620,732,915	18,944,042,930
Realised losses on disposal of FVTPL financial assets	(1,162,590,730,033)	(614,662,557,597)
<i>In which:</i>		
<i>Underlying securities</i>	(328,791,730,972)	(205,989,412,953)
<i>Derivatives</i>	(526,248,710,000)	(328,131,683,000)
<i>Covered warrants redeemed</i>	(238,231,290,864)	(79,327,729,458)
<i>Covered warrants expired</i>	(69,318,998,197)	(1,213,732,186)
<b>Net realised gain</b>	<b>350,301,670,775</b>	<b>104,676,720,191</b>

## 5 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

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

Details by category are as follows:

	Quantity disposed (VND)	Sales proceeds (VND)	Costs of disposal (*) (VND)	Realised gains/(losses) during current year (VND)	Realised (losses)/gains in prior year (VND)
Shares	563,105,580	29,222,956,487,114	(28,758,050,004,732)	464,906,482,382	84,939,453,528
Bonds	38,927,934	3,918,315,626,695	(3,892,793,400,000)	25,522,226,695	16,075,634,927
ETF certificates	387,490,600	8,291,833,899,300	(8,229,412,606,037)	62,421,293,263	14,143,807,357
Covered warrants	782,720	17,986,078,400	(16,560,461,575)	1,425,616,825	(308,324,093)
Realised gains on disposal of underlying securities	<b>990,306,834</b>	<b>41,451,092,091,509</b>	<b>(40,896,816,472,344)</b>	<b>554,275,619,165</b>	<b>114,850,571,719</b>
Net position gains from future contracts				51,097,575,000	32,503,935,000
Losses on redemption of covered warrants issued by the Company				(204,373,258,108)	(60,408,097,272)
(Losses)/gains upon expiry of covered warrants issued by the Company				(50,698,265,282)	17,730,310,744
<b>Total</b>				<b>350,301,670,775</b>	<b>104,676,720,191</b>

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

## NOTES TO THE FINANCIAL STATEMENTS

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## 5 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

## 5.2 Net result from revaluation of FVTPL financial assets and covered warrants

	For the year ended	
	31.12.2021 (VND)	31.12.2020 (VND)
Upward revaluation of FVTPL financial assets	(94,368,025,555)	104,750,184,619
Downward revaluation of FVTPL financial assets	2,361,682,301	27,738,629,141
<b>Total</b>	<b>(92,006,343,254)</b>	<b>132,488,813,760</b>

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

	Cost VND	Market value/ fair value VND	Accumulated revaluation (losses)/gains VND	Accumulated revaluation gains/ (losses) as at 31.12.2020	Credited/(debited to profit or loss)
Listed shares and shares traded on UPCoM	229,331,627,871	220,305,806,086	(9,025,821,785)	15,620,986,099	(24,646,807,884)
Unlisted and unregistered shares	-	-	-	(9,514,916,000)	9,514,916,000
Underlying as-sets designated as hedges for covered warrants	703,873,926,275	697,942,016,400	(5,931,909,875)	71,812,646,406	(77,744,556,281)
Listed bonds	1,328,339,800,000	1,346,221,713,216	17,881,913,216	19,061,913,518	(1,180,000,302)
ETF certificates	104,817,693,592	107,194,033,518	2,376,339,926	326,234,713	2,050,105,213
<b>Total</b>	<b>2,366,363,047,738</b>	<b>2,371,663,569,220</b>	<b>5,300,521,482</b>	<b>97,306,864,736</b>	<b>(92,006,343,254)</b>

	For the year ended	
	31.12.2021 (VND)	31.12.2020 (VND)
Downward revaluation of covered warrants liabilities	95,619,931,371	(5,212,237,426)
Upward revaluation of covered warrants liabilities	65,832,091,657	(70,859,243,200)
<b>Total</b>	<b>161,452,023,028</b>	<b>(76,071,480,626)</b>

Details of revaluation of covered warrants are as follows:

	Cost VND	Market value/ fair value VND	Accumulated revaluation gains as at 31.12.2021 VND	Accumulated revaluation losses as at 31.12.2020 VND	Credited to profit or loss VND
Covered warrants	233,970,099,735	142,179,229,746	91,790,869,989	(69,661,153,039)	161,452,023,028

## 5.3 Dividends and interest income from financial assets

	For the year ended	
	31.12.2021 (VND)	31.12.2020 (VND)
Dividends	6,736,424,330	4,833,857,588
Interest	295,525,161,205	203,460,541,422
<b>Total</b>	<b>302,261,585,535</b>	<b>208,294,399,010</b>

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

	For the year ended	
	31.12.2021 (VND)	31.12.2020 (VND)
Interest expense	747,190,551,120	207,049,930,074

## 5.5 Operating expenses not related to financial assets

	For the year ended	
	31.12.2021 (VND)	31.12.2020 (VND)
<b>Proprietary trading activities</b>	<b>91,924,223,288</b>	<b>56,313,185,768</b>
Staff costs	6,722,683,282	5,366,337,260
Transaction fee paid to stock exchanges	22,874,207,607	16,121,782,626
Depreciation and amortisation	665,963,340	1,530,061,966
Outsourcing expenses	10,695,395,727	7,100,203,422
Allocation expenses (*)	50,965,973,332	26,194,800,494
<b>Brokerage fee expenses</b>	<b>766,756,414,595</b>	<b>420,110,183,582</b>
Staff costs	340,902,944,762	159,644,766,034
Brokerage fee	288,026,957,745	133,567,817,357
Outsourcing expenses	45,043,788,963	51,297,651,575
Office rental expenses	22,955,762,404	28,212,408,977
Depreciation and amortisation	12,510,343,749	12,083,692,467
Allocation expenses (*)	57,316,616,972	35,303,847,172
<b>Custody service expenses</b>	<b>8,909,326,503</b>	<b>7,961,207,512</b>
<b>Financial consultancy service expenses</b>	<b>21,786,770,977</b>	<b>20,203,733,179</b>
Staff costs	15,875,720,388	12,558,611,678
Others	5,911,050,589	7,645,121,501
<b>Other operating expenses</b>	<b>4,456,527,541</b>	<b>3,594,143,138</b>
	<b>893,833,262,904</b>	<b>508,182,453,179</b>

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

## NOTES TO THE FINANCIAL STATEMENTS

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FOR THE YEAR ENDED 31 DECEMBER 2021

## 5 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

## 5.6 General and administration expenses

	For the year ended	
	31.12.2021 (VND)	31.12.2020 (VND)
Staff costs	191,507,028,604	140,843,142,916
Outsourcing expenses	41,996,863,238	35,680,891,089
Office rental expenses	17,476,234,694	15,663,078,668
Depreciation and amortisation	9,279,658,896	12,483,791,976
Office maintenance	8,059,667,493	5,108,204,711
Other administrative expenses	28,493,101,365	6,507,489,117
<b>Total</b>	<b>296,812,554,290</b>	<b>216,286,598,477</b>

## 5.7 BIT

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

	For the year ended	
	31.12.2021 (VND)	31.12.2020 (VND)
Accounting profit before tax	1,430,335,317,647	660,305,435,709
Tax calculated at a rate of 20%:	286,067,063,529	132,061,087,142
Adjustment:		
Non-taxable income	(1,347,284,869)	(966,771,518)
Non-deductible expense	333,140,400	239,053,018
Reversal of provisions for OTC stocks made in previous years	(1,160,000,000)	(1,479,627,098)
Other adjustments	(619,982,500)	-
<b>BIT charge (*)</b>	<b>283,272,936,560</b>	<b>129,853,741,544</b>
Charged to profit or loss:		
BIT – current	283,892,919,060	130,933,357,560
BIT – deferred (Note 3.16)	(619,982,500)	(1,079,616,016)
<b>Total</b>	<b>283,272,936,560</b>	<b>129,853,741,544</b>

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

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

## 5.8 Earnings per share

## (a) Basic earnings per share

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

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

	For the year ended	
	31.12.2021 (VND)	31.12.2020 (VND)
Net profit after tax attributable to ordinary shareholders (VND)	1,147,062,381,087	530,451,694,165
Adjustment for appropriation of bonus and welfare funds (VND) (*)	-	(18,527,264,270)
	1,147,062,381,087	511,924,429,895
Weighted average number of ordinary shares in issue (shares)	311,295,411	305,197,408
Basic earnings per share (VND/share)	<b>3,685</b>	<b>1,677</b>

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

(\*\*) Basic earnings per share for the financial year ended 31 December 2020 are recalculated after adjusting the actual deductions for bonus and welfare funds from retained earnings in accordance with the resolution of Annual General Meeting of shareholders on 22 April 2021, as follows:

Items	For the year ended 31.12.2020		
	As previously reported	Adjustment	Recalculated
Net profit after tax attributable to ordinary shareholders (VND)	530,451,694,165	(18,527,264,270)	511,924,429,895
Weighted average number of ordinary shares in issue (shares)	305,197,408	-	305,197,408
Basic earnings per share (VND)	<b>1,738</b>		<b>1,677</b>

## (b) Diluted earnings per share

The Company did not have any ordinary shares potentially diluted during this year and up to the date of this financial statements. Therefore, the diluted EPS is equal to the basic EPS.

**NOTES TO THE FINANCIAL STATEMENTS**

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FOR THE YEAR ENDED 31 DECEMBER 2021

**6 NOTES TO THE STATEMENT OF CASH FLOWS****6.1 Major non-cash transactions affecting the statement of cash flows**

	For the year ended	
	31.12.2021 (VND)	31.12.2020 (VND)
Dividend declared but not yet paid (Note 7.1(ii)) (*)	152,520,922,500	152,520,922,500

(\*) According to the Resolution of the Annual General Meeting of shareholders on 22 November 2021, the Board of Directors decided to make first dividend payments for the year 2021 to the shareholders named in the final list on 16 December 2021. The payment date was 13 January 2022.

**7 NOTES TO THE STATEMENT OF CHANGES IN EQUITY****7.1 Details of changes in equity**

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

	Share capital	Share premium	Treasury shares	Supplementary capital reserve	Financial risk and operation reserve	Other equity funds	Undistributed earnings	Total
	VND	VND	VND	VND	VND	VND	VND	VND
As at 1.1.2021	3,058,822,630,000	358,946,064,000	(12,477,449,008)	177,907,588,627	177,907,588,627	3,961,374,994	675,286,734,145	<b>4,440,354,531,385</b>
Post-tax profit for the year	-	-	-	-	-	-	1,147,062,381,087	<b>1,147,062,381,087</b>
Second dividend of year 2020 (i)	-	-	-	-	-	-	(213,469,063,500)	<b>(213,469,063,500)</b>
First dividend of year 2021 (ii)	-	-	-	-	-	-	(152,520,922,500)	<b>(152,520,922,500)</b>
Appropriation to bonus and welfare funds (i)	-	-	-	-	-	-	(18,527,264,270)	<b>(18,527,264,270)</b>
Appropriation to operation fund of Board of Directors (i)	-	-	-	-	-	-	(7,956,775,412)	<b>(7,956,775,412)</b>
Appropriation to statutory reserves (i)	-	-	-	99,789,254,587	99,789,254,587	-	(199,578,509,174)	-
Reversed dividends of shares issued under ESOP program upon repurchases	-	-	-	-	-	-	18,180,000	<b>18,180,000</b>
Share issuance (iii)	1,521,701,040,000	608,680,416,000	-	-	-	-	-	<b>2,130,381,456,000</b>
Issuance cost	-	(89,600,000)	-	-	-	-	-	<b>(89,600,000)</b>
<b>As at 31.12.2021</b>	<b>4,580,523,670,000</b>	<b>967,536,880,000</b>	<b>(12,477,449,008)</b>	<b>277,696,843,214</b>	<b>277,696,843,214</b>	<b>3,961,374,994</b>	<b>1,230,314,760,376</b>	<b>7,325,252,922,790</b>

## NOTES TO THE FINANCIAL STATEMENTS

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FOR THE YEAR ENDED 31 DECEMBER 2021

## 7.1 Details of changes in equity

	Share capital	Share premium	Treasury shares	Supplementary capital reserve	Financial risk and operation reserve	Other equity funds	Undistributed earnings	Total
	VND	VND	VND	VND	VND	VND	VND	VND
As at 11.2020	3,058,822,630,000	358,946,064,000	(5,836,857,008)	151,385,003,919	151,385,003,919	3,961,374,994	585,479,819,315	4,304,143,039,139
Post-tax profit for the year	-	-	-	-	-	-	530,451,694,165	530,451,694,165
Second dividend of the year 2019 (iv)	-	-	-	-	-	-	(213,529,291,500)	(213,529,291,500)
First dividend of the year 2020 (v)	-	-	-	-	-	-	(152,520,922,500)	(152,520,922,500)
Appropriation to bonus and welfare funds (iv)	-	-	-	-	-	-	(15,139,772,143)	(15,139,772,143)
Appropriation to operation fund of the Board of Directors (iv)	-	-	-	-	-	-	(6,488,473,776)	(6,488,473,776)
Appropriation to statutory reserves (Note 2.23)	-	-	-	26,522,584,708	26,522,584,708	-	(53,045,169,416)	-
Reversed dividends of shares issued under ESOP program upon repurchases	-	-	-	-	-	-	78,850,000	78,850,000
Share repurchases	-	-	(6,640,592,000)	-	-	-	-	(6,640,592,000)
<b>As at 31.12.2020</b>	<b>3,058,822,630,000</b>	<b>358,946,064,000</b>	<b>(12,477,449,008)</b>	<b>177,907,588,627</b>	<b>177,907,588,627</b>	<b>3,961,374,994</b>	<b>675,286,734,145</b>	<b>4,440,354,531,385</b>

(i) According to the Resolution of the Annual General Meeting of shareholders on 22 April 2021:

- Second dividend of the year 2020 was 7% of par value, equivalent to VND700/share.
- 3.49% of post-tax profit of the year 2020 was appropriated to bonus and welfare funds;
- 1.5% of post-tax profit of the year 2020 was appropriated to operation fund of the Board of Directors;
- 13% of post-tax profit of the year 2020 was appropriated to each of supplementary capital reserve fund and financial and operational risk reserve fund. As at 31 December 2020, 5% of post-tax profit had been already appropriated to each funds. Accordingly, the remaining 8% of post-tax profit of the year 2020 was appropriated to each funds in 2021.

(ii) According to the resolution of the Annual General Meeting of shareholders on 22 November 2021, the first dividend payment of 2021 is 5% of the charter capital of VND3,058,822,630,000, equivalent to VND500/share. The first dividend of 2021 is paid in cash based on the list of shareholders finalised on 16 December 2021, and the expected payment date is 13 January 2022 (Note 6.1).

(iii) According to the Resolution No. 01/2021/NQ-DHDCĐ dated 31 March 2021, the shareholders approved the plan to issue shares to existing shareholders under right subscription model at an offering price of VND14,000/share. The right exercise ratio is 2:1 (a shareholder owning 2 shares is entitled to buy 1 new share). The subscription right can be transferred only once. Shares issued to existing shareholders will be rounded down to one unit, whilst fractional share will be cancelled. The Board of Directors is authorised to re-distribute the unsubscribed shares to other parties at a price not lower than the price offered to existing shareholders. Shares distributed to existing shareholders are not restricted from transfer, whilst re-distributed shares are restricted from transfer within 1 year from the completion date of the offering.

On 22 September 2021, the SSC issued the Certificate of Public Offering Registration No. 186/GCN-UBCK in which the registered number of offered shares was 152,520,923 ordinary shares to be distributed according to the plan proposed in the prospectus.

As of 16 December 2021 (the completion date of the offering), the Company has issued 152,170,104 shares, including 32,797,340 shares re-distributed to HFIC and 1,034,367 shares re-distributed to employees according to the list attached to the Report on result of share public offering dated 17 December 2021.

On 19 January 2022, the SSC issued the Official letter No. 376/UBCK-QLKD confirming that the Company had distributed 152,170,104 shares, and requiring the Company not to use HFIC's capital contribution related to the issuance (amounting to VND459,162,760,000) until further notice. On the same day, the SSC issued the Official letter No. 377/UBCK-QLKD requiring the Vietnam Securities Depository to restrict the 32,797,340 shares distributed to HFIC in this issuance from trading until further notice.

The Company has recorded share premium of this issuance as the difference between the par value of VND10,000/share and the offering price of VND14,000/share.

Net proceed from issuance of shares:

	VND
Proceeds from issuance of shares	2,130,381,456,000
Issuance cost	(89,600,000)
	<b>2,130,291,856,000</b>

(iv) According to the resolution of the Annual General Meeting of shareholders on 23 June 2020:

- Second dividend of the year 2019 was 7% par value of shares, equivalent to VND700/share;
- 3.5% of post-tax profit of the year 2019 was appropriated to bonus and welfare funds;
- 1.5% of post-tax profit of the year 2019 was appropriated to operation fund of the Board of Directors.

(v) According to the Resolution of the Annual General Meeting of shareholders on 8 December 2020, first dividend of the year 2020 was 5% of the charter capital of VND3,058,822,630,000, equivalent to VND500/share. The first dividend of 2020 is paid in cash based on the list of shareholders finalised on 20 December 2020, and the expected payment date is 20 January 2021 (Note 6.1).



## NOTES TO THE FINANCIAL STATEMENTS

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## 7 NOTES TO THE STATEMENT OF CHANGES IN EQUITY

## 7.2 Distributed earnings

	For the year ended	
	31.12.2021 (VND)	31.12.2020 (VND)
Undistributed realised earnings brought forward	647,641,022,448	614,251,440,752
Accumulated unrealised losses	-	-
Realised profit incurred in the year	1,077,616,701,316	474,034,361,031
Appropriations from undistributed earnings:	(226,062,548,856)	(74,673,415,335)
To bonus and welfare funds	(18,527,264,270)	(15,139,772,143)
To operation fund of the Board of Directors	(7,956,775,412)	(6,488,473,776)
To supplementary capital reserve fund	(99,789,254,587)	(26,522,584,708)
To financial and operational risk reserve fund	(99,789,254,587)	(26,522,584,708)
Dividend declared	(365,989,986,000)	(366,050,214,000)
<b>Distributable profits to shareholders</b>	<b>1,133,205,188,908</b>	<b>647,562,172,448</b>
Dividend declared	365,989,986,000	366,050,214,000
Income tax withheld	(5,419,910,200)	(4,132,675,615)
<b>Net amount distributed to shareholders</b>	<b>360,570,075,800</b>	<b>361,917,538,385</b>

## 8 RELATED PARTIES DISCLOSURES

Identified related parties and relationships are presented below:

Related party	Relationship
	Strategic shareholder, holding 30.01% of charter capital.
	The Company's Chairman of the Board of Directors is a member of the Board of Directors of Dragon Capital Vietfund Management (DCVFM).
<b>Dragon Capital Markets Limited (DC)</b>	The Company's Vice Chairman of the Board of Directors is a member of the Board of Directors of Dragon Capital Vietfund Management (DCVFM).
	The Company's member of the Board of Directors is Head of Representative office of Dragon Capital Management Representative office (HK).
	The Company's Vice Chairman and member of the Board of Directors are representative for DC's shares.
	Strategic shareholder, holding 23.09% of charter capital.
<b>Ho Chi Minh City Finance and Investment State-owned Company (HFIC)</b>	The Company's member of the Board of Directors is Deputy General Director at HFIC.
	The Company's member of the Board of Directors is Head of Legal at HFIC.
<b>Board of Directors and Board of Management</b>	Key management

## (a) Related parties transactions

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

	For the year ended	
	31.12.2021 (VND)	31.12.2020 (VND)
<b>Dragon Capital Markets Limited (DC)</b>		
Dividend paid	109,980,667,200	109,980,667,200
<b>Ho Chi Minh City Finance and Investment State-owned Company (HFIC)</b>		
Dividend paid	87,570,216,000	105,000,000,000
<b>Compensation of key management</b>		
Gross salaries and other benefits (*)	47,843,114,101	42,470,324,025

## NOTES TO THE FINANCIAL STATEMENTS

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FOR THE YEAR ENDED 31 DECEMBER 2021

## 8 RELATED PARTIES DISCLOSURES

## (a) Related parties transactions

(\*) Details of salaries and remunerations of certain key management are as follows:

		For the year ended	
		31.12.2021 (VND)	31.12.2020 (VND)
<b>Remuneration of the Board of Directors</b>			
Mr. Johan Nyvene (from 22.04.2021) (until 21.04.2021)	Chairperson Member	1,960,230,768 -	- 360,000,000
Mr. Do Hung Viet (until 21.04.2021)	Chairperson	320,000,000	1,043,916,000
Mr. Le Anh Minh	Vice Chair- person	746,666,667	866,666,667
Mr. Le Hoang Anh	Member	496,666,667	400,000,000
Mr. Nguyen Hong Van (from 22.04.2021)	Member	230,000,000	-
Mr. Tran Quoc Tu (from 22.04.2021)	Member	263,333,333	-
Mr. Andrew Colin Vallis (from 22.04.2021)	Member	546,666,667	-
Mr. Nguyen Thi Hoang Lan (from 22.04.2021)	Member	480,000,000	-
Mr. Pham Nghiem Xuan Bac (until 21.04.2021)	Member	66,666,667	266,666,667
Mr. Le Thang Can (until 21.04.2021)	Member	100,000,000	400,000,000
Mr. Lam Hoai Anh (until 21.04.2021)	Member	66,666,667	266,666,667
		5,276,897,436	3,603,916,001
<b>Remuneration of the Board of Supervision</b>			
Mr. Pham Nghiem Xuan Bac (from 22.04.2021)	Chief Supervisor	370,000,000	-
Mr. Vo Van Chau (until 21.04.2021)	Chief Supervisor	116,666,667	466,666,667
Ms. Dang Nguyet Minh	Member	420,000,000	400,000,000
Ms. Nguyen Thi Thu Thanh (from 22.04.2021)	Member	170,000,000	-
Mr. Doan Van Hinh (until 21.04.2021)	Member	20,000,000	80,000,000
		1,096,666,667	946,666,667
<b>Gross salaries of the Chief Executive Officer</b>			
Mr. Trinh Hoai Giang (from 16.03.2020)	Chief Executive Officer	6,300,000,000	5,132,500,000
Mr. Johan Nyvene (until 15.03.2020)	Chief Executive Officer	-	421,200,000
		6,300,000,000	5,553,700,000

## 8 RELATED PARTIES DISCLOSURES

## (b) Year-end balances with related parties

		As at	
		31.12.2021 (VND)	31.12.2020 (VND)
<b>DC</b>			
Dividend payable		45,825,278,000	45,825,278,000
<b>HFIC</b>			
Deposits for securities trading		25,145,733	25,133,244
Dividend payable		36,487,590,000	36,487,590,000

## 9 SEGMENT REPORTING

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

## (a) Geographical segments

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

## (b) Business segments

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

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FOR THE YEAR ENDED 31 DECEMBER 2021

## 9 SEGMENT REPORTING

## (b) Business activity segments

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

For the year ended 31 December 2021					
	Brokerage and services	Proprietary trading	Lending	Consultancy	Total
Revenue and income (*)	1,418,480,077,984	1,816,405,892,159	1,178,676,110,277	46,550,757,392	<b>4,460,112,837,812</b>
Expenses	(780,122,268,639)	(1,186,321,179,363)	(747,190,551,120)	(21,786,770,977)	<b>(2,735,420,770,099)</b>
<i>In which:</i>					
<i>Direct cash expenses</i>	<i>(740,513,855,737)</i>	<i>(1,239,778,442,061)</i>	<i>(747,190,551,120)</i>	<i>(21,722,485,978)</i>	<i>(2,749,205,334,896)</i>
<i>Total amount of significant non-cash expenses, other than depreciation, amortisation and allocation of prepaid expenses</i>	-	68,193,773,958	-	-	68,193,773,958
<i>Total depreciation and amortisation of fixed assets</i>	<i>(12,510,343,749)</i>	<i>(665,963,340)</i>	-	<i>(64,284,999)</i>	<i>(13,240,592,088)</i>
<i>Allocation of long-term and short-term prepaid expenses</i>	<i>(27,098,069,153)</i>	<i>(14,070,547,920)</i>	-	-	<i>(41,168,617,073)</i>
Segment result	638,357,809,345	630,084,712,796	431,485,559,157	24,763,986,415	<b>1,724,692,067,713</b>
Net financial income					<b>2,367,957,861</b>
Net other income					<b>87,846,363</b>
General and administration expenses					<b>(296,812,554,290)</b>
Operating result before tax					<b>1,430,335,317,647</b>

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

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FOR THE YEAR ENDED 31 DECEMBER 2021

## 9 SEGMENT REPORTING

## (b) Business activity segments

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

	As at 31 December 2021					
	Brokerage and services	Proprietary trading	Lending	Consultancy	Unallocated	Total
Segment assets	772,780,659,250	2,434,351,727,635	21,089,851,057,661	3,221,888,501	-	<b>24,300,205,333,047</b>
Unallocated assets	-	-	-	-	68,897,807,670	<b>68,897,807,670</b>
Total assets	772,780,659,250	2,434,351,727,635	21,089,851,057,661	3,221,888,501	68,897,807,670	<b>24,369,103,140,717</b>
Segment liabilities	(1,463,220,129,541)	-	(15,072,017,949,971)	-	-	<b>(16,535,238,079,512)</b>
Unallocated liabilities	-	-	-	-	(508,612,138,415)	<b>(508,612,138,415)</b>
Total liabilities	(1,463,220,129,541)	-	(15,072,017,949,971)	-	(508,612,138,415)	<b>(17,043,850,217,927)</b>
Total expense incurred for purchases of fixed assets in the year ended 31 December 2021	-	-	-	-	321,417,800	<b>321,417,800</b>
Segment assets	-	-	-	-	-	-
Unallocated assets	-	-	-	-	321,417,800	<b>321,417,800</b>
	As at 31 December 2020					
Segment assets	330,925,036,669	3,241,659,928,389	8,860,312,830,607	2,945,599,248	-	<b>12,435,843,394,913</b>
Unallocated assets	-	-	-	-	52,984,158,174	<b>52,984,158,174</b>
Total assets	330,925,036,669	3,241,659,928,389	8,860,312,830,607	2,945,599,248	52,984,158,174	<b>12,488,827,553,087</b>
Segment liabilities	(941,731,165,549)	-	(6,738,603,227,707)	-	-	<b>(7,680,334,393,256)</b>
Unallocated liabilities	-	-	-	-	(368,138,628,446)	<b>(368,138,628,446)</b>
Total liabilities	(941,731,165,549)	-	(6,738,603,227,707)	-	(368,138,628,446)	<b>(8,048,473,021,702)</b>
Total expense incurred for purchases of fixed assets in the year ended 31 December 2020	20,742,310,345	-	1,384,059,391	-	11,198,521,176	<b>33,324,890,912</b>
Segment assets	20,742,310,345	-	1,384,059,391	-	-	<b>22,126,369,736</b>
Unallocated assets	-	-	-	-	11,198,521,176	<b>11,198,521,176</b>

## NOTES TO THE FINANCIAL STATEMENTS

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FOR THE YEAR ENDED 31 DECEMBER 2021

## 10 FINANCIAL RISK MANAGEMENT

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

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

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

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

## (a) Credit risk

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

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

	As at	
	31.12.2021 (VND)	31.12.2020 (VND)
Cash at bank (Note 3.1)	6,928,122,316,897	61,440,624,254
Security deposits for covered warrants issued (Note 3.1)	270,000,000,000	145,100,000,000
Listed bonds (Note 3.2)	1,346,221,713,216	932,804,513,518
Loans (Note 3.3)	13,690,097,115,046	8,623,841,531,603
Receivables (Note 3.5)	839,818,918,749	258,082,311,117
Deposits for derivatives trading activities (Note 3.6)	61,300,080,950	179,688,615,950
Security deposits	9,245,993,262	9,370,825,870
<b>Total credit risk exposure</b>	<b>23,144,806,138,120</b>	<b>10,210,328,422,312</b>

## (i) Balances with banks

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

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

As at 31 December 2021 and as at 31 December 2020, there were no balance with banks that were past due nor impaired.

## 10 FINANCIAL RISK MANAGEMENT

## (a) Credit risk

## (ii) FVTPL financial assets

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

As at 31 December 2021 and as at 31 December 2020, there were no debt security that exceeds 20% of the Company's equity.

As at 31 December 2021 and as at 31 December 2020, there were no debt security that were past due nor impaired.

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

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

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

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

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

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

As at 31 December 2021 and as at 31 December 2020, there were no balance with VSD that were past due nor impaired.

## (iv) Margin loans

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

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

## NOTES TO THE FINANCIAL STATEMENTS

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FOR THE YEAR ENDED 31 DECEMBER 2021

## 10 FINANCIAL RISK MANAGEMENT

## (a) Credit risk

## (iv) Margin loans

The market value of collateral assets as at 31 December 2021 was VND55,356,391,622,480 (as at 31 December 2020: VND33,527,912,173,430).

According to prevailing securities regulations, the margin loan limit applicable to a balance (for either an individual customer or an institution customer) is 3% of the securities company's equity. As at 31 December 2021 and as at 31 December 2020, there were no margin loan balance that exceeds 3% of the Company's equity.

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

	As at	
	31.12.2021 (VND)	31.12.2020 (VND)
Past due and impaired	-	37,783,317,946
Neither past due nor impaired	13,690,097,115,046	8,586,058,213,657
Provision made	-	(37,783,317,946)
<b>Net balance</b>	<b>13,690,097,115,046</b>	<b>8,586,058,213,657</b>

## (v) Receivables

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

As at 31 December 2021 and as at 31 December 2020, there were no receivable that exceeds 10% of the Company's equity.

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

	Past due and impaired VND	Past due but not impaired VND	Neither past due nor impaired VND	Total VND
<b>As at 31.12.2021</b>				
Current	-	-	839,818,918,749	839,818,918,749
Overdue for more than 3 years	-	-	-	-
	-	-	839,818,918,749	839,818,918,749
Provision made	-	-	-	-
Net balance	-	-	839,818,918,749	839,818,918,749
<b>As at 31.12.2020</b>				
Current	-	-	256,281,836,915	256,281,836,915
Overdue for more than 3 years	1,800,474,202	-	-	1,800,474,202
	1,800,474,202	-	256,281,836,915	258,082,311,117
Provision made	(1,800,474,202)	-	-	(1,800,474,202)
<b>Net balance</b>	<b>-</b>	<b>-</b>	<b>256,281,836,915</b>	<b>256,281,836,915</b>

## (b) Market risk

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

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

## ● Interest rate risk

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

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

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

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

## ● Market price risk

Shares held by the Company, open position in futures and covered warrants are affected by market risk due to the uncertainty in the future value of these items. The Company manages its share price risk by setting up investment limits and hedging where necessary. The Investment Committee of the Company also takes part in appraisal and approval of investment in shares and issuance of covered warrants.

At 31 December 2021, had the prices of securities increased/decreased by 10% with all other variables being held constant (including tax rate), the Company's profit before tax would have been higher/lower by VND189,211,283,947 (at 31 December 2020: higher/lower by VND182,842,108,916).

## ● Currency risk

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

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

## NOTES TO THE FINANCIAL STATEMENTS

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FOR THE YEAR ENDED 31 DECEMBER 2021

## 10 FINANCIAL RISK MANAGEMENT

## (b) Market risk

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

	Original currency USD		Equivalent to VND	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
<b>Financial assets</b>				
Cash	1,933.03	1,880.68	43,948,250	42,770,475
<b>Financial liabilities</b>				
Borrowings (unhedged amount)	(91,500,000.00)	(25,000,000.00)	(2,086,050,250,000)	(579,425,000,000)
<b>Net financial liabilities</b>	<b>(91,498,066.97)</b>	<b>(24,998,119.32)</b>	<b>(2,086,006,301,750)</b>	<b>(579,382,229,525)</b>
<b>Net currency exposure</b>	<b>(91,498,066.97)</b>	<b>(24,998,119.32)</b>	<b>(2,086,006,301,750)</b>	<b>(579,382,229,525)</b>

As at 31 December 2021, if the USD had strengthened/weakened by 10% (estimated % change in exchange rate) against the VND with all other variables being held constant, the Company's profit before tax profit for the year would have been higher/lower by VND208,600,630,175 respectively as a result of foreign exchange losses/gains on translation of USD-denominated financial instruments (as at 31 December 2020: lower/higher by VND57,938,222,953 respectively).

## (c) Liquidity risk

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

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

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

	As at	
	31.12.2021 VND	31.12.2020 VND
Short-term borrowings (Note 3.11)	15,039,870,130,242	6,716,571,061,080
Trading obligations (Note 3.12)	1,461,564,263,853	935,296,094,913
Short-term trade accounts payable	1,551,194,104	5,104,995,817
Short-term accrued expenses (Note 3.14)	194,292,714,722	114,864,843,601
Other short-term payables (Note 3.15)	195,643,770,048	178,832,707,535
<b>Total financial liabilities</b>	<b>16,892,922,072,969</b>	<b>7,950,669,702,946</b>

## 10 FINANCIAL RISK MANAGEMENT

## (d) Capital adequacy ratio

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

This ratio is calculated and presented in the Company's capital adequacy ratio report. This report is prepared monthly in accordance with Circular 91/2020/TT-BTC (as at 31 December 2020: Circular 87/2017/TT-BTC dated 15 August 2017 issued by the Ministry of Finance), accordingly the Company is required to maintain a prescribed minimum level of CAR of 180%.

As at 31 December 2021, the Company's CAR was 520% (as at 31 December 2020: 658%).

## 11 OPERATING LEASE COMMITMENTS

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

	As at	
	31.12.2021 VND	31.12.2020 VND
Within 1 year	24,277,806,243	15,537,882,954
Between 1 and 5 years	44,154,814,857	44,709,911,637
Total minimum payments	68,432,621,100	60,247,794,591

## 12 CAPITAL COMMITMENTS

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

	As at	
	31.12.2021 VND	31.12.2020 VND
Software purchases	1,687,470,000	397,206,400

## 13 VOLUME AND VALUE OF TRANSACTIONS DURING THE YEAR

	Volume of transactions during the year	Value of transactions during the year
<b>a) Of the Company</b>		
Covered warrants	456,390,100	1,512,395,161,000
Shares	1,984,130,860	86,661,884,752,858
Bonds	335,926,254	35,574,105,347,268
Future contracts	715,383	99,747,136,465,000
<b>b) Of Investors</b>		
Covered warrants	222,559,300	693,704,631,000
Shares	20,045,078,114	590,980,943,111,060
Bonds	158,146,254	16,756,079,914,256
Future contracts	13,823,413	1,900,261,032,570,000
	<b>23,216,769,678</b>	<b>2,732,187,281,952,440</b>

## NOTES TO THE FINANCIAL STATEMENTS

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## 14 COMPARATIVE FIGURES

The comparative figures have been reclassified according to current year's presentation, as follows:

## (a) Statement of financial position

Code	ITEMS	As at 31 December 2020		
		Previously reported VND	Reclassifications (*) VND	Reclassified VND
325	Short-term accrued expenses	83,776,529,704	31,088,313,897	114,864,843,601
329	Other short-term liabilities	209,921,021,432	(31,088,313,897)	178,832,707,535

(\*) Reclassification some items to proper lines according to current year's presentation.

## (b) Statement of cashflows

Code	ITEMS	For year ended 31 December 2020		
		Previously reported VND	Reclassifications (*) VND	Reclassified VND
41	Increase in accrued expenses (except interest expenses)	7,741,821,136	31,088,313,897	38,830,135,033
50	Increase in other short-term payables (including covered warrants liabilities)	389,253,463,753	(31,125,532,617)	358,127,931,136
76	Payments of dividends	(365,215,620,212)	37,218,720	(365,178,401,492)

(\*) Reclassification some items to proper lines according to current year's presentation.

## 15 EVENTS AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION

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

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

Other than this event, there have been no further significant subsequent events occurring after the reporting date which would require adjustments or disclosures to be made in the financial statements.

The financial statements have been approved by the Board of Management for issuance on 22 March 2022.

Le Thi Thuy Duong  
Preparer

Lam Huu Ho  
Chief Financial Officer  
cum Chief Accountant

Trinh Hoai Giang  
Chief Executive Officer

## OUR NETWORK

## HO CHI MINH CITY

## Head Office:

Level 2,5,6,7,11 & 12, AB Tower,  
76A Le Lai Street, Ben Thanh Ward, District 1, Ho Chi Minh City

## Customer Services Center:

Level 2, AB Tower, 76A Le Lai,  
Ben Thanh Ward, District 1, Ho Chi Minh City

## HANOI

## Ha Noi Branch:

Level 1 & 2, CornerStone Building,  
16 Phan Chu Trinh, Hoan Kiem District, Hanoi

## Customer Services Center:

Level 1, CornerStone Building,  
16 Phan Chu Trinh, Hoan Kiem District, Hanoi

## Hoan Kiem Transaction Office:

Level 3A & 7, Sun Red River Building,  
23 Phan Chu Trinh, Hoan Kiem District, Hanoi





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