

Viet Dragon Securities Corporation

Financial statements

For the year ended 31 December 2020



Viet Dragon Securities Corporation

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Viet Dragon Securities Corporation

GENERAL INFORMATION

THE COMPANY

Viet Dragon Securities Corporation ("the Company") is a shareholding company incorporated under the Law on Enterprises of Vietnam pursuant to Securities Trading License No. 32/UBCK-GPHĐKD issued by the State Securities Commission on 21 December 2006 and subsequent amended licenses which the latest license is No. 46/GPĐC-UBCK dated 5 August 2020.

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

The Company's head office is located at 1-2-3-4 Floor, 141 Nguyen Du Street, Ben Thanh Ward, District 1, Ho Chi Minh City.

As at 31 December 2020, the Company has three (3) branches are located in Ha Noi, Nha Trang and Can Tho.

The number of the Company's employees as at 31 December 2020 is 266 persons (31 December 2019: 288 persons).

BOARD OF DIRECTORS

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

<i>Name</i>	<i>Title</i>	<i>Date of appointment/reappointment/resignation</i>
Mr. Nguyen Mien Tuan	Chairman	Appointed on 28 May 2020
Mr. Tran Le Nguyen	Chairman	Resigned on 28 May 2020
Mr. Nguyen Hieu	Member	Reappointed on 23 March 2017
Ms. Pham My Linh	Member	Appointed on 23 March 2017
Mr. Nguyen Quoc Bao	Member	Appointed on 28 March 2018
Mr. Nguyen Thuc Vinh	Member	Appointed on 28 May 2020
Ms. Hoang Hai Anh	Member	Appointed on 28 May 2020
Mr. Kelly Yin Hon Wong	Member	Resigned on 28 May 2020
Mr. Vo Long Nguyen	Member	Resigned on 28 May 2020

BOARD OF SUPERVISION

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

<i>Name</i>	<i>Title</i>	<i>Date of appointment/reappointment/resignation</i>
Ms. Nguyen Thi Oanh	Head of Board	Resigned on 28 May 2020
Mr. Ho Tan Dat	Head of Board	Appointed on 28 May 2020
Mr. Nguyen Van Minh	Member	Reappointed on 23 March 2017
Ms. Nguyen Thi Thuy Hang	Member	Appointed on 28 May 2020
Mr. Nguyen Thuc Vinh	Member	Resigned on 28 May 2020

Viet Dragon Securities Corporation

GENERAL INFORMATION (continued)

MANAGEMENT AND CHIEF ACCOUNTANT

Members of the Management during the year and at the date of this report are as follows:

<i>Name</i>	<i>Title</i>	<i>Date of reappointment/resignation</i>
Ms. Nguyen Thi Thu Huyen	General Director	Appointed on 8 February 2021
Mr. Nguyen Hieu	General Director	Resigned on 8 February 2021
Mr. Le Minh Hien	Deputy General Director	Appointed on 8 February 2021
Mr. Nguyen Minh Nhut	Deputy General Director	Resigned on 30 June 2020
Mr. Nguyen Chi Trung	Deputy General Director	Resigned on 26 August 2020
Ms. Duong Kim Chi	Chief Accountant	Appointed on 8 February 2021
Mr. Le Minh Hien	Chief Accountant	Resigned on 8 February 2021

LEGAL REPRESENTATIVE

From 1 January 2020 to 28 May 2020, the legal representative of the Company is Mr. Tran Le Nguyen, Chairman.

From 28 May 2020 to the date of this report, the legal representative of the Company is Mr. Nguyen Mien Tuan, Chairman. The amended license No. 46/GPĐC-UBCK was issued State Securities Commission dated 5 August 2020 on changing the legal representative.

Ms. Nguyen Thi Thu Huyen is authorized by the Board of Directors to sign the accompanying financial statements for the year ended 31 December 2020 in accordance with the Resolution of Board of Directors No. 12/2020/NQ-HDQT dated 6 August 2020.

AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.

Viet Dragon Securities Corporation

REPORT OF MANAGEMENT

Management of Viet Dragon Securities Corporation ("the Company") is pleased to present this report and the financial statements of the Company for the year ended 31 December 2020.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

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 to ensure that the accounting records comply with the applied accounting system. Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying financial statements.

STATEMENT BY MANAGEMENT

Management do hereby state that, in its opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020 and of the results of its operations, its cash flows and its changes in owners' equity for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to securities companies and the statutory requirements relevant to the preparation and presentation of the financial statements.



Ms. Nguyễn Thị Thu Huyền
General Director

Ho Chi Minh City, Vietnam

17 March 2021

Reference: 60752721/22038498

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Viet Dragon Securities Corporation

We have audited the accompanying financial statements of Viet Dragon Securities Corporation ("the Company"), as prepared on 17 March 2021 and set out on pages 6 to 62, which comprise the statement of financial position as at 31 December 2020, the income statement, the cash flow statement and the statement of changes in owners' equity for the year then ended and the notes thereto.

Management's responsibility

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Company as at 31 December 2020, and of the results of its operations, its cash flows and its changes in owners' equity for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to securities companies and the statutory requirements relevant to the preparation and presentation of the financial statements.

Other Matter

The financial statements of the Company for the year ended 31 December 2019 were audited by another audit firm which expressed an unmodified opinion on those statements on 10 March 2020.

Ernst & Young Vietnam Limited



Nguyễn Phương Nga
Deputy General Director
Audit Practicing Registration
Certificate No. 0763-2019-004-1

Vu Tien Dung
Auditor
Audit Practicing Registration
Certificate No. 3221-2020-004-1

Ho Chi Minh City, Vietnam

17 March 2021

Viet Dragon Securities Corporation

STATEMENT OF FINANCIAL POSITION
as at 31 December 2020

B01-CTCK

Code	ITEMS	Notes	Ending balance VND	Beginning balance VND
100	A. CURRENT ASSETS		2,514,895,660,024	2,245,757,277,083
110	I. Financial assets		2,511,954,686,741	2,243,543,455,396
111	1. Cash and cash equivalents	5	582,254,424,536	300,264,521,223
111.1	1.1 Cash		482,254,424,536	300,264,521,223
111.2	1.2 Cash equivalents		100,000,000,000	-
112	2. Financial assets at fair value through profit and loss ("FVTPL")	7	497,292,476,656	340,067,915,810
114	3. Loans	7	1,453,872,727,915	1,633,196,291,178
116	4. Provision for impairment of financial assets and mortgage assets	7	(44,087,345,374)	(44,087,380,995)
117	5. Receivables	8	9,612,884,685	3,707,319,372
117.1	5.1 Receivables from disposal of financial assets		6,141,978,000	-
117.2	5.2 Receivables and accruals from dividend and interest income		3,470,906,685	3,707,319,372
117.3	5.2.1 Receivables and accruals for due dividend and interest income		97,343,733	182,689,012
117.4	5.2.2 Accruals for undue dividend and interest income		3,373,562,952	3,524,630,360
118	6. Advances to suppliers	8	1,821,797,251	356,427,510
119	7. Receivables from services provided by the Company	8	10,970,504,329	10,038,311,298
122	8. Other receivables	8	2,195,425,221	1,978,258,478
129	9. Provision for impairment of receivables	8	(1,978,208,478)	(1,978,208,478)
130	II. Other current assets		2,940,973,283	2,213,821,687
131	1. Advances		329,274,066	441,766,666
132	2. Office supplies, tools and materials		29,393,100	8,963,900
133	3. Short-term prepaid expenses	9	2,550,538,995	1,736,903,445
134	4. Short-term deposits, collaterals and pledges		21,400,000	21,400,000
136	5. Tax and other receivables from the State	19	10,367,122	4,787,676
200	B. NON-CURRENT ASSETS		53,459,927,125	53,788,230,614
220	I. Fixed assets		19,168,541,889	18,982,269,642
221	1. Tangible fixed assets	10	13,894,116,239	12,024,721,719
222	1.1 Cost		54,049,433,610	48,409,028,110
223a	1.2 Accumulated depreciation		(40,155,317,371)	(36,384,306,391)
227	2. Intangible fixed assets	11	5,274,425,650	6,957,547,923
228	2.1 Cost		20,017,349,791	19,837,349,791
229a	2.2 Accumulated amortization		(14,742,924,141)	(12,879,801,868)
250	II. Other non-current assets		34,291,385,236	34,805,960,972
251	1. Long-term deposits, collaterals and pledges	12	3,459,037,920	3,127,076,384
252	2. Long-term prepaid expenses	9	832,347,316	1,678,884,588
254	3. Deposits to Settlement Assistance Fund	13	20,000,000,000	20,000,000,000
255	4. Other non-current assets	14	10,000,000,000	10,000,000,000
270	TOTAL ASSETS		2,568,355,587,149	2,299,545,507,697

Viet Dragon Securities Corporation

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

B01-CTCK

Code	ITEMS	Notes	Ending balance VND	Beginning balance VND
300	C. LIABILITIES		1,402,839,017,010	1,254,101,248,536
310	I. Current liabilities		1,390,463,539,965	1,253,304,856,662
311	1. Short-term borrowings and financial leases	15	69,594,000,000	165,900,000,000
312	1.1 Short-term borrowings		69,594,000,000	165,900,000,000
316	2. Short-term bond issuance	16	1,206,915,000,000	879,940,000,000
318	3. Payables for securities trading activities	17	2,927,753,835	1,020,694,969
320	4. Short-term trade payables	18	22,786,981,812	155,595,607,707
321	5. Short-term advance from customers		1,729,878,000	1,098,800,000
322	6. Statutory obligations	19	24,570,650,894	4,425,764,860
323	7. Payables to employees		18,385,694,326	3,699,053,756
325	8. Short-term accrued expenses	20	12,242,250,356	8,001,154,487
329	9. Other short-term payables	21	31,311,330,742	33,623,780,883
340	II. Non-current liabilities		12,375,477,045	796,391,874
353	1. Other long-term payables		612,633,000	714,983,000
356	2. Deferred tax liabilities	22	11,762,844,045	81,408,874
400	D. OWNERS' EQUITY		1,165,516,570,139	1,045,444,259,161
410	I. Owners' equity	23	1,165,516,570,139	1,045,444,259,161
411	1. Share capital		1,010,239,178,792	1,010,239,178,792
411.1	1.1 Capital contribution		1,000,999,060,000	1,000,999,060,000
411.1a	1.1.1 Ordinary shares		1,000,999,060,000	1,000,999,060,000
411.2	1.2 Share premium		9,240,118,792	9,240,118,792
414	2. Charter capital supplementary reserve		22,861,758,906	15,356,644,767
415	3. Operational risk and financial reserve		22,861,758,906	15,356,644,767
417	4. Undistributed profit		109,553,873,535	4,491,790,835
417.1	4.1. Realized profit		97,712,005,131	78,465,916,697
417.2	4.2. Unrealized profit/(loss)		11,841,868,404	(73,974,125,862)
440	TOTAL LIABILITIES AND OWNERS' EQUITY		2,568,355,587,149	2,299,545,507,697

Viet Dragon Securities Corporation

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

B01-CTCK

OFF-BALANCE SHEET ITEMS

Code	ITEMS	Notes	Ending balance VND	Beginning balance VND
	A. ASSETS OF THE COMPANY AND ASSETS MANAGED UNDER AGREEMENTS			
006	1. Outstanding shares (<i>shares</i>)	23.2	100,099,906	100,099,906
008	2. Financial assets listed/registered for trading at Vietnam Securities Depository ("VSD") of the Company	24.1	146,030,340,000	130,133,680,000
	2.1 <i>Unrestricted and traded financial assets</i>		143,830,070,000	130,133,410,000
	2.2 <i>Financial assets awaiting for settlement</i>		2,200,000,000	-
	2.3 <i>Restricted financial assets</i>		270,000	270,000
009	3. Non-traded financial assets deposited at VSD of the Company	24.2	1,931,610,000	3,070,000
	3.1 <i>Unrestricted and non-traded financial assets</i>		2,990,000	2,990,000
	3.2 <i>Unrestricted and awaiting for trading financial assets</i>		1,928,620,000	80,000
010	4. Financial assets awaiting for arrival of the Company	24.3	3,500,000,000	54,484,400,000
012	5. Financial assets which have not been deposited at VSD of the Company	24.4	88,299,890,000	4,500,200,000
013	6. Entitled financial assets of the Company		80,000	220,000

Viet Dragon Securities Corporation

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

B01-CTCK

OFF-BALANCE SHEET ITEMS (continued)

Code	ITEMS	Notes	Ending balance VND	Beginning balance VND
	B. ASSETS AND PAYABLES UNDER AGREEMENT WITH INVESTORS			
021	1. Financial assets listed/registered at VSD of investors	24.5	1,662,263,135	1,268,708,605
021.1	a. Unrestricted and traded financial assets		1,292,454,670	915,305,088
021.2	b. Restricted and traded financial assets		7,882,843	12,676,824
021.3	c. Mortgaged and traded financial assets		231,987,522	225,724,678
021.4	d. Blocked financial assets		107,346,314	90,286,355
021.5	e. Financial assets awaiting for settlement		22,591,366	24,715,510
021.7	f. Customers' deposits for derivatives trading		420	150
022	2. Non-traded financial assets deposited at VSD of investors	24.6	6,102,318	5,198,413
022.1	a. Unrestricted and non-traded financial assets		6,077,118	5,198,413
022.2	b. Restricted and non-traded financial assets		25,200	-
023	3. Financial assets awaiting for arrival of investors	24.7	21,243,453	13,182,390
025	4. Entitled financial assets of investors	24.8	420,825	2,341,727

Viet Dragon Securities Corporation

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

B01-CTCK

OFF-BALANCE SHEET ITEMS (continued)

Code	ITEMS	Notes	Ending balance VND	Beginning balance VND
	B. ASSETS AND PAYABLES UNDER AGREEMENT WITH INVESTORS (continued)			
026	5. Investors' deposits	24.9	1,106,260,893,503	319,843,095,175
027	5.1 Investors' deposits for securities trading activities managed by the Company		1,064,579,545,897	313,619,218,115
027.1	5.2 Investors' deposits at VSD		22,680,648,936	4,734,497,646
029	5.3 Investors' deposits for clearing and settlement		17,176,996,823	1,311,732,093
029.1	a. Domestic investors' deposits for clearing and settlement securities transactions		16,733,847,952	511,556,652
029.2	b. Foreign investors' deposits for clearing and settlement securities transactions		443,148,871	800,175,441
030	5.4 Deposits of securities issuers		1,823,701,847	177,647,321
031	6. Payables to investors - investors' deposits for securities trading activities managed by the Company	24.10	1,103,464,990,357	317,358,638,989
031.1	6.1 Payables to domestic investors' deposits for securities trading activities managed by the Company		1,100,332,191,914	316,959,015,244
031.2	6.2 Payables to foreign investors' deposits for securities trading activities managed by the Company		3,132,798,443	399,623,745
035	7. Dividend, bond principal and interest payables	24.11	2,795,903,146	2,484,456,186

Ms. Duong Kim Chi
Chief Accountant

Mr. Le Minh Hien
Chief Finance Officer



Ms. Nguyen Thi Thu Huyen
General Director

Ho Chi Minh City, Vietnam

17 March 2021

Viet Dragon Securities Corporation

INCOME STATEMENT
for the year ended 31 December 2020

B02-CTCK

Code	ITEMS	Notes	Current year VND	Previous year VND
	I. OPERATING INCOME			
01	1. Gain from financial assets at fair value through profit and loss ("FVTPL")		131,143,390,374	19,719,265,403
01.1	1.1 Gain from disposal of financial assets at FVTPL	25.1	68,213,396,708	11,246,570,851
01.2	1.2 Gain from revaluation of financial assets at FVTPL	25.2	58,407,175,858	129,535,257
01.3	1.3 Dividend, interest income from financial assets at FVTPL	25.3	4,522,817,808	8,343,159,295
03	2. Gain from loans and receivables	25.3	188,368,174,593	223,896,023,400
06	3. Revenue from brokerage services		105,755,305,151	76,525,080,707
07	4. Revenue from underwriting and issuance agency services		13,200,000,000	-
09	5. Revenue from securities custodian services		8,674,182,365	7,419,981,985
10	6. Revenue from financial advisory services		5,282,718,180	2,507,836,365
11	7. Revenue from other operating activities		1,967,049,773	1,829,173,985
20	Total operating income		454,390,820,436	331,897,361,845
	II. OPERATING EXPENSES			
21	1. Loss from financial assets at FVTPL		4,503,574,954	(21,932,576,278)
21.1	1.1 Loss from disposal of financial assets at FVTPL	25.1	(22,352,853,137)	(22,896,375,876)
21.2	1.2 Loss from revaluation of financial assets at FVTPL	25.2	27,408,818,408	963,799,598
21.3	1.3 Transaction costs of acquisition of FVTPL financial assets		(552,390,317)	-
24	2. Provision expenses for diminution in value and impairment of financial assets, doubtful debts and borrowing costs of loans	26	(95,162,868,527)	(113,660,367,674)
26	3. Expenses for proprietary activities	27	(3,447,704,216)	(1,940,079,387)
27	4. Expenses for brokerage services	28	(71,429,098,546)	(70,612,687,417)
29	5. Expenses for securities investment advisory services		(2,432,908,691)	(2,829,292,095)
30	6. Expenses for securities custodian services	29	(8,842,651,458)	(7,638,968,448)
31	7. Expenses for financial advisory services	30	(10,871,428,416)	(10,003,111,723)
32	8. Expenses for other operating activities	31	(12,108,401,046)	(10,167,978,989)
40	Total operating expenses		(199,791,485,946)	(238,785,062,011)

Viet Dragon Securities Corporation

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

B02-CTCK

Code	ITEMS	Notes	Current year VND	Previous year VND
	III. FINANCE INCOME			
41	1. Realized and unrealized gain from changes in foreign exchange rates		54,000,000	210,000,000
42	2. Dividend and interest income from demand deposits		11,516,287,012	11,152,538,868
50	Total finance income		11,570,287,012	11,362,538,868
	IV. FINANCE EXPENSES			
51	1. Realized and unrealized loss from changes in foreign exchange rates		(2,119,000,000)	(781,000,000)
60	Total finance expenses		(2,119,000,000)	(781,000,000)
62	V. GENERAL AND ADMINISTRATIVE EXPENSES	32	(71,742,899,142)	(61,233,045,417)
70	VI. OPERATING PROFIT		192,307,722,360	42,460,793,285
	VII. OTHER INCOME AND EXPENSES			
71	1. Other income		354,553,480	58,016,726
72	2. Other expenses		(100,000)	(15,675,995)
80	Total other operating profit		354,453,480	42,340,731
90	VIII. PROFIT BEFORE TAX		192,662,175,840	42,503,134,016
91	1. Realized profit		106,846,181,574	41,409,799,161
92	2. Unrealized profit		85,815,994,266	1,093,334,855
100	IX. CORPORATE INCOME TAX (CIT) EXPENSES	33	(42,559,893,062)	(7,857,866,061)
100.1	1. Current CIT expense	33.2	(30,878,457,891)	(7,831,959,010)
100.2	2. Deferred CIT expense	33.3	(11,681,435,171)	(25,907,051)
200	X. PROFIT AFTER TAX		150,102,282,778	34,645,267,955

Viet Dragon Securities Corporation

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

B02-CTCK

Code	ITEMS	Notes	Current year VND	Previous year VND
500	XI. NET INCOME PER SHARE			
501	1. Basic earnings per share (VND/share)	34	1,500	346
502	2. Diluted earnings per share (VND/share)	34	1,500	346



Ms. Duong Kim Chi
Chief Accountant



Mr. Le Minh Hien
Chief Finance Officer




Ms. Nguyen Thi Thu Huyen
General Director

Ho Chi Minh City, Vietnam

17 March 2021

Viet Dragon Securities Corporation

CASH FLOW STATEMENT
for the year ended 31 December 2020

B03-CTCK

Code	ITEMS	Notes	Current year VND	Previous year VND
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Profit before tax		192,662,175,840	42,503,134,016
02	2. Adjustments for		(8,678,956,429)	8,229,002,824
03	- Depreciation and amortization expense		6,427,909,253	6,215,102,484
04	- Provisions	7.4	(35,621)	16,798,758,580
05	- Unrealized loss from changes in foreign exchange rates	15	144,000,000	75,000,000
07	- Gain from investing activities		(11,779,923,376)	(11,152,538,868)
08	- Accrued interest income	8	(3,470,906,685)	(3,707,319,372)
10	3. Decrease in non-monetary expenses		(27,408,818,408)	(963,799,598)
11	- Loss from revaluation of financial assets at FVTPL	25.2	(27,408,818,408)	(963,799,598)
18	4. Increase in non-monetary income		(58,407,175,858)	(129,535,257)
19	- Gain from revaluation of financial assets at FVTPL	25.2	(58,407,175,858)	(129,535,257)
30	5. Operating gains before changes in working capital		(18,807,872,308)	(7,528,704,552)
31	- Increase in financial assets at FVTPL		(71,408,566,580)	(116,938,158,845)
33	- Decrease/(increase) in loans		179,323,563,263	(47,830,908,105)
35	- Increase in receivables from sale of financial assets	8	(6,141,978,000)	-
36	- Decrease in receivables of dividend and accrued interests of financial assets		3,707,319,372	3,539,330,720
37	- (Increase)/decrease in receivables from services provided by the Company		(932,193,031)	7,311,361,215
39	- (Increase)/decrease in other receivables		(1,682,536,484)	245,305,861
40	- (Increase)/decrease in other assets		(245,477,582)	3,938,195,541
41	- Increase/(decrease) in accrued expenses (excluding interest expenses)		4,241,095,869	(6,253,656,209)
42	- Decrease in prepaid expenses		32,901,722	1,300,957,270
43	- Corporate income tax paid	19	(16,018,345,096)	(6,030,678,843)
45	- (Decrease)/increase in trade payables		(132,808,625,895)	153,853,128,607
47	- Increase/(decrease) in taxes and statutory obligation payables (excluding CIT paid)		5,284,773,239	(2,823,258,895)
48	- Increase in payables to employees		14,686,640,570	3,522,507,001
50	- Increase/(decrease) in other payables		3,153,556,325	(256,485,536)
52	- Other payments for operating activities		-	(1,106,344,334)
60	Net cash from operating activities		79,359,352,837	42,110,097,433

Viet Dragon Securities Corporation

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

B03-CTCK

Code	ITEMS	Notes	Current year VND	Previous year VND
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
61	1. Purchase and construction of fixed assets, investment properties and other long-term assets		(6,614,181,500)	(5,785,350,575)
62	2. Proceeds from disposal and sale of fixed assets, investment properties and other long-term assets		263,636,364	-
65	3. Interest and dividends from long term investments received		11,516,287,012	11,152,538,868
70	Net cash from investing activities		5,165,741,876	5,367,188,293
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
73	1. Drawdown of borrowings		2,961,551,000,000	3,263,787,000,000
73.2	1.1 Other borrowings		2,961,551,000,000	3,263,787,000,000
74	2. Repayment of borrowings		(2,731,026,000,000)	(3,015,996,000,000)
74.3	2.1 Other repayment of borrowings		(2,731,026,000,000)	(3,015,996,000,000)
76	3. Profit distributed to shareholders		(33,060,191,400)	(66,747,864,300)
80	Net cash from financing activities		197,464,808,600	181,043,135,700
90	NET CASH DURING THE YEAR		281,989,903,313	228,520,421,426
101	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	5	300,264,521,223	71,744,099,797
101.1	1. Cash		300,264,521,223	71,744,099,797
103	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5	582,254,424,536	300,264,521,223
103.1	1. Cash		482,254,424,536	300,264,521,223
103.2	2. Cash equivalents		100,000,000,000	-

Viet Dragon Securities Corporation

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

B03-CTCK

CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF THE CUSTOMERS

Code	ITEMS	Notes	Current year VND	Previous year VND
	I. Cash flows from brokerage and trust activities of the customers			
01	1. Cash receipts from disposal of brokerage securities of customers		6,520,699,644,690	5,091,538,089,733
02	2. Cash payments for acquisition of brokerage securities of customers		(6,504,834,379,960)	(5,218,989,908,794)
07	3. Cash receipts for settlement of securities transactions of customers		57,152,789,228,473	53,063,070,348,473
07.1	4. Investors' deposits at VSD		305,044,193,868	271,267,021,739
08	5. Cash payments for securities transactions of customers		(56,688,926,943,269)	(53,648,375,335,402)
14	6. Cash receipts from securities issuers		630,429,897,553	1,007,983,028,864
15	7. Cash payments to securities issuers		(628,783,843,027)	(1,019,164,376,295)
20	Net increase/(decrease) in cash during the year		786,417,798,328	(452,671,131,682)
30	II. Cash and cash equivalents of the customers at the beginning of the year	24.9	319,843,095,175	772,514,226,857
31	Cash at banks at the beginning of the year:		319,843,095,175	772,514,226,857
32	- Investors' deposits managed by the Company for securities trading activities		318,353,715,761	632,391,680,951
	In which: Investors' deposits at VSD		4,734,497,646	12,786,914,195
34	- Deposits for clearing and settlement of securities transaction		1,311,732,093	128,763,551,154
35	- Securities issuers' deposits		177,647,321	11,358,994,752

Viet Dragon Securities Corporation

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

B03-CTCK

CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF THE CUSTOMERS (continued)

Code	ITEMS	Notes	Current year VND	Previous year VND
40	III. Cash and cash equivalents of the customers at the end of the year	24.9	1,106,260,893,503	319,843,095,175
41	Cash at banks at the end of the year:		1,106,260,893,503	319,843,095,175
42	- Investors' deposits managed by the Company for securities trading activities		1,087,260,194,833	318,353,715,761
	In which: Investors' deposits at VSD		22,680,648,936	4,734,497,646
44	- Deposits for clearing and settlement of securities transaction		17,176,996,823	1,311,732,093
45	- Securities issuers' deposits		1,823,701,847	177,647,321



Ms. Duong Kim Chi
Chief Accountant



Mr. Le Minh Hien
Chief Finance Officer



Ms. Nguyen Thi Thu Huyen
General Director

Ho Chi Minh City, Vietnam

17 March 2021

Viet Dragon Securities Corporation

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

B04-CTCK

ITEMS	Notes	Beginning balance		Increase/(decrease)				Ending balance	
		1 January 2019 VND	1 January 2020 VND	Previous year		Current year		31 December 2019 VND	31 December 2020 VND
				Increase VND	Decrease VND	Increase VND	Decrease VND		
I. CHANGES IN OWNERS' EQUITY	23								
1. Share capital		1,010,239,178,792	1,010,239,178,792	-	-	-	-	1,010,239,178,792	1,010,239,178,792
1.1 Ordinary share		1,000,999,060,000	1,000,999,060,000	-	-	-	-	1,000,999,060,000	1,000,999,060,000
1.1 Share premium		9,240,118,792	9,240,118,792	-	-	-	-	9,240,118,792	9,240,118,792
2. Charter capital supplementary reserve		13,624,381,369	15,356,644,767	1,732,263,398	-	7,505,114,139	-	15,356,644,767	22,861,758,906
3. Operational risk and financial reserve		13,624,381,369	15,356,644,767	1,732,263,398	-	7,505,114,139	-	15,356,644,767	22,861,758,906
4. Undistributed profit		73,410,955,676	4,491,790,835	34,645,267,955	(103,564,432,796)	150,102,282,778	(45,040,200,078)	4,491,790,835	109,553,873,535
- Realized profit		148,478,416,393	78,465,916,697	33,551,933,100	(103,564,432,796)	64,286,288,512	(45,040,200,078)	78,465,916,697	97,712,005,131
- Unrealized (loss)/profit		(75,067,460,717)	(73,974,125,862)	1,093,334,855	-	85,815,994,266	-	(73,974,125,862)	11,841,868,404
TOTAL		1,110,898,897,206	1,045,444,259,161	38,109,794,751	(103,564,432,796)	165,112,511,056	(45,040,200,078)	1,045,444,259,161	1,165,516,570,139



Ms. Duong Kim Chi
Chief Accountant



Mr. Le Minh Hien
Chief Finance Officer



Ms. Nguyen Thi Thu Huyen
General Director

Ho Chi Minh City, Vietnam

17 March 2021

1. CORPORATE INFORMATION

Viet Dragon Securities Corporation ("the Company") is a shareholding company incorporated under the Law on Enterprises of Vietnam pursuant to Securities Trading License No. 32/UBCK-GPHĐKD issued by the State Securities Commission on 21 December 2006 and subsequent amended licenses which the latest license is No. 46/GPĐC-UBCK dated 5 August 2020.

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

The Company's head office is located at 1-2-3-4 Floor, 141 Nguyen Du Street, Ben Thanh Ward, District 1, Ho Chi Minh City.

As at 31 December 2020, the Company has branches located in Ha Noi, Nha Trang and Can Tho.

The number of the Company's employees as at 31 December 2020 is 266 persons (31 December 2019: 288 persons).

Main features of operation of the Company

Capital

According to the statement of financial position as at 31 December 2020, the Company's charter capital amounts to VND1,000,999,060,000 while its owners' equity is VND1,165,516,570,139 and its total assets are VND2,568,355,587,149.

Investment objectives

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

Investment restrictions

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

- ▶ Securities company is not allowed to invest, contribute capital to invest in real-estate investment except for the purpose of use for head office, branches, and transaction offices directly serving professional business activities of the securities company.
- ▶ Securities company may invest in real-estate investment and fixed assets on the principle that the carrying value of the fixed assets and real-estate investment should not exceed fifty percent (50%) of the total value of assets of the securities company.
- ▶ Securities company is not allowed to use more than seventy percent (70%) of its charter capital to invest in corporate bonds. Securities company, licensed to engage in self-trading activity, is allowed to trade listed bonds in accordance with relevant provision on trading Government bonds.

1. CORPORATE INFORMATION (continued)

Investment restrictions (continued)

- ▶ Securities company must not by itself, or authorize another organization or individuals to: Invest in shares or contribute capital to companies that owned more than fifty percent (50%) of the charter capital of the securities company, except for purchasing of odd lots at the request of customers; Make joint investment with an affiliated person of five percent (5%) or more in the charter capital of another securities company; Invest more than twenty percent (20%) in the total currently circulating shares or fund certificates of a listing organization; Invest more than fifteen percent (15%) in the total currently circulating shares or fund certificates of an unlisted organization, this provision shall not apply to member fund, ETF fund or open-end fund certificates; Invest or contribute capital of more than ten percent (10%) in the total paid-up capital of a limited company or of a business project; Invest or contribute more than fifteen percent (15%) of its equity in a single organization or of a business project; Invest more than seventy percent (70%) of its total equity in shares, capital contribution and a business project, specifically invest more than twenty percent (20%) of its total equity in unlisted shares, capital contribution and a business project.
- ▶ Securities company is allowed to establish or purchase an asset management company as a subsidiary. In that case, securities company is not required to follow the above restrictions.

2. BASIS OF PREPARATION

2.1 Applied accounting standards and system

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

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

2.2 Registered accounting documentation system

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

2.3 Fiscal year

The Company's fiscal year starts on 1 January and ends on 31 December.

2. BASIS OF PREPARATION (continued)

2.4 Accounting currency

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

3. STATEMENT ON THE COMPLIANCE WITH VIETNAMESE ACCOUNTING STANDARDS AND SYSTEMS

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks and short-term, highly liquid investments with an original maturity of three months or less that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

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

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

Financial assets recognized at fair value through profit and loss are financial assets that satisfy either of the following conditions:

- a) It is classified as held for trading. A financial asset is classified as held for trading if:
 - ▶ It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
 - ▶ There is evidence of a recent actual pattern of short-term profit-taking; or
 - ▶ It is a derivative (except derivative that is a financial guarantee contract or effective hedging instrument).
- b) Upon initial recognition, a financial asset is designated by the entity as at fair value through profit and loss as it meets one of the following criteria:
 - ▶ The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the asset or recognizing gains or losses on a different basis; or
 - ▶ The assets and liabilities are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management policy or investment strategy.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Increase in the difference arising from revaluation of financial assets at FVTPL at fair value and book value in comparison with the previous period is recognized into the income statement under "*Gain from revaluation of financial assets at FVTPL*". Decrease in the difference arising from revaluation of financial assets at FVTPL at fair value and book value in comparison with the previous period is recognized into the income statement under "*Loss from revaluation of financial assets at FVTPL*".

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

4.3 Loans

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

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

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

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

Loans are subject to an assessment of impairment at the financial statement date. Provision is made for loan based on its estimated loss which is determined by the negative difference between the market value of securities used as collaterals for such loan and the loan balance. Any increase/decrease in the balance of provision is recognized in the income statement under "*Provision expense for diminution in value and impairment of financial assets and doubtful debts and borrowing costs of loans*".

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Fair value/market value of financial assets

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

- ▶ For securities listed on Hanoi Stock Exchange and Ho Chi Minh City Stock Exchange, their market prices are their closing prices on the trading day preceding the date of setting up the provision.
- ▶ For unlisted securities registered for trading on the Unlisted Public Company Market ("UPCom"), their market prices are their closing prices on the trading day preceding the date of setting up the provision.
- ▶ For the delisted securities and suspended trading securities from the sixth day afterward, their prices are the book value at the latest financial report date.
- ▶ The market price for unlisted securities and securities unregistered for trading on UPCom used as a basis for setting up the provision is the average of actual trading prices quoted by three (03) securities companies conducting transactions at the latest date preceding the revaluation date.
- ▶ For unlisted bonds, their market prices is the maximum value of the following values: The quoted price (if any) announced on quotation systems selected by the securities-trading organization, plus accrued interest; the purchase price, plus accrued interest; the par value, plus accrued interest; the price determined according to internal regulations of the Company, including accrued interest.

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

For the purpose of determining CIT taxable profit, the tax bases for financial assets are determined by cost minus (-) provision for diminution in value. Accordingly, market value of securities for provision purpose is determined in accordance with the Circular No.146/2014/TT-BTC.

4.5 Derecognition of financial assets

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

- ▶ The rights to receive cash flows from the asset have expired; or
- ▶ The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either:
 - The Company has substantially transferred all the risks and rewards of the asset, or
 - The Company has substantially neither transferred nor retained all the risks and rewards of the asset but has transferred control of the asset.

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 *Reclassification of financial assets*

Reclassification when selling financial assets other than FVTPL

When selling financial assets other than FVTPL, securities companies are required to reclassify those financial assets to financial assets at FVTPL. The difference arising from the revaluation of financial assets AFS which recognized in "Gain/(loss) from revaluation of financial assets AFS" will be recognized as corresponding revenue or expenses at the date of reclassification of financial assets AFS for selling purpose.

Reclassification due to change in purpose or ability to hold

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

- ▶ Non-derivative financial assets at FVTPL or financial assets that are not required to classify as financial asset at FVTPL at the initial recognition can be classified as loans and other receivables or as cash and cash equivalents if the requirements are met. The gains or losses arising from revaluation of financial assets at FVTPL prior to the reclassification are not allowed to be reversed.
- ▶ Due to changes in purposes or ability to hold, some HTM investments are required to be reclassified into AFS financial assets and to be reassessed at fair value. The difference arising from revaluation between carrying value and fair value are recognized under "Gain/loss from revaluation of assets at fair value" in Owners' equity.

4.7 *Receivables*

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

Receivables are subject to review for impairment based on their overdue status or estimated loss arising from undue debts of corporate debtors who have bankruptcy or are under liquidation; or of individual debtors who are missing, have fled, are prosecuted, detained or tried by law enforcement bodies, are serving sentences or are currently suffering from a fatal disease (certified by the hospital) or dead or the debt has been sued for debt collection by the enterprise but the case has been suspended. Increases or decreases to the provision balance are recorded as "Provision expenses for diminution in value and impairment of financial assets, doubtful debts and borrowing costs of loans" in the income statement.

The Company has made provision for doubtful receivables in accordance with Circular No. 48/2019/TT-BTC dated 8 August 2019 issued by the Ministry of Finance. Accordingly, the provision rates for overdue receivables are as follows:

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

4.9 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortization.

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

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

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

4.10 *Depreciation and amortization*

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

Means of transportation	6 years
Office equipment	3 - 8 years
Computer software	3 - 8 years
Trademark	5 years
Copyrights	3 - 5 years
Other intangible fixed assets	5 years

4.11 *Operating leases*

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

4.12 *Borrowings and non-convertible bonds issued*

Borrowings and non-convertible bonds issued by the Company are recorded and stated at cost of the balance at the end of the accounting period.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 Prepaid expenses

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

The following types of expenses are recorded as short-term and long-term prepaid expenses and are amortized over the year from one (1) year to three (3) years to the income statement:

- ▶ Office renovation expenses;
- ▶ Office tools and consumables;
- ▶ Office rental expenses; and
- ▶ Other prepaid expenses.

4.14 Payables and accrued expenses

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

4.15 Employee benefits

4.15.1 Post-employment benefits

Post-employment benefits are paid to retired employees of the Company by the Social Insurance Agency, which belongs to the Ministry of Labor and Social Affairs. The Company is required to contribute to these post-employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 17.5% of an employee's basic salary, salary-related allowances and other supplements. Other than that, the Company has no further obligation relating to post-employment benefits.

4.15.2 Severance allowance

The Company has the obligation, under Section 48 of the Vietnam Labor Code 10/2012/QH13 effective from 1 May 2013, to pay allowance arising from voluntary resignation of employees, equal to one-half month's salary for each year of employment up to 31 December 2008 plus salary allowances (if any). From 1 January 2009, the average monthly salary used in this calculation is the average monthly salary of the latest six-month period up to the resignation date.

4.15.3 Unemployment allowance

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.16 Foreign currency transactions

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

- ▶ Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- ▶ Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment;
- ▶ Capital contributions are recorded at the buying exchange rates of the commercial banks designated for capital contribution; and
- ▶ Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

At the end of the year, monetary balances denominated in foreign currencies are determined as follows:

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

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

4.17 Revenue recognition

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

Revenue from brokerage services

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

Revenue from trading of securities

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

Interest income

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

Dividends

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.17 Revenue recognition (continued)

Other income

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

Other revenues from rendering services

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

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

4.18 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the year in which they are incurred.

4.19 Cost of securities sold

The Company applies moving weighted average method to calculate cost of proprietary securities sold.

4.20 Corporate income tax

Current income tax

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

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

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

Deferred income tax

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.20 Corporate income tax (continued)

Deferred income tax (continued)

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

The carrying amount of deferred income tax assets is reviewed at each financial year end date and reduced to a certain extent that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be recovered. Previously unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred income tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset realized, or the liability is settled based on tax rates and tax laws that have been enacted at the reporting date. Deferred tax is recorded to the income statement, except when it relates to items recognized directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxable entity and the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

4.21 Owners' equity

Contributed capital from shareholders

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

Undistributed profit

Undistributed profit comprises of realized and unrealized undistributed profit.

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.21 Owners' equity (continued)

Reserves

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

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

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

4.22 Distribution of net profits

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

4.23 Segment information

A segment is a component determined separately by the Company which is engaged in providing products or related services (business segment) or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

The Company's principal activities are mainly taking place throughout Vietnam. Therefore, the Company's risks and returns are not impacted by the locations where the Company is trading. As a result, the Company's management is of the view that there is only one segment for geography and therefore the Company only presents the segmental information based on activities.

4.24 Nil balances

Items or balances required by Circular No. 210/2014/TT-BTC dated 30 December 2014, Circular No. 334/2016/TT-BTC dated 27 December 2016 and Circular No. 146/2014/TT-BTC dated 6 October 2014 issued by the Ministry of Finance that are not shown in these financial statements indicate nil balance.

5. CASH AND CASH EQUIVALENTS

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Cash	482,254,424,536	300,264,521,223
Cash on hand	78,962,012	77,950,111
Cash at banks for operation of the Company	468,785,684,766	149,347,148,582
Cash for clearing and settlement securities transaction	13,389,777,758	150,839,422,530
Cash equivalents	100,000,000,000	-
	582,254,424,536	300,264,521,223

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6. VALUE AND VOLUME OF TRADING IN THE YEAR

	Volume of trading in the year (Unit)	Value of trading in the year (VND)
a. The Company	125,191,725	3,269,379,358,024
- Shares	124,125,124	2,318,822,745,306
- Bonds	1,066,601	950,556,612,718
b. Investors	3,609,905,105	56,749,417,605,330
- Shares	3,508,851,585	55,868,366,790,030
- Bonds	5,310,000	542,007,580,000
- Other shares	95,743,520	339,043,235,300
	3,735,096,830	60,018,796,963,354

7. FINANCIAL ASSETS

7.1 Financial assets at fair value through profit and loss ("FVTPL")

	Ending balance		Beginning balance	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Listed shares	182,608,923,961	241,033,295,850	188,928,700,178	148,233,281,730
Unlisted shares	218,239,761,243	172,437,219,880	225,113,341,494	191,834,634,080
Unlisted bonds (i)	84,601,923,048	83,821,960,926	-	-
	485,450,608,252	497,292,476,656	414,042,041,672	340,067,915,810

(i) This represents an investment in Novaland Group Corporation's bonds. The bond code is NVLBOND2020-06, par value at VND1,000,000 for each bond, interest rates of 10% per annum, term from 30 June 2020 to 30 June 2022 and interest is paid twice a year. The bonds are guaranteed by 8,000,000 shares of Novaland Group Corporation which are owned by Diamond Properties Joint Stock Company.

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7. FINANCIAL ASSETS (continued)

7.2 Loans

	Ending balance			Beginning balance		
	Cost VND	Provision VND	Fair value (iii) VND	Cost VND	Provision VND	Fair value (iii) VND
Margin activities (i)	1,257,337,721,141	(44,087,345,374)	1,213,250,375,767	1,295,702,784,902	(44,087,380,995)	1,251,615,403,907
Advances to customers (ii)	196,535,006,774	-	196,535,006,774	337,493,506,276	-	337,493,506,276
	1,453,872,727,915	(44,087,345,374)	1,409,785,382,541	1,633,196,291,178	(44,087,380,995)	1,589,108,910,183

- (i) Securities under margin transaction are used as collaterals for the loans granted by the Company to investors. As at 31 December 2020 and 31 December 2019, the par value of those securities that are used as collaterals for margin trading was VND2,059,537,330,000 and VND2,801,112,610,000 respectively, (the market value of those securities that are used as collaterals for margin trading was VND5,138,578,862,700 and VND4,302,362,692,533 respectively).

Including in the margin activities is the investment cooperation contract before the regulation relating to margin loans were issued amounting to VND27,287,632,936. The Company has made full provision against these balances.

- (ii) These relate to advances to investors during the year that the shares selling proceeds are awaiting to be received.

- (iii) Determining the fair value of financial assets

The fair value of financial assets was reflected at the value that the financial assets are traded in the prevailing transactions between involved parties, excluding the cases that financial assets are sold or liquidated.

The Company uses the following methods and assumptions to estimate fair value:

The fair value of margin loans, cash advances of selling securities and investment cooperation approximates their carrying value, which is cost less provision, due to short-term maturities of these instruments.

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7. FINANCIAL ASSETS (continued)

7.3 Changes in market values of financial assets

Financial assets	Current year					Previous year				
	Cost VND	Fair value VND	Revaluation difference		Revaluation value VND	Cost VND	Fair value VND	Revaluation difference		Revaluation value VND
			Increase VND	Decrease VND				Increase VND	Decrease VND	
Financial assets at fair value through profit and loss (FVTPL)										
1. Listed shares										
DIG	55,547,490,000	96,826,374,900	41,278,884,900	-	96,826,374,900	121,844,208,163	90,102,904,800	-	(31,741,303,363)	90,102,904,800
FPT	52,512,050,802	53,220,141,000	708,090,198	-	53,220,141,000	3,674,659	4,255,900	581,241	-	4,255,900
TCB	30,914,531,317	42,525,472,500	11,610,941,183	-	42,525,472,500	346,785	353,250	6,465	-	353,250
PC1	12,511,225,871	15,368,230,750	2,857,004,879	-	15,368,230,750	9,464,978,440	7,148,855,000	-	(2,316,123,440)	7,148,855,000
DRC	11,636,544,898	13,077,896,850	1,441,351,952	-	13,077,896,850	7,982,696,026	8,156,281,500	173,585,474	-	8,156,281,500
HPG	9,812,432,470	10,373,940,200	561,507,730	-	10,373,940,200	1,700,405	1,786,000	85,595	-	1,786,000
AGG	6,100,000,000	5,740,000,000	-	(360,000,000)	5,740,000,000	-	-	-	-	-
STK	3,033,849,350	3,212,497,200	178,647,850	-	3,212,497,200	993,195	859,950	-	(133,245)	859,950
Other shares	540,799,253	688,742,450	174,648,014	(26,704,817)	688,742,450	49,630,102,505	42,817,985,330	230,281,279	(7,042,398,454)	42,817,985,330
	182,608,923,961	241,033,295,850	58,811,076,706	(386,704,817)	241,033,295,850	188,928,700,178	148,233,281,730	404,540,054	(41,099,958,502)	148,233,281,730
2. Unlisted shares										
QNS	147,400,000,000	131,655,000,000	-	(15,745,000,000)	131,655,000,000	149,988,000,000	149,988,000,000	-	-	149,988,000,000
BSR	66,359,912,561	38,967,390,000	-	(27,392,522,561)	38,967,390,000	68,188,808,393	35,396,568,000	-	(32,792,240,393)	35,396,568,000
DORU	4,450,000,000	1,800,000,000	-	(2,650,000,000)	1,800,000,000	4,450,000,000	4,230,000,000	-	(220,000,000)	4,230,000,000
FOAM	29,848,682	14,829,880	3,143,522	(18,162,324)	14,829,880	2,486,533,101	2,220,066,080	2,504,316	(268,971,337)	2,220,066,080
Other shares	218,239,761,243	172,437,219,880	3,143,522	(45,805,684,885)	172,437,219,880	225,113,341,494	191,834,634,080	2,504,316	(33,281,211,730)	191,834,634,080
3. Unlisted bonds										
NOVA	84,601,923,048	83,821,960,926	-	(779,962,122)	83,821,960,926	-	-	-	-	-
LAND	485,450,608,252	497,292,476,656	58,814,220,228	(46,972,351,824)	497,292,476,656	414,042,041,672	340,067,915,810	407,044,370	(74,381,170,232)	340,067,915,810

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7. FINANCIAL ASSETS (continued)

7.4 Provision for impairment of financial assets

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

<i>Financial assets</i>	<i>Basis for provision</i>		<i>Provision at</i>	<i>Provision at</i>	<i>Reversal</i>
	<i>Cost</i>	<i>Revaluation value</i>	<i>31 December 2020</i>	<i>31 December 2019</i>	<i>during the year</i>
	<i>VND</i>	<i>VND</i>	<i>VND</i>	<i>VND</i>	<i>VND</i>
Loans					
Margin activities	1,257,337,721,141	1,213,250,375,767	44,087,345,374	44,087,380,995	(35,621)
Advances to customers	196,535,006,774	196,535,006,774	-	-	-
	1,453,872,727,915	1,409,785,382,541	44,087,345,374	44,087,380,995	(35,621)

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8. RECEIVABLES

	Ending balance VND	Beginning balance VND
Receivables from disposal of financial assets	6,141,978,000	-
Receivables and accruals from dividends and interest income from financial assets	3,470,906,685	3,707,319,372
- <i>Receivables and accruals for due dividend and interest income</i>	97,343,733	182,689,012
- <i>Accruals for undue dividend and interest income</i>	3,373,562,952	3,524,630,360
Advances to suppliers	1,821,797,251	356,427,510
Receivables from services provided by the Company	10,970,504,329	10,038,311,298
- <i>Receivables from custodian services</i>	8,641,736,696	8,238,840,163
- <i>Other receivables</i>	2,328,767,633	1,799,471,135
Other receivables	2,195,425,221	1,978,258,478
Provision for impairment of receivables	(1,978,208,478)	(1,978,208,478)
	22,622,403,008	14,102,108,180

Details of provision for impairment of receivables:

	Doubtful debts		Provision		
	Beginning balance VND	Ending balance VND	Beginning balance VND	Addition/ (reversal) VND	Ending balance VND
Other receivables					
- <i>Van Thien Hung</i>	1,978,208,478	1,978,208,478	1,978,208,478	-	1,978,208,478

9. PREPAID EXPENSES

	Ending balance VND	Beginning balance VND
Short-term prepaid expenses	2,550,538,995	1,736,903,445
- <i>Office supplies, tools and materials</i>	585,246,405	28,198,976
- <i>Office renovation expenses</i>	140,161,904	-
- <i>Other expenses</i>	1,825,130,686	1,708,704,469
Long-term prepaid expenses	832,347,316	1,678,884,588
- <i>Office renovation expenses</i>	532,396,579	869,088,043
- <i>Other expenses</i>	299,950,737	809,796,545
	3,382,886,311	3,415,788,033

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10. TANGIBLE FIXED ASSETS

	<i>Means of transportation VND</i>	<i>Office equipment VND</i>	<i>Total VND</i>
Cost			
Beginning balance	5,837,902,900	42,571,125,210	48,409,028,110
Increase during the year	1,470,790,000	4,963,391,500	6,434,181,500
Disposals during the year	(711,447,000)	(82,329,000)	(793,776,000)
Ending balance	6,597,245,900	47,452,187,710	54,049,433,610
Accumulated depreciation			
Beginning balance	4,279,376,079	32,104,930,312	36,384,306,391
Depreciation during the year	524,361,699	4,040,425,281	4,564,786,980
Disposals during the year	(711,447,000)	(82,329,000)	(793,776,000)
Ending balance	4,092,290,778	36,063,026,593	40,155,317,371
Net book value			
Beginning balance	1,558,526,821	10,466,194,898	12,024,721,719
Ending balance	2,504,955,122	11,389,161,117	13,894,116,239

Cost of tangible fixed assets which have been fully depreciated but are still in use at 31 December 2020 amounted to VND28,251,335,434 (31 December 2019: VND28,280,765,434).

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11. INTANGIBLE FIXED ASSETS

	<i>Computer software VND</i>	<i>Trademark VND</i>	<i>Copyrights VND</i>	<i>Others VND</i>	<i>Total VND</i>
Cost					
Beginning balance	17,365,497,066	307,500,192	1,661,848,751	502,503,782	19,837,349,791
Increase during the year	180,000,000	-	-	-	180,000,000
Ending balance	17,545,497,066	307,500,192	1,661,848,751	502,503,782	20,017,349,791
Accumulated amortization					
Beginning balance	10,509,018,643	307,500,192	1,560,779,251	502,503,782	12,879,801,868
Amortization during the year	1,776,491,273	-	86,631,000	-	1,863,122,273
Ending balance	12,285,509,916	307,500,192	1,647,410,251	502,503,782	14,742,924,141
Net book value					
Beginning balance	6,856,478,423	-	101,069,500	-	6,957,547,923
Ending balance	5,259,987,150	-	14,438,500	-	5,274,425,650

Cost of intangible fixed assets which have been fully amortized but are still in use at 31 December 2020 amounted to VND10,661,460,628 (31 December 2019: VND10,611,460,628).

12. LONG-TERM DEPOSITS, COLLATERALS AND PLEDGES

These are security deposits for office rentals at Head Office, Ha Noi, Nha Trang and Can Tho Branch.

13. DEPOSITS TO SETTLEMENT ASSISTANCE FUND

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

According Decision No. 27/QĐ-VSD dated 13 March 2015 regarding the regulations on management and usage of the Assistance Fund issued by the General Director of the Vietnam Securities Depository, the Company must deposit an initial amount of VND120 million at the Vietnam Securities Depository and pay an addition of 0.01% of the total amount of brokered securities in the previous year, but not over VND2.5 billion per annum. The maximum contribution of each custody member to the Settlement Assistance Fund is VND 20 billion for custody members who are the company having trading securities and brokerage activities.

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

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Initial payment	120,000,000	120,000,000
Addition payment	13,464,509,286	13,464,509,286
Interests	6,415,490,714	6,415,490,714
	20,000,000,000	20,000,000,000

14. OTHER NON-CURRENT ASSETS

Other non-current assets are the deposits in the Derivatives Trading Clearing Fund. According to the Policy on Management and Use of Derivatives Trading Clearing Fund issued in conjunction with Decision No. 97/QĐ-VSD dated 23 March 2017 by the Vietnam Securities Depository, the minimum amount of initial contribution applicable to direct clearing members is VND10 billion.

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15. SHORT-TERM BORROWINGS AND FINANCE LEASE LIABILITIES

	<i>Interest rate % per annum</i>	<i>Beginning balance VND</i>	<i>Addition during the year VND</i>	<i>Repayment during the year VND</i>	<i>Revaluation VND</i>	<i>Ending balance VND</i>
Short-term borrowings						
- From a foreign bank (i)	3.30 – 5.30	115,900,000,000	698,906,000,000	(745,356,000,000)	144,000,000	69,594,000,000
- From domestic banks	5.25 – 10.50	50,000,000,000	1,169,000,000,000	(1,219,000,000,000)	-	-
		165,900,000,000	1,867,906,000,000	(1,964,356,000,000)	144,000,000	69,594,000,000

(i) The ending balance represents the unsecured borrowings with a total value of USD3,000,000 and longest tenor not exceeding 60 days from the date of drawdown.

16. SHORT-TERM BOND ISSUANCE

	<i>Interest rate % per annum</i>	<i>Beginning balance VND</i>	<i>Addition during the year VND</i>	<i>Repayment during the year VND</i>	<i>Ending balance VND</i>
Short-term bond issuance					
- Held by individuals	8.5 – 9.5	372,440,000,000	625,645,000,000	(517,670,000,000)	480,415,000,000
- Held by corporations	9.0 – 9.5	507,500,000,000	468,000,000,000	(249,000,000,000)	726,500,000,000
		879,940,000,000	1,093,645,000,000	(766,670,000,000)	1,206,915,000,000

These are registered, unconvertible and unsecured bonds issued privately to individuals and institutions. Each bond has a par value of VND1,000,000 and a tenor of 1 year since its issue date.

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17. PAYABLES FOR SECURITIES TRADING ACTIVITIES

These are expenses payable to the stock exchanges.

18. SHORT-TERM TRADE PAYABLES

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Payables for purchases of shares trading on UPCom	-	149,988,000,000
Payables for purchases of listed securities	18,730,000,000	3,814,872,000
Payables for purchases of goods and services	4,056,981,812	1,792,735,707
	22,786,981,812	155,595,607,707

19. STATUTORY OBLIGATIONS

<i>Items</i>	<i>Beginning balance VND</i>	<i>Payables during the year VND</i>	<i>Payment during the year VND</i>	<i>Ending balance VND</i>
Corporate income tax	31,468,933	30,878,457,891	(16,018,345,096)	14,891,581,728
Value added tax	78,919,189	773,845,439	(612,730,948)	240,033,680
Personal income tax on behalf of investors	2,457,733,923	33,213,588,768	(28,637,459,748)	7,033,862,943
Personal income tax	1,804,512,040	8,164,710,870	(7,698,976,506)	2,270,246,404
- <i>Payables</i>	1,809,299,716			2,280,613,526
- <i>Receivables</i>	(4,787,676)			(10,367,122)
Foreign contractor tax	48,343,099	972,901,280	(896,685,362)	124,559,017
Business registration tax	-	7,500,000	(7,500,000)	-
	4,420,977,184	74,011,004,248	(53,871,697,660)	24,560,283,772
In which:				
- <i>Receivables</i>	(4,787,676)			(10,367,122)
- <i>Payables</i>	4,425,764,860			24,570,650,894

20. SHORT-TERM ACCRUED EXPENSES

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Interests on bonds and borrowings	7,537,165,161	6,974,118,489
Accrued team building expense	2,000,000,002	-
Board of Directors' remuneration	1,700,000,000	-
Brokerage fee and custody fee	609,090,993	585,935,998
Others	395,994,200	441,100,000
	12,242,250,356	8,001,154,487

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21. OTHER SHORT-TERM PAYABLES

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Dividend payables	30,463,378,900	33,493,598,500
Others	847,951,842	130,182,383
	31,311,330,742	33,623,780,883

Movement in the dividend payables during the year is as follows:

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Beginning balance	33,493,598,500	141,556,800
Cash dividend declared		
- Advance dividend of 2020 (i)	30,029,971,800	-
- Final dividend of 2018 (ii)	-	70,069,934,200
- Advance dividend of 2019 (iii)	-	30,029,971,800
Dividend paid	(33,060,191,400)	(66,747,864,300)
Ending balance	30,463,378,900	33,493,598,500

- (i) According to the Resolution of the Annual General Meeting of Shareholders on 28 May 2020, the planned dividend rate of 2020 was 3% of the charter capital of VND1,000,999,060,000. Accordingly, on 30 December 2020, the Board of Directors decided to advance the dividend of 2020 at 3% of the par value (1 share is entitled to VND300) to shareholders in the registry as at 19 January 2021.
- (ii) The Annual General Meeting of Shareholders on 18 April 2019 approved the total cash dividend of 2018 at 7% on charter capital of VND1,000,999,060,000. The dividend payment date was 30 January 2019 and 27 May 2019.
- (iii) According to the Resolution of the Annual General Meeting of Shareholders on 18 April 2019, the planned dividend rate of 2019 was 8% of the charter capital of VND1,000,999,060,000. Accordingly, on 9 December 2019, the Board of Directors decided to advance the dividend of 2019 at 3% of the par value (1 share is entitled to VND300) to shareholders in the registry as at 24 December 2019 and the dividend actual payment date was 6 January 2020. The Annual General Meeting of Shareholders on 28 May 2020 approved the final cash dividend of 2019 was 3%.

22. DEFERRED TAX LIABILITIES

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Deferred tax liabilities		
Taxable temporary differences:		
Increase in revaluation gain of financial assets at FVTPL	58,814,220,228	407,044,370
Calculated at tax rate 20% applicable to the Company	11,762,844,045	81,408,874

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23. OWNERS' EQUITY

23.1 Undistributed profit

	Ending balance VND	Beginning balance VND
Realized profit	97,712,005,131	78,465,916,697
Unrealized profit/(loss)	11,841,868,404	(73,974,125,862)
	109,553,873,535	4,491,790,835

23.2 Share capital

	Share capital VND	Share premium VND	Charter capital supplementary reserve VND	Operational risk and financial reserve VND	Undistributed profit VND	Total VND
Beginning balance	1,000,999,060,000	9,240,118,792	15,356,644,767	15,356,644,767	4,491,790,835	1,045,444,259,161
Net profit for the year	-	-	-	-	150,102,282,778	150,102,282,778
Profit appropriations to reserves	-	-	7,505,114,139	7,505,114,139	(15,010,228,278)	-
Advance dividend of 2020	-	-	-	-	(30,029,971,800)	(30,029,971,800)
Ending balance	1,000,999,060,000	9,240,118,792	22,861,758,906	22,861,758,906	109,553,873,535	1,165,516,570,139

Detail of Company share capital as at 31 December 2020:

	Share Unit	Amount VND	Ratio %
Nguyen Mien Tuan	17,810,953	178,109,530,000	17.79
Nguyen Xuan Do	17,000,000	170,000,000,000	16.98
Asia Investment Company	15,043,617	150,436,170,000	15.03
Pham My Linh	11,921,276	119,212,760,000	11.91
Other shareholders	38,324,060	383,240,600,000	38.29
	100,099,906	1,000,999,060,000	100.00

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23. OWNERS' EQUITY (continued)

23.2 Share capital (continued)

The Company's shares are as follows:

	<i>Ending balance</i> <i>Unit</i>	<i>Beginning balance</i> <i>Unit</i>
Authorized shares	100,099,906	100,099,906
Ordinary shares	100,099,906	100,099,906
Shares issued and fully paid	100,099,906	100,099,906
Ordinary shares	100,099,906	100,099,906
Outstanding shares	100,099,906	100,099,906
Ordinary shares	100,099,906	100,099,906

24. DISCLOSURE OF OFF-BALANCE SHEET ITEMS

24.1 Financial assets listed/registered for trading at VSD of the Company

	<i>Par value</i>	
	<i>Ending balance</i> <i>VND</i>	<i>Beginning balance</i> <i>VND</i>
Unrestricted and traded financial assets	143,830,070,000	130,133,410,000
Financial assets awaiting for settlement	2,200,000,000	-
Restricted financial assets	270,000	270,000
	146,030,340,000	130,133,680,000

24.2 Non-traded financial assets deposited at VSD of the Company

	<i>Par value</i>	
	<i>Ending balance</i> <i>VND</i>	<i>Beginning balance</i> <i>VND</i>
Unrestricted and non-traded financial assets	2,990,000	2,990,000
Unrestricted and awaiting for trading financial assets	1,928,620,000	80,000
	1,931,610,000	3,070,000

24.3 Financial assets awaiting for arrival of the Company

	<i>Par value</i>	
	<i>Ending balance</i> <i>VND</i>	<i>Beginning balance</i> <i>VND</i>
Financial assets awaiting for arrival	3,500,000,000	54,484,400,000

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24. DISCLOSURE OF OFF-BALANCE SHEET ITEMS (continued)

24.4 Financial assets which have not been deposited at VSD of the Company

	Par value	
	Ending balance VND	Beginning balance VND
Financial assets which have not been deposited	88,299,890,000	4,500,200,000

24.5 Financial assets listed/registered at VSD of investors

	Quantity	
	Ending balance	Beginning balance
Unrestricted and traded financial assets	1,292,454,670	915,305,088
Restricted and traded financial assets	7,882,843	12,676,824
Mortgage and traded financial assets	231,987,522	225,724,678
Blocked financial assets	107,346,314	90,286,355
Financial assets awaiting for settlement	22,591,366	24,715,510
Customers' deposits for derivatives trading	420	150
	1,662,263,135	1,268,708,605

24.6 Non-traded financial assets deposited at VSD of investors

	Quantity	
	Ending balance	Beginning balance
Unrestricted and non-traded financial assets	6,077,118	5,198,413
Restricted and non-traded financial assets	25,200	-
	6,102,318	5,198,413

24.7 Financial assets awaiting for arrival of investors

	Quantity	
	Ending balance	Beginning balance
Shares	21,243,453	13,182,390

24. DISCLOSURE OF OFF-BALANCE SHEET ITEMS (continued)

24.8 Entitled financial assets of investors

	Quantity	
	Ending balance	Beginning balance
Shares	420,825	2,341,727

24.9 Investors' deposits

	Ending balance VND	Beginning balance VND
Investors' deposits for securities trading activities managed by the Company	1,064,579,545,897	313,619,218,115
- Domestic investors' deposits for securities trading activities managed by the Company	1,061,446,747,454	313,219,594,370
- Foreign investors' deposits for securities trading activities managed by the Company	3,132,798,443	399,623,745
Investors' deposits at VSD	22,680,648,936	4,734,497,646
Investors' deposits for clearing and settlement	17,176,996,823	1,311,732,093
- Domestic investors' deposits for clearing and settlement securities transactions	16,733,847,952	511,556,652
- Foreign investors' deposits for clearing and settlement securities transactions	443,148,871	800,175,441
Deposits of securities issuers	1,823,701,847	177,647,321
	1,106,260,893,503	319,843,095,175

24.10 Payables to investors – investors' deposits for securities trading activities managed by the Company

	Ending balance VND	Beginning balance VND
Payables to investors - Investors' deposits for securities trading activities managed by the Company		
- Domestic investors	1,100,332,191,914	316,959,015,244
- Foreign investors	3,132,798,443	399,623,745
	1,103,464,990,357	317,358,638,989

24.11 Dividend, bond principal and interest payables

	Ending balance VND	Beginning balance VND
Dividend payables	2,795,903,146	2,484,456,186

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25. GAIN/(LOSS) FROM FINANCIAL ASSETS

25.1 Gain/(loss) from sale of financial assets at FVTPL

	Current year VND	Previous year VND
Gain from sale of financial assets at FVTPL	68,213,396,708	11,246,570,851
Loss from sale of financial assets at FVTPL	(22,352,853,137)	(22,896,375,876)
	45,860,543,571	(11,649,805,025)

Details of net realized loss from disposals of FVTPL financial assets by category are as follows:

No	Financial assets	Quantity Shares	Proceeds VND	Cost of disposals (*) VND	Loss from sale during the current year VND	Loss from sale during the previous year VND
1	Listed securities	34,899,557	659,866,680,800	619,312,315,596	40,554,365,204	(8,102,955,309)
2	Unlisted securities	29,027,791	547,625,995,500	546,695,735,291	930,260,209	(3,546,849,716)
3	Unlisted bonds	491,401	437,353,262,993	432,977,344,835	4,375,918,158	-
		64,418,749	1,644,845,939,293	1,598,985,395,722	45,860,543,571	(11,649,805,025)

(*) The costs of disposals are determined by the weighted average method up to the end of the trading date.

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

25.2 Gain/(loss) from revaluation of financial assets

				Current year VND	Previous year VND
Increase in revaluation gain of FVTPL financial assets				58,407,175,858	129,535,257
Increase in revaluation loss of FVTPL financial assets				27,408,818,408	963,799,598
				85,815,994,266	1,093,334,855

No	Financial assets	Cost VND	Fair value VND	Revaluation difference as at 31 December 2020 VND	Revaluation difference as at 31 December 2019 VND	Charged to income statement VND
1	Listed shares	182,608,923,961	241,033,295,850	58,424,371,889	(40,695,418,448)	99,119,790,337
2	Unlisted shares	218,239,761,243	172,437,219,880	(45,802,541,363)	(33,278,707,414)	(12,523,833,949)
3	Unlisted bonds	84,601,923,048	83,821,960,926	(779,962,122)	-	(779,962,122)
		485,450,608,252	497,292,476,656	11,841,868,404	(73,974,125,862)	85,815,994,266

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

25.3 Dividend, interest income from financial assets at FVTPL, loans and receivables

	<i>Current year VND</i>	<i>Previous year VND</i>
Dividend, interest from financial assets at FVTPL	4,522,817,808	8,343,159,295
Interest income from loans and receivables	188,368,174,593	223,896,023,400
	192,890,992,401	232,239,182,695

26. PROVISION EXPENSES FOR DIMINUTION IN VALUE AND IMPAIRMENT OF FINANCIAL ASSETS, DOUBTFUL DEBTS AND BORROWING COSTS OF LOANS

	<i>Current year VND</i>	<i>Previous year VND</i>
Borrowing costs to finance lending activities	95,162,904,148	96,861,609,094
(Reversal)/expenses of provision for impairment of loans	(35,621)	16,798,758,580
	95,162,868,527	113,660,367,674

27. EXPENSES FOR PROPRIETARY ACTIVITIES

	<i>Current year VND</i>	<i>Previous year VND</i>
Salary expense and other related expenses	3,033,309,573	1,357,029,714
Office rentals	285,422,529	276,582,240
Other expenses	128,972,114	306,467,433
	3,447,704,216	1,940,079,387

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28. EXPENSES FOR BROKERAGE SERVICES

	<i>Current year</i> <i>VND</i>	<i>Previous year</i> <i>VND</i>
Salary expense and other related expenses	36,383,331,004	33,683,360,616
Transaction fee for brokerage activities	16,638,113,530	15,831,485,847
Office rentals	6,831,743,649	6,847,348,188
Commission expenses	4,942,421,294	5,306,532,515
Depreciation and amortization expenses	958,650,000	1,354,825,668
Other expenses	5,674,839,069	7,589,134,583
	71,429,098,546	70,612,687,417

29. EXPENSES FOR SECURITIES CUSTODIAN SERVICES

	<i>Current year</i> <i>VND</i>	<i>Previous year</i> <i>VND</i>
Custody expenses	7,563,584,286	6,619,973,491
Other expenses	1,279,067,172	1,018,994,957
	8,842,651,458	7,638,968,448

30. EXPENSES FOR FINANCIAL ADVISORY SERVICES

	<i>Current year</i> <i>VND</i>	<i>Previous year</i> <i>VND</i>
Salary expense and other related expenses	8,895,398,166	8,483,642,310
Office rentals	622,446,218	530,912,724
Other expenses	1,353,584,032	988,556,689
	10,871,428,416	10,003,111,723

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31. EXPENSES FOR OTHER OPERATING SERVICES

	<i>Current year VND</i>	<i>Previous year VND</i>
Salary expense and other related expenses	9,892,157,189	7,630,404,608
Office rentals	1,473,727,425	1,261,792,616
Other expenses	742,516,432	1,275,781,765
	12,108,401,046	10,167,978,989

32. GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Current year VND</i>	<i>Previous year VND</i>
Salary expense and other related expenses	43,656,188,919	36,962,526,187
Depreciation and amortization expenses	5,469,259,253	4,860,276,816
Office rentals	4,294,231,183	4,231,472,756
Maintenance expenses	1,936,442,928	1,594,976,832
Events and business trip expenses	1,581,073,585	1,937,466,079
Electricity, telecommunication services	1,632,591,876	2,063,179,459
Remuneration of the Board of Directors	2,075,568,000	1,126,700,000
Other expenses	11,097,543,398	8,456,447,288
	71,742,899,142	61,233,045,417

33. CORPORATE INCOME TAX

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

33.1 Corporate income tax expense

The total corporate income tax in this period is represented in the table below:

	<i>Current year VND</i>	<i>Previous year VND</i>
Current CIT expense	30,878,457,891	7,831,959,010
Deferred CIT expense	11,681,435,171	25,907,051
	42,559,893,062	7,857,866,061

33. CORPORATE INCOME TAX (continued)

33.2 Current CIT expense

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

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

	<i>Current year</i> <i>VND</i>	<i>Previous year</i> <i>VND</i>
Profit before tax	192,662,175,840	42,503,134,016
At CIT rate of 20% applicable to the Company	38,532,435,168	8,500,626,803
Increase adjustments	956,367,537	486,547,746
<i>Non-deductible expenses</i>	956,367,537	486,547,746
Decrease adjustments	11,970,305,397	1,204,026,664
<i>Dividend income</i>	288,870,226	1,178,119,613
<i>Increase in revaluation gain of financial assets at FVTPL</i>	11,681,435,171	25,907,051
Additional tax paid after finalization	3,359,960,583	48,811,125
Current CIT expense	30,878,457,891	7,831,959,010

33.3 Deferred CIT expense

The Company recognised the deferred CIT expense and deferred CIT liabilities with the movement in current year and previous year below:

	<i>Statement of financial position</i>		<i>Income statement</i>	
	<i>Ending balance</i> <i>VND</i>	<i>Beginning balance</i> <i>VND</i>	<i>Current period</i> <i>VND</i>	<i>Previous period</i> <i>VND</i>
Deferred CIT liabilities				
Gain from revaluation of financial assets at FVTPL	11,762,844,045	81,408,874	11,681,435,171	25,907,051
Deferred CIT expense			11,681,435,171	25,907,051

The tax authorities have finalized the corporate income tax up to 31 December 2017.

34. BASIC EARNINGS PER SHARE

34.1 Basis earnings per share

Basic earnings per share amounts are calculated by dividing net profit after tax for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

The following reflects the profit and share data used in the basic and diluted earnings per share computations:

	<i>Current year</i> VND	<i>Previous year</i> VND
Profit after tax attributable to ordinary shareholders (VND)	150,102,282,778	34,645,267,955
Weighted average number of outstanding ordinary shares (share)	100,099,906	100,099,906
Basic earnings per share (VND/share)	1,500	346

34.2 Diluted earnings per share

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

35. OTHER INFORMATION

35.1 Related party transactions

Parties are considered to be related parties of the Company if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Company and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of the family of any such individual.

Details of the relationship between the Company and related parties are as follows:

<i>Related party</i>	<i>Relationship</i>
Mr. Nguyen Mien Tuan	Major shareholder
Mr. Nguyen Xuan Do	Major shareholder
Asia Investment Company	Major shareholder
Ms. Pham My Linh	Major shareholder
Hoang Trieu Company Limited	Member of Board of Directors of the Company is the legal representative of Hoang Trieu Company Limited
Board of Directors and the management	Key management

35. OTHER INFORMATION (continued)

35.1 Related party transactions (continued)

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

<i>Related parties</i>	<i>Transactions</i>	<i>Current year VND</i>	<i>Previous year VND</i>
Hoang Trieu Company Limited	Office rentals and related services	11,541,156,177	11,371,362,501
Major shareholders	Dividend paid	11,098,191,300	17,126,701,700
Board of Directors and the management	Remuneration, salary and other benefit	9,510,404,009	9,735,725,876

Balances with related parties at the reporting date are as follows:

<i>Related parties</i>	<i>Transactions</i>	<i>Payables</i>	
		<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Hoang Trieu Company Limited	Trade payables	174,886,001	146,795,115
Major shareholders	Dividend paid in 2020	8,089,467,900	3,008,723,400

35.2 Segment information

Brokerage services segment generates revenues and expenses related to securities brokerages and securities investment advisory services.

Proprietary activities segment generates revenues and expenses related to FVTPL financial assets.

Financial advisory services segment generates revenues and expenses related to corporates financial advisory, underwriting, M&A consultancy and another consultancy.

Securities services segment generates revenues and expenses related to margin loans and custody securities.

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35. OTHER INFORMATION (continued)

35.2 Segment information (continued)

Segment information by business lines are as follows:

	<i>Proprietary activities VND</i>	<i>Brokerage services VND</i>	<i>Financial advisory services VND</i>	<i>Securities services and others VND</i>	<i>Total VND</i>
Current year					
Net income from securities trading activities	128,143,359,435	106,573,952,424	18,482,718,180	197,583,734,003	450,783,764,042
Direct expenses	1,356,847,056	(63,600,875,066)	(10,105,046,505)	(100,959,707,401)	(173,308,781,916)
Depreciation and allocated expenses	(300,976,318)	(10,359,260,798)	(766,381,911)	(15,054,859,480)	(26,481,478,507)
Segment result	129,199,230,173	32,613,816,560	7,611,289,764	81,569,167,122	250,993,503,619
Net financial income					13,058,343,406
General and administrative expenses					(71,744,124,665)
Net other income					354,453,480
Operating result					192,662,175,840
As at 31 December 2020					
Segment assets	616,984,013,236	38,602,368,613	401,830,000	1,890,948,417,866	2,546,936,629,715
Unallocated assets	-	-	-	-	21,418,957,434
Total assets	616,984,013,236	38,602,368,613	401,830,000	1,890,948,417,866	2,568,355,587,149
Segment liabilities	(18,730,000,000)	(7,632,839,030)	(1,729,878,000)	(1,284,046,165,161)	(1,312,138,882,191)
Unallocated liabilities	-	-	-	-	(90,700,134,819)
Total liabilities	(18,730,000,000)	(7,632,839,030)	(1,729,878,000)	(1,284,046,165,161)	(1,402,839,017,010)

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35. OTHER INFORMATION (continued)

35.2 Segment information (continued)

Segment information by business lines are as follows:

	<i>Proprietary activities VND</i>	<i>Brokerage services VND</i>	<i>Financial advisory services VND</i>	<i>Securities services and others VND</i>	<i>Total VND</i>
Previous year					
Net income from securities trading activities	17,263,724,173	77,238,499,618	2,507,836,365	231,701,742,276	328,711,802,432
Direct expenses	(23,551,953,429)	(60,493,312,158)	(9,142,317,278)	(115,842,580,067)	(209,030,162,932)
Depreciation and allocated expenses	(320,702,236)	(12,948,667,354)	(860,794,445)	(15,624,735,044)	(29,754,899,079)
Segment result	(6,608,931,492)	3,796,520,106	(7,495,275,358)	100,234,427,165	89,926,740,421
Net financial income					13,767,098,281
General and administrative expenses					(61,233,045,417)
Net other income					42,340,731
Operating result					42,503,134,016
As at 31 December 2019					
Segment assets	490,907,338,340	39,264,656,569	283,000,000	1,750,598,610,300	2,281,053,605,209
Unallocated assets	-	-	-	-	18,491,902,488
Total assets	490,907,338,340	39,264,656,569	283,000,000	1,750,598,610,300	2,299,545,507,697
Segment liabilities	(153,802,872,000)	(2,047,730,967)	(1,098,800,000)	(1,052,814,118,489)	(1,209,763,521,456)
Unallocated liabilities	-	-	-	-	(44,337,727,080)
Total liabilities	(153,802,872,000)	(2,047,730,967)	(1,098,800,000)	(1,052,814,118,489)	(1,254,101,248,536)

35. OTHER INFORMATION (continued)

35.3 Operating lease commitments

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

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Within 1 year	14,507,397,120	13,594,343,129
From 1 - 5 years	35,877,925,040	45,376,508,360
	50,385,322,160	58,970,851,489

35.4 Purposes and policies of financial risk management

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

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

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

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

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market price comprises four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk including financial asset at FVTPL, loans, deposits and held-to-maturity investments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rate relates primarily to the Company's cash, short-term deposits and HTM investment.

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

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

35. OTHER INFORMATION (continued)

35.4 Purposes and policies of financial risk management (continued)

Market risk (continued)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities in which revenue or expense is denominated in a different currency. The Company manages its currency risk by continuously monitoring of foreign exchange rates and thereby timely updating its forecast of cash flows in foreign currencies. The Company's operations are exposed to risk of certain currencies, mainly the United States Dollar ("USD").

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

	<i>Original currency USD</i>		<i>Equivalent to VND</i>	
	<i>31 December 2020</i>	<i>31 December 2019</i>	<i>31 December 2020</i>	<i>31 December 2019</i>
Financial assets	-	-	-	-
Financial liabilities				
Short-term borrowings	(3,000,000)	(5,000,000)	(69,594,000,000)	(115,900,000,000)
Net financial liability	(3,000,000)	(5,000,000)	(69,594,000,000)	(115,900,000,000)
Net currency exposure	(3,000,000)	(5,000,000)	(69,594,000,000)	(115,900,000,000)

Share price risk

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

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

At the reporting date, the fair value of both the Company's listed shares and unlisted shares amounted to VND413,470,515,730 (31 December 2019: VND340,067,915,810). A decrease by 10% on the stock market index may result in a decrease in the Company's profit before tax by VND41,347,051,573 (31 December 2019: VND34,006,791,581). An increase by 10% on the stock market index may result in an increase in the Company's profit before tax by VND41,347,051,573 (31 December 2019: VND34,006,791,581).

35. OTHER INFORMATION (continued)

35.4 Purposes and policies of financial risk management (continued)

Credit risk

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

Trade receivables

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

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

Deposits at banks

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

Margin loans and advances to customers

The Company manages its credit risks via the use of internal control policies, processes and procedures relevant to margin lending and advance payments to customers. The Company assesses customers to determine their credit limits and margin rates before lending margin and advances to customers and periodically reassesses the financial position of customers to adjust the credit limits and margin rates accordingly. The credit limits are measured based on value of collateral assets, customer's credit rating and other indicators.

35. OTHER INFORMATION (continued)

35.4 Purposes and policies of financial risk management (continued)

Credit risk (continued)

Loans and advances to customers (continued)

The following loans are considered as overdue as at 31 December 2020 (excluding of contracts that was extended or liquidated before the signing date of this report). Except for financial assets which are reserved for impairment, according to the Management's assessment, the remaining financial assets are neither overdue nor impaired as they are all liquid.

	<i>Total VND</i>	<i>Balance provision VND</i>	<i>Neither past due nor impaired VND</i>	<i>Past due but not impairment</i>			
				<i>Under 3 months VND</i>	<i>From 3 - 6 months VND</i>	<i>Over 6 - 12 months VND</i>	<i>Over 1 year VND</i>
Beginning balance	1,633,196,291,178	44,087,433,255	1,589,108,857,923	-	-	-	-
Ending balance	1,453,872,727,915	44,087,433,254	1,409,785,247,341	-	-	-	-

Liquidity risk

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

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

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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35. OTHER INFORMATION (continued)

35.4 Purposes and policies of financial risk management (continued)

Liquidity risk (continued)

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

	Overdue VND	On demand VND	Up to 1 year VND	Over 1 to 5 years VND	Over 5 years VND	Total VND
FINANCIAL ASSETS						
Cash and cash equivalents	-	582,254,424,536	-	-	-	582,254,424,536
Financial asset at FVTPL	-	413,470,515,730	-	83,821,960,926	-	497,292,476,656
Loans - gross	44,087,433,254	-	1,409,785,294,661	-	-	1,453,872,727,915
Receivables from disposal of financial assets	-	-	6,141,978,000	-	-	6,141,978,000
Receivables and accruals from dividend and interest income	-	-	3,470,906,685	-	-	3,470,906,685
Receivables from services provided by the Company	-	-	10,970,504,329	-	-	10,970,504,329
Advances to suppliers	-	-	1,821,797,251	-	-	1,821,797,251
Short-term deposits, collaterals and pledges	-	-	21,400,000	-	-	21,400,000
Other receivables - gross	1,978,208,478	217,216,743	-	-	-	2,195,425,221
Long-term deposits, collaterals and pledges	-	-	78,000,000	3,381,037,920	-	3,459,037,920
Deposits to Settlement Assistance Fund	-	20,000,000,000	-	-	-	20,000,000,000
Other non-current assets	-	10,000,000,000	-	-	-	10,000,000,000
	46,065,641,732	1,025,942,157,009	1,432,289,880,926	87,202,998,846	-	2,591,500,678,513

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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35. OTHER INFORMATION (continued)

35.4 Purposes and policies of financial risk management (continued)

Liquidity risk (continued)

	Overdue VND	On demand VND	Up to 1 year VND	Over 1 to 5 years VND	Over 5 years VND	Total VND
FINANCIAL LIABILITIES						
Short-term borrowings and financial leases	-	-	69,594,000,000	-	-	69,594,000,000
Short-term bond issuance	-	-	1,206,915,000,000	-	-	1,206,915,000,000
Payables for securities trading activities	-	-	2,927,753,835	-	-	2,927,753,835
Short-term trade payables	-	-	22,786,981,812	-	-	22,786,981,812
Short-term advance from customers	-	-	1,729,878,000	-	-	1,729,878,000
Short-term accrued expenses	-	-	12,242,250,356	-	-	12,242,250,356
Other short-term payables	-	31,311,330,742	612,633,000	-	-	31,923,963,742
	-	31,311,330,742	1,316,808,497,003	-	-	1,348,119,827,745
Net liquidity gap	46,065,641,732	994,630,826,267	115,481,383,923	87,202,998,846	-	1,243,380,850,768

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

36. EVENT AFTER THE BALANCE SHEET DATE

On 30 December 2020, State Securities Commission issued the Decision No. 944/QĐ-UBCK to approve the transaction which changes the shares ownership of Viet Dragon Fund Management Joint Stock Company.

On 6 January 2021, Viet Dragon Securities Corporation completed the purchasing transaction to acquire 51% of shares of Viet Dragon Fund Management Joint Stock Company.

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



Ms. Duong Kim Chi
Chief Accountant



Mr. Le Minh Hien
Chief Finance Officer



Ms. Nguyen Thi Thu Huyen
General Director

Ho Chi Minh City, Vietnam

17 March 2021