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SCAN TO VIEW
ONLINE VERSION

VIET CAPITAL SECURITIES JOINT STOCK COMPANY

ANNUAL REPORT

2022

ANNUAL REPORT 2022



TRANSFORMING WITH NEW ENERGY

VIET CAPITAL SECURITIES

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ANNUAL REPORT 2022



TRANSFORMING WITH NEW ENERGY

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THE MORE VOLATILE THE WORLD IS, THE STRONGER WE MUST BE

Dear distinguished shareholders,

"It's not the same as in the past" is something we often hear when someone is reminiscing about previous times. Over the last two years, this statement has become increasingly used by many people. Since the start of the COVID-19 pandemic, the fluctuations of everyday life, the economy and politics have caused the world to operate in

a completely different way. These changes are very real, and they have made people, businesses, organizations and countries face a series of difficulties, challenges and opportunities. In addition, change continues to happen rapidly, which makes it difficult to plan for the future.



VCSC's equity was
(VND)

6,495^{bn}

at end-2022, an **18x** increase compared to 2007



When uncertainty covers the world, we at Viet Capital Securities Joint Stock Company (VCSC) wonder how we can continue to achieve greatness, promote our values and make breakthroughs, which are all things we have done since our establishment.

At the company's establishment in 2007, VCSC's equity was VND360bn. Since then, it has increased 18 times to VND6,495bn as of the end of 2022 as a result of our strong domestic and global business network. As we are "customer centric" in all business decisions and activities, VCSC has fulfilled the most important role of a financial enterprise, which is optimizing profits for shareholders and enhancing return on equity. Even in difficult times such as the COVID-19 pandemic in 2021 and the sharp decline of Vietnam's stock market in 2022, VCSC has remained resilient. We are one of a few securities companies that did not launch new fundraising rounds from investors over the last five years but instead only used accumulated profits after paying dividends to shareholders. As a result, VCSC has maintained EPS growth and a positive ROE despite external influences.

Over the past 15 years, VCSC has always followed a mission to build a sustainable and prosperous financial market for investors while strengthening Vietnam's economy. Our foundation is not easily shaken by the fluctuations and uncertainties of the world. However, VCSC needs a plan that will allow us to become stronger. Therefore, it is time for VCSC to enter a period of transformation, which is vital for us to create new energy, new spirit and new goals.

The sustainable development of VCSC comes from the efforts of each individual. Our transformation will require us to optimize our mentality and simplify our operation. The creation and dedication of our leadership team - along with the positivity, initiative and enthusiasm demonstrated by VCSC's employees over the years - will be a solid foundation for VCSC to achieve this goal. In 2023, we are looking to evolve in all business activities, including innovation and an improvement in service quality. Our entrepreneur spirit will be utilized as we embark on this journey.

There will be challenges in every change we make. However, I strongly believe the strong determination of all members of VCSC will help us to overcome obstacles and become stronger as we enter a new era of sustainable development.

On behalf of VCSC, please allow me to express my sincere and deep gratitude to our shareholders, customers and partners who have trusted us and will continue to do so throughout our development. We are determined to fulfill our mission and contribute value to all of our stakeholders as well as the Vietnamese economy.

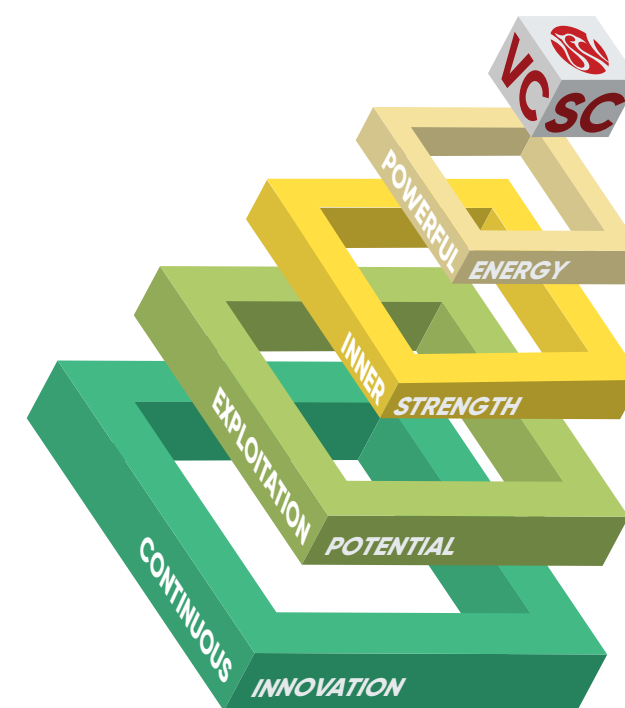
Best Regards,

Nguyen Thanh Phuong
Chairwoman of the Board



TRANSFORMING WITH NEW ENERGY

In 2023, VCSC is expected to create a new image with modern energy while maintaining our traditional values, promoting our strengths and reaching our potential. Each person at VCSC needs to be proactive to adapt with new business conditions, listen to our customers' needs and master new technology.



2023 represents a significant milestone for VCSC as we enter a new period after the first 15 years of our company's history.

Thanks our perseverance and dedication in building trust with our customers, VCSC has continually made achievements and affirmed its position in the market. Our journey to become the leading financial institution in Vietnam has required significant contributions from enthusiastic and determined individuals who have worked hard to grow our company and develop the country's economy. The success that VCSC has today is the result of our continuous efforts.

The future is full of challenges; therefore, everyone at VCSC needs to be focused on maintaining positivity, passion and enthusiasm. This is the inspiration that has made us choose **"Transforming with New Energy"** as the theme for our 2022 annual report. This theme also demonstrates the affirmation of our leadership's comprehensive innovation strategy.

Based on the spirit using our customer-centric focus for achieving sustainable development goals, we believe that our efforts will benefit our investors, partners and everyone who is helping to build VCSC.

**2007 - 2008****ESTABLISHMENT &
BRANCH OPENING**

VCSC was established and entered operation in November 2007.

Charter capital: VND360bn

First branch opening in Hanoi.

2009 - 2010**TRADING SYSTEM UPGRADE &
INCREASE IN CHARTER CAPITAL**

Deployed one of the most advanced trading systems in the industry, which was provided by Tong Yang.

Charter capital: VND378bn

Opened Nguyen Cong Tru transaction office in HCMC.

Among the top 10 securities companies on the Hanoi Stock Exchange (HNX) in Q2 2010.

2011 - 2013**ORGANIZED VIETNAM ACCESS DAY
& ACHIEVED TOP 3 BROKERAGE
MARKET SHARE ON HOSE**

Held Vietnam Access Day for the first time, which attracted more than 300 domestic & international guests, speakers and investment funds.

Charter capital: VND398.4bn

Resources were reallocated and business activities improved.

2011: Among the top six securities companies in terms of market share on HNX.

2012: Among the top five securities companies in terms of market share on the HCMC Stock Exchange (HOSE).

2013: Among the top three securities companies in terms of market share on HOSE.

2014 - 2015**BREAKTHROUGH PERFORMANCE &
MAINTAINING TOP 3 MARKET SHARE
ON HOSE**

Vietnam Access Day became Vietnam's largest annual investment seminar as it attracted hundreds of domestic & international investors and leading businesses.

Breakthrough performance with ROE of over 30%.

Charter capital: VND500bn

2017 - 2018**LISTED ON HOSE & FORTIFIED
POSITION IN TOP 3**

Listed on HOSE on July 7, 2017. Maintained brokerage market share and strengthened consulting activities.

Charter capital: VND1,200bn

Equity: VND3,020bn at end-2017.

2019 - 2020**MAINTAINED MARKET SHARE &
ACHIEVED BUSINESS PLAN**

Maintained brokerage market share and strengthened consulting activities.

Remained among the top securities companies in terms of market share on HOSE.

Charter capital: VND1,656bn

Equity: VND4,521bn at end-2020.

VCSC's 15 YEAR JOURNEY

BUILDING OUR REPUTATION
WITH PERSISTENT EFFORT

2021 - 2022

COMPREHENSIVE INNOVATION**CREATING POSITIVE MOMENTUM**

Used our internal strength to create positive momentum and become the most trusted financial company.

Achieved two out of three stages of VCSC's five-year profit target.

Enhanced our business model, utilized digital marketing and applied technology to customer products.



CHARTER CAPITAL:
(VND)

4,355bn



EQUITY:
(VND)

6,495bn

at end-2022



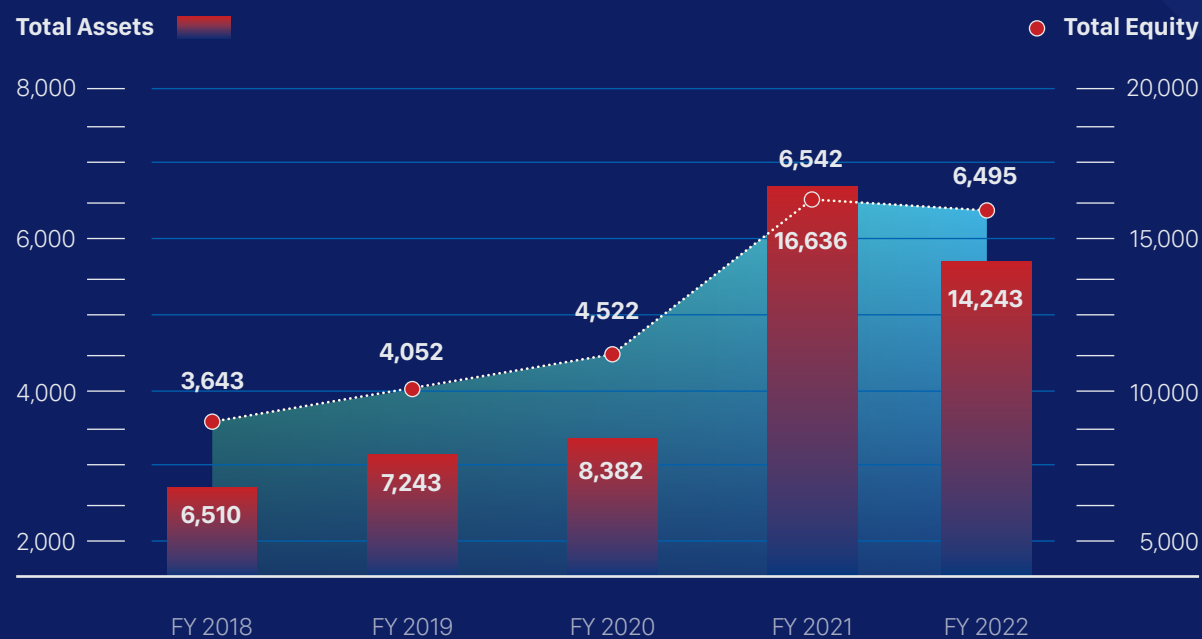
2022 FINANCIAL HIGHLIGHTS



VCSC'S TOTAL ASSETS AMOUNTED TO

VND 14,243 bn
at the end of 2022,
decreasing **14%** compared to the end of 2021.

ASSET STRUCTURE (VND bn)



13.3%
ROE



374
Total employees



Revenue

VND 3,192 bn
in 2022



Charter capital was

VND 4,355 bn



VND 6,495 bn
VCSC's total equity at end-2022,
decreasing 1% compared to end-2021.

The investment segment achieved revenue of

VND 1,344 bn
in 2022.

The securities brokerage segment achieved revenue of

VND 609 bn
in 2022.



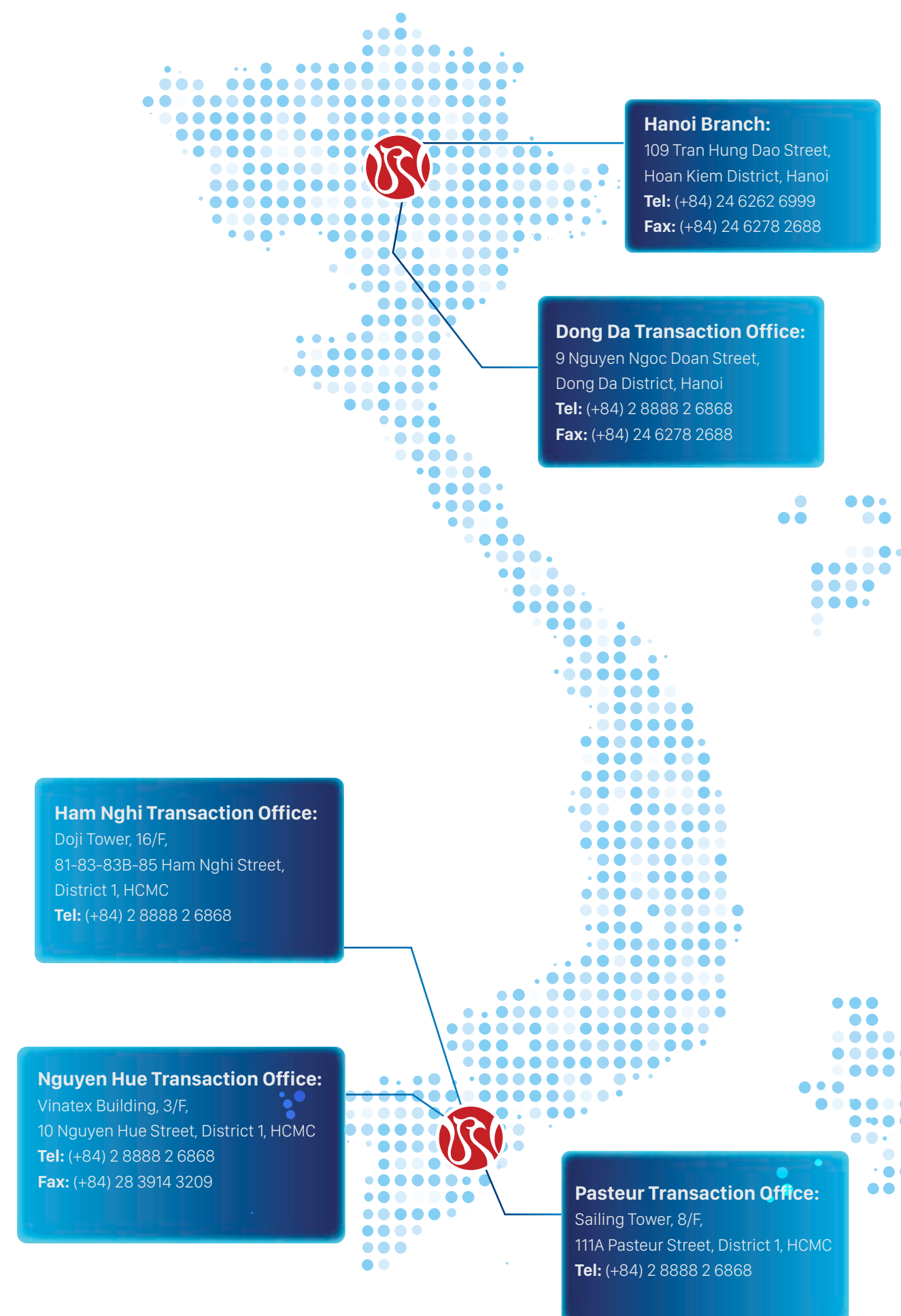
COMPANY OVERVIEW

BUSINESS SEGMENTS:



Viet Capital Securities Joint Stock Company

English name	Viet Capital Securities Joint Stock Company
Abbreviated name	VCSC
Ticker	VCI
Website	www.vcsc.com.vn
Business Registration Certificate	No. 0305299779 granted by the Department of Planning and Investment of Ho Chi Minh City, first issued on November 6, 2007; 20th amendment on October 6, 2022.
Charter capital (as of December 31, 2022) (VND) 4,354,999,010,000	
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VISION, MISSION AND CORE VALUES



VISION

VCSC aspires to become a leading financial institution, which requires our core values to be aligned with the shared goals of the domestic & international investor community. We must provide excellent service and sustainable investment opportunities as we move forward with our entrepreneurial and innovative mindset as a **leader**.



MISSION

• FOR CUSTOMERS

VCSC provides top-of-the-line services and effective solutions tailored to customer needs that reflect our ethics, dedication, responsibility and high level of expertise.

• FOR SHAREHOLDERS

VCSC is committed to delivering practical values and long-term benefits by proactively adapting the Company's operations when necessary.

• FOR EMPLOYEES

VCSC provides a working environment that meets international standards along with morality, fairness, efficiency and promotion opportunities.



CORE VALUES

RESPONSIBILITY TO INVESTORS

We always view ourself as a startup that is working toward the shared goals of the investor community through our unwavering desire to provide excellent service and sustainable investment opportunities.

HUMAN DEVELOPMENT

PEOPLE and **PRESTIGE** are the most valuable assets of an organization. As a result, we pay special attention to talent acquisition, retention and development by providing training programs, professional development and promotion opportunities.

CUSTOMER-CENTRIC APPROACH

Customer **BENEFITS** and **SATISFACTION** are always at our core.

ETHICS AND TRANSPARENCY

Financial statements are audited by reputable international auditing agencies. Internal policies are developed and applied appropriately to mitigate conflicts of interest.



Remarkable Achievements



RECIPIENT OF **ALPHA SOUTHEAST ASIA'S**
AWARDS FOR **13** CONSECUTIVE YEARS

- "Best M&A House backed by private equity funds in Southeast Asia" - 2019, 2020, 2021 & 2022
- "Best Institutional Broker" - 2012, 2013, 2014 & 2018
- "Best Small to Mid-Cap Corporate Finance House in Vietnam" - 2011, 2012, 2013 & 2015
- "Best IPO/equity deal in Vietnam" - 2021
- "Best Investment Bank and M&A House" - 2017
- "Best ECM House in 2007 - 2016"
- "Best Equity House in Vietnam" - 2013
- "Best Equity House" - 2011



RECIPIENT OF **VIETNAM M&A FORUM'S**
AWARDS FOR **13** CONSECUTIVE YEARS

- "Best M&A Adviser in 2009 - 2021"



Top 50 Most Profitable Enterprises and Top 500 Largest Enterprises in Vietnam by VietnamNet & Vietnam Report - 2021



RECIPIENT OF **FINANCE ASIA'S** AWARDS
IN **7** OUT OF 10 YEARS

- "Best ECM House in Vietnam" - 2021
- "Best Investment Bank in Vietnam" - 2012, 2015, 2016 & 2017
- "Best Equity House in Vietnam" - 2011 & 2022
- "Best Broker in Vietnam" - 2016, 2017 & 2018
- "Best ECM Company in Vietnam" - 2017
- "Best Securities Company in Vietnam" - 2016



AWARDS FROM **GLOBAL BRANDS MAGAZINE**

- "Best Investment Bank" - 2021 & 2022
- "Best M&A House" - 2021 & 2022
- "Best Equity House" - 2021 & 2022
- "Best ECM House and Largest Institutional Broker in Vietnam" - 2021



Credit rating at A- with stable outlook from FiiRatings - 2021



Award from Euromoney
"Best Investment Bank in Vietnam" - 2015



Award from Hanoi Stock Exchange
"Top 3 securities company with the best advisory services in 2005 - 2015"



Award from The Asset Asian Awards
"Best Broker in Vietnam" - 2011



Award from People's Committee of HCMC
"Saigon Enterprise of the Year" - 2011

2022

VCSC received prestigious international awards from **Alpha Southeast Asia & Global Brands Magazine**



BEST INVESTMENT BANK



BEST M&A HOUSE IN VIETNAM



BEST EQUITY HOUSE



TYPICAL M&A CONSULTANT

Typical M&A consulting unit 2021 - 2022 from Vietnam Investment Review (VIR)

Top 25 leading financial brands in 2021 voted by Forbes Vietnam

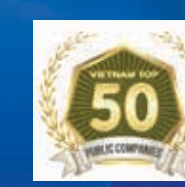
Received other prestigious domestic awards



Top 50 Best Listed Companies in Vietnam
voted by Forbes Vietnam



Vietnam's 50 Best-performing Companies (TOP50)
voted by Nhip Cau Dau Tu Magazine



Top 50 prestigious and effective public companies
voted by Vietnam Report



VCSC's 2022

BUSINESS RESULTS

2022 FINANCIAL SUMMARY



Profit before tax (PBT):
(VND)

1,060_{bn}

For FY2022, PBT was VND1,060bn (USD44.9mn) – 43% lower than in FY2021 and fulfilling 56% of VCSC's 2022 guidance for VND1,900bn (USD77.6mn).



Return on equity (ROE):

13.3%

Trailing-twelve-month (TTM) ROE was 13.3% for FY2022 (16.8% net of differences in equity due to asset revaluation).



Total Equity:
(VND)

6,495_{bn}

VND6,495bn (USD275.2mn) at end-2022 – 1% lower than at end-2021.

FY2022 BUSINESS SEGMENT HIGHLIGHTS

BROKERAGE

Brokerage revenue:
(VND)

609_{bn}

Profit before tax:
(VND)

192_{bn}



- Brokerage achieved FY2022 revenue of VND609bn (USD25.8mn) – 27% lower than in FY2021 – and PBT of VND192bn (USD8.1 million) – 44% lower than in FY2021. VCSC ranked seventh on HOSE with a brokerage market share of 4.72% in FY2022.
- Average daily trading value on the Vietnamese stock market dropped in Q4 2022 to around USD598mn from USD670mn in Q3 2022 due to lingering effects from high-profile Government investigations into breaches of regulations in both the real estate and stock markets that started in Q3 2022. Market sentiment was further weakened by the global economic slowdown as well as fears of high interest rates and inflation. For FY2022, average daily trading value was USD862mn – 25% lower compared to FY2021. Against the stock market's headwinds in 2022, VCSC's retail brokerage recorded PBT of VND51bn (USD2.2mn) in FY2022, declining 66% compared to FY2021.
- Foreigners switched to net buying in Q4 2022 with a net inflow of USD1.2bn compared to a net outflow of USD153mn in Q3 2022. For FY2022, foreigners were net buyers with a net inflow of USD1.3bn compared to a net outflow of USD2.7bn in FY2021. Total foreign trading value was USD32.9bn in FY2022 – 16% lower compared to FY2021. For FY2022, VCSC's institutional sales recorded PBT of VND141bn (USD6.0mn), declining 27% compared to FY2021.

INVESTMENT BANKING

Investment banking revenue:
(VND)

431_{bn}

Profit before tax:
(VND)

342_{bn}

- Investment banking achieved FY2022 revenue of VND431bn (USD18.3mn) – increasing 28% compared to FY2021 – and PBT of VND342bn (USD14.5mn) – increasing 48% compared to FY2021.
- In FY2022, VCSC recognized proceeds from notable deals, including but not limited to advising the founding shareholders of the Phuc Long beverage chain to sell a controlling stake to Masan Group Corporation (MSN), Masan Meat Life's transfer of its animal feed business to De Heus Vietnam, Phu Nhuan Jewelry's (PNJ) private placement and Hung Thinh Group's acquisition of Song Tien Corporation (Angel Island project).



INVESTMENT

Investment revenue:
(VND)

1,344bn

Profit before tax:
(VND)

298bn

- Investment achieved revenue of VND1,344bn in FY2022 (USD57.0mn) – 31% lower than in FY2021 – and PBT of VND298bn (USD12.6mn) – 71% lower compared to FY2021. In 2022, VCSC's investment business was impacted by the market's downtrend as the VN-Index dropped 33% YoY in FY2022, nearly canceling out the gain in FY2021 and ending the year at 1,007 points.

MARGIN LENDING

Margin revenue:
(VND)

808bn

Profit before tax:
(VND)

229bn

- Margin lending achieved revenue of VND808bn in FY2022 (USD34.2mn) – 35% higher than in FY2021 – and PBT of VND229bn (USD9.7mn) – 6% lower than in FY2021.
- VCSC's margin lending balance at end-2022 was VND5,279bn (USD223.7mn), decreasing 31% compared to end-2021. VCSC's margin lending business remained resilient despite volatile market conditions in 2022 as the company utilized a prudent and conservative approach in margin lending activities.

FY2022 FINANCIAL POSITION HIGHLIGHTS

VCSC's total assets:
(VND)

14,243bn

- VCSC's debts were VND6,873bn (USD291.2mn) at end-2022, declining 17% compared to end-2021. These debts were all short-term and mainly used to fund margin lending activities.
- VCSC's total debt to equity ratio was 105.8% at end-2022 compared to 127.3% at end-2021.
- VCSC's total assets were VND14,243bn (USD603.5mn) at end-2022 – 14% lower compared to end-2021.



NOTABLE CORPORATE ACTIONS IN FY2022

In May 2022,

VCSC signed syndicated loan financing for USD100mn. The loan was arranged by Mega International Commercial Bank (Megabank) through its offshore banking branch. The loan has short-term interest rates based on the international money market.

In August 2022,

VCSC completed a 10:3 bonus share issuance (equivalent to 100.5 million new shares). At the end of August 2022, VCSC had 435.5 million total outstanding shares.

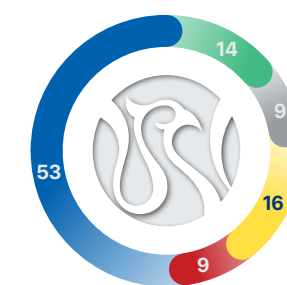
In October 2022,

VCSC signed syndicated loan financing for USD105mn with a greenshoe option to extend up to USD150mn. The loan was arranged by Maybank Securities Pte. Ltd. and O-Bank Co., Ltd. as mandated lead arrangers and bookrunners and with Malayan Banking Berhad, Singapore Branch as one of the lenders. The loan has short-term interest rates based on the international money market.

In December 2022,

VCSC paid the first FY2022 cash dividend interim of VND700/share.

REVENUE BY SEGMENT (%)

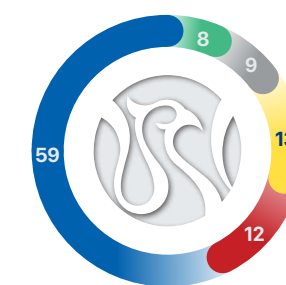


2021



2022

PROFIT BEFORE TAX BY SEGMENT (%)



2021



2022

■ Retail brokerage
 ■ Institutional brokerage
 ■ Margin lending
 ■ Investment banking
 ■ Investment



BALANCE SHEET HIGHLIGHTS

(VND bn)

VND bn	2018	2019	2020	2021	2022
Balance sheet highlights					
Cash and cash equivalents	1,144	795	643	1,132	3,424
FVTPL	425	795	615	1,222	665
Held-to-maturity (HTM)	-	262	106	754	886
Margin lending	2,792	3,032	3,882	7,701	5,279
Available-for-sale (AFS)	2,039	1,731	2,713	5,324	3,734
Debt	2,320	2,563	3,364	8,327	6,873
Short-term debts	2,320	2,563	3,364	8,327	6,873
Long-term debts	0	0	0	0	0
Total Assets	6,510	7,243	8,382	16,636	14,243
Total Liabilities	2,867	3,191	3,861	10,094	7,747
Total Equity	3,643	4,052	4,522	6,542	6,495

KEY FINANCIAL RATIOS	2018	2019	2020	2021	2022
Total Debts / Equity	63.7%	63.2%	74.4%	127.3%	105.8%
Net Debts (*) / Equity	32.3%	43.6%	60.2%	110.0%	53.1%
Total Liabilities / Total Assets	44.0%	44.1%	46.1%	60.7%	54.4%
ROA	12.7%	10.1%	9.8%	12.0%	5.6%
ROE	24.7%	18.0%	17.9%	27.1%	13.3%
ROE (**)	28.5%	19.9%	19.7%	33.4%	16.8%
BVPS (VND)	22,347	24,660	27,304	19,645	14,915

(*) Net debt = Total debts - CCE (cash & cash equivalents)

(**) This ROE ratio is calculated based on total equity net of differences due to asset revaluation

OUR INNER ENERGY SOURCE

2022 MARKET OVERVIEW

MACROECONOMICS

The VN-Index experienced a volatile year in 2022. It closed above 1,500 points for the first time in history on January 6, but it declined at the beginning of April and dropped to a low of 874 points (November 16) before rebounding and closing the year around 1,000 points.

Market liquidity also exploded with billions of shares traded per session - with a significant contribution from a wave of new investors joining the market. At the end of 2022, the total number of securities accounts surpassed 6.8 million - equivalent to 6.8% of Vietnam's population.



6.8 million accounts
Equivalent to 6.8% of Vietnam's population



Vietnam's total market cap
USD bn

222

Representing 56% of GDP

RISING GLOBAL CHALLENGES

In 2022, the global economy's post-pandemic recovery was halted due to a series of global events. The Russia-Ukraine conflict that began in February 2022 drove a spike in oil prices and several other commodities, which contributed largely to a surge in inflation globally. In response, the US Federal Reserve adopted a more hawkish monetary policy to combat the highest inflation in the past 40 years,

resulting in currency losses against the USD globally. High inflation associated with rising interest rates dampened global consumer confidence and demand. Additionally, China's prolonged zero-COVID measures disrupted global supply chains and further weakened global demand.

DOMESTIC ECONOMY FACED ADDITIONAL OBSTACLES

The slowdown in global demand started to have a visible impact on Vietnam's trade in Q4 2022 as exports fell 6.1% YoY. In addition, aggressive Fed rate hikes and a strong USD prompted the State Bank of Vietnam (SBV) to follow with a 200-bp increase in September - October 2022 to defend the VND, which increased the cost of funds. In addition,

the arrests of key people in large real estate companies - in conjunction with the issuance of Decree 65 regulating corporate bond issuance and trading - caused concerns regarding the outlook of refinancing in the real estate sector.

VIETNAM RECORDED ITS HIGHEST GDP GROWTH RATE IN THE 2011 - 2022 PERIOD

Vietnam's GDP growth

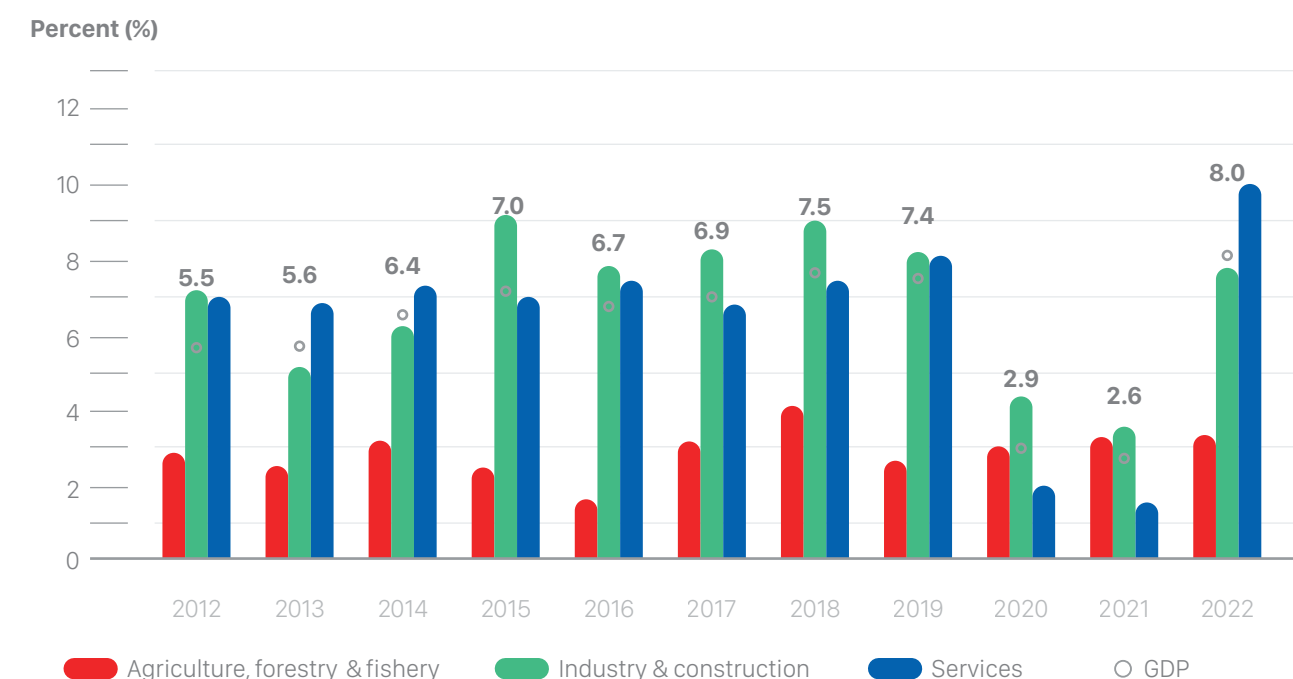
8.02%

in 2022

Despite increasing challenges both domestically and globally, Vietnam's GDP growth still increased 8.02% in 2022 - the highest annual growth rate in the 2011 - 2022 period. This was attributed to a strong rebound following the full reopening of the country and a low base in 2021.

GDP growth by sector

Source: General Statistics Office of Vietnam (GSO), VCSC



SERVICES SECTOR WAS KEY DRIVER FOR ECONOMIC GROWTH

The services sector was the main driver of economic growth, increasing 10.0% YoY for full-year 2022 and contributing 56.7% to overall GDP growth for the year. In addition, the agriculture, forestry & fishery sector grew 3.36% - its highest growth rate over the past four

years - contributing 5.1% to overall GDP growth in 2022. Meanwhile, the industry & construction sector increased 7.8% YoY in 2022, contributing 38.2% to overall GDP growth, with the manufacturing sector rising 8.1% YoY.

RETAIL SALES GROWTH HIT AN 11-YEAR HIGH

Total retail sales of goods & services amounted to VND5,680tn (USD241bn; +19.8% YoY) in 2022, which was the highest growth rate since 2011. If excluding price factors, real retail sales growth hit a historic high of 15.6% in 2022. Compared to the pre-pandemic level, total

retail sales of goods & services increased 15.2%, with retail sales of goods increasing 19.8% and retail sales of accommodation/catering services meeting the pre-pandemic level. Meanwhile, sales of tourism were only 55% of the pre-pandemic level.

Retail sales

Source: GSO, VCSC





FDI DISBURSEMENT HIT A RECORD HIGH IN 2022

FDI disbursement
(USD)

↑ increased **13.5%** YoY to

22.4bn

FDI disbursement increased 13.5% YoY to an all-time high of USD22.4bn in 2022. On the other hand, FDI pledges fell 11.0% YoY to USD27.7bn due to disrupted feasibility studies of new projects caused by the pandemic over the past two years. Notably, Samsung – after a very long period of absence – announced two additional investments in Vietnam: the Samsung Electro-Mechanics factory in Thai Nguyen (USD920mn) and Samsung HCMC CE Complex (USD841mn).

2022 TRADE SURPLUS HIT SECOND HIGHEST LEVEL EVER; TRADE WEAKENED IN Q4 2022

↑ **Export turnover** increased by
10.5% to
(USD)

371.3bn

↑ **Import turnover** increased by **7.8%** to
(USD)

358.9bn

Vietnam's exports and imports amounted to USD371.3bn (+10.5% YoY) and USD358.9bn (+7.8% YoY), respectively, with a trade surplus of USD12.4bn, which was the second highest level ever after the record high trade surplus of USD19.9bn in 2020. However, weak global demand and a relatively high base in Q4 2021 negatively impacted Vietnam's trade as exports and imports declined 7.1% and 5.7% in Q4 2022, respectively.

INFLATION REMAINED UNDER CONTROL

Vietnam's CPI increased 4.55% YoY as of December 2022. Nevertheless, average CPI in FY 2022 remained under control at 3.15% YoY while average core inflation rose 2.59% YoY. In order to limit the impact of surging global oil prices on domestic inflation in 2022, the Government

implemented a series of policies such as a reduction of environmental taxes on domestic petroleum products and maintaining or even reducing prices of several services under the State's management.

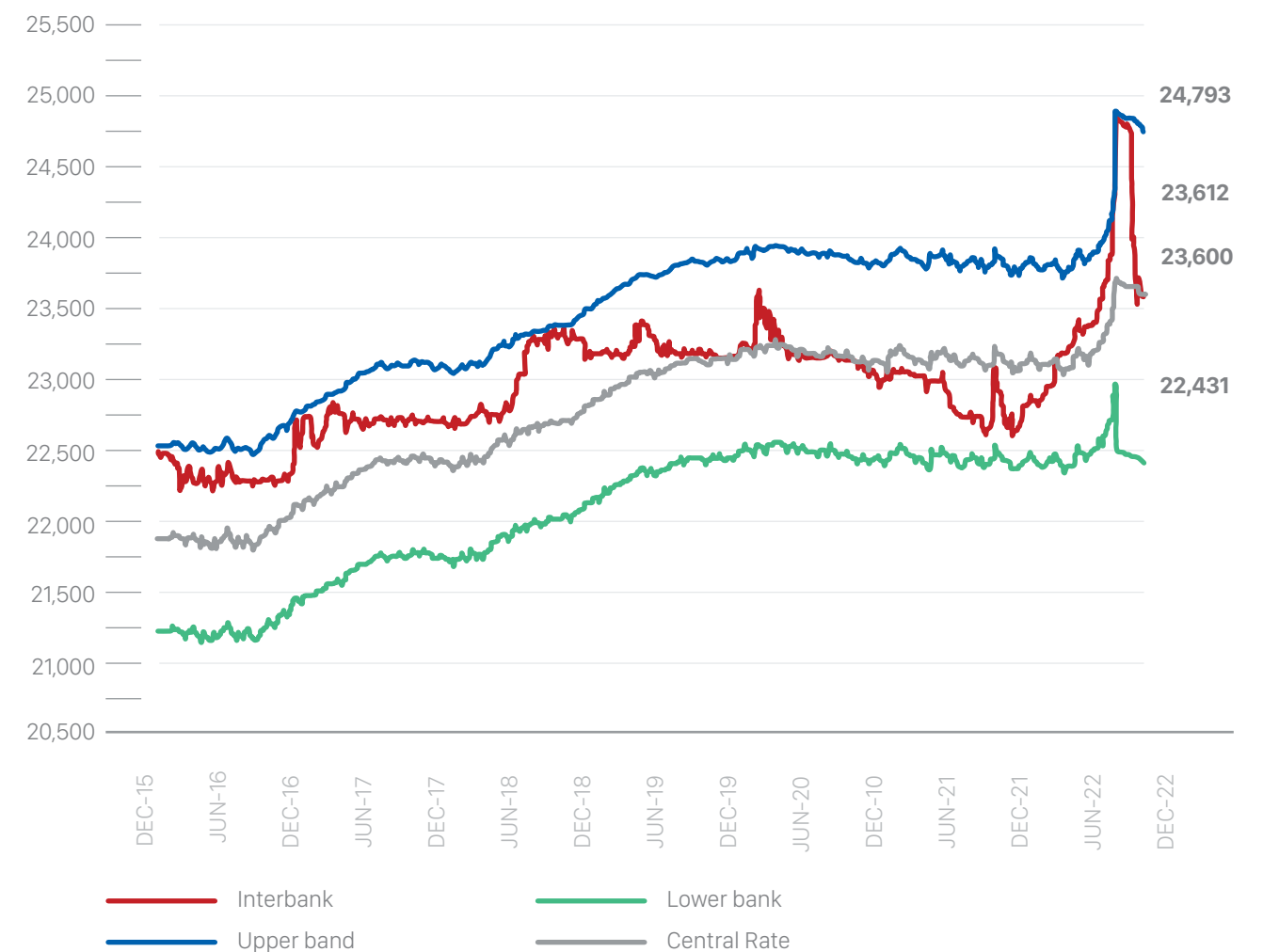
FED'S AGGRESSIVE RATE HIKES PLACED PRESSURE ON THE USD/VND EXCHANGE RATE

The Fed's aggressive rate hikes to combat the US's high inflation and a strengthening USD placed depreciation pressure on the VND in 2022. In addition, the situation at Saigon Commercial Bank (SCB) caused the State Bank of Vietnam to pump liquidity into the system and fueled additional currency loss in October 2022. Nevertheless, the VND regained strength toward year-end and narrowed its depreciation against the USD thanks to (1) a softening USD in the international market, (2) improved sentiment in the local FX market as US inflation cooled and (3) a

solid USD supply from disbursed FDI, a trade surplus, the return of FII net inflows and remittances at the year-end. As of December 31, 2022, the USD/VND traded at around 23,600 in the interbank market – equivalent to the VND depreciating 3.4% against the USD in FY 2022. The VND's performance in 2022 was stronger compared to the currencies of Vietnam's major trade partners, including the CNY (-7.9% against the USD in 2022), EUR (-5.8%), KRW (-6.1%) and JPY (-12.2%).

Exchange rate (USD/VND)

Source: Bloomberg, VCSC





MARKET PERFORMANCE

VN-INDEX'S THREE-YEAR WINNING STREAK ENDED

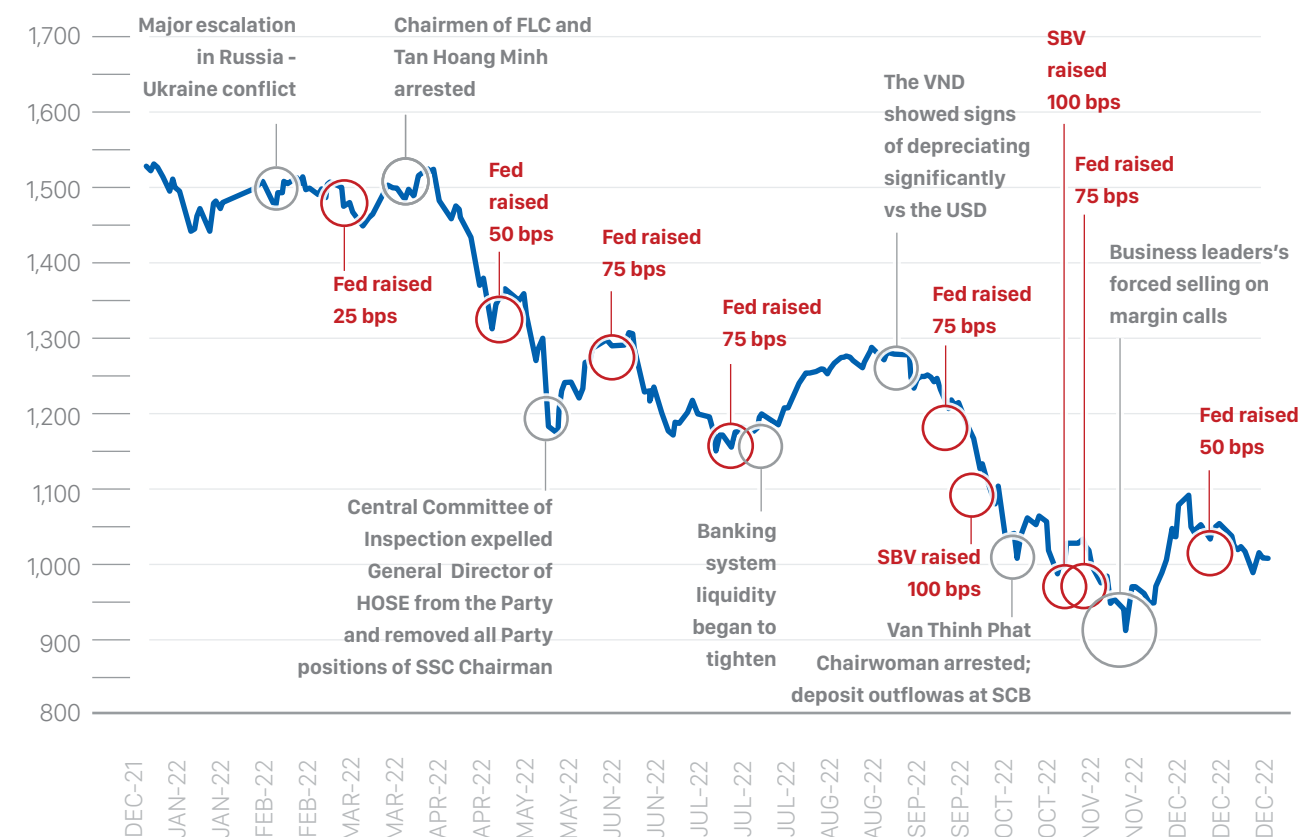
Vietnam's three bourses declined in 2022, reversing the substantial gains they recorded in 2021. The VN-Index dropped 33% in 2022, which is its steepest annual loss since 2008 (-65%) and ended a three-year winning streak. The three main sources of downward pressure on Vietnamese equities in 2022 were rising interest rates, Decree 65 and the disruptive impact on the corporate

bond market and the real estate sector from high-profile anti-corruption actions by the Government. The sharp declines in 2022 reduced total market cap to USD222bn - representing 56% of nominal GDP - from USD344bn or 94% of 2021 nominal GDP at the end of 2021.

VN-Index performance and key events in 2022

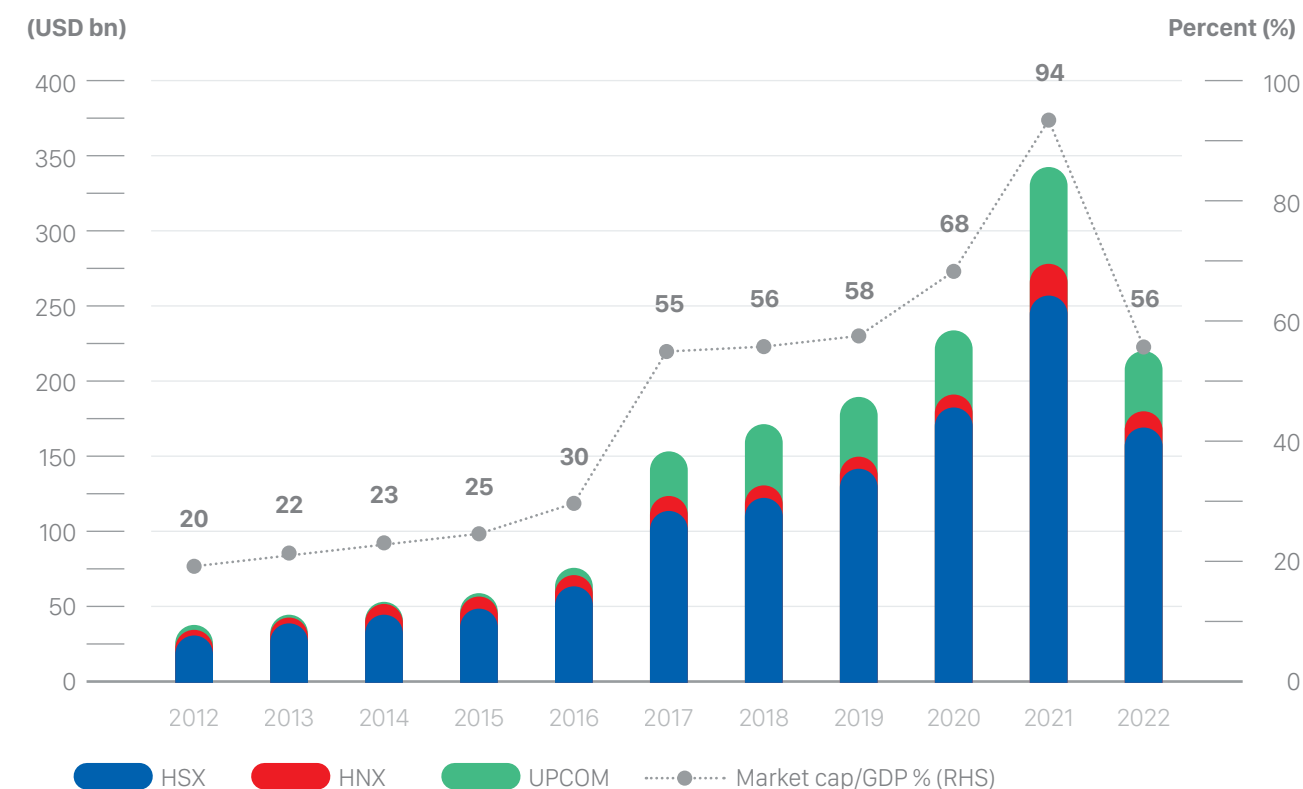
Source: Bloomberg, VCSC (data to December 31, 2022)

VN-Index points



Total market cap & market cap/GDP

Source: Bloomberg, Vietnam Securities Depository (VSD), VCSC



FOREIGN NET BUYING RETURNED IN 2022

After two years of consistent domestic net buying and foreign net selling in 2020 and 2021, foreign net buying returned in 2022 and was particularly strong in November – December 2022. Foreigners were net sellers of USD2.6bn worth of Vietnamese shares in 2021 but net buyers of USD1.3bn in 2022. However, gross foreign trading value in the Vietnamese market decreased in 2022 vs 2021, which was primarily due to the substantial decline in share prices in 2022.

VN-Index & foreign net flows since 2011

Source: Bloomberg, VCSC



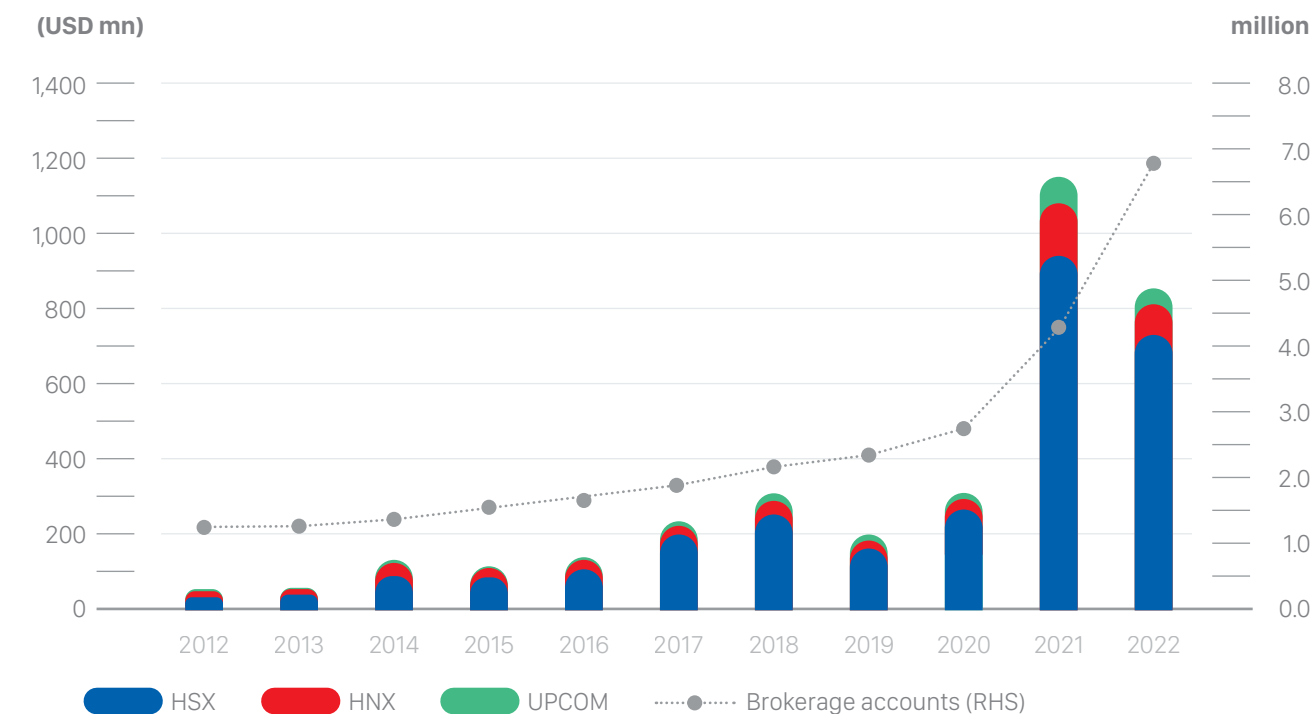
MARKET LIQUIDITY REDUCED

Average daily trading value (ADTV) on the three bourses combined declined from USD1.15bn in 2021 to USD862mn in 2022; however, this was still much higher than the ADTV in any year prior to 2021. The velocity of turnover in Vietnam (the value of trading vs average market capitalization) also decreased from 100% in 2021 – the highest level in the past 10 years – to 75% in 2022. Meanwhile, the total number of brokerage accounts increased from 4.3 million to 6.8 million.



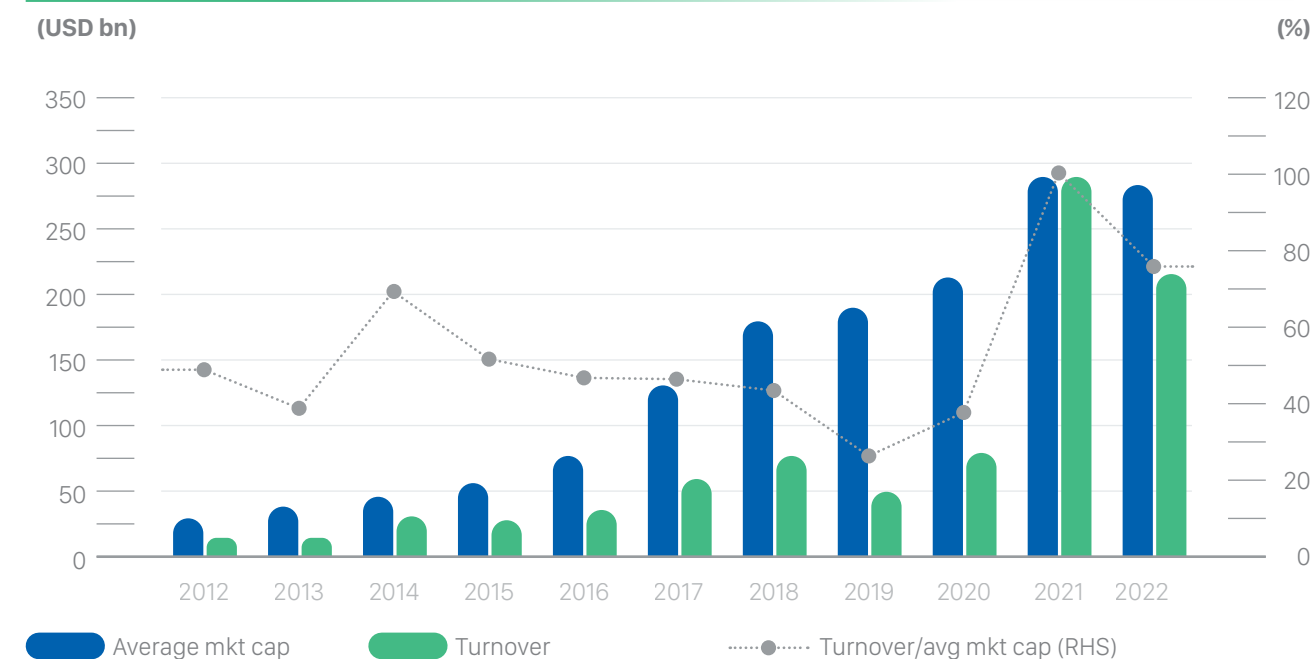
ADTV and number of brokerage accounts

Source: Bloomberg, VSD, VCSC



Velocity of turnover

Source: Bloomberg, VCSC



VIETNAM REMAINED ON FTSE RUSSELL'S WATCHLIST FOR RECLASSIFICATION

According to the latest FTSE equity country classification annual review that was published in September 2022, Vietnam remains on the watchlist for a possible upgrade from 'frontier' to 'secondary emerging market' status. Vietnam has been on this FTSE watchlist since September 2018 and currently meets most of the criteria required to

be upgraded to a secondary emerging market. However, Vietnam has not satisfied the 'Settlement Cycle DvP' criterion, which FTSE currently evaluates as 'restricted' due to the market practice of conducting a pre-trading check to ensure the availability of funds prior to trade execution.

Human Resources



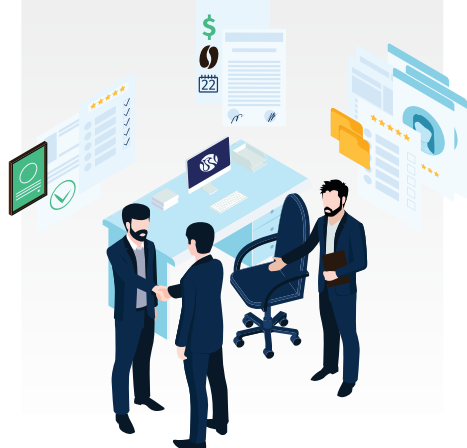
15 YEARS OF VCSC

CONTINUING OUR PERSISTENT EFFORT
MAINTAINING STRENGTH

Since our establishment in 2007, VCSC has experienced fast yet stable development. We continue to affirm our position as a leading and reputable financial unit with the most effective customer support. Our business is built on ethics, honesty and always thinking about our stakeholders as motivation for sustainable growth. One key to VCSC's success today is its human resources, which have continually gotten stronger thanks to the dedication of VCSC's Board of Directors.

At VCSC, the value of human resources is appreciated and effectively applied through our knowledge and professional skills as well as our enthusiasm and dedication with customers. The company always emphasizes encouragement, promotion, nurturing and values, in addition to ensuring the trust of all staff members. With this spirit, VCSC has an unwavering focus on long-term human-resource solutions to build and develop a qualified workforce and benefit all employees as they contribute to the development of the company.

“VCSC's success today comes from the dedication of all employees.”



Core principles contributing to the success of VCSC:



Satisfying the customer always comes first.



Professional ethics provide a guideline in all of activities, services and products.



Our people, capital and reputation are our greatest assets.

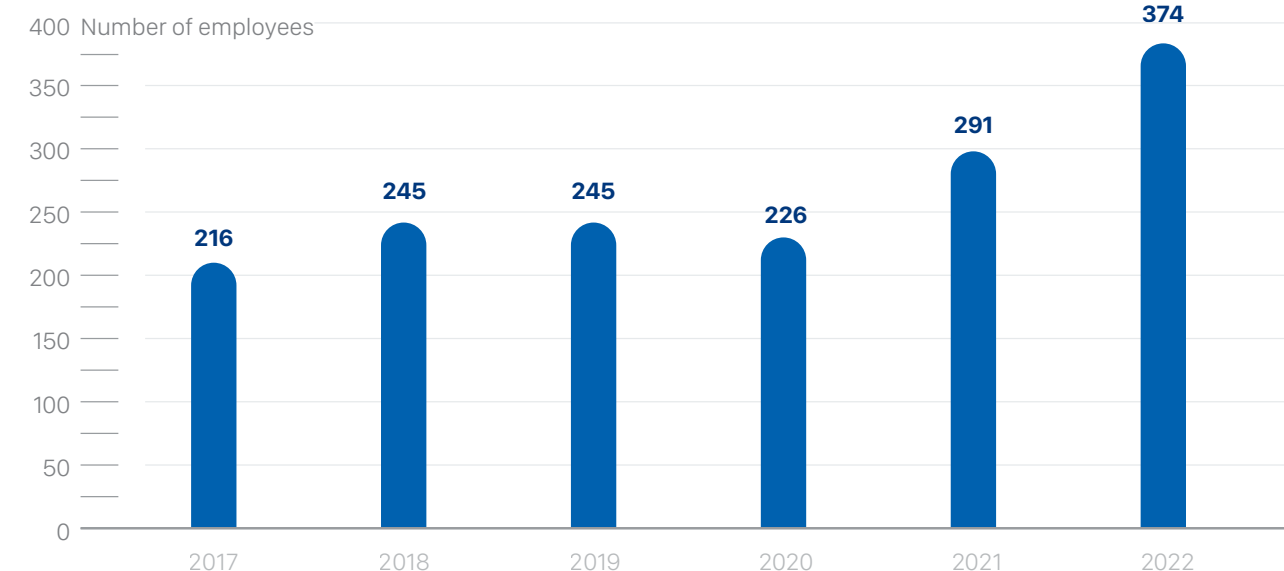


We value both teamwork and individual effort to create optimal efficiency for our customers and shareholders.



We value training and improving the skills of all staff members, which ensures their ability to meet the expectations of customers.

NUMBER OF EMPLOYEES IN 2017 - 2022



Having been through many stages of development since our establishment, VCSC appreciates each employee's contribution to the overall success of the company. We have built a dynamic, transparent and fair corporate culture that upholds our core values and ensures opportunities for the promotion and comprehensive development for our staff, which encourages them to make a long-term commitment to the Company.

The key factor to hold a competitive position in attracting and retaining talent in the financial industry is to provide a quality and healthy working environment while also ensuring appropriate remuneration. As a result, VCSC always works to create a professional yet friendly work environment that our staff members consider as

their second home and helps them to maximize their capabilities. In 2022, we implemented a program to improve our office space and restructure and reallocate human resources to suit each working area in order to continue to motivate and inspire our employees.

In addition to ensuring that our work environment is fully equipped with infrastructure and technology that allows everyone to work effectively, we pay special attention to workplace equality to create the happiest working space for our staff regardless of their position, age, gender, social status, personality, lifestyle or ethnic origin. Each individual has an opportunity to work, contribute and develop to become successful and further their career at VCSC.

ALIGNING HR STRATEGY & BUSINESS STRATEGY

VCSC's business strategy is built on the foundation of labor quality and the commitment of employees. Human resource management at VCSC ensures the recruitment, support, development and attraction of talent at all levels, in addition to diverse backgrounds, skills and experiences to contribute the operation and development of the Company. We pay special attention in investing our people in order to strengthen our corporate culture, which is based on our strong belief that a proper business strategy and strong culture will lead to outstanding performance.

VCSC prioritizes to have the best preparation of "Human Capital" resources to realize company's business strategies. According to this direction, in 2022, VCSC witnessed a breakthrough milestone in Human Resources, which was finding and building new resources while maintaining and developing existing ones.

In order to synchronize our goals of improving the quality of our services and products with the use of new technology in the securities industry, we have created a technology team - known as the User Innovation Division - that is working to upgrade existing products and develop new products through the application of technology. As technology is vital in improving the Company's performance and competitiveness, our Board of Directors has created conditions to boost technological research and develop advanced securities software, including the gradual development of new technology for big data, artificial intelligence and automation software that could become core technology for the securities industry.

In addition, we ensure information security at the highest level as well as transparency and safe and smooth transactions for our customers. We also have plans to strengthen our information security staff and improve the capability of our management and supervision.

Our brokerage team continues to receive strong investment to ensure all members have the qualifications and capability to use new applications and advise customers about them, which contributes to the Company's overall growth goals. Furthermore, we have implemented a strategy of approaching professional brokerage candidates from other companies in the industry. Based on VCSC's unique advantages and sustainable brand in the market, we attract candidates to join our team as they can develop their careers and contribute to the Company's long-term strategy.

We also continue to develop the resources of the Corporate Finance Division with the goal of having a top staff in terms of professional skills and qualifications to work with the Investment Banking Division in providing effective financial solutions for businesses. The consulting staff are experts in financial consulting and have extensive qualifications and experience from carrying out deals for leading domestic & foreign businesses and organizations. In 2022, our consulting team contributed to the overall success of the Company, helping VCSC to be honored with major awards from leading regional financial journals.



In 2022, VCSC also worked to build a young and dynamic research team that is led by seasoned experts in the research and analysis field. This is a team with enthusiasm and talent that works to provide domestic & international investors with market insights, investment strategy reports, macroeconomic reports, industry reports, bond reports, corporate analysis reports, reports on IPOs and listings, and the most accurate technical analysis reports in both Vietnamese and English.

We continue to maintain our strategy of fostering and nurturing young talent via our internship program. These young individuals are enthusiastic in how they approach customers and offer a great deal of creativity, which contributes to the improvement of VCSC's operations. At VCSC, young talent have opportunities to gain skills while experiencing a dynamic and professional working

environment with international standards, and they can receive professional training from a team of experienced experts in the financial industry. With our strong brand image and reputation, competitive remuneration and a collaborative working environment, VCSC will always be one of the top choices for talented candidates.

Along with our strategy of approaching external candidates, we always evaluate and recommend current staff members for open positions. Internal mobility creates seamless connections between employees and allows them to take advantage of their existing skills while developing new ones. This strategy also demonstrates the company's focus to create conditions for employees to have an opportunity to develop a long-term career path, which in turn ensures an ever-present pool of human resources, increases the satisfaction of our current employees and attracts external talent.

BREAKDOWN OF HUMAN RESOURCE DEVELOPMENT:

Technology Division	Information Security Division	Research & Analysis Division	Investment Banking Division	Corporate Finance Division	Brokerage Division
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Employees by age (%)



<30 years old: 39.04%
30<=40: 42.78%
40<=50: 16.84%
>50: 1.34%

Employees by gender (%)



Male: 56.68%
Female: 43.32%

Employee by years of service (%)



>10 years: 13.64%
5-10 years: 20.59%
<5 years: 65.77%

- We recruit talent from many different countries, including Vietnam, the United States, United Kingdom, France, Australia, Canada, India and Netherlands, among others.

- We have a diverse talent pool in terms of race, ethnicity, age, gender and education level.

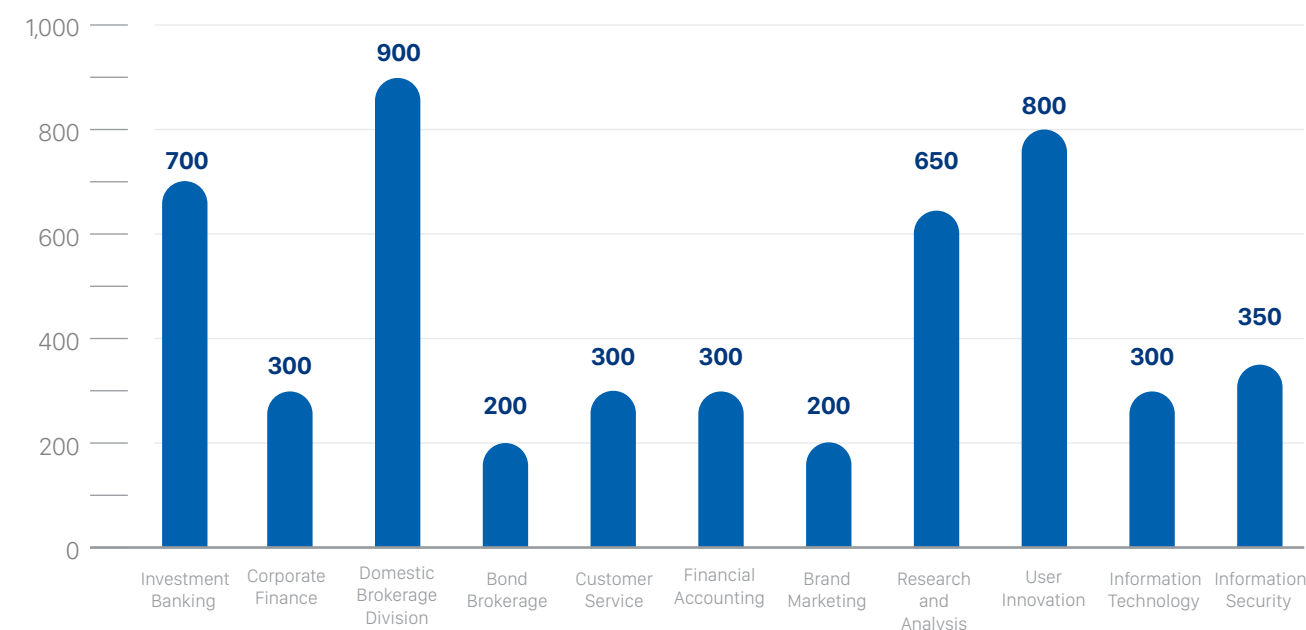
Number of candidates in 2022:

5,000

Universities of candidates:

Foreign Trade University, University of Economics HCMC, Royal Melbourne Institute of Technology (RMIT), Ho Chi Minh University of Banking, HCMC University of Technology, FPT University, Western Sydney University, University of Pennsylvania, University of Cambridge, University of Melbourne, University of Technology Sydney, and other national & foreign universities.

Number of applicants by department in 2022 (5,000 total)



INVESTING IN PEOPLE



"Investing in people is a must for sustainable development."

The quality of human resources is a significant factor that determines the sustainable development of a business. As the world continues to evolve, strengthening the foundation of human resources is a key in helping businesses to quickly transform and improve their competitiveness. Our constant emphasis on the comprehensive development of our people has definitely contributed to the overall development of VCSC.

HR TRAINING POLICY

The focus of our "right people for the right jobs" strategy is to maximize each employee's work capacity.

In order to ensure stable, high-quality human resources and achieve VCSC's business goals, we continue to implement training programs, advanced training and learning promotion campaigns. Through our training programs, we aim to build an inclusive learning culture in which each employee is eager to enhance their professional capacity and gain task-based or

position-based skills that will help them in their jobs. These programs, which are carefully designed for all levels, meet the State Securities Commission's requirements and provide highly-applicable knowledge. As a result, we are able to develop a team of experienced and self-sufficient personnel. We also take great pride in our constantly increasing number of employees with international practice certificates such as Chartered Financial Analyst (CFA) and Association of Chartered Certified Accountants (ACCA).



LEARNING TOPICS OF THE YEAR

- Improve customer service
- Utilize technical analysis and tactics following smart cash flow
- Recurring morning call program
- Risk management
- "Industry wave with VCSC" events
- New employee integration training program
- Professional broker training
- Training to become an analyst
- Implementing innovation for success
- Intelligent feedback in the workplace
- Portfolio management
- Potential customer engagement

We maintain a cost-sharing policy for all training courses, which enables our employees to participate in professional training via a wide range of formats that are appropriate for their respective positions, tasks, departments and development. We also place a premium on providing comprehensive training and development for all of our employees.

Business Division: We ensure that all staff members have securities practice certificates as required by the State Securities Commission of Vietnam. We also promote internal training and conduct online tests twice a year to enhance the quality of our brokers.

Investment Banking: The top priority is obtaining of the Ministry of Finance's price appraiser certificate.

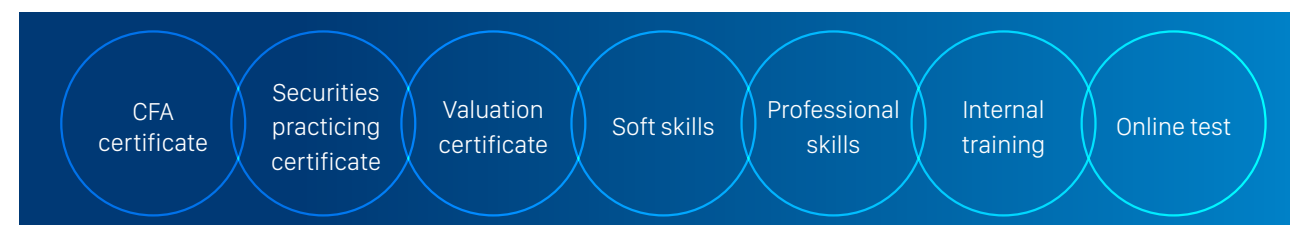
Research and Analysis Division: We encourage staff members to take CFA exams.

Information Technology Division: Network management is critical to our business operations. As a result, we enroll our IT team in training courses hosted by well-known institutes once a year to help them expand their skills so they can fix technical issues and stabilize our overall system operation.

In addition to professional training, we encourage employees to participate in soft skills training to improve their communication skills, performance and career outlook. Some skills included in the training are effective communication, impactful presentation, negotiation and customer service. This training takes place annually and is conducted by experienced training centers.

Employees with CFA certificates: **20**

Employees with securities practice certificates: **104**



VCSC'S CONNECTION WITH CUSTOMERS

In order to connect with investors in the stock market, we implemented a program called "Industry Wave with VCSC" in 2022 to bring in-depth analytical perspectives and objective evaluations of promising industries. This program can help to increase opportunities for investors who are working with VCSC toward achieving sustainable and long-term results. We have focused on designing a series of programs about practical topics that offer outstanding value and high applicability as they assist investors in their investment journey.

Our programs in 2022 attracted the participation of more than 2,000 investors and received positive feedback from a large number of people as they provided valuable information for both novice and advanced investors.

These programs also gave extensive information on a variety of topics and provided an overview of market movements via fundamental and technical analysis, macroeconomic reports and strategies. The success of these programs is motivation for us to continue developing interesting and useful industry programs moving forward.

As more and more individual investors participate in the stock market, there is a need for them learn about how the market works. We have thus continued to offer VCI EDU courses that are taught by leading experts from VCSC. These courses share knowledge that new investors can use in their investment journey.



LAUNCH OF E-LEARNING TRAINING PLATFORM

In early 2022, VCSC officially launched our E-Learning training platform for all staff, providing them with a convenient learning channel they can use anytime and anywhere. There are more than 300 courses that utilize different methods such as Microlearning, Gamification and Video, and we have created interesting training content that inspires our employees. In addition, we have converted internal training courses and professional seminars from face-to-face to online via Zoom to ensure regular opportunities for every VCSC employee to gain new knowledge.

FIVE MOST POPULAR VIETNAMESE E-LEARNING COURSES:

- Intelligent feedback in the workplace
- Innovating for success
- Fundamental analysis skills
- Basic investment skills
- Digital marketing basics

FIVE MOST POPULAR ENGLISH E-LEARNING COURSES:

- Customer relationships.
- The importance of brand.
- Customer loyalty.
- Maintaining customer service.
- Effective problem solving.

We also have implemented a **learning promotion campaign** for all VCSC staff via our E-Learning platform. This program has attracted the participation of more than 300 employees, resulting in the completion of 3,471 courses and 5,232 hours of learning while receiving a great deal of positive feedback from our staff members and Board of Directors.



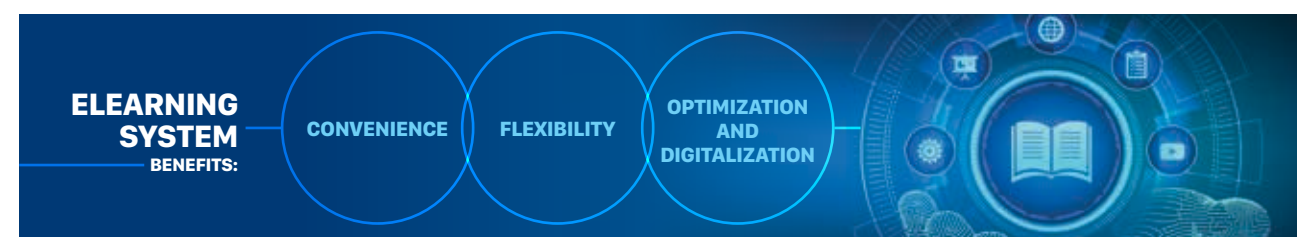
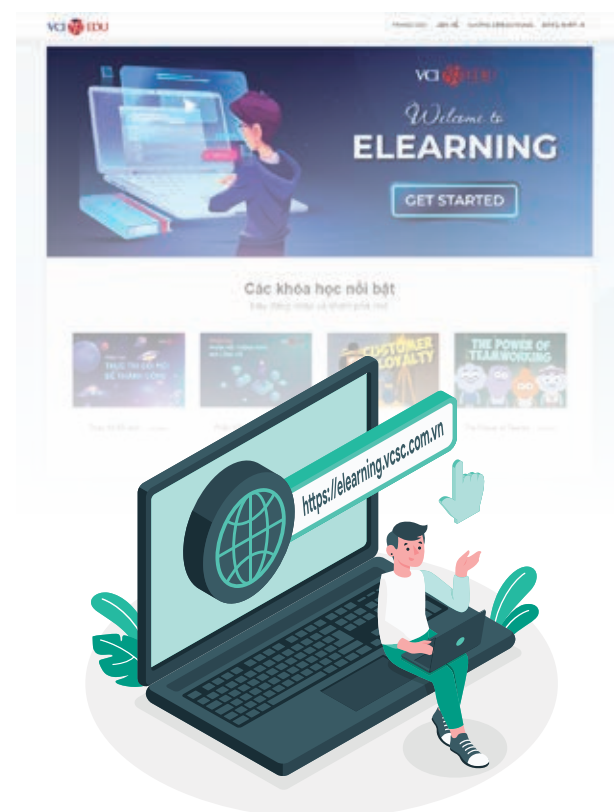
Visitors to E-Learning website in 2022:

15,456



Percentage of employees who participated in E-Learning courses:

95%



PERFORMANCE MANAGEMENT



Performance management is one of the important policies in human resource management at VCSC and has been utilized since our establishment. Through performance management, we are able to control, evaluate and determine the performance of each individual for salary and bonus adjustments, which contributes to build fair and competitive remuneration and promotion policies at VCSC.

FAIR, TRANSPARENT AND EFFICIENT EVALUATION PROCESS

A critical factor of an organization's success is the development of leadership. With this in mind, we conduct an evaluation process every six months to find exceptional employees and advance them to higher positions. At the same time, we are able to determine poor-performing employees and design appropriate training and improvement plans for them to get better at their jobs.

Employees are encouraged to evaluate their own performance and identify their own strengths and weaknesses. They can then take initiative to discuss their future personal development plans with managers and determine how this can be achieved moving forward.

Our evaluation process employs a variety of criteria to ensure the most accurate reflection of an employee's

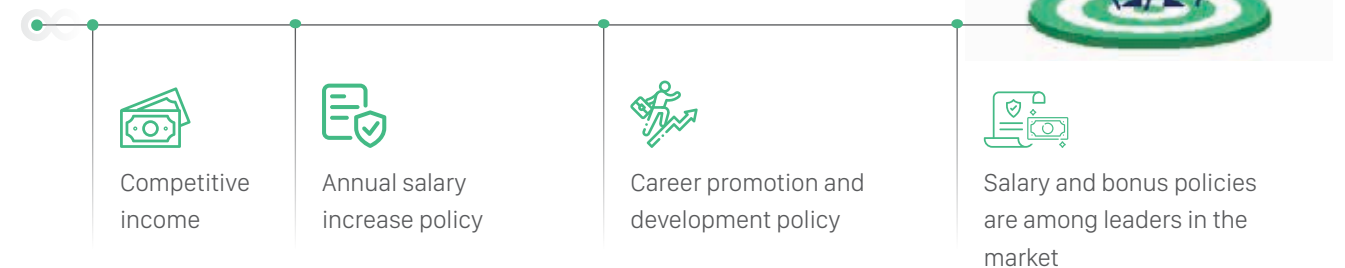
performance. To evaluate group work, 360-degree reviews are one of our most common methods as they allow supervisors and colleagues to evaluate each other on various aspects such as performance, risk management, compliance and diversity. We also conduct surveys among related departments, including a survey of the Brokerage Division to evaluate the performance of each employee in the Research and Analysis Department. Based on this feedback, the Research and Analysis Department can make improvements, in turn allowing the Brokerage Division to provide clients with more accurate consultations.

A comprehensive evaluation process is our commitment to provide equal employment opportunities for all and enables the Board of Management to make informed decisions in promoting deserving employees.



"Responsible and enthusiastic employees are always well recognized and rewarded."

PROMOTION OPPORTUNITIES - A KEY FACTOR IN KEEPING TALENT



HR REMUNERATION & WELFARE POLICIES

We always strive to develop and adjust our salary, bonus and remuneration policies to attract and reward talent. Our salary and bonus policies are built based on the contributions of the employee and on the basis of salary and bonus surveys in the labor market, ensuring fairness and transparency.



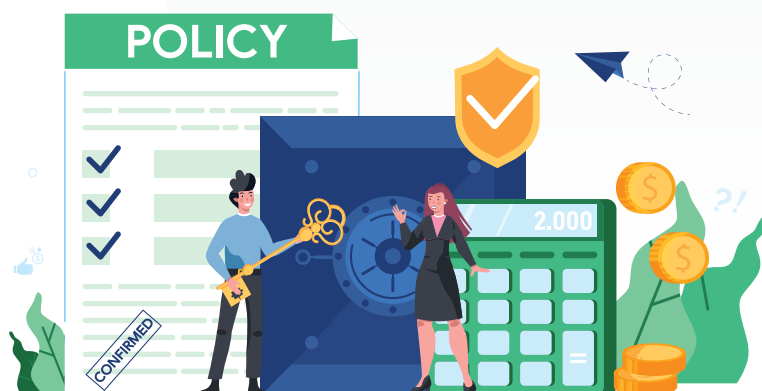
"Through transparency, we strive to give our team the material and personal values they deserve."



The income of each employee is directly proportional to their contribution to VCSC's overall business performance, encouraging an enthusiastic working spirit and motivation to achieve the best results. As a result, VCSC can continue to grow even in difficult times while also developing an ever-stronger team.

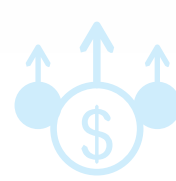
Profit per capita in 2017 - 2022

Year	Profit before tax (VND)	Number of employees	VND/person
2017	802,977,679,615	216	3,717,489,257
2018	1,011,455,908,924	245	4,128,391,465
2019	855,007,109,256	245	3,489,824,936
2020	951,038,957,081	226	4,208,136,978
2021	1,850,585,393,088	291	6,359,399,976
2022	1,059,738,713,385	374	2,833,525,972



Employees promoted in 2022:

52



VCSC is committed to ensuring that our HR policies cover employees rights and that our benefits strictly comply with the applicable laws, Vietnam's Labor Law and regulations on health insurance, social insurance and unemployment insurance.



VCSC offers an employee stock ownership plan (ESOP) annually to enhance our staff members' performance and engagement with the Company.



VCSC takes care of our employees' health via a comprehensive annual health check and PVI's employee-standard insurance scheme.



VCSC strives to improve employee morale through team building activities such as sports events, the annual anniversary celebration of our establishment, year-end parties, family days, children's day and team building activities in both domestic and international locations. Over the years, employees have had the opportunity to travel to countries such as Hong Kong, Cambodia, Thailand, Japan, South Korea, Singapore and Malaysia.



VCSC maintains flexible welfare policies for business travel, sickness, maternity leave, International Women's Day, wedding anniversaries, mobile phone bills and parking fees.



VCSC has a leave policy that covers annual leave, marriage leave, bereavement leave, paternity leave and training leave.



PROFESSIONAL ETHICS THE KEY TO SUCCESS IN VCSC'S BUSINESS ACTIVITIES

"Business ethics are a valuable intangible asset of each individual."



The success of VCSC over our 15-year journey does not just come from our human resources but also from the trust, confidence and support of our stakeholders - our clients, shareholders and employees. The company's long-term success must be built on the integrity and professionalism of the Board of Management and the entire staff. Newly recruited employees are informed about the importance of professional ethics, and VCSC's Code of Ethics is used as a guide to create and maintain both trust and compliance.

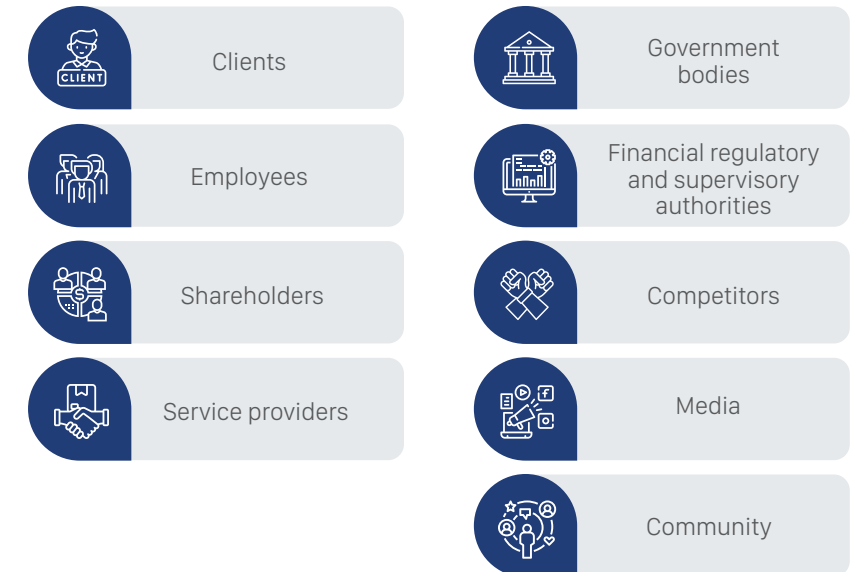
For the benefit of our partners and to ensure trust in the long-term viability of VCSC, we are committed to operating in accordance with professional ethics.

At VCSC, these following values are recognized as the company's core strengths:



VCSC

sets goals to fulfill our responsibilities for stakeholders:



At VCSC, responsibilities of each employee require:

- Compliance with all rules and regulations
- Commitment to teamwork
- Building a reputation of reliability and professionalism
- Acting with honesty, integrity, objectivity, responsibility, care and diligence
- Protecting and efficiently using VCSC's assets and resources
- Treating all stakeholders equally
- Reporting violations of laws and regulations
- Continuous improvement

At VCSC, we uphold basic principles of communication:

- Being straightforward and proactive
- Providing detailed guidance to employees and stakeholders
- Appointing a spokesperson for media issues and investor relations
- Refusing to make public comments on clients or competitors as well as personal issues or ongoing investigations
- Refusing to make comments on rumors

VCSC is committed to:

- Complying with relevant laws, regulations, policies and standards
- Maintaining an exemplary management process and controlling the work environment
- Avoiding mistakes and any potential risk of wrongdoing through the use of our Code of Conduct

Confidentiality of information:

- VCSC is committed to maintaining absolute confidentiality and protecting client information
- Preserving the confidentiality of any information provided by clients - unless disclosure is required by law or authorized by clients
- Carefully handling internal communication
- Carefully receiving, processing and archiving information
- Complying with regulations on information confidentiality

Investment Banking



Vietnam and the world entered 2022 with many expectations after being negatively impacted by the COVID-19 pandemic for a long duration. However, hopes for an economic recovery were quickly extinguished by the conflict between Russia and Ukraine that started at the end of February 2022. As a result, inflation started to affect the global economy. Despite lower consumer demand, the Fed and central banks announced plans to boost interest rates after more than a decade of maintaining ultra-low levels. These actions put great pressure on exchange rates against the USD for countries with open economies but small scales that are dependent on material imports, including Vietnam.

While countries gradually reopened as COVID-19 subsided, China - the leading contributor to world's production and an important trade partner of Vietnam - continued to employ its zero-COVID measures, which disrupted the global supply chain. Therefore, cash flows were strongly withdrawn from the global financial system, causing worldwide issuance and IPOs to stall. The domestic market could not avoid this impact. Additionally, violations in Vietnam related to bond issuance led to cautious investor sentiment, and bond issuance and loan mobilization activities of enterprises were almost completely frozen in the second half of 2022.



Against this backdrop, VCSC's Investment Banking Department recognized the overall difficulties of the industry and analyzed the situation to optimize any available advantages. Following a successful 2021 as one of a few consultants in the market that was able to close deals amid COVID-19, VCSC entered 2022 with the extremely valuable assets of trust and collaboration of partners and customers. As a result of our previous achievements, VCSC has been able to persuade Vietnamese customers to put more trust in domestic investment banks instead of foreign institutions. Having experienced fluctuations due to the impact of COVID-19, it is undeniable that domestic investment banks have the advantages during challenging periods due to their cultural understanding and resources to support companies in raising capital, whereas foreign investment banks face many limitations because of geographical obstacles and a lack of local knowledge.

Throughout our history, VCSC's Investment Banking Department has continually affirmed its leading position in equity-related deals. Equity advisory deals in 2022 - including M&A deals and capital mobilization - were significant in terms of their scale, complexity and impact on the economy. VCSC's Investment Banking Department works to determine specific businesses to collaborate with over the long term on the basis of creating high-quality products and services, serving the community and contributing to build sustainable development for the economy. This is not only a strategy to make a difference but also a principle of operating activities, risk management and market development that has helped VCSC grow strongly even during economic fluctuations.





CORPORATE FINANCE

The Corporate Finance (CF) Division was established in February 2022 to provide diverse corporate financial solutions to corporate clients apart from our existing consulting services. CF consulting activities include M&A consultancy, capital raising consultancy via initial public offering (IPO), private placement and corporate restructuring consultancy, among others.

As the global and Vietnamese economies faced many challenges in 2022 due to central banks implementing money-tightening policies to curb inflation, the value of most assets plunged, which made investors cautious. Furthermore, the speed of capital flow began to slow down. Therefore, CF sought opportunities related to business restructuring services, splitting or merging the business segments of corporation members to reduce unnecessary costs, and maintaining profit margins to

overcome difficult periods. In 2022, CF signed contracts and consulted with two large Vietnamese corporations and one foreign corporation related to their restructuring and/or merger of business activities.

In addition, CF provided divestment consulting services, M&A and offering public listed shares for corporate clients with a total value of more than VND2,000bn. Although the global and domestic economies are expected to face many difficulties in 2023, CF believes that opportunities will come as Vietnamese businesses convert their operational models from family to professional management and State authorities work to correct wrongdoings related to securities and the stock market. These factors should help foreign investors to feel safe when investing in Vietnamese enterprises.



SIGNIFICANT DEALS IN 2022

VCSC was proud to be the exclusive consultancy for the following deals in 2022:



Consulting the Phuc Long beverage chain's shareholders and co-founder in the sale of controlling capital to Masan Group. With the highest transaction value ever in Vietnam's food & beverage industry, this deal is expected to transform Phuc Long from a market-leading beverage brand to a national brand. Thanks to this deal, Vietnam's unique coffee & tea culture can spread throughout Southeast Asia. Furthermore, the purchase of Phuc Long is a perfect piece for Masan Group and its customer-centric ecosystem.

PIZZA 4P'S



Consulting Mekong Capital to sell its stake in Pizza 4P's - a pizza chain with a unique recipe. This was not a simple project as the food & beverage industry in Vietnam was severely affected in 2021 due to COVID-19. However, VCSC applied its consulting experience and negotiation skills to convince investors to believe in the future of Pizza 4P's as well as the talent of its leaders. New investors are expected to follow the strategy of Pizza 4P's founders, which is developing new recipes using fresh ingredients that are 100% grown and produced in Vietnam using sustainable and responsible development.



Consulting Indorama Ventures with its purchase of Ngoc Nghia Industry - Service - Trading Joint Stock Company, which is one of the top plastic packaging companies in Vietnam. This public offering by Indorama Ventures was part of its expansion strategy into the packaging segment that should bring its business to new markets in the region, including Vietnam.



Consulting Phu Nhuan Jewelry Joint Stock Company (PNJ) - the leading jewelry manufacturer in Vietnam - to issue 15 million private shares with a total value of USD60mn to a large number of domestic and foreign investors. Despite PNJ enduring a difficult 2021 and exhausting its foreign room, the valuation satisfied all parties. With the money raised from this deal, PNJ can take advantage of the market's recovery and increase its number of stores.



Jera

Providing co-consultancy for JERA - Japan's largest energy producer - to purchase a 35% stake in Gia Lai Electricity Joint Stock Company (GEC). This deal gives JERA access to Vietnam's renewable energy industry and provides GEC with access to advanced technology and abundant financial resources so it can upgrade its renewable energy capacity to 2,000 MW by 2025, of which two-thirds will come from wind power.



Consulting PC1 Group Joint Stock Company - Vietnam's leading builder and general contractor for electrical works - to sell private corporate bonds with a total value of VND1,200bn to both domestic and foreign investors. While investors have shied away from the bond market and interest rates have been unpredictable, this amount of mobilized capital with a reasonable interest rate is a result of PC1's solid reputation and VCSC's capital-arrangement team. This financial potential should help PC1 to seize opportunities to invest in industrial real estate and supply the company with working capital.

After a challenging 2022 in which we were able to achieve many positive results, we realize the most valuable resources of VCSC are the trust and collaboration of our customers. This is valuable capital that should help VCSC in 2023 despite the challenging forecasts regarding the global economy. We expect opportunities for M&A and capital raising will open up when: **i)** the liquidity loss in the market leads to the need to sell good assets at appropriate prices in order to settle the liquidity situation of businesses;

ii) investors with significant amounts of cash are actively looking for good properties with appropriate valuations; and **iii)** the demand of capital raising for business development is very large. Because of the urgency for this need for capital, the duration to negotiate and close deals will be shortened to suit the demand of both the buyer and the seller. Therefore, VCSC is looking forward to successful 2023 in which we hope to achieve even more impressive breakthroughs.



AWARDS & ACHIEVEMENTS

VCSC was honored to receive several notable awards from the region's leading financial magazines:



"Best Investment Bank"
"Vietnam's Best Investment Bank"
"Vietnam's Best Capital Issuance Consultant" and
"Vietnam's Best M&A Advisory" from Global Brands



"The best financial consulting company for small and medium-sized businesses in Vietnam" from Global Business Outlook



"Best Securities Company in Vietnam" and
"Best Investment Bank in Vietnam" from Asiamoney



"Best Investment Bank" from Euromoney



"Best M&A consultant in 2021-2022"
from M&A Forum Vietnam



Local Brokerage Division & Market Share



By the end of 2022, **VCSC's brokerage market share was 4.72%**, which was among the top seven on HOSE but down 3% compared to 2021. Trading in the Vietnamese stock market continued to primarily come from domestic individuals in 2022, while foreign transactions declined due to global economic fluctuations. Overall, the growth of the domestic brokerage sector was unable to overcome the shortfall in foreign transaction value.

UNDERLYING SECURITIES

Notable events in 2022

- Economic reopening after COVID-19.
- Russia-Ukraine conflict started in February 2022.
- Vietnamese Government investigated stock market manipulation.
- US Federal Reserve conducted a series of seven interest-rate hikes at the fastest and strongest increase in history.
- Vietnamese Government accelerated monetary tightening policy and raised interest rates to curb inflation by adjusting the exchange rate margin from +/- 3% to +/- 5% and increasing the key interest rate to 2%.

VN-Index Progress:

After the VN-Index exceeded 1,500 points and then peaked at 1,536.40 points on January 10, 2022, the market entered a period of decline. For full-year 2022, the VN-Index decreased by 33% YoY and closed at 1,007.09 points. In addition, liquidity decreased in both volume and execution value as the average daily trading value was VND20,350bn in 2022, declining 23.4% compared to VND26,589bn in 2021. The highest daily liquidity was VND41,700bn, while the lowest was only VND7,856bn on November 23, 2022.

After a series negative events involving FLC, Tan Hoang Minh and Van Thinh Phat, the VN-Index plunged and eventually hit 873.78 points on November 16, 2022, which was its lowest point in 2022. Subsequently, the market rebounded and fluctuated around 1,000 - 1,100 points for the remainder of the year.

Domestic individual investors set a record for the number of new securities account openings as nearly 2.5 million accounts were opened in 2022 - equivalent to the total number of new accounts opened in 2017-2021. The total number of securities accounts in Vietnam was about 6.8 million in 2022.

BROKERAGE TRANSACTION VALUE MARKET SHARE IN FULL-YEAR 2022 OF THE 10 BIGGEST SECURITIES COMPANIES ON HOSE

Stocks, fund certificates and secured fund securities

ORDER	Name of securities company	Abbreviation	Share
1	VPS Securities Joint Stock Company	VPS	17.38%
2	SSI Securities Corporation	SSI	9.84%
3	VNDirect Securities Corporation	VNDS	7.88%
4	Ho Chi Minh City Securities Corporation	HSC	5.72%
5	Mirae Asset Securities (Vietnam) Joint Stock Company	MAS	5.47%
6	Techcom Securities Joint Stock Company	TCBS	5.12%
7	Viet Capital Securities Joint Stock Company	VCSC	4.72%
8	MB Securities Joint Stock Company	MBS	4.63%
9	FPT Securities Joint Stock Company	FPTS	3.21%
10	KIS Vietnam Securities Corporation	KIS	2.87%

The top 10 biggest stockbrokers on HOSE in 2022 accounted for 66.84% market share of brokerage transaction - up 1.61% compared to 65.78% in 2021. In 2022, the leading positions were occupied by securities companies that are strong in technology and capital.

Domestic brokerage revenue in 2022 was about VND458bn - a significant decrease compared to VND770bn in 2021. Brokerage revenue per capita in 2022 was VND3bn, which was down from 2021 as market liquidity declined and the number of brokers increased more than 24% YoY. VCSC was able to maintain the top position in the market for revenue per capita thanks to the effective performance of the domestic brokerage segment.

DERIVATIVES

In 2022, the derivatives market experienced impressive growth in the number of new accounts opened. According to data from the Hanoi Stock Exchange (HNX), there were 1,101,704 accounts on the stock market at end-Q3 2022 compared to 423,639 accounts on August 6, 2021 (the 1,000th derivatives trading session). The number of derivatives accounts in 2022 jumped 160% YoY - more than six times higher compared to 2020.

In terms of trading volume, there were 67,882,734 execution contracts recorded - equivalent to VND8,123,578bn. In terms of average value per session in 2022, derivatives trading volume was 272,621 contracts - equivalent to a transaction value of VND32,625bn per



session. The volume of derivatives contracts increased 44% YoY from 189,212 contracts per session in 2021. Additionally, execution value rose 25% YoY from VND 26,182bn per session in 2021.

Diplomatic sector trading contract volume increased 82% YoY in 2022 - equivalent to 1,203,362 contracts - compared to 660,727 contracts in 2021. In terms of value, foreign investors contributed VND149,267bn in 2022, increasing 60% compared to VND93,159bn in 2021. However, the proportion of foreign investors only accounted for 1.8% of total order executions in the stock market in 2022, which was quite low compared to domestic transactions.

Institutional Sales and Trading Division



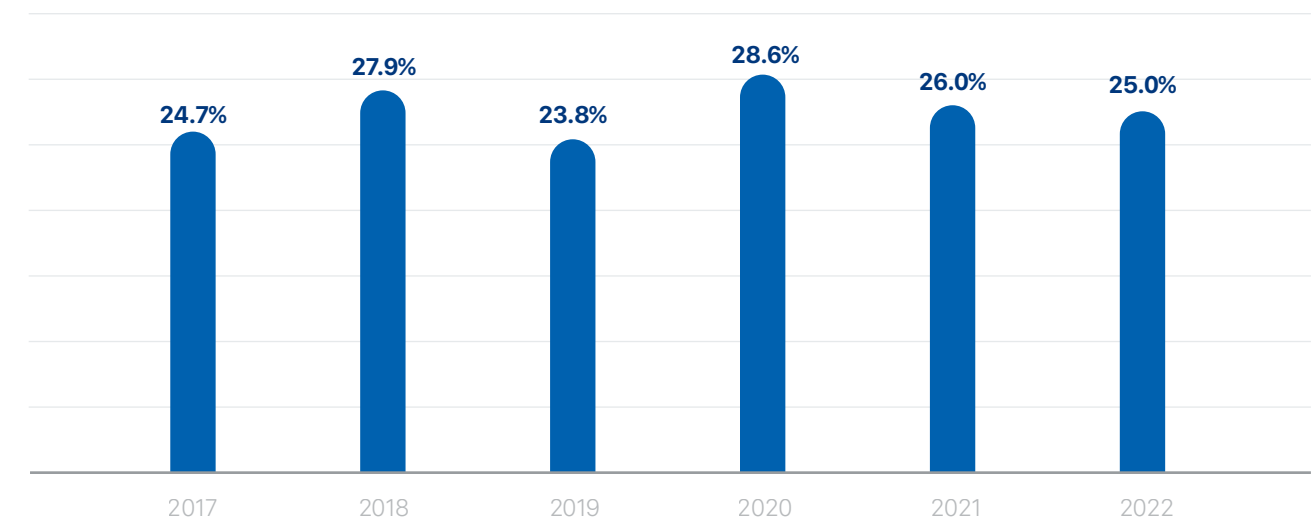
VCSC's Institutional Sales & Trading is proud to be the leading team in Vietnam's securities industry. Despite a volatile 2022, we remained committed to delivering the most professional and comprehensive financial services to our institutional clients. Our sales team provided value-added services that addressed investor needs, our traders ensured the optimal execution of trade orders, and our corporate access staff organized corporate on-site meetings and customized tours.

As Vietnam lifted COVID-19 travel restrictions in early 2022, we shifted from virtual meetings to in-person meetings to normalize personal interactions with our client base. We conducted meetings with our investors across the world, including in Asia, Europe, the Middle East and the United States. In addition, we were excited for our 10th annual Vietnam Access Day (VAD) conference to return to an in-person format. We hosted more than 350 institutional investors, 40 leading Vietnamese enterprises and 16 industry experts at VAD. This conference served as an opportunity to discuss the latest market trends, share insights and network with industry professional. VAD demonstrates our conviction that Vietnam is an attractive destination for long-term investments.

We will continue to strive for greatness in 2023 by being our clients' partner of choice. Furthermore, we will continue to build upon our trust with our existing clients while establishing partnerships with new investors.

In 2022, we achieved 25% foreign market share, therefore, will work tirelessly to maintain our top position in the industry. We will also continue to invest in our people and technology, which are critical for sustainable success.

**FOREIGN TRADING ON HOSE MARKET SHARE
2017 - 2022**



Maintaining industry-leading position

with **25%**
market share of foreign client brokerage



RESEARCH & ANALYSIS



Viet Capital Securities' research team strives to provide in-depth analysis and actionable and timely recommendations for people investing in the Vietnamese stock market.



Our Research Department is organized into sector teams, each of which is led by an experienced team manager. This structure allows analysts to develop deep knowledge of their industries under the guidance of their managers. Analysts are required to present their recommendations through regular webinars and meetings with our institutional clients and seminars for our retail brokers. This not only helps to communicate our recommendations to our clients but also helps analysts to develop a solid understanding of clients' needs. In addition, our analysts are encouraged and supported to pursue professional development, for example through participating in the CFA program.

As of December 2022, we covered 80 listed Vietnamese companies, representing over 75% of VN-Index market capitalization and approximately two-thirds of Vietnam's total market cap. Our coverage universe is continually evolving and focuses on stocks that offer investable market cap and liquidity, are important to the economy of Vietnam, and/or we believe offer high growth prospects or attractive valuations. Stocks under active coverage are updated via regular in-depth reports. Throughout 2022, we also published reports on over 30 other small and mid-cap companies.



Research and recommendations for

80

listed Vietnamese companies



Representing over

75%

of VN-Index market capitalization

Research products include:

- Daily and monthly commentaries on Vietnam's stock market
- Investment strategy reports
- Industry reports
- Company earnings reports
- Analysis and recommendations
- Fixed income reports
- Comprehensive macroeconomic analysis

As Vietnam lifted COVID-19 restrictions and fully reopened to international visitors in 2022, our analysts were able to resume a normal schedule of physical meetings with listed companies and investors, in addition to the virtual meetings and conference calls that became popular during the pandemic. Our research team also supported VCSC's Vietnam Access Day investment conference in March 2022 with in-depth presentations on various industry sectors.

We look forward to continuing to support our clients with research-based insights and actionable ideas on listed companies in Vietnam in 2023.



Our reports are published in both English and Vietnamese to serve our domestic and international client base.

Bonds Division

In the last six months of 2022, the bond market was almost frozen after a series of events, including Tan Hoang Minh and Van Thinh Phat and the issuance of Decree 65 amending and supplementing a number of articles of Decree 153. Many companies restructured their outstanding loans and repurchased about VND164tn of corporate bonds in the first 11 months of 2022 — an increase of about 50% from the same period in 2021.

A lack of cash flows along with pressure to repurchase bonds and a continued plunge of stock prices caused forced selling for many business leaders — especially in the real estate & construction segment.

Against this difficult backdrop, the Bond Department strictly followed business appraisal processes to ensure the quality of corporate bonds advised and issued by VCSC.

With the expertise and experience of our staff, VCSC has provided optimal bond issuance solutions and plans for our clients along with distribution of bonds via a network of partners such as financial institutions, investment funds, institutional investors and individual customers. In 2022, the Bond Department advised many leading companies to issue bonds for a total par value of more than



Total par value of more than
(VND)

2,000bn



Investment Division

Following the worldwide disruption of socioeconomic growth in 2020 and 2021 resulting from the impact of COVID-19, the global economy continued to fluctuate in 2022 due to increased inflation forcing global central banks to raise interest rates and consequences from the Russia-Ukraine war.



Consequently, the stock market experienced a significant decline in 2022. Specifically, the VN-Index decreased 33% YoY in 2022 and corporate bonds were almost frozen after a series of violations at major domestic real estate companies. VCSC could not avoid the impact of this economic turbulence.



Investment activities
achieved revenue of
(VND)

1,344bn

down **31%** compared to 2021



Profit before tax of
(VND)

298bn

down **71%** compared to 2021

Entering 2023, Vietnam's economy is forecast to be negatively affected by global economic developments and escalating geopolitical conflicts. However, VCSC's Investment Department maintains a positive long-term outlook for Vietnam due to the country's political stability and solid growth opportunities from foreign investment flows. Challenges are always associated with opportunities; therefore, VCSC will seek to invest in reputable businesses that have strong potential, outstanding business advantages and attractive discount prices.

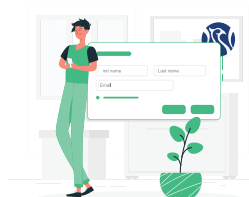
Customer Service & Product Management

ACTIONS TAKEN IN 2022



EVALUATION OF THE CUSTOMER SERVICE AND PRODUCT MANAGEMENT DEPARTMENT

- 01** Margin lending activities in 2022 included reminding debts, selling mortgages in accordance with regulations, and being quick to sell in order to recover capital. The market was difficult in the last few months of 2022, and real estate businesses were sold under mortgage lien releases, which led to serious illiquidity. However, with the direction of the Company's BOD, the Customer Service Department sold mortgages and recovered debt - without any significant bad debt.
- 02** With the support of the Sales Department, the Customer Service Department carried out all procedures for buying and selling bonds to customers for a total of 540 purchases and sales contracts - equivalent to VND2,800bn in value. In addition, the Customer Service Department fulfilled all obligations in agent contracts, including issuance, depository, payment and representing bond holders for corporate bonds of many companies such as PC1, Phat Dat and Dat Xanh, among others.
- 03** The number of new accounts opened in 2022 was three times higher vs 2021. Additionally, 97% of the new accounts were opened with the electronic know your customer (eKYC) identifier.



The number of new accounts opened in 2022 was 3x higher vs 2021.



- 04** Payment and withdrawal activities for customers were controlled without any significant errors. In 2022, the Customer Service Department made approximately 140,000 withdrawals and 137,000 deposits with respective values of VND64,000bn and VND72,000bn.
- 05** The safety ratio of derivative securities activities was controlled, and there were no warnings from the Vietnam Securities Depository (VSD) or instances of unclaimed money.
- 06** Daily activities of confirming post-transaction results for overseas institutional customers were carried out on time and without any errors.
- 07** The Customer Service Department has cooperated with IT and Product Development departments to build and acquire new software, which has improved operational efficiency, saved time and optimized costs.



Information Technology & User Innovation



In order to adapt with the rapid changes of the market and seize new opportunities, VCSC continues to emphasize investment in information technology systems that can serve our business activities. Furthermore, the Company is working to implement digital transformation and innovation projects. The Information Technology Department and User Innovation Department are responsible for leading and implementing activities related to the company's digital transformation projects.



INFORMATION TECHNOLOGY (IT) DEPARTMENT

In 2022, the IT Department worked with well-known domestic and international partners on a series of projects to upgrade the Company's existing core technology system in order to better serve transaction activities. The IT Department also prepared to operate a new core system - KRX - that is expected to be officially implemented in 2023. In addition, the IT Department is always proactive in improving the quality of products and services, developing utilities to automate existing business processes, helping to improve operational efficiency, and ensuring accuracy and efficiency of operation processes.

- Deposit/withdrawal quickly and automatically via account ID, QR code or SMS.
- Connect the Company's system with financial systems and portals such as Bloomberg, Reuters and NYFIX.



USER INNOVATION (UI) DEPARTMENT

The UI Department was established at the end of 2022 by inheriting the workforce of the Product Development Department. Up to now, VCSC has completed research, development and operation of the below products:

- eKYC online account opening system: Customers can open new securities accounts within three to five minutes based on optimal digital security technology.
- Online bond trading platform: Full automation of the bond trading process.
- Stock price list and business information.

The UI Department has set a strategic orientation that focuses on the development of digital products and bringing added value to users, including our customers and partners as well as our brokerage team and other departments.

In addition, the IT and UI Departments merged in 2022 to promote digital transformation projects and innovation activities more effectively while also maintaining a sustainable development strategy.



PREPARING TECHNOLOGY FOR THE RAPID DEVELOPMENT OF VIETNAM'S STOCK MARKET

In 2020-2022, the number of individual investors participating in Vietnam's stock market increased significantly. Although 2022 was a relatively challenging period for the stock market, the number of new accounts opened by individual investors hit a new record of 2.6 million. As a result, the total number of domestic individual investor accounts exceeded 6.8 million - equivalent to 6.8% of Vietnam's population. It will be significant if the percentage of Vietnam's population with a securities account hits the milestone of 10% in the near future. Nevertheless, this number is still low compared to 16% in South Korea and more than 50% in Taiwan.



In addition, the development roadmap of the stock market has been clearly stated in the Government's Project on Restructuring the Stock Market and Insurance Market in 2020 - 2025, which includes a plan to upgrade Vietnam's stock market by 2025, conditions for T0 transactions, changes in the ceiling/floor price bracket, and increasing the foreign ownership limit.

These plans for development cause us to believe that Vietnam's stock market will soon rapidly evolve. Therefore, we have set significant goals for the IT and UI Departments in 2022, including to strengthen our technology platforms for fast and stable online trading on a larger scale and to establish a platform that will be able to deal with the stock market's fast development.

IMPROVING THE USER EXPERIENCE

In order to constantly bring enhanced value to customers and the Company, the technology products of the IT and UI Departments meet basic requirements (e.g., system operates stably in daily tasks such as viewing information, placing purchase orders and managing user accounts and portfolios) while also improving our customers' experience in using our products and services.



- **For individual customers:** Digital products are developed with the goal of making securities investment **more accessible** to everyone by building solutions for all types of customers - from new investors who need utilities to learn about investing to experienced professional investors.



- **For brokers and departments in the Company:** Products are developed to provide automation utilities and are centralized to improve operating capacity and customer service. Therefore, these products can create added value for customers and ensure the Company's competitive advantage.

INVESTING IN ADVANCED TECHNOLOGY, PROVIDING EXCEPTIONAL SERVICE THAT GOES BEYOND CUSTOMER EXPECTATIONS

The Company has been emphasizing investment in building a team to develop advanced technology products that utilize big data and artificial intelligence (AI).



- **For customers:** These systems are expected to utilize relevant information from each specific customer, which can provide the ability to customize specific services and products that are suitable for each customer - in turn maximizing efficiency for customers, investors and the Company.



- **For the Company:** With a technology infrastructure platform that utilizes cloud computing, big data and AI, the Company can have a deep understanding of each customer and quickly grasp market trends. This will allow us to deploy personalized products at large scale so we can optimize costs and ensure consistent service quality.



Our inner energy source

With the goal of bringing the best quality of products and services to customers as well as optimizing the interests of shareholders, VCSC arranged loans from abroad with large capital and competitive capital costs in order to increase resources to promote the Company's business segments. In 2022, VCSC arranged two syndicated loans from different foreign banks:



OCTOBER 2022: Loan of USD105mn with the right to be extended to up to USD150mn from a group of foreign banks led by Maybank Kim Eng Securities and O-Bank — the main members of the main settlement agency, creditor and credit manager — along with Malayan Banking Berhad (Singapore branch) as one of the lenders.

MAY 2022: USD100mn syndicated loan arranged by Mega International Commercial Bank (Megabank).



VCSC arranged other syndicated loans in May 2022, November 2021 and May 2020, which affirms the Company's prestige with major international institutions.

Large-scale loans require an extremely rigorous appraisal process. Therefore, VCSC fully meets the standards of its partners in the appraisal process thanks to three main strengths.

Firstly VCSC is a securities company that is transparently managed and led by the Board of Directors and experienced leadership team.

Secondly VCSC's business capacity has been confirmed over a long period of time through strong and durable profit growth as well as the ability to exploit returns on capital far above the average of the securities industry.

Last but not least VCSC has outstanding financial capacity with a diversified revenue and profit structure and always maintains a healthy balance sheet.

With these strengths, the entire process for VCSC to complete a deal occurs within three months compared to the usual five months for similar projects.



In addition, VCSC's strong internal capacity is clearly reflected in our first long-term credit rating result of "A" with a rating outlook of "Stable" that was announced by FiiRatings in September 2022. This rating is based on a comprehensive assessment of VCSC's business position, leverage and capital structure, risk position and diversity in capital mobilization.



As for VCSC's business position, FiiRatings assesses VCSC to have a "Good" business position with a leading position in the institutional brokerage segment and stable market share. VCSC is among the top five companies in the industry by revenue size and total assets and is the leader in investment banking & consulting activities. VCSC's business model is diversified with investment banking, proprietary trading, brokerage and margin lending activities, which provide balance even in unfavorable market conditions.



FiiRatings rates VCSC's leverage and capital structure at "Suitable" in its model that focuses on capital business activities such as investment and margin lending. After making adjustments for investments in unlisted enterprises with low liquidity over a long duration, FiiRatings evaluates VCSC's adjusted debt/equity ratio as of June 30, 2022 as comparable with the industry average. In addition, VCSC's operating efficiency and profitability were assessed at a relatively solid level as shown by the Company's constant return on equity (ROE) that has remained in the 18%-25% over the past eight years compared to 7%-22% for the overall industry. VCSC has implemented a relatively cautious growth strategy by not prioritizing the competitive strategy of reducing transaction fees but instead focusing on increasing service quality to attract customers and maintain operational efficiency.



FiiRatings assesses VCSC's risk position at "Relevant" due to the Company's comprehensive and prudent risk management and policy, low risk appetite and development of systems. Information technology helps to automate transaction processing and maintain bad debts that do not arise from margin lending activities. Due to our business model that has a large proportion of contributions from investment activities, risk management ability and investment strategy are also important factors for this ranking. FiiRatings believes that VCSC's investment philosophy and strategy focuses on holding businesses with fundamental foundations and long-term growth potential, which is supported by the Company's advantages and experience in investment banking operations as well as a core competency in analytical research.



FiiRatings assesses that diversification in capital mobilization helps VCSC to be more flexible in capital management. Therefore, FiiRatings rates VCSC's liquidity as "Good." VCSC has the ability to maintain a good level of liquidity, with liquidity sources remaining at 1.2 to 1.3 times liquidity usage over the next 12 months. In addition, diversified capital sources with low-cost foreign syndicated loans and credit lines from domestic banks provide flexibility in financial planning for the Company to adapt to market developments.



FINANCIAL POSITION



TAXES AND OTHER PAYABLES TO THE STATE BUDGET:

The Company strictly fulfilled its obligations regarding value-added tax, corporate income tax and other payables to the State in accordance with current regulations.

The balance of tax payables and other payables to the State as of December 31, 2022, is as follows

Unit: VND mn	December 31, 2021	December 31, 2022
Corporate income tax - current	99,507	21,280
Personal income tax on securities income that the Company pays on behalf of others	54,190	22,744
Personal income tax	3,934	1,711
Value-added tax - local	-	331
Total	157,630	46,067

Source: VCSC's Financial Statements

Movements in tax and other payables to the State budget during the year were as follows

Unit: VND mn	January 1, 2022	Incurred	Paid	December 31, 2022
Corporate income tax - current	99,507	250,981	(329,208)	21,280
Personal income tax on securities income that the Company pays on behalf of others	54,190	292,994	(324,439)	22,744
Personal income tax	3,934	106,116	(108,338)	1,711
Value-added tax - local	-	4,380	(4,049)	331
Total	157,630	654,470	(766,033)	46,067

Source: VCSC's Financial Statements

DEBT OBLIGATIONS

Debts are always paid by the Company on time and in full under the contract or loan agreement. The Company does not have overdue debts.

The Company had no overdue liabilities in 2022. As of December 31, 2022, the balance of short-term and long-term debts was as follows:

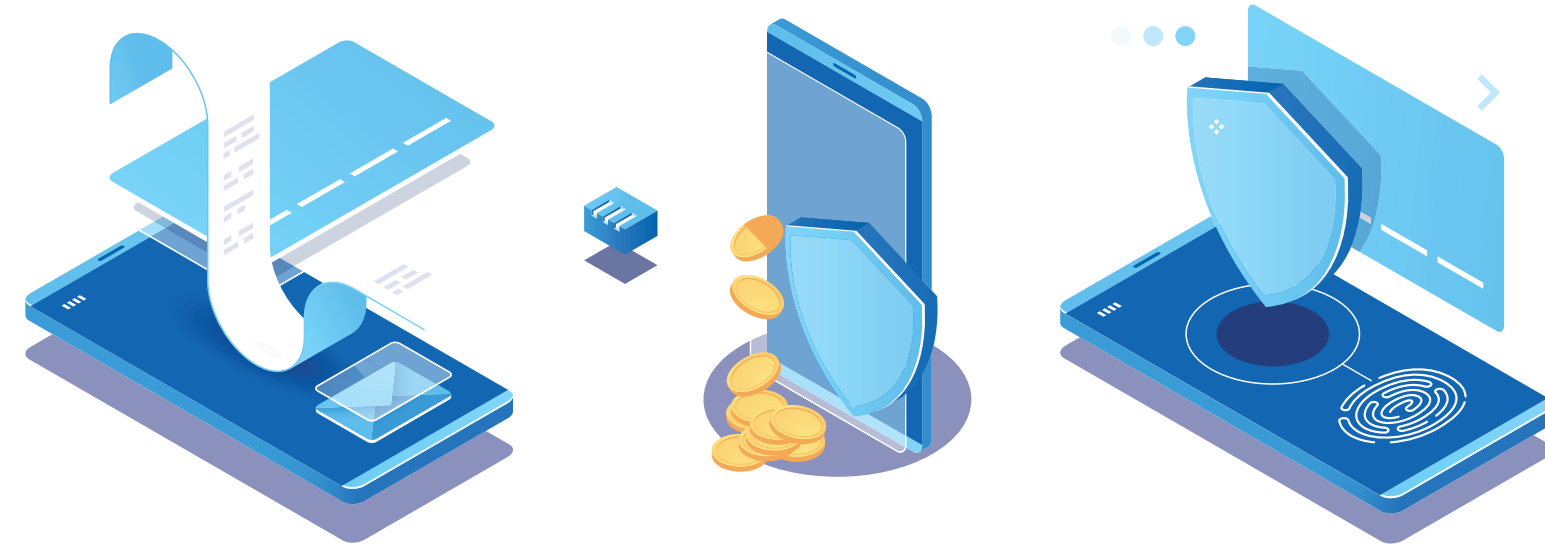
Unit: VND mn	December 31, 2020	December 31, 2021	December 31, 2022
Short-term debt	3,364,450	8,326,750	6,873,307
Short-term borrowings	2,696,130	6,362,680	6,326,207
Short-term corporate bonds	668,320	1,964,070	547,100
Long-term debt	0	0	0
Total	3,364,450	8,326,750	6,873,307

Source: VCSC's Financial Statements

LIABILITIES

Unit: VND mn	December 31, 2020	December 31, 2021	December 31, 2022
Short-term liabilities	3,733,857	9,615,482	7,487,465
Long-term liabilities	127,061	478,920	259,818
Total	3,860,919	10,094,402	7,747,283

Source: VCSC's Financial Statements



SHORT-TERM RECEIVABLES

Unit: VND mn	December 31, 2020	December 31, 2021	December 31, 2022
Accounts receivable	221,799	236,147	91,374
Service fee receivables	14,833	30,823	28,334
Others	5,939	0	0
Advance payments	18,748	20,165	2,306
Provisions for receivables	(1,928)	(1,928)	(1,928)
Total	259,391	285,206	120,085

Source: VCSC's Financial Statements

PAYABLES

Unit: VND mn	December 31, 2020	December 31, 2021	December 31, 2022
Short-term payables	369,407	1,288,732	614,158
Long-term payables	127,062	478,920	259,818
Total	496,469	1,767,652	873,976

FINANCIAL SAFETY RATIOS

According to Circular No. 87/2017/TT-BTC of the Ministry of Finance, dated August 15, 2017, securities companies must maintain a capital adequacy ratio (CAR) of at least 180%. VCSC always is well above this requirement, which ensures the financial safety of the Company.

Unit: VND mn	December 31, 2020	December 31, 2021	December 31, 2022
Market risk	604,397	1,137,173	1,021,198
Liquidity risk	17,348	59,971	143,473
Operational risk	193,608	377,637	375,907
Total risk	815,353	1,574,780	1,540,578
Available funds	4,353,081	6,305,155	6,388,319
Capital adequacy ratio	534%	400%	415%

KEY FINANCIAL METRICS

1

LIQUIDITY:
VCSC's current ratio remained healthy at 1.89x in 2022, indicating a strong ability to meet short-term obligations.

2

CAPITAL STRUCTURE:
VCSC maintained a healthy capital structure with a low debt to equity ratio against the regulatory cap of 500% applied to securities companies.

3

PROFITABILITY:
VCSC's net profit margin narrowed as 2022 was a turbulent year. However, the Company's ROE was still much higher than the average of other companies in the industry at 10.3%.

Item	Unit	2020	2021	2022
Liquidity ratio				
Current ratio	Times	2.23	1.72	1.89
Capital structure				
Total liabilities/Total assets	%	46.1%	60.7%	54.4%
Total debt/equity	%	74.4%	127.3%	105.8%
Net debt/equity	%	60.2%	110.0%	53.1%
Asset turnover	%	22.2%	29.8%	20.7%
Profitability ratio				
PBT margin	%	54.8%	49.6%	33.2%
Net margin	%	44.3%	40.2%	27.2%
ROE	%	17.9%	27.1%	13.3%
ROA	%	9.8%	12.0%	5.6%
Adjusted diluted EPS	VND	1,795	3,470	2,000
BVPS	VND	27,304	19,645	14,915

Source: VCSC's Financial Statements

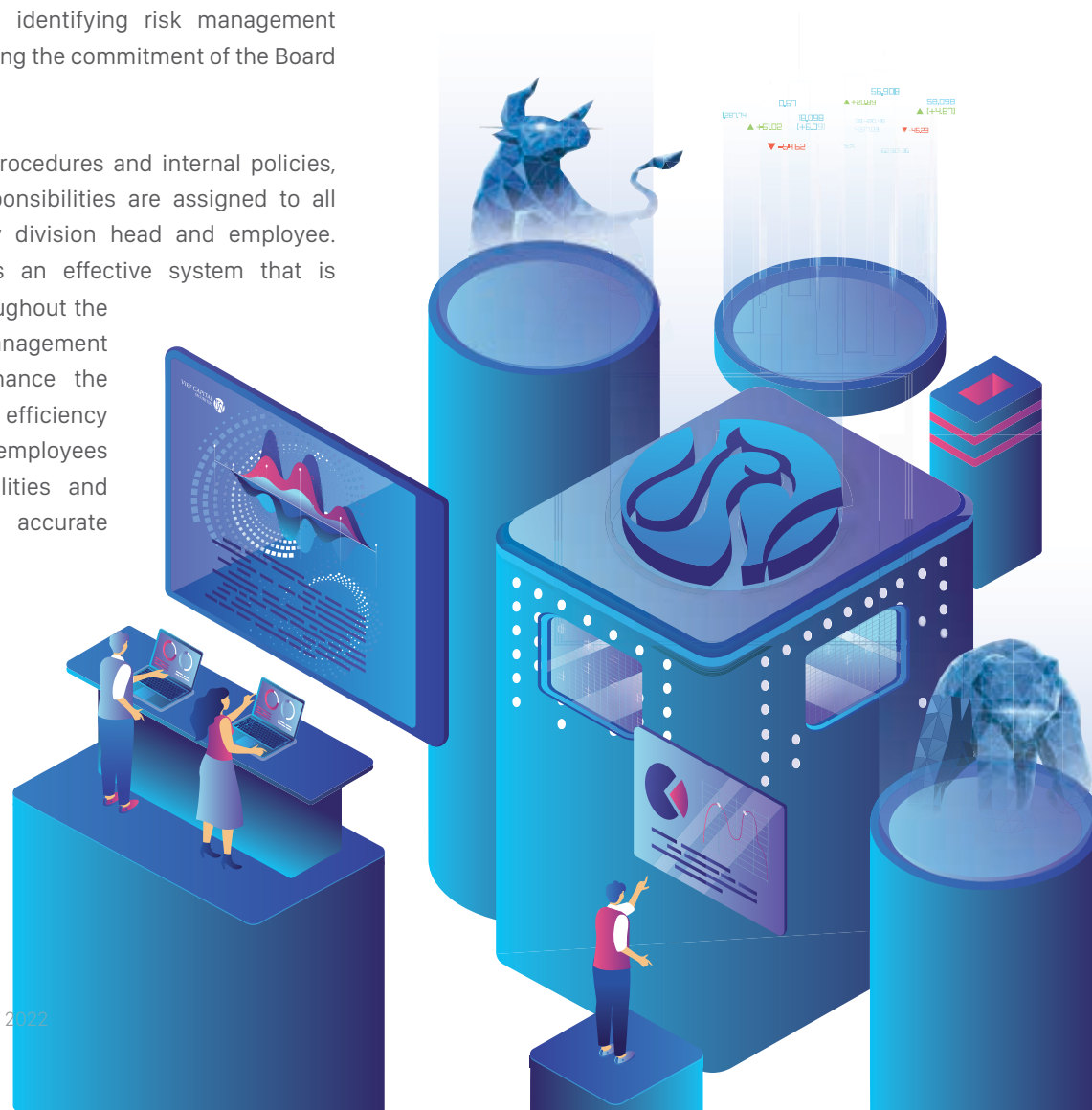
RISK MANAGEMENT

Risk management is a continuous process performed throughout the implementation of business strategies that balance risks and opportunities and serve as a framework for sound decision making.

VCSC's risk management is a set of personal and organizational values, attitudes, capabilities and behaviors focused on identifying risk management methods and establishing the commitment of the Board of Management (BOM).

As specified in laws, procedures and internal policies, risk management responsibilities are assigned to all levels, including every division head and employee. This structure creates an effective system that is applied uniformly throughout the company. The risk management system helps to enhance the Company's operational efficiency by empowering employees with more responsibilities and providing them with accurate performance reviews.

At VCSC, compliance monitoring and risk management are conducted in accordance with Decision no. 105/QĐ-UBCK, dated February 26, 2013, by the State Securities Commission of Vietnam. The risk management policies and process system are also completed in line with ISO 31000 and integrated into the Company's strategies.



Risk management process:



VCSC's RISK MANAGEMENT SYSTEM ENSURES:



-  Supervision by the Board of Supervisors, Internal Audit and Internal Control.
-  Clear and transparent risk management strategies reflected in long-term risk policies for each period set by the BOD.
-  Implementation plan with full policies and procedures.
-  Management, inspection and regular review by the General Director.
-  Risk management policies and risk limits are developed and implemented and a risk management information system is established.

The risk management system is designed to identify, measure, monitor, report and handle risks in an effective manner. It also helps the Company to always fulfill its compliance obligations.

Risk management is implemented in an independent, objective, honest and well-documented manner. The functional department and risk management department operate separately and independently, and the person in charge of a functional department will not lead the risk management department and vice versa.

Internal guidelines are clearly communicated to all employees, helping them to better understand their duties and responsibilities and provide feedback on relevant risk management processes if needed. Internal guidelines are regularly reviewed and updated.



THE COMPANY'S CONTROL ENVIRONMENT

The internal control environment at VCSC is comprised of a set of standards, processes and structures that serve as the foundation for internal control throughout the organization. Employees' awareness of control activities is influenced by the environment of the Company. As a result, the BOD and BOM must possess ethical values and set a good example for the Company as a whole.



Objectives and procedures implemented to establish an internal control environment include:

Commitment to integrity, ethical values and behaviors across the Company

- The Company develops standards and a code of conduct for employees.
- A code of ethics is utilized to evaluate the BOD, employees and partners.
- New hires are required to participate in a training orientation that introduces them to the Company's regulations, standards, code of conduct and sanctions for violations of the code of ethics.

Appropriate structures, reporting lines, authorities and responsibilities

- Clearly define the structure, roles, responsibilities, and reporting lines; evaluate the appropriateness of organizational structure.
- Define authorities of each level of governance and management.
- Create and maintain job descriptions; ensure that labor contracts are properly signed.
- Clearly define roles of Internal Audit.

The BOD demonstrates independence from the BOM and maintains oversight

- BOD's roles and responsibilities on governance and oversight are clearly defined.
- Establish policies and make decisions on meetings between the BOD and the BOM.
- Establish open and effective communication channels between the BOD, Internal Audit and the independent auditor to ensure timely operational reporting.

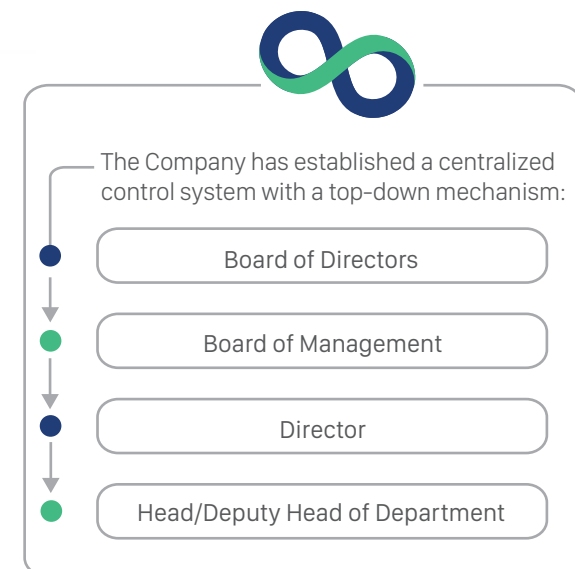
Commitment to attract, develop and retain competent talent

- Establish requirements for employees' competencies, knowledge and skills; develop a process of evaluating competencies and behaviors.
- Align competency and knowledge standards, requirements, and assessments with policies and decisions on recruiting, training and retaining staff.
- Develop a succession plan for key personnel positions.

REPORTING LINE, RESPONSIBILITY AND AUTHORITY

The General Director, who oversees day-to-day operations, is mainly responsible to the BOD. Meanwhile, Directors and Heads/Deputy Heads of departments directly manage a specific function or team and report to the General Director and the BOD.

This top-down mechanism is used to assign responsibilities and duties. At VCSC's headquarters and branches, the Head of a department will delegate tasks to the Deputy Head and each employee. With the instruction of the senior employees or the Head of a department, employees can better understand their responsibilities and ensure that cross-checking is implemented within the department or between departments.



ORIENTATION FOR RISK MANAGEMENT IN 2023

In 2022, the tightened monetary supply on a global scale had a strong impact on world stock markets. Accordingly, the VN-Index dropped 33% YoY in 2022. In 2023, the risk management system will work to develop scenarios and contingency plans for incidents and disasters based on experiences gathered over the years. Risk management activities at VCSC will continue to be updated according to the business realities and Vietnam's stock market in order to become in line with international standards.

The orientation of the risk management department in 2023 will focus on the following activities:

- 1 Continue to review and update policies, processes and regulations to meet the requirements of laws, market practices and business realities.
- 2 Coordinate with business units to build a risk portfolio for each applicable activity. Risk limits have been approved by the Board of Directors and contingency plans have been developed for incidents and disasters to ensure the smooth and effective operation of the Company.
- 3 Continue the inspection and control of the Company's activities - especially high-risk activities.

In addition, VCSC's risk management in 2023 will update and supplement new knowledge on risk management according to the market's development and conduct training to raise awareness about risk prevention for each employee. The objective of these activities is for departments to be aware of and control risks in their operations.

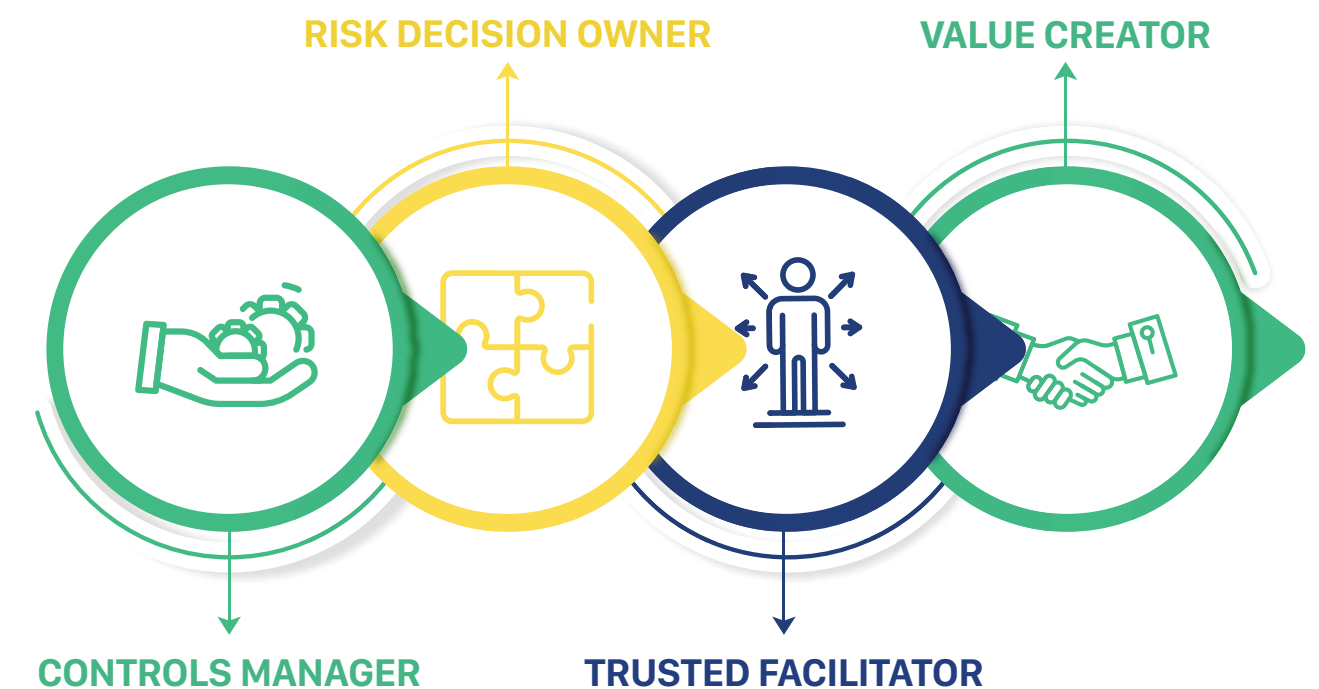
Information Security Department plays a multifaceted role:

- The role of the Information Security Department is growing in size and scope as business demands intensify.
- The effectiveness of the Information Security Departments requires the delivery of **four critical outcomes**:



It is vital for the Information Security Department to stay ahead of the curve

- Identify gaps in traits, behaviors and soft skills that will enable us to be more effective in our roles.
- Focus on the future of our roles by balancing the need to deal with immediate issues vs making proactive risk decisions.
- Establish stronger relationships with stakeholders that will influence our ability to become a trusted partner.
- Balance and reallocate our time toward activities that encourage business participation and decision making.
- Keep benchmarks as useful data points but make sure our risk appetite, value management and cost optimization initiatives are what drive our decision-making processes.



CORPORATE GOVERNANCE CORE ENERGY SOURCE



Professional ethics



In our position as a leader, VCSC has always operated with an entrepreneurial, ever-curious and innovative spirit throughout our 15 years of operation. We acknowledge that a sustainable business – in addition to preeminent products & services, dedication and professionalism – must be built on its responsibilities to each client, partner, colleague, shareholder and community. This mindset is a key factor and core strategy in our sustainable development.

FOR CUSTOMERS

- Provide top-of-the-line services.
- Enhance trustworthiness and credibility.
- Commit to fulfilling responsibilities in a professional and constructive manner.
- Commit to preserving confidentiality and protecting customer information.



FOR PARTNERS & COLLEAGUES

- Ensure integrity and professionalism.
- Commit to preventing conflicts of interest.
- Commit to taking appropriate measures when handling violations (if any).



FOR SHAREHOLDERS

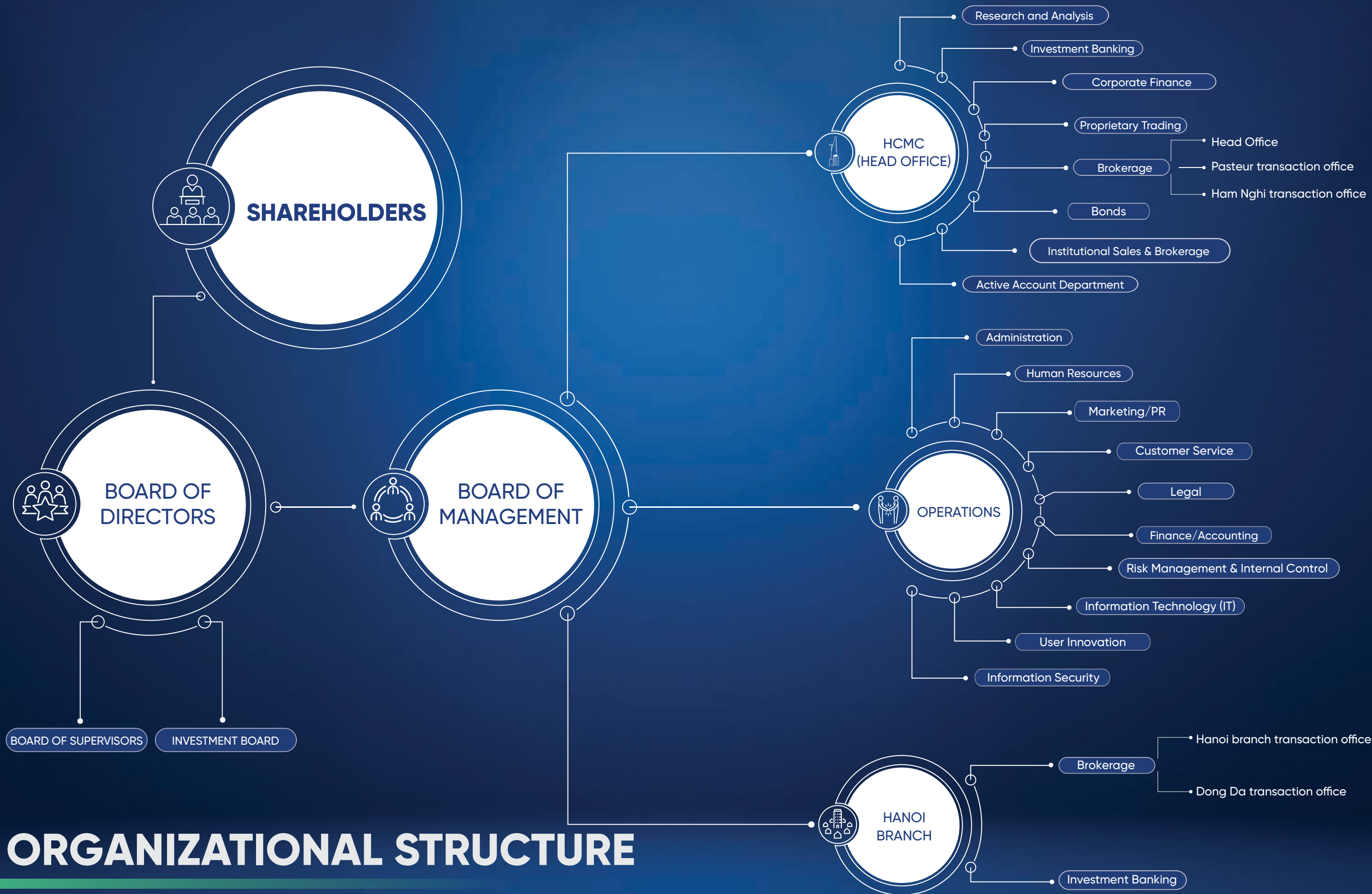
- Commit to complying with codes, regulations and standards of business ethics.
- Secure investments as well as provide substantial and sustainable profits.



FOR THE COMMUNITY

- Commit to thoroughly complying with international laws on anti-money laundering, corruption and counterterrorism.
- Fulfill commitments in accordance with international regulations and conventions.
- Proactively carry out volunteer and community service activities.





ORGANIZATIONAL STRUCTURE



INTRODUCING THE BOARD OF DIRECTORS



Ms. **NGUYEN THANH PHUONG**
Chairwoman

Ms. Phuong is the Founder of Viet Capital Securities Company (VCSC) and Viet Capital Asset Management (VCAM), a fund management company with a 17-year track record of success. She has led both VCSC and VCAM as Chairwoman since their inception. In addition to her service at these two firms, Ms. Phuong has served as Vice President of Viet Capital Bank (VCCB) for the past decade. In 2015, Ms. Phuong and her husband established Phoenix Holdings – a family office and holding company that has businesses and investments in financial services, digital banking, real estate, media, F&B, and sports & entertainment. In her leadership roles across this diverse portfolio, Ms. Phuong is responsible for establishing the overall vision, developing business strategies and overseeing governance. She provides her unwavering support to all leadership teams so every business she is involved with can become a market leader. She previously served as the Deputy Director of Finance at Holcim Vietnam – a subsidiary of the Swiss multinational – and as the Director of Investment at Vietnam Holding Asset Management Company.

Ms. Phuong has also used her passion for sports to develop and grow the game of basketball in Vietnam. She was recently elected the Chairwoman of the VBA (Vietnam Basketball Association) – the country's premier professional basketball league. In addition, Ms. Phuong reserves a significant part of her life for philanthropy. She is also the President of Live to Love Vietnam, which brings education and healthcare resources to the neediest parts of the country. Ms. Phuong earned a bachelor's degree in finance & banking from Hanoi's National University of Economics and an MBA from the International Institute in Geneva (IIG).



Mr. **TO HAI**
Member of Board of Directors

Mr. Hai has served as General Director since the Company's inception in 2007. Mr. Hai possesses extensive experience in corporate finance advisory, investment banking and Vietnam's stock market. Mr. Hai is renowned as an expert as he has long history of advising on equitization, initial public offerings and financial restructuring. He holds a bachelor's degree in industrial management from HCMC's Technical University and a master's degree in finance & banking from the University of Sydney. Additionally, Mr. Hai is certified by Vietnam's State Securities Commission.



Mr. **TRAN QUYET THANG**
Member of Board of Directors

Mr. Thang is the current Chairman of the Board of Directors of R.C. Real Estate Development Financing Joint Stock Company (REFICO). He has a wealth of experience in finance, investment and management. Mr. Thang holds law degrees from Germany's Martin Luther University and The College of Law London. He is also the founder of the law firm Thang & Associates. Additionally, he was a founding member and served as General Director of Saigon Securities JSC (SSI). Mr. Thang is also the President of the Fund Investment Committee of Aureos Funds (UK) – a global leader in private equity.



Mr. **NGUYEN LAN TRUNG ANH**
Member of Board of Directors

Mr. Trung Anh is the CEO of Phoenix Holdings, a pioneering family investment office in Vietnam. At Phoenix, Mr. Trung Anh directly oversees and manages companies in various sectors such as fintech & financial services, renewable energy, F&B, retail, media and sports & entertainment. Mr. Trung Anh is also on the Board of Directors of Vietcredit (consumer finance), Kredivo Vietnam (BNPL), Timo (neo bank), Advance (EWA), Seven System Vietnam (retail), MSE (sport services), PCP (solar energy) and First AI (media). He also leads Phoenix Holdings' investment team in sourcing new investments in fintech & financial services companies.

Prior to being CEO of Phoenix, Mr. Trung Anh was a member of the investment team of IDG Ventures Vietnam – the first venture capital fund in Vietnam with an initial investment of USD100mn. IDG Ventures Vietnam invested in Vietnam's first unicorn, VNG (Zalo/Baomoi/Zing). He has 15 years of experience in venture capital & private equity investment and has developed powerful and unique networks with investors and entrepreneurs in Southeast Asia. Mr. Trung Anh also has a distinguished track record in fundraising in the fintech, retail and online industries. Notably, Mr. Trung Anh was named to Forbes Vietnam's 30 Under 30 list.

INTRODUCING THE BOARD OF DIRECTORS



Mr. **LE PHAM NGOC PHUONG**
Member of Board of Directors

Mr. Phuong holds a bachelor of science degree in economics and has a wealth of experience in finance and accounting. He served as the Director of Finance and Chief Accountant of Khai Vy-Duyen Hai Joint Stock Company from 2002 to 2016, as well as the Deputy Chief Executive Officer of VM Group and Director of Finance of Tan Tien Plastic Package Joint Stock Company. Mr. Phuong currently serves as the Deputy Chief Executive Officer of Finance for D1 Joint Stock Company and the Deputy Chief Executive Officer for Lothamilk Joint Stock Company.



Ms. **NGUYEN VIET HOA**
Member of Board of Directors

Ms. Hoa has been an independent member of VCSC's Board of Directors since April 2021. She is currently the Chairwoman of Ben Thanh Trading & Service JSC. Ms. Hoa graduated with a bachelor's degree in accounting - auditing and a master's degree in economics from the University of Economics HCMC.



Mr. **HOANG (HENRY) B. NGUYEN**
Member of Board of Directors

Hoang (Henry) B. Nguyen is the Chairman of Phoenix Holdings, an investment company focused on business and operations in technology, retail/consumer, financial services, education, healthcare, media, and sports & entertainment. Prior to Phoenix, he was the Managing General Partner of IDG Ventures Vietnam - the country's first venture capital and private equity firm focused on consumer, technology, media, and telecom investments. In addition to these two roles, Henry is also the Developmental Licensee (Master Franchisee) for all McDonald's restaurants in Vietnam as well as the Executive Chairman of Timo - Vietnam's first digital banking service and leading neobank.

With a deep passion for sports, he established the Saigon Heat pro basketball team in 2011, which competes in the ASEAN Basketball League (ABL). He is also the Founder of the VBA (Vietnam Basketball Association) - the country's premier professional basketball league. He also serves as the President of the Vietnam Basketball Federation (VBF) and was recently elected President of the South East Asia Basketball Association (SEABA). In addition to his work in basketball, he is the Founding Owner and Vice Chairman of the Los Angeles Football Club (LAFC) - the most successful new club in Major League Soccer (MLS). LAFC began competition in the MLS in 2018 and played in the newly built BMO Stadium. The Club won the Supporters Shield league title in 2019 and 2022, and most recently won the MLS Cup title in November 2022.

As a deep advocate for the improvement of education in Vietnam, he has served as a Founding Trustee of Fulbright University Vietnam (FUV) - the country's first private, not-for-profit institution of higher learning. Henry is currently the President of the Harvard Alumni Club of Vietnam and has also served as a trustee for British University Vietnam.

Henry is a Young Global Leader of the World Economic Forum and an Asia 21 Fellow of the Asia Society. He has been bestowed with many honors, including being named an "Asia Game Changer" by the Asia Society for his leadership in bridging cultures through policy, business, arts, and education initiatives. He was also honored with the John Connor Humanitarian Award 2015 by Operation Smile due to his deep contribution as Chairman of the Board of Advisors for Operation Smile Vietnam.

Henry earned his BA (magna cum laude) in classics at Harvard University and his MD and MBA from Northwestern University Medical School and the Kellogg School of Management, respectively. He is married and has 10-year-old twin daughters.



BOARD OF DIRECTORS' MEETINGS IN 2022

No.	BOD Member	Position	Number of BOD meetings attended	Rate	Reason for absence from meetings
1	Ms. Nguyen Thanh Phuong	Chairwoman of BOD	17	100%	
2	Mr. To Hai	Member of BOD	17	100%	
3	Mr. Tran Quyet Thang	Member of BOD	17	100%	
4	Mr. Nguyen Hoang Bao	Member of BOD	17	100%	
5	Mr. Nguyen Lan Trung Anh	Member of BOD	17	100%	
6	Mr. Le Pham Ngoc Phuong	Member of BOD	17	100%	
7	Ms. Nguyen Viet Hoa	Member of BOD	17	100%	



BOD'S OVERSIGHT OF BOM

- The BOD is responsible for supervising the implementation of BOD and AGM resolutions, business plans and investment plans.
- Additionally, the BOD supervises the General Director's activities to ensure that the company's operations are safe and in accordance with applicable laws and AGM resolutions.

ACTIVITIES OF COMMITTEES UNDER BOD

- The BOD has yet to establish committees.

RESOLUTIONS/DECISIONS OF BOD IN 2022

No.	Resolution No.	Date of issuance	Content	Through rate
1	01/2022/NQ-HĐQT.VCSC	January 13, 2021	Recall of bonds issued on eighth bond issuance tranche in 2021	100%
2	04/2022/NQ-HĐQT.VCSC	January 26, 2022	Recall of bonds issued on third bond issuance tranche in 2021	100%
3	05/2022/NQ-HĐQT.VCSC	February 9, 2021	Closing the shareholders list for Annual General Meeting 2022	100%
4	09/2022/NQ-HĐQT.VCSC	April 4, 2022	Established Fund Management Company	100%
5	10/2022/NQ-HĐQT.VCSC	April 4, 2022	Implementing a plan to issue shares under the ESOP for employees, issuing regulations on issuance of shares to employees of Viet Capital Securities Stock Company and the list of employees that can purchase shares under the resolution of the 2022 Annual General Meeting of Shareholders	100%
6	14/2022/NQ-HĐQT.VCSC	May 11, 2022	Receive a loan syndication arranged by Mega International Commercial Bank ("Megabank")	100%
7	19/2022/NQ-HĐQT.VCSC	July 1, 2022	Issuing shares to pay dividends	100%
8	20/2022/NQ-HĐQT.VCSC	July 21, 2022	First bond issuance in 2022 - value of VND120bn	100%
9	23/2022/NQ-HĐQT.VCSC	August 4, 2022	Closing the list of shareholders to issue shares to pay dividends	100%
10	24/2022/NQ-HĐQT.VCSC	August 10, 2022	Recall of bonds issued on fifth bond issuance tranche in 2022	100%
11	26/2022/NQ-HĐQT.VCSC	October 11, 2022	Issuing, listing and offering sale covered warrants	100%
12	27/2022/NQ-HĐQT.VCSC	October 19, 2022	USD100mn syndicated loan limit arranged by Maybank and O-Bank	100%
13	30/2022/NQ-HĐQT.VCSC	November 2, 2022	Recall of bonds issued (code VCIH2123008 - VND25bn and VCIH2123009 - VND100bn)	100%
14	31/2022/NQ-HĐQT.VCSC	November 8, 2022	Appointing General Director for the 2022-2027 term	100%
15	32/2022/NQ-HĐQT.VCSC	November 10, 2022	Recall of bonds issued (Code VB2020600.03.031, VCIH2123002, VCIH2123003, VCIH2123006 and VCIH2123008)	100%
16	33/2022/NQ-HĐQT.VCSC	December 13, 2022	Recall of bonds issued (Code VCIH2123001 first issued in 2021)	100%
17	34/2022/NQ-HĐQT.VCSC	December 14, 2022	First dividend advanced payment of 2022	100%



SALARY, BONUS AND ESOP FOR KEY EMPLOYEES IN 2022

UNIT: VND mn	Salary (Unit: VND)	Bonus (Unit: VND)	ESOP (Unit: Shares)
A. BOD (Member of the BOD (*))	-	-	-
B. Independent Board of Directors	720,000,000	-	-
Mr. Le Pham Ngoc Phuong	240,000,000	-	-
Mr. Nguyen Lan Trung Anh	240,000,000	-	-
Ms. Nguyen Viet Hoa	240,000,000	-	-
C. BOM	7,665,666,000	-	617,000
Mr. To Hai	2,715,222,000	-	200,000
Mr. Dinh Quang Hoan	2,475,222,000	-	247,000
Mr. Nguyen Quang Bao	2,475,222,000	-	170,000

(*) The company is not entitled to pay salaries to non-independent members of the BOD



REPORT OF THE BOARD OF SUPERVISORS

THE BOARD OF SUPERVISORS

INTRODUCING THE BOARD OF SUPERVISORS



Ms. **MAI THI THANH TRANG**
Head of Board of Supervisors



Ms. **BUI THI MINH NGUYET**
Member of Board of Supervisors



Ms. **TRUONG THI HUYEN TRANG**
Member of Board of Supervisors

Ms. Trang graduated from the University of Economics HCMC where she majored in accounting and auditing. She is currently an auditor at T&F Auditing Company Limited. Ms. Trang has many years of experience in finance, accounting and auditing at large companies and corporations such as Heineken Vietnam Brewery Co., Ltd., Ho Chi Minh City Computer Services and Auditing Company Limited.

Ms. Nguyet is currently employed by Phoenix Holdings Limited as Chief Accountant. Previously, she worked at Viet Capital Investing Limited Company, where she was in charge of the accounting department's organization and duties. She has extensive experience in finance, accounting and auditing at some of Vietnam's leading companies, including KPMG and Viet Capital Bank. She earned a degree in accounting and auditing from the University of Economics HCMC.

Ms. Huyen Trang graduated from the University of Economics HCMC with a degree in finance and accounting. She currently is Chief Accountant at Viet Capital Real Estate Company. She has more than a decade of experience in accounting and auditing at various organizations.



MEMBERS OF BOS IN 2022

No.	Member of BOS	Position	Date of resignation/ appointment to BOS	Number of BOD meetings attended	Rate	Reason for absence from meetings
1	Ms. Mai Thi Thanh Trang	Head of BOS	March 30, 2023	2	100%	
2	Ms. Bui Thi Minh Nguyet	Member of BOS		2	100%	
3	Ms. Truong Thi Huyen Trang	Member of BOS		2	100%	

ACTIVITIES OF THE BOARD OF SUPERVISORS IN 2022

BOS'S OVERSIGHT OF BOD, BOM AND SHAREHOLDERS IN 2022

- The BOS is responsible for supervising the activities of the BOD and General Director in managing and governing the Company. The BOS is accountable to the law, the Company's annual general meeting and shareholders. Furthermore, the BOS is responsible for ensuring that the Company's management, accounting and financial statements are reasonable, legal and secure. Additionally, the BOS is tasked with the responsibility of evaluating quarterly and six-month earnings releases, financial statements and performance reviews of the BOD and AGM.

COORDINATION BETWEEN BOS AND BOD, BOM AND OTHER MANAGERS

- In the event the BOS identifies a violation of the law or the Company's charter by BOD members, BOM members or other managers, the BOS must inform the BOD of such violations in writing within 48 hours and require the violators to stop their current behaviors and seek corrective measures.

OTHER ACTIVITIES OF BOS (IF ANY)

- Other duties could be assigned to the BOS as requested by the company's charter or the AGM.

THE BOARD OF MANAGEMENT

INTRODUCING THE BOARD OF MANAGEMENT



Mr. **TO HAI**
Chief Executive Officer



Mr. **DINH QUANG HOAN**
Deputy General Director



Mr. **NGUYEN QUANG BAO**
Deputy General Director

(Refer to the Board of Directors)

Mr. Hoan has been a part of VCSC since its establishment. He has more than two decades of experience in financial consulting, accounting and auditing. Mr. Hoan previously served as a Deputy Head of Consulting at Bao Viet Securities JSC's HCMC branch, where he oversaw the issuance and listing of securities as well as the underwriting, equitization and restructuring of businesses. Previously, he was the Chief of the Auditing Department at KPMG, where he was responsible for auditing projects and financial reviews for multinational corporations and small businesses. He earned a master's degree in economics with a concentration in finance and a bachelor's degree in accounting and auditing from the University of Economics HCMC. He is a Ministry of Finance-certified independent auditor and a long-standing member of the Association of Chartered Certified Accountants - United Kingdom (ACCA).

Mr. Bao has been a member of VCSC since 2008. He has extensive experience in commercial banking and securities and was an early participant in Vietnam's stock market. He applied his experience and expertise in helping with the valuations, development of equitization plans and auctions of numerous businesses in a variety of industries. Furthermore, he has been involved in the development and launch of multiple products for other securities firms. Before joining VCSC, he served as Deputy General Director cum Director of Bank of Investment and Development of Vietnam Securities Company - HCMC branch and Deputy Director of Service Division cum Hai Phong Branch Director of Saigon Securities Company. He has a bachelor's degree from the Credit of Banking Academy and bachelor's degree in finance and credit from Hanoi Finance and Accounting University.

KEY MANAGEMENT PERSONNEL



Mr. **Ngo Vinh Tuan**
Managing Director,
Head of Investment Banking

Mr. Tuan has over 20 years of experience in the fields of investment and financial advisory services.

Before joining VCSC, Mr. Tuan was an investment director and portfolio manager at event-driven and distressed-debt hedge funds Alden Global Capital and Longacre Assets Management, respectively. In 2009, Mr. Tuan joined France's sovereign fund Fonds Stratégique d'Investissements (FSI) in Paris as a director and BOD member. This sovereign fund was created to support the French economy following the 2008 financial crisis.

Earlier in his career, Mr. Tuan worked as an M&A banker at Tier 1 investment banks such as Goldman Sachs, Credit Suisse and Bank of America Merrill Lynch in London.

Mr. Tuan holds an MBA from the Wharton School at the University of Pennsylvania with a double major in finance and entrepreneurial management as well as a bachelor's degree from the Ecole Supérieure de Commerce in Grenoble, France.



Mr. **Tuan Nhan**
Managing Director

Mr. Nhan oversees the firm's institutional sales & trading, retail brokerage, private wealth management and corporate bond department. He is dedicated to building a client-centric business founded on international-quality service, the best execution, reliable information, a performance-driven culture and trust.

He has 17 years of experience in financial services. Prior to joining VCSC in 2013, Mr. Nhan worked for seven years at JP Morgan Australia and Rodman & Renshaw in the United States.

Mr. Nhan has a BS degree in business administration with a specialization in finance from Colorado State University. In addition, he holds the Series 7, Series 55 and Series 63 US financial licenses.



Mr. **Alastair Macdonald, CFA, CIPM**
Managing Director,
Head of Research & Analysis

Mr. Macdonald has been VCSC's Head of Research & Analysis since 2018. He has more than 25 years of experience in equity research in Thailand, Singapore, Japan and Vietnam.

Mr. Macdonald previously worked as Head of Research & Analysis at Kasikorn Securities and Macquarie Securities in Thailand and as a senior analyst covering Japanese stocks at Macquarie in Tokyo. Before working in Asian markets, Mr. Macdonald held the position of marketing manager at Gartmore Investment Management in London.

Mr. Macdonald holds an MA degree in natural sciences and economics from Trinity College, Cambridge.

KEY MANAGEMENT PERSONNEL



Mr. **Le Van Tuan**
Chief Technology Officer

Mr. Tuan has extensive experience in building and leading cross-functional engineering teams. Some of his most recent positions were at Mai Linh Group (Group CIO), Grab (Senior Engineering Manager), Seldat Inc. Vietnam (Managing Director & Chief Architect), Samsung Vietnam Mobile R&D Center (Head of Software R&D Department) and Vietsoftware International Inc. (CTO).

Mr. Tuan holds a PhD in computer science from the University of Caen Normandy in France.



Ms. **Chau Thien Truc Quynh**
Managing Director,
Head of Retail Brokerage

Ms. Quynh is VCSC's Head of Local Brokerage and has more than 20 years of experience in the Vietnamese stock market. From 2005 to 2007, she worked as Deputy Head of the Enterprise Financial Consulting Division and Head of the Brokerage Division at the Bank for Foreign Trade of Vietnam Securities Company - one of the largest securities companies in Vietnam.

From 2001 to 2005, she worked as a specialist in enterprise financial consulting for the Bank of Investment and Development of Vietnam Securities Company. Her experience at securities companies enables her to achieve satisfaction from numerous individual and organizational clients as she is able to provide professional brokerage services that ensure solid returns on investments.

Ms. Quynh received a BA and MA in finance and banking from the University of Economics HCMC. She also obtained an executive MBA through a joint program between the University of Economics HCMC and the School of Management at the Université du Québec à Montréal (ESG UQAM) in Canada.



Ms. **Pham Thi Thanh**
Director of Investment Banking
- Hanoi Branch

Ms. Thanh has over 20 years of finance experience. Before joining VCSC, she worked at as the Director of Corporate Finance Advisory at the Ministry of Finance and the Director of Online Trading at Vincom Securities Joint Stock Company. She has accomplished various M&A, fundraising, restructuring and listing advisory deals in Vietnam.

Notably, Ms. Thanh is one of the most experienced equitization advisors for State-owned corporations.

She holds a BA degree in banking and finance from the National Economics University and a master's degree in financial management from the University of Melbourne. Ms. Thanh is also recognized as a professional fund management practitioner by the State Securities Commission of Vietnam and as a valuation practitioner by the Ministry of Finance.

KEY MANAGEMENT PERSONNEL



Mr. **Nguyen Quoc Dung**
Brokerage Director
– Institutional Clients

Mr. Dung has more than 20 years of experience in finance and auditing. He has worked at VCSC since the Company's inception. He began in the Investment Banking Division and then moved to Institutional Sales & Brokerage in 2010.

He also has extensive experience in finance and auditing for manufacturing, distribution and auditing corporations such as L'oreal, Heineken & Tiger Beer and KPMG.

Mr. Dung holds an MBA from the French – Vietnamese Center for Management Education (CFVG) – a program sponsored by the French government and the Vietnamese Ministry of Education and Training. He also holds a BA in corporate finance from the University of Economics HCMC.



Mr. **Ly Dien Anh**
Brokerage Director

Mr. Dien Anh has been the Brokerage Director at VCSC since 2011, and he has been involved with the Vietnam's securities industry since its establishment. After beginning his career at Bao Viet Securities Company in 2000, Mr. Dien Anh served as the Brokerage Director at Dong A Securities Company from 2004 to 2011.

Mr. Dien Anh graduated from the University of Economics in HCMC, majoring in banking & finance.



Mr. **Pham Thanh Vu**
Brokerage Director

Mr. Vu is VCSC's Brokerage Director and responsible for the Active Brokerage System (ABS).

He has 18 years of experience working in the securities brokerage field in Vietnam. He has been involved in investor relations, investment consulting and brokerage activities. In addition, he is currently responsible for ABS's human resources.

Mr. Vu graduated from the University of Economics and Law and holds an MBA from HCMC Technical University (HUTECH).



Mr. **Phan Xuan Nguyen**
Brokerage Director – Head Office

Mr. Nguyen has a bachelor's degree in banking and finance. He has over 16 years of experience in the securities industry.

Mr. Nguyen has worked at VCSC since its initial days and has held many positions. He became the Brokerage Director at the Head Office at the end of 2019. In this position, he is expected to utilize his experience and knowledge in improving team performance and building and encouraging team solidarity for further development.



Mr. **Doan Minh Thien**
Chief Accountant

Mr. Thien has more than 17 years of experience in finance and accounting.

He holds a BA degree in corporate finance from the University of Economics of HCMC.



Mr. **Tran The Luan**
Associate Director
of Information Security

Mr. Luan has 16 years of work experience at Katalon Vietnam (IT & Security Manager), CIMB Bank Vietnam (Head of IT Infrastructure & Security), CMC TSSG (Information Security Manager), Jetstar Pacific Airlines (Information Security Leader), MService JSC (MoMo e-Wallet), Viettel ICT, HDBank and Renesas Design Vietnam.

He has a vast knowledge and experience in information security – especially in security compliance such as ISO 27001 compliance, SOC2 Type II compliance and PCI-DSS compliance.

Mr. Luan has a bachelor's degree in electronics & telecommunication from the HCMC University of Technology.



TRANSFORMING WITH NEW ENERGY






2023 ECONOMIC OUTLOOK

CHALLENGING H1, H2 TO ANTICIPATE GLOBAL RECOVERY

Softening external demand could further weigh on Vietnam's exports and production in H1 2023 before a recovery in H2 2023 and 2024. On a brighter note, Vietnam has considerable fiscal room to boost domestic demand with public sector debt well below the cap of 60% of GDP. Additionally, much of the USD350bn package that was passed in January 2022 to support a socioeconomic recovery in 2022-2023 is still unutilized. A further recovery in inbound foreign tourism, which achieved only 20% of the 2019 pre-COVID level in 2022, should provide additional support to the current account and domestic demand. In addition, China's reopening could boost demand from that country and cushion the negative impact from the weaker growth of Vietnam's exports to other economies while also boosting the

tourism sector. Meanwhile, FDI inflows should remain solid thanks to Vietnam's fundamental advantages in the context of multinational companies diversifying their investment and production out of China, which could in turn reinforce Vietnam's production and trade amid the global slowdown. We forecast GDP growth of 6.5% in 2023 - in line with the Government's target - and 7.0% in 2024.

 We expect
Vietnam's GDP growth to be
6.5% in 2023



Trade activities to remain weak in H1 2023 before rebounding in H2 2023. According to Bloomberg consensus forecasts, global GDP growth is expected to slow to 2.1% in 2023 vs 3.1% in 2022 and then rebound to 2.9% in 2024. Also, GDP growth of the US - Vietnam's largest market that accounted for nearly 30% of Vietnam's exports in 2022 - could decelerate to 0.3% in 2023 from 1.9% in 2022 and then recover to 1.3% in 2024. Weaker global demand outlook could negatively affect Vietnam's trade activities in H1 2023 before recovering in H2 2023 and 2024.



China's reopening could cushion the negative impact from the weaker growth of Vietnam's exports. China's economic growth is expected to recover to 4.9% in 2023 vs 3.0% in 2022, according to the Bloomberg consensus forecasts. The recovery of China's economy could partly mitigate the negative impact of the slowdown in the US and other economies on Vietnam while also boosting the tourism sector (exports to China accounted for 15.7% of total exports in 2022, while Chinese tourists contributed one-third of Vietnam's international arrivals pre-pandemic).

BLOOMBERG CONSENSUS FORECASTS

GDP growth, YoY %	2016	2017	2018	2019	2020	2021	2022	2023	2024
World	3.3	3.8	3.6	2.8	(3.0)	6.0	3.1	2.1	2.9
Countries									
US	1.7	2.2	2.9	2.3	(2.8)	5.9	1.9	0.3	1.3
China	6.8	6.9	6.7	6.0	2.2	8.4	3.0	4.9	5.0
EU	2.0	2.9	2.1	1.8	(5.6)	5.4	3.3	0.1	1.5
Japan	0.8	1.7	0.7	(0.4)	(4.3)	2.3	1.4	1.2	1.0
South Korea	3.0	3.2	2.9	2.2	(0.7)	4.1	2.6	1.7	2.3
Vietnam	6.2	6.8	7.1	7.0	2.9	2.6	7.4	6.2	6.7

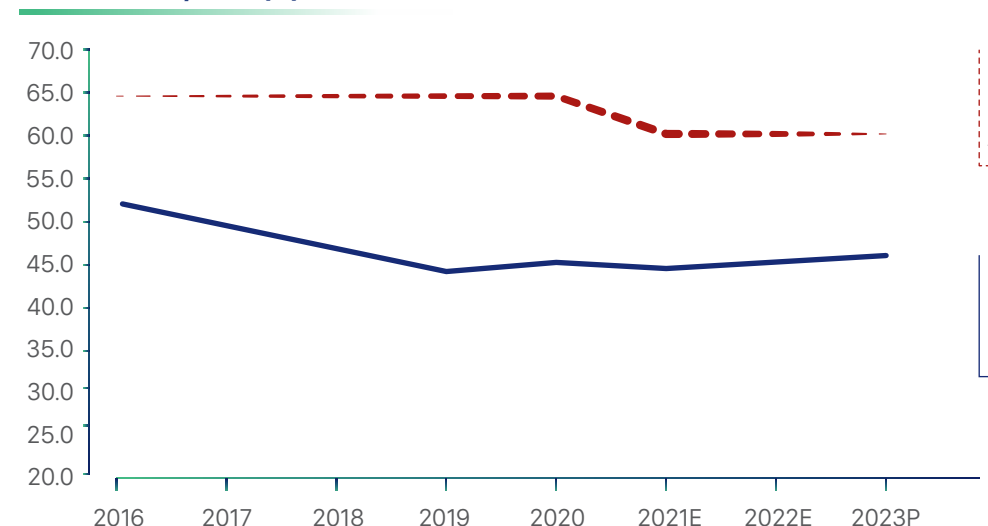
Source: Bloomberg, VCSC (updated December 28, 2022)



Accelerating public investment disbursement to stimulate economic growth amid the global slowdown.

According to the Ministry of Finance's (MoF) 2023 plan for the State budget that was approved by the National Assembly, budgeted revenue and expenditures are projected at VND1,620.7tn (USD68.7bn) and VND2,076tn (USD88.0bn), respectively, resulting in a fiscal deficit of VND455.5tn (USD19.3bn) - equivalent to 4.4% GDP in 2023. Of this amount, the MoF expects to spend VND726.7tn (USD30.8bn) on investment & development (including capital from the fiscal stimulus package approved in 2022) - 38.1% higher than the 2022 plan approved by the National Assembly. Meanwhile, the country's public debt was well below the cap of 60% of GDP (around 43%-44% as of 2022, according to the MoF), which could give the Government flexibility in the implementation of fiscal policies.

Public debt / GDP (%)

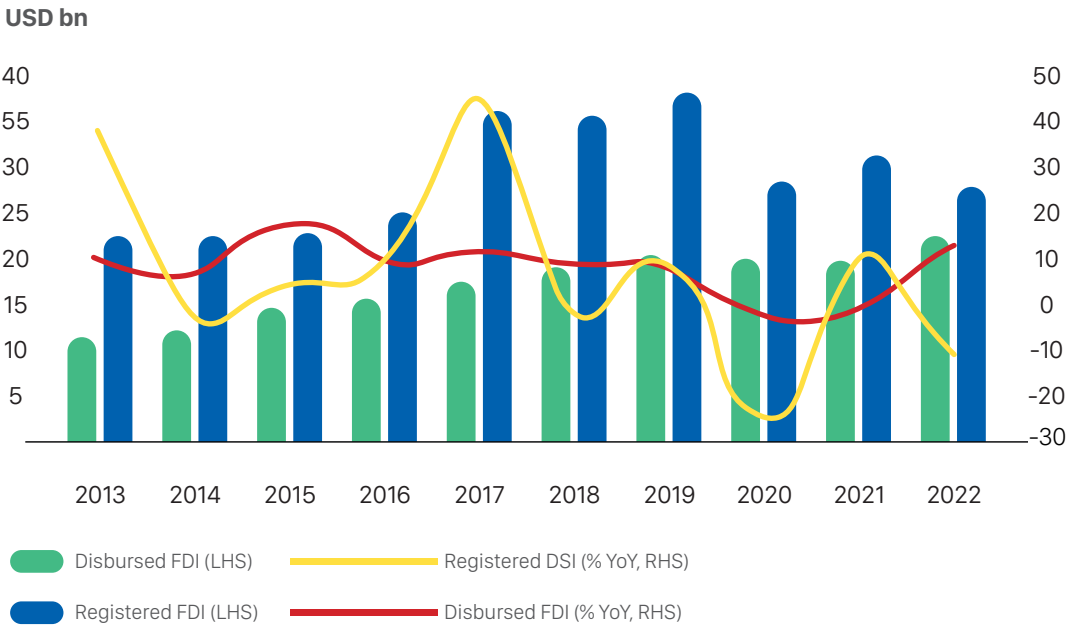


Source: MoF, VCSC

Solid outlook for FDI inflows. Improving feasibility study activities for new projects after they were disrupted by COVID-19 should support FDI commitments in 2023. In addition, Vietnam could continue to benefit from investment diversification out of China from foreign companies amid ongoing trade tensions between the US and China. Also, the recent upgrade of South Korean – Vietnamese ties to a comprehensive strategic partnership could further boost bilateral trade of the two countries as well as investment into Vietnam. Moreover, Vietnam’s advantages – such as its geographic position, large/ young population, competitive labor costs and a long list of free trade agreements (FTAs) – could continue to attract FDI inflows in the medium to long term.

REGISTERED AND DISBURSED FDI

Source: Ministry of Planning and Investment (MPI), VCSC



USD/VND exchange rate to stay stable in 2023. The Fed’s rate hike cycle is reaching its peak (with the Fed’s expectation of a terminal rate of 5.1%, which is equivalent to a 75-bp hike in 2023), while the USD Index (DXY) is expected to depreciate by 2.7% in 2023 and 3.2% in 2024, according to Bloomberg consensus forecasts. In addition, solid foreign inflows from FDI, remittances, a merchandise trade surplus and narrowing service trade deficit (thanks to the return of international tourists) could support the State Bank of Vietnam in managing the USD/VND exchange rate.



Higher inflationary pressure in 2023. Average inflation could increase in 2023 due to potential price hikes of services under the Government’s management after being unchanged for several years. However, the average CPI could remain under control at around 4.0% as crude oil prices are expected to decline, which will help to ease cost-push inflation.

VCSC's 2023 BUSINESS PLAN



1. Comprehensive Innovation

As a part of our comprehensive innovation strategy to improve the quality of our products and services, we have determined the following about the Company’s name and brand:

- Currently, Viet Capital Securities Joint Stock Company is known by various names, including VCSC, Viet Capital Securities, VCI, Chung Khoan Ban Viet and Vietcap. This situation dilutes the current brand power of the Company and thus urgently requires a solution.

Furthermore, clients could confuse the name “Chung Khoan Ban Viet” with other Vietnamese companies that have similar names. On the other hand, the name “Vietcap” is very unique but already widely recognizable in both domestic and foreign capital markets – especially among institutional investors.

- Moreover, “Vietcap” is short, concise, easy to remember and has the same pronunciation in English and Vietnamese.

Changing the Company’s name to “Vietcap” will strengthen the Company’s brand identity and brand power. The Company’s brand identity also needs to be updated in a modern and clean way.

As a result, we realize that changing the Company’s name and brand identity is necessary and will help to complete the growth and development objectives according to the Company’s strategic direction.



2. Maintain momentum, strengthen No. 1 position in investment banking

- After peaking in 2021, Vietnam’s M&A market was stagnant in 2022 as participants tended to spend more cautiously due to global geopolitical concerns and high inflation affecting transnational transactions.

Vietnam’s economy is forecast to grow slower in 2023 after the country’s GDP growth rate of 8.02% in 2022. However, even if GDP growth slows in 2023, it should still be high as most global economies are predicted to grow much slower or even experience negative growth. Consequently, the value of M&A deals in the Vietnamese market is expected to increase in 2023.

We hold the No.1 position in investment banking in Vietnam, and we are confident that we can maintain this position in 2023 as we have strong relationships with domestic enterprises and domestic & international investment funds and have consulted many leading listed enterprises in Vietnam.

2.5 million securities accounts
were opened in 2022

3. Continue to promote the development of retail brokerage

- The securities brokerage sector is expected to experience a challenging 2023 from fierce competition among securities companies with high margin lending strategies, applying a policy of exemption/discount on transaction fees, making significant investments in their brokerage team, and offering high commissions to solicit new and senior investors who are trading via multiple channels with other companies.

The number of individual investors participating in Vietnam's stock market continued to rise in 2022 as nearly 2.5 million securities accounts were opened - equivalent to the total number of accounts opened in 2017-2021.

We will seize opportunities from this boom by focusing on developing our retail brokerage for individual investors, which is one of our key strategies in 2023. To implement this strategy, the User Innovation Department was established in Q3 2022. The Company has invested in human resources, technology & modern trading systems and a diverse variety of products to serve customers. Some of these products include core software projects for listed securities, core software for derivatives, upgrading stock trading channels via the web and mobile app, and building eKYC online account opening to help customers quickly set up their accounts. ■



6.5 %
Government's 2023 GDP
growth target

10 %
EPS growth

P/E **9.5**

In our opinion, the Government's 2023 GDP growth target of 6.5% is feasible thanks to several supporting factors: (1) the tourism industry is expected to recover impressively in 2023, and consumption demand continues to recover after the pandemic and be supported by domestic tourism demand and the increase of international tourists to Vietnam (especially from China following its relaxed COVID measures); (2) the disbursement of public investment will be boosted; (3) China's reopening will help Vietnam's export value increase significantly; and (4) Vietnam's stable political and social security via the 2023 Economic Recovery Program. VCSC's Research & Analysis team forecasts the VN-Index's EPS growth to be 10% for 2023 - equivalent to 9.5x the P/E projection in 2023.

However, we do not discount risks that could affect Vietnam's stock market, including (1) global growth decelerating more than expected, which would lead to higher disruptions of production, trade and FDI; (2) higher-than-expected inflation causing higher interest rates for a longer duration; (3) financial problems of real estate development companies impacting banks and the overall economy; (4) fiscal policy tightening more than expected; and (5) other risks such as an escalation of the Russia-Ukraine conflict.

SUSTAINABILITY REPORT

Orientation for Sustainable Development



"VCSC's vision is to become one of the leading investment banks in Vietnam."

STRATEGY FOR SUSTAINABLE DEVELOPMENT

We acknowledge that a well-run and sustainable VCSC must be built on the responsibilities of our BOM and staff as well as solidarity and integrity

Also, the trust and support of our stakeholders, which include but are not limited to our clients, shareholders and employees, play a key factor that not only leads us to success but also opens up new horizons for our sustainable development.

VCSC's mission is to provide services of the highest quality in a professional manner, standing as a testament to the phenomenal growth we have long sustained. We always strive to maintain the best relationship and business operations for the sustainable development of our partners.



POSITIVE IMPACT ON THE COMPANY

- Maintaining sustainable growth
- Ensuring income and economic benefits for employees
- Taking care of employees
- Developing a team while also searching for and nurturing talent
- Managing risks and overseeing compliance
- Enhancing transparency in all activities



POSITIVE IMPACT ON SOCIETY

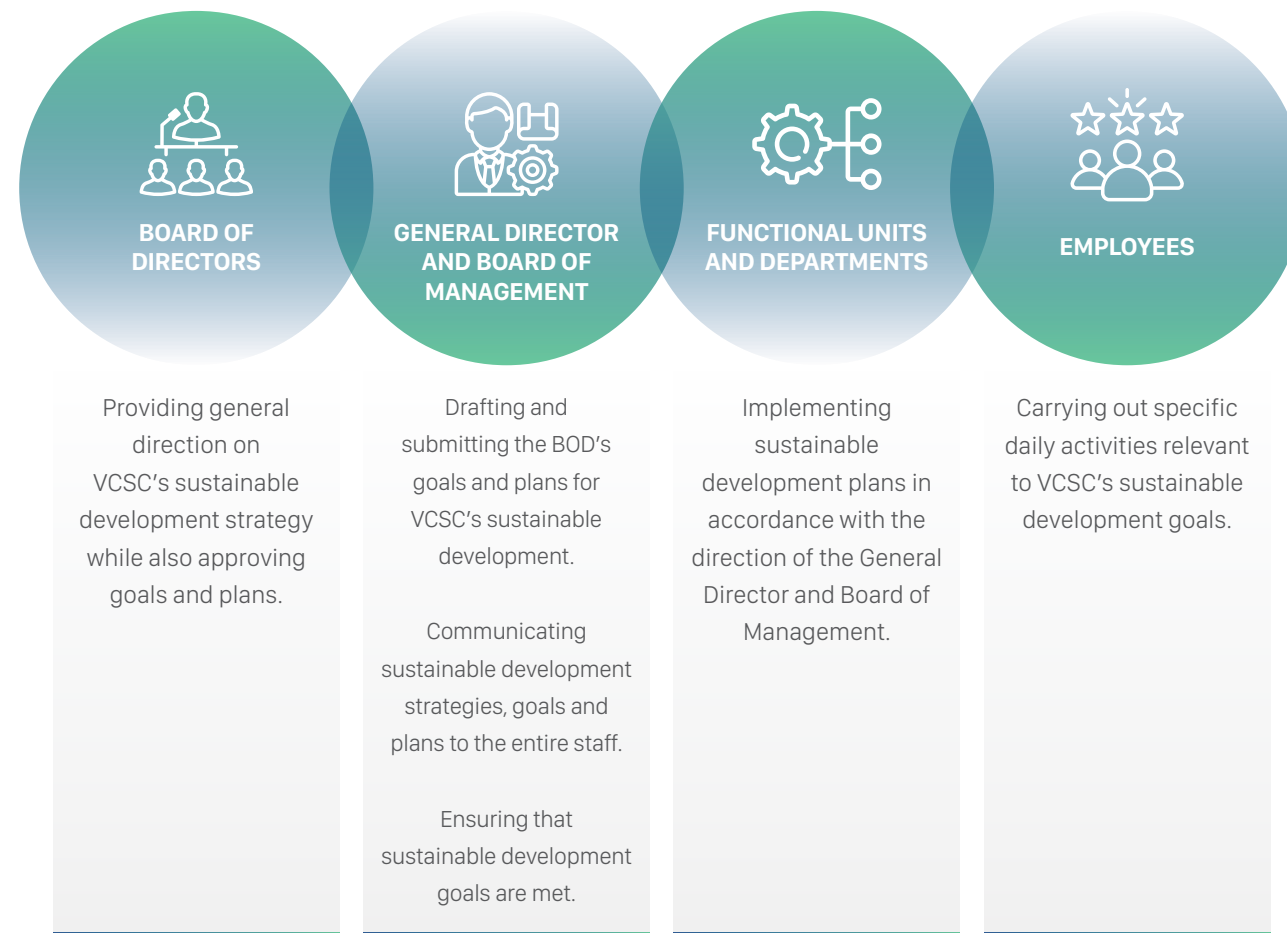
- Fulfilling all duties and responsibilities to the State
- Adopting a green investment strategy
- Practicing environmental protection
- Engaging in community sharing








POSITIVE IMPACT ON THE MARKET

- Maintaining stable dividend ratios for shareholders
- Providing high-quality products/services to meet customer demand
- Bridging the gap between investors and investment opportunities
- Contributing to the market's development and serving as an effective capital raising channel for the economy
- Supporting businesses through advisory services

MANAGEMENT MODEL FOR SUSTAINABLE DEVELOPMENT



PRINCIPLES OF SUSTAINABLE DEVELOPMENT

-  **For clients:** Provide financial products, services and innovation that are tailored to the client's needs while offering appropriate investment recommendations in a quick, efficient and cost-effective manner.
-  **For employees:** Offer an open and inspiring work environment with competitive remuneration while providing equal opportunities and promoting personal & professional development.
-  **For shareholders:** Protect shareholders' investments and provide a superior and sustainable return.
-  **For partners:** Seek mutually beneficial relationships with partners and comply with ethical principles to ensure sustainable relationships.
-  **For society:** Conduct business as a responsible member of society and in the communities where we operate while carrying out our commitments to adhere to international conventions or codes.

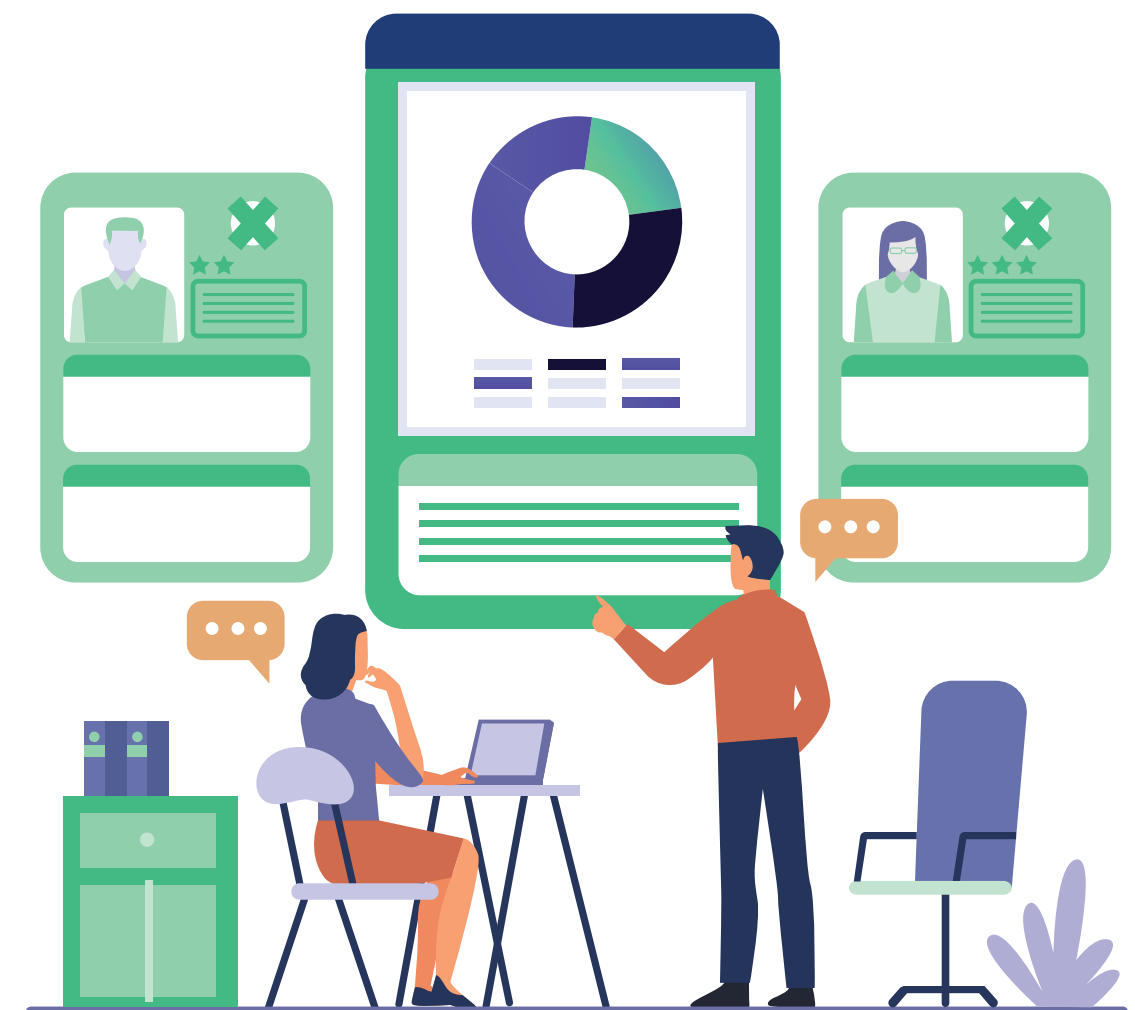
OBJECTIVES OF SUSTAINABLE DEVELOPMENT AT VCSC



"VCSC has always invested in research & development with a view to drive the growth of the domestic stock market and contribute to Vietnam's socioeconomic development."

VCSC has made significant contributions in the following aspects:

- Providing stable employment for employees
- Contributing to the development of the financial securities industry in Vietnam
- Raising capital to boost Vietnam's economic growth
- Promoting the growth of businesses with more efficient use of capital
- Enhancing strong corporate governance and business transparency
- Offering opportunities for youth development and empowerment
- Raising living standards of communities



Sustainable Development Report Summary

REPORT CONTENT

The 2022 Sustainable Development Report highlights VCSC's sustainable orientation by reviewing the Company's active and effective operation in the past year as well as areas that need to be addressed and plans for future activities



VCSC has prepared a Sustainability Report in compliance with Global Reporting Initiative (GRI) guidelines as well as detailed and systematic disclosures based on G4 Guidelines. The report was developed in accordance with "GRI Standards: core option" and focuses on the following categories of disclosures: economic performance, labor practices & decent work, training & education, product & service labeling, and local communities.

This report was developed by VCSC's Sustainability Report Group that includes members of the Marketing Communications/PR Department, Accounting Department, Human Resources Department and the Board Secretary who manage the most relevant functions in VCSC regarding data and information related to sustainable development activities.

REPORT SCOPE

VCSC's Sustainable Development Report 2022 is considered as a supplementary and indispensable document attached to the Company's 2022 Annual Report and 2022 financial statements.

The report reflects the results of the Company's operations in 2022 and refers to the direction and objectives of VCSC for sustainable development in the near future. The report covers data and activities across the entire business, including VCSC's Head Office and its transaction offices across the country.

The implementation of sustainable development activities is closely related to VCSC's corporate social responsibility strategy as driven by the Company's mission and vision. It is framed within the full compliance of corporate internal control procedures and national and international provisions, including those on competition, human rights and environmental law.

CONTACT

For any information and suggestions for VCSC's Sustainable Development Report, please contact:

Viet Capital Securities Joint Stock Company (VCSC)

Email: info@vcsc.com.vn

Address: Bitexco Financial Tower, 15th Floor,
2 Hai Trieu Street, District 1, HCMC, Vietnam



Engaging stakeholders through sustainable development

VCSC acknowledges that all of its activities are relevant to internal and external stakeholders, including employees, shareholders clients & investors, and the local community.

To ensure sustainable development in all relationships, VCSC regularly engages with stakeholders via the following activities:



Clients/Investors

- Organizing workshops
- Scheduling in-person meetings with clients
- Supporting clients via our call center and customer service
- Supporting clients via VCSC's website
- Sending regular emails detailing business results, account changes and other useful information
- Installing a suggestion box at transaction offices



Shareholders

- Holding Annual General Meeting
- Scheduling in-person meetings with investors
- Presenting Company's business operations for investors
- Facilitating Q&A sessions via VCSC's website
- Sending emails to shareholders and investors



Employees

- Holding quarterly or yearly team briefings
- Holding direct meetings with the Board of Directors
- Celebrating birthdays of employees
- Exchanging information via internal phone and email
- Organizing a team building program
- Organizing quarterly interactive activities and/or quarterly family and children's days



Local community

- Assisting youth organizations and university student unions in organizing events
- Participating in community development activities
- Helping the less fortunate
- Participating in environmental protection and community service

Sustainable Development Report



CONTRIBUTION TO THE STATE BUDGET



As an enterprise with superior operations and notable accomplishments, VCSC has always met its obligations to the State budget in terms of tax and other payables - with amounts increasing over time.

Throughout 2022, Vietnam's economy was in a phase of recovery following the COVID-19 pandemic. While there were positive results, there were still inevitable effects from the downturn of the global economy and geopolitical conflicts. Despite these obstacles, VCSC was able to ensure effective management of the Company's and investors' capital with stable growth, high profitability and a consistent contribution to the State Budget, which was a result of our strong business acumen and effective management.



Notably, VCSC contributed (VND)

766,033,014,255

to the State budget in 2022



ACTIVE ENGAGEMENT IN MARKET DEVELOPMENT

We have acted in accordance with State legal provisions and other applicable regulations while remaining cognizant of our obligations to investors, issuers and regulators, in addition to our role in the development of Vietnam's economy - especially the stock market. Additionally, VCSC has always made efforts to contribute to the development of the stock market's legal system and to improve its operations. We are constantly pursuing the development of a transparent, regulated and stable stock market.

Additionally, our IT Department has upgraded our infrastructure and core trading software over the years to increase system performance, earn the trust of domestic & foreign investors, and maintain the ability to recover data through security, data backup and risk management practices in the event of a system failure.

SECURITY AND TRANSPARENCY IN ASSET MANAGEMENT FOR INVESTORS



Dedicated to sustainable development goals via a client-centric approach, we aim to ensure not only sustainable investments but also secure asset management for investors.

With strictly controlled, clear and transparent investment, risk management and internal control processes, VCSC strives to build trust, transparency and high asset growth for investors.



CREATING SUSTAINABLE VALUES



Throughout our 15-year history, VCSC has experienced many ups and downs. The company's business achievements and sustainable brand position have been built on a foundation of trust and reliability with its stakeholders, including customers and shareholders.

With this in mind, we deeply understand our responsibility to each stakeholder and are committed to fulfilling our responsibilities in the most professional and effective manner. VCSC understands that sustainable development goals must be created from the core values that we contribute to the community.

VCSC focuses on protecting the rights and interests of shareholders, partners, customers and employees against any socioeconomic turbulence, which is a key factor helping the Company's growth and position moving forward.

We provide customers with high-quality financial products & services that meet their needs by providing reasonable, fast, convenient and cost-effective recommendations. We are especially passionate about providing customers with the best quality services that create extra value for all stakeholders and receive high recognition from the community. Furthermore, VCSC is committed to maintaining confidentiality and protecting customer information.

VCSC's activities have always been associated with the motto "all for shareholder benefits." We ensure the safety of shareholder investments and provide sustainable and superior returns to shareholders.

VCSC's guiding principle is stability, transparency, equity and sustainable development. A healthy stock market can only exist if the legitimate rights and interests of investors and market makers are safeguarded.

At VCSC, we absolutely respect and comply with policies that protect shareholders' rights and ensure equality. As of December 28, 2022, VCSC had 14,836 shareholders, including 118 organizations and 14,718 individuals. We always strive to maintain strong relationships through the efficiency of our business operations and the sustainable development of our partners.

Each shareholder has the right to attend and speak at shareholder meetings, receive dividends at the dividend payment rate determined by the General Meeting of Shareholders, have priority to purchase new shares offered for sale corresponding to the common shares held by each shareholder in the Company, freely transfer their shares to others, and participate in decisions related to fundamental changes of the Company. We ensure equal treatment of all shareholders - with no special privileges for any group. Decisions made by the Board of Directors are based on public voting results.

VCSC commits to strict compliance with specific regulations of the State law and the Company's charter, ensuring transparency and clarity. VCSC pledges to provide complete, fair, accurate, comprehensive, objective, timely and easily understandable information - especially in documents and reports for storage or submission to Government agencies and the media. VCSC is also proud to be a pioneer in researching and investing in the development of 4.0 technology infrastructure systems and continuously diversifying communication through our website, email and mobile applications on a secure, friendly, and convenient basis for all users, providing optimal conditions for partners and customers to quickly and accurately grasp market information. In order to have a global audience, VCSC ensures the dissemination of information in both Vietnamese and English through our website, ensuring full and timely access to information for domestic & international investors. This practice gives us a high quality of service, affirms our brand position and expands our audience.



As of December 28, 2022, VCSC had nearly:

14,836
(Shareholders)



Institutional shareholders

118
(Shareholders)



Individuals

14,718
(Shareholders)



First 2022 Dividend:
(VND)

700/share



Total Equity:
(VND)

6,495bn

Additionally, VCSC emphasizes a consistent dividend policy to maintain a favorable benefit-profit ratio, a high return on shareholder equity and a favorable retained earnings ratio. This is regarded as a prerequisite and critical factor for investors when selecting a reputable and potentially profitable stock for a long-term investment.

RISK MANAGEMENT SYSTEM



At VCSC, a risk management system is built and operated throughout the Company, including a complete organizational structure and a consistent operating mechanism with a set of risk management processes.

The risk management system is designed to identify, measure, monitor, report and effectively handle risks – especially material risks that impact the Company’s business operations. It also helps the Company to always fulfill its compliance obligations.



Risk management system ensures:

- 01** The Board of Supervisors’ engagement and close oversight, in addition to the management, inspection and regular review of the BOM.
- 02** Clear and transparent risk management strategies reflected in long-term risk policies.
- 03** Implementation plan with adequate policies and procedures.
- 04** Development and implementation of risk management policies, procedures and risk limits, along with the establishment of risk management information system.

As specified in laws, procedures and internal policies, responsibility for risk management is assigned to all levels – to every Department Head and employee. This aims to create an effective risk-based system applied uniformly throughout the Company.

The risk management system helps to enhance the Company’s operational efficiency by empowering employees with more responsibilities and giving them accurate performance reviews.

Furthermore, VCSC has developed separate risk management systems for each function/department.

Every year, VCSC develops and publishes a risk policy that lays the foundation for regular risk management activities. Risk levels, risk limits and risk tolerance are defined for each business activity and approved by the BOD.

Our risk management policy is geared toward guidance on the management of risks in a clear, specified and detailed structure, which ensures the understanding of employees regarding the risk management responsibilities assigned to their departments and themselves.

ACTIONS FOR CUSTOMERS

VCSC promotes innovation with the goal of ensuring investors’ satisfaction and protecting their legitimate rights while also benefiting the entire stock market. We are fully cognizant of that our efforts can have a tangible effect on the market’s development.



VCSC’s extraordinary success is due in large part to the continuous improvement in trading protocols, application upgrades, client engagement via social media channels, and partnership programs with technology pioneers such as VPBank, BIDV, MoMo E-wallet and TIMO E-wallet.

We believe that the primary driver of sustainable development is the creation of client value. As a result, VCSC has made significant investments in the technology infrastructure necessary to develop unique digital applications in order to ensure that investors have timely access to information and can conduct transactions quickly

In addition to direct client support by a team of well-trained and professional personnel, VSCS offers a wide variety of digital platforms and apps, including:

- **VPro and V-Web Trading - online trading platforms** that allow investors to have promptly updated information on the stock market and real-time transactions.
- **V-mobile - a trading app** that is both available on iOS and Android with advanced features tailored to trading demand.
- **V-BOND - a bond transaction system** that enables clients to trade and keep track of their portfolio online with the latest news in the bond market.
- **eKYC facilitates** the onboarding of new investors in a simple and convenient manner. Account registration and money deposit are in just a few clicks.

Robust online trading platforms and apps, clear and sufficient trading protocols, dedicated customer service.

INTERNAL ACTIVITIES

VCSC ORGANIZED FRIENDLY FOOTBALL TOURNAMENT "VCSC 1568 TOURMALET"

On June 26, 2022, VCSC held a friendly football tournament in HCMC called "VCSC 1568 Tourmalet." 1568 is a number of fortune and luck and also symbolizes "one year of fortune." Through this tournament, VCSC expressed our hope for a prosperous financial year for all businesses.



The tournament attracted the participation of staff members from six enterprises: VCSC, BIDV Ben Nghe, BIDV Gia Dinh, SAPA Ben Thanh, Katinat and D1 Concept. At the end of the tournament, the championship belonged to D1 Concept. BIDV Gia Dinh came in second place and SAPA Ben Thanh came in third place.

This program was part of a series of annual exchange activities among businesses in HCMC organized by VCSC to **strengthen solidarity and expand connections** in the business community through entertaining and fun events that **promote social and physical health** for all employees.

The tournament received the enthusiastic attention, participation and support from a large number of employees. Furthermore, VCSC was highly appreciated for being the host of the tournament. This event is motivation for VCSC to continue to organizing events for the business community.

PROMOTING SPORTSMANSHIP

VCSC sponsors the Company's sports clubs, including football, badminton and tennis, among others, in addition to basic performance incentives. There are weekly training sessions and friendly tournaments are hosted between clubs in various divisions and departments.

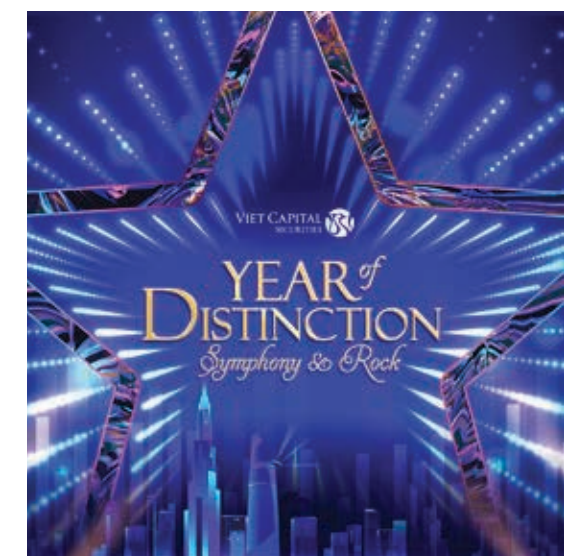
Sports clubs allow VCSC employees to live a healthy lifestyle while also promoting collaboration and boosting productivity.



TEAMBUILDING ACTIVITIES

At VCSC, our year-end party, International Children's Day, International Women's Day and employee birthday celebrations are things we have done for many years. In January 2022, the Company held a year-end party entitled **"YEAR OF DISTINCTION: Symphony & Rock"** that was well received among all employees.

VCSC's Company Trip (also known as Away Day) is the biggest and most popular annual activity for all VCSC employees. This trip that can last for two to three days and includes a series of entertaining activities for all VCSC staff. After two years of absence, Away Day returned in 2022 with the theme **"RECHARGE TO CHARGE"**.



These internal activities are built with the aim of providing connection between VCSC's leadership and employees while creating a favorable working environment.

CSR ACTIVITIES

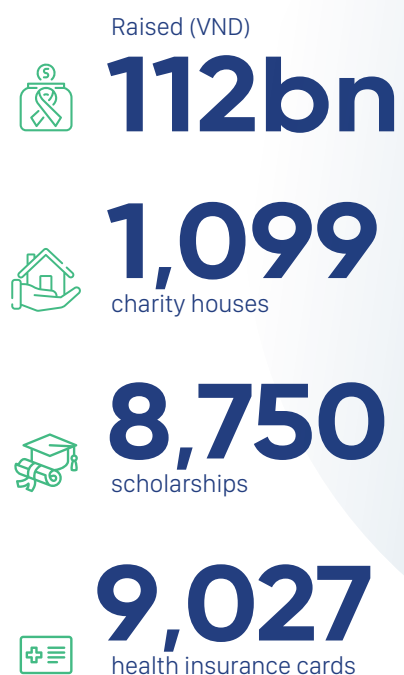
Spreading love for a better future



4,000 STEPS VCSC GIVES HEART TO DIFFERENT PEOPLE

VCSC cares about helping people in difficult circumstances. On November 27, 2022, VCSC participated in a fundraising walk organized by the District Party Committee, People's Committee and Vietnam Fatherland Front Committee of Phu Nhuan District.

With the participation and support from city & local leaders and the enthusiastic response from the community, the 3.2-km walk took place on the roads of Phu Nhuan District. The event raised VND112bn that was used to provide 1,099 charity houses, 8,750 scholarships and 9,027 health insurance cards.



200 BICYCLES FOR STUDENTS IN VINH LONG PROVINCE

VCSC cooperated with the HCMC Youth Union to organize a charity program to donate 200 Martin 107 bicycles to disadvantaged students in Vinh Long Province so they can travel to school quicker and safer, giving their families peace of mind



GIVE LOVE, SPRING POWERFUL

In the days leading up to the Tet Holiday, VCSC worked with the Youth Union to implement a program called "Spring of Love" for disadvantaged children.

Through this program, VCSC gave the children gifts of love to energize them to overcome their difficult circumstances and enjoy the Tet Holiday.

Many gifts were given to the children, including practical gifts such as food and essential necessities for the Tet season.



GENERAL DISCLOSURES

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G4-LA13	Ratio of basic salary and emuneration of women to men by employee category, by significant locations of operation	Engaging staff on sustainable development	46
Local Communities			
G4-S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Community-oriented activities	124
Product Responsibility			
G4-LA9	Results of surveys measuring customer satisfaction	Actions for customers	

VALUE AFFIRMATION



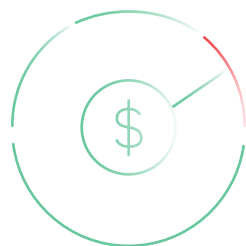
VCSC'S STOCK PERFORMANCE IN 2022

Unit: VND/share



VCSC's stock (HOSE: VCI) finished 2022 at VND **23,250**/share

There were numerous negative events in 2022 - both internationally and domestically - that impacted Vietnam's stock market as well as global stock markets:



(1) The Russia-Ukraine conflict that caused spikes in the prices of oil and other commodities, which largely contributed to the increase in global inflation.



(2) China's zero-COVID measures disrupting global supply chains.



(3) Interest rate hikes by the Fed and the appreciation of USD against other currencies.

The strong interest rate hikes by the Fed forced the State Bank of Vietnam (SBV) to also conduct its own rate hikes in September - October 2022. In addition, the arrest of key figures at the country's major real estate companies - along with the issuance of Decree 65 regulating the issuance and trading of corporate bonds - raised concerns about refinancing in the real estate sector.

VCSC's leadership recognized the opportunities and challenges of 2022 and set a profit target of VND1,900bn - equivalent to a slightly increase of 3% compared to the result of 2021. This target was announced in the Annual General Meeting of Shareholders of VCSC, which was held

in April 2022. At that time, the Board of Directors developed a business scenario for 2022 based on the assumption that the VN-Index would fluctuate around 1,550 points. However, with the many unpredictable macroeconomic developments both home and abroad, the VN-Index fell 33% YoY in 2022 to close at 1,007 points - almost completely reversing the strong increase recorded in 2021.

VCSC recorded a pre-tax profit of VND1,060bn in 2022 - down 43% compared to 2021. VCSC's share price also decreased in 2022. The stock closed 2022 at VND23,250/share - down 57% from VND54,300/share at the beginning of 2022.



INVESTOR INTERACTIONS IN 2022

In 2022, VCSC continued to provide regular, comprehensive and accurate Company updates. Along with our quarterly financial statements, VCSC published quarterly business reports that detailed the operations and financial performance of each division and department. The email address ir@vcsc.com.vn received investor requests for information about our overall strategy and financial status, and these messages were promptly responded to with relevant departments. Through these information channels, VCSC's BOM worked closely with people who have interests in VCI stock, including through group meetings or one-on-one meetings.



Capital Market Operation / VAD 2022

VCSC organized Vietnam Access Days (VAD) for the ninth time, which included the participation of:

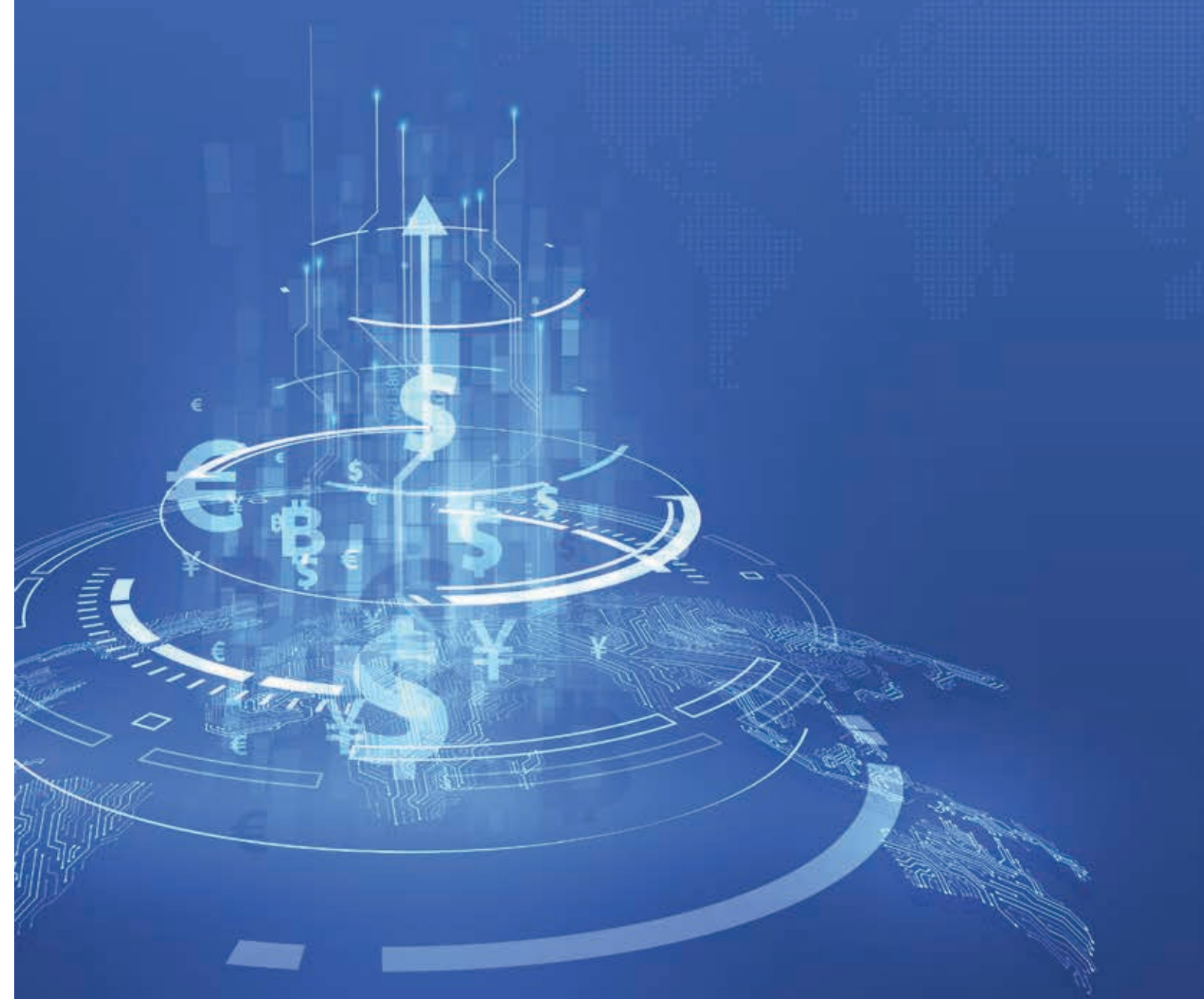
 **460**
experts

 **38**
companies

 **17**
experts/speakers



<https://vad.vcsc.com.vn>



VCSC's Institutional Brokerage Department was successful in providing professional services with the highest quality to our customers - even amid economic turbulence both domestically and internationally.

2022 marked the ninth time that VCSC held Vietnam Access Days (VAD) - an annual investment conference to create opportunities for domestic businesses to meet and establish relationships with international investors and seek capital. Moreover, this event helps foreign investors to better know about Vietnam's economic situation and business environment so they can make appropriate investment decisions. VCSC wants to become

an effective conduit in creating investment opportunities and contribute to making Vietnam a top destination for international investors.

The VAD participants in 2022 included 460 representative investors from investment funds, 38 businesses and 17 experts/speakers. The 2022 event was also the first time there was a discussion session with funding managers from Dragon Capital, Vina Capital and the Pyn Elite Fund. At VAD, representatives of organizations shared their opinions on the market's development in the near future and recognized the promising growth potential of Southeast Asia and Vietnam.

SHAREHOLDER INFORMATION

No.	Category	Number of Shares	Value (VND)	Ratio (%)
	TOTAL EQUITY	435,499,901	4,354,999,010,000	100%
1	Internal shareholders			
	BOM, BOD, BOS, CA	125,700,522	1,257,005,220,000	28.86%
2	Other shareholders			
	Retail and Institutional	309,799,379	3,097,993,790,000	71.14%

No.	Category	Number of Shares	Value (VND)	Ratio (%)
	TOTAL EQUITY	435,499,901	4,354,999,010,000	100%
1	Shareholders owning 5% or more	121,534,427	1,215,344,270,000	27.91%
2	Shareholders owning 1% to less than 5%	155,262,815	1,552,628,150,000	35.65%
3	Shareholders owning under 1%	158,702,659	1,587,026,590,000	36.44%

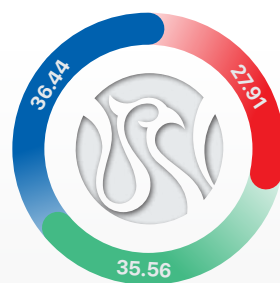
No.	Category	Number of Shares	Value (VND)	Ratio (%)
	TOTAL EQUITY	435,499,901	4,354,999,010,000	100%
1	Foreign shareholders	87,206,838	872,068,380,000	20.03%
2	Local shareholders	348,293,063	3,482,930,630,000	79.97%

STRUCTURE OF SHAREHOLDERS IN SHARES (%)



Internal shareholders
Other shareholders

STRUCTURE OF SHAREHOLDERS IN QUANTITY BRACKETS (%)



Shareholders owning 5% or more
Shareholders owning 1% to less than 5%
Shareholders owning under 1%

STRUCTURE OF SHAREHOLDERS BY INDIVIDUAL & FOREIGN (%)



Foreign shareholders
Local shareholders

LIST OF MAJOR SHAREHOLDERS

No.	Individual/ Organization	Number of Shares	Number of deposited shares	Ownership ratio (%)
1	To Hai	98,695,695	16,484,000	22.66%
2	Truong Nguyen Thien Kim	22,838,732	5,200,000	5.25%

LIST OF INTERNAL SHAREHOLDERS

No.	Name	Position	Ownership ratio (%)	
			Total	Proportional ownership (%) (*)

BODS

1	Nguyen Thanh Phuong	Chairwoman	17,550,000	4.03%
2	To Hai	Member	98,695,695	22.66%
3	Tran Quyet Thang	Member	702,000	0.16%
4	Nguyen Hoang Bao	Member	0	0%
5	Le Pham Ngoc Phuong	Member	0	0%
6	Nguyen Lan Trung Anh	Member	0	0%
7	Nguyen Viet Hoa	Member	0	0%

BOM

1	Dinh Quang Hoan	Deputy General Director	5,417,035	1.24%
2	Nguyen Quang Bao	Deputy General Director	2,985,320	0.69%

BOS

1	Mai Thi Thanh Trang	Chief Supervisor	0	0.00%
2	Bui Thi Minh Nguyet	Member	0	0.00%
3	Trương Thị Huyền Trang	Member	0	0.00%

CHIEF ACCOUNTANT

1	Doan Minh Thien	Chief Accountant	325,000	0.07%
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IN CHARGE OF CORPORATE GOVERNANCE

1	Bui Vu Hoang Tuyen	In charge of corporate governance	25,472	0.01%
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TOTAL: 125,700,522 28.86%



VIET CAPITAL SECURITIES JOINT STOCK COMPANY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

- 142 Corporate information
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- 152 Statement of cash flows (Form B03b – CTCK)
- 155 Statement of changes in equity (Form B04 – CTCK)
- 156 Notes to the financial statements (Form B09 – CTCK)



Establishment and operation licence

No. 68/UBCK-GP dated 6 November 2007 issued by the State Securities Commission. The Establishment and operation licence was amended several times and the latest amendment No. 91/GPDC-UBCK was issued on 26 September 2022.

Board of Directors

Ms. Nguyen Thanh Phuong	Chairperson
Mr. To Hai	Member
Mr. Tran Quyet Thang	Member
Mr. Nguyen Hoang Bao	Member
Mr. Le Pham Ngoc Phuong	Member
Mr. Nguyen Lan Trung Anh	Member
Ms. Nguyen Viet Hoa	Member

Board of Supervision

Ms. Mai Thi Thanh Trang	Chief Supervisor (from 31 March 2022)
Mr. Truong Ngoc Hoai Phuong	Chief Supervisor (until 08 March 2022)
Ms. Bui Thi Minh Nguyet	Member
Ms. Truong Thi Huyen Trang	Member

Board of Management

Mr. To Hai	General Director
Mr. Nguyen Quang Bao	Deputy General Director
Mr. Dinh Quang Hoan	Deputy General Director

Legal Representative

Mr. To Hai	General Director
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Registered office

15th Floor, Bitexco Financial Tower
No. 2, Hai Trieu Street, District 1
Ho Chi Minh City, Vietnam

Auditor

PwC (Vietnam) Limited

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

The Board of Management of Viet Capital Securities Joint Stock Company ("the Company") is responsible for preparing the financial statements which give a true and fair view of the financial position of the Company as at 31 December 2022 and of the results of its operations, cash flows and changes in equity for the year then ended. In preparing these financial statements, the Board of Management is required to:

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

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

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements as set out on pages 146 to 221 which give a true and fair view of the financial position of the Company as at 31 December 2022 and of the results of its operations, cash flows and changes in equity for the year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and prevailing regulations on preparation and presentation of financial statements applicable to securities companies operating in Vietnam.

ON BEHALF OF THE BOARD OF MANAGEMENT



To Hai

Chief Executive Officer

Ho Chi Minh City, Vietnam
March 24, 2023



TO THE SHAREHOLDERS OF VIET CAPITAL SECURITIES JOINT STOCK COMPANY

We have audited the accompanying financial statements of Viet Capital Securities Joint Stock Company ("the Company") which were prepared on 31 December 2022 and approved by the Board of Management of the Company on March 24, 2023. The financial statements comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, and explanatory notes to the financial statements including significant accounting policies, as set out on pages **146 to 221**.

THE BOARD OF MANAGEMENT'S RESPONSIBILITY

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

AUDITOR'S RESPONSIBILITY

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

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

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

AUDITOR'S OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022, the results of its operations, cash flows and changes in equity for the year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and prevailing regulations on preparation and presentation of financial statements applicable to securities companies operating in Vietnam.

OTHER MATTER

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

FOR AND ON BEHALF OF PWC (VIETNAM) LIMITED



Tran Thi Thanh Truc
Audit Practising Licence No.
3047-2023-006-1
Authorised signatory

Report reference number: HCM13100
Ho Chi Minh City, March 27, 2023

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



Code	ITEMS	Note	As at	
			31.12.2022 VND	31.12.2021 VND
	ASSETS			
100	CURRENT ASSETS		14,157,693,071,824	16,568,965,942,558
110	Financial assets		14,105,852,063,553	16,415,067,989,149
111	Cash and cash equivalents	3.1	3,423,501,614,803	1,131,748,599,533
111.1	Cash		2,313,501,614,803	1,131,748,599,533
111.2	Cash equivalents		1,110,000,000,000	-
112	Financial assets at fair value through profit or loss ("FVTPL")	3.2(a)	665,257,896,316	1,221,516,469,435
113	Investments held to maturity ("HTM")	3.2(b)	885,888,640,000	753,719,000,000
114	Loans	3.3	5,279,279,236,685	7,701,237,131,479
115	Available-for-sale financial assets ("AFS")	3.2(c)	3,734,009,015,450	5,323,810,269,012
116	Provisions for impairment loss of financial assets and collaterals	3.3	(2,169,825,587)	(2,169,825,587)
117	Receivables		91,374,339,025	236,146,930,094
117.1	Receivables from disposals of financial assets	3.4	31,889,442,000	188,294,807,000
117.2	Dividend and interest receivables		59,484,897,025	47,852,123,094
117.4	Dividend and interest receivables not yet due	3.4	59,484,897,025	47,852,123,094
118	Prepayments to suppliers	3.5	2,306,029,740	20,164,828,099
119	Service-related receivables	3.4	28,333,567,121	30,823,037,084
129	Provisions for doubtful debts	3.4	(1,928,450,000)	(1,928,450,000)
130	Other current assets		51,841,008,271	153,897,953,409
131	Advances		973,203,243	530,106,947
132	Office tools and supplies		342,890,728	76,961,000
133	Short-term prepaid expenses		4,387,924,500	2,574,424,574
135	Deductible value added tax		-	1,543,240
137	Other current assets	3.7(a)	46,136,989,800	150,714,917,648
200	NON-CURRENT ASSETS		85,058,244,998	67,299,004,559
220	Fixed assets		23,496,558,588	13,155,825,424
221	Tangible fixed assets	3.6(a)	22,456,280,125	9,960,774,421
222	Historical cost		80,848,183,754	62,383,707,160
223a	Accumulated depreciation		(58,391,903,629)	(52,422,932,739)
227	Intangible fixed assets	3.6(b)	1,040,278,463	3,195,051,003
228	Historical cost		50,615,835,542	49,981,431,542
229a	Accumulated amortisation		(49,575,557,079)	(46,786,380,539)
240	Construction in progress	3.6(c)	7,359,767,000	5,809,600,000
250	Other non-current assets		54,201,919,410	48,333,579,135
251	Long-term pledged assets, mortgaged assets, security deposits		6,864,190,240	4,927,625,066
252	Long-term prepaid expenses		13,290,531,600	10,702,485,700
254	Deposits in the Settlement Support Fund	3.7(b)	23,914,928,922	22,591,443,032
255	Other non-current assets	3.7(c)	10,132,268,648	10,112,025,337
270	TOTAL ASSETS		14,242,751,316,822	16,636,264,947,117

The notes on pages 156 to 221 are an integral part of these financial statements.

Code	ITEMS	Note	As at	
			31.12.2022 VND	31.12.2021 VND
300	LIABILITIES		7,747,283,145,208	10,094,401,701,730
310	Current liabilities		7,487,464,949,226	9,615,482,121,617
311	Short-term borrowings		6,326,207,142,857	6,362,680,000,000
312	Short-term borrowings	3.9	6,326,207,142,857	6,362,680,000,000
316	Short-term issued bonds	3.9	547,100,000,000	1,964,070,000,000
318	Trading obligations	3.10	12,400,167,546	79,581,842,302
320	Short-term trade payables	3.11	16,020,566,000	587,193,591,020
321	Short-term customers' advances	3.12	221,000,000	52,551,076,244
322	Taxes and other payables to the State	3.13	46,067,330,600	157,629,858,019
323	Payables to employees		112,156,022,703	326,845,972,777
324	Accrued employees' benefits		-	140,272,500
325	Short-term accrued expenses	3.14	110,247,314,968	72,911,685,779
329	Other short-term payables	3.15	317,045,404,552	11,877,822,976
340	Non-current liabilities		259,818,195,982	478,919,580,113
356	Deferred income tax liabilities	3.16	259,818,195,982	478,919,580,113
TOTAL LIABILITIES			7,747,283,145,208	10,094,401,701,730
400	OWNERS' EQUITY		6,495,468,171,614	6,541,863,245,387
410	Owners' equity		6,495,468,171,614	6,541,863,245,387
411	Owners' capital		4,364,499,010,000	3,334,500,000,000
411.1	Share capital	3.17	4,354,999,010,000	3,330,000,000,000
411.1a	Ordinary shares with voting rights		4,354,999,010,000	3,330,000,000,000
411.2	Share premium		9,500,000,000	4,500,000,000
412	Revaluation reserve	3.18	1,030,130,358,576	1,665,653,687,451
414	Supplementary capital reserve		67,496,330,852	67,496,330,852
415	Financial risk and operation reserve		233,096,330,852	233,096,330,852
417	Undistributed earnings	3.19	800,246,141,334	1,241,116,896,232
417.1	Realised profits after tax		791,426,130,951	1,024,259,038,107
417.2	Unrealised profits		8,820,010,383	216,857,858,125
TOTAL EQUITY			6,495,468,171,614	6,541,863,245,387
440	TOTAL RESOURCES		14,242,751,316,822	16,636,264,947,117

The notes on pages 156 to 221 are an integral part of these financial statements.



Code	ITEMS	Note	As at	
			31.12.2022 VND	31.12.2021 VND
A	ASSETS OF THE COMPANY AND ASSETS UNDER ENTRUSTMENT			
004	Bad debts written off (VND)	4.1	25,145,170,448	25,145,170,448
005	Foreign currencies (VND equivalent)	4.2	21,169,108,717	237,318,007,088
006	Number of shares in issue (share)	4.3	435,499,901	333,000,000
007	Treasury shares (share)	3.17(a)	-	-
			Quantity	
008	Securities listed/registered at Vietnam Securities Depository (VSD)	4.4	56,400,338	98,582,364
010	Securities purchased and awaiting settlement	4.5	509,600	5,226,586
012	Securities not in custody of VSD	4.6	23,864,101	24,922,159
014	Covered warrants authorised but not yet issued	4.7	14,379,100	33,417,400
			Quantity	
B	ASSETS OF AND LIABILITIES TO CUSTOMERS			
021	Securities listed/registered at the Vietnam Securities Depository ("VSD")		3,303,485,792	2,770,078,395
021.1	Freely traded securities		2,651,433,724	2,223,890,918
021.2	Restricted securities		185,960,814	175,669,929
021.3	Pledged securities		438,337,063	326,821,911
021.4	Suspended securities		1,863,441	1,863,441
021.5	Securities awaiting settlement		25,890,750	41,832,196
023	Securities purchased and awaiting settlement		28,445,780	38,060,123

Code	ITEMS	As at	
		31.12.2022 VND	31.12.2021 VND
B	ASSETS OF AND LIABILITIES TO CUSTOMERS (continued)		
026	Customers' deposits	2,215,437,099,227	3,134,359,469,453
027	Customers' deposits for securities trading	1,630,139,522,487	1,427,063,444,480
027.1	Customers' deposits at VSD	345,167,970,766	38,650,610,938
029	Cash blocked for trading settlements	585,297,576,740	1,707,296,024,973
029.1	Cash blocked for trading settlements of domestic customers	562,180,386,740	1,677,096,776,973
029.2	Cash blocked for trading settlements of foreign customers	23,117,190,000	30,199,248,000
031	Payables to customers relating to their deposits at the Company for securities trading	1,630,139,522,487	1,427,063,444,480
031.1	Payables to domestic customers relating to their deposits at the Company for securities trading	1,129,292,077,485	1,227,164,620,341
031.2	Payables to foreign customers relating to their deposits at the Company for securities trading	500,847,445,002	199,898,824,139
035	Payables for dividends, bond principals and coupons payments on behalf	-	1,669,649,100

Nguyen Thi Lan
Preparer

Doan Minh Thien
Chief Accountant



To Hai
Chief Executive Officer
March 24, 2023

The notes on pages 156 to 221 are an integral part of these financial statements.

The notes on pages 156 to 221 are an integral part of these financial statements.



		For the year ended		
Code	ITEMS	Note	31.12.2022 VND	31.12.2021 VND
OPERATING INCOME				
01	Income from FVTPL financial assets		1,201,683,322,439	1,864,457,170,207
01.1	Realised gains on disposal of FVTPL financial assets	5.1	1,431,873,905,175	1,589,792,906,521
01.2	(Decrease)/increase in upward revaluation of FVTPL financial assets	5.2	(272,875,074,860)	182,633,550,307
01.3	Dividends and interest income from FVTPL financial assets	5.3	66,985,745,980	55,110,709,878
01.4	(Decrease)/increase in downward revaluation of covered warrants liabilities	5.2	(24,301,253,856)	36,920,003,501
02	Income from HTM financial assets		64,247,120,862	3,303,443,834
03	Interest income from loans and receivables		708,154,429,982	576,917,998,289
04	Dividend income from AFS financial assets		107,410,888,493	94,549,192,664
06	Brokerage fee income		1,011,221,765,817	857,252,510,639
07	Underwriting income and placing fee income		-	272,727,272
08	Investment consultancy service income		7,479,717,052	10,566,741,414
09	Custody service income		10,997,351,336	9,567,780,983
10	Financial consultancy service income		44,665,254,181	274,717,254,545
11	Other operating income		382,886,183	15,463,904,645
20	TOTAL OPERATING INCOME		3,156,242,736,345	3,707,068,724,492
OPERATING EXPENSES				
21	Losses from FVTPL financial assets		(900,399,312,647)	(650,260,538,269)
21.1	Realised losses on disposal of FVTPL financial assets	5.1	(936,490,470,685)	(616,696,682,328)
21.2	Decrease/(increase) in downward revaluation of FVTPL financial assets	5.2	25,213,517,094	(24,561,465,059)
21.3	Purchasing transaction costs of FVTPL financial assets		(1,037,861,000)	-
21.4	Decrease/(increase) in upward revaluation of covered warrants liabilities	5.2	11,915,501,944	(9,002,390,882)
24	Provisions for financial assets, losses on bad debts, impairment losses of financial assets and interest expenses associated with loans	3.3	-	214,202,387
26	Proprietary trading expenses		(19,503,078,747)	(30,162,262,479)
27	Brokerage expenses		(429,270,571,569)	(570,693,058,669)
30	Custody service expenses		(20,168,782,538)	(10,360,354,702)
31	Financial consultancy service expenses		(29,189,433,977)	(58,245,253,838)
32	Other operating expenses		-	(6,626,556,952)
40	TOTAL OPERATING EXPENSES		(1,398,531,179,478)	(1,326,133,822,522)

The notes on pages 156 to 221 are an integral part of these financial statements.

		For the year ended		
Code	ITEMS	Note	31.12.2022 VND	31.12.2021 VND
FINANCIAL INCOME				
41	Realised foreign exchange gains		28,280,000,000	20,675,000,000
42	Dividend income and interest income from demand deposits		7,268,432,639	4,941,869,946
50	TOTAL FINANCIAL INCOME		35,548,432,639	25,616,869,946
FINANCIAL EXPENSES				
51	Realised and unrealised foreign exchange losses	5.4	(116,511,865,797)	(9,741,600,000)
52	Interest expense	5.4	(477,360,036,322)	(330,776,772,616)
55	Other financial expenses	5.4	(106,578,173,967)	(27,321,991,009)
60	TOTAL FINANCIAL EXPENSES		(700,450,076,086)	(367,840,363,625)
61	SELLING EXPENSE		-	-
62	GENERAL AND ADMINISTRATIVE EXPENSES	5.5	(76,767,476,142)	(187,858,228,291)
70	OPERATING RESULT		1,016,042,437,278	1,850,853,180,000
OTHER INCOME AND EXPENSES				
71	Other income	5.6	44,543,029,091	69,316,632
72	Other expenses		(846,752,984)	(337,103,544)
80	NET OTHER INCOME/(EXPENSES)		43,696,276,107	(267,786,912)
90	NET ACCOUNTING PROFIT BEFORE TAX		1,059,738,713,385	1,850,585,393,088
91	Realised profit		1,319,786,023,063	1,664,595,695,221
92	Unrealised (loss)/profit		(260,047,309,678)	185,989,697,867
100	CORPORATE INCOME TAX	5.7	(190,760,527,583)	(351,867,017,760)
100.1	Corporate income tax – current		(250,981,079,495)	(309,748,513,618)
100.2	Corporate income tax – deferred		60,220,551,912	(42,118,504,142)
200	NET PROFIT AFTER TAX		868,978,185,802	1,498,718,375,328
300	OTHER COMPREHENSIVE (LOSS)/INCOME, NET OF TAX		(635,523,328,875)	1,238,958,350,345
301	(Loss)/gain from revaluation of AFS financial assets	3.18	(635,523,328,875)	1,238,958,350,345
400	TOTAL OTHER COMPREHENSIVE (LOSS)/INCOME		(635,523,328,875)	1,238,958,350,345
500	EARNINGS PER SHARE			
501	Basic earnings per share (VND/share)	5.8	1,999	4,502
502	Diluted earnings per share (VND/share)	5.8	1,999	4,502

Nguyen Thi Lanh
Preparer

Doan Minh Thien
Chief Accountant



To Hai
Chief Executive Officer
March 24, 2023

The notes on pages 156 to 221 are an integral part of these financial statements.



		For the year ended		
Code	ITEMS	Note	31.12.2022 VND	31.12.2021 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
01	Net profit before tax		1,059,738,713,385	1,850,585,393,088
02	Adjustments for:		427,676,933,455	290,207,389,587
03	Depreciation and amortisation		9,647,191,174	7,496,942,452
04	Provisions		-	(214,202,387)
06	Interest expenses	5.4	477,360,036,322	330,776,772,616
07	Losses from investing activities		154,602,984	-
08	Accrued interest income		(59,484,897,025)	(47,852,123,094)
10	Changes in non-cash expenses		(25,213,517,094)	24,561,465,059
11	(Decrease)/Increase in downward revaluation of FVTPL financial assets	5.2	(25,213,517,094)	24,561,465,059
18	Changes in non-cash income		272,875,074,860	(182,633,550,307)
19	Decrease/(increase) in upward revaluation of FVTPL financial assets	5.2	272,875,074,860	(182,633,550,307)
30	Changes in working capital		2,006,811,362,129	(5,732,733,292,320)
31	Decrease/(increase) in FVTPL financial assets		308,597,015,353	(448,620,781,888)
32	Increase in HTM financial assets		(132,169,640,000)	(647,719,000,000)
33	Decrease/(increase) in loans		2,421,957,894,794	(3,819,594,413,307)
34	Decrease/(increase) in AFS financial assets		954,277,924,687	(1,372,194,365,758)
35	Decrease in receivables from disposals of financial assets		156,405,365,000	12,555,808,300
36	Decrease in dividend and interest receivables		47,852,123,094	20,948,002,265
37	Decrease/(increase) in service-related receivables		2,489,469,963	(15,989,880,960)
39	Decrease in other receivables		-	5,939,376,000
40	Decrease/(increase) in other assets		101,913,636,579	(58,253,927,260)
41	Decrease/(increase) in accrued expenses (excluding interest expenses)		13,776,432,504	(12,674,208,749)
42	(Decrease)/increase in prepaid expenses		(4,401,545,826)	5,172,749,463
43	Corporate income tax paid	3.13	(329,207,669,171)	(277,954,908,256)
44	Interest paid		(453,800,839,637)	(275,011,403,767)
45	(Decrease)/increase trade payables		(553,314,226,661)	485,662,526,173
46	(Decrease)/increase in employee welfare benefits		(140,272,500)	140,272,500
47	(Decrease)/increase in tax and other payables to the State (excluding corporate income tax paid)		(192,216,769,962)	339,720,423,356
48	(Decrease)/increase in payables to employees		(214,689,950,074)	237,759,282,196
50	(Decrease)/increase in other payables		(119,194,100,124)	88,803,338,332
52	Other payments for operating activities		(1,323,485,890)	(1,422,180,960)
60	Net cash inflows from/(outflows for) operating activities		3,741,888,566,735	(3,750,012,594,893)

The notes on pages 156 to 221 are an integral part of these financial statements.

		For the year ended		
Code	ITEMS	Note	31.12.2022 VND	31.12.2021 VND
CASH FLOWS FROM INVESTING ACTIVITIES				
61	Purchases of fixed assets		(22,377,694,322)	(6,428,566,364)
62	Proceeds from disposals of fixed assets		685,000,000	-
70	Net cash outflows for investing activities		(21,692,694,322)	(6,428,566,364)
CASH FLOWS FROM FINANCING ACTIVITIES				
71	Proceeds from issuance of shares	7.1	25,000,000,000	13,500,000,000
73	Proceeds from borrowings	6.1	15,126,047,142,857	16,591,566,600,000
74.3	Repayments of borrowings	6.2	(16,579,490,000,000)	(11,629,266,600,000)
76	Payment of dividends	3.15	-	(730,123,222,800)
80	Net cash (outflows for)/inflows from financing activities		(1,428,442,857,143)	4,245,676,777,200
90	NET INCREASE IN CASH AND CASH EQUIVALENTS		2,291,753,015,270	489,235,615,943
101	Cash and cash equivalents at beginning of period		1,131,748,599,533	642,512,983,590
101.1	Cash		1,131,748,599,533	642,512,983,590
101.2	Cash equivalents		-	-
103	Cash and cash equivalents at end of period	3.1	3,423,501,614,803	1,131,748,599,533
103.1	Cash		2,313,501,614,803	1,131,748,599,533
103.2	Cash equivalents		1,110,000,000,000	-

Additional information relating to the statement of cash flows is presented in Note 6.

The notes on pages 156 to 221 are an integral part of these financial statements.



CASH FLOWS OF BROKERAGE AND ENTRUSTMENT ACTIVITIES

			For the year ended	
Code	ITEMS	Note	31.12.2022 VND	31.12.2021 VND
	CASH FLOWS OF BROKERAGE AND ENTRUSTMENT ACTIVITIES			
01	Brokerage trading proceeds		215,091,700,373,791	157,293,871,174,113
02	Brokerage trading payments		(283,568,027,341,637)	(216,584,590,063,755)
07	Receipts for settlement of customers' transactions		67,269,386,371,230	59,729,621,830,519
07.1	Net movement in customers' margin accounts at VSD for derivative trading		306,517,359,828	(46,609,959,979)
11	Payments for custody fees of customers		(20,168,782,538)	(10,360,354,702)
20	NET (DECREASE)/INCREASE IN CUSTOMERS' DEPOSITS		(920,592,019,326)	381,932,626,196
30	Customers' deposits at beginning of year		3,136,029,118,553	2,754,096,492,357
31	Cash at bank		3,136,029,118,553	2,754,096,492,357
32	Customers' deposits for securities trading under managed by the Company		1,427,063,444,480	1,933,455,555,057
34	Cash blocked for clearing and settlement		1,708,965,674,073	820,640,937,300
40	Customers' deposits at end of year		2,215,437,099,227	3,136,029,118,553
41	Cash at bank		2,215,437,099,227	3,136,029,118,553
42	Customers' deposits for securities trading under managed by the Company		1,630,139,522,487	1,427,063,444,480
44	Cash blocked for clearing and settlement		585,297,576,740	1,708,965,674,073

Nguyen Thi Lanh
Preparer

Doan Minh Thien
Chief Accountant



To Hai
Chief Executive Officer
March 24, 2023

The notes on pages 156 to 221 are an integral part of these financial statements.

Items	As at		For the year ended		As at	
	1.1.2021	1.1.2022	31 December 2021	31 December 2022	31.12.2021	31.12.2022
I. Changes in equity						
1. Owners' capital	2,240,917,295,890	3,334,500,000,000	167,500,000,000	(584,917,295,890)	102,999,010,000	4,364,499,010,000
1.1 Ordinary shares with voting rights	165,600,000,000	3,330,000,000,000	167,400,000,000	-	102,999,010,000	4,354,999,010,000
1.2 Share premium	584,917,295,890	4,500,000,000	4,500,000,000	(584,917,295,890)	5,000,000,000	9,500,000,000
1.3 Treasury shares	-	-	-	-	-	-
2. Supplementary capital reserve	115,757,247,094	67,496,330,852	67,496,330,852	(115,757,247,094)	-	67,496,330,852
3. Financial risk and operation reserve	165,600,000,000	233,096,330,852	-	-	-	233,096,330,852
4. Revaluation reserve	426,695,337,106	1,665,653,687,451	-	-	-	1,030,130,358,576
5. Undistributed earnings	1,572,516,639,624	1,241,116,896,232	1,498,718,375,328	(183,018,118,720)	1,077,016,033,544	800,246,141,334
5.1 Realised profits after tax	1,504,450,539,793	1,024,259,038,107	1,349,926,617,034	(183,018,118,720)	1,077,016,033,544	791,426,130,951
5.2 Unrealised profits	68,066,099,831	216,857,858,125	-	-	-	8,820,010,383
TOTAL	4,521,486,519,714	6,541,863,245,387	4,551,169,387,377	(2,530,792,661,704)	2,107,015,043,544	6,495,468,171,614



Doan Minh Thien
Chief Accountant

Nguyen Thi Lanh
Preparer

To Hai
Chief Executive Officer
March 24, 2023

The notes on pages 156 to 221 are an integral part of these financial statements.



1 GENERAL INFORMATION

Viet Capital Securities Joint Stock Company ("the Company") is a joint stock company incorporated in Vietnam under Establishment and operation licence No. 68/UBCK – GP dated 6 November 2007 issued by the State Securities Commission. The Establishment and operation licence was amended several times and the latest amendment No. 91/GPDC-UBCK was issued on 26 September 2022.

The Company's shares were listed on the Ho Chi Minh City Stock Exchange in accordance with Decision No. 233/QĐ-SGDHCM issued by the Ho Chi Minh City Stock Exchange on 30 June 2017 with the stock code is VCI.

Headquarter and contact information

The Company is headquartered in Ho Chi Minh City,
at 15th floor of Bitexco Financial Tower, 2 Hai Trieu Street, District 1.

Contact point:
Email: info@vcsc.com.vn
Telephone: (+84) 28 3914 3588

Articles of association

The Company's Articles of association was approved on 19 April 2017 and last modified on 31 August 2022.

Headcount

As at 31 December 2022, the Company had 374 employees (as at 31 December 2021: 291 employees).

Capital position

As at 31 December 2022 ("the reporting date")

	VND
Charter capital	4,364,499,010,000
Total owners' equity	6,495,468,171,614
Total assets	14,242,751,316,822

Principal activities

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

Investment objectives and investment restrictions

The investment objectives of the Company are to maximise earnings. The Company's investment activities shall align to the Company's strategies and comply with applicable securities regulations.

Network of operation

As at the reporting date, the Company had 1 branch and 3 transaction offices in Vietnam.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

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

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

The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets at fair value through profit or loss ("FVTPL") and available-for-sale financial assets ("AFS") based on market value or fair value (in case market value is not available).

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

2.2 Critical accounting estimates

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

The areas involving significant estimates and assumptions are as follows:

- Market value/fair value of financial assets (Note 2.7 and Note 3.2), including the valuation of collateral asset for bond lots PDRH2123008 and PDRH2123010 as presented in Note 3.2(a), which was based on information and best estimate assumptions available to the Board of Management at the valuation date. This valuation result may be affected by changes subsequent to the valuation date, in particular developments in the property market
- Provisions for impairment loss of HTM financial assets and loans (Note 2.7, Note 3.2 and Note 3.3)
- Provision for doubtful debts (Note 2.8 and Note 3.4)

2.3 Form of records applied

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

2.4 Fiscal year

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



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Currency

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

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

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

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

2.6 Cash and cash equivalents

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

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

2.7 Financial assets

(a) Classification and measurement

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

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

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

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

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

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

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

Financial assets at fair value through profit or loss are subsequently measured at market value or fair value (in case market value is not available). Those shares, including derivatives to be settled in shares, that not traded on active market or those whose fair value is not reliably determined are accounted at cost.

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

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

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

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

The following assets are excluded from HTM financial assets:

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

A financial asset shall not be classified as held-to-maturity if the Company has, during the current financial year or during the two preceding financial years, sold or reclassified more than an insignificant amount of HTM financial assets before maturity (more than insignificant in relation to the total amount of HTM financial assets) other than sales or reclassifications that:

- are so close to maturity or the financial asset's call date (less than three months before maturity) that changes in the market rate of interest would not have a significant effect on the financial asset's fair value;
- occur after the Company has collected substantially all of the financial asset's original principal through scheduled payments or prepayments; or
- are attributable to an isolated event that is beyond the Company's control, is non-recurring and could not have been reasonably anticipated by the Company.



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Financial assets (continued)

(a) Classification and measurement (continued)

(ii) Held-to-maturity financial assets (continued)

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

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

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

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

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

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

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

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

(iii) Loans

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

In the reporting period, the Company had the following types of loans:

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

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

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

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

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

Available-for-sale financial assets are non-derivative financial assets that are not classified as FVTPL, HTM, nor loans and receivables.

Available-for-sale financial assets are initially recorded at cost inclusive of directly attributable purchase cost.

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

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

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



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Financial assets (continued)

(a) Classification and measurement (continued)

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

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

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

Objective evidence of impairment for equity instruments may include:

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

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

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

(b) Reclassification

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

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

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

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

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

(c) Recognition/de-recognition

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

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

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

(d) Initial recognition

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

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

(e) Determination of market value/fair value

The Company applies valuation bases for financial assets in accordance with Circular 91/2020/TT-BTC on 13 November 2020 regarding capital adequacy ratio of securities trading entities ("Circular 91/2020/TT-BTC") in determining the market value/fair value of financial assets, in particular:

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

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

(ii) Other shares

Other shares are revalued based on the Company's valuation techniques. Shares without sufficient trading information and whose fair value cannot be reliably measured are stated at cost.

(iii) Bonds listed on stock exchanges

These bonds are revalued based on quoted price (clean price) of outright transactions on stock exchanges at the latest trading date up to the valuation date plus accrued interests.

Bonds that are not traded for more than two (2) weeks prior to the valuation date are revalued at purchase price plus accrued interests.

(iv) Unlisted bonds

Unlisted bonds are revalued at purchase price plus accrued interests.

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

Certificates of open-ended funds/ETF are revalued at net asset value per one (1) fund unit on their latest valuation date up to the reporting date of the Company.



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Financial assets (continued)

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

(vi) *Delisted shares, shares suspended for trading, shares paused for trading from sixth day onwards*

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

(f) *Recognition of gains/(losses)*

Purchase transaction costs

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

Selling transaction costs

Selling transaction costs are expensed off in profit or loss of the statement of comprehensive income.

Gain/(loss) on disposal

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

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

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

2.8 Receivables

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

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

Provision for doubtful debts is made for each outstanding amount based on number of days past due according to initial payment commitment (without considering any mutually agreed extension) or based on the estimated loss that may arise. Bad debts are written off when identified.

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

2.9 Futures

Futures are listed derivatives in which the parties commit to:

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

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

Proprietary trading activities

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

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

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

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

Brokerage activities

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

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

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

2.10 Accounting treatments for pledged investments

During the year, the Company had pledged certain investments to secure its contractual obligations.

According to the provisions of the respective contracts, during the contract terms, the Company may not use the pledged assets to sell, transfer, enter into sale and repurchase agreements or swap contracts with any other third party.

If the Company fails to fulfill its obligations, the pledgees have the right to use the pledged assets as means to secure the Company's obligations after a stipulated point of time since which the obligations become past due.

Pledged assets are presented in the statement of financial position following accounting policies applied to the type of assets into which they are classified.



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Fixed assets

Tangible and intangible fixed assets

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

Depreciation and amortisation

Fixed assets are depreciated/amortised using the straight-line method to write off the depreciable amount of the fixed assets over their estimated useful lives. Depreciable amount equals to the historical cost of fixed assets recorded in the financial statements minus (-) the estimated disposal value of such assets. The principal annual rates used are:

Motor vehicles	16.67%
Office equipments	33.33%
Computer software	33.33% – 50%

Disposals

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

Construction in progress

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

2.12 Leased assets

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

2.13 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the balance sheet. Short-term prepaid expenses represent prepayments for goods and services; or tools that do not meet the recognition criteria for fixed assets for a period not exceeding 12 months or a business cycle from the date of prepayment. Long-term prepaid expenses represent prepayments for goods and services; or tools, which do not meet the recognition criteria for fixed assets for a period exceeding 12 months or more than one business cycle from the date of prepayment. Prepaid expenses are recorded at historical cost and allocated on a straight-line basis over their estimated useful lives.

2.14 Pledged assets, mortgaged assets, security deposits

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

2.15 Liabilities

(a) *Recognition/de-recognition*

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

(b) *Classification*

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

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

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

2.16 Offsetting financial instruments

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

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

2.17 Borrowings

Borrowings include borrowings from banks, financial institutions, finance companies and other entities. Borrowings are stated at cost as at reporting date.

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

2.18 Issued bonds

Issued bonds are initially recognised at their issuance prices. Premiums/(discounts) are determined at issuance and allocated to borrowing costs or capitalised during the bond tenors using straight-line method.



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Issued bonds (continued)

Issued bonds balances are presented on a net basis (par values plus unallocated premiums or minus unallocated discounts at the reporting date).

Issued bonds are classified as current and non-current liabilities in the statement of financial position based on their tenors.

2.19 Covered warrants

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

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

Covered warrants issued by the Company

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

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

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

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

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

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

Securities used as hedges against covered warrants

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

Proprietary trading of covered warrants

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

2.20 Income tax paid on behalf of investors

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

2.21 Accrued expenses

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

2.22 Provisions

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

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

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

2.23 Provision for severance allowances

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

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

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

2.24 Equity

(a) Owners' capital

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

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



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Equity (continued)

(a) Owners' capital (continued)

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

- Treasury shares repurchased before the effective date of Securities Law 2019 (1 January 2021) are shares issued and repurchased by the Company, but these are not cancelled and may be re-issued subsequently in accordance with the Law on Securities.
- Treasury shares repurchased after 1 January 2021 will be cancelled and adjusted to reduce equity. The Company has no transaction to repurchase treasury shares after 1 January 2021 until the report issuance date.

(b) Revaluation reserve

Revaluation reserve reflects the differences arising on revaluation of AFS.

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

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

- The financial regimes applicable to securities companies stipulated in Circular 146/2014/TT-BTC issued by the Ministry of Finance on 6 October 2014 are revoked in full.
- The balance of Supplementary capital reserve made in accordance with Circular 146/2014/TT-BTC shall be added to the Company's charter capital in line with Securities Law 2019, the related guidelines and the Company's charter.
- The balance of Financial risk and operation reserve made in accordance with Circular 146/2014/TT-BTC shall be added to the Company's charter capital or utilised in line with resolution of Annual General Meeting of shareholders, Securities Law 2019 and related guidelines, the Company's charter, while ensuring financial safety ratio pursuant to securities regulations.

Before 1 February 2022:

- According to Circular 146/2014/TT-BTC, securities companies and fund management companies are required to make annual appropriation to the financial and operational risk reserve and supplementary capital reserve at 5% of the post-tax profit for each reserve in each of its profitable years until the accumulated balance of each reserve reaches 10% of the charter capital.
- Financial and operational risk reserve is made to compensate the residual losses and damages arising in operation beyond the indemnification received from the parties causing damages and insurance companies and the utilisation of indemnity funds and the relevant provisions made.
- Supplementary capital reserve serves as a financial resource to increase charter capital.

(d) Undistributed earnings

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

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

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

2.25 Dividend

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

Earnings distributable to shareholders comprise post-tax realised profits. Prior to 1 February 2022 (effective date of Circular 114/2021/TT-BTC), earnings distributable to shareholders comprise post-tax realised profits after deducting the amounts appropriated to financial and operational risk reserve and supplementary capital reserve.

2.26 Assets of customers and liabilities to customers

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

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

2.27 Revenue and income recognition

(a) Revenue from provision of services to investors

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

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

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

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

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

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



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.27 Revenue and income recognition (continued)

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

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

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

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

(c) *Income from working capital management*

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

(d) *Other income*

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

2.28 Expenses

(a) *Recognition*

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

(b) *Classification*

Expenses are classified by function as follows:

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

2.29 Financial income

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

2.30 Financial expenses

Financial expenses are expenses incurred in the year for financial activities mainly including interest expenses and foreign exchange losses.

The company hedges against foreign exchange risk for borrowings denominated in foreign currencies by entering into forward contracts and cross currency swap contracts with local commercial banks. The cost of hedging arising with these contracts are allocated on a straight-line basis over their contract term and recognised as financial expense in the statement of comprehensive income.

2.31 Borrowing costs

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

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

2.32 General and administrative expenses

General and administrative expenses represent expenses for administrative purposes which mainly include salary expenses, outside services, stationery expenses, depreciation expenses, transportation expenses, rental and other administrative expenses.

2.33 Current and deferred income tax

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

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

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

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

2.34 Related parties

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

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



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.35 Segment reporting

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

Segment reporting is prepared and presented in accordance with accounting policies applied to the preparation and presentation of the Company financial statements in order to enable users of financial statements to understand and evaluate the Company's operations in a comprehensive way.

2.36 Nil items

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

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION

3.1 Cash and cash equivalents

	As at	
	31.12.2022 VND	31.12.2021 VND
Cash		
Cash on hand	209,635,507	577,800,477
Cash at bank	2,313,291,979,296	1,131,170,799,056
	2,313,501,614,803	1,131,748,599,533
Cash equivalents		
Term deposits with an original maturity of three (3) months or less	1,110,000,000,000	-
	3,423,501,614,803	1,131,748,599,533

3.2 Financial assets

(a) *Financial assets measured at fair value through profit or loss ("FVTPL")*

As at 31 December 2022	Comparison to market price or fair value			Market value/ fair value VND
	Cost VND	Gain VND	Loss VND	
Listed shares and shares traded on UPCoM	68,273,489,947	498,111,105	(2,106,167,352)	66,665,433,700
Unlisted bonds (*)	598,592,462,616	-	-	598,592,462,616
Total	666,865,952,563	498,111,105	(2,106,167,352)	665,257,896,316

As at 31 December 2022	Comparison to market price or fair value			Market value/ fair value VND
	Cost VND	Gain VND	Loss VND	
Listed shares and shares traded on UPCoM	851,299,716,153	273,373,185,965	(27,319,684,446)	1,097,353,217,672
Certificates of deposit (*)	100,000,000,000	-	-	100,000,000,000
Unlisted bonds (*)	14,163,251,763	-	-	14,163,251,763
Unlisted fund certificates (*)	10,000,000,000	-	-	10,000,000,000
Total	975,462,967,916	273,373,185,965	(27,319,684,446)	1,221,516,469,435

(*) These financial instruments are not traded in an active market, whilst their fair value is not reliably measured, hence stated at cost.



3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

3.2 Financial assets (continued)

(a) Financial assets measured at fair value through profit or loss ("FVTPL") (continued)

	As at 31 December 2022		As at 31 December 2021	
	Cost VND	Market value/ fair value VND	Cost VND	Market value/ fair value VND
Listed shares and shares traded on UPCoM	68,273,489,947	66,665,433,700	851,299,716,153	1,097,353,217,672
Khang Dien House Trading and Investment Joint Stock Company (KDH)	1,269,589,890	1,704,506,500	151,103,163,136	415,571,245,800
Masan Group Corporation (MSN)	2,874,315,939	2,836,500,000	388,580,716,249	363,888,000,000
Others	64,129,584,118	62,124,427,200	311,615,836,768	317,893,971,872
Unlisted bonds (**)	598,592,462,616	598,592,462,616	14,163,251,763	14,163,251,763
PC1 Group Joint Stock Company (PC1H2227001)	234,488,113,962	234,488,113,962	-	-
Phat Dat Real Estate Development Corp (PDRH2123010)	151,283,043,984	151,283,043,984	-	-
Masan Group Corporation (MSNH2227004)	125,105,128,614	125,105,128,614	-	-
Phat Dat Real Estate Development Corp (PDRH2123008)	74,559,176,056	74,559,176,056	-	-
Others	13,157,000,000	13,157,000,000	14,163,251,763	14,163,251,763
Certificates of deposit	-	-	100,000,000,000	100,000,000,000
Unlisted fund certificates	-	-	10,000,000,000	10,000,000,000
Total	666,865,952,563	665,257,896,316	975,462,967,916	1,221,516,469,435

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

3.2 Danh mục tài sản tài chính (tiếp theo)

(a) Financial assets measured at fair value through profit or loss ("FVTPL") (continued)

(**) Financial assets measured at fair value through profit or loss ("FVTPL") (continued)

Unlisted bonds	As at 31.12.2022 VND	Key terms	Issuance date	Maturity date	Interest rate per annum	Par value/ share VND
PC1 Group Joint Stock Company (PC1H2227001)	234,488,113,962	Non-convertible, without warrant, secured by shares of issuing company	31.03.2022	31.03.2027	10%	100,000,000
Phat Dat Real Estate Development Corp (PDRH2123010) (i)	151,283,043,984	Non-convertible, without warrant, secured by shares of issuing company and its subsidiary	23.12.2021	23.12.2023	12%	100,000,000
Masan Group Corporation (MSNH2227004)	125,105,128,614	Non-convertible, without warrant, unsecured	21.09.2022	21.09.2027	9.5%	100,000,000
Phat Dat Real Estate Development Corp (PDRH2123008) (i)	74,559,176,056	Non-convertible, without warrant, secured by shares of issuing company and its subsidiary	08.12.2021	08.12.2023	12%	10,000,000
Others	13,157,000,000	Convertible, without warrant, unsecured	02.11.2020	02.11.2025	11%	1,000,000
	598,592,462,616					



3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

3.2 Financial assets (continued)

(a) Financial assets measured at fair value through profit or loss ("FVTPL") (continued)

- (i) As at 31 December 2022, the lot of 30,000 bonds (code PDRH2123008) and the lot of 5,000 bonds (code PDRH2123010) with a total combined par value of VND800,000,000,000 were secured by 35,568,052 ordinary shares of Phat Dat Real Estate Development Corporation (stock code: PDR). Out of these, the Company was holding 6,862 PDRH2123008 bonds and 1,514 PDRH2123010 bonds with a total par value of VND220,020,000,000.

Pursuant to the Bondholders' Resolutions No. 02/NQ-PDRH2130008 and No. 01/NQ-PDRH2323010 dated 16 November 2022, Phat Dat Real Estate Development Corporation has put up additional collateral asset which comprised 152,000,000 common shares in one of its subsidiaries. This subsidiary has the rights to lease land from the State with annual rental payment and land-attached assets located in Ba Ria – Vung Tau Province ("additional collateral asset") to develop a hospitality project. The value of this additional collateral asset per the valuation report provided by a local valuation firm on 11 November 2022 was VND3,857,824,274,390.

(b) Held-to-maturity financial assets ("HTM")

	As at 31.12.2022		As at 31.12.2021	
	Amortised cost VND	Provisions VND	Amortised cost VND	Provisions VND
Term deposits	867,288,640,000	-	642,329,000,000	-
Security deposit for covered warrants issued	18,600,000,000	-	106,390,000,000	-
Corporate bonds	-	-	5,000,000,000	-
Total	885,888,640,000	-	753,719,000,000	-

Details of held-to-maturity financial assets at the reporting date are as follows:

Issuers/counterparties	Issue date	Maturity date	Par value VND
Term deposits			867,288,640,000
Foreign bank (*)	12.10.2022	31.10.2023	420,000,000,000
Domestic commercial bank (*)	17.11.2022	17.11.2023	150,000,000,000
Domestic finance company	05.12.2022	05.6.2023	140,000,000,000
Domestic commercial bank (*)	13.5.2022	24.5.2023	110,000,000,000
Foreign bank (*)	27.10.2022	03.11.2023	30,000,000,000
Foreign bank (*)	12.5.2022	12.5.2023	17,288,640,000
Security deposit for covered warrants issued (**)			18,600,000,000
Domestic commercial bank			18,600,000,000

Held-to-maturity financial assets were term deposit at banks earned the interest rate ranging from 3.5% per annum to 13.5% per annum.

(*) These deposits are being pledged for short-term borrowings as at 31 December 2022 as presented in Note 3.9.

(**) This represents security deposit at custodian banks in relation to covered warrants issued by the Company with maturity over 3 months. This deposit is blocked during the effective period of the covered warrants at least 50% of the value of the issued covered warrants, excluding those delisted covered warrants in accordance with Circular 107/2016/TT-BTC issued by Ministry of Finance on 29 June 2016.

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

As at 31 December 2022	Cost VND	Comparison to market price or fair value		Market value/ fair value VND
		Gain VND	Loss VND	
Listed shares and shares traded on UPCoM	1,736,090,790,598	1,271,393,607,326	(171,152,014,987)	2,836,332,382,937
Underlying assets designated as hedges for covered warrants	5,550,850,919	104,690,744	(283,334,863)	5,372,206,800
Unlisted and unregistered shares	704,704,425,713	187,600,000,000	-	892,304,425,713
Carried at cost (*)	296,464,425,713	-	-	296,464,425,713
Carried at fair value (**)	408,240,000,000	187,600,000,000	-	595,840,000,000
Total	2,446,346,067,230	1,459,098,298,070	(171,435,349,850)	3,734,009,015,450

As at 31 December 2022	Cost VND	Comparison to market price or fair value		Market value/ fair value VND
		Gain VND	Loss VND	
Listed shares and shares traded on UPCoM	2,236,662,240,537	1,851,962,817,056	(15,005,867,294)	4,073,619,190,299
Underlying assets designated as hedges for covered warrants	300,376,493,448	61,669,518,833	(4,159,359,281)	357,886,653,000
Unlisted and unregistered shares	704,704,425,713	187,600,000,000	-	892,304,425,713
Carried at cost (*)	296,464,425,713	-	-	296,464,425,713
Carried at fair value (**)	408,240,000,000	187,600,000,000	-	595,840,000,000
Total	3,241,743,159,698	2,101,232,335,889	(19,165,226,575)	5,323,810,269,012



3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

3.2 Financial assets (continued)

(c) Available-for-sale financial assets ("AFS") (continued)

	As at 31 December 2022		As at 31 December 2021	
	Cost VND	Market value/ fair value VND	Cost VND	Market value/ fair value VND
Listed shares and shares traded on UPCoM	1,736,090,790,598	2,836,332,382,937	2,236,662,240,537	4,073,619,190,299
International Dairy Products Joint Stock Company (IDP)	440,985,822,375	1,617,938,299,327	440,985,822,375	1,290,905,866,000
Khang Dien House Trading and Investment Joint Stock Company (KDH)	510,591,635,125	357,297,194,500	452,567,246,223	534,020,653,200
Masan Group Corporation (MSN)	161,993,717,385	176,253,600,000	40,808,918,000	48,003,462,000
Ha Do Group Joint Stock Company (HDG)	-	-	325,705,938,800	786,568,251,000
Mobile World Investment Corporation (MWG)	-	-	150,542,126,824	388,664,622,900
Others	622,519,615,713	684,843,289,110	826,052,188,315	1,025,456,335,199
Underlying assets designated as hedges for covered warrants	5,550,850,919	5,372,206,800	300,376,493,448	357,886,653,000
Mobile World Investment Corporation (MWG)	-	-	25,750,694,140	66,482,280,000
Khang Dien House Trading and Investment Joint Stock Company (KDH)	-	-	51,286,089,496	60,516,600,000
Others	5,550,850,919	5,372,206,800	223,339,709,812	230,887,773,000
Unlisted and unregistered shares	704,704,425,713	892,304,425,713	704,704,425,713	892,304,425,713
National Payment Corporation of Vietnam (NAPAS) (**)	408,240,000,000	595,840,000,000	408,240,000,000	595,840,000,000
VPBank SMBC Finance Company Limited (*)	161,294,370,000	161,294,370,000	161,294,370,000	161,294,370,000
Others (*)	135,170,055,713	135,170,055,713	135,170,055,713	135,170,055,713
Total	2,446,346,067,230	3,734,009,015,450	3,241,743,159,698	5,323,810,269,012

(c) Available-for-sale financial assets ("AFS") (continued)

(*) These shares do not have listed prices on the market and their fair value cannot be reliably measured. Hence, their fair value is stated at cost.

(**) The fair value of equity investment in NAPAS is estimated based on management's valuation models following multiples approach. The fair value is determined as the simple average of two values derived from price-to-earning (PE) ratio model and price-to-book (PB) ratio model.

The value of AFS shares being pledged for short-term borrowings as at 31 December 2022 is presented in Note 3.8.

3.3 Loans and provisions

(a) Loans

	As at 31.12.2022		As at 31.12.2021	
	Amortised cost VND	Provisions VND	Amortised cost VND	Provisions VND
Margin loans (*)	4,968,026,671,773	(2,169,825,587)	7,515,786,303,555	(2,169,825,587)
Trading advances	311,252,564,912	-	185,450,827,924	-
Total	5,279,279,236,685	(2,169,825,587)	7,701,237,131,479	(2,169,825,587)

(*) Securities purchased on margin are held by the Company as collaterals for margin loans. The market value of collateral assets as at 31 December 2022 was VND27,202,388,205,950 (as at 31 December 2021: VND48,721,316,206,750).

(b) Provisions for impairment loss of financial assets and collaterals

The movement in provisions for impairment loss of financial assets and collaterals during the year is as follows:

	Opening balance VND	Provided VND	Reversed VND	Closing balance VND
Margin loans	2,169,825,587	-	-	2,169,825,587



3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

3.4 Receivables

	As at 31.12.2022		As at 31.12.2021	
	Carrying value VND	Doubtful amount VND	Carrying value VND	Doubtful amount VND
Receivables from disposals of financial assets				
Receivables from disposals of listed equities	31,888,215,000	-	187,029,585,000	-
Receivables from disposals of covered warrants	1,227,000	-	1,265,222,000	-
	31,889,442,000	-	188,294,807,000	-
Dividend and interest receivables				
Dividend and interest receivables not yet due	59,484,897,025	-	47,852,123,094	-
Service-related receivables				
Service fee receivables	28,333,567,121	1,928,450,000	30,823,037,084	1,928,450,000
	119,707,906,146	1,928,450,000	266,969,967,178	1,928,450,000

Movement in provisions for doubtful debts during the year is as follows:

	Doubtful amount		Provision			Closing balance VND
	Opening balance VND	Closing balance VND	Opening balance VND	Provided VND	Reversed VND	
Service-related receivables	1,928,450,000	1,928,450,000	1,928,450,000	-	-	1,928,450,000
Besra Vietnam Limited Company	582,450,000	582,450,000	582,450,000	-	-	582,450,000
QVD Aqua JSC	462,000,000	462,000,000	462,000,000	-	-	462,000,000
Other customers	884,000,000	884,000,000	884,000,000	-	-	884,000,000
Total	1,928,450,000	1,928,450,000	1,928,450,000	-	-	1,928,450,000

3.5 Prepayment to suppliers

	As at	
	31.12.2022 VND	31.12.2021 VND
Deposits for purchase of unlisted securities	-	18,049,315,068
Others	2,306,029,740	2,115,513,031
	2,306,029,740	20,164,828,099

3.6 Fixed assets

(a) Tangible fixed assets

	Vehicles VND	Office equipment VND	Total VND
Historical cost			
As at 1.1.2022	7,738,286,701	54,645,420,459	62,383,707,160
New purchases	6,509,946,409	13,403,176,913	19,913,123,322
Transfer from construction in progress (Note 3.6(c))	-	280,000,000	280,000,000
Disposal	(1,590,826,728)	(137,820,000)	(1,728,646,728)
As at 31.12.2022	12,657,406,382	68,190,777,372	80,848,183,754
Accumulated depreciation			
As at 1.1.2022	3,279,070,978	49,143,861,761	52,422,932,739
Charge for the year	1,337,323,895	5,520,690,739	6,858,014,634
Disposal	(751,223,744)	(137,820,000)	(889,043,744)
As at 31.12.2022	3,865,171,129	54,526,732,500	58,391,903,629
Net book value			
As at 1.1.2022	4,459,215,723	5,501,558,698	9,960,774,421
As at 31.12.2022	8,792,235,253	13,664,044,872	22,456,280,125

As at 31 December 2022, the Company had no outstanding commitments to purchase or sell tangible fixed assets.

Historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2022 was VND48,603 million (as at 31 December 2021: VND47,216 million).



3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

3.6 Fixed assets (continued)

(b) Intangible fixed assets

	Computer software VND
Historical cost	
As at 1.1.2022	49,981,431,542
New purchase	49,000,000
Transfer from construction in progress (Note 3.6(c))	585,404,000
As at 31.12.2022	50,615,835,542
Accumulated amortisation	
As at 1.1.2022	46,786,380,539
Charge for the year	2,789,176,540
As at 31.12.2022	49,575,557,079
Net book value	
As at 1.1.2022	3,195,051,003
As at 31.12.2022	1,040,278,463

As at 31 December 2022, the Company's commitments to purchase intangible fixed assets are disclosed in Note 12.

Historical cost of fully amortised intangible fixed assets but still in use as at 31 December 2022 was VND42,484 million (as at 31 December 2021: VND 40,541 million).

(c) Construction in progress

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

	For the year ended	
	31.12.2022 VND	31.12.2021 VND
Opening balance	5,809,600,000	5,649,600,000
Increase	12,419,675,060	3,887,381,898
Transfer to tangible fixed assets (Note 3.6(a))	(280,000,000)	(3,176,305,454)
Transfer to intangible fixed assets (Note 3.6(a))	(585,404,000)	-
Transfer to prepaid expenses	(10,004,104,060)	(551,076,444)
Closing balance	7,359,767,000	5,809,600,000

3.7 Other assets

(a) Other current assets

	As at	
	31.12.2022 VND	31.12.2021 VND
Deposits for derivative trading activities (*)	46,136,989,800	150,714,917,648

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

(b) Deposits in the Settlement support fund

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

	For the year ended	
	31.12.2022 VND	31.12.2021 VND
Opening balance	22,591,443,032	21,169,262,072
Additional contribution	-	-
Interest allocated	1,323,485,890	1,422,180,960
Closing balance	23,914,928,922	22,591,443,032

As at 31 December 2022 and 31 December 2021, the Company fully contributed the maximum amount.

(c) Other non-current assets

This is Derivative trading Settlement Fund. According to the Policy on Management and Use of Derivative 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.

3.8 Pledged assets

	As at	
	31.12.2022 VND	31.12.2021 VND
Held-to-maturity financial assets ("HTM")		
Short-term deposits (Note 3.2(b))	727,288,640,000	642,329,000,000
Listed shares and shares traded on UPCoM		
AFS shares (Note 3.2(c))	1,554,650,000,000	2,128,160,000,000
	2,281,938,640,000	2,770,489,000,000

These assets are pledged as collaterals for the Company's short-term borrowings (Note 3.9).



3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

3.9 Borrowings and issued bonds

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

	Opening balance VND	Disbursement VND	Repayment VND	Closing balance VND
Vay ngắn hạn				
Foreign bank	(i)	2,569,707,142,857	-	2,569,707,142,857
Foreign bank	(ii)	2,300,000,000,000	-	2,300,000,000,000
Domestic bank	(iii)	1,575,000,000,000	(1,575,000,000,000)	500,000,000,000
Foreign bank	(iv)	640,100,000,000	(1,104,580,000,000)	456,500,000,000
Domestic bank	(v)	2,300,000,000,000	(3,000,000,000,000)	300,000,000,000
Domestic bank	(vi)	2,300,000,000,000	(2,629,000,000,000)	100,000,000,000
Domestic bank	(vii)	547,000,000,000	(547,000,000,000)	100,000,000,000
Foreign bank	(viii)	-	(2,260,000,000,000)	-
Domestic bank	(ix)	800,000,000,000	(1,300,000,000,000)	-
Domestic bank	(x)	320,000,000,000	(620,000,000,000)	-
Foreign bank	(xi)	136,200,000,000	(274,500,000,000)	-
Foreign bank	(xii)	159,040,000,000	(273,440,000,000)	-
Domestic bank	(xiii)	900,000,000,000	(1,000,000,000,000)	-
Domestic finance company	(xiv)	200,000,000,000	(200,000,000,000)	-
Domestic bank	(xv)	159,000,000,000	(159,000,000,000)	-
Domestic joint stock company	(xvi)	100,000,000,000	(100,000,000,000)	-
Total short-term borrowings	6,362,680,000,000	15,006,047,142,857	(15,042,520,000,000)	6,326,207,142,857
Issued bonds	(xvii)	120,000,000,000	(1,536,970,000,000)	547,100,000,000
Total	8,326,750,000,000	15,126,047,142,857	(16,579,490,000,000)	6,873,307,142,857

- (i) This is a syndicated loan from a foreign bank under a credit limit of USD150 million open up to 19 October 2023. The Company hedged the foreign exchange rate risk on 100% of the outstanding balances by entering into a currency forward contract with local commercial banks. The forward term approximates the loan term. This loan is secured by a term deposit at lending bank (Note 3.8).
- (ii) This is a syndicated loan from a foreign bank under a credit limit of USD100 million open up to 18 May 2023. The Company hedged the foreign exchange rate risk on 100% of the outstanding balances by entering into a currency forward contract with a local commercial bank. The forward term approximates the loan term. This loan is secured by a standby credit letter issued by a local commercial bank.
- (iii) These are drawdowns from a domestic bank under a credit limit of VND1,500 billion open up to 6 April 2023, including an unsecured credit limit of VND1,000 billion and a secured credit limit of VND500 billion. The balance as at 31 December 2022 was within the unsecured limit and required no collateral.
- (iv) This is a syndicated loan from foreign banks under a credit limit of USD28 million open up to 13 May 2023. The Company hedged the foreign exchange rate risk on 100% of the outstanding balances by entering into swap foreign currency contracts and currency forward contracts with local commercial banks. The swap term approximates the loan term. This loan is secured by a part of a term deposit at lending bank (Note 3.8).
- (v) These are drawdowns from a domestic bank with a credit limit of VND2,200 billion and USD 51.5 million open up to 13 May 2023. These loans are secured by a term deposit at lending bank and the Company's AFS financial assets (Note 3.8).
- (vi) These are drawdowns from a domestic bank under a credit limit of VND1,100 billion open up to 14 November 2023, including an unsecured credit limit of VND200 billion and a secured credit limit of VND900 billion.
- (vii) These are drawdowns from a domestic bank under a credit limit of VND200 billion open up to 31 March 2023.
- (viii) This is a syndicated loan from a foreign bank under a credit limit of USD150 million open up to 30 November 2022. The Company hedged the foreign exchange rate risk on 100% of the outstanding balances by entering into a currency forward contract with a local commercial bank. The forward term approximates the loan term. This loan is secured by a term deposit at lending bank (Note 3.8).
- (ix) This is a loan from a domestic bank with a credit limit of VND 1,000 billion open up to 25 March 2022, including an unsecured credit limit of VND800 billion and a secured credit limit of VND200 billion.
- (x) These are drawdowns from a domestic bank under a credit limit of VND300 billion open up to 17 March 2023.



3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

3.9 Borrowings and issued bonds (continued)

- (xi) This is a drawdown from a foreign bank under an unsecured credit limit of USD6 million granted on 11 March 2019 and automatically renewed every year since granting date.
- (xii) This is a drawdown from a foreign bank under an unsecured credit limit of USD7 million granted on 22 August 2022 and automatically renewed every year since granting date.
- (xiii) These are drawdowns from a domestic bank under a credit limit of VND700 billion open up to 17 June 2023.
- (xiv) These are drawdowns from a domestic financial company under an unsecured credit limit of VND200 billion open up to 23 March 2023.
- (xv) These are drawdowns from a branch of foreign bank under a credit limit of USD7 million open up to 28 February 2023.
- (xvi) These are drawdowns from a domestic joint stock company under an unsecured credit limit of VND100 billion open up to 28 November 2022.
- (xvii) These are registered non-convertible bonds issued privately to individuals and institutions according to the Board of Directors' resolutions. The bonds have a par value of VND10,000,000 or VND100,000,000 and and tenor of 24 months from the issue date. The bondholders reserve the right to put the bonds before their maturities. Interest rates are applied depending on the holding period of the bondholders.

As at 31 December 2022, there were no bonds issued to a related party (as at 31 December 2021: none).

All proceeds of borrowings and issued bonds are used to supplement working capital. The borrowings and issued bonds bear interest from 2.1% to 8.5% per annum depending on the time of drawdown/issuance (2021: from 3.02% to 11% per annum).

As at 31 December 2022 and as at 31 December 2021, there were neither borrowings nor issued bonds past due but not yet settled.

As at 31 December 2022 and as at 31 December 2021, there was no doubt on the Company's ability to repay these balances.

3.10 Trading obligations

	As at	
	31.12.2022 VND	31.12.2021 VND
Covered warrant payables (Note 5.2(b))	515,216,000	58,858,728,000
Payable to Ho Chi Minh City Stock Exchange	8,988,251,833	18,797,160,047
Payable to Hanoi Stock Exchange	935,635,208	1,005,210,960
Payable to Vietnam Securities Depository	1,961,064,505	920,743,295
	12,400,167,546	79,581,842,302

As at 31 December 2022 and as at 31 December 2021, there were no trading obligations past due but not yet settled.

As at 31 December 2022 and as at 31 December 2021, there was no doubt on the Company's ability to repay these balances.

3.11 Trade payables

	As at	
	31.12.2022 VND	31.12.2021 VND
Payables for purchases of listed securities on stock exchanges	16,014,895,000	517,001,230,000
Payables for purchases of covered warrants	1,447,000	348,263,000
Payables for purchases of goods and services	4,224,000	86,368,020
Payables for purchases of unlisted securities	-	66,780,000,000
Payable to VSD – loss in derivatives trading	-	2,977,730,000
	16,020,566,000	587,193,591,020

As at 31 December 2022 and as at 31 December 2021, the Company had no trade payables due to related parties.

As at 31 December 2022 and as at 31 December 2021, there were no payables past due but not yet settled.

As at 31 December 2022 and as at 31 December 2021, there was no doubt on the Company's ability to repay these balances.

3.12 Customers' advances

These balances are mainly advances for service-related activities.



3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

3.13 Taxes and other payables to the State

	Tại ngày	
	31.12.2022 VND	31.12.2021 VND
Corporate income tax – current	21,280,201,119	99,506,790,795
Personal income tax withheld and paid on behalf of investors	22,744,326,132	54,189,541,107
Personal income tax	1,711,434,881	3,933,526,117
Value added tax	331,368,468	-
	46,067,330,600	157,629,858,019

Movements in tax and other payables to the State during the year were as follows:

	As at 1.1.2022 VND	Incurred VND	Paid VND	As at 31.12.2022 VND
Corporate income tax – current	99,506,790,795	250,981,079,495	(329,207,669,171)	21,280,201,119
Personal income tax withheld and paid on behalf of investors	54,189,541,107	292,993,507,631	(324,438,722,606)	22,744,326,132
Personal income tax	3,933,526,117	106,115,883,091	(108,337,974,327)	1,711,434,881
Value added tax	-	4,380,016,619	(4,048,648,151)	331,368,468
	157,629,858,019	654,470,486,836	(766,033,014,255)	46,067,330,600

3.14 Accrued expenses

	As at	
	31.12.2022 VND	31.12.2021 VND
Interests on borrowings	65,786,088,283	64,249,022,318
Hedging costs	40,572,722,940	-
Others	3,888,503,745	8,662,663,461
	110,247,314,968	72,911,685,779

3.15 Other payables

	As at	
	31.12.2022 VND	31.12.2021 VND
Operation fund of the Board of Directors (Note 8(b))	8,168,624,110	9,123,667,500
Dividends payable to shareholders (i)	307,138,973,840	2,289,043,140
Other payables	1,737,806,602	465,112,336
	317,045,404,552	11,877,822,976

(i) Details of movements in dividends payable to shareholders are as follows:

	For the year ended	
	31.12.2022 VND	31.12.2021 VND
Opening balance (*)	2,289,043,140	1,612,265,940
Cash dividend declared during the year	304,849,930,700	730,800,000,000
In which		
2nd interim dividend of 2020 (Note 7.1(iii))	-	331,200,000,000
1st interim dividend of 2021 (Note 7.1(iv))	-	399,600,000,000
1st interim dividend of 2021 (Note 7.1(vii))	304,849,930,700	-
Dividend paid	-	(730,123,222,800)
Ending balance	307,138,973,840	2,289,043,140

(*) The balance of dividends of previous years that has not been paid at reporting date is attributable to some shareholders who have not collected the dividends from the Company.

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

As at 31 December 2022 and as at 31 December 2021, there was no doubt on the Company's ability to repay these balances.



3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

3.16 Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority. The offset amounts are as follows:

	As at	
	31.12.2022 VND	31.12.2021 VND
Deferred income tax assets to be recovered within 12 months (i)	8,870,120,954	433,965,117
Deferred income tax liabilities payable within 12 months (ii)	(268,688,316,936)	(479,353,545,230)
	(259,818,195,982)	(478,919,580,113)

Movements in deferred income tax, taking into consideration the offsetting of balances within the same tax jurisdiction, were as follows:

	For the year ended	
	31.12.2022 VND	31.12.2021 VND
Opening balance	(478,919,580,113)	(127,061,488,385)
Credited/(charged) to profit or loss (Note 5.7)	60,220,551,912	(42,118,504,142)
Recognised directly in equity	158,880,832,219	(309,739,587,586)
Closing balance	(259,818,195,982)	(478,919,580,113)

(i) Details of deferred income tax assets are as below:

	As at	
	31.12.2022 VND	31.12.2021 VND
Deductible temporary differences:		
Hedging costs from currency forward and swap contracts	40,572,722,940	-
Revaluation gains of FVTPL financial assets (Note 5.2(a))	1,608,056,247	-
Provisions for margin loans (Note 3.3)	2,169,825,587	2,169,825,587
	44,350,604,774	2,169,825,587
At tax rate of 20%:		
Deferred income tax assets to be recovered within 12 months	8,870,120,954	433,965,117

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

(ii) Details of deferred income tax liabilities are as below:

	As at	
	31.12.2022 VND	31.12.2021 VND
Taxable temporary differences:		
Accrued interest receivable	43,145,567,237	43,628,294,179
Revaluation losses of FVTPL financial assets (Note 5.2(a))	-	246,053,501,519
Revaluation gains of AFS financial assets (Note 3.18)	1,287,662,948,220	2,082,067,109,314
Revaluation gains of covered warrant of VCSC (Note 5.2(b))	12,633,069,224	25,018,821,136
	1,343,441,584,681	2,396,767,726,148
At tax rate of 20%:		
Deferred income tax liabilities payable within 12 months	268,688,316,936	479,353,545,230

3.17 Owners' capital

(a) Number of shares

	As at	
	31.12.2022 VND	31.12.2021 VND
Number of shares registered	435,499,901	333,000,000
Number of shares issued	435,499,901	333,000,000
Number of shares repurchased	-	-
Number of shares in issue	435,499,901	333,000,000

As at 31 December 2022 and as at 31 December 2021, all of the Company's shares are ordinary shares. Each ordinary share has a par value of VND10,000. Each share is entitled to one vote at the Company's shareholders' meetings. Shareholders are entitled to dividends as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets.

(b) Movement in share capital

	As at	
	31.12.2022 VND	31.12.2021 VND
Opening quantity	333,000,000	165,600,000
New shares issued	102,499,901	167,400,000
Closing quantity	435,499,901	333,000,000



3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

3.18 Revaluation reserve

	As at	
	31.12.2022 VND	31.12.2021 VND
Revaluation gains of AFS financial assets (Note 3.2(c))	1,287,662,948,220	2,082,067,109,314
Adjusted for: Deferred tax liabilities	(257,532,589,644)	(416,413,421,863)
	1,030,130,358,576	1,665,653,687,451

The movement in revaluation reserve during the year is as follows:

	For the year ended	
	31.12.2022 VND	31.12.2021 VND
Opening balance	1,665,653,687,451	426,695,337,106
Recognised in equity	(635,523,328,875)	1,238,958,350,345
Closing balance	1,030,130,358,576	1,665,653,687,451

3.19 Undistributed earnings

Movements in undistributed earnings during the current year are as follows:

	As at 1.1.2022 VND	Profit for the year VND	Dividend declared VND	Appropriations to reserves VND	Capital increase from equity VND	As at 31.12.2022 VND
Realised profits after tax	1,024,259,038,107	1,077,016,033,544	(1,309,848,940,700)	-	-	791,426,130,951
Unrealised profits after tax	216,857,858,125	(208,037,847,742)	-	-	-	8,820,010,383
Undistributed earning	1,241,116,896,232	868,978,185,802	(1,309,848,940,700)	-	-	800,246,141,334

Movements of undistributed earnings during the prior year are as follows:

	As at 1.1.2022 VND	Profit for the year VND	Dividend declared VND	Appropriations to reserves VND	Capital increase from equity VND	As at 31.12.2022 VND
Realised profits after tax	1,504,450,539,793	1,349,926,617,034	(730,800,000,000)	(134,992,661,704)	(964,325,457,016)	1,024,259,038,107
Unrealised profits after tax	68,066,099,831	148,791,758,294	-	-	-	216,857,858,125
Undistributed earning	1,572,516,639,624	1,498,718,375,328	(730,800,000,000)	(134,992,661,704)	(964,325,457,016)	1,241,116,896,232

4 NOTES TO OFF STATEMENT OF FINANCIAL POSITION ITEMS

4.1 Bad debts written off

	As at	
	31.12.2022 VND	31.12.2021 VND
Margin loans	25,145,170,448	25,145,170,448

Bad debts written off were margin loans in 2011 that were not fully collected due to diminution in value of collateral assets. The Company had made full provision for the uncollected amount before writing them off according to Resolution No. 09/2015/QĐ-HĐTQ.VCSC of the Board of Directors dated 19 October 2015.

4.2 Foreign currencies

Included in cash and cash equivalents are balances held in foreign currencies as follows:

	As at	
	31.12.2022	31.12.2021
Original amount		
US Dollar	747,217	10,335,519
British Pound	70,005	83,960
Euro	19,651	19,215
VND equivalent		
US Dollar	18,521,591,953	234,256,245,326
British Pound	2,158,933,408	2,585,237,357
Euro	488,583,356	476,524,405
	21,169,108,717	237,318,007,088

4.3 Cổ phiếu đang lưu hành

	As at	
	31.12.2022	31.12.2021
Ordinary shares		
Quantity in issue under 1 year	102,499,901	167,400,000
Quantity in issue for 1 year or more	333,000,000	165,600,000
	435,499,901	333,000,000

4.4 Securities listed/registered at Vietnam Securities Depository

	As at	
	31.12.2022	31.12.2021
Financial assets (quantity)		
Freely traded securities	46,886,438	76,829,064
Pledged securities	8,500,000	16,700,000
Securities awaiting settlement	1,013,900	5,053,300
	56,400,338	98,582,364

4.5 Securities purchased and awaiting settlement

	As at	
	31.12.2022	31.12.2021
Financial assets (quantity)		
Securities awaiting settlement	509,600	5,226,586

4.6 Securities not in custody of VSD

	As at	
	31.12.2022	31.12.2021
Financial assets (quantity)		
Freely traded securities	21,126,101	22,184,159
Restricted securities	2,738,000	2,738,000
	23,864,101	24,922,159



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

4.7 Covered warrants authorised but not yet issued

		As at 31.12.2022					
Issuance date	Maturity date	Issuance date	Maturity date	Number of covered warrants authorised for issue	Number of unsubscribed covered warrants	Number of covered warrants issued	Number of covered warrants authorised but not yet issuedw
FPT/VCSC/M/Au/T/A5	FPT Joint Stock Company (FPT)	12.07.2022	13.01.2023	4,000,000	-	1,005,200	2,994,800
MSN/VCSC/M/Au/T/A5	Masan Group Corporation (MSN)	12.07.2022	13.01.2023	4,000,000	-	887,000	3,113,000
PNJ/VCSC/M/Au/T/A6	Phu Nhuan Jewelry Joint Stock Company (PNJ)	12.07.2022	13.01.2023	4,000,000	-	430,200	3,569,800
POW/VCSC/M/Au/T/A1	PetroVietnam Power Coporation (POW)	12.07.2022	13.01.2023	4,000,000	-	3,715,500	284,500
TCB/VCSC/M/Au/T/A4	Vietnam Technological and Commercial Joint Stock Bank (TCB)	12.07.2022	13.01.2023	4,000,000	-	1,298,400	2,701,600
VPB/VCSC/M/Au/T/A5	Vietnam Prosperity Joint stock Commercial Bank (VPB)	12.07.2022	13.01.2023	4,000,000	-	2,941,500	1,058,500
VRE/VCSC/M/Au/T/A2	Vincom Retail Joint Stock Company (VRE)	12.07.2022	13.01.2023	4,000,000	-	3,343,100	656,900
				28,000,000	-	13,620,900	14,379,100

4.8 Futures

Futures positions which are remained as at the reporting date are as follows:

			As at 31.12.2022			Tại ngày 31 tháng 12 năm 2021		
Contract symbol	First trading date	Last trading date	Open quantity	Closing settlement price	Open short position	Open quantity	Closing settlement price	Open short position
VN30F2301	18.11.2022	19.01.2023	-	1,004,500	-	-	-	-
VN30F2201	19.11.2021	20.01.2022	-	-	-	2,202	1,537,000	338,447,400,000
					-			338,447,400,000



5 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

5.1 Net realised gain on disposals of FVTPL financial assets and covered warrants

	For the year ended	
	31.12.2022 VND	31.12.2021 VND
Realised gains on disposal of FVTPL financial assets	1,431,873,905,175	1,589,792,906,521
In which:		
Underlying securities	896,038,675,708	1,283,077,542,959
Derivatives	427,232,330,000	298,086,692,000
Covered warrants redeemed	16,218,259,470	3,098,142,001
Covered warrants expired	92,384,639,997	5,530,529,561
Realised losses on disposal of FVTPL financial assets	(936,490,470,685)	(616,696,682,328)
In which:		
Underlying securities	(664,733,011,151)	(303,204,365,047)
Derivatives	(267,858,676,000)	(297,705,817,000)
Covered warrants redeemed	(1,080,806,368)	(8,587,327,082)
Covered warrants expired	(2,817,977,166)	(7,199,173,199)
	495,383,434,490	973,096,224,193

5.1 Net realised gain on disposals of FVTPL financial assets and covered warrants (continued)

Details by category are as follows:

	Quantity disposed	Sales proceeds VND	Costs of disposals (*) VND	Realised gains/ (losses) in this period VND	Realised gains/ (losses) in the comparative period VND
Shares	553,421,066	21,231,597,886,065	21,061,715,921,168	169,881,964,897	993,591,864,531
Bonds	19,645,288	3,913,544,248,707	3,896,555,518,205	16,988,730,502	(27,596,712,802)
Fund certificates	180,443,078	4,223,365,355,852	4,173,819,687,494	49,545,668,358	13,913,782,420
Certificates of deposit	2,532	8,930,000,000,000	8,935,110,699,200	(5,110,699,200)	(35,756,237)
Net realised gain on disposal of underlying securities				231,305,664,557	979,873,177,912
Net realised gain on futures position				159,373,654,000	380,875,000
Net gain/(loss) on redemption of covered warrants issued by the Company				15,137,453,102	(5,489,185,081)
Net gain/(loss) on expiry of covered warrants issued by the Company				89,566,662,831	(1,668,643,638)
				495,383,434,490	973,096,224,193

(*) Costs of underlying securities are determined using the weighted average method up to the end of the respective trading date.

5.2 Revaluation result of FVTPL financial assets and covered warrants liabilities

(a) Revaluation result of FVTPL financial assets

	For the year ended	
	31.12.2022 VND	31.12.2021 VND
(Decrease)/increase in upward revaluation	(272,875,074,860)	182,633,550,307
Decrease/(increase) in downward revaluation	25,213,517,094	(24,561,465,059)
	(247,661,557,766)	158,072,085,248



5 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME (continued)

5.2 Revaluation result of FVTPL financial assets and covered warrants liabilities (continued)

(a) Revaluation result of FVTPL financial assets (continued)

Details of revaluation of FVTPL financial assets by category are as follows:

	Cost VND	Market value/ fair value VND	Accumulated revaluation gains at as 31.12.2022 VND	Accumulated revaluation gains as at 31.12.2021 VND	Credited/ (charged) to profit or loss VND
Listed shares and shares traded on UPCoM	68,273,489,947	66,665,433,700	(1,608,056,247)	246,053,501,519	(247,661,557,766)
Unlisted bonds	598,592,462,616	598,592,462,616	-	-	-
	666,865,952,563	665,257,896,316	(1,608,056,247)	246,053,501,519	(247,661,557,766)

(b) Revaluation result of covered warrants liabilities

	For the year ended	
	31.12.2022 VND	31.12.2021 VND
(Decrease)/increase in downward revaluation	(24,301,253,856)	36,920,003,501
Decrease/(increase) in upward revaluation	11,915,501,944	(9,002,390,882)
	(12,385,751,912)	27,917,612,619

Details of revaluation of covered warrants are as follows:

	Cost VND	Market value/ fair value VND	Accumulated revaluation gains at as 31.12.2022 VND	Accumulated revaluation gains as at 31.12.2021 VND	Credited/ (charged) to profit or loss VND
Covered warrants	13,148,285,224	515,216,000	12,633,069,224	25,018,821,136	(12,385,751,912)

5.3 Dividends and interest income from financial asset FVTPL

	For the year ended	
	31.12.2022 VND	31.12.2021 VND
Dividend income	1,303,902,500	50,986,767,890
Interest income	65,681,843,480	4,123,941,988
	66,985,745,980	55,110,709,878

5.4 Financial expenses

	For the year ended	
	31.12.2022 VND	31.12.2021 VND
Exchange rate difference	116,511,865,797	9,741,600,000
Relised	75,939,142,857	9,741,600,000
Unrelised	40,572,722,940	-
Interest expenses	477,360,036,322	330,776,772,616
Syndicated loan arrangement fees	88,626,153,205	21,645,213,106
Other financial expenses	17,952,020,762	5,676,777,903
	700,450,076,086	367,840,363,625

5.5 General and administrative expenses

	For the year ended	
	31.12.2022 VND	31.12.2021 VND
Staff costs	34,346,040,222	137,742,773,794
Outsourced services	16,429,419,548	21,200,474,739
Stationery expenses	1,605,988,782	4,871,934,093
Depreciation and amortisation	1,957,651,963	1,265,276,256
Other expenses	22,428,375,627	22,777,769,409
	76,767,476,142	187,858,228,291

5.6 Other income

	For the year ended	
	31.12.2022 VND	31.12.2021 VND
Reversal of 2021 accrued bonus for the Board of Directors	43,900,000,000	-
Other	643,029,091	69,316,632
	44,543,029,091	69,316,632

(*) According to the Resolution of the Annual General Meeting of Shareholders on 30 March 2022, the Board of Directors voluntarily agreed to receive a bonus of VND28 billion out of total bonus accrued by the Company last year which was VND71.9 billion, in order to reduce costs for the Company. Therefore, the remaining forfeited bonus which was VND43.9 billion was reversed in this year.



5 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME (continued)

5.7 Corporate income tax

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

	For the year ended	
	31.12.2022 VND	31.12.2021 VND
Accounting profit before tax	1,059,738,713,385	1,850,585,393,088
Tax calculated at a rate of 20%:	211,947,742,678	370,117,078,618
Adjustment:		
Non-taxable income	(21,887,685,199)	(19,714,245,933)
Non-deductible expenses	700,470,104	1,263,101,235
Under-provisions of previous years	-	201,083,840
Corporate income tax charge (*)	190,760,527,583	351,867,017,760
Charged/(credited) to profit or loss:		
Corporate income tax – current	250,981,079,495	309,748,513,618
Corporate income tax – deferred (Note 3.16)	(60,220,551,912)	42,118,504,142
	190,760,527,583	351,867,017,760

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

The tax authorities have finalised the Company's corporate income tax up to 31 December 2020.

5.8 Earnings per share

(a) Basic earnings per share

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

Other comprehensive income is not included in earnings to calculate earnings per shares due to the absence of detailed guidance from the authority.

	For the year ended	
	31.12.2022	31.12.2021 Restated (*)
		Trình bày lại (*)
Accounting profit after tax attributable to ordinary shareholders (VND)	868,978,185,802	1,498,718,375,328
Net profit after tax attributable to ordinary shareholders (VND)	868,978,185,802	1,498,718,375,328
Weighted average number of ordinary shares in issue (share)	434,697,703	431,969,168
Basic earnings per share (VND/share)	1,999	3,470

(*) Basic earnings per share for the year ended 31 December 2021 are restated as a result of the adjustment to the number of outstanding shares from share dividends declared in the year 2022 (Note 7.1(vi)), in particular:

	For the year ended 31 December 2021		
	As previously reported	Adjustment	Restated
Net profit distributed to shareholders (VND)	1,498,718,375,328	-	1,498,718,375,328
Weighted average number of ordinary shares outstanding (shares)	332,897,253	99,071,915	431,969,168
Basic earnings per share (VND)	4,502		3,470

(b) Diluted earnings per share

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

6 NOTES TO THE STATEMENT OF CASH FLOWS

6.1 Proceeds from borrowings

Proceeds from borrowings are loan drawdowns and proceeds from issuance of bonds (Note 3.9).

6.2 Repayments of principals of borrowings

Repayments of borrowings are loan repayments and bond repayments (Note 3.9).



7 NOTES TO THE STATEMENT OF CHANGES IN EQUITY

7.1 Details of changes in equity

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

	Share capital VND	Share premium VND	Revaluation reserve VND	Supplementary capital reserve VND	Financial risk and operation reserve VND	Undistributed earnings VND	Total VND
As at 1.1.2021	1,656,000,000,000	584,917,295,890	426,695,337,106	115,757,247,094	165,600,000,000	1,572,516,639,624	4,521,486,519,714
Bonus issue to existing shareholders (i)	1,665,000,000,000	(584,917,295,890)	-	(115,757,247,094)	-	(964,325,457,016)	-
Post-tax profit for the year	-	-	-	-	-	1,498,718,375,328	1,498,718,375,328
Revaluation of AFS financial assets	-	-	1,238,958,350,345	-	-	-	1,238,958,350,345
Shares issued under ESOP programme (ii)	9,000,000,000	4,500,000,000	-	-	-	-	13,500,000,000
Final dividend of the year 2020 (iii)	-	-	-	-	-	(331,200,000,000)	(331,200,000,000)
Interim dividend of the year 2021 (iv)	-	-	-	-	-	(399,600,000,000)	(399,600,000,000)
Appropriate to statutory reserves (Note 2.24(b))	-	-	-	67,496,330,852	67,496,330,852	(134,992,661,704)	-
As at 31.12.2021	3,330,000,000,000	4,500,000,000	1,665,653,687,451	67,496,330,852	233,096,330,852	1,241,116,896,232	6,541,863,245,387
Post-tax profit for the year	-	-	-	-	-	868,978,185,802	868,978,185,802
Revaluation of AFS financial assets	-	-	(635,523,328,875)	-	-	-	(635,523,328,875)
Shares issued under ESOP programme (v)	20,000,000,000	5,000,000,000	-	-	-	-	25,000,000,000
Share dividend (vi)	1,004,999,010,000	-	-	-	-	(1,004,999,010,000)	-
Interim dividend of the year 2022 (vii)	-	-	-	-	-	(304,849,930,700)	(304,849,930,700)
As at 31.12.2022	4,354,999,010,000	9,500,000,000	1,030,130,358,576	67,496,330,852	233,096,330,852	800,246,141,334	6,495,468,171,614

- (i) According to the Resolution of the Annual General Meeting of Shareholders on 9 April 2021, the share bonus issue at the ratio of 1 : 1 was approved, in which a shareholder holding 1 existing share would be entitled to 1 new share. Accordingly, the Company issued 166,500,000 additional shares on 23 June 2021.
- (ii) According to the Resolution of the Annual General Meeting of Shareholders on 9 April 2021 and the Resolution of the BOD dated 12 April 2021, the Company issued 900,000 ordinary shares under ESOP programme on 12 May 2021. The Company accounted for the difference between the par value of VND10,000 per share and the issue price of VND15,000 as share premium. The issued shares are restricted for one (1) year since issue date.
- (iii) According to the Resolution of the Annual General Meeting of Shareholders on 9 April 2021, the final dividend for the year 2020 was 20% (equivalent to VND2,000/share) of the Company's charter capital of VND1,656,000,000,000 and to be settled in cash. Accordingly, on 15 April 2021, the Board of Directors decided to pay final dividend from earnings of 2020 to shareholders in the final registry as at 4 May 2021. The settlement date was 17 May 2021.
- (iv) According to the Resolution of the Annual General Meeting of Shareholders on 9 April 2021, the planned dividend rate of 2021 ranged from 10% to 15%. Accordingly, on 6 December 2021, the Board of Directors declared the first interim dividend of 2021 at 12% (equivalent to VND1,200/share) of the Company's charter capital of VND3,330,000,000,000 and to be settled in cash to shareholders in the final registry as at 20 December 2021. The settlement date was 29 December 2021.

- (v) According to the Resolution of the Annual General Meeting of Shareholders on 30 March 2022 and the Resolution of the BOD dated 18 April 2022, the Company issued 2,000,000 ordinary shares under ESOP programme on 27 May 2022. The Company accounted for the difference between the par value of VND10,000 per share and the issue price of VND12,500 as share premium. The issued shares are restricted for one (1) year since issue date.
- (vi) According to the Resolution of the Annual General Meeting of Shareholders on 30 March 2022 and the Resolution of the BOD dated 4 August 2022, the share dividend issue at the ratio of 10 : 3 was approved, in which a shareholder holding 10 existing share would be entitled to 3 new shares. Accordingly, the Company issued 100,499,901 additional shares on 18 August 2022.
- (vii) According to the Resolution of the BOD dated 14 December 2022, the planned dividend rate of 2022 is 30%. Accordingly, the Board of Directors declared the first interim dividend of 2022 at 7% (equivalent to VND700 per share) of the Company's charter capital of VND4,354,999,010,000 and to be settled in cash to shareholders in the final registry as at 28 December 2022. The settlement date was 9 January 2023.



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

7.2 Distributed earnings

	For the year ended	
	31.12.2022 VND	31.12.2021 VND
Undistributed earnings brought forward	1,024,259,038,107	1,504,450,539,793
Realised profits incurred in the year (Note 3.19)	1,077,016,033,544	1,349,926,617,034
Capital increase from undistributed profits	-	(964,325,457,016)
Appropriation to:	-	-
Supplementary capital reserve	-	(67,496,330,852)
Financial risk and operation reserve	-	(67,496,330,852)
Distributable profits during the year	(1,309,848,940,700)	(730,800,000,000)
Distributable profits to shareholders	791,426,130,951	1,024,259,038,107
Distributed profits during the year	1,309,848,940,700	730,800,000,000
Income tax withheld	-	(28,362,323,840)
Net amount distributed to shareholders	1,309,848,940,700	702,437,676,160

8 RELATED PARTY DISCLOSURES

Related party	Relationship
Viet Capital Commercial Joint Stock Bank	Under same member of Board of Directors ("BOD")
Viet Capital Asset Management JSC (VCAM)	Under same member of BOD
Viet Capital Balanced Fund	Under same member of BOD
International Dairy Product JSC (IDP)	Under same member of BOD
Board of Directors and Board of Management	Key management

(a) Related party transactions

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

	For the year ended	
	31.12.2022 VND	31.12.2021 VND
Viet Capital Commercial Joint Stock Bank		
Revenues on brokerage services, custody services, consultancy services and other services	4,606,451,976	6,045,842,109
Viet Capital Asset Management JSC		
Revenue on brokerage services	24,236,261	87,336,360
Viet Capital Balanced Fund		
Revenue on brokerage services	53,931,121	7,645,118
Key management compensation		
Salary and other benefits (*)	8,385,666,000	84,168,890,000

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

	For the year ended	
	31.12.2022 VND	31.12.2021 VND
Remuneration of the Board of Directors (**)		
Mr. Le Pham Ngoc Phuong	240,000,000	180,000,000
Mr. Nguyen Lan Trung Anh	240,000,000	180,000,000
Ms. Nguyen Viet Hoa	240,000,000	180,000,000
Remuneration of the Board of Supervision		
Ms. Bui Thi Minh Nguyet	60,000,000	60,000,000
Ms. Truong Thi Huyen Trang	60,000,000	60,000,000
Ms. Mai Thi Thanh Trang	180,000,000	-
Mr. Truong Ngoc Hoai Phuong	60,000,000	240,000,000
Remuneration of the Board of Management		
Mr. To Hai	2,715,222,000	2,738,150,000
Mr. Dinh Quang Hoan	2,475,222,000	2,480,370,000
Mr. Nguyen Quang Bao	2,475,222,000	2,480,370,000
Bonuses based on business results in 2020	-	3,850,000,000
Bonuses based on business results in 2021	-	71,900,000,000

(**) The non-independent members of the Board of Directors did not receive remuneration in 2022.



8 RELATED PARTY DISCLOSURES (continued)

(b) Year-end balances with related parties

	As at	
	31.12.2022 VND	31.12.2021 VND
Board of Directors		
Operation fund of the Board of Directors (Note 3.15)	8,168,624,110	9,123,667,500
Key management compensation		
Salary and other benefits	-	71,900,000,000

9 SEGMENT REPORTING

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

(a) Geographical segments

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

(b) Business segments

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

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

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

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

(b) Business segments (continued)

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

	For the year ended 31 December 2022				
	Brokerage and services VND	Proprietary trading VND	Lending VND	Consulting VND	Total VND
Revenue and income (*)	1,022,602,003,336	1,201,683,322,439	879,812,439,337	52,144,971,233	3,156,242,736,345
Expenses	(449,439,354,107)	(1,156,648,657,996)	(463,703,809,484)	(29,189,433,977)	(2,098,981,255,564)
In which:					
Direct cash expenses	(412,236,159,902)	(919,016,368,352)	-	(26,103,360,569)	(1,357,355,888,823)
Total amount of significant non-cash expenses, other than depreciation, amortisation and allocation of prepaid expenses	-	-	-	-	-
Total depreciation and amortisation of fixed assets	(7,578,110,624)	(428,104)	-	(111,000,483)	(7,689,539,211)
Allocation of long-term and short-term prepaid expenses	(29,625,083,581)	(885,594,938)	-	(2,975,072,925)	(33,485,751,444)
Other allocated expenses	-	(236,746,266,602)	(463,703,809,484)	-	(700,450,076,086)
Segment result	573,162,649,229	45,034,664,443	416,108,629,853	22,955,537,256	1,057,261,480,781
Net financial income					35,548,432,639
General and administrative expenses					(76,767,476,142)
Net other income					43,696,276,107
Operating result					1,059,738,713,385

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



9 SEGMENT REPORTING (continued)

(b) Business segments (continued)

	For the year ended 31 December 2022				
	Brokerage and services VND	Proprietary trading VND	Lending VND	Consulting VND	Total VND
Revenue and income (*)	882,556,923,539	1,959,006,362,871	580,221,442,123	285,283,995,959	3,707,068,724,492
Expenses	(587,679,970,323)	(868,698,742,658)	(179,350,219,328)	(58,245,253,838)	(1,693,974,186,147)
In which:					
Direct cash expenses	(556,725,983,015)	(679,037,373,668)	-	(55,351,143,702)	(1,291,114,500,385)
Total amount of significant non-cash expenses, other than depreciation, amortisation and allocation of prepaid expenses	-	-	214,202,387	-	214,202,387
Total depreciation and amortisation of fixed assets	(5,746,832,507)	(210,968,025)	-	(273,865,664)	(6,231,666,196)
Allocation of long-term and short-term prepaid expenses	(25,207,154,801)	(1,174,459,055)	-	(2,620,244,472)	(29,001,858,328)
Other allocated expenses	-	(188,275,941,910)	(179,564,421,715)		(367,840,363,625)
Segment result	294,876,953,216	1,090,307,620,213	400,871,222,795	227,038,742,121	2,013,094,538,345
Net financial income					25,616,869,946
General and administrative expenses					(187,858,228,291)
Net other income					(267,786,912)
Operating result					1,850,585,393,088

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

9 SEGMENT REPORTING (continued)

(b) Business segments (continued)

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

	For the year ended 31 December 2022				
	Brokerage and services VND	Proprietary trading VND	Lending VND	Consulting VND	Total VND
Segment assets	84,690,381,511	5,627,141,894,771	8,498,303,684,640	14,077,704,313	14,224,213,665,235
Unallocated assets					18,537,651,587
Total assets					14,242,751,316,822
Segment liabilities	122,135,159,056	3,477,579,412,624	3,518,107,107,456	-	7,117,821,679,136
Unallocated liabilities					629,461,466,072
Total liabilities					7,747,283,145,208
Total expense incurred for purchases of fixed assets					20,827,527,322
In which:					
Fixed assets in segments	13,085,626,724	1,113,070	-	288,601,119	13,375,340,913
Fixed assets in unallocated assets					7,452,186,409



9 SEGMENT REPORTING (continued)

(b) Business segments (continued)

For the year ended 31 December 2022					
	Brokerage and services VND	Proprietary trading VND	Lending VND	Consulting VND	Total VND
Segment assets	86,752,629,731	7,437,703,560,985	9,081,346,938,559	3,201,894,333	16,609,005,023,608
Unallocated assets					27,259,923,509
Total assets					16,636,264,947,117
Segment liabilities	438,525,528,602	4,670,202,304,006	4,307,990,309,332	-	9,416,718,141,940
Unallocated liabilities					677,683,559,790
Total liabilities					10,094,401,701,730
Total expense incurred for purchases of fixed assets					73,870,000
In which:					
Fixed assets in segments	66,143,524	3,855,984	-	3,870,492	73,870,000
Fixed assets in unallocated assets					-

10 FINANCIAL RISK MANAGEMENT

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

The Board of Management of the Company is responsible for setting the objectives and underlying principles of financial risk management for the Company. The Board of Management establishes the detailed policies such as risk identification and measurement, investment strategy and limits. Risk management policies and systems are reviewed regularly to tackle the changes and align to market trends.

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

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

(a) Credit risk

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

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

	As at	
	31.12.2022 VND	31.12.2021 VND
Cash and cash equivalents (Note 3.1)	3,423,291,979,296	1,131,170,799,056
Demand deposits	2,313,291,979,296	1,131,170,799,056
Term deposits	1,110,000,000,000	-
Financial assets at fair value through profit or loss ("FVT-PL") (Note 3.2(a))	598,592,462,616	114,163,251,763
Certificates of deposit	-	100,000,000,000
Corporate bonds	598,592,462,616	14,163,251,763
Held-to-maturity (HTM) investments (Note 3.2(b))	885,888,640,000	753,719,000,000
Term deposits	867,288,640,000	642,329,000,000
Security deposit for covered warrants issued	18,600,000,000	106,390,000,000
Corporate bonds	-	5,000,000,000



10 FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (continued)

Credit risk exposure (continued)

	As at	
	31.12.2022 VND	31.12.2021 VND
Loans (Note 3.3)	5,279,279,236,685	7,701,237,131,479
Margin loans	4,968,026,671,773	7,515,786,303,555
Trading advances	311,252,564,912	185,450,827,924
Receivables (Note 3.4)	119,707,906,146	266,969,967,178
Receivables from disposals of financial assets	31,889,442,000	188,294,807,000
Dividends and interest receivable	59,484,897,025	47,852,123,094
Service-related receivables	28,333,567,121	30,823,037,084
Prepayment to suppliers (Note 3.5)	-	18,049,315,068
Prepayment for purchase of unlisted securities	-	18,049,315,068
Other current assets (Note 3.7(a))	46,136,989,800	150,714,917,648
Deposit for derivative trading	46,136,989,800	150,714,917,648
Other long-term assets	6,864,190,240	4,927,625,066
Pledged assets, mortgaged assets, security deposits in long-term	6,864,190,240	4,927,625,066
Total credit risk exposure	10,359,761,404,783	10,140,952,007,258

(i) Balances with banks and financial companies

Balances with banks and financial companies include demand deposits, term deposits, escrow accounts, certificates of deposit, and accrued interest.

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

As at 31 December 2022 and as at 31 December 2021, there were no balance with banks that were past due nor impaired.

(ii) Corporate bond

Corporate bonds in Company's FVTPL and HTM portfolios are unsecured bonds issued by listed entities with bond issuance plans approved by the State Securities Commission. Details of the bonds' features are presented in Note 3.2(a) and 3.2(b). Investment appraisals related to these debt securities are approved in accordance with the Company's investment policies.

Debt securities portfolio is continuously monitored by treasury function in compliance with the Company's policies and periodically reported to the Board of Management. Credit risk from debt securities is assessed as low.

As at 31 December 2022 and as at 31 December 2021, there was no debt security that exceeded 10% of the Company's equity.

As at 31 December 2022 and as at 31 December 2021, there was no debt security that was past due nor impaired.

(iii) Trading advances and deposit for derivative trading activities

Trading advances are collected from Vietnam Securities Depository. Deposit for derivative trading activities is also placed with this entity.

Vietnam Securities Depository is a state-owned entity and has no history of payment defaults.

Vietnam Securities Depository requires its members to deposit into the Settlement support fund and the Derivative trading clearing fund to secure their trading obligations.

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

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

As at 31 December 2022 and as at 31 December 2021, there was no balance with Vietnam Securities Depository that was past due nor impaired.



10 FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (continued)

(iv) Margin loans

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

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

The market value of collateral assets as at 31 December 2022 was VND27,202,388,205,950 (as at 31 December 2021: VND48,721,316,206,750).

According to prevailing securities regulations, the margin loan limit applicable to an individual customer or an institution customer is 3% of the securites company's equity. As at 31 December 2022 and as at 31 December 2021, there was no margin loan balance that exceeded 3% of the Company's equity.

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

	As at	
	31.12.2022 VND	31.12.2021 VND
Past due and impaired	2,169,825,587	2,169,825,587
Past due but not impaired	-	-
Neither past due nor impaired	4,965,856,846,186	7,513,616,477,968
Provision made	(2,169,825,587)	(2,169,825,587)
Net balance	4,965,856,846,186	7,513,616,477,968

(v) Receivables

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

As at 31 December 2022 and as at 31 December 2021, there was no receivable that exceeded 10% of the Company's equity.

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

	Past due and impaired VND	Past due but not impaired VND	Neither past due nor impaired VND	Total VND
As at 31.12.2022				
Current	-	-	117,779,456,146	117,779,456,146
Overdue less than 1 month	-	-	-	-
Overdue for more than 3 months	1,928,450,000	-	-	1,928,450,000
	1,928,450,000	-	117,779,456,146	119,707,906,146
Provision made	(1,928,450,000)	-	-	(1,928,450,000)
Net balance	-	-	117,779,456,146	117,779,456,146
As at 31.12.2021				
Current	-	-	265,041,517,178	265,041,517,178
Overdue less than 1 month	-	-	-	-
Overdue for more than 3 months	1,928,450,000	-	-	1,928,450,000
	1,928,450,000	-	265,041,517,178	266,969,967,178
Provision made	(1,928,450,000)	-	-	(1,928,450,000)
Net balance	-	-	265,041,517,178	265,041,517,178



10 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk

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

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

Interest rate risk

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

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

The Company's term deposits, certificates of deposit, investments in bonds, loans and borrowings are at fixed rates and held for short-term purposes, therefore interest rate risk is minimal.

Market price risk

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

As at 31 December 2022, had the prices of securities increased/decreased by 10% with all other variables being held constant (including tax rate), the Company's profit before tax for the year would have been higher/lower by VND439,875,169,577 (as at 31 December 2021: higher/lower by VND614,802,061,045).

Currency risk

Currency risk is the risk that the value of the Company's financial instruments will be affected by changes in exchange rates. The Company manages its currency risk by continuously monitoring foreign exchange rates and thereby timely updating its forecast of cashflows in foreign currencies and entered into cross currency swaps contracts and currency forward contracts (Note 3.9).

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

Currency risk (continued)

	Original currency USD		Equivalent to VND	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Financial assets				
Cash	747,217	861,862	18,521,591,953	20,579,719,026
Financial liabilities				
Borrowings (unhedged portion)	-	(11,000,000)	-	(255,930,000,000)
Net financial liability	747,217	(10,138,138)	18,521,591,953	(235,350,280,974)
Net currency exposure	747,217	(10,138,138)	18,521,591,953	(235,350,280,974)

As at 31 December 2022, had if the USD strengthened/weakened by 10% (estimated % change in exchange rate) against the VND with all other variables being held constant, the Company's profit before tax for the year would have been lower/higher by VND1,852,159,195 respectively as a result of increase/decrease in foreign exchange losses on translation of USD-denominated financial instruments (as at 31 December 2021: lower/higher by VND23,535,028,097 respectively).

(c) Liquidity risk

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

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

The Company's assets used as collaterals against its obligations are presented in Note 3.8.

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

	As at	
	31.12.2022 VND	31.12.2021 VND
Short-term borrowings (Note 3.9)	6,326,207,142,857	6,362,680,000,000
Short-term issued bonds (Note 3.9)	547,100,000,000	1,964,070,000,000
Trading obligation (Note 3.10)	12,400,167,546	79,581,842,302
Short-term trade payables (Note 3.11)	16,020,566,000	587,193,591,020
Short-term accrued expenses (Note 3.14)	110,247,314,968	72,911,685,779
Short-term other payables (Note 3.15)	317,045,404,552	11,877,822,976
Total financial liabilities	7,329,020,595,923	9,078,314,942,077



10 FINANCIAL RISK MANAGEMENT (continued)

(d) Capital Adequacy Ratio

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

CAR is calculated and presented in the Company's monthly capital adequacy ratio report in accordance with Circular 91/2020/TT-BTC issued by the Ministry of Finance on 13 November 2020 ("Circular 91/2020/TT-BTC"). Circular 91/2020/TT-BTC stipulates requirements of capital adequacy ratio applicable to securities trading institutions and sanctions imposed on non-compliance. According to Circular 91/2020/TT-BTC, the Company is required to maintain a prescribed minimum level of CAR of 180%.

As at 31 December 2022, the Company's CAR was 415% (as at 31 December 2021: 400%)

11 OPERATING LEASE COMMITMENTS

The Company is currently renting offices under operating leases. The future minimum lease payments under non-cancellable operating leases were as follows:

	As at	
	31.12.2022 VND	31.12.2021 VND
Under 1 year	23,528,854,616	19,231,527,348
Between 1 and 5 years	56,475,673,320	13,972,557,162
Total minimum payments	80,004,527,936	33,204,084,510

12 CAPITAL COMMITMENTS

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

	As at	
	31.12.2022 VND	31.12.2021 VND
Trading platform	10,961,640,000	8,714,400,000

13 VOLUME AND VALUE OF TRANSACTIONS DURING THE YEAR

	Volume of transactions during the year	Value of transactions during the year VND
a) Of the Company		
Shares	956,548,370	36,466,963,613,618
Bonds	13,374,280	1,410,096,475,400
Future contracts	729,281	85,207,210,650,000
Covered warrants	62,390,500	61,697,250,000
b) Of investors		
Shares	12,263,886,775	411,339,024,624,562
Bonds	564,245,531	51,727,178,071,207
Future contracts	215,185	25,786,247,500,000
Covered warrants	84,034,400	47,546,771,000
	13,945,424,322	612,045,964,955,787

The financial statements were approved by the Board of Management on March 24, 2023.

Nguyen Thi Lan
Preparer

Doan Minh Thien
Chief Accountant



To Hai
Chief Executive Officer

REPRESENTATIVE OF VIET CAPITAL SECURITIES JOINT STOCK COMPANY

March 30, 2023



To Hai

Chief Executive Officer

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