

# **Viet Dragon Securities Corporation**

Consolidated financial statements

For year ended 31 December 2021



# Viet Dragon Securities Corporation

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# Viet Dragon Securities Corporation

## GENERAL INFORMATION

### THE COMPANY

Viet Dragon Securities Corporation ("the Company") is a shareholding company incorporated under the Law on Enterprises of Vietnam pursuant to Securities Trading License No. 32/UBCK-GPHĐKD issued by the State Securities Commission on 21 December 2006 and subsequent amended licenses which the latest license is No. 66/GPĐC-UBCK dated 9 August 2021.

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

The Company's head office is located at 1-2-3-4 Floor, 141 Nguyen Du Street, Ben Thanh Ward, District 1, Ho Chi Minh City. As at 31 December 2021, the Company has branches located in Ha Noi, Nha Trang and Can Tho.

As at 31 December 2021, the Company has one (1) directly owned subsidiary.

### BOARD OF DIRECTORS

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

<i>Name</i>	<i>Title</i>	<i>Date of appointment/reappointment</i>
Mr. Nguyen Mien Tuan	Chairman	Appointed on 28 May 2020
Mr. Nguyen Hieu	Member	Reappointed on 23 March 2017
Ms. Pham My Linh	Member	Appointed on 23 March 2017
Mr. Nguyen Quoc Bao	Member	Appointed on 28 March 2018
Mr. Nguyen Thuc Vinh	Member	Appointed on 28 May 2020
Ms. Hoang Hai Anh	Member	Appointed on 28 May 2020
Ms. Nguyen Thi Thu Huyen	Member	Appointed on 7 April 2021

### BOARD OF SUPERVISION

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

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

# Viet Dragon Securities Corporation

## GENERAL INFORMATION (continued)

### MANAGEMENT AND CHIEF ACCOUNTANT

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

<i>Name</i>	<i>Title</i>	<i>Date of appointment/resignation</i>
Ms. Nguyen Thi Thu Huyen	General Director	Appointed on 8 February 2021
Mr. Nguyen Hieu	General Director	Resigned on 8 February 2021
Mr. Le Minh Hien	Deputy General Director	Appointed on 8 February 2021
Ms. Duong Kim Chi	Chief Accountant	Appointed on 8 February 2021
Mr. Le Minh Hien	Chief Accountant	Resigned on 8 February 2021

### LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr. Nguyen Mien Tuan, Chairman.

Ms. Nguyen Thi Thu Huyen - General Director is authorized by the Board of Directors to sign the accompanying consolidated financial statements for the year ended 31 December 2021 in accordance with the Resolution of Board of Directors No. 12/2020/NQ-HDQT dated 6 August 2020.

### AUDITORS

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



# Viet Dragon Securities Corporation

## REPORT OF MANAGEMENT

Management of Viet Dragon Securities Corporation ("the Company") is pleased to present this report and the consolidated financial statements of the Company and its subsidiary (collectively referred to as "the Group") for the year ended 31 December 2021.

### MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of the consolidated results of its operations, its consolidated cash flows and its consolidated changes in owners' equity for the year ended then ended in accordance with Vietnamese Accounting Standards, accounting guidance applicable to securities companies and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.



Ms. Nguyễn Thị Thu Huyền  
General Director

Ho Chi Minh City, Vietnam

22 February 2022

Reference: 60752721/22621678-HN

## **INDEPENDENT AUDITORS' REPORT**

**To: The Shareholders of Viet Dragon Securities Corporation**

We have audited the accompanying consolidated financial statements of Viet Dragon Securities Corporation ("the Company") and its subsidiary (collectively referred to as the "Group"), as prepared on 22 February 2022 and set out on pages 6 to 75, which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated income statement, the consolidated cash flow statement and the consolidated statement of changes in owners' equity for the year then ended and the notes thereto.

### ***Management's responsibility***

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

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

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

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

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

### ***Emphasis of matter***

We draw attention to Note 2.6 of the consolidated financial statements representing that the corresponding figures are not comparable to the current year's figures as this is the first accounting year the Company prepares its consolidated financial statements.

Our opinion is not qualified in respect of this matter.




### **Opinion**

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2021, the consolidated results of its operations, its consolidated cash flows and its changes in owners' equity for the year then ended in accordance with Vietnamese Accounting Standards, accounting guidance applicable to securities companies and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

### **Ernst & Young Vietnam Limited**



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



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

Ho Chi Minh City, Vietnam

22 February 2022

# Viet Dragon Securities Corporation

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
as at 31 December 2021

B01-CTCK/HN

Code	ITEMS	Notes	Ending balance VND	Beginning balance VND
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>3,920,238,302,698</b>	<b>2,514,895,660,024</b>
<b>110</b>	<b>I. Financial assets</b>		<b>3,909,039,072,772</b>	<b>2,511,954,686,741</b>
111	1. Cash and cash equivalents	6	473,558,363,475	582,254,424,536
111.1	1.1 Cash		412,558,363,475	482,254,424,536
111.2	1.2 Cash equivalents		61,000,000,000	100,000,000,000
112	2. Financial assets at fair value through profit and loss (FVTPL)	8	612,637,689,591	497,292,476,656
114	3. Loans	8	2,700,131,242,001	1,453,872,727,915
115	4. Available-for-sale financial assets (AFS)	8	147,511,976,000	-
116	5. Provision for impairment of financial assets and mortgage assets	8	(44,087,269,454)	(44,087,345,374)
117	6. Receivables	9	8,087,287,810	9,612,884,685
117.1	6.1 Receivables from disposal of financial assets		-	6,141,978,000
117.2	6.2 Receivables and accruals from dividend and interest income		8,087,287,810	3,470,906,685
117.3	6.2.1 Receivables and accruals for due dividend and interest income		244,551,648	97,343,733
117.4	6.2.2 Accruals for undue dividend and interest income		7,842,736,162	3,373,562,952
118	7. Advances to suppliers	9	1,536,612,512	1,821,797,251
119	8. Receivables from services provided by the Company	9	9,570,283,969	10,970,504,329
122	9. Other receivables	9	2,071,095,346	2,195,425,221
129	10. Provision for impairment of receivables	9	(1,978,208,478)	(1,978,208,478)
<b>130</b>	<b>II. Other current assets</b>		<b>11,199,229,926</b>	<b>2,940,973,283</b>
131	1. Advances		316,502,858	329,274,066
132	2. Office supplies, tools and materials		1,276,446,136	29,393,100
133	3. Short-term prepaid expenses	10	9,513,765,394	2,550,538,995
134	4. Short-term deposits, collaterals and pledges		85,400,000	21,400,000
136	5. Tax and other receivables from the State	22	7,115,538	10,367,122

# Viet Dragon Securities Corporation

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)  
as at 31 December 2021

B01-CTCK/HN

Code	ITEMS	Notes	Ending balance VND	Beginning balance VND
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>112,915,805,873</b>	<b>53,459,927,125</b>
<b>210</b>	<b>I. Non-current financial assets</b>	<b>11</b>	<b>25,000,000,000</b>	<b>-</b>
212	1. Long-term financial assets		25,000,000,000	-
212.4	1.2 Other long-term investment		25,000,000,000	-
<b>220</b>	<b>II. Fixed assets</b>		<b>32,503,047,037</b>	<b>19,168,541,889</b>
221	1. Tangible fixed assets	12	28,928,122,756	13,894,116,239
222	1.1 Cost		73,561,165,669	54,049,433,610
223a	1.2 Accumulated depreciation		(44,633,042,913)	(40,155,317,371)
227	2. Intangible fixed assets	13	3,574,924,281	5,274,425,650
228	2.1 Cost		20,017,349,791	20,017,349,791
229a	2.2 Accumulated amortization		(16,442,425,510)	(14,742,924,141)
<b>240</b>	<b>III. Construction in progress</b>		<b>3,355,380,600</b>	<b>-</b>
<b>250</b>	<b>IV. Other non-current assets</b>		<b>52,057,378,236</b>	<b>34,291,385,236</b>
251	1. Long-term deposits, collaterals and pledges	14	4,043,857,839	3,459,037,920
252	2. Long-term prepaid expenses	10	5,018,737,136	832,347,316
254	3. Deposits to Settlement Assistance Fund	15	20,000,000,000	20,000,000,000
255	4. Other non-current assets	16	10,000,000,000	10,000,000,000
256	5. Goodwill	17	12,994,783,261	-
<b>270</b>	<b>TOTAL ASSETS</b>		<b>4,033,154,108,571</b>	<b>2,568,355,587,149</b>



# Viet Dragon Securities Corporation

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)  
as at 31 December 2021

B01-CTCK/HN

Code	ITEMS	Notes	Ending balance VND	Beginning balance VND
<b>300</b>	<b>C. LIABILITIES</b>		<b>2,387,290,809,084</b>	<b>1,402,839,017,010</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>2,322,942,181,672</b>	<b>1,390,463,539,965</b>
311	1. Short-term borrowings and financial leases	18	241,468,000,000	69,594,000,000
312	1.1 Short-term borrowings		241,468,000,000	69,594,000,000
316	2. Short-term bond issuance	19	1,937,950,000,000	1,206,915,000,000
318	3. Payables for securities trading activities	20	5,844,480,475	2,927,753,835
320	4. Short-term trade payables	21	31,126,883,240	22,786,981,812
321	5. Short-term advance from customers		2,547,128,000	1,729,878,000
322	6. Statutory obligations	22	51,047,457,788	24,570,650,894
323	7. Payables to employees		32,784,763,102	18,385,694,326
325	8. Short-term accrued expenses	23	19,374,593,187	12,242,250,356
329	9. Other short-term payables	24	798,875,880	31,311,330,742
<b>340</b>	<b>II. Non-current liabilities</b>		<b>64,348,627,412</b>	<b>12,375,477,045</b>
346	1. Long-term bond issuance	19	47,300,000,000	-
353	2. Other long-term payables		568,008,000	612,633,000
356	3. Deferred tax liabilities	25	16,480,619,412	11,762,844,045
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>1,645,863,299,487</b>	<b>1,165,516,570,139</b>
<b>410</b>	<b>I. Owners' equity</b>		<b>1,645,863,299,487</b>	<b>1,165,516,570,139</b>
411	1. Share capital	26	1,060,286,768,792	1,010,239,178,792
411.1	1.1 Capital contribution		1,051,046,650,000	1,000,999,060,000
411.1a	1.1.1 Ordinary shares		1,051,046,650,000	1,000,999,060,000
411.2	1.2 Share premium		9,240,118,792	9,240,118,792
412	2. Differences from revaluation of financial assets at fair value	39	30,012,348,800	-
414	3. Charter capital supplementary reserve		44,251,450,208	22,861,758,906
415	4. Operational risk and financial reserve		44,251,450,208	22,861,758,906
417	5. Undistributed profit	26.1	442,391,853,566	109,553,873,535
417.1	5.1 Realized profit		409,584,811,010	97,712,005,131
417.2	5.2 Unrealized profit		32,807,042,556	11,841,868,404
418	6. Non-controlling interests	27	24,669,427,913	-
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>4,033,154,108,571</b>	<b>2,568,355,587,149</b>



# Viet Dragon Securities Corporation

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)  
as at 31 December 2021

B01-CTCK/HN

## CONSOLIDATED OFF-BALANCE SHEET ITEMS

Code	ITEMS	Notes	Ending balance VND	Beginning balance VND
	<b>A. ASSETS OF THE COMPANY AND ASSETS MANAGED UNDER AGREEMENTS</b>			
006	1. Outstanding shares ( <i>shares</i> )	26.2	105,104,665	100,099,906
008	2. Financial assets listed/registered for trading at Vietnam Securities Depository ("VSD") of the Company	28.1	119,148,600,000	146,030,340,000
	2.1 <i>Unrestricted and traded financial assets</i>		119,148,600,000	143,830,070,000
	2.2 <i>Financial assets awaiting for settlement</i>		-	2,200,000,000
	2.3 <i>Restricted financial assets</i>		-	270,000
009	3. Non-traded financial assets deposited at VSD of the Company	28.2	6,230,000	1,931,610,000
	3.1 <i>Unrestricted and non-traded financial assets</i>		2,450,000	2,990,000
	3.2 <i>Unrestricted and awaited for trading financial assets</i>		3,780,000	1,928,620,000
010	4. Financial assets awaiting for arrival of the Company	28.3	6,000,000,000	3,500,000,000
012	5. Financial assets which have not been deposited at VSD of the Company	28.4	246,529,760,000	88,299,890,000
013	6. Entitled financial assets of the Company		130,420,000	80,000

# Viet Dragon Securities Corporation

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)  
as at 31 December 2021

B01-CTCK/HN

## CONSOLIDATED OFF-BALANCE SHEET ITEMS (continued)

Code	ITEMS	Notes	Ending balance shares	Beginning balance shares
	<b>B. ASSETS AND PAYABLES UNDER AGREEMENTS WITH INVESTORS</b>			
021	1. Financial assets listed/registered at VSD of investors	28.5	2,007,844,616	1,662,263,135
021.1	a. Unrestricted and traded financial assets		1,615,515,807	1,292,454,670
021.2	b. Restricted and traded financial assets		15,214,147	7,882,843
021.3	c. Mortgaged and traded financial assets		241,249,958	231,987,522
021.4	d. Blocked financial assets		111,485,572	107,346,314
021.5	e. Financial assets awaiting for settlement		24,378,895	22,591,366
021.7	f. Customers' deposits for derivatives trading		237	420
022	2. Non-traded financial assets deposited at VSD of investors	28.6	15,790,092	6,102,318
022.1	a. Unrestricted and non-traded financial assets		15,278,966	6,077,118
022.2	b. Restricted and non-traded financial assets		511,126	25,200
023	3. Financial assets awaiting for arrival of investors	28.7	22,145,700	21,243,453
025	4. Entitled financial assets of investors	28.8	29,706,370	420,825

# Viet Dragon Securities Corporation

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)  
as at 31 December 2021

B01-CTCK/HN

## CONSOLIDATED OFF-BALANCE SHEET ITEMS (continued)

Code	ITEMS	Notes	Ending balance VND	Beginning balance VND
	<b>B. ASSETS AND PAYABLES UNDER AGREEMENTS WITH INVESTORS (continued)</b>			
026	5. Investors' deposits	28.9	1,453,347,682,256	1,106,260,893,503
027	5.1 Investors' deposits for securities trading activities managed by the Company		1,441,103,783,667	1,064,579,545,897
027.1	5.2 Investors' deposits at VSD		11,850,419,876	22,680,648,936
029	5.3 Investors' deposits for clearing and settlement		339,253,943	17,176,996,823
029.1	a. Domestic investors' deposits for clearing and settlement securities transactions		261,610,809	16,733,847,952
029.2	b. Foreign investors' deposits for clearing and settlement securities transactions		77,643,134	443,148,871
030	5.4 Deposits of securities issuers		54,224,770	1,823,701,847
031	6. Payables to investors - investors' deposits for securities trading activities managed by the Company	28.10	1,438,067,059,409	1,103,464,990,357
031.1	6.1 Payables to domestic investors' deposits for securities trading activities managed by the Company		1,431,818,848,654	1,100,332,191,914
031.2	6.2 Payables to foreign investors' deposits for securities trading activities managed by the Company		6,248,210,755	3,132,798,443
035	7. Dividend, bond principal and interest payables	28.11	15,280,622,847	2,795,903,146

Prepared by:



Ms. Duong Kim Chi  
Chief Accountant

Reviewed by:



Mr. Le Minh Hien  
Chief Finance Officer

Approved by:



Ms. Nguyen Thi Thu Huyen  
General Director

Ho Chi Minh City, Vietnam

22 February 2022



# Viet Dragon Securities Corporation

CONSOLIDATED INCOME STATEMENT  
for the year ended 31 December 2021

B02-CTCK/HN

Code	ITEMS	Notes	Current year VND	Previous year VND
	<b>I. OPERATING INCOME</b>			
01	1. Gain from financial assets at fair value through profit and loss (FVTPL)		324,181,830,465	131,143,390,374
01.1	1.1 Gain from disposal of financial assets at FVTPL	29.1	329,144,614,143	68,213,396,708
01.2	1.2 (Decrease)/increase in gain from revaluation of financial assets at FVTPL	29.2	(18,859,917,581)	58,407,175,858
01.3	1.3 Dividend, interest income from financial assets at FVTPL	29.3	13,897,133,903	4,522,817,808
03	2. Gain from loans and receivables	29.3	300,432,322,022	188,368,174,593
04	3. Gain from available for sales financial assets		4,043,484,000	-
06	4. Revenue from brokerage services		314,312,983,764	105,755,305,151
07	5. Revenue from underwriting and issuance agency services		55,800,000,000	13,200,000,000
09	6. Revenue from securities custodian services		7,096,271,254	8,674,182,365
10	7. Revenue from financial advisory services		6,925,731,817	5,282,718,180
11	8. Revenue from other operating activities		9,308,251,160	1,967,049,773
<b>20</b>	<b>Total operating income</b>		<b>1,022,100,874,482</b>	<b>454,390,820,436</b>
	<b>II. OPERATING EXPENSES</b>			
21	1. Loss from financial assets at FVTPL		22,897,344,157	4,503,574,954
21.1	1.1 Loss from disposal of financial assets at FVTPL	29.1	(12,463,400,343)	(22,352,853,137)
21.2	1.2 Decrease in loss from revaluation of financial assets at FVTPL	29.2	36,226,918,907	27,408,818,408
21.3	1.3 Transaction costs of acquisition of financial assets at FVTPL		(866,174,407)	(552,390,317)
24	2. Provision expenses for diminution in value and impairment of financial assets, doubtful debts and borrowing costs of loans	30	(167,716,099,893)	(95,162,868,527)
26	3. Expenses for proprietary trading activities	31	(9,449,072,127)	(3,447,704,216)
27	4. Expenses for brokerage services	32	(184,005,372,607)	(71,429,098,546)
28	5. Expenses for underwriting and issuance agency services	33	(18,393,942,671)	-
29	6. Expenses for securities investment advisory services		-	(2,432,908,691)
30	7. Expenses for securities custodian services	34	(7,478,121,870)	(8,842,651,458)
31	8. Expenses for financial advisory services	35	(15,764,277,589)	(10,871,428,416)
32	9. Expenses for other operating activities	36	(17,944,765,247)	(12,108,401,046)
<b>40</b>	<b>Total operating expenses</b>		<b>(397,854,307,847)</b>	<b>(199,791,485,946)</b>

# Viet Dragon Securities Corporation

CONSOLIDATED INCOME STATEMENT (continued)  
for the year ended 31 December 2021

B02-CTCK/HN

Code	ITEMS	Notes	Current year VND	Previous year VND
	<b>III. FINANCE INCOME</b>			
41	1. Realized and unrealized gain from changes in foreign exchange rates		429,765,000	54,000,000
42	2. Dividend and interest income from demand deposits		30,963,524,021	11,516,287,012
<b>50</b>	<b>Total finance income</b>		<b>31,393,289,021</b>	<b>11,570,287,012</b>
	<b>IV. FINANCE EXPENSES</b>			
51	1. Realized and unrealized loss from changes in foreign exchange rates		(1,654,000,000)	(2,119,000,000)
<b>60</b>	<b>Total finance expenses</b>		<b>(1,654,000,000)</b>	<b>(2,119,000,000)</b>
<b>62</b>	<b>V. GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>37</b>	<b>(120,460,846,972)</b>	<b>(71,742,899,142)</b>
<b>70</b>	<b>VI. OPERATING PROFIT</b>		<b>533,525,008,684</b>	<b>192,307,722,360</b>
	<b>VII. OTHER INCOME AND EXPENSES</b>			
71	1. Other income		584,139,429	354,553,480
72	2. Other expenses		(57,500,093)	(100,000)
<b>80</b>	<b>Total other operating profit</b>		<b>526,639,336</b>	<b>354,453,480</b>
<b>90</b>	<b>VIII. PROFIT BEFORE TAX</b>		<b>534,051,648,020</b>	<b>192,662,175,840</b>
91	1. Realized profit		516,684,646,694	106,846,181,574
92	2. Unrealized profit/(loss)		17,367,001,326	85,815,994,266
<b>100</b>	<b>IX. CORPORATE INCOME TAX (CIT) EXPENSES</b>	<b>38</b>	<b>(107,310,787,574)</b>	<b>(42,559,893,062)</b>
100.1	1. Current CIT expense	38.2	(111,082,771,090)	(30,878,457,891)
100.2	2. Deferred CIT income/(expense)	38.3	3,771,983,516	(11,681,435,171)
<b>200</b>	<b>X. PROFIT AFTER TAX</b>		<b>426,740,860,446</b>	<b>150,102,282,778</b>
201	1. Attributable to the Company's ordinary shareholders		425,664,952,635	150,102,282,778
203	2. Attributable to non-controlling interests		1,075,907,811	-

# Viet Dragon Securities Corporation

CONSOLIDATED INCOME STATEMENT (continued)  
for the year ended 31 December 2021

B02-CTCK/HN

Code	ITEMS	Notes	Current year VND	Previous year VND
<b>300</b>	<b>XI. OTHER COMPREHENSIVE INCOME AFTER CIT</b>			
301	1. Income from revaluation available-for-sale financial assets	40	30,012,348,800	-
<b>400</b>	<b>Total other comprehensive income</b>		<b>30,012,348,800</b>	-
401	1. Attributable to the Company's ordinary shareholders		30,012,348,800	-
<b>500</b>	<b>XII. NET INCOME PER SHARE</b>		<b>425,664,952,635</b>	<b>150,102,282,778</b>
501	1. Basic earnings per share (VND/share)	41.4	4,050	1,428
502	2. Diluted earnings per share (VND/share)	41.4	4,050	1,428

Prepared by:



Ms. Duong Kim Chi  
Chief Accountant

Reviewed by:



Mr. Le Minh Hien  
Chief Finance Officer

Approved by:



Ms. Nguyen Thi Thu Huyen  
General Director

Ho Chi Minh City, Vietnam

22 February 2022



# Viet Dragon Securities Corporation

CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 December 2021

B03b-CTCK/HN

Code	ITEMS	Notes	Current year VND	Previous year VND
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>1. Profit before tax</b>		<b>534,051,648,020</b>	<b>192,662,175,840</b>
02	<b>2. Adjustments for</b>		<b>(28,076,194,995)</b>	<b>(8,678,956,429)</b>
03	- Depreciation and amortization expense		8,165,424,571	6,427,909,253
04	- Provisions	8.5	(75,920)	(35,621)
05	- Unrealized loss from changes in foreign exchange rates	18	82,000,000	144,000,000
07	- Gain, loss from investing activities		(31,484,951,652)	(11,779,923,376)
08	- Accrued interest income	9	(8,087,287,810)	(3,470,906,685)
09	- Other adjustments		3,248,695,816	-
10	<b>3. Decrease in non-monetary expenses</b>		<b>(36,226,918,907)</b>	<b>(27,408,818,408)</b>
11	- Loss from revaluation of financial assets at FVTPL	29.2	(36,226,918,907)	(27,408,818,408)
18	<b>4. Increase/(decrease) in non-monetary income</b>		<b>18,859,917,581</b>	<b>(58,407,175,858)</b>
19	- Loss/(gain) from revaluation of financial assets at FVTPL	29.2	18,859,917,581	(58,407,175,858)
30	<b>5. Operating (losses)/gains before changes in working capital</b>		<b>(1,472,523,622,981)</b>	<b>(18,807,872,308)</b>
31	- Increase in financial assets at FVTPL		(71,095,961,609)	(71,408,566,580)
33	- (Increase)/decrease in loans		(1,246,258,514,086)	179,323,563,263
34	- Increase in AFS financial assets		(109,996,540,000)	-
35	- Decrease/(increase) in receivables from sale of financial assets		6,141,978,000	(6,141,978,000)
36	- Decrease in receivables of dividend and accrued interests of financial assets		3,470,906,685	3,707,319,372
37	- Decrease/(increase) in receivables from services provided by the Company		9,886,786,738	(932,193,031)
39	- Decrease/(increase) in other receivables		685,531,282	(1,682,536,484)
40	- Increase in other assets		(1,542,576,208)	(245,477,582)
41	- Increase in accrued expenses (excluding interest expenses)		7,088,342,831	4,241,095,869
42	- (Increase)/decrease in prepaid expenses		(11,126,643,909)	32,901,722
43	- Corporate income tax paid		(95,729,965,143)	(16,018,345,096)
45	- Decrease/increase in trade payables		8,326,673,596	(132,808,625,895)
47	- Increase in taxes and statutory obligation payables (excluding CIT paid)		11,063,380,342	5,284,773,239
48	- Increase in payables to employees		13,071,398,520	14,686,640,570
50	- Increase in other payables		3,491,579,980	3,153,556,325
60	<b>Net cash (used in)/from operating activities</b>		<b>(983,915,171,282)</b>	<b>79,359,352,837</b>

# Viet Dragon Securities Corporation

CONSOLIDATED CASH FLOW STATEMENT (continued)  
for the year ended 31 December 2021

B03b-CTCK/HN

Code	ITEMS	Notes	Current year VND	Previous year VND
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
61	1. Purchase and construction of fixed assets, investment properties and other long-term assets		(24,627,747,800)	(6,614,181,500)
62	2. Sale proceeds from fixed assets, investment property and other assets		428,727,271	263,636,364
63	3. Investment in subsidiaries, affiliates, joint ventures and other investments		(51,449,919,931)	-
65	4. Interest and dividends from long-term investments received		31,056,224,381	11,516,287,012
<b>70</b>	<b>Net cash (used in)/from investing activities</b>		<b>(44,592,716,079)</b>	<b>5,165,741,876</b>
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
73	1. Drawdown of borrowings		6,449,393,000,000	2,961,551,000,000
73.2	1.1 Other borrowings		6,449,393,000,000	2,961,551,000,000
74	2. Repayment of borrowings		(5,499,266,000,000)	(2,731,026,000,000)
74.3	2.1 Other repayment of borrowings		(5,499,266,000,000)	(2,731,026,000,000)
76	3. Profit distributed to shareholders		(30,315,173,700)	(33,060,191,400)
<b>80</b>	<b>Net cash from/(used in) financing activities</b>		<b>919,811,826,300</b>	<b>197,464,808,600</b>
<b>90</b>	<b>NET CASH DURING THE YEAR</b>		<b>(108,696,061,061)</b>	<b>281,989,903,313</b>
<b>101</b>	<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>6</b>	<b>582,254,424,536</b>	<b>300,264,521,223</b>
101.1	1. Cash		482,254,424,536	300,264,521,223
101.2	2. Cash equivalents		100,000,000,000	-
<b>103</b>	<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>6</b>	<b>473,558,363,475</b>	<b>582,254,424,536</b>
103.1	1. Cash		412,558,363,475	482,254,424,536
103.2	2. Cash equivalents		61,000,000,000	100,000,000,000



# Viet Dragon Securities Corporation

CONSOLIDATED CASH FLOW STATEMENT (continued)  
for the year ended 31 December 2021

B03b-CTCK/HN

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

Code	ITEMS	Notes	Current year VND	Previous year VND
	<b>I. Cash flows from brokerage and trust activities of the customers</b>			
01	1. Cash receipts from disposal of brokerage securities of customers		13,411,794,894,760	6,520,699,644,690
02	2. Cash payments for acquisition of brokerage securities of customers		(13,428,632,637,640)	(6,504,834,379,960)
07	3. Cash receipts for settlement of securities transactions of customers		143,364,469,048,582	57,152,789,228,473
07.1	4. Investors' deposits at VSD		570,405,312,001	305,044,193,868
08	5. Cash payments for securities transactions of customers		143,569,180,351,873	(56,688,926,943,269)
14	6. Cash receipts from securities issuers		1,173,727,429,267	630,429,897,553
15	7. Cash payments to securities issuers		(1,175,496,906,344)	(628,783,843,027)
20	<b>Net increase in cash during the year</b>		<b>347,086,788,753</b>	<b>786,417,798,328</b>
30	<b>II. Cash and cash equivalents of the customers at the beginning of the year</b>	28.9	<b>1,106,260,893,503</b>	<b>319,843,095,175</b>
31	Cash at banks at the beginning of the year:		1,106,260,893,503	319,843,095,175
32	- Investors' deposits managed by the Company for securities trading activities		1,087,260,194,833	318,353,715,761
	In which: Investors' deposits at VSD		22,680,648,936	4,734,497,646
34	- Deposits for clearing and settlement of securities transaction		17,176,996,823	1,311,732,093
35	- Securities issuers' deposits		1,823,701,847	177,647,321

# Viet Dragon Securities Corporation

CONSOLIDATED CASH FLOW STATEMENT (continued)  
for the year ended 31 December 2021

B03b-CTCK/HN

Code	ITEMS	Notes	Current year VND	Previous year VND
<b>40</b>	<b>III. Cash and cash equivalents of the customers at the end of the year</b>	<b>28.9</b>	<b>1,453,347,682,256</b>	<b>1,106,260,893,503</b>
41	Cash at banks at the end of the year:		1,453,347,682,256	1,106,260,893,503
42	- Investors' deposits managed by the Company for securities trading activities		1,452,954,203,543	1,087,260,194,833
	In which: Investors' deposits at VSD		11,850,419,876	22,680,648,936
44	- Deposits for clearing and settlement of securities transaction		339,253,943	17,176,996,823
45	- Securities issuers' deposits		54,224,770	1,823,701,847

Prepared by:

Reviewed by:

Approved by:





Ms. Duong Kim Chi  
Chief Accountant

Mr. Le Minh Hien  
Chief Finance Officer

Ms. Nguyen Thi Thu Huyen  
General Director

Ho Chi Minh City, Vietnam

22 February 2022

# Viet Dragon Securities Corporation

## STATEMENT OF CHANGES IN OWNERS' EQUITY for the year ended 31 December 2021

B04-CTCK/HN

ITEMS	Notes	Beginning balance		Increase/(decrease)				Ending balance	
		1 January 2020 VND	1 January 2021 VND	Previous year		Current year		31 December 2020 VND	31 December 2021 VND
				Increase VND	Decrease VND	Increase VND	Decrease VND		
<b>I. CHANGES IN OWNERS' EQUITY</b>									
1. Share capital		1,010,239,178,792	1,010,239,178,792	-	-	50,047,590,000	-	1,010,239,178,792	1,060,286,768,792
1.1 Ordinary share		1,000,999,060,000	1,000,999,060,000	-	-	50,047,590,000	-	1,000,999,060,000	1,051,046,650,000
1.1 Share premium		9,240,118,792	9,240,118,792	-	-	-	-	9,240,118,792	9,240,118,792
2. Charter capital supplementary reserve		15,356,644,767	22,861,758,906	7,505,114,139	-	21,389,691,302	-	22,861,758,906	44,251,450,208
3. Operational risk and financial reserve		15,356,644,767	22,861,758,906	7,505,114,139	-	21,389,691,302	-	22,861,758,906	44,251,450,208
4. Differences from revaluation of financial assets at fair value		-	-	-	-	30,012,348,800	-	-	30,012,348,800
5. Undistributed profit		4,491,790,835	109,553,873,535	150,102,282,778	(45,040,200,078)	425,664,952,635	(92,826,972,604)	109,553,873,535	442,391,853,566
- Realized profit		78,465,916,697	97,712,005,131	64,286,288,512	(45,040,200,078)	404,699,778,483	(92,826,972,604)	97,712,005,131	409,584,811,010
- Unrealized (loss)/profit		(73,974,125,862)	11,841,868,404	85,815,994,266	-	20,965,174,152	-	11,841,868,404	32,807,042,556
6. Non-controlling interests		-	-	-	-	24,669,427,913	-	-	24,669,427,913
<b>TOTAL</b>	<b>26</b>	<b>1,045,444,259,161</b>	<b>1,165,516,570,139</b>	<b>165,112,511,056</b>	<b>(45,040,200,078)</b>	<b>573,173,701,952</b>	<b>(92,826,972,604)</b>	<b>1,165,516,570,139</b>	<b>1,645,863,299,487</b>



# Viet Dragon Securities Corporation

STATEMENT OF CHANGES IN OWNERS' EQUITY (continued)  
for the year ended 31 December 2021

B04-CTCK/HN

ITEMS	Notes	Beginning balance		Increase/(decrease)				Ending balance	
		1 January 2020 VND	1 January 2021 VND	Previous year		Current year		31 December 2020 VND	31 December 2021 VND
				Increase VND	Decrease VND	Increase VND	Decrease VND		
<b>II. OTHER COMPREHENSIVE INCOME</b>									
1. Gain from revaluation of AFS financial assets		-	-	-	-	30,012,348,800	-	-	30,012,348,800
<b>TOTAL</b>	<b>39</b>	-	-	-	-	<b>30,012,348,800</b>	-	-	<b>30,012,348,800</b>

Prepared by:



Ms. Duong Kim Chi  
Chief Accountant

Reviewed by:



Mr. Le Minh Hien  
Chief Finance Officer

Approved by:



Ms. Nguyen Thi Thu Huyen  
General Director

Ho Chi Minh City, Vietnam

22 February 2022



## 1. CORPORATE INFORMATION

Viet Dragon Securities Corporation ("the Company") is a shareholding company incorporated under the Law on Enterprises of Vietnam pursuant to Securities Trading License No. 32/UBCK-GPHĐKD issued by the State Securities Commission on 21 December 2006 and subsequent amended licenses which the latest license is No. 66/GPĐC-UBCK dated 9 August 2021.

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

The Company's head office is located at 1-2-3-4 Floor, 141 Nguyen Du Street, Ben Thanh Ward, District 1, Ho Chi Minh City. As at 31 December 2021, the Company has branches located in Ha Noi, Nha Trang and Can Tho.

The number of the Company's employees as at 31 December 2021 is 394 persons (31 December 2020: 266 persons).

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

#### *Capital*

According to the consolidated statement of financial position as at 31 December 2021, the Company's charter capital amounts to VND1,051,046,650,000 while its owners' equity is VND1,645,863,299,487 and its total assets are VND4,033,154,108,571.

#### *Investment objectives*

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

#### *Investment restrictions*

The Company is required to comply with Article 28, Circular No. 121/2020/TT-BTC dated 31 December 2020 prescribing on operation of securities companies. The current applicable practices on investment restrictions are as follows:

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

# Viet Dragon Securities Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021

B05-CTCK/HN

## 1. CORPORATE INFORMATION (continued)

### *Investment restrictions (continued)*

- ▶ Securities company may not directly or entrust other organizations or individuals to perform the following operations: Invest in shares or contributed capital of the company that owns more than fifty percent (50%) charter capital of the securities company, except for the case of buying odd-lot shares at the request of the customer; Together with a related person, invest five percent (5%) or more of the charter capital of another securities company; Invest more than twenty percent (20%) of the total number of outstanding shares and fund certificates of a listed organization; Invest more than 15% of the total number of outstanding shares and fund certificates of an unlisted organization, this provision does not apply to member fund certificates, exchange-traded funds and open-ended funds; Invest or contribute capital more than 15% of the total contributed capital of a limited liability company or a business project; Invest or contribute capital of more than 15% of equity in a business organization or project; Invest more than 70% of equity in stocks, contributed capital and business projects, of which no more than 20% of equity can be invested in unlisted stocks, contributed capital and business projects.
- ▶ Securities company is allowed to establish or purchase an asset management company as a subsidiary. In this case, the securities company is not required to comply with the following provisions: Invest more than twenty percent (20%) of the total number of outstanding shares and fund certificates of a listed organization; Invest more than fifteen percent (15%) of the total number of outstanding shares and fund certificates of an unlisted organization, this provision does not apply to member fund certificates, exchange-traded funds and open-ended funds; Invest in or contribute more than ten percent (10%) of the total capital contributed by a limited liability company or a business project.

### ***Subsidiary***

As at 31 December 2021, the Company has one (01) subsidiary is as follow:

<i>Subsidiary</i>	<i>Main activity</i>	<i>Direct ownership rate</i>
Viet Long Securities Investment Fund Management Corporation ("Viet Long")	Establishing and managing the investment funds, securities investment companies, securities portfolio management, securities investment advisory services and securities investment, and other related business activities in accordance with law.	51%

Viet Long is a joint stock company incorporated under the Law on Enterprises of Vietnam pursuant to Business Registration Certificate No. 4103005757 issued by Ho Chi Minh City Department Of Planning and Investment on 20 December 2006; The Company was granted Securities Operating Licence No. 10/UBCK-GPHĐQLQ on 22 December 2006 and its subsequent amendment licenses issued by the State Securities Commission.

## 2. BASIS OF PREPARATION

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

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



**2. BASIS OF PREPARATION (continued)**

**2.1 *Applied accounting standards and system* (continued)**

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

**2.2 *Registered accounting documentation system***

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

**2.3 *Fiscal year***

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

**2.4 *Accounting currency***

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

**2.5 *Basis for consolidation***

The consolidated financial statements comprise the financial statements of the Company and its subsidiary for the year ended 31 December 2021.

Subsidiary is fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continued to be consolidated until the date that such control ceases.

The financial statements of the Company and its subsidiary are prepared for the same reporting year, using consistent accounting policies.

All intra-company balances, income and expenses and unrealized gains or losses resulting from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary which are not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

## 2. BASIS OF PREPARATION (continued)

### 2.6 *Comparative information*

On 6 January 2021, the Company completed the acquisition of 51% of the shares of Viet Long Securities Investment Fund Management Corporation ("Viet Long"). Accordingly, from that day, Viet Long became the Company's subsidiary, and the Company presented the consolidated financial statement of the Company and Viet Long ("the Group") for the year ended 31 December 2021 in accordance with the prevailing regulations. As this is the first accounting year the Company prepares and presents the Group's consolidated financial statements, the corresponding figures in the consolidated statement of financial position as at 31 December 2020, of the consolidated income statement, consolidated cash flow statement for the period from 1 January 2020 to 31 December 2020, and the notes thereto are the parent company's figures. Accordingly, the corresponding figures are not comparable with the current year's figures.

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

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

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

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 4.1 *Cash and cash equivalents*

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

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

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

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

- a) It is classified as held for trading. A financial asset is classified as held for trading if:
  - ▶ It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
  - ▶ There is evidence of a recent actual pattern of short-term profit-taking; or
  - ▶ It is a derivative (except derivative that is a financial guarantee contract or effective hedging instrument).



**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

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

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

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

**4.3 Loans**

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

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

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

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

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



**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4.4 Available-for-sale financial assets (AFS)**

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

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

Available-for-sale financial assets are recognized initially at cost plus (+) transaction costs which are directly attributable to the purchase of the financial assets. After initial recognition, available-for-sale financial assets are subsequently measured at fair value.

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

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

- ▶ Where an equity instrument is classified as available-for-sale, evidence of impairment includes a significant or prolonged decline in the fair value of the investment below its original cost. "Significant" is to be evaluated against the original cost of the asset and 'prolonged' indicates the year in which the fair value has been below its original cost. When any evidence of impairment exists, provision is determined as the difference between the AFS asset's cost and fair value at the assessment date.
- ▶ Where a debt instrument is classified as available-for-sale, the assessment of impairment is made when there is objective evidence that the amount of the loan is uncollectible or is uncertain. Investment results from one or more loss events occurring that adversely affect the expected future cash flows of the investments. Objective evidence of impairment may include the market value/fair value (if any) of the impairment debt, signs that the debtor or group of debtors is experiencing financial difficulties. Significant financial exposure, default or default in interest or principal payments, the possibility of the debtor becoming bankrupt or a financial restructuring, and observable data indicating a decline. It is possible to quantify expected future cash flows, such as changes in repayment, conditions, a financial position associated with the possibility of default. When there is evidence of impairment, provision is made based on the difference between the amortized amount and the fair value at the time of assessment.

**4.5 Fair value/market value of financial assets**

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

- ▶ For securities listed on Hanoi Stock Exchange and Ho Chi Minh City Stock Exchange, their market prices are their closing prices on the trading day preceding the date of setting up the provision.
- ▶ For unlisted securities registered for trading on the Unlisted Public Company Market ("UPCom"), their market prices are their closing prices on the trading day preceding the date of setting up the provision.
- ▶ For the delisted securities and suspended trading securities from the sixth day afterward, their prices are the book value at the latest financial report date.



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

##### 4.5 Fair value/market value of financial assets (continued)

- ▶ The market price for unlisted securities and securities unregistered for trading on UPCOM used as a basis for setting up the provision is the average of actual trading prices quoted by three (03) securities companies conducting transactions at the latest date preceding the revaluation date.
- ▶ For unlisted bonds, their market prices is the maximum value of the following values: The quoted price (if any) announced on quotation systems selected by the securities-trading organization, plus accrued interest; the purchase price, plus accrued interest; the par value, plus accrued interest; the price determined according to internal regulations of the Company, including accrued interest.

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

For the purpose of determining CIT taxable profit, the tax bases for financial assets are determined by cost minus (-) provision for diminution in value. Accordingly, market value of securities for provision purpose is determined in accordance with the Circular No.146/2014/TT-BTC and Circular No.48/2019/TT-BTC.

##### 4.6 Derecognition of financial assets

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

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

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

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

##### 4.7 Reclassification of financial assets

###### *Reclassification when selling financial assets other than FVTPL*

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4.7 Reclassification of financial assets (continued)**

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

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

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

**4.8 Long-term financial investments**

*Investments in equity of other entities*

Investments in equity of other entities are recognized at cost in the consolidated financial statements.

*Provision for loss of financial investments*

Provision for loss of financial investments is recorded when there is solid evidence regarding impairment in investments value at the date of fiscal year-end.

An increase or decrease in the provision is recognized as financial expense in the consolidated income statement.

**4.9 Receivables**

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

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



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

##### 4.9 *Receivables* (continued)

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

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

##### 4.10 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

##### 4.11 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortization.

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

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

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

##### 4.12 *Depreciation and amortization*

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

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



**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4.13 Operating leases**

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

**4.14 Borrowings and non-convertible bonds issued**

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

**4.15 Prepaid expenses**

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

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

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

**4.16 Business combinations and goodwill**

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the acquiree's interest in the fair value of the net identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statement of income. After initial recognition, goodwill is measured at cost less any accumulated amortization. Goodwill is amortized over the five (5) years period on a straight-line basis. The parent company conducts a periodical review for impairment of goodwill of investment in subsidiary. If there are indicators of impairment loss incurred is higher than the yearly cumulative amortization of goodwill, the higher amount will be recorded in the consolidated statement of income.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4.17 Payables and accrued expenses**

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

**4.18 Employee benefits**

**4.18.1 Post-employment benefits**

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

**4.18.2 Severance allowance**

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

**4.18.3 Unemployment allowance**

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

**4.19 Foreign currency transactions**

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

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



**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4.19 Foreign currency transactions (continued)**

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

- ▶ Monetary assets are translated at buying exchange rate of the commercial bank where the Group conduct transactions regularly; and
- ▶ Monetary liabilities are translated at selling exchange rate of the commercial bank where the Group conduct transactions regularly.
- ▶ Outstanding borrowings in foreign currency are translated at buying exchange rate of the commercial bank where the Company opened its account.

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

**4.20 Revenue recognition**

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

*Revenue from brokerage services*

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

*Revenue from trading of securities*

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

*Interest income*

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

*Dividends*

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

*Other income*

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



**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4.20 Revenue recognition (continued)**

*Other revenues from rendering services*

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

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

**4.21 Borrowing costs**

Borrowing costs consist of interest and other costs that incur in connection with the Group's borrowing of funds. Borrowing costs are recorded as expense during the period in which they are incurred.

**4.22 Cost of securities sold**

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

**4.23 Corporate income tax**

*Current income tax*

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

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

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

*Deferred income tax*

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

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4.23 Corporate income tax (continued)**

*Deferred income tax (continued)*

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

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

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

**4.24 Owners' equity**

*Contributed capital from shareholders*

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

*Undistributed profit*

Undistributed profit comprises of realized and unrealized undistributed profit.

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

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



**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4.24 Owners' equity (continued)**

**Reserves**

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

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

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

**4.25 Distribution of net profits**

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

**4.26 Segment information**

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

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

**4.27 Related parties**

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

**4.28 Nil balances**

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



# Viet Dragon Securities Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 5. SIGNIFICANT EVENTS

### ***Acquisition of Viet Long Securities Investment Fund Management Corporation***

On 6 January 2021, the Company acquired 51% of the voting shares of VDFM, a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 4103005757 issued by the Ho Chi Minh Department of Planning and Investment on 20 December 2006 and the first License No. 10/UBCK-GPHDQLQ dated 22 December 2006 and amendments granted by the State Securities Commission. VDFM's primary activities are establishing and managing securities investment funds, securities investment companies, managing securities portfolios, providing securities investment consulting services, performing other related business activities in accordance with regulations. The Company has acquired VDFM for business expansion purposes.

The fair value of Viet Long's identifiable assets and liabilities at the acquisition date are presented as below:

	<i>Fair value recognized at the date of acquisition</i>
<b>Assets</b>	
Cash and cash equivalents	14,350,080,069
Short-term financial investments	26,882,250,000
Short-term receivables	8,825,429,001
Other current assets	11,196,810
Long-term receivables	274,428,000
Fixed assets	227,562,519
Other non-current assets	11,775,500
	<b>50,582,721,899</b>
<b>Liabilities</b>	
Trade payables	13,227,832
Statutory obligations	60,620,605
Payables to employees	1,327,670,256
Accrued expenses	44,000,000
Other short-term payables	490,498
Deferred tax liabilities	986,671,683
	<b>2,432,680,874</b>
<b>Total net assets at fair value</b>	<b>48,150,041,025</b>
Non-controlling shareholders	23,593,520,102
Goodwill from business combination	16,243,479,077
<b>Total cost of business combination paid</b>	<b>40,800,000,000</b>
<b>Cash flow information from the acquisition of a subsidiary</b>	
Cash received from buying a subsidiary	14,350,080,069
Cash paid to buying a subsidiary	(40,800,000,000)
<b>Total net cash paid for the purchase transaction</b>	<b>(26,449,919,931)</b>

# Viet Dragon Securities Corporation

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## 6. CASH AND CASH EQUIVALENTS

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
<b>Cash</b>	<b>412,558,363,475</b>	<b>482,254,424,536</b>
Cash on hand	47,447,055	78,962,012
Cash at banks for operation of the Group	412,438,028,915	468,785,684,766
Cash for clearing and settlement securities transaction	72,887,505	13,389,777,758
<b>Cash equivalents</b>	<b>61,000,000,000</b>	<b>100,000,000,000</b>
	<b>473,558,363,475</b>	<b>582,254,424,536</b>

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

	<i>Volume of trading in the year (Unit)</i>	<i>Value of trading in the year (VND)</i>
a. The Group	<b>97,955,558</b>	<b>8,571,074,997,829</b>
- Shares	90,205,847	3,247,926,691,919
- Bonds	7,289,681	5,320,626,970,871
- Others	460,030	2,521,335,039
b. Investors	<b>7,053,335,696</b>	<b>183,448,782,932,176</b>
- Shares	6,871,933,485	181,701,016,099,690
- Bonds	8,413,211	863,037,601,486
- Others	172,989,000	884,729,231,000
	<b>7,151,291,254</b>	<b>192,019,857,930,005</b>



# Viet Dragon Securities Corporation

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## 8. FINANCIAL ASSETS

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

	Ending balance		Beginning balance	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Listed shares	253,884,375,655	287,156,363,620	182,608,923,961	241,033,295,850
Unlisted shares	84,522,544,461	79,309,248,080	218,239,761,243	172,437,219,880
Listed bonds	10,012,779,297	10,359,700,000	-	-
Unlisted bonds	230,075,762,032	235,812,377,891	84,601,923,048	83,821,960,926
	<b>578,495,461,445</b>	<b>612,637,689,591</b>	<b>485,450,608,252</b>	<b>497,292,476,656</b>

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

	Ending balance		Beginning balance	
	Cost VND	Revaluation value VND	Cost VND	Revaluation value VND
Listed shares	<b>109,996,540,000</b>	<b>147,511,976,000</b>	-	-

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 8. FINANCIAL ASSETS (continued)

### 8.3 Loans

	Ending balance			Beginning balance		
	Cost VND	Provision VND	Fair value (iii) VND	Cost VND	Provision VND	Fair value (iii) VND
Margin activities (i)	2,237,907,521,353	(44,087,269,454)	2,193,820,251,899	1,257,337,721,141	(44,087,345,374)	1,213,250,375,767
Advances to customers (ii)	462,223,720,648	-	462,223,720,648	196,535,006,774	-	196,535,006,774
	<b>2,700,131,242,001</b>	<b>(44,087,269,454)</b>	<b>2,656,043,972,547</b>	<b>1,453,872,727,915</b>	<b>(44,087,345,374)</b>	<b>1,409,785,382,541</b>

(i) Securities under margin transaction are used as collaterals for the loans granted by the Group to investors. As at 31 December 2021 and 31 December 2020, the par value of those securities that are used as collaterals for margin trading was VND3,169,027,650,000 and VND2,059,537,330,000 respectively, the market value of those securities that are used as collaterals for margin trading was VND12,562,218,532,330 and VND5,138,578,862,700 respectively,

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

(iii) Determining the fair value of financial assets

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



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 8. FINANCIAL ASSETS (continued)

### 8.4 Changes in market values of financial assets

Financial assets	Ending balance					Beginning balance				
	Cost VND	Fair value VND	Revaluation difference		Revaluation value VND	Cost VND	Fair value VND	Revaluation difference		Revaluation value VND
			Increase VND	Decrease VND				Increase VND	Decrease VND	
I. Financial assets at fair value through profit and loss (FVTPL)										
1. Listed shares										
CTG	105,012,278,995	103,255,671,000	-	(1,756,607,995)	103,255,671,000	928,760	1,243,800	315,040	-	1,243,800
OCB	41,556,344,048	61,976,187,000	20,419,842,952	-	61,976,187,000	-	-	-	-	-
HSG	52,664,739,374	57,582,723,000	4,917,983,626	-	57,582,723,000	4,626,897	7,663,900	3,037,003	-	7,663,900
PHR	30,133,220,195	42,552,339,100	12,419,118,905	-	42,552,339,100	176,310	189,000	12,690	-	189,000
HPG	15,798,762,650	12,945,600,000	-	(2,853,162,650)	12,945,600,000	9,812,432,470	10,373,940,200	561,507,730	-	10,373,940,200
Others	8,719,030,393	8,843,843,520	438,225,025	(313,411,898)	8,843,843,520	172,790,759,524	230,650,258,950	58,246,204,243	(386,704,817)	230,650,258,950
	253,884,375,655	287,156,363,620	38,195,170,508	(4,923,182,543)	287,156,363,620	182,608,923,961	241,033,295,850	58,811,076,706	(386,704,817)	241,033,295,850
2. Unlisted shares										
QNS	80,000,000,000	77,440,000,000	-	(2,560,000,000)	77,440,000,000	147,400,000,000	131,655,000,000	-	(15,745,000,000)	131,655,000,000
DORU										
FOAM	4,450,000,000	1,800,000,000	-	(2,650,000,000)	1,800,000,000	4,450,000,000	1,800,000,000	-	(2,650,000,000)	1,800,000,000
Others	72,544,461	69,248,080	12,509,761	(15,806,142)	69,248,080	66,389,761,243	38,982,219,880	3,143,522	(27,410,684,885)	38,982,219,880
	84,522,544,461	79,309,248,080	12,509,761	(5,225,806,142)	79,309,248,080	218,239,761,243	172,437,219,880	3,143,522	(45,805,684,885)	172,437,219,880

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## 8. FINANCIAL ASSETS (continued)

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

Financial assets	Ending balance					Beginning balance				
	Cost VND	Fair value VND	Revaluation difference		Revaluation value VND	Cost VND	Fair value VND	Revaluation difference		Revaluation value VND
			Increase VND	Decrease VND				Increase VND	Decrease VND	
I. Financial assets at fair value through profit and loss (FVTPL) (continued)										
3. Listed bonds										
	10,012,779,297	10,359,700,000	346,920,703	-	10,359,700,000	-	-	-	-	-
4. Unlisted bonds										
	230,075,762,032	235,812,377,891	6,333,060,091	(596,444,232)	235,812,377,891	84,601,923,048	83,821,960,926	-	(779,962,122)	83,821,960,926
II. Available-for-sale financial assets (AFS)										
1. Listed shares										
DBC	109,996,540,000	147,511,976,000	37,515,436,000	-	147,511,976,000	-	-	-	-	-



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## 8. FINANCIAL ASSETS (continued)

### 8.5 Provision for impairment of financial assets

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

<i>Financial assets</i>	<i>Basis for provision</i>		<i>Provision at 31/12/2021 VND</i>	<i>Provision at 31/12/2020 VND</i>	<i>Charge of provision during the year VND</i>
	<i>Cost VND</i>	<i>Revaluation value VND</i>			
<b>Loans</b>					
Margin activities	2,237,907,521,353	2,193,820,251,899	44,087,269,454	44,087,345,374	(75,920)
Advances to customers	462,223,720,648	462,223,720,648	-	-	-
	<b>2,700,131,242,001</b>	<b>2,656,043,972,547</b>	<b>44,087,269,454</b>	<b>44,087,345,374</b>	<b>(75,920)</b>

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## 9. RECEIVABLES

	Ending balance VND	Beginning balance VND
Receivables from disposal of financial assets	-	6,141,978,000
Receivables and accruals from dividends and interest income from financial assets	8,087,287,810	3,470,906,685
- <i>Receivables and accruals for due dividend and interest income</i>	244,551,648	97,343,733
- <i>Accruals for undue dividend and interest income</i>	7,842,736,162	3,373,562,952
Advances to suppliers	1,536,612,512	1,821,797,251
Receivables from services provided by the Company	9,570,283,969	10,970,504,329
- <i>Receivables from custodian services</i>	6,533,910,973	8,641,736,696
- <i>Other receivables</i>	3,036,372,996	2,328,767,633
Other receivables	2,071,095,346	2,195,425,221
Provision for impairment of receivables	(1,978,208,478)	(1,978,208,478)
	<b>19,287,071,159</b>	<b>22,622,403,008</b>

Details of provision for impairment of receivables:

	Doubtful debts		Provision		
	31 December 2020 VND	31 December 2021 VND	31 December 2020 VND	Addition/ (reversal) VND	31 December 2021 VND
Other receivables					
- <i>Van Thien Hung</i>	<b>1,978,208,478</b>	<b>1,978,208,478</b>	<b>1,978,208,478</b>	-	<b>1,978,208,478</b>

## 10. PREPAID EXPENSES

	Ending balance VND	Beginning balance VND
Short-term prepaid expenses	<b>9,513,765,394</b>	<b>2,550,538,995</b>
- <i>Office supplies, tools and materials</i>	2,464,957,272	710,021,238
- <i>Software maintenance</i>	1,340,496,264	325,308,832
- <i>Employee insurance</i>	298,607,912	227,289,287
- <i>Office renovation expenses</i>	254,677,901	140,161,904
- <i>Other expenses</i>	5,155,026,045	1,147,757,734
Long-term prepaid expenses	<b>5,018,737,136</b>	<b>832,347,316</b>
- <i>Office renovation expenses</i>	4,721,594,955	532,396,579
- <i>Other expenses</i>	297,142,181	299,950,737
	<b>14,532,502,530</b>	<b>3,382,886,311</b>



# Viet Dragon Securities Corporation

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## 11. LONG-TERM INVESTMENTS

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Other long-term investments	25,000,000,000	-
- Quang Nam Ngoc Linh Ginseng Pharmaceutical Trading Joint Stock Company	25,000,000,000	-
	<b>25,000,000,000</b>	<b>-</b>

## 12. TANGIBLE FIXED ASSETS

	<i>Means of transportation VND</i>	<i>Office equipment VND</i>	<i>Total VND</i>
<b>Cost</b>			
1 January 2021	6,597,245,900	47,452,187,710	54,049,433,610
Increase during the year	2,129,432,300	19,142,934,900	21,272,367,200
Increase by acquisition of subsidiary	1,092,300,000	36,932,280	1,129,232,280
Disposals during the year	(1,335,101,500)	(1,554,765,921)	(2,889,867,421)
31 December 2021	8,483,876,700	65,077,288,969	73,561,165,669
<b>Accumulated depreciation</b>			
1 January 2021	4,092,290,778	36,063,026,593	40,155,317,371
Depreciation during the year	1,187,169,710	5,278,753,492	6,465,923,202
Increase by acquisition of subsidiary	864,737,481	36,932,280	901,669,761
Disposals during the year	(1,335,101,500)	(1,554,765,921)	(2,889,867,421)
31 December 2021	4,809,096,469	39,823,946,444	44,633,042,913
<b>Net book value</b>			
1 January 2021	2,504,955,122	11,389,161,117	13,894,116,239
31 December 2021	3,674,780,231	25,253,342,525	28,928,122,756

Cost of tangible fixed assets which have been fully depreciated but are still in use at 31 December 2021 amounted to VND32,440,699,535 (31 December 2020: VND28,251,335,434).

# Viet Dragon Securities Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 13. INTANGIBLE FIXED ASSETS

	<i>Computer software VND</i>	<i>Trademark VND</i>	<i>Copyrights VND</i>	<i>Others VND</i>	<i>Total VND</i>
<b>Cost</b>					
1 January 2021	17,545,497,066	307,500,192	1,661,848,751	502,503,782	20,017,349,791
31 December 2021	17,545,497,066	307,500,192	1,661,848,751	502,503,782	20,017,349,791
<b>Accumulated amortization</b>					
1 January 2021	12,285,509,916	307,500,192	1,647,410,251	502,503,782	14,742,924,141
Amortization during the year	1,685,062,869	-	14,438,500	-	1,699,501,369
31 December 2021	13,970,572,785	307,500,192	1,661,848,751	502,503,782	16,442,425,510
<b>Net book value</b>					
1 January 2021	5,259,987,150	-	14,438,500	-	5,274,425,650
31 December 2021	3,574,924,281	-	-	-	3,574,924,281

Cost of intangible fixed assets which have been fully amortized but are still in use at 31 December 2021 amounted to VND12,256,131,628 (31 December 2020: VND10,661,460,628).

**14. LONG-TERM DEPOSITS, COLLATERALS AND PLEDGES**

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

**15. DEPOSITS TO SETTLEMENT ASSISTANCE FUND**

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

According Decision No. 105/QĐ-VSD dated 20 August 2021 regarding the regulations on management and usage of the Assistance Fund issued by the General Director of the Vietnam Securities Depository, the Company must deposit an initial amount of VND120 million at the Vietnam Securities Depository and pay an addition of 0.01% of the total amount of brokered securities in the previous year, but not over VND2.5 billion per annum. The maximum contribution of each custody member to the Settlement Assistance Fund is VND 20 billion for custody members who are the company having trading securities and brokerage activities.

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

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

**16. OTHER NON-CURRENT ASSETS**

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



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## 17. GOODWILL

	<i>Goodwill acquired in a business combination</i>	
	<i>Viet Long Securities Investment Fund Management Corporation</i>	
	<i>Current year</i>	<i>Previous year</i>
	<i>VND</i>	<i>VND</i>
<b>Cost</b>		
Beginning balance	-	-
Increase by acquisition of subsidiary	16,243,479,077	-
Ending balance	16,243,479,077	-
<b>Accumulated amortization</b>		
Beginning balance	-	-
Amortization for the period/year	3,248,695,816	-
Ending balance	3,248,695,816	-
<b>Net carrying amount</b>		
Beginning balance	-	-
Ending balance	12,994,783,261	-

**18. SHORT-TERM BORROWINGS AND FINANCE LEASE LIABILITIES**

	<i>Interest rate % per annum</i>	<i>Beginning balance VND</i>	<i>Addition during the year VND</i>	<i>Repayment during the year VND</i>	<i>Revaluation VND</i>	<i>Ending balance VND</i>
Short-term borrowings						
- From a foreign bank (i)	2.6 - 3.3	69,594,000,000	800,343,000,000	(728,551,000,000)	82,000,000	141,468,000,000
- From domestic banks	4.0 - 7.5	-	3,935,800,000,000	(3,835,800,000,000)	-	100,000,000,000
		<b>69,594,000,000</b>	<b>4,736,143,000,000</b>	<b>(4,564,351,000,000)</b>	<b>82,000,000</b>	<b>241,468,000,000</b>

(i) The closing balance as at 31 December 2021 represents the unsecured borrowings with a total value of USD6,200,000 and longest tenor not exceeding 3 months from the date of drawdown.

**19. BOND ISSUANCE**

	<i>Interest rate % per annum</i>	<i>Beginning balance VND</i>	<i>Addition during the year VND</i>	<i>Repayment during the year VND</i>	<i>Ending balance VND</i>
Short-term bond issuance					
- Held by individuals	8.5 - 9.3	480,415,000,000	600,600,000,000	(524,565,000,000)	556,450,000,000
- Held by corporations	8.8 - 9.3	726,500,000,000	1,621,500,000,000	(966,500,000,000)	1,381,500,000,000
		<b>1,206,915,000,000</b>	<b>2,222,100,000,000</b>	<b>(1,491,065,000,000)</b>	<b>1,937,950,000,000</b>
Long-term bond issuance					
- Held by individuals	9.3	-	37,300,000,000	-	37,300,000,000
- Held by corporations	9.3	-	10,000,000,000	-	10,000,000,000
		-	<b>47,300,000,000</b>	-	<b>47,300,000,000</b>

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

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## 20. PAYABLES FOR SECURITIES TRADING ACTIVITIES

These are expenses payable to the stock exchanges.

## 21. SHORT-TERM TRADE PAYABLES

	Ending balance VND	Beginning balance VND
Payables for purchases of listed securities	30,000,000,000	18,730,000,000
Payables for purchases of goods and services	1,126,883,240	4,056,981,812
	<b>31,126,883,240</b>	<b>22,786,981,812</b>

## 22. STATUTORY OBLIGATIONS

Items	Beginning balance VND	Increase by acquisition of subsidiary VND	Payables during the year VND	Payment during the year VND	Ending balance VND
Corporate income tax	14,891,581,728	-	111,082,771,090	(95,729,965,143)	30,244,387,675
Value added tax	240,033,680	-	1,712,593,667	(1,473,240,552)	479,386,795
Personal income tax on behalf of investors	7,033,862,943	-	109,767,964,768	(102,253,077,374)	14,548,750,337
Personal income tax	2,270,246,404	60,620,605	32,946,054,288	(29,970,901,293)	5,306,020,004
- Payables	2,280,613,526				5,313,135,542
- Receivables	(10,367,122)				(7,115,538)
Foreign contractor tax	124,559,017	-	5,018,333,538	(4,681,095,116)	461,797,439
Business registration tax	-	-	9,000,000	(9,000,000)	-
	<b>24,560,283,772</b>	<b>60,620,605</b>	<b>260,536,717,351</b>	<b>(234,117,279,478)</b>	<b>51,040,342,250</b>
In which:					
- Receivables	(10,367,122)				(7,115,538)
- Payables	24,570,650,894				51,047,457,788



**23. SHORT-TERM ACCRUED EXPENSES**

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Interests on bonds and borrowings	13,450,047,732	7,537,165,161
Board of Directors' remuneration	4,810,000,000	1,700,000,000
Brokerage fee and custody fee	585,373,055	609,090,993
Others	529,172,400	2,395,994,202
	<b>19,374,593,187</b>	<b>12,242,250,356</b>

**24. OTHER SHORT-TERM PAYABLES**

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Dividend payables	148,205,200	30,463,378,900
- Dividend payables to shareholders	148,205,200	30,463,378,900
Others	650,670,680	847,951,842
	<b>798,875,880</b>	<b>31,311,330,742</b>

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

	<i>Current year VND</i>	<i>Previous year VND</i>
Beginning balance	30,463,378,900	33,493,598,500
Cash dividend declared		
- Advance dividend(i)	-	30,029,971,800
Dividend paid	(30,315,173,700)	(33,060,191,400)
<b>Closing balance</b>	<b>148,205,200</b>	<b>30,463,378,900</b>

- (i) According to the Resolution of the Annual General Meeting of Shareholders on 28 May 2020, the planned dividend rate of 2020 was 3% of the charter capital of VND1,000,999,060,000. Accordingly, on 30 December 2020, the Board of Directors decided to advance the dividend of 2020 at 3% of the par value (1 share is entitled to VND300) to shareholders in the registry as at 19 January 2021 and made payments in January 2021.

According to the Resolution of the Annual General Meeting of Shareholders on 7 April 2021, the dividend rate of 2020 was 8% of the charter capital of VND1,000,999,060,000. In which, the dividend was advanced at 3% of the par value and paid in January 2021. On 25 June 2021, the Board of Directors approved the Decision No 58/2021/QĐ-HĐQT regarding to approve the list of shareholders entitled to receive the dividend of 2020 at 5% of the par value, the closing date for the list of shareholders is 9 July 2021.

# Viet Dragon Securities Corporation

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## 25. DEFERRED TAX LIABILITIES

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Taxable temporary differences:		
Increase in revaluation gain of financial assets at FVTPL	44,887,661,062	58,814,220,228
Increase in revaluation gain of financial assets at AFS	37,515,436,000	-
	<b>82,403,097,062</b>	<b>58,814,220,228</b>
Calculated at tax rate 20% applicable to the Company	<b>16,480,619,412</b>	<b>11,762,844,045</b>

# Viet Dragon Securities Corporation

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## 26. OWNERS' EQUITY

### 26.1 Undistributed profit

	Ending balance VND	Beginning balance VND
Realized profit	409,584,811,010	97,712,005,131
Unrealized profit	32,807,042,556	11,841,868,404
	<b>442,391,853,566</b>	<b>109,553,873,535</b>

### 26.2 Share capital

	Share capital VND	Share premium VND	Charter capital supplementary reserve VND	Operational risk and financial reserve VND	Differences from revaluation of financial assets at fair value VND	Undistributed profit VND	Non-controlling interests VND	Total VND
As at 1 January 2021	1,000,999,060,000	9,240,118,792	22,861,758,906	22,861,758,906	-	109,553,873,535	-	1,165,516,570,139
Net profit for the year	-	-	-	-	-	425,664,952,635	1,075,907,811	426,740,860,446
Other comprehensive income after CIT	-	-	-	-	30,012,348,800	-	-	30,012,348,800
Appropriate for reserve 2021	-	-	21,389,691,302	21,389,691,302	-	(42,779,382,604)	-	-
Share dividend	50,047,590,000	-	-	-	-	(50,047,590,000)	-	-
Increase by acquisition of subsidiary	-	-	-	-	-	-	23,593,520,102	23,593,520,102
<b>As at 31 December 2021</b>	<b>1,051,046,650,000</b>	<b>9,240,118,792</b>	<b>44,251,450,208</b>	<b>44,251,450,208</b>	<b>30,012,348,800</b>	<b>442,391,853,566</b>	<b>24,669,427,913</b>	<b>1,645,863,299,487</b>

Detail of Company share capital as at 31 December 2021:

	Share Unit	Amount VND	Ratio %
Nguyen Mien Tuan	18,701,500	187,015,000,000	17.79
Nguyen Xuan Do	17,850,000	178,500,000,000	16.98
Nguyen Hoang Hiep	17,850,000	178,500,000,000	16.98
Pham My Linh	12,517,339	125,173,390,000	11.91
Other shareholders	38,185,826	381,858,260,000	36.34
	<b>105,104,665</b>	<b>1,051,046,650,000</b>	<b>100.00</b>



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## 26. OWNERS' EQUITY (continued)

### 26.2 Share capital (continued)

The Company's shares are as follows:

	<i>Ending balance</i> <i>Unit</i>	<i>Beginning balance</i> <i>Unit</i>
Authorized shares	105,104,665	100,099,906
Ordinary shares	105,104,665	100,099,906
Shares issued and fully paid	105,104,665	100,099,906
Ordinary shares	105,104,665	100,099,906
Outstanding shares	105,104,665	100,099,906
Ordinary shares	105,104,665	100,099,906

### 26.3 Profit distribution to shareholders

	<i>Current year</i> <i>VND</i>	<i>Previous year</i> <i>VND</i>
1. Undistributed realized profit at the beginning of the year (as at 1/1/2021 and 1/1/2020)	97,712,005,131	78,465,916,697
2. Realized profit during the year	404,699,778,483	64,286,288,512
3. Undistributed belonging to shareholders at the end of year	502,411,783,614	142,752,205,209
4. Appropriate for reserves		
5. – Charter capital supplementary reserve	(21,389,691,302)	(7,505,114,139)
6. – Operational risk and financial reserve	(21,389,691,302)	(7,505,114,139)
7. Profit distributed to shareholders during the period under Resolution of the General Meeting of Shareholders		
- Dividend shares (i)	(50,047,590,000)	-
- Cash dividends	-	(30,029,971,800)
<b>Maximal profit available for distribution to shareholders</b>	<b>409,584,811,010</b>	<b>97,712,005,131</b>

- (i) According to the Resolution of the Annual General Meeting of Shareholders on 7 April 2021, the dividend rate of 2020 was 8% of the charter capital of VND1,000,999,060,000. On 25 June 2021, the Board of Directors approved the Decision No 58/2021/QĐ-HĐQT regarding to approve the list of shareholders entitled to receive the dividend of 2020 at 5% of the par value, the closing date for the list of shareholders is 9 July 2021.

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## 27. NON-CONTROLLING INTERESTS

Non-controlling interests from Viet Long Securities Investment Fund Management Corporation in the year is as follow:

	<i>Current year</i> VND	<i>Previous year</i> VND
Beginning balance	-	-
Increase by acquisition of subsidiary	23,593,520,102	-
Realized profit during the year	4,674,080,637	-
Unrealized loss during the year	(3,598,172,826)	-
<b>Non-controlling interests</b>	<b>24,669,427,913</b>	-

## 28. DISCLOSURE OF CONSOLIDATED OFF-BALANCE SHEET ITEMS

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

	<i>Par value</i>	
	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Unrestricted and traded financial assets	119,148,600,000	143,830,070,000
Financial assets awaiting for settlement	-	2,200,000,000
Restricted financial assets	-	270,000
	<b>119,148,600,000</b>	<b>146,030,340,000</b>

### 28.2 Non-traded financial assets deposited at VSD of the Company

	<i>Par value</i>	
	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Unrestricted and non-traded financial assets	2,450,000	2,990,000
Unrestricted and awaiting for trading financial assets	3,780,000	1,928,620,000
	<b>6,230,000</b>	<b>1,931,610,000</b>

### 28.3 Financial assets awaiting for arrival of the Company

	<i>Par value</i>	
	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Financial assets awaiting for arrival	<b>6,000,000,000</b>	<b>3,500,000,000</b>

# Viet Dragon Securities Corporation

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

### 28.4 Financial assets unregistered at VSD of the Company

	Par value	
	Ending balance VND	Beginning balance VND
Unregistered Financial assets	<b>246,529,760,000</b>	<b>88,299,890,000</b>

### 28.5 Financial assets listed/registered at VSD of investors

	Quantity	
	Ending balance	Beginning balance
Unrestricted and traded financial assets	1,615,515,807	1,292,454,670
Restricted and traded financial assets	15,214,147	7,882,843
Mortgage and traded financial assets	241,249,958	231,987,522
Blocked financial assets	111,485,572	107,346,314
Financial assets awaiting for settlement	24,378,895	22,591,366
Customers' deposits for derivatives trading	237	420
	<b>2,007,844,616</b>	<b>1,662,263,135</b>

### 28.6 Non-traded financial assets deposited at VSD of investors

	Quantity	
	Ending balance	Beginning balance
Unrestricted and non-traded financial assets	15,278,966	6,077,118
Restricted and non-traded financial assets	511,126	25,200
	<b>15,790,092</b>	<b>6,102,318</b>

### 28.7 Financial assets awaiting for arrival of investors

	Quantity	
	Ending balance	Beginning balance
Shares	<b>22,145,700</b>	<b>21,243,453</b>

### 28.8 Entitled financial assets of investors

	Quantity	
	Ending balance	Beginning balance
Shares	<b>29,706,370</b>	<b>420,825</b>



# Viet Dragon Securities Corporation

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## 28. DISCLOSURE OF CONSOLIDATED OFF-BALANCE SHEET ITEMS (continued)

### 28.9 Investors' deposits

	Ending balance VND	Beginning balance VND
Investors' deposits for securities trading activities managed by the Company	1,441,103,783,667	1,064,579,545,897
- Domestic investors' deposits for securities trading activities managed by the Company	1,434,855,572,912	1,061,446,747,454
- Foreign investors' deposits for securities trading activities managed by the Company	6,248,210,755	3,132,798,443
Investors' deposits at VSD	11,850,419,876	22,680,648,936
Investors' deposits for clearing and settlement	339,253,943	17,176,996,823
- Domestic investors' deposits for clearing and settlement securities transactions	261,610,809	16,733,847,952
- Foreign investors' deposits for clearing and settlement securities transactions	77,643,134	443,148,871
Deposits of securities issuers	54,224,770	1,823,701,847
	<b>1,453,347,682,256</b>	<b>1,106,260,893,503</b>

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

	Ending balance VND	Beginning balance VND
Payables to investors - Investors' deposits for securities trading activities managed by the Company		
- Domestic investors	1,431,818,848,654	1,100,332,191,914
- Foreign investors	6,248,210,755	3,132,798,443
	<b>1,438,067,059,409</b>	<b>1,103,464,990,357</b>

### 28.11 Dividend, bond principal and interest payables

	Ending balance VND	Beginning balance VND
Dividend payables	<b>15,280,622,847</b>	<b>2,795,903,146</b>

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## 29. GAIN/(LOSS) FROM FINANCIAL ASSETS

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

	Current year VND	Previous year VND
Gain from sale of financial assets at FVTPL	329,144,614,143	68,213,396,708
Loss from sale of financial assets at FVTPL	(12,463,400,343)	(22,352,853,137)
	<b>316,681,213,800</b>	<b>45,860,543,571</b>

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

No	Financial assets	Quantity Shares	Proceeds VND	Cost of disposals (*) VND	Gain/(loss) from sale during the current year VND	Gain/(loss) from sale during the previous year VND
1	Listed shares	36,904,332	1,516,294,814,176	1,222,958,933,939	293,335,880,237	40,554,365,204
2	Unlisted shares	11,791,100	383,549,980,000	376,944,412,561	6,605,567,439	930,260,209
3	Listed bonds	1,049,000	104,885,880,000	105,642,409,703	(756,529,703)	-
4	Unlisted bonds	2,471,729	2,494,424,062,419	2,476,927,766,592	17,496,295,827	4,375,918,158
		<b>52,216,161</b>	<b>4,499,154,736,595</b>	<b>4,182,473,522,795</b>	<b>316,681,213,800</b>	<b>45,860,543,571</b>

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

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

### 29.2 Gain/(loss) from revaluation of financial assets

				Current year VND	Previous year VND
(Decrease)/increase in revaluation gain of FVTPL financial assets				(18,859,917,581)	58,407,175,858
Decrease in revaluation loss of FVTPL financial assets				36,226,918,907	27,408,818,408
				<b>17,367,001,326</b>	<b>85,815,994,266</b>

No	Financial assets	Cost VND	Fair value VND	Revaluation difference as at 31 December 2021 VND	Revaluation difference as at 31 December 2020 VND	Increase by acquisition of subsidiary VND	Difference adjustment in current year VND
1	Listed shares	253,884,375,655	287,156,363,620	33,271,987,965	58,424,371,889	4,684,108,416	(29,836,492,340)
2	Unlisted shares	84,522,544,461	79,309,248,080	(5,213,296,381)	(45,802,541,363)	249,250,000	40,339,994,982
3	Listed bonds	10,012,779,297	10,359,700,000	346,920,703	-	-	346,920,703
4	Unlisted bonds	230,075,762,032	235,812,377,891	5,736,615,859	(779,962,122)	-	6,516,577,981
		<b>578,495,461,445</b>	<b>612,637,689,591</b>	<b>34,142,228,146</b>	<b>11,841,868,404</b>	<b>4,933,358,416</b>	<b>17,367,001,326</b>



# Viet Dragon Securities Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 29. GAIN/(LOSS) FROM FINANCIAL ASSETS (continued)

### 29.3 Dividend, interest income from financial assets at FVTPL, AFS, loans and receivables

	Current year VND	Previous year VND
Dividend, interest from financial assets at FVTPL	13,150,982,569	1,522,786,869
Interest income from deposits	746,151,334	3,000,030,939
Interest income from loans and receivables	300,432,322,022	188,368,174,593
	<b>314,329,455,925</b>	<b>192,890,992,401</b>

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

	Current year VND	Previous year VND
Borrowing costs to finance lending activities	167,716,175,813	95,162,904,148
Reversal of provision for impairment of loans	(75,920)	(35,621)
	<b>167,716,099,893</b>	<b>95,162,868,527</b>

## 31. EXPENSES FOR PROPRIETARY TRADING ACTIVITIES

	Current year VND	Previous year VND
Salary expense and other related expenses	8,470,731,425	3,033,309,573
Office rentals	307,624,390	285,422,529
Other expenses	670,716,312	128,972,114
	<b>9,449,072,127</b>	<b>3,447,704,216</b>

# Viet Dragon Securities Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 32. EXPENSES FOR BROKERAGE SERVICES

	<i>Current year VND</i>	<i>Previous year VND</i>
Salary expense and other related expenses	106,296,537,985	36,383,331,004
Transaction fee for brokerage activities	49,024,201,704	16,638,113,530
Commission expenses	12,161,466,814	4,942,421,294
Office rentals	7,062,213,896	6,831,743,649
Depreciation and amortization expenses	958,650,000	958,650,000
Other expenses	8,502,302,208	5,674,839,069
	<b>184,005,372,607</b>	<b>71,429,098,546</b>

## 33. EXPENSES FOR UNDERWRITING AND ISSUANCE AGENCY SERVICES

	<i>Current year VND</i>	<i>Previous year VND</i>
Brokerage fee and partner commission	16,955,942,671	-
Sale commission salary	1,438,000,000	-
	<b>18,393,942,671</b>	<b>-</b>

## 34. EXPENSES FOR SECURITIES CUSTODIAN SERVICES

	<i>Current year VND</i>	<i>Previous year VND</i>
Custody expenses	6,129,502,266	7,563,584,286
Other expenses	1,348,619,604	1,279,067,172
	<b>7,478,121,870</b>	<b>8,842,651,458</b>

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## 35. EXPENSES FOR FINANCIAL ADVISORY SERVICES

	<i>Current year VND</i>	<i>Previous year VND</i>
Salary expense and other related expenses	14,298,527,198	8,895,398,166
Office rentals	686,011,360	622,446,218
Other expenses	779,739,031	1,353,584,032
	<b>15,764,277,589</b>	<b>10,871,428,416</b>

## 36. EXPENSES FOR OTHER OPERATING SERVICES

	<i>Current year VND</i>	<i>Previous year VND</i>
Salary expense and other related expenses	14,953,004,697	9,892,157,189
Office rentals	1,171,198,499	1,473,727,425
Other expenses	1,820,562,051	742,516,432
	<b>17,944,765,247</b>	<b>12,108,401,046</b>

## 37. GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Current year VND</i>	<i>Previous year VND</i>
Salary expense and other related expenses	71,836,154,159	43,656,188,919
Depreciation and amortization expenses	7,206,774,571	5,469,259,253
Office rentals	6,887,424,696	4,294,231,183
Remuneration of the Board of Directors	5,628,888,887	2,075,568,000
Goodwill amortization	3,248,695,816	-
Maintenance expenses	4,192,488,517	1,936,442,928
Events and business trip expenses	3,869,983,244	1,581,073,585
Electricity, telecommunication services	1,645,285,659	1,632,591,876
Other expenses	15,945,151,423	11,097,543,398
	<b>120,460,846,972</b>	<b>71,742,899,142</b>



# Viet Dragon Securities Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 38. CORPORATE INCOME TAX

The Group has the obligations to pay the Corporate Income Tax ("CIT") at a rate of 20% of taxable profits (2020: 20%).

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

### 38.1 Corporate income tax expense

	<i>Current year</i> <i>VND</i>	<i>Previous year</i> <i>VND</i>
Current CIT expense	111,082,771,090	30,878,457,891
Deferred CIT expense	(3,771,983,516)	11,681,435,171
	<b>107,310,787,574</b>	<b>42,559,893,062</b>

### 38.2 Current CIT expense

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

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

	<i>Current year</i> <i>VND</i>	<i>Previous year</i> <i>VND</i>
<b>Profit before tax</b>	<b>534,051,648,020</b>	<b>192,662,175,840</b>
At CIT rate of 20% applicable to the Company	106,810,329,604	38,532,435,168
<b>Increase adjustments</b>	<b>2,250,837,221</b>	<b>956,367,537</b>
Non-deductible expenses	1,601,098,059	956,367,537
Goodwill amortization	649,739,162	-
<b>Decrease adjustments</b>	<b>(1,533,511,065)</b>	<b>11,970,305,397</b>
Dividend income	1,591,552,537	288,870,226
(Decrease)/increase in revaluation gain of financial assets at FVTPL	(3,771,983,516)	11,681,435,171
Reversal of expenses	338,776,469	-
Tax losses used	308,143,445	-
<b>Additional tax paid after finalization</b>	<b>488,093,200</b>	<b>3,359,960,583</b>
<b>Current CIT expense</b>	<b>111,082,771,090</b>	<b>30,878,457,891</b>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 38. CORPORATE INCOME TAX (continued)

### 38.3 Deferred CIT expense

The Company recognized deferred CIT expense and deferred CIT liabilities with the movements in the current year and the previous year below:

	The consolidated statement of financial position		The consolidated income statement	
	Ending balance VND	Beginning balance VND	Current year VND	Previous year VND
<b>Deferred CIT liabilities</b>				
Gain from revaluation of financial assets at FVTPL	7,990,860,529	11,762,844,045	(3,771,983,516)	11,681,435,171
<b>Deferred CIT expense</b>			<b>(3,771,983,516)</b>	<b>11,681,435,171</b>

### 38.4 Tax losses carried forward

Subsidiary is entitled to carry tax loss forward to offset against taxable income arising within five years subsequent to the year in which the loss was incurred. Details are as follows:

Originating year	Can be utilized up to	Tax loss amount VND	Utilized up to the beginning of the year VND	Forfeited VND	Unutilized at the end of the year VND
2015	2020	6,782,975,266	(6,782,975,266)	-	-
2017	2022	122,462,822	(122,462,822)	-	-
2018	2023	4,306,950,229	(4,306,950,229)	-	-
2019	2024	3,264,287,332	(1,723,570,109)	(1,540,717,223)	-
		<b>14,476,675,649</b>	<b>(12,935,958,426)</b>	<b>(1,540,717,223)</b>	<b>-</b>

The estimated tax loss according to the subsidiary's tax returns has not been finalized by local tax authorities at the date of these financial statements.

The tax authorities have finalized the parent company's corporate income tax up to 31 December 2017.

## 39. OTHER ACCUMULATED COMPREHENSIVE INCOME

Items	31 December 2020 VND	Incurring VND	Reclassify from equity to income statement VND	31 December 2021 VND
Income from revaluation available-for-sale financial assets (AFS)	-	30,012,348,800	-	30,012,348,800

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## 40. ADDITIONAL INFORMATION FOR CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

Income are recorded directly to owner's equity as follows:

	<i>Current year VND</i>	<i>Previous year VND</i>
Income recorded directly to owner's equity	30,012,348,800	-
- Gain from revaluation of AFS financial assets	30,012,348,800	-
	<b>30,012,348,800</b>	<b>-</b>

## 41. OTHER INFORMATION

### 41.1 Related party transactions

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

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

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

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

<i>Related parties</i>	<i>Transactions</i>	<i>Current year VND</i>	<i>Previous year VND</i>
Hoang Trieu Company Limited	Office rentals and related services	12,011,436,135	11,541,156,177
Major shareholders	Dividend paid	14,019,668,700	11,098,191,300
Board of Directors and Management	Remuneration, salary and other benefit	11,012,757,250	9,510,404,009



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## 41. OTHER INFORMATION (continued)

### 41.1 Related party transactions (continued)

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

Related parties	Transactions	Payables	
		Ending balance VND	Beginning balance VND
Hoang Trieu Company Limited	Trade payables	-	174,886,001
Major shareholders	Dividend payables	-	8,089,467,900

### 41.2 Segment information

- ▶ Brokerage services segment and securities services segment generate revenues and expenses related to securities brokerages, securities investment advisory services, margin and securities custodian service. (In 2020: Securities services segment is classified as Securities services and others).
- ▶ Proprietary activities segment generates revenues and expenses related to FVTPL financial assets.
- ▶ Financial advisory services segment generates revenues and expenses related to corporates financial advisory, underwriting, M&A consultancy and another consultancy.
- ▶ Other segments perform internal capital management of the Group.

# Viet Dragon Securities Corporation

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## 41. OTHER INFORMATION (continued)

### 41.2 Segment information (continued)

Segment information by business lines are as follows:

	Proprietary activities VND	Brokerage and securities services VND	Financial advisory services VND	Others VND	Total VND
<b>For the year ended 31 December 2021</b>					
Net income from securities trading activities	328,076,793,247	627,643,930,019	65,775,731,817	604,419,399	1,022,100,874,482
Direct expenses	13,827,834,505	(461,351,264,656)	(33,736,627,316)	99,478,847,024	(381,781,210,443)
Depreciation and allocated expenses	(379,562,475)	(14,661,941,985)	(1,031,592,944)	-	(16,073,097,404)
<b>Segment result</b>	<b>341,525,065,277</b>	<b>151,630,723,378</b>	<b>31,007,511,557</b>	<b>100,083,266,423</b>	<b>624,246,566,635</b>
Net financial income					29,739,289,021
General and administrative expenses					(120,460,846,972)
Net other income					526,639,336
<b>Operating result</b>					<b>534,051,648,020</b>
<b>As at 31 December 2021</b>					
Segment assets	848,258,088,957	2,709,377,517,305	60,000,000	-	3,557,695,606,262
Unallocated assets	-	-	-	-	475,458,502,309
<b>Total assets</b>	<b>848,258,088,957</b>	<b>2,709,377,517,305</b>	<b>60,000,000</b>	<b>-</b>	<b>4,033,154,108,571</b>
Segment liabilities	30,000,000,000	2,246,012,528,207	2,547,128,000	-	2,278,559,656,207
Unallocated liabilities	-	-	-	-	108,731,152,877
<b>Total liabilities</b>	<b>30,000,000,000</b>	<b>2,246,012,528,207</b>	<b>2,547,128,000</b>	<b>-</b>	<b>2,387,290,809,084</b>

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## 41. OTHER INFORMATION (continued)

### 41.2 Segment information (continued)

Segment information by business lines are as follows:

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



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## 41. OTHER INFORMATION (continued)

### 41.3 Operating lease commitments

The Group currently leases its offices under the operating lease contracts. As at 31 December 2021, the future rental fee payables as stated in the rental contracts are as follows:

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Within 1 year	16,212,903,960	14,507,397,120
From 1 - 5 years	39,154,883,580	35,877,925,040
	<b>55,367,787,540</b>	<b>50,385,322,160</b>

### 41.4 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit or loss after tax for the period attributable to ordinary shareholders of the Company (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit or loss after tax attributable to ordinary equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations.

	<i>Current year</i>	<i>Previous year</i>
Net profit after tax attributable to shareholders (VND)	425,664,952,635	150,102,282,778
<b>Net profit after tax attributable to ordinary equity holders for basic earnings (VND)</b>	<b>425,664,952,635</b>	<b>150,102,282,778</b>
Weighted average number of ordinary shares (shares)	105,104,665	100,099,906
Effect of dilution (*)	-	5,004,759
<b>Weighted average number of ordinary shares adjusted for the effect of dilution (share) (*)</b>	<b>105,104,665</b>	<b>105,104,665</b>
Basic earnings per share (VND/share)	4,050	1,428
Diluted earnings per share (VND/share) (**)	4,050	1,428

**41. OTHER INFORMATION (continued)**

**41.4 Earnings per share (continued)**

- (\*) According to Vietnamese Accounting Standard No. 30 - Earnings per share, the basic earnings per share for all reporting periods shall be adjusted retroactively if the number of common shares outstanding increases as a result of a capitalization, issuance of bonus shares, consolidation of shares or decreases as a result of a split of shares. If these changes occur after the end of the accounting year but before the financial statement issuance date, the data calculated per share of the current reporting period and any prior reporting periods in the financial statement is calculated based on the new number of shares. On 25 June 2021, the Board of Directors approved the Decision No 58/2021/QĐ-HĐQT regarding to the approval of the list of shareholders entitled to receive the dividend of 2020 at 5% of the par value; the closing date for the list of shareholders is 9 July 2021. Accordingly, the number of weighted average number of ordinary shares outstanding during the year ended 31 December 2020 and 31 December 2021 has been adjusted to reflect the issuance of shares as a share dividend in 2021.

Profits used to calculate earnings per share for the year ended 31 December 2021 have not been adjusted for the deduction of bonus and welfare funds from profits of 2021 due to the absence of the Resolution of the General Meeting of Shareholders for the current year.

- (\*\*) Earnings per share of the Company are not affected by the dilution factors.

**41.5 Purposes and policies of financial risk management**

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

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

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

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

**Market risk**

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



**41. OTHER INFORMATION** (continued)

**41.5 Purposes and policies of financial risk management** (continued)

**Market risk** (continued)

*Interest rate risk*

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

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

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

*Foreign currency risk*

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

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

	<i>Original currency USD</i>		<i>Equivalent to VND</i>	
	<i>31 December 2021</i>	<i>31 December 2020</i>	<i>31 December 2021</i>	<i>31 December 2020</i>
<b>Financial assets</b>	-	-	-	-
<b>Financial liabilities</b>				
Short-term borrowings	6,200,000	3,000,000	141,468,000,000	69,594,000,000
<b>Net financial liability</b>	<b>6,200,000</b>	<b>3,000,000</b>	<b>141,468,000,000</b>	<b>69,594,000,000</b>
<b>Net currency exposure</b>	<b>(6,200,000)</b>	<b>(3,000,000)</b>	<b>(141,468,000,000)</b>	<b>(69,594,000,000)</b>

*Share price risk*

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

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

At the reporting date, the fair value of both the Group's listed shares and unlisted shares amounted to VND366,465,611,700 (31 December 2020: VND413,470,515,730). A decrease by 10% on the stock market index may result in a decrease in the Group's profit before tax by VND36,646,561,170 (31 December 2020: VND41,347,051,573). An increase by 10% on the stock market index may result in an increase in the Group's profit before tax by VND36,646,561,700 (31 December 2020: VND41,347,051,573).



**41. OTHER INFORMATION (continued)**

**41.5 Purposes and policies of financial risk management (continued)**

***Credit risk***

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

***Trade receivables***

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

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

***Deposits at banks***

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

***Margin loans and advances to customers***

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

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

**41. OTHER INFORMATION** (continued)

**41.5 Purposes and policies of financial risk management** (continued)

**Credit risk** (continued)

*Loans and advances to customers* (continued)

The following loans are considered as overdue as at 31 December 2021 (excluding of contracts that was extended or liquidated before the signing date of this report). Except for financial assets which are reserved for impairment, according to the Management's assessment, the remaining financial assets are neither overdue nor impaired as they are all liquid.

	<i>Total VND</i>	<i>Balance provision VND</i>	<i>Neither past due nor impaired VND</i>	<i>Past due but not impairment</i>			
				<i>Under 3 months VND</i>	<i>From 3 - 6 months VND</i>	<i>Over 6 - 12 months VND</i>	<i>Over 1 year VND</i>
Beginning balance	1,453,872,727,915	44,087,433,254	1,409,785,294,661	-	-	-	-
Ending balance	2,700,131,242,001	44,087,269,454	2,656,043,972,547	-	-	-	-

**Liquidity risk**

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

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

# Viet Dragon Securities Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 41. OTHER INFORMATION (continued)

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

#### Liquidity risk (continued)

The table below summarizes the maturity profile of the Group's financial assets and financial liabilities as at 30 June 2021:

	Overdue VND	On demand VND	Up to 1 year VND	Over 1 to 5 years VND	Over 5 years VND	Total VND
<b>FINANCIAL ASSETS</b>						
Cash and cash equivalents	-	412,558,363,475	61,000,000,000	-	-	473,558,363,475
Financial asset at FVTPL	-	366,465,611,700	23,531,914,420	222,640,163,471	-	612,637,689,591
Loans	44,087,269,454	-	2,656,043,972,547	-	-	2,700,131,242,001
Available-for-sale financial assets (AFS) - gross	-	-	147,511,976,000	-	-	147,511,976,000
Receivables and accruals from dividend and interest income	-	-	8,087,287,810	-	-	8,087,287,810
Receivables from services provided by the Company	-	-	9,570,283,969	-	-	9,570,283,969
Advances to suppliers	-	-	1,536,612,512	-	-	1,536,612,512
Short-term deposits, collaterals and pledges	-	-	85,400,000	-	-	85,400,000
Other receivables - gross	1,978,208,478	92,886,868	-	-	-	2,071,095,346
Advances	-	-	316,502,858	-	-	316,502,858
Long-term investments	-	-	-	-	25,000,000,000	25,000,000,000
Long-term deposits, collaterals and pledges	-	-	650,354,720	3,393,503,119	-	4,043,857,839
Deposits to Settlement Assistance Fund	-	20,000,000,000	-	-	-	20,000,000,000
Other non-current assets	-	10,000,000,000	-	-	-	10,000,000,000
	<b>46,065,477,932</b>	<b>809,116,862,043</b>	<b>2,908,334,304,836</b>	<b>226,033,666,590</b>	<b>25,000,000,000</b>	<b>4,014,550,311,401</b>



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021

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## 41. OTHER INFORMATION (continued)

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

#### Liquidity risk (continued)

	Overdue VND	On demand VND	Up to 1 year VND	Over 1 to 5 years VND	Over 5 years VND	Total VND
<b>FINANCIAL LIABILITIES</b>						
Short-term borrowings and financial leases	-	-	241,468,000,000	-	-	241,468,000,000
Bond issuance	-	-	1,937,950,000,000	47,300,000,000	-	1,985,250,000,000
Payables for securities trading activities	-	-	5,844,480,475	-	-	5,844,480,475
Short-term trade payables	-	-	31,126,883,240	-	-	31,126,883,240
Short-term advance from customers	-	-	2,547,128,000	-	-	2,547,128,000
Short-term accrued expenses	-	-	19,374,593,187	-	-	19,374,593,187
Other short-term payables	-	798,875,880	568,008,000	-	-	1,366,883,880
	-	<b>798,875,880</b>	<b>2,238,879,092,902</b>	<b>47,300,000,000</b>	-	<b>2,286,977,968,782</b>
<b>Net liquidity gap</b>	<b>46,065,477,932</b>	<b>808,317,986,163</b>	<b>669,455,211,934</b>	<b>178,733,666,590</b>	<b>25,000,000,000</b>	<b>1,727,572,342,619</b>

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

**42. EVENTS AFTER THE CONSOLIDATED BALANCE SHEET DATE**

There is no matter or circumstance that has arisen since the consolidated statement of financial position date that requires adjustment or disclosure in the consolidated financial statements of the Group.

Prepared by:



Ms. Duong Kim Chi  
Chief Accountant

Reviewed by:



Mr. Le Minh Hien  
Chief Finance Officer

Approved by:



Ms. Nguyen Thi Thu Huyen  
General Director

Ho Chi Minh City, Vietnam

22 February 2022