

**PHU HUNG SECURITIES
CORPORATION**

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

No: 70/2022/PHS-PL

Ref.: *Disclosing Annual Report in 2021*

Ho Chi Minh City, 16 March 2022

**INFORMATION DISCLOSURE ON WEBSITE OF STATE SECURITIES
COMMISSION AND THE STOCK EXCHANGES**

To:

- STATE SECURITIES COMMISSION;
- VIETNAM EXCHANGE;
- HA NOI STOCK EXCHANGE;
- HO CHI MINH STOCK EXCHANGE.

Name: **PHU HUNG SECURITIES CORPORATION (“PHS”)**

Headquarters: 21st Floor, Phu My Hung Tower, 08 Hoang Van Thai, Tan Phu Ward, District 7, Ho Chi Minh City

Phone: (+84 28) 5413 5479

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Person to implement disclosure of information: Mr. Chen Chia Ken

Type of information disclosure: ☐ 24 hours ☐ 72 hours ☐ Unusual ☒ Periodic

Information of disclosed content:

According to Circular 96/2020/TT-BTC on guidance for information disclosure on securities market, PHS sincerely discloses Annual Report in 2021 (for further information, please find the attached).

The information is disclosed on PHS’s website at <https://www.phs.vn>, tab Investor Relations, and section Shareholder Information.

PHS undertakes the information disclosure above is genuine and takes entire responsibility to the law for information of disclosed content.

Attachments:

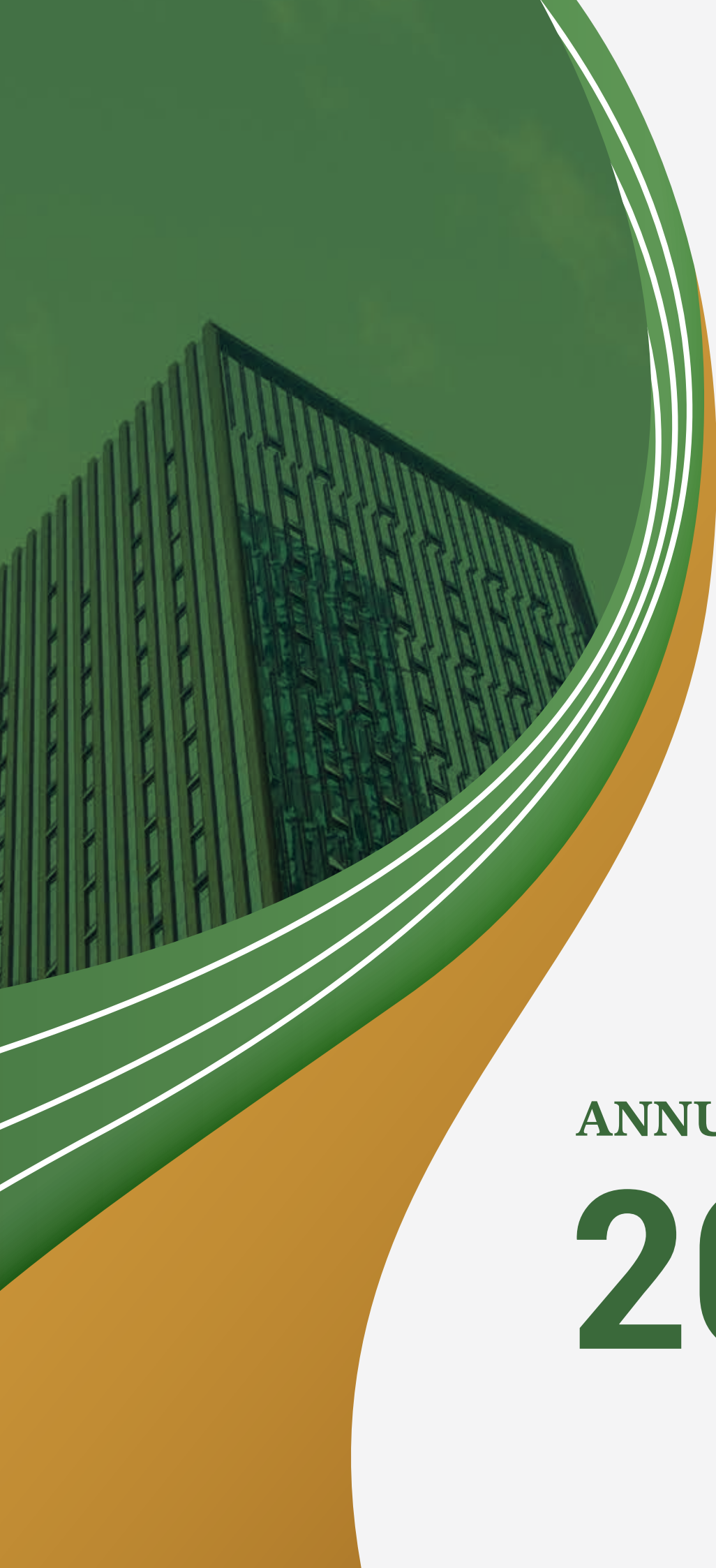
Annual Report in 2021.

Recipient:

- As above;
- Archived at Company Secretariat.



Mr. CHEN CHIA KEN



ANNUAL REPORT

2021

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MESSAGE FROM CHAIRMAN OF THE BOARD OF DIRECTORS



There is no question that 2021 has been an extraordinary year for the world and we have all had to adapt to living our lives very differently. In 2021 have been a testing time for everyone, particularly those who have lost relatives and friends or have struggled with the health impacts of COVID-19. Thus, I would like to begin by thanking PHS's stakeholders, starting with our teams and suppliers, who have risen to meet the challenges posed by the pandemic and continued to deliver on PHS's promises. Also, a word to our customers and partners for their trust in PHS and to our shareholders for their continued support.

In 2021, GDP growth rate of Vietnam reached 2.58%, affected by the national lockdown order in third quarter due to the Covid-19 outbreak in the South of Vietnam. However, on the bright side, Vietnam government continue to maintain the stability with inflation under control at 1.84%YoY, lowest level since 2016. The exchange rate was less volatile supported by the trade surplus at USD 4.08 billion, a strong foreign reserves of USD 105 billion and disbursed FDI was quite equivalent to 2020, reaching USD 19.74 billion.

Although the economic growth has been facing a side wind during the outbreak of Covid-19 pandemic, the Vietnam stock market, in the other hand, have seen a significant good performance in 2021. As end of 2021, VN-Index increased by 36% YTD to 1,498 points reached a new record high level. Nearly 1.5 million stock trading accounts were opened, 1.5 time higher than the total accounts opened in the last 4 years. The strong trading appetite of new individual investors, has pushed trading value of the market in 2021 to a new record of VND 26,600 billion per day, surging by 2.6 times compared to the average trading value in last year. The derivative market also made great stride with 47.2 million contracts being made in 2021,

equivalent to an average of about 189 thousand contracts per day, increased by 18.9% compared to 2020. Open interest (OI) at the end of December 2021 reached more than 31 thousand contracts.

I am proud of how our team of amazing associates has responded to the challenges and also proud of the significant investments we have made in digitalizing the PHS network and upskilling our people over the past several years. These investments have not only empowered our people to continue to deliver quality services seamlessly while working remotely, but have also enabled us to recruit and onboard over in the lockdown period. The Company recorded a total revenue of VND 509,367 million and net profit of VND 140,935 million, representing a significant increase as compared to 2020 and PHS also paid cash dividend of 3.3% per share to our Shareholders.

In fiscal 2022, we will continue building firm foundations for achieving the effects for ensuring future growth. In addition to this, we will assess changes in the business environment, pursue revenue potential in a flexible manner and steadily.

Regarding the medium to long-term business environment, the significant changes taking place make it likely that our customers' needs, including their latent needs, will further diversify going forward. Our deep understanding of our customers is what enables us to go beyond the conventional boundaries of finance. The potential products which

complement the financial capabilities will be one key way of differentiating PHS from our competitors.

The global pandemic created unprecedented health, social and economic upheavals. Nearly every element of the way in which we live, work and interact within the world rapidly changed. ESG (Environmental, Social, and Governance) investing has picked up momentum in the global, ESG investing accelerates in demand, several key trends are emerging – from climate change to social unrest. Investors are increasingly applying these non-financial factors as part of their analysis process to identify material risks and growth opportunities. PHS will based on ESG criteria embrace to secure future growth. We will become an even more essential and reliable partner, striding into the future in step with our customers and society.

Once again, on behalf of the Board, I would like to thank all shareholders for their continued loyalty and support to PHS. We also acknowledge the strong support of our customers and business associates of our Company and we are looking forward to your strong support to help us to achieve a better FY2022 and beyond.

Last, but not least, I would like to thank all staff and Management for their dedicated services and support to our Company as we work together to overcome the unprecedented challenges.

BOARD OF DIRECTORS
Chairman



Mr. Albert Kwang-Chin Ting



SUSTAINING PROSPERITY

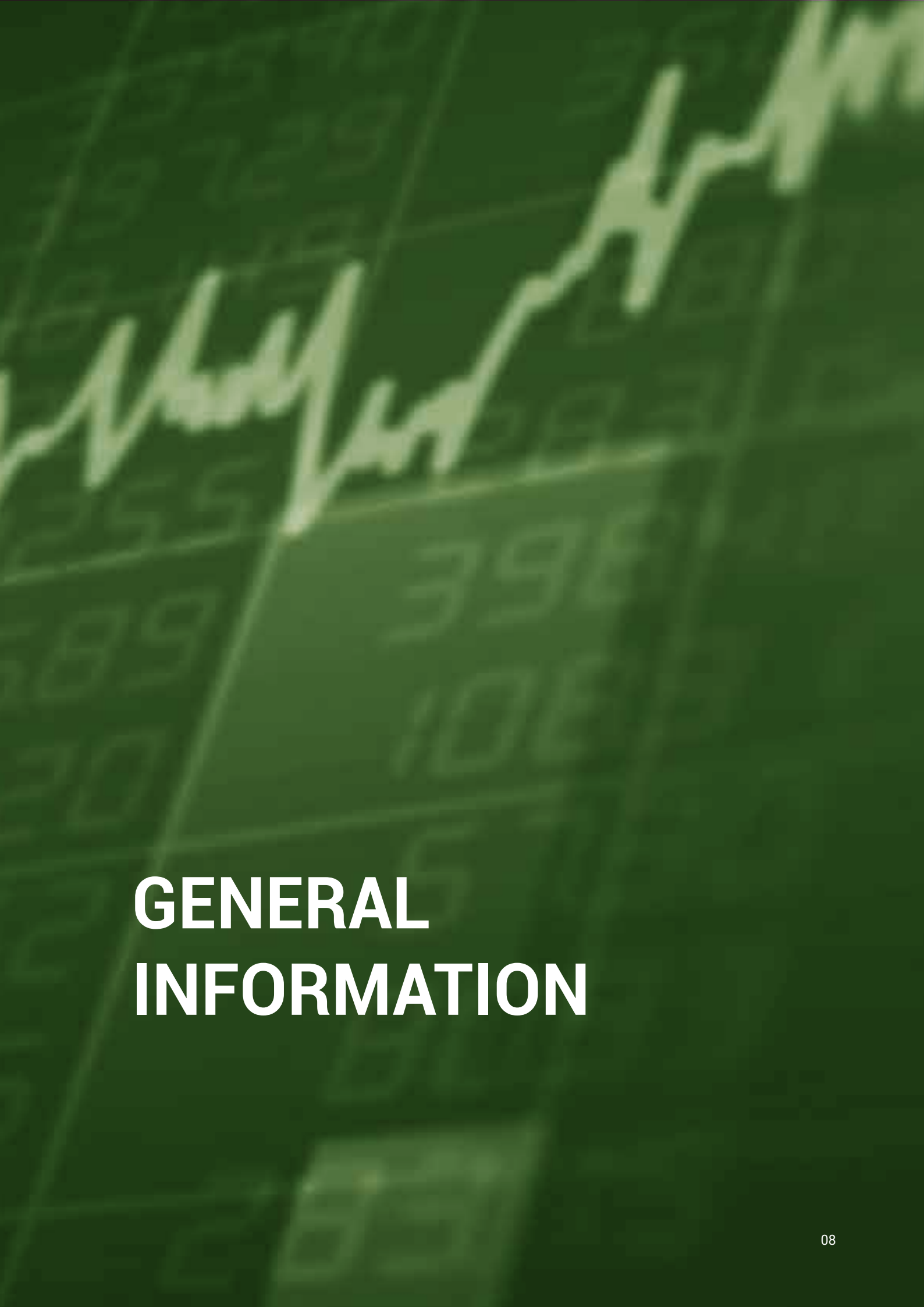
GOING
GLOBAL

www.phs.vn

2021 HIGHLIGHTS

| Unit: VND million, unless otherwise noted | 2017 | 2018 | 2019 | 2020 | 2021 | Changes 2021/2020 |
|--|----------------|----------------|----------------|----------------|----------------|----------------------|
| BUSINESS RESULTS | | | | | | |
| Revenue | 130,033 | 175,584 | 201,793 | 216,281 | 509,597 | 135.6% |
| Brokerage | 41,793 | 51,453 | 50,211 | 65,884 | 225,207 | 241.8% |
| Investments | 1,181 | 1,625 | 1,523 | 3,976 | 9,985 | 151.1% |
| Advisory | 270 | 250 | 935 | 241 | 461 | 91.3% |
| Other | 86,790 | 122,255 | 149,124 | 146,180 | 273,943 | 87.4% |
| Expenses | 112,707 | 138,134 | 143,988 | 150,566 | 333,170 | 121.3% |
| Profit before tax | 17,326 | 37,450 | 57,805 | 65,715 | 176,427 | 168.5% |
| Profit after tax | 17,326 | 37,450 | 47,522 | 52,843 | 140,935 | 166.7% |
| ROE | 0.04 | 0.06 | 0.06 | 0.06 | 0.12 | 0.06 |
| ROA | 0.02 | 0.03 | 0.03 | 0.03 | 0.04 | 0.01 |
| ASSETS | | | | | | |
| Total assets | 1,152,907 | 1,512,416 | 1,676,834 | 2,135,100 | 4,766,911 | 123.3% |
| Charter capital | 320,000 | 700,000 | 700,000 | 900,000 | 1,400,000 | 55.6% |
| Equity | 508,414 | 745,864 | 770,285 | 993,429 | 1,604,664 | 61.5% |
| Gross leverage ratio | 2.27 | 2.03 | 2.18 | 2.15 | 2.97 | |
| Debt / Equity ratio | 1.27 | 1.03 | 1.18 | 1.15 | 1.97 | |
| Liquid capital ratio | 567% | 783% | 852% | 863% | 613% | |
| PER SHARE METRICS | | | | | | |
| Basic earnings per share (VND) | 537 | 729 | 679 | 603 | 1,317 | 118% |
| Weighted average number of ordinary shares | 32,246,085 | 51,395,265 | 69,999,510 | 87,704,428 | 106,985,811 | 22% |
| Dividend/share (VND) | - | 330 | 330 | 330 | - | |





GENERAL INFORMATION

GENERAL INFORMATION

❖ **Trading name: PHU HUNG SECURITIES CORPORATION ("PHS")**

❖ **Certificate of business registration No:**

Establishment and Operational License No. 122/GP-UBCK issued by State Securities Commission dated January 20th, 2016.

Amendment of Establishment and Operational License No. 48/GPĐC-UBCK dated June 24th, 2021 on change in headquarter location at 21st Floor, Phu My Hung Tower, 08 Hoang Van Thai street, Tan Phu Ward, District 7, Ho Chi Minh City.

Amendment of Establishment and Operational License No. 82/GPĐC-UBCK dated September 28th, 2021 updating the charter capital of VND 1,400,000,000,000.

Registration of public fund certificate distribution agent No. 57/GCN-UBCK dated December 31st, 2021.

| | |
|--------------------------|--|
| ❖ Charter capital | VND 1,400,000,000,000 |
| ❖ Owner's capital | VND 1,604,664,182,450 |
| ❖ Address | 21st Floor, Phu My Hung Tower, 08 Hoang Van Thai, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam. |
| ❖ Telephone | (84 28) 5413 5479 |
| ❖ Fax | (84 28) 5413 5472 |
| ❖ Website | www.phs.vn |
| ❖ Email | support@phs.vn |
| ❖ Securities code | PHS |



FOUNDATION & DEVELOPMENT PROCESS

November 15th, 2006: Au Lac Securities Joint Stock Company ("Au Lac") was established with Business License No. 4103005552 from the Department of Planning and Investment of Ho Chi Minh City with an initial charter capital of VND 22,680,000,000.

December 1st, 2006: Au Lac was licensed by the State Securities Commission to conduct securities business activities with the following business lines: Securities Brokerage, Dealing, Financial Advisory and Securities Investment, Securities Depository.

December 14th, 2006: Au Lac became an official member of the Ho Chi Minh Stock Exchange.

December 18th, 2006: Au Lac became an official member of the Ha Noi Stock Exchange.

December 29th, 2006: Au Lac received license updating the charter capital increase of VND 50,000,000,000.

September 5th, 2008: Au Lac received a license updating charter capital increase of VND 100,000,000,000.

November 10th, 2008: Head Office of Au Lac was moved to the Lawrence S. Ting Building, 801 Nguyen Van Linh Street, Tan Phu Ward, District 7, Ho Chi Minh City.

January 23rd, 2009: PHS officially changed its name from Au Lac Securities Joint Stock Company to Phu Hung Securities Corporation ("PHS").

April 28th, 2009: PHS increased the charter capital to VND 135,000,000,000.

June 24th, 2009: PHS became an official member of UPCOM.

January 12th, 2010: PHS increased its charter capital to VND 300,000,000,000.

May 31st, 2010: Ha Noi Stock Exchange approved application of PHS for listing on the Hanoi Stock Exchange.

June 9th, 2010: PHS's shares were traded for the first time on Hanoi Stock Exchange.

November 13th, 2012: PHS increased its charter capital to VND 347,450,000,000.

December 20th, 2013: The General Meeting of Shareholders approved PHS to cancel listing records voluntarily for focusing on the long-term business development plan.

March 18th, 2014: PHS became a Bond member of Hanoi Stock Exchange.

November 19th, 2015: PHS received a Decision on approving the consolidation between Phu Hung Securities Corporation and An Thanh Securities Corporation.

January 20th, 2016: PHS received Establishment and Operational License No. 122/GP-UBCK with the charter capital VND 202,585,070,000 after the consolidation.

January 20th, 2016: PHS became a depository member of Vietnam Securities Depository, a trading member of Ho Chi Minh Stock Exchange, a trading member of the listed securities market and trading member of registered trading market (UPCOM) of Hanoi Stock Exchange.

June 29th, 2016: PHS moved the Head Office to the 3rd Floor, CR3-03A, 109 Ton Dat Tien, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam.

July 25th, 2016: PHS increased its charter capital up to VND 320,000,000,000.

January 23rd, 2017: PHS was approved by the State Securities Commission to operate securities underwriting service.

May 15th, 2017: State Securities Commission approved the maximum ratio of foreign ownership of PHS up to 100%.

January 11th, 2018: PHS received Amendment of Establishment and Operational License

No. 03/GPĐC-UBCK dated January 11th, 2018, recording charter capital of VND 500,000,000,000.

April 27th, 2018: PHS was officially approved the eligibility of trading member of Government bonds by the Hanoi Stock Exchange.

August 22nd, 2018: PHS officially registered, deposited its stocks at Vietnam Securities Depository.

November 29th, 2018: PHS received Amendment of Establishment and Operation License No. 100/GPĐC-UBCK dated November 29th, 2018 updating information of legal representative.

December 26th, 2018: PHS received Amendment of Establishment and Operational License No. 107/GPĐC-UBCK dated December 26th, 2018, recording charter capital of VND 700,000,000,000.

July 19th, 2019: Hanoi Stock Exchange approved the registration of PHS shares trading.

July 31st, 2019: PHS's shares were traded on UPCOM.

August 21st, 2019: PHS received Amendment of Establishment and Operational License No. 47/GPĐC-UBCK dated August 21st, 2019, additional legal representative.

March 04th, 2020: PHS received Amendment of Establishment and Operational License No. 12/GPĐC-UBCK dated March 4th, 2020, recording charter capital of VND 900,000,000,000.

June 16th, 2020: PHS was approved by the State Securities Commission to operate derivative securities trading.

June 16th, 2020: PHS received Certificate of eligibility to provide clearing and settlement services for derivative securities transactions as a direct clearing member No. 04/GCN-UBCK dated June 16th, 2020.

August 26th, 2020: PHS received Certificate of depository members No. 155/GCNTVLK-2 dated August 26th, 2020 of Vietnam Securities Depository.

November 10th, 2020: PHS received Decision on the acceptance of members to transaction on derivative stock market No. 616/QĐ-SGDHN dated November 10th, 2020 of Hanoi Stock Exchange.

November 16th, 2020: PHS received Decision on Establishment District 1 branch No. 734/QĐ-UBCK dated November 16th, 2020 of State Securities Commission.

June 24th, 2021: PHS moved the Head Office to the 21st Floor, Phu My Hung Tower, 08 Hoang Van Thai, Tan Phu Ward, District 7, Ho Chi Minh City.

September 28th, 2021: PHS received Amendment of Establishment and Operational License No. 82/GPĐC-UBCK dated September 28th, 2021, recording charter capital of VND 1,400,000,000,000.

December 31, 2021: PHS received Certificate of registration of public fund certificate distribution agent No. 57/GCN-UBCK dated December 31st, 2021.

Other events:

December 16th, 2016: PHS was awarded the Certificate of 10-year Achievement by the State Securities Commission for collectives and individuals of the Company.

December 2016: PHS was awarded the traditional flag, certificate and Letter of Appreciation for the 10-year contribution of PHS from the state agencies.

LINES & LOCATIONS OF THE BUSINESS

LINE OF THE BUSINESS



LOCATIONS OF THE BUSINESS



Locations in Ho Chi Minh City:

Phu My Hung Trading Office

Ground Floor, CR2-08, 107 Ton Dat Tien Street,
Tan Phu Ward, District 7, Ho Chi Minh City

Phone: (84 28) 5413 5478 Fax: (84 28) 5413 5473

District 3 Branch

Phuong Nam Building, 2nd Floor, 157 Vo Thi Sau Street,
Ward 6, District 3, Ho Chi Minh City

Phone: (84 28) 3820 8068 Fax: (84 28) 3820 8206

Tan Binh Branch

E-Town 2 Building, Room G.4A, 364 Cong Hoa Street,
Ward 13, Tan Binh District, Ho Chi Minh City

Phone: (84 28) 3813 2401 Fax: (84 28) 3813 2415

District 1 Branch

Room 1003A, 10th Floor, 81-83-83B-85 Ham Nghi Street,
Nguyen Thai Binh Ward, District 1, Ho Chi Minh City

Phone: (84 28) 3535 6060 Fax: (84 28) 3535 2912

Locations in other cities/provinces:

Ha Noi Branch

5th Floor, Vinafor Building, 127 Lo Duc, Dong Mac Ward,
Hai Ba Trung District, Hanoi

Phone: (84 24) 3933 4566 Fax: (84 24) 3933 4820

Hai Phong Branch

Eliteco Building, 2nd Floor, 18 Tran Hung Dao Street,
Hong Bang District, Hai Phong

Phone: (84 225) 384 1810 Fax: (84 225) 384 1801

Thanh Xuan Branch

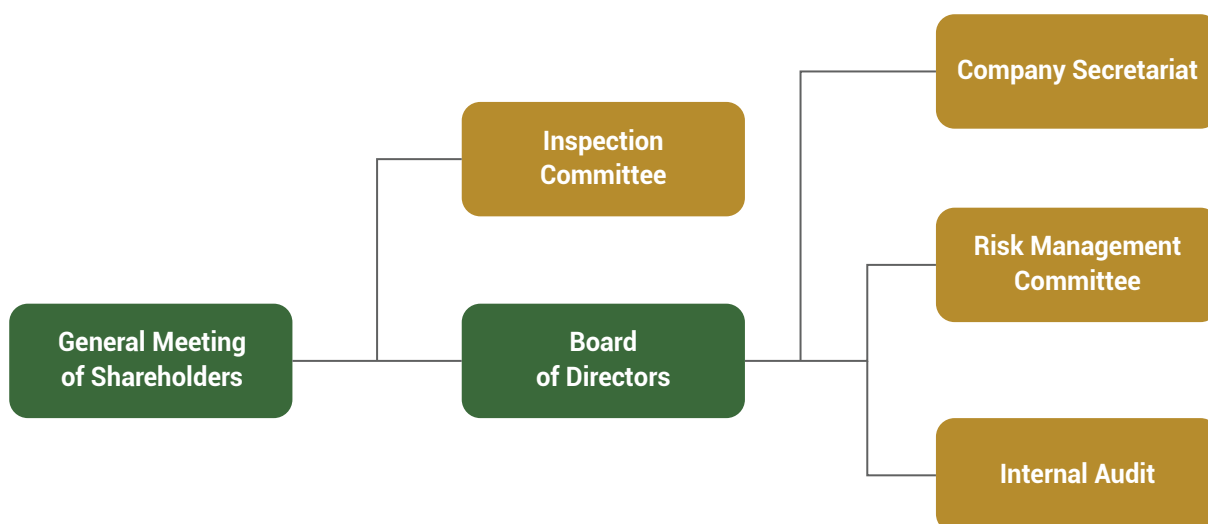
5th Floor, UDIC Complex Building, N04 Hoang Dao Thuy
Street, Trung Hoa Ward, Cau Giay District, Ha Noi

Phone: (84 24) 6250 9999 Fax: (84 24) 6250 6666

GOVERNANCE MODEL, BUSINESS ORGANIZATION & MANAGERIAL APPARATUS

GOVERNANCE MODEL

The General Meeting of Shareholders is the highest authority of the Company. The General Meeting of Shareholders elects the Inspection Committee and Board of Directors to help shareholders manage the Company. The Inspection Committee helps supervise the management and operation of the Board of Directors and the Board of Management. Board of Directors decides to all matters relating to the Company's activities, except for matters which belongs to the authority of General Meeting of Shareholders. Internal Audit and Risk Management Committee are the directly subordinate agencies of Board of Directors, Company Secretariat is in charge of administrative works in support to Board of Directors.

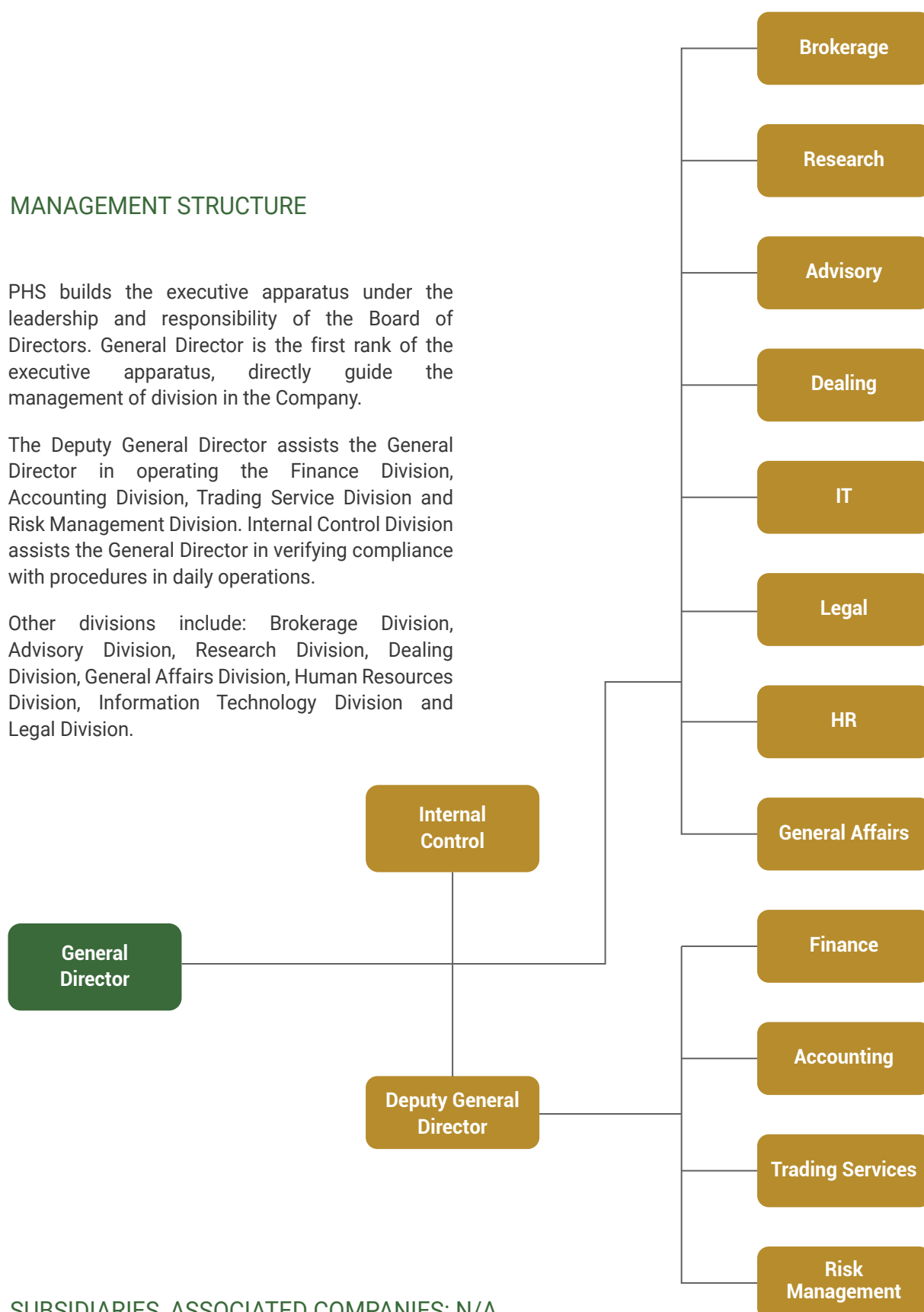


MANAGEMENT STRUCTURE

PHS builds the executive apparatus under the leadership and responsibility of the Board of Directors. General Director is the first rank of the executive apparatus, directly guide the management of division in the Company.

The Deputy General Director assists the General Director in operating the Finance Division, Accounting Division, Trading Service Division and Risk Management Division. Internal Control Division assists the General Director in verifying compliance with procedures in daily operations.

Other divisions include: Brokerage Division, Advisory Division, Research Division, Dealing Division, General Affairs Division, Human Resources Division, Information Technology Division and Legal Division.



SUBSIDIARIES, ASSOCIATED COMPANIES: N/A

DEVELOPMENT ORIENTATIONS

OBJECTIVE 2022

In 2022, the Company is expected to move into its high-profit growth cycle amid between the optimistic market prospect and strong corporate governance. PHS will continue to increase market share in the market while simultaneously focusing on investment derivative products, advisory products, margin products, and online trading products. In addition, new products will be developed continuously to diversify product portfolio, meeting the needs of each customer segment.

Continuing to improve the quality of investment advisory and recommendations, in addition to expanding and diversifying market opportunities reports and analysis, stock analysis, cash flow and market liquidity reports. Increasing margin outstanding and diversifying financial products to provide leverage for customers. Developing trading tools to support new product development such as covered warrants.

PHS will also continue to expand its network of highly qualified personal brokers, recruit more brokers and expand its network to attract new customers. PHS will improve the account opening with high quantity. The number of target accounts will set to increase many times.

DEVELOPMENT STRATEGY

PHS understands that a sustainable development must always be based on the quality of brokers. In 2022, PHS will continue focusing on recruit the number of brokers to attract new customers and maintain the current brokers force. At the same time, PHS will also update the sales policies to encourage the potential and good performance employees.

In 2022, PHS is not only trying to recruit more human resources to develop institutional customers network but it also is devoting to help institutional customer in understanding securities market and provide them professional investment consultancy next year.

To organizing meetings with listed companies at the request of institutional clients, in 2022, PHS will take the initiative to hold the meetings with listed companies featured sectors including Consumer, Real Estate, Mining, Pharmaceutical, Aviation, Agriculture, Banking, etc., and at the same time, seminars to introduce investment opportunities to individual customers at branches and transaction offices throughout the country will also continue to be launched in 2022. However, during this time, PHS has also started experimenting with organizing online events and gradually shifting marketing activities from offline to online formats to match current trends.

Phu Hung Securities also began to focus on building an image on social media platforms, researching and implementing marketing and promotion activities to customers through online communication channels with more flexible formats.

I RISK

- ❖ **Market risks** defines the negative impacts through changing the assets value under PHS's ownership;
- ❖ **Payment risks** occur in case PHS's counterparties unable to make payment on time or failure to transfer assets on time as undertaken;
- ❖ **Liquidity risks** occur in case PHS is unable to make the payment for financial liabilities;
- ❖ **Operational risks** occur due to technical errors, system and professional procedures errors, human errors during the operation, or capital insufficiency for business operations arising from costs, losses on investment activities, or other objective reasons;
- ❖ **Legal risks** mean risks that arise from the non-compliance towards legal provisions relating to business activities, and from the cancellation of contract because the contract is illegal, or falls beyond authorization, or lacked terms, or does not qualify the standards, or due to other reasons.

The risk management policy of the Company is set up to detect and analyze the risks faced by the Company, provide the limits and risk control measures accordingly, observe the risks and comply with the limit. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's operations. The Company through standards, management and training process aimed to develop a disciplined, constructive and controlled environment in which all employees understand their roles and responsibilities.







YEARLY OPERATIONS

SITUATION OF PRODUCTION & BUSINESS OPERATIONS

2021 is year with many records for the Vietnamese stock market. After a previous strong bullish trend, 2021 has started with a strong correction and reach the bottom on January 28 when VN-Index closed at 1,023.9 points, down 7% compared to the end of 2020. Since then, VN-Index has entered a strong uptrend such as the time of breaking historical peaks and creating a new peaks on November 15 when VN-Index closed at 1,500 points. VN-Index closed a successful year with a growth of 36% compared to the end of 2020. Besides, liquidity is also a bright spot of stock market with the average matching value of two Stock Exchanges HSX and

HNX reached about VND 26.9 trillion/day, 249% higher the average liquidity of 2020. Especially, during the fourth wave of Covid-19 (from about May to September), the average liquidity reached more than VND 25 trillion/ day, meaning the attractiveness of stock market did not decrease. The number of newly opened securities trading accounts also set a record with more than 1.5 million accounts. The policies to stimulate economic growth of Vietnam Government together with the confidence in the stock market of domestic investors have brought about this encouraging result.

BUSINESS RESULT

During the last many years, operating profits of the Company changed in a concrete direction. Operating profit reach the peak in 2021 with about VND 176.4 billion. In 2021, PHS's after tax profit achieved positive results with about VND 140.9 billion and increased 167% compared to 2020.



MAIN BUSINESS ACTIVITIES

a) Brokerage

In 2021, the trading value of PHS grew by 264%, which was higher than the growth rate of the whole market, helping to increase the Company's market share by 5% compared to 2020. PHS's brokerage revenue reached more than VND 225 billion, margin loan interest income reached more than VND 210 billion, 242% and 99% higher respectively compared to 2020. In 2021, the Company's stock brokerage market share reached 79% of the target.

b) Dealing

In 2021, the Vietnamese stock market turned in a solid performance, though it was a wild year in many aspects due to the impact of Covid-19 pandemic. With the efficiency of market movement tracking and well-designed risk control procedure, Dealing Division reported a gain of 33.3% last year. Accompanying with the adjustment of the Company's development strategy, Dealing Division has received more professional support from Research Division. We believe that with a more comprehensive and instant monitoring in fundamental and technical aspect, Dealing Division will be able to filter out more valuable investment opportunities and to report a better performance in the future.

c) Advisory and Research

In order to contribute to Vietnam and foreign countries on securities exchange and to help foreign investors to understand the Vietnamese securities market, PHS provides the whole network platform, advisory services and all kinds of research reports, including daily reports, weekly reports, monthly reports, individual stocks research reports, industry reports and general economic analysis reports in 3 languages as Chinese, English and Vietnamese. Foreign investors will no longer be restricted by language barriers and will have the opportunity to participate in the development of Vietnam. Moreover, advisory services related to listing, issuance, equitization, M&A and underwriting advisory services could meet various demand of institutional clients.

OPERATION IN BRANCHES

The number of branches in 2021 did not change, the Company still kept a total of 7 branches and trading offices, but improved the quality of employees through better recruitment and training. Operation results of branches still operate effectively, gradually affirming the sustainable development



ORGANIZATION & HUMAN RESOURCES

LIST OF THE MANAGEMENT TEAM

Mr. Chen Chia Ken

Position: General Director

Year of birth: 1971

Qualification: Master's degree

Number of shares own: 0 share

Mrs. Pham Thi Thu Nhan

Position: Deputy General Director

Year of birth: 1984

Qualification: Bachelor's degree

Number of shares own: 0 share

Mrs. Do Thi Ai Vy

Position: Chief Accountant

Year of birth: 1986

Qualification: Bachelor's degree

Number of shares own: 0 share

NUMBER OF STAFFS, SUMMARY & CHANGES OF THE EMPLOYEE POLICIES

Number of staffs updated to December 31st, 2021: 333 staffs.

Total salary expense for employee: approximately VND 79,000,000,000 (seventy nine billion Vietnam dong).

Average income: approximately VND 19,769,769 (nineteen million seven hundred sixty nine thousand seven hundred sixty nine Vietnam dong)/ person/ month.

PHS fully implement the policies of the State and the regulations and policies of the Company for the employees. Policies like as: salary, bonus, reward, discipline, labor rules and vacation regimes, holidays, social insurance, sickness, maternity, health care, labor safety and hygiene, appointment and recruitment and training. Use the reward fund and welfare fund to encourage employees enhance job performance, sticking to business.



INVESTMENT ACTIVITIES, PROJECT IMPLEMENTATION

MAJOR INVESTMENTS: N/A

SUBSIDIARIES, ASSOCIATED COMPANIES: N/A

FINANCIAL SITUATION

FINANCIAL SITUATION

Unit: VND

| Financial Figure | Year 2020 | Year 2021 | % change |
|---------------------------------|-------------------|-------------------|----------|
| Total asset | 2,135,100,235,050 | 2,135,100,235,050 | 123.3% |
| Net Revenue | 216,257,795,278 | 216,257,795,278 | 135.5% |
| Profit from business activities | 66,090,177,494 | 66,090,177,494 | 166.9% |
| Other profits | (374,815,612) | (374,815,612) | (116%) |
| Before tax profit | 65,715,361,882 | 65,715,361,882 | 168.5% |
| After tax profit | 52,843,302,851 | 52,843,302,851 | 166.7% |
| Payout ratio | N/A | N/A | N/A |

MAJOR FINANCIAL BENCHMARKS

Unit: VND

| Benchmarks | Year 2020 | Year 2021 | Note |
|--|-----------|-----------|------|
| 1. Solvency ratio | | | |
| - Current ratio: | | | |
| Short term Asset/Short term debt | 1.82 | 1.49 | |
| - Quick ratio: | | | |
| Short term Asset - Inventories | 1.82 | 1.48 | |
| Short term Debt | | | |
| 2. Capital structure Ratio | | | |
| - Debt/Total assets ratio | 0.53 | 0.66 | |
| - Debt/Owners' Equity ratio | 1.15 | 1.97 | |
| 3. Operation capability Ratio | | | |
| - Inventory turnover: | | | |
| Cost of goods sold/Average inventory | | | |
| - Total asset turnover: | | | |
| Net revenue/ Total Assets | 0.11 | 0.15 | |
| 4. Target on Profitability | | | |
| - Profit after tax/ Net revenue Ratio | 0.24 | 0.28 | |
| - Profit after tax/ Total capital Ratio | 0.05 | 0.09 | |
| - Profit after tax/ Total assets Ratio | 0.02 | 0.03 | |
| - Profit from business activities/ Net revenue Ratio | 0.31 | 0.35 | |

FOR CREDIT INSTITUTIONS AND NON-BANK FINANCIAL INSTITUTIONS

Unit: VND

| Figures | Year 2020 | Year 2021 | Note |
|---|--------------------|--------------------|------|
| 1. Capital scale | | | |
| - Charter Capital | 900,000,000,000 | 1,400,000,000,000 | |
| - Total assets | 2,135,100,235,050 | 4,766,910,736,417 | |
| - Capital adequacy ratio | 863% | 613% | |
| 2. Operating results | | | |
| - Cash deposits | | | |
| - Lending | 20,268,604,648,707 | 67,981,666,870,662 | |
| - Debt collection | 19,894,994,656,244 | 65,969,688,989,194 | |
| - Overdue debts | 20,921,225,994 | 19,156,035,608 | |
| - Bad debt | 6,837,025,917 | 6,837,025,917 | |
| - Incremental Capital Output Ratio | 4.59 | 2.5 | |
| - Overdue outstanding underwritten debt/ Total outstanding debt Ratio | | | |
| - Overdue debts/ Total debt Ratio | 0.01 | 0.01 | |
| - Bad debt/Total debt Ratio | 0.004 | 0.002 | |
| 3. Solvency | | | |
| - Short term solvency (Short term Asset/Short term debt) | 1.82 | 1.49 | |
| - General solvency (Short term Asset/ Total debt) | 1.82 | 1.48 | |

SHAREHOLDERS STRUCTURE, CHANGE IN THE OWNER'S EQUITY

SHARES

Specify total number on December 31st, 2021 is 140,000,000 shares.

Number of freely transferable shares is 90,000,000 shares.

Number of restrictedly transferable share is 50,000,000 shares.

PHS does not have securities trading abroad.

SHAREHOLDERS STRUCTURES

Major shareholders (owning 5% or more) are 3 shareholders.

Minor shareholders (owning less than 5%) are 387 shareholders.

Institutional shareholders are 13 shareholders.

Individual shareholders are 377 shareholders.

Domestic shareholders are 368 shareholders.

Foreign shareholders are 22 shareholders.

There is no any PHS share owning by the government.

Other shareholder is PHS (treasury stocks).

SPECIFY EQUITY INCREASES FOR THE YEAR

On August 25th, 2021, PHS finalized list of shareholders to pay cash dividend with the ratio of 3.3% per share.

On September 28th, 2021, PHS finished the private offerings with 50,000,000 shares.

TRANSACTION OF TREASURY STOCKS

Treasury stocks are 490 shares. In 2021, PHS did not make any treasury stocks transaction.

OTHER SECURITIES

In 2021, PHS did not make any other securities issuance.

REPORT RELATED IMPACT OF THE COMPANY ON THE ENVIRONMENT AND SOCIETY

MANAGEMENT OF RAW MATERIALS: N/A

ENERGY CONSUMPTION: N/A

WATER CONSUMPTION: N/A

COMPLIANCE WITH THE LAW ON ENVIRONMENTAL PROTECTION: N/A

POLICIES RELATED TO EMPLOYEES

Number of employees, average wages of workers

Number of staff updated to December 31st, 2021: 333 staffs.

Total salary expense for employees: approximately VND 79,000,000,000 (seventy nine billion Vietnam dong).

Average income: approximately VND 19,769,769 (nineteen million seven hundred sixty nine thousand seven hundred sixty nine Vietnam dong)/ person/ month.

Labor policies to ensure health, safety and welfare of workers

Extra health insurance fees for supervisor level up and all employees with contribution from 3 years above in 2021: VND 354,997,500 (three hundred fifty-four million nine hundred ninety seven thousand and five hundred thousand Vietnam dong).

24/24 accident insurance for employees in 2021: VND 13,324,500 (thirteen million three hundred twenty four thousand and five hundred thousand Vietnam dong).

Annual trip for employees in 2021: approximately VND 3,500,000 (three million five hundred Vietnam dong)/ person.

Training employees

The total number of training hours is more than 210 hours in 2021, focusing on new employees or have worked at the company for 6-12 months, trained by experienced senior professionals.

Professional training programs from basic to advance with many topics such as "Technical analysis", "Security service", "Risk management", "Derivatives", "Python Programming", etc.

Besides, the Company hold 2 training session for back office: "Accompany with career development at PHS" which help employees understand about importance of training, consecutive learning and career development at PHS.

The skills development and continuous learning program to support workers employment and career development.

The training content includes improving the professional job, update the knowledge about products and services, training about labor rules and regulations of the company.

REPORT ON RESPONSIBILITY FOR LOCAL COMMUNITY:

The community investments and other community development activities, including financial assistance to community service.

The company sponsored and representative staff participated (due to the complicated epidemic situation, the program took place in limited numbers) in the Lawrence S.Ting charity walk program held annually by Phu My Hung Development Limited Company in coordination with the People's Committee of District 7, District 8, Binh Chanh District, Nha Be District organized annually since 2006, with the purpose of raising funds to support the poor persons every Spring.

GREEN CAPITAL MARKET ACTIVITIES UNDER THE GUIDANCE OF THE SSC: N/A



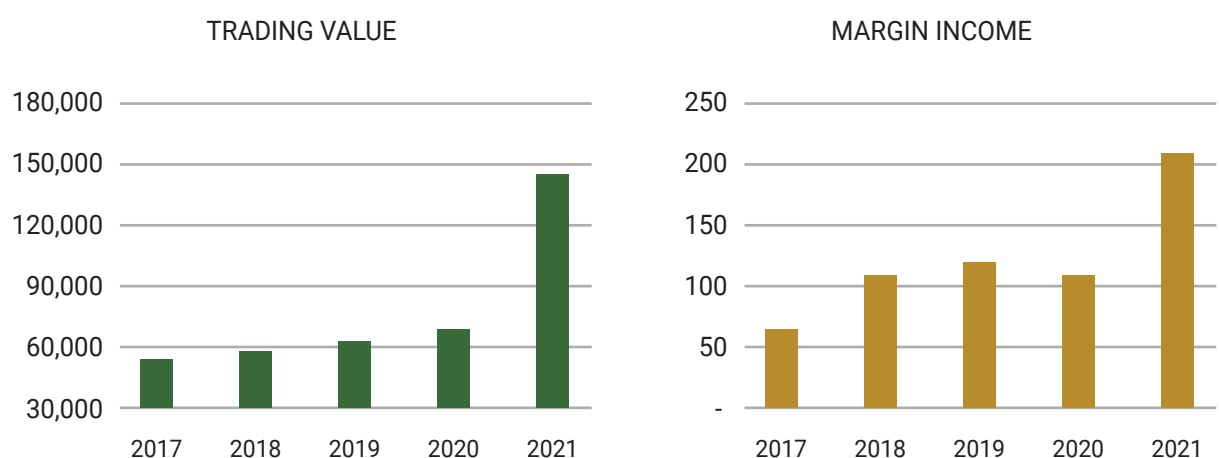




REPORT AND ASSESSMENT OF THE MANAGEMENT TEAM

ASSESSMENT OF OPERATING RESULTS

BROKERAGE



Unit: VND billion

In 2020, the proportion of brokerage fee revenue and margin loan interest revenue have contributed about 31% and 50% of the Company's total income respectively. This rate in 2021 has had a significant change, to 46% and 43% respectively. In order to achieve the above positive results, besides the undeniable factor of positive stock market, PHS in the past year has had appropriate policies to expand the brokerage team, attract many large potential customers and increase securities trading value as well as securities brokerage revenue. In addition, brokerage expenses reached about VND 206 billion,

an increase of only 174% compared to the previous year, lower than the growth in brokerage revenue and helping to widen the gross profit margin of this business.

To support for the brokerage business, the Company has maintained an appropriate interest rate to meet the borrowing needs of customers and improve the operational efficiency of margin loan service. This is reflected in the impressive jump of margin loans outstanding and margin interest income.

FINANCIAL AND INVESTMENT ADVISORY

DEALING

Although Vietnam has faced critical impact from Covid-19 pandemic in 2021, the stock market still maintained on its bullish trend with the VN-Index reaching an all-time high of 1,500 points on Nov 25th 2021, and closed the year at 1,498.2 points. The annual return of VN-Index was 35.7% and became one of the best-performing stock markets globally. This remarkable surge was driven by new money inflows from local investors. The low interest rate environment drew local investors into the market. By the end of 2021, the number of new-opened securities accounts were nearly 3 times higher than the whole year of 2020.

With the efficiency of market movement tracking and mainstream stock's fundamental analysis, the performance of Dealing division was outperformed in 2021. The investment position mainly concentrated on leading stocks in the mainstream industries, and stocks with specific market events. Currently, the watch list for investable stocks is reviewed closely and adjusted based on the observation of the signals revealed from fundamental and technical indicators. The portfolios also has been well-diversified rather than concentrating on any single stock. As of December 31, 2021, the return of investment portfolio was around 33.3%, compared to an increase of 35.7% of VN-Index.

In 2021, under the impact caused by the Covid-19 pandemic, most of Vietnamese enterprises had to slow down or readjust their business plans. Corporate finance advisory activities of Advisory Division are also somewhat affected. Some important services, such as share issuance as well as listing consulting, are temporarily postponed. The revenue target for 2021, as a result, has not been achieved as expected. Although advisory business was stagnant due to the Covid-19 pandemic, PHS took this chance to strengthen its connection with listed and public companies in order to find more potential demands in listing and share issuance. In the meantime, by providing more services to new customers, the Advisory Division has accumulated more experience and in-depth knowledge, which can meet the advisory for enterprises in different fields, thereby completing the deals in a more professional way. We hope our efforts can be recognized by the market and then raise the awareness of the PHS's brand name.

In 2022, the Advisory Division will continue to make efforts to complete the signed contracts in 2021 and early 2022. During this period, we will focus on projects with ability to implement quickly to boost the advisory revenue for PHS. The Company will maintain its major business strategy in providing full package advisory services to important customers, typically advisory services related to foreign investors who have demand to invest in Vietnam. To reach the targets listed above, the advisory team will strengthen cooperation with the Institutional Brokerage Division and the Dealing Division to expand domestic and international relationships. Fostering advisory experience and improving services quality are the factors that PHS will always be able to move forward and raise customers satisfaction in the future. We have strong belief that our professionalism and experience will help more customers to reach their business targets and continue to accumulate prestigious brand name in the industry.

FINANCIAL SITUATION

ASSETS

End of 2021, total assets were VND 4,766,910,736,417 increased VND 2,631,810,501,367 (123%) compared with the beginning of the year. Total the short-term assets are VND 4,694,128,159,696 accounted for 98.5% of total assets (the figure of beginning of the year is 97.3%). long-term assets are VND 72,782,576,721 accounted for 1.5% of total assets (the figure at the beginning of the year is 2.7%). The proportion of short-term and long-term assets at the end of 2021 compared to the beginning of the year did not change much but the total assets increased due to increasing in business activities of the company. The asset utilization rate is 0.15.

Bad debts at the end of 2021 is VND 6,837,025,917 accounted for 0.14% of total assets.

LIABILITIES

End of 2021, liabilities of the company were VND 3,162,246,553,967 and there is not overdue debt. Therein, liabilities to foreign organizations were VND 1,719,000,000,000 accounted for 54% of total liabilities so will affect to the exchange rate difference of liabilities and interest expenses.

KEY FINANCIAL METRICS

| Items | Unit | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|-------|------|------|------|------|-------|
| Solvency ratio | | | | | | |
| Current ratio = Short term Asset/Short term debt | Times | 1.77 | 1.95 | 1.82 | 1.82 | 1.49 |
| Capital structure Ratio | | | | | | |
| Debt/Total assets ratio | % | 56% | 51% | 54% | 53% | 66% |
| Debt/Owners' Equity ratio | % | 127% | 103% | 118% | 115% | 197% |
| Net revenue/ Total Assets | % | 11% | 12% | 12% | 10% | 15% |
| Target on Profitability | | | | | | |
| Profit after tax/ Net revenue Ratio | % | 13% | 21% | 24% | 24% | 28% |
| Profit after tax/ total average capital Ratio (ROE) | % | 4% | 6% | 6% | 5% | 12% |
| Profit after tax/ Total assets Ratio (ROA) | % | 2% | 3% | 3% | 2% | 3% |
| Basic earnings per share | VND | 537 | 729 | 679 | 603 | 1,317 |

Solvency ratio: PHS's current solvency ratios over the years are greater than 1, showing that the level of safety in meeting the demand for payment of short-term debts of the company is relatively good.

Capital structure Ratio: Debt/Owners' Equity ratio has not changed much over the years and is lower than the 500% limit applied to securities companies.

Profitability ratios: Profitability ratios of the Company such as profit after tax / Net revenue increased steadily over the years, showing a significant improvement in the business performance of the Company. PHS.

As of December 31, 2021, the balance of short-term and long-term loans was as follows: Unit: VND million

| | 12/31/2017 | 12/31/2018 | 12/31/2019 | 12/31/2020 | 12/31/2021 |
|------------------|----------------|------------------|------------------|------------------|------------------|
| Loans | 708,217 | 1,175,168 | 1,152,506 | 1,526,116 | 3,538,094 |
| Short-term loans | 708,217 | 1,175,168 | 1,152,506 | 1,526,116 | 3,538,094 |
| Long-term loans | 0 | 0 | 0 | 0 | - |
| Total | 708,217 | 1,175,168 | 1,152,506 | 1,526,116 | 3,538,094 |

The company strictly fulfills its obligations in accordance with current regulations.

The balance of tax payables to the State as of December 31, 2020 is as follows:

| | 12/31/2017 | 12/31/2018 | 12/31/2019 | 12/31/2020 | 12/31/2021 |
|------------------------------------|--------------|--------------|--------------|--------------|---------------|
| Value added tax | 2 | | | | 4 |
| Corporate income tax | - | - | | | 5,986 |
| Personal income tax | 1,368 | 1,275 | | | 12,483 |
| Foreign contractor withholding tax | 0 | - | | | 28 |
| Total | 1,371 | 1,280 | 4,876 | 7,809 | 18,501 |

RECEIVABLES

| | 12/31/2017 | 12/31/2018 | 12/31/2019 | 12/31/2020 | 12/31/2021 |
|--|---------------|---------------|---------------|---------------|----------------|
| Interest receivables from financial assets | 15,979 | | | | 46,758 |
| Prepayments to suppliers | 434 | 1,151 | 906 | 1,147 | 1,701 |
| Receivables from services rendered | 25,888 | 15,727 | 14,855 | 1,586 | 160,061 |
| Other receivables | 12,802 | 12,936 | 12,909 | 12,927 | 13,103 |
| Other receivables | (9,470) | (9,290) | (9,326) | (9,186) | (6,315) |
| Total | 45,633 | 52,922 | 39,637 | 27,996 | 215,308 |

PAYABLES

| | 12/31/2017 | 12/31/2018 | 12/31/2019 | 12/31/2020 | 12/31/2021 |
|---------------------|----------------|----------------|----------------|------------------|------------------|
| Short-term payables | 644,152,348.3 | | | | 3,160,455 |
| Long-term payables | 340,437.5 | | | | 1,792 |
| Total | 644,493 | 766,552 | 906,548 | 1,141,671 | 3,162,247 |

Financial safety ratios report 2017, 2018 and 2019, 2020

| Items | 12/31/2017 | 12/31/2018 | 12/31/2019 | 12/31/2020 | 12/31/2021 |
|------------------------------|----------------|----------------|----------------|----------------|------------------|
| Total market risk value | 510 | 275 | 405 | 13,886 | 1,968 |
| Total settlement risk value | 28,474 | 34,389 | 28,599 | 45,990 | 69,484 |
| Total operational risk value | 60,000 | 60,000 | 60,000 | 50,000 | 180,000 |
| Total risk values | 88,985 | 94,664 | 89,004 | 109,876 | 251,452 |
| Liquid capital | 504,606 | 740,875 | 758,447 | 948,638 | 1,540,387 |
| Liquid capital ratio | 567% | 783% | 852% | 863% | 613% |

Per Circular No. 91/2020/TT-BTC of the Ministry of Finance dated Nov 13, 2020, securities companies must maintain a Liquid capital ratio (LCR) of at least 180%. PHS always maintains a very high LCR, ensuring the financial safety of the company

IMPROVEMENTS IN ORGANIZATIONAL STRUCTURE, POLICIES, MANAGEMENT

❖ The Board of Directors has assigned a clear division of responsibility, each profession is assigned to directly responsible leaders so that the management and administration of business is fulfilled rhythmically and synchronized, which brings high efficiency. The Company re-arranged labor, strengthen the management system aim to continuously improve labor productivity, continuously improve the efficiency of using labor. The apparatus was streamlined, functions and responsibilities of the departments were integrated into high specialization to avoid duplication. The Company has built a professional and wholeheartedly workforce for the development of Company.

❖ For Technology, products and services: The company always concentrates to upgrade the system, innovate products and services that meet the needs of investors and users. Specifically, in 2021, the Company has deployed applications on Mobile (using eKYC technology) platform to facilitate customers and derivative products to diversify products to retain and attract more customers for transactions at the Company.

❖ For policy: keep the changes to ensure compliance with the provisions of the State.



DEVELOPMENT PLANS IN THE FUTURE

BROKERAGE

When experiencing the Covid-19 pandemic and especially the fourth wave in the second and third quarters of 2021, Vietnam's economic and social environment has undergone many important changes. People gradually know the concept of "working remotely" (also known as "work from home") when businesses can still operate stably, the stock market is still active and bring good investment efficiency. This is evidenced by the market's trading value during social distancing period still maintained at a high level (around 93% of the annual average one). We can see that technology plays an increasingly important role in daily life in general and the stock market in particular. In 2022, PHS will increase investment in technology, upgrade online trading platform, mobile devices trading platform, etc. to increase convenience for investors. The Company may also consider partnering with independent professional trading solution providers to enrich the experience of customers when trading stock and derivatives in Phu Hung.

With a favorable stock market context along with the restructuring of the Human Resources Division, the Company has been very successful in recruitment activities during 2021. In 2022, PHS will update and adjust the benefit and targets policy of the Brokerage Division to keep up with the increasingly competitive trend in the market, to maintain the current team and attract new human resources.

The Brokerage Division will work closely with the Marketing Department to promote the Company's brand, especially on digital platforms, which are becoming more popular as technology develops and the demand for online connections is increasing. Young Vietnamese investors have more and more opportunities to interact with modern technology, to some extent, their financial potential is also more abundant than before, and this is a group of potential customers that PHS needs to target to build a customer database for the future.

DEALING

In 2022, we expect that Vietnam will continue to be one of the most compelling investment area in Asia thanks to its post-pandemic economic recovery. Most of the economic activities have been allowed to resume operations since early October 2021, as the government switched its strategy from “zero Covid” to “live safely with Covid”. The recovery is accelerating, creating a motivating force to reach 6% to 6.5% growth target set for 2022 by the Vietnamese Government. After a slowing down in 2021, Vietnam’s economy is expected to regain its high-speed growth in 2022. GDP might bounce back to 6.5% to 7% this year, according to the forecast from World Bank (WB) released in August, 2021. We believe that 2022 prospect is promising though the resilience will come with concerns since Covid-19 pandemic is still torturing people around the world. In general, low interest rate environment, and stimulus package will continue fuelling on the market. Based on the expected recovery of economy, Vietnamese stock market may have chance to challenge 1,500 to 1,800 points in 2022.

In the past four years, the Dealing division has accumulated profound experience in trading and built stringent investment disciplines in managing portfolios. Meanwhile, Dealing Division continues cooperating closely with Research Division. With a more comprehensive and instant monitoring in fundamental and technical aspect, we believe Dealing Division will be able to filter out more valuable investment opportunities and to report a better performance in the future. Our portfolio will be positioned to benefit from the anticipated boost in economic growth.

Overall, Dealing Division will keep track of market movement and be more aggressive in searching for the investment opportunities in the stock market. By closely cooperating with Research Division and using a great amount of fundamental and technical analysis, Dealing Division have been becoming more professional in chasing potential capital gain with well-analyzed reasonable risk exposure.

MARKETING

PHS has passed 15 years of establishment and development in which the traditional marketing method has been worked effectively when helping PHS acquire a stable and loyal customer base. However, the trend of using the internet and technology changes every day, creating pressure for us to transform towards a long-term, wide and stable vision and must go hand-in-hand with the technology elements to not only retain existing customers but also acquire new potential customer base. Therefore, the operational direction of Marketing in 2022 also focuses on building a system to control and evaluate customer data on all online communication channels as following:

- Online branding campaigns
- Investment seminars or workshops
- Activities to introduce and promote new products
- Support brand promotions & communications risk management via PR (Public Relation)
- Other activities

RISK MANAGEMENT

PHS recognizes that risk is an integral and unavoidable component of business and is committed to managing risk in a proactive, flexible, effective manner, without changing policies abruptly and good support for business activities.

In 2021, the domestic economy will be heavily affected by the Covid-19 epidemic in major cities and provinces across the country, especially in Ho Chi Minh City. However, Viet Nam Stock market has witnessed a period of hot growth market. PHS has had flexible risk management strategies from time to time such as changing force selling ratios to support the business during a hot bull market. At the time, control the max loan price and loan ratio in accordance with the legal provisions and the market situation. Besides, the Risk Management strategy had been changed in which margin outstanding structure is mainly allocated on large-cap, fundamental stocks and strong background customers. The Risk management activities, namely margin trading service, which was highly effective. Based on the result of the bad debt assessment from margin trading services, we can see that there was no new bad debt in 2021. Risk Management Division has well-cooperated with Research Division to have advanced analyses of listed companies which are eligible for margin trading and many changes in the risk management strategy in order to show effectiveness and flexibility with market changes. Simultaneously with using some data analysis tools developed by the Software department of the Information Technology Division and launching stock pricing models also strongly support Risk Management Division in collecting data quickly, accurately, and effectively to submit to the Risk Management Committee.

With the situation of the stock market growing hot in a row in 2020 and 2021, it's likely that in 2022 the stock market will have many fluctuations after a strong growth period. Based on the market situation in 2021, the Risk Management Division will develop policies suitable for the general market in 2022. At the same time, focus more on good fundamental stocks to increase the proportion of that stock in the portfolio of securities allowed for margin trading,

furthermore, policies will also focus on improving the process of evaluating margin-traded securities.

PHS has officially launched derivatives securities trading for 01 year, so the number of customers has many opportunities to grow up in 2022. Derivative product is still new at PHS, so the development of risk management strategies in this product needs to be proactive to minimize negative impacts. The main identified risks include market risk, capital leverage, margin requirement, legal, liquidity, and system risk. Therefore, Risk Management Division will be submitted criteria to control risk in real-time and suitable for the market in order to minimize risks in business activities in the Derivative Market.

Besides in 2022, Minimizing risks and supporting business operations are the most important strategies in the risk management operation. To ensure those strategies, the Risk Management Division will effort to cooperate with the Research Division to have advanced analyses of listed companies that are eligible for margin trading and continue to use some data analysis tools developed by the Software department of the Information Technology division to assist strongly Risk Management division in collecting data quickly, accurately and efficiently to submit to the Risk Management Committee. Then, we continue to apply a more diversified margin list with different loan ratios and well-support business operations.

Above all, The Risk Management policies in 2022 must ensure independence, flexibility, uniformity, efficiency, and sustainability of business growth.

HUMAN RESOURCES

To meet the growing demands of the Company in following years, PHS will continue focusing on building a new generation of professional financial advisors as well as workforce who lead in performance, drive the behavioral changes in the way they work and serve customers (service excellence, technology – based tool, look & feel) to acquire new segments of customers. In 2021 and the following years, PHS will diversify all recruitment channels to attract more candidates who has been working in different industries to meet innovation strategy of company. Besides, building employer branding in parallel with recruitment in order to increase candidate quality, reduce turnover by bringing in the right talent, improve your company culture, increase employee engagement and motivate the current employees to drive organization forward.

Along with the development strategy of the generation of professional financial advisors leading in efficiency and service, the Company is constantly training and retraining the existing forces, building teams with a worthy success. In 2021, although there are many factors affecting the global economy, especially the Covid-19 pandemic has affected the securities practice certification plan for employees, cancel quarterly professional exams, and employee must work from home for many months during the complex situation, the Company still continuously organizes training courses to improve professional skills and knowledge for employees by online training via Zoom. . In 2022 and the following years, PHS is expecting to continue the investment in training to improve professional skills, knowledge and continuous learning culture for both management and employee levels. Currently, HR division has been working with related divisions to search and develop a learning management system, in order to create a solid foundation to promote e-learning, build an internal knowledge library, develop learning programs according to the individual career path and promote continuous learning and self-directed learning. HR division will be more active on searching and developing the suitable programs for employees at all levels and functions.

On the other hand, the Company always aims to build a culture and professional working environment in the spirit of: friendliness, team spirit, discipline compliance, improvement and technologization of working processes to help employees understand goals, orientation and nature of work, create good relationships between employees and a comfortable and healthy working environment. This makes more sense when the situation of "brain drain" is common. Salary and other income are only part of the motivation to work.

Strengthening welfare policies for all employees according to each position and year of service; engagement activities on occasion to attract and retain talented people to work efficiency for the company.

The Human Resources division will continue to coordinate with other divisions/departments to develop and implement emulation and reward programs to encourage employees to put in more efforts to achieve work efficiency or exceed the standard expectation. This helps strengthen both the mental health and performance of employees.

Following the success of the past years in building an online KPI evaluation system with specific evaluation criteria to ensure fairness and transparency in implementation, the company also conducts a 360-degree performance appraisal for members to participate in company projects to improve work efficiency. With this evaluation system, it helps each individual know their own work performance and evaluation results from all levels in order to continue, develop and improve their own performance.

EXPLANATION OF THE BOARD OF DIRECTORS FOR AUDITOR'S OPINIONS

Auditor's opinions are absolutely approved.

ASSESSMENT REPORT ON ENVIRONMENTAL & SOCIAL RESPONSIBILITY OF COMPANY

REVIEW CONCERNING THE ENVIRONMENTAL INDICATORS

PHS is operating in securities field.

REVIEW CONCERNING THE WORKERS

Extra health insurance fees for supervisor level up and all employees with contribution from 3 years above in 2021: VND 354,997,500 (three hundred fifty-four million nine hundred ninety seven thousand and five hundred thousand Vietnam dong).

24/24 accident insurance for employees in 2021: VND 13,324,500 (thirteen million three hundred twenty four thousand and five hundred thousand Vietnam dong)/ person/ year.

Annual trip for employees in 2021: approximately VND 3,500,000 (three million five hundred Vietnam dong)/ person.

REVIEW CONCERNING CORPORATE RESPONSIBILITY TOWARDS THE LOCAL COMMUNITY

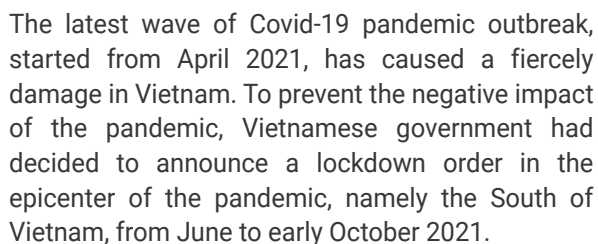
The Company sponsored and all employees participated in the Lawrence S.Ting charity walk program held annually by Phu My Hung Development Limited Company in coordination with the People's Committee of District 7, District 8, Binh Chanh and Nha Be District organized annually since 2006, with the purpose of raising funds to support the poor persons every spring.





ASSESSMENT OF THE BOARD OF DIRECTORS ON THE COMPANY OPERATION

VIETNAM ECONOMY IN 2021



However, in 2022, Vietnam GDP's growth rate is expected to go back to a normal level at 6% to 6.5% as the economy, backed by the reopening of the economy and the high penetration rate of the vaccination, has been gradually revitalizing. According to the official data released by the government, more than 78.9% of Vietnamese citizen were taken at least 2 doses of vaccine and 41.8% of the citizen were taken the third vaccine dose in 1Q2022.

Although the economic growth has been facing a side wind during the outbreak of Covid-19 pandemic, the Vietnam stock market, in the other hand, have seen a significant good performance in 2021. As end of 2021, VN-Index increased by 36% YTD to 1,498 points– a new record high level. The remarkable growth was driven by strong earnings

growth of listed companies and loose monetary policy. The declining interest rates has been triggering a huge amount of money mobilization, especially the part from individual investors, from saving channels to pour into the stock market.

According to Vietnam Securities Depository, in 2021, nearly 1.5 million stock trading accounts were opened, 1.5 time higher than the total accounts opened in the last 4 years. The strong trading appetite of new individual investors, has pushed trading value of the market in 2021 to a new record of VND 26,600 billion per day, surging by 2.6 times compared to the average trading value in last year.

The market has also seen a new record of margin outstanding in 2021. Namely, the margin outstanding reached more than VND170 trillion, increased by 98.7% YoY. To meet the margin needs of new money flows, securities companies had increased their charter capital by 2.2 times to VND 77.1 trillion in 2021

BUSINESS RESULT IN 2021

2021 is a special year of securities market, but Phu Hung Securities Corporation had a good year of business and is expecting to keep up the growth momentum as last year. After tax profit of PHS was VND 140.9 billion which represented 188% of the Fiscal year 2021 plan approved by shareholders at last year's Annual General Meeting of Shareholders (AGMS). This had made the highest record on profit of the Company since establishment.



STRATEGIC TRANSFORMATION IN 2021

Phu Hung Securities has been greeting a new business era after successfully consolidated An Thanh Securities in early 2016. The strategic consolidation greatly enhanced the Company's operational capacity in the northern urban area and strengthen the Company's network development expectation to the whole country. After years of effort, the Company has regained strong growth momentum and seen many beneficial prospects for the future development. In June 24th, 2021, the Company received amendment license No. 48/GPĐC-UBCK on change in headquarter location at 21st Floor, Phu My Hung Tower, 08 Hoang Van Thai street, Tan Phu Ward, District 7, Ho Chi Minh City. In September 28th, 2021, the Company received amendment license No. 48/GPĐC-UBCK issued by State Securities Commission, approved the change of PHS charter capital to VND 1,400 billion. And in December 31st, 2021, the Company receive certificate No. 57/GCN-UBCK issued by State Securities Commission, approved the Registration of public fund certificate distribution agent of PHS.

ENVIRONMENT & SOCIAL RESPONSIBILITIES

Contribution for market information

As one of the leading foreign securities companies in Vietnam, PHS takes on going responsibilities to contribute and develop the capital markets, especially in promoting transparency, integrity and innovation. The Company has proactively participated in market and industry activities, PHS frequently connects Taiwanese financial enterprises and experts with the State Securities Commission of Vietnam and the Stock Exchanges for mutual exchange of information and experience in deploying the new financial products for Vietnam market.

We believe that the purpose of business is not simply about profit. By contributing and developing the market, we always act as the pioneer in orienting Vietnam securities market.

Raising the young generation

We realize that our responsibility is actively contribute to the environment's protection and society's development. Our development strategies are designed to enhance the expertise and experience of our staffs, Human resource is considered as our greatest asset with people management, which being a key factor in our sustainable development.

One of the social responsibility activities of PHS is frequently hold the trainings for college, university students to help them in career orientation in financial-securities field as well as supporting the younger in improving their skills, creating opportunities for them to participate in the business environment, and promoting a healthy and stimulating environment in which they can thrive.

ASSESSMENT OF BOARD OF DIRECTORS ON MANAGEMENT'S PERFORMANCE

In accordance with our Company Charter and internal procedures & policies, the Board of Directors delegates Board of Management to carry out the daily operational activities of the Company and to implement strategic decisions aligned with our business plans.

Through quarterly reports on business performance, the Company's daily operational reports and ad-hoc management reports, Board of Directors evaluates that Board of Management have executed their duties in compliance with prevailing laws, the Company Charter and the Resolutions of General Shareholders Meetings, Although affected by Covid-19, but net revenue and profit before tax of PHS are increased significantly, which increased by 135.5% and 168.5%, respectively. This is strong evidence to show that our performance are really improved and much better than previous years. We tried our best to achieve the targets approved at General Shareholders Meetings.

Additionally, the Board of Directors has conducted and performed their duties with care, professionalism and integrity so that protecting legal rights and benefits of the Company and its shareholders.

PLANS, ORIENTATIONS OF THE BOARD OF DIRECTORS

To achieve 2022 goals, the solution groups for each business segment have been specifically established based on the long-term strategic vision and focusing on the factors that create sustainable development for PHS: systems development, quality of products and services and human resource development. Customers are always the focus in all activities. Specifically:

Development trading system – Supply with the development of the securities market as current and the plan to change the trading system from Stock Exchange in near future, the high quality services with stable, fast access, strong security and a friendly in making transactions are the most important of trading system. Besides, to ensure the operation of the IT system is effectively implemented with minimal disruption as well as meeting legal requirements, the company plan to build a backup data center to respond to disasters occurring at the main datacenter in Company.

To build up services system – We know that the company with good customer service are likely to get repeat business from their customers leading to bigger profits, but poor customer service stand a strong chance of losing customers. We plan to build customer service system to let customer confident to use our products and services, convenient to find the answers to the most frequently asked questions and especially is received our support at any time.

To expand customer network – A strong customer network is a reputable company's best asset, to compete against the competitors by embracing its authenticity and credibility to build a loyal customer network. In 2022, PHS will not only use traditional marketing ways but also use digital marketing includes all the techniques and methods used to approach customer or introduce PHS brand name to the market. We will bring the brand and image of "Phu Hung Securities" closer to potential customers on the internet through digital platforms & channels and contribute the total number of newly opened securities accounts of the company in 2022.

To select the talent candidate – As the company grows, the business also need to develop more diversified and more specialized. With the goal of sustainable development, PHS needs to recruit more and more talented people not only in Vietnam, but also in overseas to develop new services and products. In 2022, PHS plans to recruit experts from overseas, who have many years of experience in developing financial products as well as managing the Company's funds.





CORPORATE GOVERNANCE

I BOARD OF DIRECTOR

MEMBERS AND STRUCTURE OF THE BOARD OF DIRECTORS

| No. | Members of Board of Directors | Position at PHS | Position at other companies | Ratio of share owning at PHS |
|-----|-------------------------------|-----------------------|--|------------------------------|
| 1. | Mr. Albert Kwang-Chin Ting | Chairman of the Board | Chairman of CX echnology Corporation | 0% |
| 2. | Mr. Nguyen Doan Hung | Member | BOD Member at Masan Group Corporation | 0% |
| 3. | Mr. Wu, Jin-Jeng | Member | Chairman of CX (VN) Technology Corporation | 0% |
| 4. | Mr. Chen Chia Ken | Member | | 0% |
| 5. | Ms. Liu, Hsiu-Mei | Independent Member | | 0% |

THE COMMITTEES OF THE BOARD OF DIRECTORS: N/A

ACTIVITIES OF THE BOARD OF DIRECTORS

In 2021, the Board of Directors completed the assignments from the General Meeting of Shareholders, thereby, partially contributed to the improvement of business results of PHS and increases PHS's brokerage market share in stock market,

On 29 January 2021, the Board of Directors passed the amendment of Risk Management Policy.

On 17 March 2021, the Board of Directors passed the Relocation of Head Office of PHS, revised Charter, the revised Statues on Corporate Governance, Statues on Board of Director's operating, to submit to the Annual General Meeting of Shareholders dated 13 April 2021 for approval and implementation.

The prescribed documents updated the latest regulations, created the sustainable legal frame, a firm foundation for PHS to operate effectively and promptly in accordance with the laws,

PHS also established the Risk Management Committee and Internal Control to support the Board of Directors to control the compliance with regulations of laws and internal regulations. With members who had several years of specialist experience in securities maket, the Risk Management Committee and Internal Audit helped the Board of Directors control well the risk in daily business activities of the Company.

In 2021, the Board of Directors organized 10 meetings, passed 10 Resolutions with the noticeable contents, as follows:

| No. | Date | Code No. of Resolution | Content |
|-----|--------------------|------------------------|---|
| 1. | January 29th 2021 | 01/55_0121/NQ-HĐQT | 1. Pass the Provision for SIC debt on Dec 31st, 2020; 2. Pass the Provision for Margin debt on Dec 31st, 2020; 3. Pass the Setting up funds for 2020; 4. Pass the Renewing Credit Line with Bank SinoPac_OBU; 5. Pass the Risk Management Policy 2021. |
| 2. | February 23rd 2021 | 01/56_0221/NQ-HĐQT | 1. Pass the Record Date, the Meeting Date of the Annual General Meeting of Shareholders; 2. Pass the Renewing Credit Line with Cathay United Bank_OBU. |
| 3. | March 17th 2021 | 01/57_0321/NQ-HĐQT | 1. Pass the Agenda and documents using in the 2021 Annual General Meeting of Shareholders; 2. Pass the Audited Financial Statement of 2020; 3. Pass the Report of the Board of Directors on the Business performance in 2020; 4. Pass the Report on Corporate Governance in 2020 of PHS; 5. Pass the Profit Distribution Plan for Year 2020; 6. Pass the Selection of Auditor for Year 2021; 7. Pass the Relocation of Head Office of PHS; 8. Pass the Plan on private placement; 9. Pass the Revised Charter of PHS; 10. Pass the Revised Statutes on Corporate Governance; 11. Pass the Statutes on Board of Director's operating; 12. Pass the POA for Mr. Chen Chia Ken – BOD member cum General Director to be the Meeting Chairman and sign the documents of the AGMS dated April 13th, 2021; 13. Pass the Audited Financial Safety Ratio Report on 31 December 2020; 14. Pass the Updated Budget 2021; 15. Pass the Updated Business Plan 2021; 16. Pass the Loan from CX Technology Corporation; 17. Pass the Amendment Credit Line Agreement with Cathay United Bank – Chu Lai branch. |
| 4. | May 17th 2021 | 01/58_0421/NQ-HĐQT | 1. Pass the Provision for Margin debt on March 31st, 2021; 2. Pass the Provision for SIC debt on March 31st, 2021; 3. Pass the Renewing Credit Line with Cathay United Bank_OBU; |

| No. | Date | Code No. of Resolution | Content |
|-----|----------------|------------------------|--|
| | | | 4. Pass the Renewing Credit Line with Shanghai Commercial & Saving Bank, Ltd – Dong Nai branch; 5. Pass the Increasing Credit Line with Shanghai Commercial & Saving Bank, Ltd – Hong Kong branch; 6. Pass the Increasing Credit Line with Chang Hwa Bank, HSI-Sung Branch; 7. Pass the Remuneration for each member of Boards of Directors and Inspection Committee in Year 2021; 8. Pass the Appointment of the Person in charge of Corporate Governance. |
| 5. | May 28th 2021 | 01/59_0521/NQ-HDQT | 1. Pass the Increasing Credit Line Agreement with Orient Commercial Joint Stock Bank, Ho Chi Minh City Branch; 2. Pass the Renewing the Overdraft Agreement with Bank for Investment and Development of Vietnam JSC, Nam Ky Khoi Nghia Branch; 3. Pass the Renewing Credit Line with Mega International Commercial Bank, Ho Chi Minh City Branch; 4. Pass the Renewing Credit Line with Mega International Commercial Bank_OBU; 5. Pass the Renewing Overdraft Agreement with Vietnam Joint Stock Commercial Bank for Industry and Trade, Branch 4 Ho Chi Minh City; 6. Pass the Credit Line with Ho Chi Minh City Development Joint Stock Commercial Bank; 7. Pass the Credit Line with Saigon Bank Industry and Trade. |
| 6. | June 30th 2021 | 01/60_0621/NQ-HDQT | 1. Pass the Renewing Credit Line with Taipei Fubon Commercial Bank Co., Ltd, Ho Chi Minh City Branch; 2. Pass the Credit Line with Taipei Fubon Commercial Bank Co., Ltd_OBU; 3. Pass the Credit Line with Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh City Branch; 4. Pass the Renewing Credit Line with Cathay United Bank – Chu Lai Branch; 5. Pass the Implement on private placement plan on increasing charter capital to VND 1,400,000,000,000. |
| 7. | July 30th 2021 | 01/61_0721/NQ-HDQT | 1. Pass the Provision for Margin debt on June 30th, 2021; 2. Pass the Provision for SIC debt on June 30th, 2021; 3. Pass the Date to finalize the list of shareholders to pay cash dividend for 2020; 4. Pass the Service Contract with Phu Hung Fund Management Joint Stock Company; |

| No. | Date | Code No. of Resolution | Content |
|-----|--------------------|------------------------|---|
| | | | 5. Pass the Credit Line with Hua Nan Commercial Bank – Ho Chi Minh City Branch; 6. Pass the Renewing Credit Line with E.Sun Commercial Bank, Ltd – Dong Nai Branch; 7. Pass the Renewing Credit Line with EnTie Commercial Bank; 8. Pass the Renewing Credit Line with First Commercial Bank, Offshore Banking Branch; 9. Pass the Renewing Credit Line with Taiwan Shin Kong Commercial Bank; 10. Pass the Renewing Credit Line with Taishin International Bank Co., Ltd; 11. Pass the Renewing Credit Line with Union Bank of Taiwan (UBOT); 12. Pass the Renewing Credit Line with Yuanta Commercial Bank Co., Ltd., - Offshore Banking Branch. |
| 8. | August 31st 2021 | 01/62_0821/NQ-HĐQT | 1. Pass the Renewing Credit Line with First Commercial Bank - Ho Chi Minh City Branch; 2. Pass the Increasing Credit Line with Vietnam Joint Stock Commercial Bank for Industry and Trade – Branch 4 Ho Chi Minh City. |
| 9. | November 19th 2021 | 01/63_0921/NQ-HĐQT | 1. Pass the Provision for Margin debt on September 30th, 2021; 2. Pass the Provision for SIC debt on September 30th, 2021; 3. Pass the Budget of Company in 2022; 4. Pass the Moving Office of Tan Binh Branch and changing its registered address with State Securities Commission; 5. Pass the Renewing Credit Line with Bank Sinopac (OBU); 6. Pass the Renewing Credit Line with Indovina Bank Limited – Business Center. |
| 10. | December 20th 2021 | 01/64_1021/NQ-HĐQT | 1. Pass the Business Plan 2022; 2. Pass the Report on Utilisation of Capital; 3. Pass the Applying New Credit Line to E.Sun Commercial Bank; 4. Pass the Increasing Credit Line with Taishin International Bank Co., Ltd; 5. Pass the Increasing Credit Line with Investment and Development of Vietnam JSC, Nam Ky Khoi Nghia Branch (BIDV); 6. Pass the Renewing Credit Line with Bank SinoPac, Ho Chi Minh City Branch; 7. Pass the Applying New Credit Line to Hua Nan Commercial Bank – OBU. |

ACTIVITIES OF INDEPENDENT MEMBERS OF THE BOARD OF DIRECTORS

In 2021, independent member of Board of Directors completed the assigned tasks. Together with Inspection Committee, independent member of Board of Directors inspected and observed the activities of Board of Directors and Board of Management of PHS in daily business operation of Company.

LIST OF MEMBERS OF THE BOARD OF DIRECTORS POSSESSING CERTIFICATES ON CORPORATE GOVERNANCE

| No. | Members of Board of Directors | Position at PHS | Certificate on corporate governance | Attendance on corporate governance program in 2021 |
|-----|-------------------------------|-----------------------|-------------------------------------|--|
| 1. | Mr. Albert Kwang-Chin Ting | Chairman of the Board | Yes | Yes |
| 2. | Mr. Nguyen Doan Hung | Member | Yes | Yes |
| 3. | Mr. Wu, Jin-Jeng | Member | No | Yes |
| 4. | Mr. Chen Chia Ken | Member | Yes | Yes |
| 5. | Ms. Liu, Hsiu-Mei | Independent Member | No | Yes |

INSPECTION COMMITTEE

MEMBERS AND STRUCTURE OF THE INSPECTION COMMITTEE

| No. | Member of Inspection Committee | Position at PHS | Position at other companies | Ratio of share owning at PHS |
|-----|-----------------------------------|------------------------------------|--|------------------------------------|
| 1. | Mr. Liew Sep Siang | Head of Inspection Committee | Deputy General Director of Phu Hung Assurance Corporation | 0% |
| 2. | Mr. Lij, San-Rong | Member | | 0% |
| 3. | Mr. Chiu, Hsien-Chih | Member | Special Assistant to Chairman of CX Technology (VN) Corp. | 0% |



ACTIVITIES OF THE INSPECTION COMMITTEE

In 2021, Inspection Committee conducted the appointed assignment in the spirit of objectivity, independence, in accordance with the regulations of laws and internal regulations of PHS, including: inspecting, observing and assessing the management of Board of Directors, Board of Management, as well as the operation of division in the Company.

In 2021, the Inspection Committee conducted the meetings as prescribed in the following meeting minutes:

| No. | Date | No. of Meeting Minutes | Content |
|-----|--------------------|------------------------|--|
| 1. | March 17th 2021 | 01/14_0121/BB-BKS | 1. The Audited Financial Statement for the year 2020; 2. The Agenda of the Annual General Meeting of Shareholders in 2021; 3. Report of Inspection Committee on business performance in 2020 to the Annual General Meeting of Shareholders in 2021; 4. Submission for approval on Selection for Auditor in 2021 to the Annual General Meeting of Shareholders in 2021; 5. Submission for approval on Statutes on Inspection Committee's Operating to the Annual General Meeting of Shareholders in 2021. |
| 2. | December 22nd 2021 | 01/15_0221/BB-BKS | 1. Interim Financial Statements for the six-month period ended June 30th, 2021; 2. Interim Financial Statements for the quarter ended September 30th, 2021; 3. Financial Statements review in November 2021; 4. Business Performance review in November 2021; 5. Business Plan 2022. |

TRANSACTIONS, REMUNERATIONS & INTERESTS OF THE BOARD OF DIRECTORS, BOARD OF MANAGEMENT & INSPECTION COMMITTEE

SALARY, REWARDS, REMUNERATION AND BENEFITS

Members of Board of Directors and Inspection Committee receive remuneration in accordance with the Company's policy. The total remuneration for members of Board of Directors and Inspection Committee is VND 1,920,000,000.

Members of Board of Management including General Director and Deputy General Director receive salary and bonus as Company's policy.

TRANSACTIONS OF INTERNAL SHAREHOLDERS: N/A

CONTRACTS OR TRANSACTIONS WITH INTERNAL SHAREHOLDERS: N/A

IMPLEMENTATION OF REGULATIONS ON CORPORATE GOVERNANCE

In 2021, in compliance to the regulation on corporate governance of public company as provided in Decree 155/2020/NĐ-CP on guidance of corporate governance applicable to public company ("Decree 155/2020/NĐ-CP"), PHS amended and revised the Charter, and the Regulation on Corporate Governance and submitted to the Annual General Meeting of Shareholders dated 13 April 2021.

At the same time, PHS made the legal update on new regulations for the divisions' information, disseminate on the new Securities Law No. 54/2019/QH14 effective January 1st, 2021 and further action.



The background of the page is a dark green color with a faint, light green line graph. The graph shows a fluctuating line that generally trends upwards from left to right, with several peaks and valleys. The graph is set against a grid of thin, light green lines. The overall image has a professional, financial feel.

FINANCIAL STATEMENTS



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115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders Phu Hung Securities Corporation

We have audited the accompanying financial statements of Phu Hung Securities Corporation ("the Company"), which comprise the statement of financial position as at 31 December 2021, the statements of income, cash flows and changes in equity for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management on 25 February 2022, as set out on pages 6 to 66.

Management's Responsibility

The Company's Board of Management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 210/2014/TT-BTC dated 30 December 2014 ("Circular 210") issued by the Ministry of Finance on the promulgation of accounting guidance for securities companies, Circular No. 334/2016/TT-BTC dated 27 December 2016 issued by the Ministry of Finance amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Board of Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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





Auditor's Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of Phu Hung Securities Corporation as at 31 December 2021 and of its results of operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises, Circular No. 210/2014/TT-BTC dated 30 December 2014 issued by the Ministry of Finance on the promulgation of accounting guidance for securities companies and Circular No. 334/2016/TT-BTC dated 27 December 2016 issued by the Ministry of Finance amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and the relevant statutory requirements applicable to financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Audit Report No.: 21-02-00114-22-1



Nelson Rodriguez Casihan
Practicing Auditor Registration
Certificate No. 2225-2018-007-1
Deputy General Director

Nguyen Thi Thu Ha
Practicing Auditor Registration
Certificate No. 2236-2018-007-1

Ho Chi Minh City, 25 February 2022

| | | Code | Note | 31/12/2021 VND | 31/12/2020 VND |
|-----------------------------------|---|-------|-------|-------------------|-------------------|
| ASSETS | | | | | |
| A | CURRENT ASSETS (100 = 110 + 130) | 100 | | 4,694,128,159,696 | 2,077,677,150,112 |
| I | Financial assets | 110 | | 4,690,984,620,985 | 2,075,272,340,831 |
| 1 | Cash and cash equivalents | 111 | 5 | 324,775,589,207 | 127,518,080,479 |
| 1.1 | Cash | 111.1 | | 108,134,947,665 | 70,656,481,089 |
| 1.2 | Cash equivalents | 111.2 | | 216,640,641,542 | 56,861,599,390 |
| 2 | Financial assets at fair value through profit or loss (“FVTPL”) | 112 | 7(a) | 19,421,700,137 | 10,478,501,257 |
| 3 | Held-to-maturity investments | 113 | 7(b) | 600,223,000,000 | 390,001,100,000 |
| 4 | Loans receivable | 114 | 7(c) | 3,538,093,574,660 | 1,526,115,693,192 |
| 6 | Allowance for diminution in value of financial assets | 116 | 11(a) | (6,837,025,917) | (6,837,025,917) |
| 7 | Receivables | 117 | 8 | 46,758,401,725 | 21,521,607,009 |
| 7.2 | Dividends and interest receivables from financial assets | 117.2 | | 46,758,401,725 | 21,521,607,009 |
| 8 | Prepayments to suppliers | 118 | | 1,700,718,932 | 1,146,949,756 |
| 9 | Receivables from services rendered | 119 | 9 | 160,061,219,299 | 1,586,330,917 |
| 12 | Other receivables | 122 | 10 | 13,102,930,024 | 12,927,427,365 |
| 13 | Allowance for doubtful debts | 129 | 11(b) | (6,315,487,082) | (9,186,323,227) |
| II | Other current assets | 130 | | 3,143,538,711 | 2,404,809,281 |
| 1 | Advances | 131 | | 197,450,000 | 160,762,020 |
| 3 | Short-term prepaid expenses | 133 | 12(a) | 2,946,088,711 | 2,244,047,261 |
| B | LONG-TERM ASSETS (200 = 220 + 240 + 250) | 200 | | 72,782,576,721 | 57,423,084,938 |
| II | Fixed assets | 220 | | 29,692,392,748 | 19,046,066,554 |
| 1 | Tangible fixed assets | 221 | 13 | 17,280,533,688 | 14,967,601,180 |
| | Cost | 222 | | 43,628,468,326 | 37,403,994,515 |
| | Accumulated depreciation | 223a | | (26,347,934,638) | (22,436,393,335) |
| 3 | Intangible fixed assets | 227 | 14 | 12,411,859,060 | 4,078,465,374 |
| | Cost | 228 | | 22,433,666,400 | 10,985,466,400 |
| | Accumulated amortisation | 229a | | (10,021,807,340) | (6,907,001,026) |
| IV | Construction in progress | 240 | 15 | 3,461,452,486 | 8,998,200,000 |
| V | Other long-term assets | 250 | | 39,628,731,487 | 29,378,818,384 |
| 1 | Long-term deposits | 251 | 16 | 4,379,289,498 | 4,091,454,365 |
| 2 | Long-term prepaid expenses | 252 | 12(b) | 13,006,695,427 | 5,509,349,173 |
| 3 | Deferred tax assets | 253 | 17 | 278,630,494 | 313,898,778 |
| 4 | Deposits at Payment Support Fund | 254 | 18 | 11,964,116,068 | 9,464,116,068 |
| 5 | Other long-term assets | 255 | 19 | 10,000,000,000 | 10,000,000,000 |
| TOTAL ASSETS (270 = 100 + 200) | | 270 | | 4,766,910,736,417 | 2,135,100,235,050 |

| | Code | Note | 31/12/2021 VND | 31/12/2020 VND |
|---|---|------------|--------------------------|--------------------------|
| C | LIABILITIES | | | |
| | (300 = 310 + 340) | 300 | 3,162,246,553,967 | 1,141,671,321,227 |
| I | Current liabilities | 310 | 3,160,454,543,133 | 1,140,359,800,393 |
| 1 | Short-term borrowings and finance lease liabilities | 311 | 2,255,000,000,000 | 747,535,000,000 |
| 1.1 | Short-term borrowings | 312 | 20 | 2,255,000,000,000 |
| 6 | Accounts payable for securities trading activities | 318 | 21 | 848,064,294,306 |
| 8 | Accounts payable to suppliers | 320 | | 2,418,827,205 |
| 10 | Taxes payable to State Treasury | 322 | 22 | 18,501,026,789 |
| 11 | Payables to employees | 323 | | 6,146,000 |
| 12 | Employees' benefits payable | 324 | | 374,662,823 |
| 13 | Accrued expenses | 325 | 23 | 29,275,186,647 |
| 15 | Unearned revenue | 327 | | 3,333,330 |
| 17 | Other payables | 329 | 24 | 6,811,066,033 |
| II | Long-term liabilities | 340 | 1,792,010,834 | 1,311,520,834 |
| 12 | Provisions – long-term | 354 | | 1,792,010,834 |
| D | EQUITY (400 = 410) | 400 | 1,604,664,182,450 | 993,428,913,823 |
| I | Owners' equity | 410 | 1,604,664,182,450 | 993,428,913,823 |
| 1 | Share capital | 411 | | 1,399,998,815,000 |
| 1.1 | Share capital | 411.1 | 25(a) | 1,400,000,000,000 |
| 1.5 | Treasury shares | 411.5 | | (1,185,000) |
| 4 | Reserve to supplement share capital | 414 | | 12,064,998,139 |
| 5 | Financial reserve | 415 | | 12,064,998,139 |
| 7 | Retained profits | 417 | 25(b) | 180,535,371,172 |
| 7.1 | Realised profits | 417.1 | | 169,653,012,807 |
| 7.2 | Unrealised profits | 417.2 | | 10,882,358,365 |
| TOTAL LIABILITIES AND EQUITY (440 = 300 + 400) | | | 440 | 4,766,910,736,417 |
| | | | | 2,135,100,235,050 |

OFF-BALANCE SHEET ITEMS

| | Code | 31/12/2021 VND | 31/12/2020 VND |
|--|-------|-------------------|-------------------|
| A. THE COMPANY'S ASSETS | | | |
| 6 Shares in circulation (quantity of securities) | 006 | 139,999,510 | 89,999,510 |
| 7 Treasury shares (quantity of securities) | 007 | 490 | 490 |
| 8 Listed/registered financial assets at Vietnam Securities Depository ("VSD") of the Company | 008 | 3,596,490,000 | 2,314,440,000 |
| 9 The Company's financial assets custodied at VSD but not yet traded | 009 | 2,500,000 | 2,550,000 |
| 10 The Company's financial assets in transit | 010 | 530,000,000 | 546,600,000 |
| 13 The Company's right to receive financial assets | 013 | 122,800,000 | 80,000 |
| B. ASSETS AND LIABILITIES RELATING TO ASSETS MANAGED BY THE COMPANY | | | |
| 1 Investors'/customers' listed/registered financial assets at VSD | 021 | 6,163,044,661,000 | 5,254,510,749,200 |
| a <i>Freely traded financial assets</i> | 021.1 | 5,709,378,146,000 | 4,978,338,825,200 |
| b <i>Financial assets restricted on transfer</i> | 021.2 | 38,204,410,000 | 56,603,070,000 |
| c <i>Pledged financial assets</i> | 021.3 | 180,639,500,000 | 59,866,560,000 |
| d <i>Blocked financial assets</i> | 021.4 | 70,000 | 70,000 |
| e <i>Financial assets awaiting settlement</i> | 021.5 | 234,822,535,000 | 159,702,224,000 |
| 2 Investors'/customers' financial assets custodied at VSD but not yet traded | 022 | 596,740,910,000 | 173,019,360,000 |
| a <i>Freely traded financial assets custodied at VSD but not yet traded</i> | 022.1 | 89,740,910,000 | 82,819,360,000 |
| b <i>Custodied financial assets at VSD but not yet traded and restricted on transfer</i> | 022.2 | 507,000,000,000 | 90,200,000,000 |
| 3 Investors'/customers' financial assets in transit | 023 | 182,014,779,000 | 193,086,368,800 |
| 6 Investors'/customers' rights to receive financial assets | 025 | 73,407,360,000 | 502,930,000 |
| 7 Customers' deposits | 026 | 298,101,713,984 | 204,242,106,418 |
| 7.1 Customers' cash deposits managed by the Company for securities transactions | 027 | 210,209,375,966 | 204,049,998,312 |
| 7.2 Customers' margin deposits at VSD | 027.1 | 87,892,338,018 | 192,108,106 |

| | Code | 31/12/2021 VND | 31/12/2020 VND |
|---|-------------|---------------------------|---------------------------|
| 8 Payables to customers for cash deposits managed by the Company for securities transactions | 031 | 210,209,375,966 | 204,049,998,312 |
| 8.1 Payables to domestic customers for cash deposits managed by the Company for securities transactions | 031.1 | 204,454,900,215 | 198,767,205,992 |
| 8.2 Payables to foreign customers for cash deposits managed by the Company for securities transactions | 031.2 | 5,754,475,751 | 5,282,792,320 |

25 February 2022

| | | Code | Note | 2021 VND | 2020 VND |
|-----------|--|-----------|-------|------------------------|------------------------|
| I | OPERATING INCOME | | | | |
| 1.1 | Gains from financial assets at fair value through profit or loss (“FVTPL”) | 01 | | 9,985,315,892 | 3,976,256,726 |
| <i>a</i> | <i>Gains from sales of financial assets at FVTPL</i> | 01.1 | 26 | 7,951,341,170 | 3,734,101,207 |
| <i>b</i> | <i>Unrealised gains from revaluation of financial assets at FVTPL</i> | 01.2 | | 1,630,790,280 | 159,481,540 |
| <i>c</i> | <i>Dividends and interest income from financial assets at FVTPL</i> | 01.3 | | 403,184,442 | 82,673,979 |
| 1.2 | Interest income from held-to-maturity investments | 02 | 27 | 24,007,985,887 | 27,614,667,457 |
| 1.3 | Income from loans and receivables | 03 | 28 | 229,792,026,725 | 113,157,436,199 |
| 1.5 | Gain from hedging derivatives instruments | 05 | | 80,000 | - |
| 1.6 | Revenue from securities brokerage | 06 | | 225,207,389,952 | 65,883,939,919 |
| 1.7 | Revenue from securities underwriting and issuance agency services | 07 | | 50,000,000 | - |
| 1.9 | Revenue from securities custody | 09 | | 2,550,937,612 | 1,646,389,358 |
| 1.10 | Revenue from advisory services | 10 | | 460,909,090 | 240,898,989 |
| 1.11 | Other operating income | 11 | | 1,509,528,559 | 875,546,829 |
| | Total operating income | 20 | | 493,564,173,717 | 213,395,135,477 |
| II | OPERATING EXPENSES | | | | |
| 2.1 | Losses from financial assets at FVTPL | 21 | | 4,260,364,430 | 1,656,736,731 |
| <i>a</i> | <i>Losses from sales of financial assets at FVTPL</i> | 21.1 | 26 | 4,055,105,572 | 1,627,679,139 |
| <i>b</i> | <i>Unrealised losses from revaluation of financial assets at FVTPL</i> | 21.2 | | 205,258,858 | 29,057,592 |
| 2.2 | Losses from held-to-maturities investment (HTM) | 22 | | 1,100,000 | - |
| 2.4 | Allowance for loans and receivables | 24 | 11(a) | - | 627,563,573 |
| 2.6 | Expenses for securities trading and investments | 26 | | 1,780,976,751 | 1,520,697,400 |
| 2.7 | Expenses for securities brokerage | 27 | 29 | 206,633,909,774 | 75,421,882,659 |
| 2.10 | Expenses for securities custody | 30 | | 3,216,538,320 | 1,998,397,657 |
| 2.11 | Expenses for advisory services | 31 | | 1,655,202,670 | 1,180,083,060 |
| 2.12 | Other operating expenses | 32 | 11(b) | (2,870,836,145) | (139,887,304) |
| | Total operating expenses | 40 | | 214,677,255,800 | 82,265,473,776 |

| | | Code | Note | 2021 VND | 2020 VND |
|-------------|---|-----------|-----------|------------------------|-----------------------|
| III | FINANCIAL INCOME | | | | |
| 3.1 | Realised and unrealised foreign exchange gains | 41 | | 14,978,390,066 | 2,518,925,808 |
| 3.2 | Dividends and interest income from bank deposits | 42 | | 825,073,898 | 343,733,993 |
| | Total financial income | 50 | | 15,803,463,964 | 2,862,659,801 |
| IV | FINANCIAL EXPENSES | | | | |
| 4.1 | Realised and unrealised foreign exchange losses | 51 | | 9,192,736,461 | 2,779,182,547 |
| 4.2 | Interest expense | 52 | 30 | 37,348,585,516 | 16,777,859,843 |
| | Total financial expenses | 60 | | 46,541,321,977 | 19,557,042,390 |
| VI | GENERAL AND ADMINISTRATION EXPENSES | 62 | 31 | 71,782,028,606 | 48,345,101,618 |
| VII | RESULTS FROM OPERATING ACTIVITIES (70 = 20 + 50 – 40 – 60 – 62) | 70 | | 176,367,031,298 | 66,090,177,494 |
| VIII | OTHER INCOME AND OTHER EXPENSES | | | | |
| 8.1 | Other income | 71 | | 229,147,188 | 23,230,909 |
| 8.2 | Other expenses | 72 | | 169,237,292 | 398,046,521 |
| | Results from other activities (80 = 71 – 72) | 80 | | 59,909,896 | (374,815,612) |
| IX | ACCOUNTING PROFIT BEFORE TAX (90 = 70 + 80) | 90 | | 176,426,941,194 | 65,715,361,882 |
| 9.1 | Realised profit before tax | 91 | | 168,403,909,772 | 65,040,137,934 |
| 9.2 | Unrealised profit before tax | 92 | | 8,023,031,422 | 675,223,948 |

| | | Code | Note | 2021 VND | 2020 VND |
|-------------|--|-------------|-------------|------------------------|-----------------------|
| X | INCOME TAX EXPENSE | 100 | | 35,491,834,267 | 12,872,059,031 |
| 10.1 | Income tax expense - current | 100.1 | 32 | 35,456,565,983 | 13,112,691,637 |
| 10.2 | Income tax expense/(benefit) - deferred | 100.2 | 32 | 35,268,284 | (240,632,606) |
| XI | NET PROFIT AFTER TAX (200 = 90 - 100) | 200 | | 140,935,106,927 | 52,843,302,851 |
| XII | OTHER COMPREHENSIVE INCOME | 300 | | - | - |
| XIII | EARNINGS PER SHARE | 500 | | | |
| 13.1 | Basic earnings per share | 501 | 33 | 1,317 | 603 |

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| | Code | 2021 VND | 2020 VND |
|--|-----------|----------------------------|--------------------------|
| I CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| 1 Profit before tax | 01 | 176,426,941,194 | 65,715,361,882 |
| 2 Adjustments for | 02 | 10,307,722,710 | 19,230,154,324 |
| Depreciation and amortisation of fixed assets | 03 | 7,183,778,055 | 3,738,560,161 |
| Allowances and provisions | 04 | (2,390,346,145) | 487,676,269 |
| Unrealised foreign exchange gains | 05 | (6,597,500,000) | (544,800,000) |
| Interest expense | 06 | 37,348,585,516 | 16,777,859,843 |
| Gains from investment activities | 07 | - | (1,227,273) |
| Accrued interest income | 08 | (25,236,794,716) | (1,227,914,676) |
| 3 Change in non-monetary expenses | 10 | 205,258,858 | 29,057,592 |
| Increase in revaluation losses from financial assets at FVTPL | 11 | 205,258,858 | 29,057,592 |
| 4 Change in non-monetary income | 18 | (1,630,790,280) | (159,481,540) |
| Increase in revaluation gains from financial assets at FVTPL | 19 | (1,630,790,280) | (159,481,540) |
| 5 Operating profit before changes in working capital (30 = 01 + 02 + 10 + 18) | 30 | 185,309,132,482 | 84,815,092,258 |
| Increase in financial assets at FVTPL | 31 | (7,517,667,458) | (6,316,878,849) |
| Increase in held-to-maturity investments | 32 | (210,221,900,000) | (250,001,100,000) |
| Increase in loans receivable | 33 | (2,011,977,881,468) | (373,609,992,463) |
| (Increase)/decrease in receivables from services rendered | 37 | (158,474,888,382) | 13,268,257,494 |
| Increase in other receivables | 39 | (175,502,659) | (18,696,756) |
| Increase in other assets | 40 | (2,824,523,113) | (14,359,601,247) |
| Increase in accrued expenses | 41 | 12,383,183,991 | 2,330,212,027 |
| Increase in prepaid expenses | 42 | (8,199,387,704) | (580,082,506) |
| Corporate income tax paid | 43 | (33,554,794,300) | (12,277,559,889) |
| Interest paid | 44 | (35,642,139,012) | (17,695,444,324) |
| Decrease in accounts payable | 45 | (7,730,349,974) | (243,837,168) |
| Decrease in employees' benefits payable | 46 | (1,368,000) | (3,446,000) |
| Increase in taxes payable to State Treasury | 47 | 8,789,765,341 | 2,098,267,131 |
| Increase in payables to employees | 48 | - | 316,000 |
| Increase in other payables | 50 | 483,813,225,123 | 254,157,244,958 |
| Net cash flows from operating activities | 60 | (1,786,025,095,133) | (318,437,249,334) |

| | Code | 2021 VND | 2020 VND |
|---|--------------|--------------------------|--------------------------|
| II CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for additions to fixed assets and other long-term assets | 61 | (6,809,335,019) | (17,704,520,600) |
| Proceeds from disposals of fixed assets | 62 | - | 1,227,273 |
| Net cash flows from investing activities | 70 | (6,809,335,019) | (17,703,293,327) |
| III CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from shares issued | 71 | 500,000,000,000 | 200,000,000,000 |
| Proceeds from short-term borrowings | 73 | 10,219,848,372,616 | 5,131,947,752,099 |
| Payments to settle borrowing principals | 74 | (8,705,785,872,616) | (5,159,104,352,099) |
| Dividend paid to the shareholders | 76 | (23,970,561,120) | (29,352,116,310) |
| Net cash flows from financing activities | 80 | 1,990,091,938,880 | 143,491,283,690 |
| Net cash flows during the year | 90 | 197,257,508,728 | (192,649,258,971) |
| Cash and cash equivalents at the beginning of the year | 101 | 127,518,080,479 | 320,167,339,450 |
| Cash and cash equivalents at the end of the year (Note 5) | 103 | 324,775,589,207 | 127,518,080,479 |
| ▪ <i>Cash</i> | <i>103.1</i> | <i>108,134,947,665</i> | <i>70,656,481,089</i> |
| ▪ <i>Cash equivalents</i> | <i>103.2</i> | <i>216,640,641,542</i> | <i>56,861,599,390</i> |

CASH FLOWS OF CUSTOMERS FOR BROKERAGE AND ENTRUSTMENT ACTIVITIES

| | Code | 2021 VND | 2020 VND |
|--|-----------|------------------------|------------------------|
| Cash flows of customers for brokerage and entrustment activities | | | |
| Proceeds from sales of securities brokered by the Company | 01 | 70,912,517,887,715 | 20,707,417,053,638 |
| Payments for purchases of securities brokered by the Company | 02 | (69,761,655,842,550) | (18,220,172,194,180) |
| Deposits received to settle securities transactions of customers | 07 | 84,682,371,539,562 | 24,843,292,980,424 |
| Investors' margin deposits at VSD | 07.1 | 87,700,229,912 | 192,108,106 |
| Payments to settle securities transactions of customers | 08 | (85,824,913,283,488) | (27,174,378,940,235) |
| Payments for custody fee of customers' securities | 11 | (2,160,923,585) | (1,544,343,224) |
| Net cash flows during the year | 20 | 93,859,607,566 | 154,806,664,529 |
| Cash and cash equivalents of customers at the beginning of the year | 30 | 204,242,106,418 | 49,435,441,889 |
| Cash in banks at the beginning of the year | 31 | 204,242,106,418 | 49,435,441,889 |
| ▪ <i>Cash deposits for securities transactions of customers managed by the Company</i> | 32 | 204,242,106,418 | 49,435,441,889 |
| Cash and cash equivalents of customers at the end of the year (40 = 20 + 30) | 40 | 298,101,713,984 | 204,242,106,418 |
| Cash in banks at the end of the year | 41 | 298,101,713,984 | 204,242,106,418 |
| ▪ <i>Cash deposits for securities transactions of customers managed by the Company</i> | 42 | 298,101,713,984 | 204,242,106,418 |
| <i>In which: Investors' margin deposits at VSD</i> | | 87,892,338,018 | 192,108,106 |

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| | Opening balance as at | | Movements during the year ended | | | | Closing balance as at | |
|-------------------------------------|------------------------|------------------------|---------------------------------|-------------------------|------------------------|-------------------------|------------------------|--------------------------|
| | 1/1/2020 | 1/1/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 | 31/12/2021 |
| | VND | VND | Increase VND | (Decrease) VND | Increase VND | (Decrease) VND | VND | VND |
| Share capital | 700,000,000,000 | 900,000,000,000 | 200,000,000,000 | - | 500,000,000,000 | - | 900,000,000,000 | 1,400,000,000,000 |
| Other capital | - | - | - | - | - | - | - | - |
| Treasury shares | (1,185,000) | (1,185,000) | - | - | - | - | (1,185,000) | (1,185,000) |
| Reserve to supplement share capital | 2,376,077,650 | 5,018,242,793 | 2,642,165,143 | - | 7,046,755,346 | - | 5,018,242,793 | 12,064,998,139 |
| Financial reserve | 2,376,077,650 | 5,018,242,793 | 2,642,165,143 | - | 7,046,755,346 | - | 5,018,242,793 | 12,064,998,139 |
| Retained profits (Note 25(b)) | 65,534,478,972 | 83,393,613,237 | 52,843,302,851 | (34,984,168,586) | 140,935,106,927 | (43,793,348,992) | 83,393,613,237 | 180,535,371,172 |
| <i>In which:</i> | | | | | | | | |
| <i>Realised profits</i> | 63,350,375,977 | 80,534,286,294 | 52,168,078,903 | - | 132,912,075,505 | - | 115,518,454,880 | 213,446,361,799 |
| <i>Dividend distribution</i> | - | - | - | (29,699,838,300) | - | (29,699,838,300) | (29,699,838,300) | (29,699,838,300) |
| <i>Allocation for reserves</i> | - | - | - | (5,284,330,286) | - | (14,093,510,692) | (5,284,330,286) | (14,093,510,692) |
| <i>Unrealised profits</i> | 2,184,102,995 | 2,859,326,943 | 675,223,948 | - | 8,023,031,422 | - | 2,859,326,943 | 10,882,358,365 |
| Total | 770,285,449,272 | 993,428,913,823 | 258,127,633,137 | (34,984,168,586) | 655,028,617,619 | (43,793,348,992) | 993,428,913,823 | 1,604,664,182,450 |

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These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. Reporting entity

(a) Establishment

Phu Hung Securities Corporation (“the Company”) is a joint stock company established in Vietnam under Establishment and Operation Licence No. 122/GP-UBCK dated 20 January 2016 issued by the State Securities Commission of Vietnam. Establishment and Operation Licence was revised many times, and the latest update was Establishment and Operation Licence No. 82/GPDC-UBCK dated 28 September 2021 issued by the State Securities Commission of Vietnam.

The Company was established on the basis of combining Phu Hung Securities Corporation (“PHS”) – established under Establishment and Operation Licence No. 23/UBCK-GPHDKD dated 1 December 2006 and An Thanh Securities Joint Stock Company (“ATS”). Accordingly, the Company took over all of the assets, liabilities, rights and obligations of PHS and ATS as at 19 January 2016 and PHS and ATS ceased their operations from 20 January 2016. Assets and liabilities of PHS and ATS as at 19 January 2016 were transferred to the Company at book value and the net asset (total assets – total liabilities) of PHS and ATS as at 30 September 2015 formed the share capital of the Company at that date.

The Company’s shares are registered for trading on the Unlisted Public Company Market (“UPCOM”) with the code PHS in accordance with Decision No. 475/QD-SGDHN issued by Ha Noi Stock Exchange on 19 July 2019.

(b) The Company’s charter capital

As at 31 December 2021, the Company’s charter capital was VND1,400,000,000,000 (31/12/2020: VND900,000,000,000).

(c) Principal activities

The principal activities of the Company are to carry out securities brokerage, securities trading, securities investment advisory, margin loan, securities custody and securities underwriting.

(d) Normal operating cycle

The normal operating cycle of the Company is generally within 12 months.

(e) Number of employees

As at 31 December 2021, the Company had 331 employees (31/12/2020: 236 employees).

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 210/2014/TT-BTC dated 30 December 2014 (“Circular 210”) issued by the Ministry of Finance on the promulgation of accounting guidance for securities companies, Circular No. 334/2016/TT-BTC dated 27 December 2016 (“Circular 334”) issued by the Ministry of Finance amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and the relevant statutory requirements applicable to financial reporting.

(b) Basis of measurement

The financial statements, except for the statement of cash flows and financial assets at fair value through profit and loss as described in Note 3(d), are prepared on the accrual basis using the historical cost concept. The statement of cash flows is prepared using the indirect method.

(c) Annual accounting period

The annual accounting period of the Company is from 1 January to 31 December.

(d) Accounting and presentation currency

The Company’s accounting currency is Vietnam Dong (“VND”), which is also the currency used for financial statement presentation purpose.

3. Summary of significant accounting policies

The following significant accounting policies have been adopted by the Company in the preparation of these financial statements.

(a) Foreign currency transactions

Transactions in currencies other than VND during the year have been translated into VND at rates approximating actual rates of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the account transfer selling rates at the end of the annual accounting period quoted by the commercial bank where the Company most frequently.

All foreign exchange differences are recorded in the statement of income.

(b) Cash and cash equivalents

Cash comprises cash on hand, cash in banks and cash deposits for securities transactions clearing and settlement of the Company. Cash deposits for securities transactions, securities transactions clearing and settlement of the customers are separated from the Company's accounts.

Cash equivalents are short-term investments with term to maturity of not more than 3 months, which are readily convertible to known amount of cash and are subject to an insignificant risk of changes in value.

(c) Financial assets and financial liabilities

(i) Recognition

Financial assets and financial liabilities are recognised in statement of financial position when the Company becomes a party to the contractual provisions of the financial assets and financial liabilities.

(ii) Classification and measurement

- Financial assets at fair value through profit or loss ("FVTPL"): see Note 3(d);
- Held-to-maturity investments: see Note 3(e);
- Loans receivable: see Note 3(f);

The Company classifies all of its financial liabilities as financial liabilities at amortised cost.

(iii) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

(iv) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when and only when the Company has a legal right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d) Financial assets at FVTPL

A financial asset at fair value through profit and loss is a financial asset that meets either of the following conditions:

- It is considered by management as held for trading. A financial asset is considered as held for trading if:
 - it is acquired principally for the purpose of selling it in the near term;
 - there is evidence of a recent pattern of short-term profit-taking; or
 - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Company as at fair value through profit or loss.

Financial assets at FVTPL are initially recognised at cost which includes the purchase price. Subsequent to initial recognition they are measured at market price or fair value (when market price is not available) with changes in market price or fair value being recognised in profit or loss in the statement of income.

For listed securities, the market prices are the closing prices of securities from the Ho Chi Minh City Stock Exchange and the Hanoi Stock Exchange at the latest trading date prior to the reporting date .

For securities registered for trading in Unlisted Public Company Market (“UPCOM”), the market prices are the closing prices of securities from UPCOM at the latest trading date prior to the reporting date.

For unlisted securities and not yet registered for trading, the market price is the average price of the transaction prices at the latest trading date prior to the reporting date but within one month from the reporting date provided by three securities companies which are not related to the Company. In case there are no transaction prices within this period, no allowance is required.

For delisted securities and securities for which trading has been suspended or cancelled from the sixth day onward, the fair value is the book value at the latest balance sheet date.

Investments in equity instruments including derivative instruments to be settled by equity instruments are stated at cost if there are no market prices and their fair values cannot be determined reliably.

(e) Held-to-maturity investments

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

- those that the Company on initial recognition designates as at fair value through profit or loss;
- those that the Company on initial recognition designates as available-for-sale; and
- those that meet the definition of loans and receivable.

Held-to-maturity investments comprise term deposits at banks and these investments are stated at cost less allowance for doubtful debts.

(f) Loans receivable

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

Loans receivable comprise margin loans and advances to customers for the proceeds from selling securities and these loans receivable are stated at cost less allowance for doubtful debts. Allowance for doubtful debts is based on the difference between the market price or fair value of the collateral and the gross carrying amount of underlying loan at the end of the annual reporting date.

(g) Accounts receivable

Receivables from sales of financial assets and services rendered and other receivables are stated at cost less allowance for doubtful debts.

Allowance for doubtful debts is made based on the overdue status of debts or expected losses on undue debts which may occur when an economic organisation is bankrupted or liquidated; or debtor is missing, running away, being prosecuted, in prison, under a trial or pending execution of sentences or deceased.

The allowance for doubtful debts based on overdue status is made by reference to overdue status as follows:

| <i>Overdue status</i> | <i>Allowance rate</i> |
|---|-----------------------|
| From six (06) months to less than one (01) year | 30% |
| From one (01) year to less than two (02) years | 50% |
| From two (02) years to less than three (03) years | 70% |
| From three (03) years and over | 100% |

For overdue debts, the Company's Management also assesses the expected recovery of the debts in determining the allowance.

Allowance for doubtful debts based on the expected losses of undue debts is determined by the Company's Management after giving consideration to the recovery of these debts.

(h) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul cost, is charged to the statement of income in the year in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

| | |
|--------------------------|-------------|
| ▪ leasehold improvements | 5 years |
| ▪ office equipment | 3 - 7 years |
| ▪ motor vehicles | 3 - 4 years |
| ▪ fixtures and fittings | 5 years |

(i) Intangible fixed assets

Software

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software cost is amortised on a straight-line basis over 3 to 7 years.

(j) Long-term prepaid expenses

Long-term prepaid expenses comprise of tools and instruments which include assets held for use by the Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulations. Cost of tools and instruments are amortised on a straight-line basis over a period ranging from 2 to 3 years.

(k) Trade and other payables

Trade and other payables are stated at their cost.

(l) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Severance allowance

Under the Vietnamese Labour Code, when an employee who has worked for 12 months or more (“the eligible employees”) voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee severance allowance calculated based on years of service and employee’s compensation at termination. Provision for severance allowance has been provided based on employees’ years of service and their average salary for the year prior to the end of the annual accounting period. For the purpose of determining the number of years of service by an employee, the period for which the employee participated in and contributed to unemployment insurance in accordance with prevailing laws and regulations and the period for which severance allowance has been paid by PHS, ATS and the Company are excluded.

(m) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised as expense/income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(n) Share capital

(i) Ordinary shares

Ordinary shares are stated at par value. Incremental costs directly attributable to the issue of shares, net of tax effects, are recognised as a deduction from share premium.

(ii) Repurchase and reissue of ordinary shares (treasury shares)

Before 1 January 2021

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is recognised as a reduction from equity. Repurchased shares are classified as treasury shares under equity. When treasury shares are sold for reissue subsequently, cost of the reissued shares is determined on a weighted average basis. Any difference between the amount received and the cost of the shares reissued is presented within share premium.

From 1 January 2021

Treasury shares are recognised only in respect of repurchased shares which are aggregated fractions of share arising when the company issues shares to pay dividends or issues shares from equity reserves in accordance with an approved issuance plan, or repurchased odd-lots of shares as requested by the shareholders. In all other cases, when shares recognised as equity are repurchased, their par value amount is recognised as a reduction to share capital. The difference between the par value and the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is included in share premium.

This change in accounting policy has been applied prospectively from 1 January 2021 due to change in applicable laws and regulations on buying back shares.

(o) Statutory reserves

According to Circular No. 146/2014/TT-BTC dated 6 October 2014 issued by the Ministry of Finance, the Company is required to make the following allocations from realised profit to statutory reserves:

| | Annual allocation | Maximum balance |
|-------------------------------------|--------------------------|------------------------|
| Reserve to supplement share capital | 5% profit after tax | 10% of share capital |
| Financial reserve | 5% profit after tax | 10% of share capital |

The reserve to supplement share capital and financial reserve are non-distributable and are classified as part of equity.

(p) Revenue

(i) Gains from sales of financial assets

Gains from sales of financial assets is recognised in the statement of income upon receipt of the order matching reports of securities transactions from Vietnam Securities Depository (“VSD”) (for listed securities) and completion of the agreement on transfer of assets (for unlisted securities).

(ii) Dividend and interest income from financial assets

Dividend income is recognised in the statement of income when the Company’s right to receive

dividends is established. Share dividends are not recognised as income.

Interest income is recognised in the statement of income on a time proportion basis with reference to the principal outstanding and the applicable interest rate. Interest income also includes amortisation of discounts, premiums, interest received in advance or differences between the value at initial recognition and par value at maturity date.

(iii) *Revenue from securities brokerage*

Revenue from securities brokerage activities is recognised in the statement of income when the securities transactions of the customer have been processed.

(iv) *Revenue from securities custody*

Revenue from securities custody activities is recognised in the statement of income when the service is rendered.

(v) *Revenue from securities investment advisory and financial advisory*

Revenue from securities investment advisory and financial advisory activities is recognised in the statement of income in proportion to the stage of completion of the transaction. The stage of completion is assessed by reference to work performed.

(q) *Interest expense*

Interest expense is recognised as an expense in the statement of income on accrual basis.

(r) *Operating lease payments*

Payments made under operating leases are recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease expense.

(s) *Earnings per share*

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares.

(t) Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company's primary format for segment reporting is based on business segments.

(u) Related parties

Parties are considered to be related to the Company if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Company and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

(v) Nil balances

Items or balances required by Circular 334 issued by the Ministry of Finance that are not shown in these financial statements indicate nil balances.

(w) Comparative information

Comparative information in these financial statements is presented as corresponding figures. Under this method, comparative information for the prior year are included as an integral part of the current year financial statements and are intended to be read only in relation to the amounts and other disclosures relating to the current year. Accordingly, the comparative information included in these financial statements is not intended to present the Company's financial position, results of operation or cash flows for the prior year.

4. Financial instruments

(a) Financial risk management

(i) Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

The Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

(ii) Risk management framework

The Board of Management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Management has established the Risk Management Committee ("RMC"), which is responsible for developing and monitoring the

Company's risk management policies. The RMC reports regularly to the Board of Management on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Inspection Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Inspection Committee.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

To manage the level of credit risk, the Company attempts to deal with counterparties of good credit standing, and when appropriate, obtains collaterals. The management has established a credit policy under which each new customer is analysed individually for credit worthiness before the standard terms and conditions are offered.

Concentrations of credit risk that arise from groups of counterparties when they have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The major concentrations of credit risk arise from type of customer in relation to the Company's advances to customers for proceeds from selling securities and margin loans.

Collaterals

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters. The main types of collateral obtained are listed securities and cash deposited at the Company. Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral obtained during its review of the adequacy of the allowance for doubtful debts.

Exposure to credit risk

Not considering collaterals, the Company's maximum exposure to credit risk at the end of annual reporting date was as follows:

| | 31/12/2021 | 31/12/2020 |
|---|-------------------|-------------------|
| | VND | VND |
| Cash in banks and cash equivalents (i) | 324,772,452,952 | 127,514,944,224 |
| Held-to-maturity investments (i) | 600,223,000,000 | 390,001,100,000 |
| Loans receivable – gross (ii) | 3,538,093,574,660 | 1,526,115,693,192 |
| Receivables (ii) | 46,758,401,725 | 21,521,607,009 |
| Receivables from services rendered (ii) | 160,061,219,299 | 1,586,330,917 |
| Other receivables (ii) | 13,102,930,024 | 12,927,427,365 |
| Deposits at Payment Support Fund | 11,964,116,068 | 9,464,116,068 |
| Other long-term assets | 10,000,000,000 | 10,000,000,000 |
| | <hr/> | <hr/> |
| | 4,704,975,694,728 | 2,099,131,218,775 |
| | <hr/> | <hr/> |

(i) Cash in banks, cash equivalents and held-to-maturity investments

Cash in banks, cash equivalents and held-to-maturity investments of the Company are mainly held with well-known financial institutions. Management does not foresee any significant credit risk from these deposits and does not expect that these financial institutions may default and cause losses to the Company.

(ii) Loans receivable and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. In response to the risk, credit limit is established for each customer, which represents the maximum open amount. The limit is reviewed annually. Customers with balances that are overdue are requested to settle the balances before further credit is granted. Customers are obliged to ensure their margin ratio is not lower than the maintenance margin ratio regulated by the Company. In case a customer's margin ratio drops below the maintenance margin ratio, the Company requires the customer to supplement additional collateral in an agreed period. If the customer did not supplement additional collateral, the Company will implement handling measure in accordance with the contract. The main types of collateral obtained are cash deposits and securities. The management of the Company monitors the market value of collateral and requests additional collateral in accordance with the underlying agreement and monitors the market price of collateral obtained during its review of the adequacy of the allowance for doubtful debts.

Loans receivable and other receivables that are neither past due nor impaired mainly relate to a wide range of customers for whom there was no recent history of default. Management believes that those receivables are of high credit quality.

An aging analysis of impaired financial assets is as follows:

| | 31/12/2021 VND | 31/12/2020 VND |
|--|----------------------|----------------------|
| Advances to customers for securities trading activities being overdue of more than 3 years | 11,305,824,087 | 11,910,272,245 |
| Margin loans being overdue of more than 3 years | 5,974,199,169 | 5,974,199,169 |
| Margin loans being overdue of from 2 to 3 years | 862,826,748 | - |
| Margin loans being overdue of from 1 to 2 years | - | 862,826,748 |
| | <hr/> 18,142,850,004 | <hr/> 18,747,298,162 |

Fair value of collaterals for impaired financial assets are as follows:

| | 31/12/2021 VND | 31/12/2020 VND |
|--|---------------------|---------------------|
| Cash deposited at the Company | 251,705 | 210,468 |
| Listed securities on | 4,990,085,300 | 2,723,738,550 |
| ▪ <i>The Ho Chi Minh City Stock Exchange</i> | 1,325,500 | 4,695,950 |
| ▪ <i>UPCOM</i> | 4,988,759,800 | 2,719,042,600 |
| | <hr/> 4,990,337,005 | <hr/> 2,723,949,018 |

An aging analysis of financial assets that were past due but not impaired is as follows:

| | 31/12/2021 VND | 31/12/2020 VND |
|---|-------------------|-------------------|
| Advances to customers for securities trading activities and margin loans being overdue of more than 3 years | 1,013,185,604 | 3,605,514,507 |
| | <hr/> | <hr/> |

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The financial liabilities with fixed or determinable payments have the following contractual maturities including the estimated interest payments were as follows:

| As at 31 December 2021 | Carrying amount VND | Contractual cash flows VND | Within 1 year VND |
|--|------------------------------------|---|----------------------------------|
| Short-term borrowings | 2,255,000,000,000 | 2,263,555,488,558 | 2,263,555,488,558 |
| Accounts payable for securities trading activities | 848,064,294,306 | 848,064,294,306 | 848,064,294,306 |
| Accounts payable to suppliers | 2,418,827,205 | 2,418,827,205 | 2,418,827,205 |
| Accrued expenses | 10,576,372,027 | 10,576,372,027 | 10,576,372,027 |
| Other payables | 6,811,066,033 | 6,811,066,033 | 6,811,066,033 |
| | 3,122,870,559,571 | 3,131,426,048,129 | 3,131,426,048,129 |
| As at 31 December 2020 | Carrying amount VND | Contractual cash flows VND | Within 1 year VND |
| Short-term borrowings | 747,535,000,000 | 751,444,396,949 | 751,444,396,949 |
| Accounts payable for securities trading activities | 364,528,420,516 | 364,528,420,516 | 364,528,420,516 |
| Accounts payable to suppliers | 4,111,386,287 | 4,111,386,287 | 4,111,386,287 |
| Accrued expenses | 5,651,168,415 | 5,651,168,415 | 5,651,168,415 |
| Other payables | 802,770,853 | 802,770,853 | 802,770,853 |
| | 1,122,628,746,071 | 1,126,538,143,020 | 1,126,538,143,020 |

The Company manages its ability to meet the expected operational expenses and servicing its debts by investing its cash surpluses in cash equivalents and short-term deposits at banks.

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's results of operations or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to currency risk on borrowings that are denominated in a currency other than the accounting currency of the Company, which is VND. The currency in which these transactions primarily are denominated is United States Dollars ("USD").

Exposure to currency risk

The Company had the following net monetary liability position exposed to currency risk:

| | 31/12/2021 | | 31/12/2020 | |
|-----------------------|-------------------|-----------------------|-------------------|-----------------------|
| | USD | VND equivalent | USD | VND equivalent |
| Short-term borrowings | 75,000,000 | 1,719,000,000,000 | 26,500,000 | 614,535,000,000 |

The followings are the significant exchange rate applied by the Company:

| | Exchange rate as at | |
|---------|----------------------------|-------------------|
| | 31/12/2021 | 31/12/2020 |
| USD/VND | 22,920 | 23,190 |

Below is an analysis of the possible impact on the net profit of the Company, after taking into account the current level of exchange rates and the historical volatility as well as market expectations at the end of annual reporting date. This analysis assumes that all other variables, in particular interest rates, remain constant.

| | Effect to net profit after tax VND |
|---|---|
| As at 31 December 2021 | |
| USD (1% weakening against VND) – increase in net profit | 13,752,000,000 |
| As at 31 December 2020 | |
| USD (1% weakening against VND) – increase in net profit | 4,916,280,000 |

The opposite movement of the USD would have the equal but opposite effect to the net profit of the Company.

(ii) 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.

At the end of annual reporting date, the interest rate profile of the Company's interest-bearing financial instruments was as follows:

| | Carrying amount | |
|-------------------------------------|---------------------|-------------------|
| | 31/12/2021 VND | 31/12/2020 VND |
| Interest-bearing instruments | | |
| Cash in banks and cash equivalents | 324,772,452,952 | 127,514,944,224 |
| Held-to-maturity investments | 600,223,000,000 | 390,001,100,000 |
| Loans receivable - net | 3,531,256,548,743 | 1,519,278,667,275 |
| Deposits at Payment Support Fund | 11,964,116,068 | 9,464,116,068 |
| Other long-term assets | 10,000,000,000 | 10,000,000,000 |
| Short-term borrowings | (2,255,000,000,000) | (747,535,000,000) |

(iii) Other market risk

Equity price risk is the risk that the market values of equities decrease as a result of changes in the values of individual securities. The equity price risk exposure arises from the Company's financial assets at fair value through profit or loss.

The Company's financial assets at fair value through profit or loss are affected by market risk arising from the uncertainty of the fluctuation of the future market price of these securities. The Company's equity price risk is managed by the management who seeks to monitor the risk through a careful selection of securities within specified limits.

As at 31 December 2021 and 31 December 2020, the Company's exposure to equity price risk is minimal because the Company held insignificant portfolio of financial assets at fair value through profit or loss.

(e) **Fair value**

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position were as follows:

| | 31/12/2021 | | 31/12/2020 | |
|--|--------------------------------|---------------------------|--------------------------------|---------------------------|
| | Carrying amount VND | Fair value VND | Carrying amount VND | Fair value VND |
| <i>Categorised as financial assets at fair value through profit or loss:</i> | | | | |
| ■ Financial assets at fair value through profit or loss | | | | |
| • <i>Listed shares</i> | 19,183,351,498 | 19,183,351,498 | 9,977,325,318 | 9,977,325,318 |
| • <i>Shares registered for trading on UPCOM</i> | 235,003,100 | 235,003,100 | 497,830,400 | 497,830,400 |
| • <i>Unlisted shares</i> | 3,345,539 | 3,345,539 | 3,345,539 | 3,345,539 |
| <i>Categorised as held-to-maturity investments:</i> | | | | |
| ■ Term deposits at banks | 600,223,000,000 | 600,223,000,000 | 340,000,000,000 | (*) |
| ■ Corporate bonds | - | - | 50,001,100,000 | (*) |
| <i>Categorised as loans and receivables:</i> | | | | |
| ■ Cash and cash equivalents | 324,775,589,207 | 324,775,589,207 | 127,518,080,479 | 127,518,080,479 |
| ■ Loans receivable - net | 3,531,256,548,743 | (*) | 1,519,278,667,275 | (*) |
| ■ Receivables | 46,758,401,725 | (*) | 21,521,607,009 | (*) |
| ■ Receivables from services rendered | 160,061,219,299 | (*) | 1,586,330,917 | (*) |
| ■ Other receivables - net | 6,787,442,942 | (*) | 3,741,104,138 | (*) |
| ■ Deposits at Payment Support Fund | 11,964,116,068 | (*) | 9,464,116,068 | (*) |
| ■ Other long-term assets | 10,000,000,000 | (*) | 10,000,000,000 | (*) |

| | 31/12/2021 | | 31/12/2020 | |
|--|------------------------|-------------------|------------------------|-------------------|
| | Carrying amount VND | Fair value VND | Carrying amount VND | Fair value VND |
| Financial liabilities | | | | |
| <i>Categorised as liabilities at amortised cost:</i> | | | | |
| ▪ Short-term borrowings | (2,255,000,000,000) | (*) | (747,535,000,000) | (*) |
| ▪ Accounts payable for securities trading activities | (848,064,294,306) | (*) | (364,528,420,516) | (*) |
| ▪ Accounts payable to suppliers | (2,418,827,205) | (*) | (4,111,386,287) | (*) |
| ▪ Accrued expenses | (10,576,372,027) | (*) | (5,651,168,415) | (*) |
| ▪ Other payables | (6,811,066,033) | (*) | (802,770,853) | (*) |

(*) The Company has not determined fair values of these financial instruments for disclosure in the financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and accounting guidance for securities companies. The fair values of these financial instruments may differ from their carrying amounts.

5. Cash and cash equivalents

| | 31/12/2021 VND | 31/12/2020 VND |
|------------------|-----------------------|-----------------------|
| Cash on hand | 3,136,255 | 3,136,255 |
| Cash in banks | 108,131,811,410 | 70,653,344,834 |
| Cash equivalents | 216,640,641,542 | 56,861,599,390 |
| | <hr/> 324,775,589,207 | <hr/> 127,518,080,479 |

As at 31 December 2021, cash and cash equivalents of VND216,640,641,542 were pledged with banks as security for loans granted to the Company (31/12/2020: VND56,861,599,390) (Note 20).

6. Volume and value of transactions during the year

| | 2021 | | 2020 | |
|-------------------------------|---------------------------|---------------------------------|---------------------------|---------------------------------|
| | Volume of transactions | Value of transactions VND | Volume of transactions | Value of transactions VND |
| a) The Company | | | | |
| Shares | 6,849,352 | 289,213,441,860 | 6,930,250 | 207,618,833,838 |
| Bond | 2,000,000 | 206,818,000,000 | 15,091,320 | 1,590,274,599,640 |
| Other securities | - | - | 907,560 | 10,007,296,719 |
| b) Investors/customers | | | | |
| Shares | 5,533,164,770 | 145,885,771,265,300 | 2,546,957,403 | 39,971,153,145,318 |
| Bond | 1,000,000 | 103,436,000,000 | 16,795,420 | 1,734,416,206,585 |
| Other securities | 19,937,540 | 120,872,523,660 | 22,433,967 | 193,757,069,600 |
| | <hr/> 5,562,951,662 | <hr/> 146,606,111,230,820 | <hr/> 2,609,115,920 | <hr/> 43,707,227,151,700 |

7. Financial assets

(a) Financial assets at fair value through profit or loss

| | 31/12/2021 | | 31/12/2020 | |
|---|----------------------|----------------------|----------------------|----------------------|
| | Cost VND | Fair value VND | Cost VND | Fair value VND |
| Listed shares | 17,550,873,029 | 19,183,351,498 | 9,769,258,831 | 9,977,325,318 |
| Shares registered for trading on UPCOM | 240,123,204 | 235,003,100 | 504,069,944 | 497,830,400 |
| Unlisted shares | 3,345,539 | 3,345,539 | 3,345,539 | 3,345,539 |
| | <hr/> 17,794,341,772 | <hr/> 19,421,700,137 | <hr/> 10,276,674,314 | <hr/> 10,478,501,257 |

Movements of fair values of financial assets at FVTPL during the year were as follows:

| | Quantity | 31/12/2021 | | Revaluation difference as at 31 December 2021 | | |
|----------------------|----------|----------------|----------------|---|------------------------|------------------------------|
| | | Cost | Fair value | Revaluation gain | Revaluation loss | Revaluation value |
| | | VND (1) | VND (2) | VND (3) = (2) - (1) | VND (4) = (1) - (2) | VND (5) = (1) + (3) - (4) |
| Listed shares | | | | | | |
| MBB | 68,990 | 1,935,644,950 | 1,993,811,000 | 58,166,050 | - | 1,993,811,000 |
| FPT | 19,486 | 1,671,677,637 | 1,812,198,000 | 140,520,363 | - | 1,812,198,000 |
| VHM | 20,484 | 1,641,883,418 | 1,679,688,000 | 53,504,582 | 15,700,000 | 1,679,688,000 |
| GMD | 25,567 | 810,967,616 | 1,209,319,100 | 398,351,484 | - | 1,209,319,100 |
| PAN | 30,082 | 1,147,980,000 | 1,158,157,000 | 10,177,000 | - | 1,158,157,000 |
| CTG | 30,977 | 1,031,136,783 | 1,050,120,300 | 18,983,517 | - | 1,050,120,300 |
| SSI | 20,188 | 1,004,896,350 | 1,045,738,400 | 43,342,050 | 2,500,000 | 1,045,738,400 |
| HPG | 21,722 | 1,026,829,039 | 1,007,900,800 | 3,689,705 | 22,617,944 | 1,007,900,800 |
| KDH | 10,947 | 551,924,338 | 558,297,000 | 11,905,995 | 5,533,333 | 558,297,000 |
| BID | 10,986 | 389,863,485 | 407,580,600 | 18,250,000 | 532,885 | 407,580,600 |
| DCM | 10,227 | 389,197,559 | 375,330,900 | 4,122,230 | 17,988,889 | 375,330,900 |
| DRC | 10,325 | 366,678,143 | 337,111,250 | 1,695,607 | 31,262,500 | 337,111,250 |
| Others | 121,764 | 5,582,193,711 | 6,548,099,148 | 1,120,151,951 | 154,246,514 | 6,548,099,148 |
| | 401,745 | 17,550,873,029 | 19,183,351,498 | 1,882,860,534 | 250,382,065 | 19,183,351,498 |
| UPCOM | | | | | | |
| BSR | 10,000 | 236,000,000 | 231,000,000 | - | 5,000,000 | 231,000,000 |
| Others | 390 | 4,123,204 | 4,003,100 | 1,330,778 | 1,450,882 | 4,003,100 |
| | 10,390 | 240,123,204 | 235,003,100 | 1,330,778 | 6,450,882 | 235,003,100 |

| | Quantity | Revaluation difference as at 31 December 2021 | | | | |
|-----------------|----------|---|----------------|------------------------|------------------------|------------------------------|
| | | 31/12/2021 | Fair value | Revaluation gain | Revaluation loss | Revaluation value |
| | | Cost VND (1) | VND (2) | VND (3) = (2) – (1) | VND (4) = (1) – (2) | VND (5) = (1) + (3) – (4) |
| Unlisted shares | | | | | | |
| MCV | 134 | 1,918,500 | 1,918,500 | - | - | 1,918,500 |
| CIC | 54 | 679,437 | 679,437 | - | - | 679,437 |
| Others | 94 | 747,602 | 747,602 | - | - | 747,602 |
| | 282 | 3,345,539 | 3,345,539 | - | - | 3,345,539 |
| | 412,417 | 17,794,341,772 | 19,421,700,137 | 1,884,191,312 | 256,832,947 | 19,421,700,137 |

| 31/12/2020 | | Revaluation difference as at 31/12/2020 | | | |
|---------------|--------------------|---|--|--|---|
| Quantity | Cost VND (1) | Fair value VND (2) | Revaluation gain VND (3) = (2) – (1) | Revaluation loss VND (4) = (1) – (2) | Revaluation value VND (5) = (1) + (3) – (4) |
| Listed shares | | | | | |
| DRC | 50,001 | 1,121,102,793 | 1,147,522,950 | 26,420,157 | - |
| MWG | 9,007 | 1,071,332,599 | 1,070,932,300 | - | 400,299 |
| CTG | 30,007 | 1,054,803,138 | 1,036,741,850 | - | 18,061,288 |
| TCB | 30,009 | 898,193,185 | 945,283,500 | 47,090,315 | - |
| HPG | 18,008 | 708,077,188 | 746,431,600 | 38,354,412 | - |
| NLG | 25,003 | 735,318,788 | 737,588,500 | 2,269,712 | - |
| POW | 45,000 | 551,250,000 | 612,000,000 | 60,750,000 | - |
| PLX | 10,000 | 554,000,000 | 546,000,000 | - | 8,000,000 |
| MSN | 6,005 | 503,343,338 | 533,844,500 | 30,501,162 | - |
| DGC | 10,002 | 484,922,720 | 511,102,200 | 26,179,480 | - |
| Others | 43,258 | 2,086,915,082 | 2,089,877,918 | 21,102,089 | 18,139,253 |
| 276,300 | | | 9,979,258,831 | 252,667,327 | 44,600,840 |
| | | | | | |
| UPCOM | | | | | |
| VEA | 9,000 | 500,200,000 | 495,900,000 | - | 4,300,000 |
| Others | 290 | 3,869,944 | 1,930,400 | 252,081 | 2,191,625 |
| | | | | | |
| | 9,290 | 504,069,944 | 497,830,400 | 252,081 | 6,491,625 |
| | | | | | 497,830,400 |

| | Quantity | 31/12/2020 | | Revaluation difference as at 31/12/2020 | | | |
|-----------------|----------|----------------|----------------|---|------------------------|------------------------------|----------------|
| | | Cost | Fair value | Revaluation gain | Revaluation loss | Revaluation value | |
| | | VND (1) | VND (2) | VND (3) = (2) – (1) | VND (4) = (1) – (2) | VND (5) = (1) + (3) – (4) | VND |
| Unlisted shares | | | | | | | |
| MCV | 134 | 1,918,500 | 1,918,500 | - | - | - | 1,918,500 |
| CIC | 54 | 679,437 | 679,437 | - | - | - | 679,437 |
| Others | 94 | 747,602 | 747,602 | - | - | - | 747,602 |
| | 282 | 3,345,539 | 3,345,539 | - | - | - | 3,345,539 |
| | 285,872 | 10,276,674,314 | 10,478,501,257 | 252,919,408 | 51,092,465 | | 10,478,501,257 |

(b) Held-to-maturity investments

| | 31/12/2021 | | 31/12/2020 | |
|---|------------------------|---------------------------|------------------------|---------------------------|
| | Cost VND | Fair value VND | Cost VND | Fair value VND |
| Term deposits at banks with original term to maturity of more than 3 months to 1 year (i) | 600,223,000,000 | (*) | 340,000,000,000 | (*) |
| Corporate bonds | - | (*) | 50,001,100,000 | (*) |
| | 600,223,000,000 | (*) | 390,001,100,000 | (*) |

- (i) As at 31 December 2021, term deposits at banks amounting to VND600,223,000,000 were pledged with banks as security for loans granted to the Company (31/12/2020: VND60,000,000,000) (Note 20).

(c) Loans receivable

| | 31/12/2021 | | 31/12/2020 | |
|---|--------------------------|---------------------------|--------------------------|---------------------------|
| | Cost VND | Fair value VND | Cost VND | Fair value VND |
| Margin loans (i) | 3,111,473,043,935 | (*) | 1,390,747,070,299 | (*) |
| Advances to customers for the proceeds from selling securities (ii) | 426,620,530,725 | (*) | 135,368,622,893 | (*) |
| | 3,538,093,574,660 | (*) | 1,526,115,693,192 | (*) |

- (i) The margin loans were granted to customers for margin trade. As at 31 December 2021, these loans had original term to maturity of 90 days and earned annual interest rates ranging from 9.0% to 13.5% (31/12/2020: from 9.0% to 14%). The initial minimum margin is 50% - 90% (31/12/2020: 50% - 90%) and minimum maintenance margin for the margin trade is 30% - 70% (31/12/2020: 30% - 70%).
- (ii) As at 31 December 2021, advances to customers for the proceeds from selling securities earned annual interest rates ranging from 9.0% to 13.5% (31/12/2020: from 9% to 14%) and had original term to maturity ranging from 1 day to 2 days.
- (*) The Company has not determined fair values of these financial instruments for disclosure in the financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and other accounting guidances for securities companies. The fair values of these financial instruments may differ from their carrying amounts.

8. Receivables

| | 31/12/2021 VND | 31/12/2020 VND |
|--|----------------------|----------------------|
| Interest receivables from margin loans | 36,649,528,556 | 14,700,734,925 |
| Interest receivables from corporate bonds | - | 1,145,205,476 |
| Interest receivables from term deposits at banks | 10,108,873,169 | 5,675,666,608 |
| | <hr/> 46,758,401,725 | <hr/> 21,521,607,009 |

9. Receivables from services rendered

| | 31/12/2021 VND | 31/12/2020 VND |
|---|-----------------------|---------------------|
| Receivable from clearing and settlement of securities transaction | 157,984,981,500 | - |
| Receivables from brokerage activities | 1,209,090,043 | 558,190,219 |
| Receivables from custody services | 787,561,993 | 990,205,604 |
| Other receivables | 79,585,763 | 37,935,094 |
| | <hr/> 160,061,219,299 | <hr/> 1,586,330,917 |

10. Other receivables

| | 31/12/2021 VND | 31/12/2020 VND |
|---|----------------------|----------------------|
| Advances to customers for securities trading activities (i) | 12,319,009,691 | 12,395,295,949 |
| Others | 783,920,333 | 532,131,416 |
| | <hr/> 13,102,930,024 | <hr/> 12,927,427,365 |

- (i) These balances represent advances to customers for securities trading activities incurring before the issuance of Decision No. 637/QD-UBCK dated 30 August 2011 issued by the State Securities Commission of Vietnam which provides guidance for margin trade activities. Allowance for these advances were made and presented in Note 11(b).

11. Allowance for diminution in value of financial assets and doubtful debts

(a) Allowance for diminution in value of financial assets

| | As at 31/12/2021 | | | |
|--------------|------------------|------------------------------|------------------|--|
| | Cost VND | Recoverable amount VND | Allowance VND | Allowance as at 31/12/2020 VND |
| Margin loans | 6,837,025,917 | - | 6,837,025,917 | 6,837,025,917 |
| | | | | - |
| | | | | |
| | As at 31/12/2020 | | | |
| | Cost VND | Recoverable amount VND | Allowance VND | Allowance made during the year VND |
| Margin loans | 6,837,025,917 | - | 6,837,025,917 | 627,563,573 |

11. Allowance for diminution in value of financial assets and doubtful debts (continued)

(b) Allowance for doubtful debts

| | As at 31/12/2021 | | | |
|---|------------------|------------------------------|------------------|--|
| | Cost VND | Recoverable amount VND | Allowance VND | Allowance reversed during the year VND |
| Advances to customers for securities trading activities | 11,305,824,087 | 4,990,337,005 | 6,315,487,082 | 9,186,323,227 (2,870,836,145) |
| 2020 | | | | |
| | As at 31/12/2020 | | | |
| | Cost VND | Recoverable amount VND | Allowance VND | Allowance reversed during the year VND |
| Advances to customers for securities trading activities | 11,910,272,245 | 2,723,949,018 | 9,186,323,227 | 9,326,210,531 (139,887,304) |

12. Prepaid expenses

(a) Short-term prepaid expenses

| | 31/12/2021 VND | 31/12/2020 VND |
|---------------------|-------------------|-------------------|
| Maintenance expense | 624,021,019 | 334,380,585 |
| Prepaid rental fees | 373,477,674 | 324,165,784 |
| Others | 1,948,590,018 | 1,585,500,892 |
| | <hr/> | <hr/> |
| | 2,946,088,711 | 2,244,047,261 |
| | <hr/> | <hr/> |

(b) Long-term prepaid expenses

| | 31/12/2021 VND | 31/12/2020 VND |
|---------------------------|-------------------|-------------------|
| Tools and instruments | 4,124,250,617 | 2,178,127,462 |
| Software | 3,313,166,405 | 30,508,953 |
| IT equipment installation | 250,427,102 | 493,080,394 |
| Office renovation | 5,055,397,806 | 2,359,506,532 |
| Others | 263,453,497 | 448,125,832 |
| | <hr/> | <hr/> |
| | 13,006,695,427 | 5,509,349,173 |
| | <hr/> | <hr/> |

Movements of long-term prepaid expenses during the year were as follows:

| | 2021 VND | 2020 VND |
|------------------------------|-----------------|-----------------|
| Opening balance | 5,509,349,173 | 5,375,565,117 |
| Additions during the year | 13,062,985,026 | 3,723,456,637 |
| Amortisation during the year | (5,565,638,772) | (3,589,672,581) |
| | <hr/> | <hr/> |
| Closing balance | 13,006,695,427 | 5,509,349,173 |
| | <hr/> | <hr/> |

13. Tangible fixed assets

| 2021 | Leasehold improvements VND | Office equipment VND | Motor vehicles VND | Fixtures and fittings VND | Total VND |
|---------------------------------|----------------------------------|----------------------------|--------------------------|---------------------------------|----------------|
| Cost | | | | | |
| Opening balance | 1,347,351,678 | 33,738,056,337 | 2,265,440,000 | 53,146,500 | 37,403,994,515 |
| Additions | - | 6,107,644,980 | - | 274,259,269 | 6,381,904,249 |
| Write-off | - | (157,430,438) | - | - | (157,430,438) |
| Closing balance | 1,347,351,678 | 39,688,270,879 | 2,265,440,000 | 327,405,769 | 43,628,468,326 |
| Accumulated depreciation | | | | | |
| Opening balance | 1,347,351,678 | 20,232,095,926 | 854,288,406 | 2,657,325 | 22,436,393,335 |
| Charge for the year | - | 3,433,451,986 | 585,021,672 | 50,498,083 | 4,068,971,741 |
| Write-off | - | (157,430,438) | - | - | (157,430,438) |
| Closing balance | 1,347,351,678 | 23,508,117,474 | 1,439,310,078 | 53,155,408 | 26,347,934,638 |
| Net book value | | | | | |
| Opening balance | - | 13,505,960,411 | 1,411,151,594 | 50,489,175 | 14,967,601,180 |
| Closing balance | - | 16,180,153,405 | 826,129,922 | 274,250,361 | 17,280,533,688 |

13. Tangible fixed assets (continued)

| 2020 | Leasehold improvements VND | Office equipment VND | Motor vehicles VND | Fixtures and fittings VND | Total VND |
|---------------------------------|----------------------------------|----------------------------|--------------------------|---------------------------------|-----------------|
| Cost | | | | | |
| Opening balance | 1,734,108,818 | 25,262,357,042 | 2,265,440,000 | - | 29,261,905,860 |
| Additions | - | 9,828,567,100 | - | 53,146,500 | 9,881,713,600 |
| Write-off | (386,757,140) | (703,045,136) | - | - | (1,089,802,276) |
| Disposals | - | (649,822,669) | - | - | (649,822,669) |
| Closing balance | 1,347,351,678 | 33,738,056,337 | 2,265,440,000 | 53,146,500 | 37,403,994,515 |
| Accumulated depreciation | | | | | |
| Opening balance | 1,734,108,818 | 19,663,640,315 | 269,266,734 | - | 21,667,015,867 |
| Charge for the year | - | 1,921,323,416 | 585,021,672 | 2,657,325 | 2,509,002,413 |
| Write-off | (386,757,140) | (703,045,136) | - | - | (1,089,802,276) |
| Disposals | - | (649,822,669) | - | - | (649,822,669) |
| Closing balance | 1,347,351,678 | 20,232,095,926 | 854,288,406 | 2,657,325 | 22,436,393,335 |
| Net book value | | | | | |
| Opening balance | - | 5,598,716,727 | 1,996,173,266 | - | 7,594,889,993 |
| Closing balance | - | 13,505,960,411 | 1,411,151,594 | 50,489,175 | 14,967,601,180 |

Included in tangible fixed assets were assets costing VND17,871,055,877 which were fully depreciated as at 31 December 2021, but which are still in use (31/12/2020: VND17,568,510,315).

14. Intangible fixed assets

| | 2021 Software VND | 2020 Software VND |
|--|-------------------------|-------------------------|
| Cost | | |
| Opening and closing balance | 10,985,466,400 | 8,161,659,400 |
| Transfer from construction in progress | 9,998,000,000 | - |
| Additions | 1,450,200,000 | 2,823,807,000 |
| | | |
| Closing balance | 22,433,666,400 | 10,985,466,400 |
| | | |
| Accumulated amortisation | | |
| Opening balance | 6,907,001,026 | 5,677,443,278 |
| Charge for the year | 3,114,806,314 | 1,229,557,748 |
| | | |
| Closing balance | 10,021,807,340 | 6,907,001,026 |
| | | |
| Net book value | | |
| Opening balance | 4,078,465,374 | 2,484,216,122 |
| Closing balance | 12,411,859,060 | 4,078,465,374 |

Included in intangible fixed assets were assets costing VND1,978,609,400 which were fully depreciated as at 31 December 2021, but which are still in use (31/12/2020: VND1,742,545,000).

15. Construction in progress

| | 31/12/2021 VND | 31/12/2020 VND |
|-------------------------------------|-------------------|-------------------|
| Opening balance | 8,998,200,000 | - |
| Additions during the year | 4,461,252,486 | 8,998,200,000 |
| Transfer to intangible fixed assets | (9,998,000,000) | - |
| | | |
| Closing balance | 3,461,452,486 | 8,998,200,000 |

16. Long-term deposits

| | 31/12/2021 VND | 31/12/2020 VND |
|---|-------------------|-------------------|
| Security deposits for office, house and car rentals | 4,379,289,498 | 4,091,454,365 |

17. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

| | Tax rate | 31/12/2021 VND | 31/12/2020 VND |
|---|----------|-------------------|-------------------|
| Deferred tax assets: | | | |
| Accrued expenses | 20% | 604,102,167 | 354,264,166 |
| Deferred tax liabilities: | | | |
| Gains from revaluation of financial assets at FVTPL | 20% | (325,471,673) | (40,365,388) |
| Deferred tax assets - net | | 278,630,494 | 313,898,778 |

18. Deposits at Payment Support Fund

According to Decision No. 45/QD-VSD dated 22 May 2014 issued by the Vietnam Securities Depository, the Company is required to deposit an initial amount of VND120 million at the Vietnam Securities Depository and an annual contribution of 0.01% of the total value of brokered securities, which are listed and registered for transactions in the Stock Exchanges, in the previous year with the maximum of annual contribution of VND2.5 billion to Payment Support Fund.

Movements of deposits at Payment Support Fund during the year were as follows:

| | 2021 VND | 2020 VND |
|-----------------------------------|----------------|---------------|
| Opening balance | 9,464,116,068 | 6,964,116,068 |
| Deposits made during the year | 1,879,662,547 | 2,107,703,366 |
| Interest received during the year | 620,337,453 | 392,296,634 |
| Closing balance | 11,964,116,068 | 9,464,116,068 |

19. Other long-term assets

| | 31/12/2021 VND | 31/12/2020 VND |
|--|-------------------|-------------------|
| Clearing Fund for derivatives trading activities | 10,000,000,000 | 10,000,000,000 |

According to Decision No. 97/QĐ-VSD dated 23 March 2017 issued by the Vietnam Securities Depository on regulations on management and use of clearing fund for derivative securities activities, the Company is responsible for contributing to the Clearing Fund for derivatives trading activities (“Clearing Fund”) in cash (VND) or securities. The initial minimum contribution is VND10 billion for direct clearing members, VND15 billion for general clearing members.

The Company has become a direct clearing member of Vietnam Securities Depository under Certificate of Clearing Member No. 04/GCN-UBCK issued by Vietnam Securities Depository on 16 June 2020.

Movements of deposits at the Clearing Fund during the year were as follows:

| | 2021 VND | 2020 VND |
|---------------------------|----------------|----------------|
| Opening balance | 10,000,000,000 | - |
| Additions during the year | - | 10,000,000,000 |
| Closing balance | 10,000,000,000 | 10,000,000,000 |

20. Short-term borrowings

| Description | Original currency | Opening balance as at 1/1/2021 VND | Receipts VND | (Payments) VND | Foreign exchange differences VND | Closing balance as at 31/12/2021 VND |
|---|----------------------|--|-------------------|---------------------|---|--|
| Short-term borrowings from | | | | | | |
| ▪ Bank SinoPac Co., Ltd. – Offshore Banking Unit | USD | - | 324,800,000,000 | (92,600,000,000) | (3,000,000,000) | 229,200,000,000 |
| ▪ Chang Hwa Commercial Bank Ltd. – Hsi-sung Branch | USD | 115,950,000,000 | 231,300,000,000 | (116,350,000,000) | (1,700,000,000) | 229,200,000,000 |
| ▪ Cathay United Bank – Offshore Banking Unit | USD | 115,950,000,000 | 231,075,000,000 | (117,380,000,000) | (445,000,000) | 229,200,000,000 |
| ▪ MEGA International Commercial Bank – Head Office (i) | USD | 34,785,000,000 | 416,925,000,000 | (242,947,500,000) | (2,482,500,000) | 206,280,000,000 |
| ▪ The Shanghai Commercial & Savings Bank, Ltd. – Hong Kong Branch | USD | - | 265,222,500,000 | (104,062,500,000) | (720,000,000) | 160,440,000,000 |
| ▪ First Commercial Bank – Offshore Banking Branch | USD | 69,570,000,000 | 184,520,000,000 | (139,080,000,000) | (410,000,000) | 114,600,000,000 |
| ▪ Yuanfa Commercial Bank Co., Ltd. | USD | 115,950,000,000 | 114,300,000,000 | (116,330,000,000) | 680,000,000 | 114,600,000,000 |
| ▪ Union Bank of Taiwan | USD | 46,380,000,000 | 137,430,000,000 | (69,670,000,000) | 460,000,000 | 114,600,000,000 |
| ▪ Entie Commercial Bank Co., Ltd. | USD | - | 183,140,000,000 | (69,390,000,000) | 850,000,000 | 114,600,000,000 |
| ▪ Saigon Bank for Industry and Trade – Head Office (i) | VND | - | 528,000,000,000 | (428,000,000,000) | - | 100,000,000,000 |
| ▪ Indovina Bank Limited (i) | VND | - | 310,000,000,000 | (210,000,000,000) | - | 100,000,000,000 |
| ▪ Taipei Fubon Commercial Bank Co., Ltd. – Offshore Banking Unit (i) | USD | - | 183,840,000,000 | (91,440,000,000) | (720,000,000) | 91,680,000,000 |
| ▪ Taiwan Shin Kong Commercial Bank Co., Ltd. | USD | 69,570,000,000 | 68,220,000,000 | (69,620,000,000) | 590,000,000 | 68,760,000,000 |
| ▪ The Shanghai Commercial & Savings Bank., Ltd – Dong Nai Branch (i) | VND | - | 240,000,000,000 | (180,000,000,000) | - | 60,000,000,000 |
| ▪ Taishin International Bank | USD | 46,380,000,000 | 45,500,000,000 | (46,340,000,000) | 300,000,000 | 45,840,000,000 |
| ▪ Bank for Investment and Development of Vietnam Joint Stock Commercial Bank – Nam Ky Khoi Nghia Branch (i) | VND | - | 1,207,696,314,260 | (1,162,696,314,260) | - | 45,000,000,000 |
| ▪ Huanan Commercial Bank Limited – Ho Chi Minh City Branch (i) | VND | - | 90,000,000,000 | (45,000,000,000) | - | 45,000,000,000 |
| ▪ Cathay United Bank – Chu Lai Branch (i) | VND | 40,000,000,000 | 40,000,000,000 | (40,000,000,000) | - | 40,000,000,000 |
| ▪ E.SUN Bank – Dong Nai Branch (i) | VND | 40,000,000,000 | 226,000,000,000 | (226,000,000,000) | - | 40,000,000,000 |
| ▪ MEGA International Commercial Bank – Ho Chi Minh City Branch (i) | VND | 30,000,000,000 | 60,000,000,000 | (60,000,000,000) | - | 30,000,000,000 |

| Description | Original currency | Opening balance as at 1/1/2021 VND | Receipts VND | (Payments) VND | Foreign exchange differences VND | Closing balance as at 31/12/2021 VND |
|--|----------------------|--|--------------------|---------------------|---|--|
| ▪ Bank SinoPac Co., Ltd. – Ho Chi Minh City Branch (i) | VND | - | 60,000,000,000 | (30,000,000,000) | - | 30,000,000,000 |
| ▪ First Commercial Bank – Ho Chi Minh City Branch (i) | VND | - | 104,000,000,000 | (78,000,000,000) | - | 26,000,000,000 |
| ▪ Taipei Fubon Commercial Bank Co., Ltd. – Ho Chi Minh City Branch (i) | VND | 23,000,000,000 | 43,000,000,000 | (46,000,000,000) | - | 20,000,000,000 |
| ▪ Vietnam Joint Stock Commercial Bank for Industry and Trade Branch 4 – Ho Chi Minh City (i) | VND | - | 2,789,279,558,356 | (2,789,279,558,356) | - | - |
| ▪ Orient Commercial Joint Stock Bank – Ho Chi Minh City Branch (i) | VND | - | 2,135,600,000,000 | (2,135,600,000,000) | - | - |
| <hr/> | | | | | | |
| | | 747,535,000,000 | 10,219,848,372,616 | (8,705,785,872,616) | (6,597,500,000) | 2,255,000,000,000 |

At 31/12/2021, interest rate for short term borrowings ranges is from 1.38% to 6.10% per annum. (31/12/2020: from 1.50% to 3.80% per annum)

- (i) As at 31 December 2021, these borrowings are secured by cash and cash equivalents of VND216,640,641,542 (31/12/2020: VND56,861,599,390) (Note 5) and term deposits at banks of VND600,223,000,000 (31/12/2020: VND60,000,000,000) (Note 7(b)).

21. Accounts payable for securities trading activities

| | 31/12/2021 VND | 31/12/2020 VND |
|---|-----------------------|-----------------------|
| Settlements of securities transactions by customers | 836,887,989,000 | 346,591,802,500 |
| Clearing and settlement of securities transactions | 4,702,270,000 | 17,936,549,200 |
| Payable for exercise the right on purchasing shares | 6,473,966,000 | - |
| Others | 69,306 | 68,816 |
| | <hr/> 848,064,294,306 | <hr/> 364,528,420,516 |

22. Taxes payable to State Treasury

| | Opening balance as at 1/1/2021 VND | Incurred VND | Net-off/paid VND | Closing balance as at 31/12/2021 VND |
|------------------------------------|--|-----------------------|-------------------------|--|
| Corporate income tax | 4,084,079,604 | 35,456,565,983 | (33,554,794,300) | 5,985,851,287 |
| Personal income tax | 3,694,427,874 | 90,888,656,676 | (82,099,990,101) | 12,483,094,449 |
| Value added tax | 2,544,445 | 160,442,167 | (159,259,339) | 3,727,273 |
| Foreign contractor withholding tax | 28,437,842 | 1,975,085,953 | (1,975,170,015) | 28,353,780 |
| | <hr/> 7,809,489,765 | <hr/> 128,480,750,779 | <hr/> (117,789,213,755) | <hr/> 18,501,026,789 |

| | Opening balance as at 1/1/2020 VND | Incurred VND | Net-off/paid VND | Closing balance as at 31/12/2020 VND |
|------------------------------------|--|----------------------|------------------------|--|
| Corporate income tax | 3,248,947,856 | 13,112,691,637 | (12,277,559,889) | 4,084,079,604 |
| Personal income tax | 1,608,072,869 | 21,831,785,911 | (19,745,430,906) | 3,694,427,874 |
| Value added tax | 2,977,273 | 60,154,688 | (60,587,516) | 2,544,445 |
| Foreign contractor withholding tax | 16,092,888 | 1,575,718,712 | (1,563,373,758) | 28,437,842 |
| | <hr/> 4,876,090,886 | <hr/> 36,580,350,948 | <hr/> (33,646,952,069) | <hr/> 7,809,489,765 |

23. Accrued expenses

| | 31/12/2021 VND | 31/12/2020 VND |
|-----------------------------|-------------------|-------------------|
| Employee costs | 18,698,814,620 | 9,534,387,737 |
| Securities transaction fees | 5,524,395,823 | 2,153,305,684 |
| Interest expense | 2,341,848,005 | 635,401,501 |
| Consulting fees | 304,230,268 | 129,328,861 |
| Others | 2,405,897,931 | 2,733,132,369 |
| | <hr/> | <hr/> |
| | 29,275,186,647 | 15,185,556,152 |
| | <hr/> | <hr/> |

24. Other payables

| | 31/12/2021 VND | 31/12/2020 VND |
|-----------------------|-------------------|-------------------|
| Dividend payables | 6,463,489,433 | 734,212,253 |
| Payables to customers | 287,700,000 | 31,363,000 |
| Other payables | 59,876,600 | 37,195,600 |
| | <hr/> | <hr/> |
| | 6,811,066,033 | 802,770,853 |
| | <hr/> | <hr/> |

25. Share capital

(a) Share capital

The Company's authorised and issued share capital are:

| | 31/12/2021 | | 31/12/2020 | |
|---------------------------------|------------------|-------------------|------------------|-----------------|
| | Number of shares | VND | Number of shares | VND |
| Authorised share capital | 140,000,000 | 1,400,000,000,000 | 90,000,000 | 900,000,000,000 |
| Issued share capital | | | | |
| Ordinary shares | 140,000,000 | 1,400,000,000,000 | 90,000,000 | 900,000,000,000 |
| | 140,000,000 | 1,400,000,000,000 | 90,000,000 | 900,000,000,000 |
| Treasury shares | | | | |
| Ordinary shares | (490) | (1,185,000) | (490) | (1,185,000) |
| Shares in circulation | | | | |
| Ordinary shares | 139,999,510 | 1,399,998,815,000 | 89,999,510 | 899,998,815,000 |

Movements in issued share capital during the year were as follows:

| | 2021 | | 2020 | |
|-------------------------------|------------------|-------------------|------------------|-----------------|
| | Number of shares | VND | Number of shares | VND |
| Opening balance | 90,000,000 | 900,000,000,000 | 70,000,000 | 700,000,000,000 |
| Shares issued during the year | 50,000,000 | 500,000,000,000 | 20,000,000 | 200,000,000,000 |
| Closing balance | 140,000,000 | 1,400,000,000,000 | 90,000,000 | 900,000,000,000 |

(b) Retained profits

Movements of retained profits during the year were as follows:

| | 2021 VND | 2020 VND |
|--|------------------|------------------|
| Opening balance | 83,393,613,237 | 65,534,478,972 |
| Net profit during the year | 140,935,106,927 | 52,843,302,851 |
| Dividend distribution | (29,699,838,300) | (29,699,838,300) |
| Appropriation to reserve to supplement share capital | (7,046,755,346) | (2,642,165,143) |
| Appropriation to financial reserve | (7,046,755,346) | (2,642,165,143) |
| Closing balance | 180,535,371,172 | 83,393,613,237 |

26. Gains/(losses) from sales of financial assets at FVTPL

| 2021 | Quantity | Average selling price VND | Total selling amount VND | Total cost VND | Gains/(losses) from sales of securities VND |
|---|-----------|---------------------------------|--------------------------------|-------------------|---|
| Financial assets at FVTPL | | | | | |
| <i>Listed shares and shares registered for trading on UPCOM</i> | | | | | |
| DRC | 335,000 | 27,799 | 9,312,760,000 | 9,197,492,500 | 115,267,500 |
| HPG | 277,700 | 48,095 | 13,356,085,000 | 12,773,250,279 | 582,834,721 |
| MBB | 266,500 | 30,297 | 8,074,255,000 | 7,594,701,069 | 479,553,931 |
| CTG | 165,900 | 41,903 | 6,951,660,000 | 6,521,757,395 | 429,902,605 |
| HCM | 152,400 | 40,675 | 6,198,905,000 | 6,025,066,620 | 173,838,380 |
| POW | 150,000 | 13,348 | 2,002,250,000 | 1,921,000,000 | 81,250,000 |
| NLG | 119,000 | 36,557 | 4,350,300,000 | 4,166,400,000 | 183,900,000 |
| SSI | 103,300 | 44,123 | 4,557,955,000 | 4,171,797,142 | 386,157,858 |
| VNM | 97,900 | 96,479 | 9,445,330,000 | 9,735,907,374 | (290,577,374) |
| TCB | 82,000 | 40,543 | 3,324,500,000 | 3,230,950,000 | 93,550,000 |
| Others | 1,627,400 | 46,208 | 75,198,710,000 | 73,592,152,023 | 1,606,557,977 |
| | 3,377,100 | 42,277 | 142,772,710,000 | 138,930,474,402 | 3,842,235,598 |
| Listed bonds | | | | | |
| MSN12001 | 1,000,000 | 103,436 | 103,436,000,000 | 103,382,000,000 | 54,000,000 |
| | 1,000,000 | 103,436 | 103,436,000,000 | 103,382,000,000 | 54,000,000 |
| | 4,377,100 | 145,713 | 246,208,710,000 | 242,312,474,402 | 3,896,235,598 |

| 2020 | Quantity | Average selling price VND | Total selling amount VND | Total cost VND | Gains/(losses) from sales of securities VND |
|---|-----------|---------------------------------|--------------------------------|-------------------|---|
| Financial assets at FVTPL | | | | | |
| Listed shares and shares registered for trading on UPCOM | | | | | |
| HPG | 341,190 | 27,257 | 9,299,736,500 | 8,858,944,423 | 440,792,077 |
| CTG | 200,530 | 25,821 | 5,177,961,500 | 4,903,793,957 | 274,167,543 |
| ACB | 101,900 | 25,465 | 2,594,880,000 | 2,729,130,000 | (134,250,000) |
| VCB | 26,200 | 81,748 | 2,141,795,000 | 2,021,259,437 | 120,535,563 |
| GEX | 117,040 | 21,528 | 2,519,610,000 | 2,399,970,221 | 119,639,779 |
| BMP | 45,610 | 57,808 | 2,636,614,000 | 2,537,201,274 | 99,412,726 |
| MWG | 25,930 | 92,746 | 2,404,916,000 | 2,308,272,031 | 96,643,969 |
| DHC | 58,500 | 45,603 | 2,667,797,000 | 2,577,350,000 | 90,447,000 |
| VND | 45,050 | 19,654 | 885,390,500 | 796,807,348 | 88,583,152 |
| TCB | 153,700 | 21,315 | 3,276,155,000 | 3,364,173,000 | (88,018,000) |
| BID | 18,020 | 46,188 | 832,308,000 | 751,009,701 | 81,298,299 |
| Others | 2,252,510 | 29,699 | 66,897,527,300 | 66,719,352,797 | 178,174,503 |
| | 3,386,180 | 29,926 | 101,334,690,800 | 99,967,264,189 | 1,367,426,611 |
| Listed bonds | | | | | |
| VPL11812 | 950,000 | 102,024 | 96,922,800,000 | 96,822,100,000 | 100,700,000 |
| MSN12001 | 480,000 | 103,880 | 49,862,400,000 | 49,836,480,000 | 25,920,000 |
| MSN12003 | 480,000 | 103,039 | 49,458,720,000 | 49,432,800,000 | 25,920,000 |
| Others | 1,060,341 | 101,805 | 107,948,491,343 | 107,892,335,585 | 56,155,758 |
| | 2,970,341 | 102,410 | 304,192,411,343 | 303,983,715,585 | 208,695,758 |
| 2020 | Quantity | Average | Total | Total cost | Gains/(losses) from |

| | selling price VND | selling amount VND | VND | sales of securities VND |
|---------------------------------|----------------------|-----------------------|-----------------|----------------------------|
| <i>Unlisted bonds</i> | | | | |
| MSN05202301 | 1,930,000 | 100,511 | 193,985,309,947 | 352,782,550 |
| VPL04202402 | 1,940,000 | 102,747 | 199,328,795,078 | 129,597,609 |
| Others | 705,294 | 103,498 | 72,996,632,821 | 40,622,821 |
| | 4,575,294 | 101,919 | 466,310,737,846 | 523,002,980 |
| <i>Fund certificates</i> | | | | |
| | 453,780 | 11,035 | 5,007,296,719 | 7,296,719 |
| | 11,385,595 | 77,014 | 876,845,136,708 | 2,106,422,068 |

27. Interest income from held-to-maturity investments

| | 2021 VND | 2020 VND |
|--------------------------------------|----------------|----------------|
| Interest income from term deposits | 23,153,191,363 | 24,469,461,981 |
| Interest income from corporate bonds | 854,794,524 | 3,145,205,476 |
| | <hr/> | <hr/> |
| | 24,007,985,887 | 27,614,667,457 |
| | <hr/> | <hr/> |

28. Income from loans and receivables

| | 2021 VND | 2020 VND |
|--|-----------------|-----------------|
| Interest income from margin loans | 210,092,311,370 | 105,787,208,110 |
| Fees from advances to customers for the proceeds from selling securities | 19,699,715,355 | 7,370,228,089 |
| | <hr/> | <hr/> |
| | 229,792,026,725 | 113,157,436,199 |
| | <hr/> | <hr/> |

29. Expenses for securities brokerage

| | 2021 VND | 2020 VND |
|---|-----------------|----------------|
| Employee costs | 55,047,623,591 | 26,835,505,940 |
| Brokerage commissions | 93,120,182,507 | 23,112,077,951 |
| Securities brokerage fees | 39,943,908,713 | 11,078,941,886 |
| Rental expenses | 9,311,617,646 | 7,124,972,465 |
| External services | 6,622,938,890 | 4,763,491,426 |
| Tools and supplies | 1,577,034,801 | 1,204,721,038 |
| Depreciation and amortisation of fixed assets | 105,532,464 | 5,283,549 |
| Other expenses | 905,071,162 | 1,296,888,404 |
| | <hr/> | <hr/> |
| | 206,633,909,774 | 75,421,882,659 |
| | <hr/> | <hr/> |

30. Interest expense

| | 2021 VND | 2020 VND |
|---|---------------------|---------------------|
| Interest expense on borrowings | 36,993,349,906 | 16,528,619,109 |
| Interest expense on customers' deposits for securities trading activities | 355,235,610 | 249,240,734 |
| | <hr/> | <hr/> |
| | 37,348,585,516 | 16,777,859,843 |
| | <hr/> | <hr/> |

31. General and administration expenses

| | 2021 VND | 2020 VND |
|---|---------------------|---------------------|
| Employee costs | 29,559,966,029 | 22,001,799,207 |
| External services | 23,954,604,539 | 15,524,678,267 |
| Rental expenses | 6,024,986,495 | 2,965,904,582 |
| Depreciation and amortisation of fixed assets | 7,066,464,591 | 3,721,495,612 |
| Tools and supplies | 2,754,789,803 | 1,017,018,358 |
| Other expenses | 2,421,217,149 | 3,114,205,592 |
| | <hr/> | <hr/> |
| | 71,782,028,606 | 48,345,101,618 |
| | <hr/> | <hr/> |

32. Income tax

(a) Recognised in the statement of income

| | 2021 VND | 2020 VND |
|---|----------------------|----------------------|
| Current tax expense | | |
| Current year | 35,298,932,730 | 13,529,635,007 |
| Under/(over) provision in prior years | 157,633,253 | (416,943,370) |
| | <hr/> 35,456,565,983 | <hr/> 13,112,691,637 |
| Deferred tax benefit | | |
| Origination/(reversal) of temporary differences | 35,268,284 | (240,632,606) |
| | <hr/> 35,491,834,267 | <hr/> 12,872,059,031 |

(b) Reconciliation of effective tax rate

| | 2021 VND | 2020 VND |
|--------------------------------------|----------------------|----------------------|
| Accounting profit before tax | 176,426,941,194 | 65,715,361,882 |
| | <hr/> | <hr/> |
| Tax at the Company's tax rate | 35,285,388,239 | 13,143,072,376 |
| Non-deductible expenses | 129,449,663 | 162,464,821 |
| Non-taxable income | (80,636,888) | (16,534,796) |
| Under/(over) provision in prior year | 157,633,253 | (416,943,370) |
| | <hr/> 35,491,834,267 | <hr/> 12,872,059,031 |

(c) Applicable tax rates

The Company's income tax rate is 20%. The income tax computation is subjected to the review and approval of the tax authorities.

33. Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2021 was based on the profit attributable to ordinary shareholders of VND140,935,106,927 (year ended 31 December 2020: profit attributable to ordinary shareholders of VND52,843,302,851) and a weighted average number of ordinary shares outstanding of 106,985,811 shares (year ended 31 December 2020: 87,704,428 shares), calculated as follows:

(i) *Net profit attributable to ordinary shareholders*

| | 2021 VND | 2020 VND |
|-------------------------|---------------------|---------------------|
| Net profit for the year | 140,935,106,927 | 52,843,302,851 |

(ii) *Weighted average number of ordinary shares*

| | 2021 VND | 2020 VND |
|---|---------------------|---------------------|
| Issued ordinary shares at the beginning of the year | 89,999,510 | 69,999,510 |
| Effect of shares issued during the year | 16,986,301 | 17,704,918 |
| Weighted average number of ordinary shares for the year | 106,985,811 | 87,704,428 |

(iii) *Basic earnings per share*

| | 2021 VND | 2020 VND |
|--------------------------|---------------------|---------------------|
| Basic earnings per share | 1,317 | 603 |

The Company did not have any dilutive potential ordinary shares during the year. Accordingly, no diluted earnings per share is presented.

34. Significant transactions with related parties

In addition to the related party balances disclosed in other notes to the financial statements, the Company had the following significant transactions and balances with related parties during the year:

| | Transaction value | |
|---|-------------------|----------------|
| | 2021 | 2020 |
| | VND | VND |
| Phu Hung Far East Holding Corporation - major shareholder | | |
| Receipt of capital contribution | 230,000,000,000 | 92,000,000,000 |
| Cash dividend | 13,662,000,000 | 13,662,000,000 |
| New Beam International Inc – major shareholder | | |
| Receipt of capital contribution | 235,600,000,000 | - |
| Cash dividend | 287,100,000 | 287,100,000 |
| Securities custody fee | 22,365,630 | 2,934,510 |
| An Thinh Development Limited - major shareholder | | |
| Receipt of capital contribution | - | 98,000,000,000 |
| Cash dividend | - | 5,373,441,150 |
| Vu Thai Investment Consulting Co., Ltd – related company | | |
| Cash dividend | 2,301,658,590 | 3,826,258,590 |
| Share transfer fee | 159,168,240 | - |
| Securities custody fee | 30,274,685 | 39,109,001 |
| Interest expense | 1,545,404 | 1,912,745 |
| Phu Hung Assurance Corporation - related company | | |
| Capital contribution | 10,500,000,000 | 10,000,000,000 |
| Cash dividend | 619,584,570 | 619,584,570 |
| Insurance expense | 91,374,276 | 81,548,197 |
| Management fee of shareholder books | 27,272,727 | 27,272,727 |
| Securities custody fee | 6,221,100 | 5,637,752 |
| Interest expense | 242,413 | 751,547 |
| Freshfields Capital Corporation – other related party | | |
| Cash dividend | 2,245,320,000 | 2,245,320,000 |
| Securities custody fee | 22,351,140 | 22,949,892 |
| Phu Hung Fund Management Joint Stock Company – other related party | | |
| Service fee | 6,209,032,258 | 4,087,096,774 |
| Transaction fee | 29,385,753 | - |

| | Balance outstanding as at | |
|--|----------------------------------|-------------------|
| | 31/12/2021 | 31/12/2020 |
| | VND | VND |
| An Thinh Development Limited - major shareholder | | |
| Receivable Securities custody fee | 3,087,017 | 3,087,017 |
| Cash dividend payable | 5,373,441,150 | - |
| Freshfields Capital Corporation – other related party | | |
| Receivable Securities custody fee | 7,470,792 | 11,267,424 |
| <hr/> | | |
| Key management personnel compensation | | |
| | 2021 | 2020 |
| | VND | VND |
| Board of Directors members benefits | | |
| Mr. Nguyen Doan Hung – Member | 240,000,000 | 240,000,000 |
| General Director | | |
| Salaries, bonus and other benefits | 1,707,689,950 | 1,722,654,625 |
| Other key management personnel | | |
| Salaries, bonus and other benefits | 1,208,131,000 | 976,597,000 |
| <hr/> | | |

35. Segment reporting

(i) Business segments

The Company comprises the main business segments: securities brokerage, securities trading, treasury activities and other activities.

| 2021 | | Code | Securities brokerage VND | Securities trading VND | Treasury activities VND | Others VND | Total VND |
|---------------------------------|--|-----------|--------------------------------|------------------------------|-------------------------------|----------------------|------------------------|
| 1. | Revenue from operating activities | 01 | 226,079,516,322 | 10,840,190,416 | 270,850,610,571 | 1,597,320,372 | 509,367,637,681 |
| 2. | Direct expenses | 02 | 193,196,567,737 | 6,118,738,228 | 127,286,853,313 | 2,254,742,487 | 328,856,901,765 |
| 3. | Depreciation and amortisation expenses | 03 | 99,443,436 | 11,781,000 | 7,072,553,619 | - | 7,183,778,055 |
| 4. | Allowance for diminution in value of investments | 04 | - | - | - | - | - |
| 5. | Allowance for doubtful debts | 05 | - | - | (2,870,836,145) | - | (2,870,836,145) |
| 6. | Net other income | 06 | - | - | - | 229,147,188 | 229,147,188 |
| Profit/(loss) before tax | | 07 | 32,783,505,149 | 4,709,671,188 | 139,362,039,784 | (428,274,927) | 176,426,941,194 |
| As at 31 December 2021 | | | | | | | |
| Segment assets | | | 190,379,071,622 | 19,500,529,534 | 4,556,154,738,723 | 876,396,538 | 4,766,910,736,417 |
| Segment liabilities | | | 869,112,222,115 | 1,528,620,921 | 2,290,422,862,605 | 1,182,848,326 | 3,162,246,553,967 |

35. Segment reporting (continued)

(i) Business segments (continued)

| | Code | Securities brokerage VND | Securities trading VND | Treasury activities VND | Others VND | Total VND |
|--|-----------|--------------------------------|------------------------------|-------------------------------|----------------------|-----------------------|
| 2020 | | | | | | |
| 1. Revenue from operating activities | 01 | 66,455,020,536 | 7,121,462,202 | 140,664,468,458 | 2,016,844,082 | 216,257,795,278 |
| 2. Direct expenses | 02 | 65,317,987,861 | 3,228,814,424 | 74,970,638,800 | 2,792,929,198 | 146,310,370,283 |
| 3. Depreciation and amortisation expenses | 03 | 5,283,549 | 11,781,000 | 3,721,495,612 | - | 3,738,560,161 |
| 4. Allowance for diminution in value of investments | 04 | - | 29,057,592 | - | - | 29,057,592 |
| 5. Allowance for doubtful debts | 05 | - | - | 487,676,269 | - | 487,676,269 |
| 6. Net other income | 06 | - | - | - | 23,230,909 | 23,230,909 |
| Profit/(loss) before tax (07 = 01 + 06 – 02 – 03 – 04 – 05) | 07 | 1,131,749,126 | 3,851,809,186 | 61,484,657,777 | (752,854,207) | 65,715,361,882 |

As at 31 December 2020

| | | | | | |
|---------------------|-----------------|----------------|-------------------|---------------|-------------------|
| Segment assets | 28,148,950,026 | 60,547,170,051 | 2,045,305,977,116 | 1,098,137,857 | 2,135,100,235,050 |
| Segment liabilities | 372,083,448,327 | 2,250,887,085 | 766,529,799,819 | 807,185,996 | 1,141,671,321,227 |

(ii) Geographical segment

All business activities of the Company are carried out in Vietnam (i.e. one single segment).

36. Commitments

Leases

The future minimum lease payments under non-cancellable operating leases were as follow:

| | 31/12/2021 VND | 31/12/2020 VND |
|--------------------------|---------------------------------|---------------------------------|
| Within one year | 19,286,494,340 | 16,265,771,623 |
| Within two to five years | 41,567,256,345 | 44,419,435,143 |
| | <hr/> | <hr/> |
| | 60,853,750,685 | 60,685,206,766 |

37. Comparative figures

Unless otherwise stated, comparative information as at 31 December 2020 was derived from the balances and amounts reported in the Company financial statements as at and for the year ended 31 December 2020.

25 February 2022





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ANNUAL REPORT 2021

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