

KB SECURITIES VIETNAM JOINT STOCK COMPANY

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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KB SECURITIES VIETNAM JOINT STOCK COMPANY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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KB SECURITIES VIETNAM JOINT STOCK COMPANY

CORPORATE INFORMATION

Establishment and Operation Licence	No. 77/UBCK-GPHĐKD dated 11 June 2008 issued by the State Securities Commission. The Establishment and Operation Licence has been amended several times and the latest amendment No. 34/GPĐC-UBCK was issued on 8 May 2023.	
Board of Directors	Mr. Park Chunsoo Mr. Shin Jhintak Mr. Jeon Mun Cheol Mr. Choi Yunsun	Chairperson Member Member Member
Board of Supervision	Ms. Nguyen Mai Huong Ms. Nguyen Thi Phuong Anh Ms. Du Thi Linh Chi Ms. Mai Thi Ha Mr. Nguyen Thai Son Ms. Hoang Ngoc Anh	Chief Supervisor (from 21 April 2023) Chief Supervisor (until 21 April 2023) Member (from 21 April 2023) Member (until 21 April 2023) Member (from 28 February 2023) Member (until 28 February 2023)
Board of Management	Mr. Jeon Mun Cheol Mr. Choi Yunsun	General Director (from 6 March 2023) Acting General Director (until 6 March 2023) Chief Financial Executive
Legal Representative	Mr. Park Chunsoo	Chairperson
Registered Office	Floor G, M, 2 nd and 7 th , Sky City Tower Lang Ha, 88 Lang Ha, Dong Da District, Hanoi, Vietnam (until 8 May 2023) Floor 16 th and 17 th , Tower 02 Capital Place Building, 29 Lieu Giai, Ngoc Khanh Ward, Ba Dinh District, Ha Noi (from 8 May 2023)	
Auditor	Branch of PwC (Vietnam) Limited in Hanoi	

KB SECURITIES VIETNAM JOINT STOCK COMPANY

STATEMENT OF THE BOARD OF MANAGEMENT

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

The Board of Management of KB Securities Vietnam Joint Stock Company (“the Company”) is responsible for preparing the financial statements which give a true and fair view of the financial position of the Company as at 31 December 2023 and of the result of its operations, its cash flows and its changes in equity for the year then ended. In preparing these financial statements, the Board of Management is required to:

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

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

The Legal Representative of the Company authorised the General Director of the Company to approve and sign the financial statements of the Company for the year ended 31 December 2023 pursuant to the Authorisation Letter No. 81A/2023/UQ-KBSV dated 11 July 2023.

APPROVAL OF THE FINANCIAL STATEMENTS

I hereby approve the accompanying financial statements as set out on pages 5 to 71 which give a true and fair view of the financial position of the Company as at 31 December 2023 and of the results of its operations, its cash flows and its changes in equity for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and prevailing regulations on the preparation and presentation of financial statements applicable to securities companies operating in Vietnam.



Jeon Mun Cheol
General Director
Authorised signatory

Hanoi, SR Vietnam
28 March 2024



INDEPENDENCE AUDITOR'S REPORT TO THE SHAREHOLDERS OF KB SECURITIES VIETNAM JOINT STOCK COMPANY

We have audited the accompanying financial statements of KB Securities Vietnam Joint Stock Company ("the Company") which were prepared on 31 December 2023 and approved by the General Director (authorised by the Legal Representative of the Company) of the Company on 28 March 2024. The financial statements comprise the statement of financial position as at 31 December 2023, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, and explanatory notes to the financial statements including significant accounting policies, as set out on pages 5 to 71.

The Board of Management's Responsibility

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

Auditor's Responsibility

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

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

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



Auditor's Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, the results of operations, the cash flows and the changes in equity of the Company for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and prevailing regulations on the preparation and presentation of financial statements applicable to securities companies operating in Vietnam.

Other Matter

The financial statements of the Company for the year ended 31 December 2022 were audited by another audit firm whose audit report dated 29 March 2023 expressed an unqualified opinion on those financial statements.

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

For and on behalf of Branch of PwC (Vietnam) Limited in Hanoi



Tran Hong Kien
Audit Practising Licence:
No. 0298-2023-006-1
Authorised signatory

Dang Thai Son
Audit Practising Licence:
4668-2023-006-1

Report reference number: HAN 3665
Hanoi, 28 March 2024

STATEMENT OF FINANCIAL POSITION

Code	ASSETS	Note	As at	
			31/12/2023 VND	31/12/2022 VND <i>(As restated – Note 10)</i>
100	CURRENT ASSETS		11,900,720,736,218	9,787,250,759,663
110	Short-term financial assets		11,874,514,022,193	9,777,192,297,273
111	Cash and cash equivalents	3.1	117,263,682,707	301,883,794,321
111.1	Cash		117,263,682,707	101,883,794,321
111.2	Cash equivalents		-	200,000,000,000
112	Financial assets at fair value through profit or loss (“FVTPL”)	3.2	3,464,238,077,339	2,861,104,368,492
113	Investments held to maturity (“HTM”)	3.3	3,229,331,506,849	1,216,197,000,000
114	Loans	3.4(a)	5,010,753,805,699	5,415,334,608,285
115	Available-for-sale financial assets (“AFS”)	3.5	897,376,000	897,376,000
116	Provisions for impairment loss of financial assets and collaterals	3.4(b)	(112,877,066,920)	(107,873,460,788)
117	Receivables	3.6(a)	149,879,428,186	75,207,007,028
117.1	Receivables from disposals of financial assets		102,881,640	-
117.2	Dividend and interest receivables		149,776,546,546	75,207,007,028
117.4	Dividend and interest receivables not past due		149,776,546,546	75,207,007,028
118	Prepayments to suppliers		2,776,758,000	2,873,785,115
119	Service-related receivables		-	3,000,000
122	Other receivables	3.6(b)	12,250,454,333	11,564,818,820
130	Other current assets		26,206,714,025	10,058,462,390
131	Advances to employees		427,000,000	-
132	Office tools and supplies		52,887,000	52,887,000
133	Short-term prepaid expenses	3.7(a)	15,011,428,920	3,847,636,135
134	Short-term security deposits	3.8	10,715,398,105	6,157,939,255
200	NON-CURRENT ASSETS		93,983,068,819	86,750,853,168
220	Fixed assets		33,189,828,700	30,640,148,864
221	Tangible fixed assets	3.9(a)	13,687,931,587	8,054,851,892
222	Historical cost		44,390,132,203	37,033,242,113
223a	Accumulated depreciation		(30,702,200,616)	(28,978,390,221)
227	Intangible fixed assets	3.9(b)	19,501,897,113	22,585,296,972
228	Historical cost		51,607,656,358	45,148,545,248
229a	Accumulated amortisation		(32,105,759,245)	(22,563,248,276)
250	Other non-current assets		60,793,240,119	56,110,704,304
251	Long-term security deposits		15,000,000	15,000,000
252	Long-term prepaid expenses	3.7(b)	17,924,655,550	6,709,912,707
253	Deferred income tax assets	3.10	11,776,806,472	18,462,335,348
254	Deposits in the Settlement Supporting Fund	3.11	20,990,235,940	20,857,019,789
255	Other non-current assets	3.12	10,086,542,157	10,066,436,460
270	TOTAL ASSETS		11,994,703,805,037	9,874,001,612,831

The notes on pages 15 to 71 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
(continued)

Code	RESOURCES	Note	As at	
			31/12/2023 VND	31/12/2022 VND <i>(As restated – Note 10)</i>
300	LIABILITIES		7,851,499,600,145	5,966,031,310,009
310	Current liabilities		7,851,499,600,145	5,966,030,751,732
311	Borrowings		7,634,915,000,000	5,813,410,000,000
312	<i>Short-term borrowings</i>	3.13	<i>7,634,915,000,000</i>	<i>5,813,410,000,000</i>
318	Trading obligations	3.14	4,657,928,984	4,872,676,723
320	Short-term trade payables		895,141,559	3,053,702,918
322	Taxes and other payables to the State	3.15	20,351,657,935	46,683,276,763
323	Payables to employees		1,592,904,997	1,881,355,464
324	Accrued employees' welfares		2,626,600	-
325	Short-term accrued expenses	3.16	88,251,036,028	81,010,254,549
329	Other short-term payables	3.17	99,529,783,384	13,098,208,086
331	Bonus and welfare funds	3.18	1,303,520,658	2,021,277,229
340	Non-current liabilities		-	558,277
356	Deferred income tax liabilities		-	558,277
400	OWNERS' EQUITY		4,143,204,204,892	3,907,970,302,822
410	Owners' equity		4,143,204,204,892	3,907,970,302,822
411	Owners' capital		3,001,686,130,000	3,001,686,130,000
411.1	Share capital	3.19	3,001,686,130,000	3,001,686,130,000
411.1a	<i>Ordinary shares with voting rights</i>		<i>3,001,686,130,000</i>	<i>3,001,686,130,000</i>
414	Supplementary capital reserve	5.1	30,307,448,921	30,307,448,921
415	Financial risk and operation reserve	5.1	45,177,869,447	45,177,869,447
417	Undistributed earnings	3.20	1,066,032,756,524	830,798,854,454
417.1	<i>Realised profits after tax</i>		<i>986,878,592,939</i>	<i>762,084,785,098</i>
417.2	<i>Unrealised profits</i>		<i>79,154,163,585</i>	<i>68,714,069,356</i>
440	TOTAL RESOURCES		11,994,703,805,037	9,874,001,612,831

The notes on pages 15 to 71 are an integral part of these financial statements.

OFF STATEMENT OF FINANCIAL POSITION ITEMS

Code	ITEMS	Note	As at	
			31/12/2023 VND	31/12/2022 VND
A	ASSETS OF THE COMPANY AND ASSETS IN TRUST			
			Value (VND)	
004	Bad debts written off		16,119,641,463	16,119,641,463
			Original Currency	
005	Foreign currencies US Dollar		72	107
			Quantity	
006	Number of shares in issue (shares)		300,168,613	300,168,613
			Par value (VND)	
008	Securities listed/registered to Vietnam Securities Depository ("VSD")		70,640,000	13,230,000
	<i>Freely traded securities</i>		15,120,000	13,230,000
	<i>Securities awaiting settlement</i>		55,520,000	-
012	Securities not custodied at VSD		3,340,342,470,000	2,900,336,000,000
	<i>Unlisted shares</i>		342,470,000	336,000,000
	<i>Certificates of deposits</i>		3,340,000,000,000	2,900,000,000,000
B	ASSETS OF AND LIABILITIES TO CUSTOMERS			
			Par value (VND)	
021	Securities listed/registered to Vietnam Securities Depository (VSD)		17,305,126,930,000	15,888,571,990,000
021.1	<i>Freely traded securities</i>		15,669,431,390,000	13,846,479,930,000
021.2	<i>Restricted securities</i>		40,464,600,000	12,134,060,000
021.3	<i>Pledged securities</i>		1,060,943,380,000	1,264,357,670,000
021.4	<i>Suspended securities</i>		236,484,920,000	497,795,490,000
021.5	<i>Securities awaiting settlement</i>		297,802,640,000	267,804,840,000
022	Securities in custody of VSD and not yet traded		313,440,880,000	242,960,530,000
022.1	<i>Securities in custody of VSD and not yet traded – freely traded securities</i>		246,764,250,000	120,532,530,000
022.2	<i>Securities in custody of VSD and not yet traded – restricted securities</i>		66,676,630,000	122,428,000,000

The notes on pages 15 to 71 are an integral part of these financial statements.

OFF STATEMENT OF FINANCIAL POSITION ITEMS
(continued)

Code	ITEMS	Note	As at	
			31/12/2023 VND	31/12/2022 VND
B	ASSETS OF AND LIABILITIES TO CUSTOMERS (CONTINUED)			
			Value (VND)	
026	Customers' deposits		1,226,918,868,723	1,276,028,109,948
027	Customers' deposits for securities trading		1,203,682,540,149	1,227,557,569,727
	Domestic customers' deposits		1,188,057,262,443	1,106,523,906,804
	Foreign customers' deposits		15,625,277,706	121,033,662,923
027.1	Customers' deposits at VSD		23,236,328,574	39,093,903,221
	Domestic customers' deposits		23,236,328,574	39,093,903,221
029	Cash blocked for trading settlements		-	9,376,637,000
029.2	Cash blocked for trading settlements of foreign customers		-	9,376,637,000
031	Payables to customers relating to their deposits at the Company for securities trading		1,223,847,312,723	1,276,163,413,842
031.1	Payables to domestic customers relating to their deposits at the Company for securities trading		1,208,222,035,017	1,155,129,750,919
031.2	Payables to foreign customers relating to their deposits at the Company for securities trading		15,625,277,706	121,033,662,923
032	Payables to securities issuers		3,071,556,000	640,000
035	Payables for dividends, bond principals and coupons payments on behalf		-	620,000




Ha Thanh Hoa
Preparer/Chief Accountant



Choi Yunsun
Chief Financial Executive




Jeon Mun Cheol
General Director
Authorised signatory
28 March 2024

STATEMENT OF COMPREHENSIVE INCOME

Code	ITEMS	Note	For the year ended 31 December	
			2023 VND	2022 VND <i>(As restated – Note 10)</i>
	OPERATING INCOME			
01	Gains from financial assets at FVTPL		225,516,316,156	152,174,445,748
01.1	<i>Realised gains on disposals of financial assets at FVTPL</i>	4.1(a)	54,422,963,807	49,853,407,693
01.2	<i>Increase in revaluation gains of financial assets at FVTPL</i>	4.2	10,438,668,093	19,169,164,475
01.3	<i>Dividends and interest income from financial assets at FVTPL</i>	4.3	160,654,684,256	83,151,873,580
02	Income from HTM financial assets	4.4	204,820,066,657	68,032,098,870
03	Interest income from loans and receivables	4.5	525,724,692,047	524,608,602,881
06	Revenue from brokerage services		250,325,742,094	303,999,618,853
07	Revenue from securities underwriting and issuance agency services		-	2,994,187,800
09	Revenue from custodian services		6,821,965,055	5,347,377,567
10	Revenue from financial consultancy services activities		213,818,182	3,612,787,800
11	Other operating income		2,614,205,764	3,117,640,939
20	TOTAL OPERATING INCOME		1,216,036,805,955	1,063,886,760,458
	OPERATING EXPENSES			
21	Losses from financial assets at FVTPL		(7,645,617,532)	(24,978,774,733)
21.1	<i>Realised losses on disposals of financial assets at FVTPL</i>	4.1(b)	(7,647,043,668)	(24,994,132,124)
21.2	<i>Decrease in revaluation losses of financial assets at FVTPL</i>	4.2	1,426,136	15,357,391
24	Additional of provisions for financial assets, losses on bad debts, impairment losses of financial assets and interest expenses associated with loans	4.6	(5,003,606,132)	(107,322,495,131)
27	Expenses for brokerage services	4.7	(272,588,854,086)	(314,049,509,811)
28	Underwriting expenses and placing fee expenses		-	(3,665,314,917)
30	Expenses for custodian services		(6,084,714,612)	(7,513,838,625)
31	Expenses for financial consultancy services		(6,689,912,691)	(4,422,569,959)
40	TOTAL OPERATING EXPENSES		(298,012,705,053)	(461,952,503,176)

The notes on pages 15 to 71 are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
(continued)

Code	ITEMS	Note	For the year ended 31 December	
			2023 VND	2022 VND <i>(As restated – Note 4.11 and Note 10)</i>
	FINANCIAL INCOME			
41	Foreign exchange gains		2,616,677,026	2,414,598,517
42	Dividend income and interest income from demand deposits		5,248,637,198	5,288,556,022
50	TOTAL FINANCIAL INCOME		7,865,314,224	7,703,154,539
	FINANCIAL EXPENSES			
51	Foreign exchange losses		(113,074)	(356,461)
52	Interest expenses		(506,611,579,194)	(310,894,700,291)
55	Other financial expenses		(1,608,255,661)	(4,626,669,596)
60	TOTAL FINANCIAL EXPENSES	4.8	(508,219,947,929)	(315,521,726,348)
62	GENERAL AND ADMINISTRATION EXPENSES	4.9	(118,974,294,100)	(69,510,359,458)
70	OPERATING PROFIT		298,695,173,097	224,605,326,015
	OTHER INCOME AND EXPENSES			
71	Other income		53,838,518	278,973,135
72	Other expenses		-	(575,000,000)
80	NET OTHER INCOME/(EXPENSES)		53,838,518	(296,026,865)
90	NET ACCOUNTING PROFIT BEFORE TAX		298,749,011,615	224,309,299,150
91	Realised profit		288,308,917,386	205,124,777,284
92	Unrealised profit		10,440,094,229	19,184,521,866
100	CORPORATE INCOME TAX		(59,939,403,641)	(45,524,003,950)
100.1	Corporate income tax – current	4.10	(53,253,874,765)	(64,018,383,714)
100.2	Corporate income tax – deferred	4.10	(6,685,528,876)	18,494,379,764
200	NET PROFIT AFTER TAX		238,809,607,974	178,785,295,200
500	EARNINGS PER SHARE			
501	Basic earnings per share (VND/share)	4.11	796	584
502	Diluted earnings per share (VND/share)	4.11	796	584


Ha Thanh Hoa
Preparer/Chief Accountant


Choi Yunsun
Chief Financial Executive



Jeon Mun Cheol
General Director
Authorised signatory
28 March 2024

The notes on pages 15 to 71 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
(Indirect method)

Code	ITEMS	Note	For the year ended	
			31 December	
			2023	2022
			VND	VND
				(As restated – Note 10)
	Cash flows from operating activities			
01	Profit before tax		298,749,011,615	224,309,299,150
02	Adjustments for:		367,895,566,570	346,335,130,141
03	Depreciation and amortisation	3.9	11,306,200,364	8,613,149,501
04	Provisions		5,003,606,132	107,322,495,131
05	Unrealised foreign exchange (gain)/loss		(77,099)	348,268
06	Interest expenses		506,611,579,194	310,894,700,291
07	Profits from investing activities		(5,248,637,198)	(5,288,556,022)
08	Accrued interest income		(149,776,546,546)	(75,207,007,028)
09	Other adjustments		(558,277)	-
10	Changes in non-cash expenses		(1,429,210)	(15,713,852)
11	Decrease in revaluation losses of FVTPL financial assets		(1,426,136)	(15,357,391)
17	Other losses		(3,074)	(356,461)
18	Change in non-cash income		(10,438,587,920)	(19,169,156,282)
19	Increase in revaluation gains of FVTPL financial assets		(10,438,668,093)	(19,169,164,475)
21	Other gains		80,173	8,193
30	Changes in working capital		(2,648,473,792,469)	(1,624,517,110,497)
31	Increase in FVTPL financial assets		(592,693,614,618)	(651,484,069,541)
32	Increase in HTM financial assets		(2,013,134,506,849)	(412,124,000,000)
33	Decrease/(increase) in loans		404,580,802,586	(314,157,966,457)
35	Increase in receivables from disposals of financial assets		(102,881,640)	-
36	Decrease in dividends and interests accrued and receivables on financial assets		80,435,538,529	70,400,027,844
37	Decrease in services related receivables		3,000,000	198,000,000
39	(Increase)/decrease in other receivables		(588,608,398)	6,847,356,176
40	Increase in other assets		(427,000,000)	(32,887,000)
41	Increase/(decrease) in accrued expenses (excluding interest expenses)		3,733,054,275	(5,375,534,716)
42	Increase in prepaid expenses		(22,378,535,628)	(614,504,502)
43	Corporate income tax paid		(75,518,383,714)	(48,917,853,309)
44	Interest paid		(503,103,851,990)	(255,843,959,117)
45	Decrease in trade accounts payable		(2,158,561,359)	(464,473,235)
46	Increase/(decrease) in employee welfare payables		2,626,600	(1,890,087,494)
47	Decrease in taxes and other payables to the State (excluding corporate income tax paid)		(4,067,109,879)	(7,672,245,767)
48	(Decrease)/increase in payables to employees		(288,450,467)	80,910,728
50	Increase in other short-term payables		86,216,827,559	3,331,034,381
51	Other receipts from operating activities		391,783,849	-
52	Other payments for operating activities		(9,375,921,325)	(6,796,858,488)
60	Net cash outflows from operating activities		(1,992,269,231,414)	(1,073,057,551,340)

The notes on pages 15 to 71 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
(Indirect method) (continued)

Code	Note	For the year ended 31 December	
		2023 VND	2022 VND
		Cash flows from investing activities	
61		Cash paid for purchases/acquisition of fixed assets	(13,855,880,200) (22,141,556,333)
70		Net cash outflows from investing activities	(13,855,880,200) (22,141,556,333)
		Cash flows from financing activities	
73		Proceeds from borrowings	31,487,612,611,551 17,277,807,612,952
74		Repayments of principals of borrowings	(29,666,107,611,551) (16,449,825,228,531)
80		Net cash inflows from financing activities	1,821,505,000,000 827,982,384,421
90		Net decrease in cash and cash equivalents of year	(184,620,111,614) (267,216,723,252)
101		Cash and cash equivalents at the beginning of year	301,883,794,321 569,100,517,573
101.1	3.1	Cash	101,883,794,321 39,100,517,573
101.2		Cash equivalents	200,000,000,000 530,000,000,000
102		Effect of foreign exchange differences	- -
103		Cash and cash equivalents at the end of year	117,263,682,707 301,883,794,321
103.1	3.1	Cash	117,263,605,608 101,883,794,321
103.2		Cash equivalents	- 200,000,000,000
104		Effect of foreign exchange differences	77,099 -

The notes on pages 15 to 71 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
(Indirect method) (continued)

CASH FLOWS OF BROKERAGE AND TRUSTING ACTIVITIES

Code	ITEMS	For the year ended	
		31 December	
		2023	2022
		VND	VND
	Cash flows of brokerage and trusting activities		
01	Brokerage trading proceeds	85,960,017,527,366	101,661,886,608,364
02	Brokerage trading payments	(106,940,630,046,383)	(133,012,835,803,570)
07	Receipts for settlement of customers' transactions	21,882,863,663,376	32,013,651,028,561
07.1	Net withdrawal from customers' margin accounts at VSD for derivative trading	(15,857,574,647)	(68,621,601,512)
08	Payments for customers' securities transactions	(935,502,810,937)	(1,114,372,396,748)
20	Decrease in customers' deposits	(49,109,241,225)	(520,292,164,905)
30	Customers' deposits at beginning of year	1,276,028,109,948	1,796,320,274,853
31	Cash at bank	1,276,028,109,948	1,796,320,274,853
32	Customers' deposits for securities trading under monitoring of the Company	1,266,651,472,948	1,618,657,618,974
	In which: Customers' deposits at VSD	39,093,903,221	107,715,504,733
34	Cash blocked for clearing and settlement	9,376,637,000	177,662,655,879
40	Customers' deposits at end of year	1,226,918,868,723	1,276,028,109,948
41	Cash at bank	1,226,918,868,723	1,276,028,109,948
42	Customers' deposits for securities trading under monitoring of the Company	1,226,918,868,723	1,266,651,472,948
	In which: Customers' deposits at VSD	23,236,328,574	39,093,903,221
44	Cash blocked for clearing and settlement	-	9,376,637,000



Ha Thanh Hoa
Preparer/Chief Accountant



Choi Yunsun
Chief Financial Executive




Jeon Mun Cheol
General Director
Authorised signatory
28 March 2024

KB SECURITIES VIETNAM JOINT STOCK COMPANY

Form B04 – CTCK

STATEMENT OF CHANGES IN EQUITY

Items	As at		For the year ended 31/12/2022		For the year ended 31/12/2023		As at	
	01/01/2022	01/01/2023	Increase	Decrease	Increase	Decrease	31/12/2022	31/12/2023
	VND	VND	VND	VND	VND	VND	VND	VND
	<i>(As restated - Note 10)</i>	<i>(As restated - Note 10)</i>	<i>(As restated - Note 10)</i>				<i>(As restated - Note 10)</i>	
1. Owners' capital	3,001,686,130,000	3,001,686,130,000	-	-	-	-	3,001,686,130,000	3,001,686,130,000
3. Supplementary capital reserve	18,275,822,797	30,307,448,921	12,031,626,124	-	-	-	30,307,448,921	30,307,448,921
4. Financial and operational risk reserve	33,146,243,323	45,177,869,447	12,031,626,124	-	-	-	45,177,869,447	45,177,869,447
8. Undistributed earnings	680,889,461,952	830,798,854,454	178,785,295,200	(28,875,902,698)	238,809,607,974	(3,575,705,904)	830,798,854,454	1,066,032,756,524
8.1 Realised profits after tax <i>(As restated – Note 10)</i>	631,359,914,462	762,084,785,098	159,600,773,334	(28,875,902,698)	228,369,513,745	(3,575,705,904)	762,084,785,098	986,878,592,939
8.2 Unrealised profits after tax <i>(As restated – Note 10)</i>	49,529,547,490	68,714,069,356	19,184,521,866	-	10,440,094,229	-	68,714,069,356	79,154,163,585
Total	3,733,997,658,072	3,907,970,302,822	202,848,547,448	(28,875,902,698)	238,809,607,974	(3,575,705,904)	3,907,970,302,822	4,143,204,204,892

Ha Thanh Hoa
Preparer/Chief Accountant

Choi Yunsun
Chief Financial Executive



Jeon Mun Cheol
General Director
Authorised signatory
28 March 2024

The notes on pages 15 to 71 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1 GENERAL INFORMATION

Establishment and Operation Licence

KB Securities Vietnam Joint Stock Company (“the Company”) is a joint stock company established in Vietnam in accordance with the Establishment and Operation Licence No. 77/UBCK-GPHĐKD issued by the Vietnam State Securities Commission on 11 June 2008. The Establishment and Operation Licence has been amended several times and the latest amendment No. 34/GPĐC-UBCK was issued on 8 May 2023.

Head office and branch

The Company’s head office was changed from G, M, 2nd and 7th Floor, Sky City Tower, 88 Lang Ha, Dong Da District, Ha Noi, Viet Nam to Level 16th, 17th Floor, Tower 02 Capital Place Building, 29 Lieu Giai, Ngoc Khanh Ward, Ba Dinh District, Ha Noi according to the Establishment and Operation Licence No. 34/GPĐC-UBCK dated 8 May 2023.

The Company has 3 branches, in which:

- Ho Chi Minh City Branch – KB Securities Joint Stock Company was established in accordance with the Establishment and Operation Licence No 401/QĐ-UBCK issued by the Vietnam State Securities Commission on 2 July 2013. The branch is located at 2nd floor, TNR Nguyen Cong Tru Tower, 180-192 Nguyen Cong Tru, District 1, Ho Chi Minh City, Vietnam.
- Ha Noi Branch – KB Securities Joint Stock Company was established in accordance with the Establishment and Operation Licence No 379/QĐ-UBCK issued by the Vietnam State Securities Commission on 7 August 2015. The branch is located at 1st, 2nd floor, Office Building, No 5 Dien Bien Phu, Ba Dinh District, Ha Noi, Viet Nam.
- Sai Gon Branch – KB Securities Joint Stock Company was established in accordance with the Establishment and Operation Licence No 08/QĐ-UBCK issued by the Vietnam State Securities Commission on 4 January 2019. The branch is located at 1st and 15th floor, Saigon Trade Center, 37 Ton Duc Thang, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.

Company charter

The Company’s latest charter was approved by the General Meeting of Shareholders and has been effective from 8 May 2023.

Headcount

As at 31 December 2023, the Company had 447 employees (as at 31 December 2022: 404 employees).

Charter capital

As at 31 December 2023, the Company’s charter capital was at VND 3,001,686,130,000 pursuant to the amended Establishment and Operation Licence No. 34/GPĐC-UBCK which was issued on 8 May 2023 by the Vietnam State Securities Commission.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**1 GENERAL INFORMATION (CONTINUED)*****Investment restrictions***

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

Principal activities

The principal activities of the Company are to provide securities brokerage services, proprietary trading, securities investment advisory services, financial consultancy, underwriting securities, securities depository and other services in accordance with laws and regulations applicable for securities companies.

On 25 April 2019, the Company received the Certificate No. 32/GCN-UBCK indicating that the Company is eligible to provide clearing and settlement services for derivative transactions, including derivative brokerage, derivative proprietary trading and derivative investment advisory services.

Other information

The normal business cycle of the Company is 12 months.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with:

- Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System;
- Circular 210/2014/TT-BTC dated 30 December 2014 ("Circular 210/2014/TT-BTC") guiding accounting applicable to securities companies;
- Circular 334/2016/TT-BTC dated 27 December 2016 ("Circular 334/2016/TT-BTC") amending and supplementing and replacing Annex 02 and 04 of Circular 210/2014/TT-BTC guiding accounting applicable to securities companies;
- Circular 23/2018/TT-BTC dated 12 March 2018 ("Circular 23/2018/TT-BTC") on the preparation and presentation of financial statements applicable to securities companies operating in Vietnam.
- Official Letter 6190/BTC-CĐKT dated 12 May 2017 ("Official Letter 6190/BTC-CĐKT") guiding on derivative accounting for future contracts, stock indexes and future contracts for Government bonds;
- Circular 91/2020/TT-BTC dated 13 November 2020 ("Circular 91/2020/TT-BTC") on capital adequacy ratio and sanctions imposed on non-compliance cases;
- Circular 114/2021/TT-BTC dated 17 December 2021 ("Circular 114/2021/TT-BTC") on the removal of Circular 146/2014/TT-BTC dated 6 October 2014 of the Ministry of Finance instructions on financial regulations for securities company, fund management company;
- Prevailing regulation on the preparation and presentation of financial statements applicable to securities companies operating in Vietnam.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.1 Basis of preparation of financial statements (continued)**

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

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

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

2.2 Critical accounting estimates

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

The areas involving significant estimates and assumptions in the financial statements are as follows:

- Market value/fair value of financial assets (Notes 2.7 and 3.2); and
- Provisions for impairment loss of financial assets (Notes 2.7 and 3.4).

Such estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that the Board of Management believes to be reasonable under the circumstances.

2.3 Form of records applied

The Company uses the accounting software in form general journal to record business transactions.

2.4 Fiscal year

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.5 Currency**

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

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

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are respectively translated at the buying and selling exchange rates at the balance sheet date of the commercial banks where the Company regularly trades. Foreign currencies deposited in banks at the balance sheet date are translated at the buying exchange rate of the commercial banks where the Company opens its foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the income statement.

2.6 Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank of the Company, cash of the Company being kept in the bank account of investors under the management of the securities company, which relates to transactions incurred in the end of the accounting period, mainly including disbursements, collection of margin lending and trading advance, cash in transit, other short-term investments with maturity within three (3) months since purchase, which are highly liquid, readily convertible to cash and subject to an insignificant risk of conversion.

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

2.7 Financial assets**(a) Classification and measurement****(i) Financial assets at fair value through profit or loss (“FVTPL”)**

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.7 Financial assets (continued)****(a) Classification and measurement (continued)***(i) Financial assets at fair value through profit or loss (“FVTPL”) (continued)*

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

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

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

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

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

(ii) Held-to-maturity financial assets (“HTM”)

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

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

The following assets are excluded from HTM financial assets:

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.7 Financial assets (continued)****(a) Classification and measurement (continued)***(ii) Held-to-maturity financial assets ("HTM") (continued)*

An entity shall not classify any financial assets as held to maturity if the entity has, during the current financial year or during the two preceding financial years, sold or reclassified a significant amount of held-to-maturity investments before maturity (significant in relation to the total amount of held-to-maturity investments) other than sales or reclassifications which are:

- Very close to maturity date (e.g no more than 3 months before maturity) where changes in market interest rate do not materially affect the value of financial assets.
- Executed after the Company has collected the majority of principal of financial assets according to payment schedule or the Company received in advance; or
- Due to a special event beyond the control of the Company, the cause will not be repeated and the event can not be predicted by the Company.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.7 Financial assets (continued)****(a) Classification and measurement (continued)***(ii) Held-to-maturity financial assets ("HTM") (continued)*

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

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

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

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

(iii) Loans

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Financial assets (continued)

(a) *Classification and measurement (continued)*(iii) *Loans (continued)*

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.7 Financial assets (continued)****(a) Classification and measurement (continued)***(iv) Available-for-sale financial assets ("AFS") (continued)*

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

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

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

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

Objective evidence of impairment for equity instruments may include:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.7 Financial assets (continued)****(b) Reclassification***(i) Reclassification of non-FVTPL financial assets upon disposal*

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

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

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

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

(c) Recognition/derecognition

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.7 Financial assets (continued)****(d) Initial recognition**

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

Stock bonus and stock dividends are recognised as financial assets at nil cost.

(e) Determination of market value/fair value

The Company applies valuation bases of financial assets in accordance with Circular 91/2020/TT-BTC dated 13 November 2020 issued by the Ministry of Finance regarding capital adequacy ratio of securities trading entities (“Circular 91/2020/TT-BTC”) in determining the market value/fair value of financial assets, in particular:

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

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

(ii) Unlisted securities registered/unregistered to Vietnam Securities Depository (“VSD”)

These shares are revalued based on the average of transacted prices announced by three (3) independent quoting entities at the latest trading date within one (1) month prior to the valuation date. The management and executives of the Company must not be related to management and executives of the quoting entities in accordance with Law on Securities.

(iii) Bonds listed on stock exchanges

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Financial assets (continued)

(e) *Determination of market value/fair value (continued)*(iv) *Unlisted bonds*

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

(v) *Certificates of open-ended funds, close-ended funds, and exchanged traded funds ("ETF")*

Certificates of open-ended funds, close-ended funds, and exchanged traded funds ("ETF") are revalued at the fund's net asset value audited by an external auditor at the reporting date.

(vi) *Delisted shares/shares suspended from trading from the sixth day or thereafter*

Delisted shares/shares suspended from trading from the sixth day or thereafter are revalued based on its book value at the latest reporting date.

(vii) *Term deposits*

Certificate of deposits are determined by principals amount and accrued interest income to the date of financial statements.

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

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

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

Selling transaction costs

Selling transaction costs are expensed off to the statement of comprehensive income.

Gain/(loss) on disposals

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.8 Receivables**

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

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

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

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

2.9 Futures

Futures are listed derivatives in which the parties commit to:

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

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

Brokerage activities

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.10 Fixed assets***Tangible and intangible fixed assets*

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

Depreciation and amortisation

Fixed assets are depreciated/amortised using the straight-line method to write off the historical cost of the fixed assets over their estimated useful lives. The principal annual rates of each asset class are as below:

Office equipments	20% - 33%
Software	10% - 33%

Disposals

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

2.11 Leased assets

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

2.12 Prepaid expenses

Prepaid expenses include prepayments for goods and services, tools and equipment not qualified to be accounted as fixed assets under current regulations. Prepaid expenses include short-term and long-term prepaid expenses on the statement of financial position, mainly includes the cost of office rental and office tools and supplies. Prepaid expenses are recorded at historical cost and allocated using the straight-line method over estimated useful lives.

2.13 Short-term/long-term collaterals, security deposits

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.14 Liabilities****(a) Recognition/derecognition**

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

(b) Classification

Classifications of liabilities are based on their nature as follows:

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

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

2.15 Offsetting financial instruments

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

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

2.16 Borrowings

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

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

2.17 Income tax paid on behalf of investors

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.18 Accrued expenses**

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

2.19 Provisions

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

Provisions are measured at the expenditures expected to be required to settle the obligations. If the time value of money is material, provisions will be measured at their present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

The increases in the provision due to passage of time are recognised as financial expenses. Changes in the provision balances during the year are debited or credited to operating expenses.

2.20 Unearned revenue

Unearned revenue is the interest income from term deposit that has been received in advance. The Company records unearned revenue for the future obligations that the Company must conduct fulfill. Once recognition criteria have been satisfied, unearned revenue will be recognised as revenue in the statement of comprehensive income to the extent that it has met the recognition criteria.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.21 Equity****(a) Share capital**

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

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

Before 1 February 2022:

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

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

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

As at 31 December 2023, the Company has not distributed supplementary capital reserve and financial risk and operation reserve as guided in Circular 114/2021/TT-BTC dated 17 December 2021 issued by the Ministry of Finance.

(c) Other equity funds

Other equity funds are made in accordance with Resolutions of the General Meeting of Shareholders.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.21 Equity (continued)****(d) *Undistributed earnings***

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

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

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

2.22 Dividend distribution

The Company's dividend declaration is recognised as a liability in the statement of financial position when the dividend is approved by the General Meeting of Shareholders.

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

2.23 Assets of and liabilities to customers

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

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

2.24 Revenue and income recognition**(a) *Revenue from provision of services to investors***

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.24 Revenue and income recognition (continued)****(a) Revenue from provision of services to investors (continued)**

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

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

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

(b) Income from proprietary trading of financial assets

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

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

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

(c) Income from working capital management

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

(d) Other income

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

2.25 Expenses**(a) Recognition**

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

(b) Classification

Expenses are classified by function as follows:

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.26 Financial income**

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

2.27 Financial expense

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

2.28 Borrowing cost

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

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

2.29 General and administration expenses

General and administration expenses represent expenses that are incurred for administrative purposes.

2.30 Current and deferred income tax

Income tax includes all income tax which is based on taxable profits. Income tax expense comprises current tax expense and deferred tax expense.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.31 Related parties

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

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

2.32 Nil items

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

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION

3.1 Cash and cash equivalents

	31/12/2023 VND	31/12/2022 VND
Cash		
Cash at bank for the operation of the Company	117,263,682,707	100,338,261,649
Cash blocked for clearing and settlement	-	1,545,532,672
	<u>117,263,682,707</u>	<u>101,883,794,321</u>
Cash equivalents		
Term deposit with maturity of less than three months (*)	-	200,000,000,000
	<u>117,263,682,707</u>	<u>301,883,794,321</u>

(*) As at 31 December 2023, there was no cash equivalent (as at 31 December 2022: VND 50,000,000,000) was kept as collateral at banks to secure for the Company's short-term borrowings.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

3.2 Financial assets measured at fair value through profit or loss (“FVTPL”)

	31/12/2023		31/12/2022	
	Cost VND	Market value/ fair value VND	Cost VND	Market value/ fair value VND <i>(As restated – Note 10)</i>
Listed shares and shares traded on UPCoM	9,579,772	8,536,335	7,512,899	4,965,627
Unlisted shares	1,081,307	1,081,307	-	-
Certificates of deposit (*)	3,384,958,980,261	3,464,228,459,697	2,792,268,513,823	2,861,099,402,865
Joint Stock Commercial Bank for Investment and Development of Vietnam	1,932,980,080,071	1,983,227,751,305	1,328,593,722,000	1,370,304,132,959
Military Commercial Joint Stock Bank	526,262,565,990	532,948,045,443	159,943,599,835	160,720,586,136
Ho Chi Minh City Development Joint Stock Commercial Bank	424,318,252,000	431,716,635,546	441,000,000,000	460,823,217,808
Saigon – Hanoi Commercial Joint Stock Bank	-	-	506,784,791,989	508,248,627,604
Others	501,398,082,200	516,336,027,403	355,946,399,999	361,002,838,358
	<u>3,384,969,641,340</u>	<u>3,464,238,077,339</u>	<u>2,792,276,026,722</u>	<u>2,861,104,368,492</u>

(*) The balance represents certificates of deposit at commercial banks in Vietnam which has been used for business operation.

As at 31 December 2023, the certificates of deposits amounting to VND 2,340,000,000,000 (as at 31 December 2022: VND 2,116,000,000,000) was kept as collateral at banks to secure for the Company’s short-term borrowings (Note 3.13).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

3.2 Financial assets measured at fair value through profit or loss (“FVTPL”) (continued)

Movements in the market value of the Company’s financial assets at FVTPL were as follows:

As at 31 December 2023	Cost VND	Revaluation differences		Market price/ Fair value VND
		Increase VND	Decrease VND	
Shares	10,661,079	309,500	(1,352,937)	9,617,642
Certificates of deposit	3,384,958,980,261	79,269,479,436	-	3,464,228,459,697
	<u>3,384,969,641,340</u>	<u>79,269,788,936</u>	<u>(1,352,937)</u>	<u>3,464,238,077,339</u>
As at 31 December 2022	Cost VND	Increase VND <i>(As restated – Note 10)</i>	Decrease VND	Market price/ Fair value VND <i>(As restated – Note 10)</i>
Shares	7,512,899	231,801	(2,779,073)	4,965,627
Certificates of deposit	2,792,268,513,823	68,830,889,042	-	2,861,099,402,865
	<u>2,792,276,026,722</u>	<u>68,831,120,843</u>	<u>(2,779,073)</u>	<u>2,861,104,368,492</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

3.3 Held-to-maturity financial assets (“HTM”)

	31/12/2023 VND	31/12/2022 VND
Term deposit with maturity from 3 months to 1 year (*)		
Joint Stock Commercial Bank for Investment and Development of Vietnam	710,000,000,000	210,000,000,000
Vietnam Technological and Commercial Joint Stock Bank	700,000,000,000	-
Vietnam Prosperity Joint Stock Commercial Bank	660,000,000,000	150,000,000,000
Vietnam Joint Stock Commercial Bank of Industry and Trade	200,000,000,000	201,197,000,000
Vietnam Asia Commercial Joint Stock Bank	300,000,000,000	-
Vietnam Maritime Commercial Joint Stock Bank	205,000,000,000	155,000,000,000
Kookmin Bank – Hanoi branch	-	400,000,000,000
Others	454,331,506,849	100,000,000,000
	<u>3,229,331,506,849</u>	<u>1,216,197,000,000</u>

(*) As at 31 December 2023, the term deposits amounting to VND 2,929,331,506,849 (as at 31 December 2022: VND 716,197,080,000) was kept as collateral at bank to secure for the Company’s short-term borrowings (Note 3.13).

3.4 Loans and provision for impairments of financial assets

(a) Loans

	31/12/2023		31/12/2022	
	Book value VND	Provision VND	Book value VND	Provision VND
Margin loans (i)	4,757,593,126,677	(112,877,066,920)	5,152,612,212,458	(107,873,460,788)
Trading advances (ii)	253,151,405,693	-	262,710,221,649	-
Others	9,273,329	-	12,174,178	-
	<u>5,010,753,805,699</u>	<u>(112,877,066,920)</u>	<u>5,415,334,608,285</u>	<u>(107,873,460,788)</u>

(i) Margin loans

This presents the amount that investors loan to purchase securities according to Decision 87/QĐ-UBCK issued by State Securities Commission of Vietnam dated 25 January 2017. Securities purchased on margin are held by the Company as collaterals for margin loans. The market value of collateral assets as at 31 December 2023 was VND 13,641,986,729,860 (as at 31 December 2022: VND 14,047,526,830,720).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

3.4 Loan and provision for impairments of financial assets (continued)

(a) Loans (continued)

(ii) *Trading advances*

These are the amounts advanced to investors at the trading date (“T-date advance”) and date T+1. These amounts are reimbursed on date T+2.

(b) Provision for impairments of financial assets

All provision for impairments of financial assets balance is relating to margin loans.

Movements in provision for impairments of financial assets and pledged assets during the year were as follows:

	31/12/2023 VND	31/12/2022 VND
Beginning of year	(107,873,460,788)	(550,965,657)
Increase of provision in the year (Note 4.6)	(5,003,606,132)	(107,322,495,131)
End of year	<u>(112,877,066,920)</u>	<u>(107,873,460,788)</u>

3.5 Available-for-sale financial assets (“AFS”)

	Ticket symbol	31/12/2023		31/12/2022	
		Historical cost VND	Fair value VND	Historical cost VND	Fair value VND
Capella Group Holdings Company	BTL	<u>897,376,000</u>	<u>(*)</u>	<u>897,376,000</u>	<u>(*)</u>

(*) The Company had not determined the fair value of these investments to disclose in the financial statements because they do not have listed prices and Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements do not provide detailed guidance on the methods to determine fair value. The fair value of such investments may be different from their book value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

3.6 Short-term receivables

	31/12/2023		31/12/2022	
	Book value VND	Doubtful amount VND	Book value VND <i>(As restated – Note 10)</i>	Doubtful amount VND
(a) Receivables				
Interest receivables from term deposit	115,597,273,830	-	29,467,912,951	-
Interest receivables from loans	34,179,272,716	-	45,739,094,077	-
Receivables from disposals of financial assets	102,881,640	-	-	-
	<u>149,879,428,186</u>	<u>-</u>	<u>75,207,007,028</u>	<u>-</u>
(b) Receivables from services provided				
Receivables from securities purchasing	5,592,927,286	-	8,420,054,996	-
Custody fee	2,159,600,645	-	1,623,037,139	-
Related parties	1,364,794,355	-	1,512,292,806	-
Others	3,133,132,047	-	9,433,879	-
	<u>12,250,454,333</u>	<u>-</u>	<u>11,564,818,820</u>	<u>-</u>

3.7 Prepaid expenses

(a) Short-term prepaid expenses

	2023 VND	2022 VND
Information technology costs for operating the trading system	3,155,779,535	1,634,014,079
Rental cost	7,708,976,940	229,594,001
Trading software maintenance cost	3,056,689,705	1,222,426,433
Others	1,089,982,740	761,601,622
	<u>15,011,428,920</u>	<u>3,847,636,135</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

3.7 Prepaid expenses (continued)

(b) Long-term prepaid expenses

	2023 VND	2022 VND
Office renovation cost (*)	10,294,496,311	1,278,120,963
Office supplies	5,176,627,913	2,283,312,217
Information technology costs for operating the trading system	2,241,643,550	2,024,048,236
Trading software maintenance cost	200,628,000	911,706,400
Others	11,259,776	212,724,891
	<u>17,924,655,550</u>	<u>6,709,912,707</u>

(*) The increase mainly comes from repair cost for the new headquarter office.

3.8 Short-term security deposits

	31/12/2023 VND	31/12/2022 VND
Office rental deposit	10,174,882,855	5,459,039,255
Other deposit	540,515,250	698,900,000
	<u>10,715,398,105</u>	<u>6,157,939,255</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

3.9 Fixed assets

(a) Tangible fixed assets

	Machinery and equipment VND
Historical cost	
As at 1 January 2023	37,033,242,113
New purchases	7,396,769,090
Disposals	(39,879,000)
	<hr/>
As at 31 December 2023	44,390,132,203
	<hr/>
Accumulated amortisation	
As at 1 January 2023	(28,978,390,221)
Charge for the period	(5,254,413,937)
Disposals	39,879,000
Other increase	3,490,724,542
	<hr/>
As at 31 December 2023	(30,702,200,616)
	<hr/>
Net book value	
As at 1 January 2023	8,054,851,892
	<hr/> <hr/>
As at 31 December 2023	13,687,931,587
	<hr/> <hr/>

Historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2023 was VND 18,993,133,113 (as at 31 December 2022: VND 15,825,922,113)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

3.9 Fixed assets (continued)

(b) Intangible fixed assets

	Software VND
Historical cost	
As at 1 January 2023	45,148,545,248
New purchases	6,459,111,110
	<hr/>
As at 31 December 2023	51,607,656,358
	<hr/>
Accumulated amortisation	
As at 1 January 2023	(22,563,248,276)
Charge for the period	(6,051,786,427)
Other decrease	(3,490,724,542)
	<hr/>
As at 31 December 2023	(32,105,759,245)
	<hr/>
Net book value	
As at 1 January 2023	22,585,296,972
	<hr/>
As at 31 December 2023	19,501,897,113
	<hr/> <hr/>

Historical cost of fully amortised intangible fixed assets but still in use as at 31 December 2023 was VND 14,196,437,915 (as at 31 December 2022: VND 12,466,000,000).

3.10 Deferred income tax

Deferred income tax assets

	31/12/2023 VND	31/12/2022 VND
Deferred income tax assets recoverable within 12 months	11,776,806,472	18,462,335,348
	<hr/>	<hr/>

Details of deferred income tax assets is as below:

	31/12/2023 VND	31/12/2022 VND
Deductible temporary difference		
Provision for impairments of financial assets	58,884,032,360	92,311,676,739
Tax at rate of 20%:		
Deferred income tax assets	11,776,806,472	18,462,335,348
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

3.10 Deferred income tax (continued)

Deferred income tax assets (continued)

Movement of deferred income tax assets during the period/year is as below:

	31/12/2023 VND	31/12/2022 VND
Opening balance	18,462,335,348	-
(Reversal)/increase during the year	(6,685,528,876)	18,462,335,348
	<u>11,776,806,472</u>	<u>18,462,335,348</u>

Deferred tax assets are recognized based on the possibility that future taxable income will be available to offset these temporary differences.

3.11 Deposits in the Settlement Supporting Fund

According to Decision No.45/QĐ-VSD dated 22 May 2014 issued by the Vietnam Securities Depository, the Company is required to deposit an initial amount of VND 120 million at the Vietnam Securities Depository and an additional annual contribution equivalent to 0.01% of the total value of brokered securities in the previous year up to the maximum limit of VND 2.5 billion per annum.

The maximum limit on the contribution of each depository member to the Settlement Supporting Fund is VND 20 billion for a depository member who is a securities company with proprietary trading and brokerage operations.

As at 31 December 2023 and as at 31 December 2022, the Company fully contributed the maximum amount.

	31/12/2023 VND	31/12/2022 VND
Initial contribution	120,000,000	120,000,000
Additional contribution	19,880,000,000	17,418,067,383
Interest received	990,235,940	3,318,952,406
Total	<u>20,990,235,940</u>	<u>20,857,019,789</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

3.12 Deposits in the Clearing Fund

According to Circular No. 11/2016/TT-BTC issued by Ministry of Finance on 19 January 2016 guiding a number of articles of Decree No. 42/2015/NĐ-CP of the Government dated 5 May 2015 on derivative securities and derivative instrument markets, clearing members shall contribute to the clearing fund in cash or securities accepted by the VSD for the purpose of compensation for damages and complete derivative securities transactions on behalf of the clearing members in case the clearing members, investors of the clearing members lose its ability to pay.

According to Decision No. 97/QĐ-VSD dated 23 March 2017 of the General Director of Vietnam Securities Depository (“VSD”) related on the policy of management and utilisation of the clearing fund, the Company is required to deposit an initial amount of VND 10,000,000,000 at the VSD into the clearing fund for transactions of derivative securities. Additional contributions include additional contributions due to periodic revaluation and adhoc additional contributions will be announced by the VSD in each period.

	31/12/2023 VND	31/12/2022 VND
Initial deposits	10,000,000,000	10,000,000,000
Additional deposits	86,542,157	66,436,460
Total	<u>10,086,542,157</u>	<u>10,066,436,460</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

3.13 Short-term borrowings

Movement of borrowings in the year were as below:

	As at 1/1/2023 VND	Increase during the year VND	Decrease during the year VND	As at 31/12/2023 VND
Joint Stock Commercial Bank for Foreign Trade of Vietnam	450,000,000,000	13,679,000,000,000	(11,729,000,000,000)	2,400,000,000,000
Kookmin Bank – Tokyo Branch	1,781,560,000,000	1,839,800,000,000	(1,781,560,000,000)	1,839,800,000,000
Joint Stock Commercial Bank for Investment and Development of Vietnam – Ha Thanh Branch	829,000,000,000	7,471,800,000,000	(7,595,200,000,000)	705,600,000,000
Sumitomo Mitsui Banking Corporation – Singapore Branch	1,158,430,000,000	1,210,600,000,000	(1,158,430,000,000)	1,210,600,000,000
DBS Bank Limited	541,420,000,000	565,915,000,000	(541,420,000,000)	565,915,000,000
Indovina Bank Ltd.	100,000,000,000	3,255,000,000,000	(3,055,000,000,000)	300,000,000,000
Kookmin Bank – Hanoi Branch	333,000,000,000	333,000,000,000	(333,000,000,000)	333,000,000,000
Daegu Bank – Ho Chi Minh City Branch	120,000,000,000	120,000,000,000	(120,000,000,000)	120,000,000,000
Vietnam Export Import Commercial Joint Stock Bank	-	537,500,000,000	(537,500,000,000)	-
Vietnam Maritime Commercial Joint Stock Bank	90,000,000,000	1,762,997,611,551	(1,852,997,611,551)	-
Vietnam International Commercial Joint Stock Bank	50,000,000,000	350,000,000,000	(350,000,000,000)	50,000,000,000
Ocean Commercial One Member Limited Liability Bank	-	92,000,000,000	(92,000,000,000)	-
Vietnam Joint Stock Commercial Bank for Industry and Trade	200,000,000,000	-	(200,000,000,000)	-
Nonghyup Vietnam Bank	110,000,000,000	220,000,000,000	(220,000,000,000)	110,000,000,000
Vietnam Asia Commercial Joint Stock Bank	50,000,000,000	50,000,000,000	(100,000,000,000)	-
	<u>5,813,410,000,000</u>	<u>31,487,612,611,551</u>	<u>(29,666,107,611,551)</u>	<u>7,634,915,000,000</u>

The balance represents borrowings from domestic and foreign commercial banks with maturity of less than one year, in which a number of borrowings were secured by certificates of deposit amounting to VND 2,340,000,000,000 (Note 3.2) and term deposits amounting to VND 2,929,331,506,849 (Note 3.3). The borrowing principal shall be paid on maturity date of each disbursement. The interest rate is in the range from 3.5% to 8.5% per annum (as at 31 December 2022: from 4.89% to 8.50% per annum). The purpose of the borrowings are for investment activities and working capital of the Company. For the borrowings in foreign currency, the Company manages the risk by entering into cross currency swap contracts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

3.14 Payables for securities trading activities

	31/12/2023 VND	31/12/2022 VND
Payables to Ho Chi Minh City Stock Exchange	3,403,036,096	3,394,967,844
Payables to Ha Noi Stock Exchanges	615,958,975	862,103,901
Payables to Vietnam Securities Depository	638,933,913	615,604,978
	<u>4,657,928,984</u>	<u>4,872,676,723</u>

3.15 Tax and other payables to the State

Movements of tax and other payables to the State during the year were as follows:

	As at 1/1/2023 VND	Incurred during the year VND	Paid during the year VND	As at 31/12/2023 VND
Value added tax	227,505,791	234,304,230	(302,467,625)	159,342,396
Corporate income tax – current	30,518,383,715	53,254,433,042	(75,518,383,714)	8,254,433,043
Personal income tax withheld and paid on behalf of employees	1,930,527,962	24,591,039,519	(24,512,391,075)	2,009,176,406
Personal income tax withheld and paid on behalf of investors	13,172,172,405	131,405,197,056	(135,223,032,612)	9,354,336,849
Foreign contractor withholding tax	834,686,890	12,769,712,215	(13,030,029,864)	574,369,241
Business license tax	-	6,000,000	(6,000,000)	-
	<u>46,683,276,763</u>	<u>222,260,686,062</u>	<u>(248,592,304,890)</u>	<u>20,351,657,935</u>

3.16 Accrued expenses

	31/12/2023 VND	31/12/2022 VND
Accrued borrowings interest expense	81,308,430,287	74,553,477,694
Guarantee fees payables to parent company	1,348,254,246	3,247,225,389
Accrued salary expense	4,887,435,593	2,712,890,000
Others	706,915,902	496,661,466
	<u>88,251,036,028</u>	<u>81,010,254,549</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

3.17 Other short-term payables

	31/12/2023 VND	31/12/2022 VND
Bond coupon payables to investors (*)	93,923,364,694	-
Payables to investors (**)	5,606,418,690	13,042,369,568
Others	-	55,838,518
	<u>99,529,783,384</u>	<u>13,098,208,086</u>

(*) The balance represents bond coupon payables to individual investors under service contracts in which the Company is the payment agent.

(**) The balance represents the investor's deposit at period ended which has not yet been transferred to the bank account of investors under the management of the Company. This amount has been transferred to the bank account of investors on the first working day after year ended.

3.18 Bonus and welfare fund

Movement of bonus and welfare fund in the year were as below:

	31/12/2023 VND	31/12/2022 VND
Beginning of the year	2,021,277,229	917,110,979
Increase during the year (Note 5.1)	3,575,705,904	4,812,650,450
Use during the year	(4,293,462,475)	(3,708,484,200)
	<u>1,303,520,658</u>	<u>2,021,277,229</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

3.19 Owners' capital

(a) Number of shares

	31/12/2023 Ordinary shares	31/12/2022 Ordinary shares
Number of shares registered	300,168,613	300,168,613
Number of shares issued	300,168,613	300,168,613
Number of outstanding shares	300,168,613	300,168,613

The par value: VND 10,000 per share

(b) Details of shareholding

	31/12/2023		31/12/2022	
	Ordinary shares	%	Ordinary shares	%
KB Securities Company Limited	299,596,020	99.81%	299,596,020	99.81%
Other shareholders	572,593	0.19%	572,593	0.19%
Number of shares	300,168,613	100.00%	300,168,613	100.00%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

3.20 Undistributed post-tax profits

	As at	
	31/12/2023 VND	31/12/2022 VND <i>(As restated – Note 10)</i>
Beginning of the year	830,798,854,454	680,889,461,952
Post-tax profit of the year	238,809,607,974	178,785,295,200
Appropriation to supplementary capital reserve (Note 2.21(b))	-	(12,031,626,124)
Appropriation to financial and operational risk reserve (Note 2.21(b))	-	(12,031,626,124)
Appropriation to bonus and welfare fund (Note 5.1)	(3,575,705,904)	(4,812,650,450)
End of year	<u>1,066,032,756,524</u>	<u>830,798,854,454</u>

Movements of undistributed post-tax profits during the year are as below:

	As at 31/12/2022 VND <i>(As restated – Note 10)</i>	Post-tax profit of the year VND	Appropriation to bonus and welfare fund (Note 5.1) VND	As at 31/12/2023 VND
Realised post-tax profits	762,084,785,098	228,369,513,745	(3,575,705,904)	986,878,592,939
Unrealised post-tax profits	68,714,069,356	10,440,094,229	-	79,154,163,585
Undistributed post-tax profits	<u>830,798,854,454</u>	<u>238,809,607,974</u>	<u>(3,575,705,904)</u>	<u>1,066,032,756,524</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

4 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

4.1 Net realised gains/(losses) on disposals of FVTPL financial assets

	2023 VND	2022 VND <i>(As restated – Note 10)</i>
Realised gains on disposals of FVTPL financial assets	54,422,963,807	49,853,407,693
<i>In which:</i>		
- <i>Listed shares</i>	103,672,267	313,035,724
- <i>Listed bond</i>	-	1,113,540,364
- <i>Certificates of deposit</i>	54,319,291,540	48,426,831,605
 Realised losses on disposals of FVTPL financial assets	 (7,647,043,668)	 (24,994,132,124)
<i>In which:</i>		
- <i>Listed shares</i>	(37,581,918)	(419,827,244)
- <i>Listed bond</i>	-	(1,365,199)
- <i>Certificates of deposit</i>	(7,609,461,750)	(24,572,939,681)
 Net profit	 <u>46,775,920,139</u>	 <u>24,859,275,569</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

4 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

4.1 Net realised gains/(losses) on disposals of FVTPL financial assets (continued)

Details of net realised gains/(losses) from disposals of financial assets at FVTPL by category are as follows:

(a) Gain from disposals of financial assets at FVTPL

	Quantity disposed	Sales proceeds VND	Costs of disposals (*) VND	Realised gains in the year VND	Realised gains in the previous year VND
Listed shares	50,027	980,789,040	(877,116,773)	103,672,267	313,035,724
Listed bonds	-	-	-	-	1,113,540,364
Certificates of deposit	12,241	26,478,581,863,866	(26,424,262,572,326)	54,319,291,540	48,426,831,605
	<u>62,268</u>	<u>26,479,562,652,906</u>	<u>(26,425,139,689,099)</u>	<u>54,422,963,807</u>	<u>49,853,407,693</u>

(b) Losses from disposals of financial assets at FVTPL

	Quantity disposed	Sales proceeds VND	Costs of disposals (*) VND	Realised losses in the year VND	Realised losses in the previous year VND
Listed shares	21,078	322,119,370	(359,701,288)	(37,581,918)	(419,827,244)
Listed bonds	-	-	-	-	(1,365,199)
Certificates of deposit	367	1,569,593,970,094	(1,577,203,431,844)	(7,609,461,750)	(24,572,939,681)
	<u>21,445</u>	<u>1,569,916,089,464</u>	<u>(1,577,563,133,132)</u>	<u>(7,647,043,668)</u>	<u>(24,994,132,124)</u>

(*) Costs of financial assets at FVTPL are determined using the weighted average method for all financial assets at FVTPL.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

4 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

4.2 Gains/(losses) from revaluation of financial assets at FVTPL

	2023 VND	2022 VND <i>(As restated – Note 10)</i>
Increase in revaluation gains of FVTPL financial assets	10,438,668,093	19,169,164,475
Decrease in revaluation losses of FVTPL financial assets	1,426,136	15,357,391
Total	<u>10,440,094,229</u>	<u>19,184,521,866</u>

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

	Cost VND	Market value/ fair value VND	Accumulated revaluation gains/(losses) as at 31/12/2023 VND	Accumulated revaluation gains/(losses) as at 31/12/2022 VND <i>(As restated – Note 10)</i>	Charged to the statement of comprehensive income VND
Listed shares	9,579,772	8,536,335	(1,043,437)	(2,547,272)	1,503,835
Unlisted shares	1,081,307	1,081,307	-	-	-
Certificates of deposit	3,384,958,980,261	3,464,228,459,697	79,269,479,436	68,830,889,042	10,438,590,394
	<u>3,384,969,641,340</u>	<u>3,464,238,077,339</u>	<u>79,268,435,999</u>	<u>68,828,341,770</u>	<u>10,440,094,229</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

4 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

4.3 Dividends and interest income from FVTPL financial assets

	2023 VND	2022 VND <i>(As restated – Note 10)</i>
Dividend	322,900	12,900,585
Certificates of deposit	160,654,361,356	83,138,972,995
	<u>160,654,684,256</u>	<u>83,151,873,580</u>

4.4 Interest income from HTM financial assets

	2023 VND	2022 VND
Interest income from term deposit	204,820,066,657	68,032,098,870
	<u>204,820,066,657</u>	<u>68,032,098,870</u>

4.5 Interest income from loans and receivables

	2023 VND	2022 VND
Margin loans	494,919,519,380	492,223,051,031
Trading advances	30,805,172,667	32,385,551,850
	<u>525,724,692,047</u>	<u>524,608,602,881</u>

4.6 Provisions for financial assets, losses on bad debts, impairment losses of financial assets and interest expenses associated with loans

	2023 VND	2022 VND
Provision for margin loans (Note 3.4)	5,003,606,132	107,322,495,131
	<u>5,003,606,132</u>	<u>107,322,495,131</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

4 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

4.7 Expenses for brokerage services

	2023 VND	2022 VND
Salary	165,247,988,651	201,331,248,429
Depreciation expenses	7,324,079,296	7,551,515,035
Securities trading services expenses payables to Stock Exchanges	49,963,066,708	58,885,504,832
Tools and supplies	13,995,442,748	11,165,653,466
Trading system maintenance costs	6,984,015,912	5,350,295,937
Office rental costs	17,878,365,908	13,213,228,699
Others	11,195,894,863	16,552,063,413
	<u>272,588,854,086</u>	<u>314,049,509,811</u>

4.8 Financial expense

	2023 VND	2022 VND
Realised and unrealised foreign exchange loss	113,074	356,461
Interest expense	506,611,579,194	310,894,700,291
Others	1,608,255,661	4,626,669,596
	<u>508,219,947,929</u>	<u>315,521,726,348</u>

4.9 General and administrative expenses

	2023 VND	2022 VND
Salaries and related costs	58,899,516,654	41,246,118,931
Depreciation	3,982,121,068	1,061,656,466
Office rental	10,910,075,435	2,086,649,172
Tools and supplies	3,491,786,529	519,775,422
Maintenance expense	3,163,037,788	244,640,667
Advertisement	14,962,716,903	1,353,063,918
Outside services expenses	23,565,039,723	22,998,454,882
	<u>118,974,294,100</u>	<u>69,510,359,458</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

4 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

4.10 Corporate income tax

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

	2023 VND	2022 VND
Accounting profit before tax	298,749,011,615	224,309,299,150
Tax calculated at a rate of 20%	59,749,802,323	44,861,859,830
Effect of:		
Expenses not deductible for tax purposes	189,668,698	696,258,197
Others	(67,380)	(34,114,077)
Corporate income tax charge (*)	<u>59,939,403,641</u>	<u>45,524,003,950</u>
Charged for the year:		
Corporate income tax – current	53,253,874,765	64,018,383,714
Corporate income tax – deferred	6,685,528,876	(18,494,379,764)
	<u>59,939,403,641</u>	<u>45,524,003,950</u>

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

Tax authorities has audited the corporate income tax up to the end of 31 December 2020.

4.11 Earnings per share

(a) Basic earnings per share

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

4 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

4.11 Earnings per share (continued)

(a) Basic earnings per share (continued)

	2023	2022
Net profit after tax attributable to ordinary shareholders (VND)	238,809,607,974	178,785,295,200
Less amount allocated to bonus and welfare funds (VND) (*)	-	(3,575,705,904)
Net profit to calculate earnings per share (VND)	238,809,607,974	175,209,589,296
Weighted average number of ordinary shares in issue (shares)	300,168,613	300,168,613
Basic earnings per share (VND/share)	796	584

Basic earnings per share for the year ended 31 December 2022 was recalculated according to Circular 200/2014/TT-BTC as below:

	As previously reported	Adjustments	As recalculated
Net profit after tax attributable to ordinary shareholders (VND)	178,785,295,200	-	178,785,295,200
Less amount allocated to bonus and welfare funds (VND)	-	(3,575,705,904)	(3,575,705,904)
Net profit to calculate earnings per share (VND)	178,785,295,200	(3,575,705,904)	175,209,589,296
Weighted average number of ordinary shares in issue (shares)	300,168,613	-	300,168,613
Basic earnings per share (VND/share)	596	(12)	584

(*) As at the date of these financial statements, the Company has not yet estimated the amount of profit to be appropriated to the bonus and welfare fund for the year ended 31 December 2023. The actual amount distributed to the bonus and welfare fund for the financial year ended 31 December 2023 will be approved in the General Meeting of Shareholders held in 2024 and may differ from the above figures.

(b) Diluted earnings per share

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

5 NOTES TO THE STATEMENT OF CHANGES IN EQUITY

5.1 Details of changes in equity

	Share capital VND	Charter capital supplementary reserve (**) VND	Operational risk and financial reserve (**) VND	Undistributed profit VND	Total VND
As at 1 January 2022	3,001,686,130,000	18,275,822,797	33,146,243,323	680,889,461,952	3,733,997,658,072
Appropriation to bonus and welfare fund	-	-	-	(4,812,650,450)	(4,812,650,450)
Appropriation to capital supplementary reserve	-	12,031,626,124	-	(12,031,626,124)	-
Appropriation to operational risk and financial reserve	-	-	12,031,626,124	(12,031,626,124)	-
Profit after tax for the year	-	-	-	178,785,295,200	178,785,295,200
As at 31 December 2022	3,001,686,130,000	30,307,448,921	45,177,869,447	830,798,854,454	3,907,970,302,822
Appropriation to bonus and welfare fund (Note 3.18, 3.20) (*)	-	-	-	(3,575,705,904)	(3,575,705,904)
Profit after tax for the year	-	-	-	238,809,607,974	238,809,607,974
As at 31 December 2023	3,001,686,130,000	30,307,448,921	45,177,869,447	1,066,032,756,524	4,143,204,204,892

(*) According to the Resolution of the General Meeting No. 02/2023/NQ-ĐHĐCĐ dated 21 April 2023, the Board of Directors approved the appropriation to bonus and welfare fund of 2% of post-tax profit of 2022.

(**) The Company has not yet carried out the redistribution of the Charter capital supplementary reserve and the Operational risk and financial reserve in accordance with the Circular 114/2021/TT-BTC dated 17 December 2021, issued by the Ministry of Finance.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

7 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk

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

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

	As at	
	31/12/2023 VND	31/12/2022 VND
Cash and cash equivalents (Note 3.1)	117,263,682,707	301,883,794,321
FVTPL financial assets (Note 3.2)	3,464,228,459,697	2,861,099,402,865
Investments HTM (Note 3.3)	3,229,331,506,849	1,216,197,000,000
Loans (Note 3.4)	5,010,753,805,699	5,415,334,608,285
Receivables and other receivables	162,129,882,519	86,774,825,848
Deposits in the Settlement Supporting Fund (Note 3.11)	20,990,235,940	20,857,019,789
Deposits in the Clearing Fund (Note 3.12)	10,086,542,157	10,066,436,460
Pledges, mortgages, collaterals and deposits	10,730,398,105	6,172,939,255
Total credit risk exposure	<u>12,025,514,513,673</u>	<u>9,918,386,026,823</u>

Balances with banks

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

7 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Balances with banks (continued)

As at 31 December 2023 and as at 31 December 2022, balance with banks exceeded 10% of the Company's equity is as below:

	As at	
	31/12/2023 VND	31/12/2022 VND
Joint Stock Commercial Bank for Investment and Development of Vietnam	2,725,742,396,370	1,738,061,659,948
Vietnam Prosperity Joint Stock Commercial Bank	1,010,794,122,576	158,613,704,441
Vietnam Technological and Commercial Joint Stock Bank	721,721,302,955	129,997,932
Ho Chi Minh City Development Joint Stock Commercial Bank	431,716,635,561	460,823,217,808
Military Commercial Joint Stock Bank	533,103,377,131	160,759,431,829
Saigon – Hanoi Commercial Joint Stock Bank	-	508,248,627,605
Vietnam Joint Stock Commercial Bank of Industry and Trade	213,318,625,600	416,504,674,210
Kookmin Bank – Hanoi branch	190,139,996	400,221,799,179
Total	<u>5,636,586,600,189</u>	<u>3,843,363,112,952</u>

FVTPL Financial assets

The Company's listed and unlisted securities are only be traded on the Ho Chi Minh City Stock Exchange and the Hanoi Stock Exchange or with counterparties which have a clear credit rating. All securities transactions are settled or paid for upon receipt/delivery of securities via approved brokers. The risk of default is considered minimal since the delivery of securities for sale transaction is made only once payment has been received and delivery of funds for purchase transaction is only made once the securities have been received. If either party fails to meet their obligations, the trade will fail.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

7 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Trading advances and deposits for derivatives trading activities

Trading advances are collected directly from Vietnam Securities Depository. Deposits for derivatives trading activities are also placed with this entity.

Vietnam Securities Depository is a state-owned entity and has no history of payment defaults. Vietnam Securities Depository requires its members to deposit into the Settlement Support Fund and the Derivatives Trading Clearing Fund to secure their trading obligations.

The securities companies may fulfil customers' securities trading orders only when the customers' balances maintain enough (100%) cash or securities and must carry out further steps to ensure payments prior to execution of the trades. Credit risk from trading advances and deposits for derivatives trading activities is assessed as low.

As at 31 December 2023 and 31 December 2022, there were no balances with VSD that were past due or impaired.

Margin loans

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

The Risk management department is responsible for the continuous review of margin loan report which includes balances, collateral assets and margin maintenance ratio. When the margin maintenance ratio falls below the Company's regulated ratio (this ratio is determined following internal policies and not lower than the regulated ratio of 30%), the system alerts and the Company makes margin calls. When the margin maintenance ratio falls below the Company's regulated ratio and customers do not make additional margin according to the margin call, the Company forcibly sells out collateral assets to collect the loans.

The market value of collateral assets as at 31 December 2023 was VND 13,641,986,729,860 (as at 31 December 2022: VND 14,047,526,830,720).

According to prevailing securities regulations, the margin loan limit applicable to a balance (for either an individual customer or an institution customer) is 3% of the securities company's equity. As at 31 December 2023 and 31 December 2022, there was no margin loan balance that exceeded 3% of the Company's equity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

7 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Margin loans (continued)

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

	As at	
	31/12/2023 VND	31/12/2022 VND
Past due and impaired	112,877,066,920	107,873,460,788
Neither past due nor impaired	4,644,716,059,757	5,044,738,751,670
Provision made	(112,877,066,920)	(107,873,460,788)
Net amount	<u>4,644,716,059,757</u>	<u>5,044,738,751,670</u>

Other receivables and assets

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

As at 31 December 2023 and as at 31 December 2022, there were no receivables that exceeded 10% of the Company's equity.

(b) Market risk

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

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

- Interest rate risk

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

7 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

- Market price risk

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

As at 31 December 2023, the market price risk of the Company is low, as the value and quantity of shares held by the Company in the investment portfolio is not significant. The Company presented these shares on item FVTPL financial assets.

- Currency risk

Currency risk is the risk that the value of the Company's financial statements will be affected by changes in exchange rates. The Company manages its currency risk by continuously monitoring of foreign exchange rates and thereby timely updating its forecast of cashflows in foreign currencies.

The Company's business is exposed to foreign currency risk arising primarily from the US Dollar ("USD").

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

	As at	
	31/12/2023	31/12/2022
	USD	USD
Financial assets		
Cash	72	107
Financial liabilities		
Borrowings	(151,000,000)	(151,000,000)
Net financial liability	(150,999,928)	(150,999,893)
Net currency risk	(150,999,928)	(150,999,893)

Foreign currency risk to the Company is assessed as low as the Company manages the risk by entering into cross currency swap contracts for the Company's foreign currency borrowings.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

7 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty or fail to perform its financial obligations. The Company's approach to managing liquidity risk is to ensure that it will always have sufficient reserves of cash to meet its liquidity requirements in both short-term and long-term.

The Company's assets are used as collateral for the borrowings presented in Note 3.13.

The table below presents the Company's financial liabilities at book value:

	Less than one year VND	Between one and two years VND
As at 31 December 2023		
Short-term borrowings (Note 3.13)	7,634,915,000,000	-
Payables for securities trading activities (Note 3.14)	4,657,928,984	-
Trade accounts payable	895,141,559	-
Short-term accrued expenses (Note 3.16)	88,251,036,028	-
Other short-term payables (Note 3.17)	99,529,783,384	-
	<hr/>	<hr/>
Total financial liabilities	7,828,248,889,955	-
	<hr/> <hr/>	<hr/> <hr/>
	Less than one year VND	Between one and two years VND
As at 31 December 2022		
Short-term borrowings (Note 3.13)	5,813,410,000,000	-
Payables for securities trading activities (Note 3.14)	4,872,676,723	-
Trade accounts payable	3,053,702,918	-
Short-term accrued expenses (Note 3.16)	81,010,254,549	-
Other short-term payables (Note 3.17)	13,098,208,086	-
	<hr/>	<hr/>
Total financial liabilities	5,915,444,842,276	-
	<hr/> <hr/>	<hr/> <hr/>

(d) Capital risk management

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

7 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk management (continued)

CAR is calculated and presented in the Company's report on capital adequacy ratio report. The report is prepared monthly and comply with Circular 91/2020/TT-BTC issued by the Ministry of Finance on 13 November 2020 ("Circular 91/2020/TT-BTC") effective from 1 January 2021. Circular 91/2020/TT-BTC regulates requirements of capital adequacy ratio applicable to securities dealing institutions and sanctions imposed on non-compliance cases. According to Circular 91/2020/TT-BTC, the Company is required to maintain a prescribed minimum level of CAR of 180%.

As at 31 December 2023, the Company's CAR is 516% (as at 31 December 2022: 742%).

8 VOLUME AND VALUE OF TRANSACTIONS DURING THE YEAR

	Volume of transactions during the year	Value of transactions during the year VND
(a) Of the Company		
Stock	71,605	1,312,208,410
(b) Of Investors		
Stock	8,971,690,802	174,447,818,402,910
Bonds	4,518,000	439,322,150,000
Others	55,112,897	75,545,878,840
	9,031,393,304	174,963,998,640,160

9 OPERATING LEASE COMMITMENTS

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

	As at	
	31/12/2023 VND	31/12/2022 VND
Within one year	26,760,156,026	5,218,986,965
Between one and five years	109,313,452,662	-
Total	136,073,608,688	5,218,986,965

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

10 RESTATEMENT

The Company adjusted a number of line items in the financial statements for the year ended 31 December 2022 to accurately reflect the nature of the balances and transactions. These adjustments did not affect the total assets, total profit before tax and the net movement in cash and cash equivalents of the year of the Company.

(a) Statement of financial position (extracted)

Code	Item	Note	As at 31 December 2022		
			As previously reported VND	Reclassification VND	As restated VND
100	CURRENT ASSETS		9,787,250,759,663	-	9,787,250,759,663
110	Financial asset		9,777,192,297,273	-	9,777,192,297,273
112	Financial assets at fair value through profit or loss ("FVTPL")	(i)	2,792,273,479,450	68,830,889,042	2,861,104,368,492
117	Receivables	(i)	144,037,896,070	(68,830,889,042)	75,207,007,028
270	TOTAL ASSETS		9,874,001,612,831	-	9,874,001,612,831
400	OWNERS' EQUITY		3,907,970,302,822	-	3,907,970,302,822
410	Owners' equity		3,907,970,302,822	-	3,907,970,302,822
417	Undistributed earnings		830,798,854,454	-	830,798,854,454
417.1	Realised profits after tax	(ii)	830,915,674,140	(68,830,889,042)	762,084,785,098
417.2	Unrealised profits	(ii)	(116,819,686)	68,830,889,042	68,714,069,356
440	TOTAL RESOURCES		9,874,001,612,831	-	9,874,001,612,831

- (i) Reclassification of certificates of deposits' accrued interest income from "Receivables" to "Financial assets at fair value through profit or loss ("FVTPL")" with total amount of VND 68,830,889,042 to present the fair value of FVTPL assets; and
- (ii) Reclassification between the "Realised profits after tax" and the "Unrealised profits" category for the revaluation gains of certificates of deposit in FVTPL financial assets with total amount of VND 68,830,889,042 due to the reclassification in (i).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

10 RESTATEMENT (CONTINUED)

(b) Statement of comprehensive income (extracted)

Code	Item	Note	Financial year ended 31 December 2022		
			As previously reported VND	Reclassification VND	As restated VND
01	Gains from financial assets at FVTPL		152,174,445,748	-	152,174,445,748
01.1	Realised gains on disposals of financial assets at FVTPL	(iii)	33,085,380,296	16,768,027,397	49,853,407,693
01.2	Increase/(decrease) in revaluation gains of financial assets at FVTPL	(iii)	(160,222,076)	19,329,386,551	19,169,164,475
01.3	Dividends and interest income from financial assets at FVTPL	(iii)	119,249,287,528	(36,097,413,948)	83,151,873,580
20	TOTAL OPERATING INCOME		1,063,886,760,458	-	1,063,886,760,458
90	NET ACCOUNTING PROFIT BEFORE TAX		224,309,299,150	-	224,309,299,150
91	Realised profit	(iv)	224,454,163,835	(19,329,386,551)	205,124,777,284
92	Unrealised (loss)/profit	(iv)	(144,864,685)	19,329,386,551	19,184,521,866
200	NET PROFIT AFTER TAX		178,785,295,200	-	178,785,295,200

(iii) Reclassification of interest income of certificates of deposit in FVTPL financial assets from “Dividends and interest income from FVTPL financial assets” to “Realised gains on disposals of FVTPL financial assets” and “Increase in revaluation gains of FVTPL financial assets” with total amount of VND 16,768,027,397 and VND 19,329,386,551 respectively to reflect the nature of the income sources; and

(iv) Reclassification between “Realised profits” and “Unrealised profits” related to the above reclassification with an amount of VND 19,329,386,551 due to the effect of (iii).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

10 RESTATEMENT (CONTINUED)

(c) Statement of cash flows (extracted)

Code	Item	Financial year ended 31 December 2022		
		As previously reported VND	Reclassification VND	As restated VND
02	Adjustments for:	277,504,241,099	68,830,889,042	346,335,130,141
08	Accrued interest income	(144,037,896,070)	68,830,889,042	(75,207,007,028)
18	Change in non-cash income	160,230,269	(19,329,386,551)	(19,169,156,282)
19	(Increase)/decrease in revaluation gains of financial assets at FVTPL	160,222,076	(19,329,386,551)	(19,169,164,475)
30	Changes in working capital	(1,575,015,608,006)	(49,501,502,491)	(1,624,517,110,497)
36	Decrease in dividends and interests accrued and receivables on financial assets	119,901,530,335	(49,501,502,491)	70,400,027,844

The Company reclassified a number of line items in the statement of cash flows for the year ended 31 December 2022 as a result of the reclassification of the accrued interest income from certificates of deposit from “receivables” to “financial assets at fair value through profit or loss (“FVTPL”)” on the statement of financial position as at 31 December 2021 and 31 December 2022 respectively.

(d) Statement of changes in equity (extracted)

The Company reclassified a number of line items in the statement of changes in equity for the year ended 31 December 2022 due to the effect of the reclassification as described in the Notes 10(a), 10(b) and 10(c).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

11 SUBSEQUENT EVENTS

On 28 February 2024, the Company received Decision No. 08/QĐ-SGDVN from the General Director of the Vietnam Exchange, which approved that the Company is a private corporate bonds trading member of the Vietnam Exchange.

On 29 February 2024, the Company received Decision No. 95/QĐ-SGDVN from the General Director of the Hanoi Stock Exchange, which approved that the Company is permitted to connect to the private corporate bonds trading market of the Hanoi Stock Exchange from this date.

The financial statements were approved by the General Director of the Company on 28 March 2024.



Ha Thanh Hoa
Preparer/Chief Accountant



Choi Yunsun
Chief Financial Executive



Jeon Mun Cheol
General Director
Authorised signatory

