

**CÔNG TY CPCK SÀI GÒN – HÀ NỘI  
SAIGON – HA NOI SECURITIES JSC.,**

Số/No: **687**/2021/CV - SHS  
(V/v: Công bố thông tin  
Báo cáo thường niên năm 2020  
bằng tiếng Anh)  
(Ref: Information disclosure  
of Annual Report 2020 in English)

**CỘNG HÒA XÃ HỘI CHỦ NGHĨA VIỆT NAM  
THE SOCIALIST REPUBLIC OF VIETNAM**

**Độc lập – Tự do – Hạnh phúc  
Independence - Freedom - Happiness**

Hà Nội, ngày **14** tháng 06 năm 2021  
Hanoi, June th, 2021

**Kính gửi/To: Ủy ban Chứng khoán Nhà nước/The State Securities Commission  
Sở Giao dịch Chứng khoán Hà Nội/Ha Noi Stock Exchange  
Sở Giao dịch Chứng khoán Tp. Hồ Chí Minh/Hochiminh Stock Exchange**

1. Tên công ty/Organization name: Công ty Cổ phần Chứng khoán Sài Gòn - Hà Nội/Saigon-Hanoi Securities JSC.,
2. Mã chứng khoán/Securities Code: SHS
3. Mã thành viên/Member code: 069
4. Địa chỉ trụ sở chính/Address of head office: Tầng 1-5, Toà nhà Unimex Hà Nội, số 41, Ngô Quyền, Hoàn Kiếm, Hà Nội/1st -5th Floors, Unimex Hanoi Building, No. 41, Ngo Quyen road, Hoan Kiem district, Hanoi city.
5. Điện thoại/Telephone: 024.38.181888 Fax/Fax: 024.38.181688
6. Người thực hiện công bố thông tin/ Spokesman: Vũ Đức Tiên – Tổng Giám đốc đồng thời là Người đại diện theo pháp luật/Vu Duc Tien – General Director and Legal Representative
7. Loại thông tin công bố/Information disclosure type: Định kỳ/Periodicity
8. Nội dung của thông tin công bố/Contents of information disclosure:  
- Báo cáo thường niên năm 2020 bằng tiếng Anh/Annual Report 2020 in English.
9. Địa chỉ website đăng tải thông tin công bố/The website's address of the disclosure::  
<https://www.shs.com.vn/News/202169/1010745/shs-cong-bo-thong-tin-bao-cao-thuong-nien-2020-bang-tieng-anh.aspx>

Chúng tôi xin cam kết các thông tin công bố trên đây là đúng sự thật và hoàn toàn chịu trách nhiệm trước pháp luật về nội dung thông tin công bố/We hereby certify that the information provided is true and correct and we will bear the full responsibility to the law.

Trân trọng/Best regards./.

**Tài liệu kèm theo/Attached documents:**

- Báo cáo thường niên 2020 bằng tiếng Anh/Annual Report 2020 in English.

**Nơi nhận/Recipients:**

- Như trên /As stated above;
- Lưu VT, P.PC&QTRR/Kept at Archives and L&R management department.



**VŨ ĐỨC TIÊN  
TỔNG GIÁM ĐỐC  
GENERAL DIRECTOR**



CONVERTING OPPORTUNITIES TO VALUE



# REACHING NEW HEIGHTS, TO GLORY

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ANNUAL REPORT 2020



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# PART **01** **GENERAL INTRODUCTION**

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- 2020'S HIGHLIGHTS
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- BASIC INDICATORS



# MESSAGE FROM THE CHAIRMAN

VND **938.9**

billion

The profit before tax in 2020

**To be specific, profit from securities brokerage and financial services was VND164.4 billion, accounted for 17.5% total profit; consulting, underwriting, and bond issuance agency activities accounted for 22.7% total profit, reached VND213.3 billion; and investment activities contributed VND553.3 billion, accounted for 58.9% total profit.**



### Dear Shareholders, Investors, and Customers!

2020 has brought many challenges, but it also created a lot of opportunities, as I said in the 2019 Annual report. Below are some remarkable numbers I want to share with you:

- The 2020 Profit before tax reached its highest amount since an inception, at VND 938.9 billion.
- The 2020 Earning per share (EPS) was 3,649 VND/share (+168.5%) - also reached its highest level and is in the top 4 securities companies that has highest EPS.

I believe there are 3 main factors contribute to great results in 2020, which are:

- Intrinsic financial strength has been improved after raising equity capital.
- Appropriate strategic vision, ability to seize the opportunities and accurate estimation of market fluctuations during the year.
- The solidarity, stability, and the decisive, "dare to think, dare to act" spirit of all the Company's staffs.

Ladies and Gentlemen! This is a second year since we have raised capital to VND2,072.7 billion. When financial capacity is enhanced, we have enough ability to implement all activities of the Company in an integrated way without overlooking any segment. To be specific, profit from securities brokerage and financial services was VND164.4 billion, accounted for 17.5% total profit; consulting, underwriting, and bond issuance agency activities accounted for 22.7% total profit, reached VND 213.3 billion; and investment activities contributed VND553.3billion, accounted for 58.9% total profit.

The results shown above accurately reflect the vision of building a multi-functional securities company with full operations. Investment activities has also focused properly when the sudden outbreak of COVID-19 pandemic brought favorable opportunities in the stock market, while brokerage activities continue to face fierce competition from competitors, especially securities companies with foreign capital.

We value the efficiency in each segment rather than competing at all costs to maintain market share. We believe, by sticking to the chosen path, market share will be regained step by step in a sustainable way without affecting the gross margin.

In the previous Annual reports, I have pointed out those employees are the most valuable assets of the Company. Not many firms in this industry maintain the stability of top and middle managers like SHS, that is the premise of a breakthrough business results in the year. To reward the contribution, we have changed the entire salary and bonus structure based on job characteristics and employees' skills, ensuring the competitiveness and retaining outstanding talent.

However, one of the prominent issues that I as well as the Board of Directors and Board of Management, is very concerned about is that our plan to upgrade the trading software has been delayed for more than a years.

There are many reasons, but the main one is that the Company is determined to shift the traditional brokerage model to the asset management model with a consistent principle "Taking the growth of customer's NAV as the driving force". To pursue this path, there are many unprecedented systematic requirements on the market and the

Company needs more time to monitor the stability and breakthrough of today's technology solutions.

I believe that when the new system is completed, existing customers as well as potential customers will have unprecedented experiences. Accordingly, portfolio allocation and management will be significantly improved, in order to help customers increase their NAV sustainably, consistent with their investment style and risk tolerance. This will be the key mission of the Company in 2021.

Besides, we think that after an impressive growth period, investment opportunities will become narrower, requiring more careful investigation when making investment decisions. The realization of strategic investments will be considered and should be utilized properly. We also plan to strengthen the cross-monitoring system as well as the corporate governance in the Company.

Ladies and Gentlemen! I hope this will meet your expectations and you will continue to accompany us as an investor, a customer and a long-term shareholder of the Company. Wish you a healthy, happy and successful year!

Best regards!

On behalf of the Board  
Chairman

**Do Quang Hien**



## 2020'S HIGHLIGHTS

VND **6,929.7**  
billion

TOTAL ASSETS REACH THE HIGHEST AMOUNT, INCREASE 14.1%



TYPICAL MEMBER OF HNX, HOSE AND VSD

VND **754.3**  
billion

PROFIT AFTER TAX REACH THE HIGHEST LEVEL, INCREASE 196.3%



BEST ANNUAL REPORTS OF MEDIUM-CAP GROUP

**49,920**  
accounts

UNDER MANAGEMENT, INCREASE 9.8%



COMPLETED A MARKET COMPETITIVE SALARY STRUCTURE

RANK **4<sup>TH</sup> & 8<sup>TH</sup>**

ON HNX – WITH RESPECT TO LISTED STOCK AND GOVERNMENT BOND



MAKE GOOD USE OF MARKET OPPORTUNITIES TO INVEST IN LISTED STOCKS AND BONDS

## GENERAL INFORMATION

Transaction name:	Saigon-Hanoi Securities Joint Stock Company
License of establishment and operation:	66/UBCK-GP issued by SSC on November 15th, 2007
Stock code:	SHS
Member code:	069
Charter capital:	VND <b>2,072.7</b> billion
Owner's investment capital:	VND <b>2,295.3</b> billion
Address:	1-5 Floor, Unimex Hanoi Building, No. 41, Ngo Quyen, Hang Bai, Hoan Kiem, Hanoi
Phone:	84-24-38 181 888
Fax:	84-24-3 8181 688
Website:	<a href="http://www.shs.com.vn">http://www.shs.com.vn</a>



### VISION

To become a leading securities company as an investment bank in Vietnam and a prestigious brand in the Asian stock market.



### MISSION

To create maximum profits for shareholders; contribute to build, and develop Vietnam's stock market safely and effectively; to create a good working environment, high income, and promotion opportunities for employees; to provide diversified and quality financial/securities services to customers and partners.



### CORE VALUES

Integrity, creativity, professionalism, customer satisfaction.





# HISTORY OF FORMATION AND DEVELOPMENT

## 2007

- Officially established with chartered capital of VND 350.0 billion and a head office at 162-164, Thai Ha, Dong Da, Hanoi.
- Member of Vietnam Securities Depository Center.

## 2008

- Member of the Ho Chi Minh City Stock Exchange and the Hanoi Stock Exchange.
- Established Ho Chi Minh City Branch at 41, Pasteur, Nguyen Thai Binh, District 1, Ho Chi Minh City.

## 2009

- Moved Head Office to Level 1&5, Dao Duy Anh Building, No. 9, Dao Duy Anh, Dong Da, Hanoi.
- Increased charter capital to VND 410.6 billion through issuing bonus shares to existing shareholders.

- Listed on the Hanoi Stock Exchange under stock ticker SHS on June 25th, 2009.

- Established Da Nang Branch at 97 Le Loi, Thach Thang, Hai Chau, Da Nang.

## 2010

- Increased charter capital to VND 1,000.0 billion.
- Established Nghe An Branch.
- Specialized government bonds trading member at Hanoi Stock Exchange.

## 2011

- Moved Ho Chi Minh City Branch to 141-143 Ham Nghi, Nguyen Thai Binh, District 1, Ho Chi Minh City.

- Closed Nghe An Branch.

- Moved the Head Office to Level 1&3, Union Conference Center Building, No.1, Yet Kieu, Hoan Kiem, Hanoi.

## 2013

- Moved Ho Chi Minh City Branch to 3rd Floor, Artex Saigon Building, No. 236-238 Nguyen Cong Tru, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City.

## 2014

- Became one of the top-10 securities companies with the largest brokerage market share on both HNX and HSX.

- Established Thang Long Transaction Office at 3rd floor, Building M5, No. 91, Nguyen Chi Thanh, Lang Ha Ward, Dong Da District, Hanoi.

## 2015

- Became one of the top-five securities companies with the largest brokerage market share on both HNX and HOSE.

## 2016

- Established Dong Nai Representative Office at 129, Ha Huy Giap, Quyet Thang, Bien Hoa, Dong Nai.

## 2017

- Expanded the Ho Chi Minh City Branch at Floor 1&3, Building AS, No. 236-238 Nguyen Cong Tru, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City.

## 2018

- Moved Head Office to Level 1-5, Unimex Hanoi Building, No. 41, Ngo Quyen, Hang Bai, Hoan Kiem, Hanoi.
- SHBS officially merged into SHS and increased its charter capital to VND 1,054.0 billion by stock swap method.

## 2019

- Moved Da Nang Branch to Level 8, Thanh Loi 2 Building, No.3, Le Dinh Ly, Vinh Trung, Thanh Khe, Da Nang.
- Increased charter capital to VND 2,072.7 billion.

## 2020

- Established Dong Nai Representative Office at Floor 3, DG Tower, No. 15 Tran Phu, Ngo Quyen, Hai Phong.



Maintain and improve service quality and consulting for the goal of "net asset growth of customers" is always the orientation that we pursue



## FIELDS OF OPERATION



### STOCK BROKERAGE

SHS is a reputable and reliable securities brokerage services provider for thousands of domestic and foreign customers with outstanding technology and professional staffs. Typical service is to open accounts for domestic and foreign individuals and organizations. In addition, SHS offers a variety of trading methods such as direct trading on an exchange; place orders through brokers; voice ip phone system; SHPro online trading platform, website, or mobile that help investors place orders quickly and conveniently. SHS provide a variety of securities brokerage services including put-through, board lot, odd lot transactions for stocks, bonds, and fund certificates... listed and unlisted. SHS also provides auction services in many ways (such as directly organizing the auction or acting as Auction agent of the Stock Exchange...). Other services including place buy/sell orders; buy the right to receive money from selling securities, transfer cash from trading accounts to bank accounts and vice versa; transfer cash among trading accounts; register to sell

odd-lot stocks; register for stock options; manage normal accounts and margin accounts; transfer cash/stocks between these two accounts; provide real-time stock quotes and prices, auction schedules, and other services according to customer needs and within scope of SHS activities.



### DEPOSITORY AND STOCK MANAGEMENT

Depository and stock management are indispensable services for securities companies with securities brokerage services. Therefore, SHS offers a variety of depository services to customers including, but not limited to, securities custody and re-custody; exercise rights; securities transfer and settlement; giving and inheriting securities; blockade and release securities; and odd-lot securities trading.

SHS is also a professional stock management service provider for many issuers, contributing to saving costs and time for businesses and increasing the liquidity of managed securities through typical services such as tracking and managing transfers; exercising rights for shareholders and bond holders; reporting on securities management, securities transfer and securities owners...



### SECURITIES INVESTMENT

SHS uses its own capital to make for-profit investments on the basis of compliance with the principle of not conflicting with the interests of customers. The Company's portfolio is very diverse, including listed and unlisted stocks, bonds, and fund certificates in various sectors and industries and in enterprises of different sizes. Investments are made on the basis of their potential for growth and profitability and the quality of the assets.



### ANALYSIS AND INVESTMENT ADVISORY

To support customer investment activities, SHS provides a variety of analytical reports and investment advisory services. These include newsletters; macro analysis reports; market commentary; industry, business and stock analysis; investment recommendation reports; investment opportunity seminars; organizational visits and businesses exploration; and stock quotes...



### UNDERWRITING

Underwriting is an important SHS service, in which the Company provides underwriting services in different forms (such as guarantee with firm commitment and guarantee with the highest effort). In addition, SHS also provides auction consulting services in different forms (such as directly organizing auctions and acting as auction agent of the Stock Exchange).



### FINANCE ADVISORY

SHS offers a wide range of financially advisory services from a team of professional and experienced consultants. These include issuance consulting (private and public); listing consulting; equitization consulting; bond issuance advice; consulting on form conversion, enterprises, divestment and share auctions; corporate restructuring; consulting on mergers and acquisitions; and other consultations (organization of General Meetings of Shareholders, information disclosure, annual report, post-signing public companies, registering transactions, managing shareholders and raising capital).



### FINANCIAL SERVICES

In order to meet the capital requirements for customers' securities investment, SHS offers a variety of financial services. These include buying the right to sell securities, lending to margin trading, investment advisory and management, and guaranteed assets for third-parties providing SHS financial services to customers. SHS ensures that financial services are provided with fast and flexible procedures and records suitable for many customers.





# MID - AND LONG - TERM DEVELOPMENT STRATEGIES



# ACHIEVEMENTS AND AWARDS



## HONORS BY THE STATE MANAGEMENT AUTHORITIES

- HANOI PEOPLE'S COMMITTEE**  
Merit certification for achievements in the movement of the Association of Small and Medium Enterprise from 2015 to 2019.  
Merit certification for achievements in the movement thematic budget 2017.  
Merit certificate for achievements in paying to the State Budget in Hanoi city in 2019.
- HANOI STOCK EXCHANGE**  
Typical securities companies in the period 2005-2015 and from 2015 to 2020.  
The best listed corporate governance company in 2016-2017.
- HOCHIMINH STOCK EXCHANGE AND INVESTMENT NEWSPAPER**  
Typical securities company from 2017 to 2020.  
Top 50 Best Annual Reports awarded in 2013, 2016, and 2017.  
Top 30 Best Annual Reports and Top 20 Best Governing Reports of medium-cap group awarded in 2018.  
Top 10 Best Annual Reports of medium-cap group awarded in 2019, 2020.
- MINISTRY OF PLANNING AND INVESTMENT**  
Typical SOE Equitization and Equitization Consultant in 2014-2015.  
Typical IPO Consultant in 2016-2017.  
Prestigious securities company in 2015.  
Typical M&A consultant in 2017-2018 and 2019.
- MINISTRY AND DEPARTMENT OF LABOR, INVALIDS AND SOCIAL AFFAIRS**  
Merit certificate for making many contributions to the protection and care of children in 2019.  
Merit certificate for contributions to children with special and difficult circumstances in Hanoi city in 2020.
- VIETNAM SECURITIES DEPOSITORY CENTER**  
Typical securities companies in securities depository activities in 2016 and 2017.  
Typical members in payment activities in 2018, 2019 and 2020.
- HANOI TAX DEPARTMENT**  
Taxpayer who implement well tax law policies in 2017.
- INSTITUTE OF ECONOMICS AND CULTURE**  
Top 10 Gold Quality Services 2020 - Award for Securities Brokerage Service
- STATE SECURITIES COMMITTEE**  
Merit certificate for contribution to the development of the SSC in the period of 1996-2016 and 2017.



# ACHIEVEMENTS AND AWARDS

## HONORS BY OTHER ENTITIES



### TOP 50 FAMOUS BRANDS IN 2018.

By Intellectual Property of Vietnam.



### TOP 20 FAMOUS BRANDS IN 2020.

By Intellectual Property of Vietnam.



### TYPICAL ENTREPRENEURS, ENTERPRISES IN HANOI GOLD 2015.

By Hanoi Small and Medium Enterprises Association.



### TOP 100 ENTERPRISES WITH GOOD FINANCIAL MANAGEMENT CAPACITY INDEX FROM 2016 TO 2018.

Vietnam Chamber of Commerce and Industry.



### TOP 10 EXCELLENT SERVICES IN 2020 – AWARD FOR STOCK BROKERAGE SERVICES

Honored by the Institute of Economics and Culture.



### BEST FINANCIAL MANAGEMENT CAPABILITY INDEX OF VIETNAM SECURITIES INDUSTRY IN 2018.

Honored by the Vietnam Chamber of Commerce and Industry.



### ACHIEVED THE BEST FINANCIAL CAPACITY INDEX FOR 3 CONSECUTIVE YEARS (2017-2019).

Accounting and Auditing and Enterprise Forum.



### MERIT CERTIFICATE FOR ACTIVELY RESPONDING TO THE CAMPAIGN "BUILDING VIETNAMESE CORPORATE CULTURE" LAUNCHED BY THE PRIME MINISTER IN THE 2016-2020 PERIOD.

Vietnam Association for the development of corporate culture.

# NETWORK AND OPERATING AREA

## OPERATING AREA

SHS has an operating area covering the whole country.

## SUBSIDIARIES, AFFILIATES

SHS has no subsidiaries or affiliates.

## HEADQUARTERS

Address: 1-5 Floor, Unimex Hanoi Building, No. 41, Ngo Quyen Street, Hang Bai Ward, Hoan Kiem District, Hanoi City  
Phone: 84-24-38181 888  
Fax: 84-24-38181 688  
Email: contact@shs.com.vn  
Website: http://www.shs.com.vn

## THANG LONG TRANSACTION OFFICE

Address: 3<sup>rd</sup> Floor, M5 Building, No. 91, Nguyen Chi Thanh Street, Dong Da District, Hanoi City  
Phone: 84-24-32696 666  
Fax: 84-24- 32919 999  
Email: contact-thanglong@shs.com.vn

## HAI PHONG REPRESENTATIVE OFFICE

Address: Floor 3, DG Tower, No. 15, Tran Phu Road, Ngo Quyen Ward, Hai Phong City  
Phone: 078 317 0939

## DA NANG BRANCH

Address: 8<sup>th</sup> Floor, Thanh Loi 2 Building, No. 3, Le Dinh Ly, Vinh Trung, Thanh Khe, Da Nang City  
Phone: 84-236-3525 777  
Fax: 84-236-3525779  
Email: contact-dn@shs.com.vn

## DONG NAI REPRESENTATIVE OFFICE

Address: No. 129, Ha Huy Giap Street, Quyet Thang Ward, Bien Hoa City, Dong Nai Province  
Phone: 84-251-3819989

## HO CHI MINH CITY BRANCH

Address: Floor 1&3, AS Building No. 236-238, Nguyen Cong Tru Street, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City  
Phone: 84-28-3945 1368  
Fax: 84-28-3915 1369  
Email: contact-hcm@shs.com.vn



QUẬN ĐÀO PHƯƠNG

QUẬN ĐÀO TRƯỜNG SA



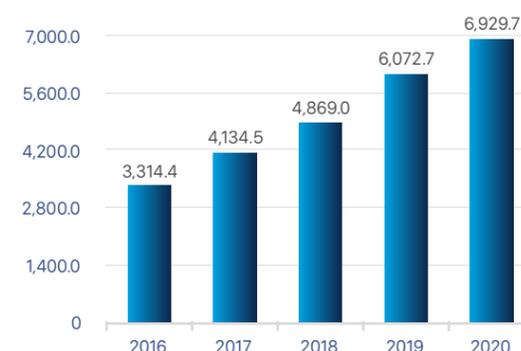
## BASIC INDICATORS

BALANCE SHEET		(Unit: VND billion)				
	2016	2017	2018	2019	2020	
Total assets	3,314.4	4,134.5	4,869.0	6,072.7	6,929.7	
Liabilities	2,200.9	2,668.5	3,003.6	3,380.4	3,703.4	
Owner's equity	1,113.5	1,466.0	1,865.3	2,692.3	3,226.3	
Charter capital	1,000.0	1,000.0	1,054.0	2,072.7	2,072.7	
Number of outstanding shares (shares)	100,000,000	100,000,000	105,395,674	207,268,201	207,268,201	

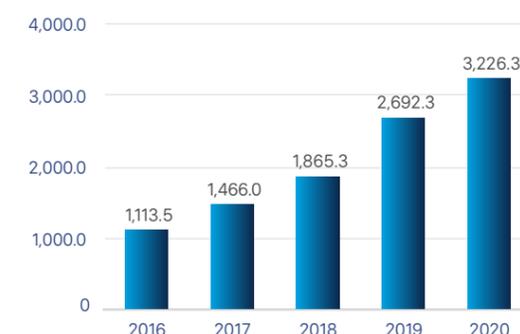
INCOME STATEMENT		(Unit: VND billion)				
	2016	2017	2018	2019	2020	
Total revenue and other income	566.0	1,093.7	1,247.9	1,072.4	1,808.5	
Total expenses	479.4	643.0	837.2	760.4	869.6	
Profit before tax	86.6	450.7	410.7	312.0	938.9	
Profit after tax	86.6	369.6	358.1	254.6	754.3	

OTHER SPECIAL RATIOS		(Unit: VND billion)				
	2016	2017	2018	2019	2020	
Quick ratio	28.7%	4.0%	66.0%	31.2%	18.2%	
Current ratio	261.7%	192.3%	375.5%	177.5%	191.2%	
Return on Equity (ROE)	8.1%	28.7%	21.5%	11.2%	25.5%	
Return on Assets (ROA)	2.8%	9.9%	8.0%	4.7%	11.6%	
Capital adequacy ratio at 31/12	236.7%	294.2%	351.6%	338.4%	347.9%	
Book value per share (BV)	11,135	14,659	17,698	12,990	15,563	
Basic earnings per share (EPS)	866	2,925	2,746	1,359	3,649	
Price-to-earnings ratio (P/E)	5.3	7.2	4.2	5.7	6.9	
Price-to-book value ratio (P/B)	0.4	1.4	0.7	0.6	1.6	

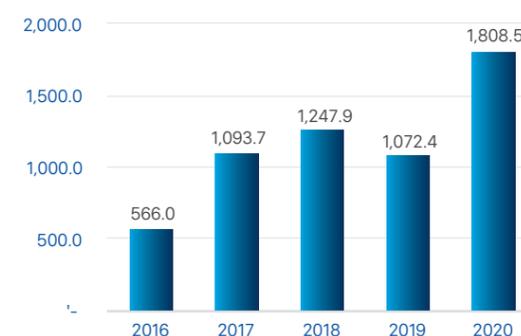
### Total assets (billion)



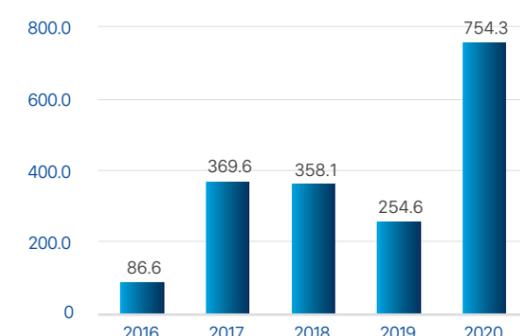
### Owner's equity (billion)



### Total revenue and other income (billion)



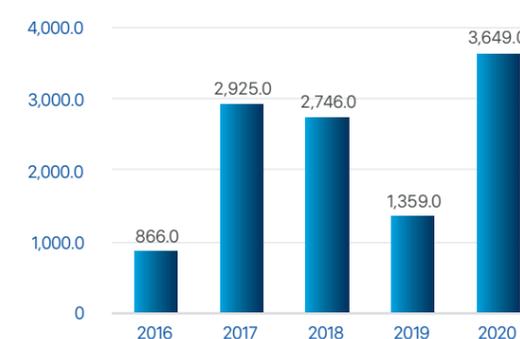
### Profit after tax (billion)



### Capital adequacy ratio at 31/12



### Basic earnings per share (EPS)





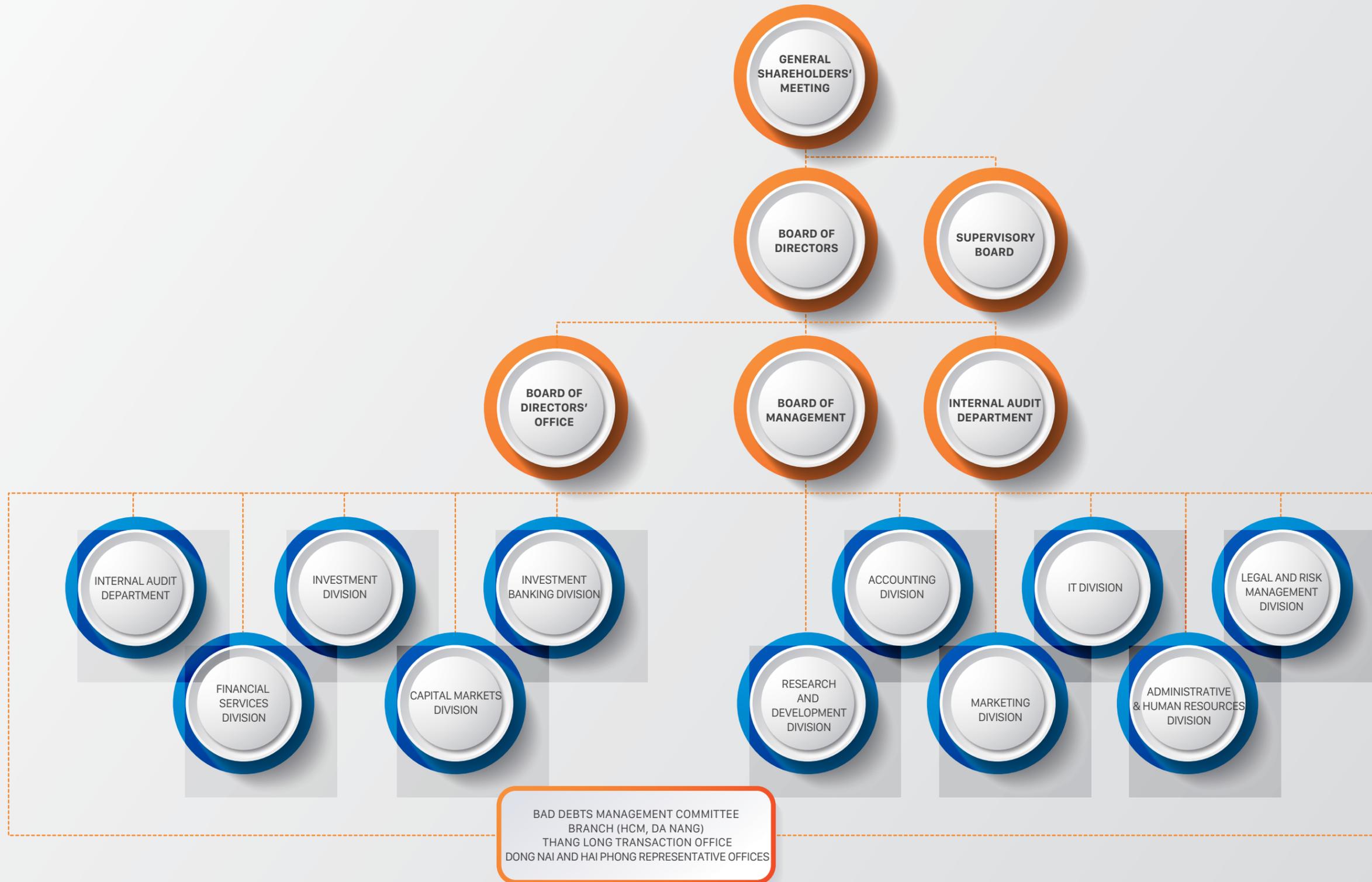
## PART 02

# CORPORATE GOVERNANCE

- ORGANIZATIONAL STRUCTURE
- KEY PERSONNEL
- BOARD OF DIRECTORS
- SUPERVISORY BOARD
- INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT
- WAGES, REWARDS, REMUNERATION AND OTHER BENEFITS
- EXECUTION OF REGULATIONS ON CORPORATE GOVERNANCE
- INFORMATION FOR SHAREHOLDERS



# ORGANIZATIONAL STRUCTURE





# KEY PERSONNEL

## BOARD OF DIRECTORS



### MR. DO QUANG HIEN

**Chairman of the Board (non-independent and non-executive member of the BOD)**

Date of appointment and reappointment: 03/12/2007, 06/04/2012 and 26/04/2017

Date of birth: 29/10/1962

Education: Radio physics engineer – Vietnam National University, Hanoi

Ownership: 593,416 SHS shares with voting rights (percentage of 0.29%)

Working experience: 36 years of experience in commerce, manufacturing, finance, banking and securities

**Current positions:**

**At listed companies:**

Chairman of the Board – Saigon-Hanoi Commercial Joint Stock Bank

Chairman of the Board – Saigon-Hanoi Securities Joint Stock Company

**At unlisted companies:**

Chairman of the Board and General Director – T&T Group Joint Stock Company

Chairman of the Board – Saigon-Hanoi Insurance Joint Stock Corporation

Chairman of the Board – Transport Hospital Joint Stock Company

Chairman of the Board – SHB Industrial and Urban Development Joint Stock Company

Chairman of the Board – T&T Ha Giang Mining and Processing Joint Stock Company

**Other organizations**

President of Hanoi Association of Small and Medium Enterprises

Member of Central Committee of Vietnam Fatherland Front

### MR. LE ĐANG KHOA

**BOD member (non-independent and non-executive member of the BOD)**

Date of appointment and reappointment: 22/03/2013 and 26/04/2017

Date of birth: 18/08/1974

Education: Master of Business Administration – National Economics University

Bachelor of Accounting – Banking Academy  
Ownership: 50,000 SHS shares with voting rights (percentage of 0.02%)

Working experience: 11 years of experience in banking and securities

**Current positions:**

**At listed companies:**

Deputy General Director of Saigon-Hanoi Commercial Joint Stock Bank

Member of the Board – Saigon-Hanoi Securities Joint Stock Company

**At unlisted companies:**

Vice Chairman of the Board – Saigon-Hanoi Insurance Joint Stock Corporation

Member of the Board of SHB Finance Company Ltd.,

### MR. VU DUC TIEN

**BOD member (executive and non-independent member of the BOD) and General Director**

Date of appointment and reappointment: 15/09/2014 and 26/04/2017 to BOD member

01/11/2014, 01/11/2017, 01/11/2020 to General Director

Date of birth: 02/09/1973

Education: Bachelor of Banking and Finance – Banking Academy

Bachelor of English – Hanoi University of Foreign Languages

Certificate of financial analysis practice - SSC  
Ownership: 4,644,250 shares with voting rights (percentage 2.24%)

Working experience: 25 years of experience in finance, banking and securities

**Current positions:**

**At listed companies:**

Member of the Board and General Director of Saigon-Hanoi Securities Joint Stock Company

Member of the Board of Bien Hoa Packaging Company

**At unlisted companies:**

Member of the Board of Saigon-Hanoi Insurance Joint Stock Corporation

Member of the Board of Petro Vietnam Machinery Technology Joint Stock Corporation

Member of the Board of Thong Nhat Electromechanical Joint Stock Company

Vice Chairman of the Board of Thanh Hoa Petrovietnam Investment and Construction Joint Stock Company

Member of the Board of Petroleum Logistic Service and Investment Joint Stock Company

### MR. MAI XUAN SON

**BOD member (non-independent and non-executive member of the BOD)**

Date of appointment and reappointment: 24/01/2014 and 26/04/2017

Date of birth: 25/07/1974

Education: Bachelor of Business Administration – Hanoi Commercail University

Bachelor of English – Hanoi University of Foreign Languages

Ownership: 50 SHS shares with voting rights (percentage of 0%)

Working experience: 23 years of experience in commerce, manufacturing, finance, banking and securities

**Current positions:**

**At listed companies:**

Member of the Board of Saigon-Hanoi Securities Joint Stock Company

**At unlisted companies:**

Chairman of the Board of Hanoi-Can Tho Seafood Joint Stock Company

Member of the Board and Deputy General Director of T&T Group Joint Stock Company

Chairman of the Board of Handicraft Import Export Joint Stock Company – Artexport Vietnam

Member of the Board of Thong Nhat Electromechanical Joint Stock Company

Chairman of the Board of Viet Ha Trading and Investment Joint Stock Company

Member of the Board of Hanoi Knitting Joint Stock Company

Deputy General Director of Hưng Yên T&T Company Ltd.,

Deputy Director – T&T Motor Company Ltd.,

### MRS. NGUYEN DIEU TRINH

**BOD member (independent and non-executive member of the BOD)**

Date of appointment and reappointment: 03/01/2020

Date of birth: 30/06/1979

Education: Master of Banking and Finance – French-Vietnamese Management Training Center (CFVG)

Bachelor of Business Administration – National Economics University

Ownership: 0 SHS shares with voting rights (percentage of 0%)

Working experience: 20 years of experience in finance, accounting, investing and securities

**Current positions:**

**At listed companies:** None.

**At unlisted companies:**

Member of the Board of Armephaco Military Medical Equipment and Pharmaceutical Joint Stock Company

Member of the Board of Hanoi School Equipment and Book Joint Stock Company

Investment Officer – T&T Group Joint Stock Company

### CHANGE IN THE BOD'S MEMBERSHIP DURING THE YEAR 2020:

The Annual General Meeting of Shareholders held on June 24th, 2020 SHS approved 2 decisions of the Board on changing the BOD's membership as follows:

- The Decision No. 32-2019/QĐ-HĐQT dated November 14th, 2019 on dismissing Mr. Mai Anh Chinh.
- The Decision No. 01-2020/QĐ-HĐQT dated January 03rd, 2020 on appointing Mrs. Nguyen Dieu Trinh.



# KEY PERSONNEL

## SUPERVISORY BOARD



**MRS. PHAM THI BICH HONG**  
Head of Supervisory Board (in charge member of the SB)

Date of appointment and reappointment: 15/01/2008, 06/04/2012 and 26/04/2017  
Date of birth: 08/02/1968  
Education: Master and Bachelor of Finance and Accounting – University of Finance and Accounting (now the Academy of Finance)  
Securities brokerage practice certificate - SSC  
Ownership: 27,175 SHS shares with voting rights (percentage of 0.01%)  
Working experience: 31 years of experience in textiles, banking and securities

**Current positions:**

**At listed companies:**  
Member of Supervisory Board of Saigon-Hanoi Commercial Joint Stock Bank  
Head of Supervisory Board of Saigon-Hanoi Securities Joint Stock Company  
**At unlisted companies:** None

**MR. VU DUC TRUNG**  
Member of Supervisory Board (non-in charge member of SB)

Date of appointment and reappointment: 06/04/2012 and 26/04/2017  
Date of birth: 25/12/1980  
Education: Master of Business Administration – Edith Cowan-Australia University  
Bachelor of Auditing – National Economics University  
Certified practicing auditor – Vietnam Association of practicing auditors  
Certificate of fund management practice – SSC  
Ownership: 700,000 SHS shares with voting rights (percentage of 0.34%)  
Working experience: 18 years of experience in auditing, commerce, manufacturing and securities

**Current positions:**

**At listed companies:**  
Member of Supervisory Board of Saigon-Hanoi Securities Joint Stock Company  
**At unlisted companies:**  
Member of the Board and Deputy General Director of Saigon-Hanoi Insurance Joint Stock Corporation  
Head of Supervisory Board - Thang Long Corporation Joint Stock Company

**MRS. LUONG THI LUU**  
Member of Supervisory Board (non-in charge member of SB)

Date of appointment and reappointment: 27/04/2015 and 26/04/2017  
Date of birth: 09/11/1983  
Education: Master in Banking and Finance – National Economics University  
Bachelor of General Accounting and Insurance Economics – National Economics University  
Ownership: 60 SHS shares with voting rights (percentage of 0%)  
Working experience: 14 years of experience in commerce, manufacturing and securities

**Current positions:**

**At listed companies:**  
Member of the SB of Saigon-Hanoi Securities Joint Stock Company  
**At unlisted companies:**  
Member of the SB of Tan Mai Service and Trade Production Joint Stock Company  
Member of the SB of Tam Son Construction and Investment Joint Stock Company

**CHANGE OF THE SUPERVISORY BOARD'S MEMBERS DURING THE YEAR 2020:**

- Appointed: None.
- Dismissed: None.

## BOARD OF MANAGEMENT



**MR. VU DUC TIEN**  
BOD's member and General Director

Date of appointment and reappointment: 15/09/2014 and 26/04/2017 to BOD's member 01/11/2014, 01/11/2017 and 01/11/2020 to General Director  
Other information: (Please see at the "Board of Directors" section)

**MR. TRAN SY TIEN**  
Deputy General Director and Chief Accountant

Date of appointment and reappointment: 16/04/2014, 16/04/2017 and 16/04/2020 to Deputy General Director  
20/09/2011 to Chief Accountant  
Date of birth: 06/05/1973  
Education: Bachelor of Banking and Finance – Hanoi National Economics University  
Bachelor of Credit – Banking Academy  
Certificate of financial analysis practice - SSC  
Ownership: 0 SHS shares with voting rights (percentage of 0%)  
Working experience: 26 years of experience in banking and securities

**Current positions:**

**At listed companies:**  
Deputy General Director and Chief Accountant of Saigon-Hanoi Securities Joint Stock Company  
**At unlisted companies:**  
Member of the Board of Aviation Insurance Joint Stock Company

**MRS. TRAN THI THU THANH**  
Deputy General Director

Date of appointment and reappointment: 01/08/2018  
Date of birth: 08/04/1975  
Education: Bachelor of Banking and Finance – Banking Academy  
Bachelor of English – University of Foreign Language Education  
Certificate of fund management practice – SSC  
Ownership: 146,600 SHS shares with voting rights (percentage of 0.07%)  
Working experience: 25 years of experience in banking and securities

**Current positions:**

**At listed companies:**  
Deputy General Director of Saigon-Hanoi Securities Joint Stock Company  
**At unlisted companies:** None



## KEY PERSONNEL

### BOARD OF MANAGEMENT

**MR. NGUYEN CHI THANH**

Deputy General Director cum Director of HCM Branch and Chief of Hai Phong Representative Office

Date of appointment and reappointment: 05/05/2014, 05/05/2017 and 05/05/2020 to Deputy General Director

26/11/2019 to Director of Ho Chi Minh Branch 18/09/2020 to Chief of Hai Phong Representative Office

Date of birth: 13/11/1980

Education: Master of Business Administration – Boston University (USA)

Bachelor of Foreign Economics – Hanoi Foreign Trade University

Certificate of fund management practice – SSC

Ownership: 0 SHS shares with voting rights (percentage of 0%)

Working experience: 17 years of experience in project and securities

**Current positions:****At listed companies:**

Deputy General Director of Saigon-Hanoi Securities Joint Stock Company

**At unlisted companies:** None

**MRS. TRAN PHUOC HA NHI**

Director of Da Nang Branch

Date of appointment and reappointment: 09/08/2011

Date of birth: 29/03/1982

Education: Master of Business Administration – Columbia Southern University

Bachelor of Accounting – Da Nang University of Economics

Securities brokerage practice certificate – SSC

Ownership: 11,750 SHS shares with voting rights (percentage of 0.01%)

Working experience: 13 years of experience in securities

**Current positions:****At listed companies:**

Director of Da Nang Branch of Saigon-Hanoi Securities Joint Stock Company

**At unlisted companies:** None

**CHANGE OF THE BOARD OF MANAGEMENT'S MEMBERS DURING THE YEAR 2020:**

- Appointed: None.
- Dismissed: None.

## BOARD OF DIRECTORS

### MEMBERS OF THE BOARD OF DIRECTORS

TT	FULL NAME	POSITION	MEMBERSHIP TYPE	TERM	START/END DATE OF TERM	REASON FOR CHANGE
1	Do Quang Hien	Chairman of the BOD	Non-independent and non-executive	2017-2022	Start: 26/04/2017	
2	Le Dang Khoa	Member of the BOD	Non-independent and non-executive	2017-2022	Start: 26/04/2017	
3	Vu Duc Tien	Member of the BOD	Non-independent and non-executive	2017-2022	Start: 26/04/2017	
4	Mai Xuan Son	Member of the BOD	Non-independent and non-executive	2017-2022	Start: 26/04/2017	
5	Nguyen Dieu Trinh	Member of the BOD	Independent and non-executive	2017-2022	Start: 03/01/2020	Due to the requirement of strengthening the Board of Directors.
6	Mai Anh Chinh	Member of the BOD	Independent and non-executive	2017-2022	End: 03/01/2020	According to personal wishes.

(Please see information of the members of the Board of Directors in the "Key Personnel" section).

### ► SUB-COMMITTEES UNDER THE BOARD OF DIRECTORS

SUB-COMMITTEE	PERSON IN CHARGE	RESPONSIBILITIES
General governance and development of policy	Mr. Do Quang Hien	<ul style="list-style-type: none"> <li>- Administering and supervising operating activities.</li> <li>- Seeking and recommending resources to support the Company's business and management activities of the Board of Director.</li> <li>- Developing and planning long-term and short-term strategies.</li> </ul>
Financial Accounting and Internal Control	Mrs. Nguyen Dieu Trinh (from 03/01/2020) Mr. Mai Xuan Son	<ul style="list-style-type: none"> <li>- Advise the BOD to issue internal documents related to internal control, financial accounting, communicating and branding.</li> <li>- Directly supervise and manage internal control, financial accounting, communicating and branding activities.</li> <li>- Appraise reports of the Internal Control Department, Accounting Department and Marketing Department.</li> <li>- Advise the BOD on appropriate measures to deal with issues related to internal control, financial accounting, communicating and branding.</li> </ul>
Administration, Human Resources and salary	Mr. Vu Duc Tien	<ul style="list-style-type: none"> <li>- Establish a salary, bonus and remuneration mechanisms according to standards and actual business operations, supervise the Board of Directors to implement and measure the effectiveness.</li> <li>- Advise the Board of Directors on the appointment, dismissal, transfer... of personnel; the payment of salaries and bonuses as well as the increase and decrease of salaries and bonuses of managers.</li> </ul>
Risk Management and Internal Audit	Mr. Le Dang Khoa	<ul style="list-style-type: none"> <li>- Advise the Board on issuing internal documents related to risk management, internal audit and IT.</li> <li>- Directly monitor and manage activities and reports of the Risk Management Department, Internal Audit Department and IT Department.</li> <li>- Advise the Board on appropriate handling measures for issues related to risk management, internal audit and IT.</li> <li>- Advise the Board on the appointment and dismissal of independent audits.</li> </ul>

**▶ MEETINGS OF SUB-COMMITTEES UNDER THE BOARD OF DIRECTORS**

SUB-COMMITTEE	NUMBER OF MEETINGS	MEETING CONTENTS	MEETING RESULTS
General governance	04	<ul style="list-style-type: none"> <li>- Develop specific orientation for the Company's development strategy and business plan in 2020 and submit it to the General Meeting of Shareholders for approval.</li> <li>- Implement the development strategy and business plan in 2020 according to the Resolution of the General Meeting of Shareholders.</li> <li>- Develop and implement activities of direction and supervision of the Board of Directors to the Board of Management.</li> <li>- Determine the role and limit of authority of the Board of Directors for business activities of the Company and for the Board of Management.</li> <li>- Build and implement measures to prevent and manage risks, ensure financial safety for the Company's business operations, especially in the context of intense and abnormal market fluctuations.</li> </ul>	<ul style="list-style-type: none"> <li>- BOD's members agreed with 100% consensus.</li> <li>- Issued resolutions and decisions related to the Company's development strategy of the whole Company in 2020.</li> </ul>
Developing policy	04	<ul style="list-style-type: none"> <li>- Build and implement the developing policy for the Company's business activities, which in the year 2020 focused on bond investment and issuance, brokerage, capital fund, investment, financial advisory and underwriting on the basis of exploiting the Company's strengths and advantages from macroeconomic policies and policies to develop and perfect Vietnam's Stock Market.</li> </ul>	<ul style="list-style-type: none"> <li>- BOD's members agreed with 100% consensus.</li> <li>- Issued resolutions and decisions related to the Company's business plan of each main business activity in 2020.</li> </ul>
Personnel, bonus, salary and system administration	04	<ul style="list-style-type: none"> <li>- Review the Company's remuneration, salary, bonus, welfare and training policies for members of the Board of Directors, Supervisory Board, and Board of Management to adjust and improve to maximize human resources.</li> <li>- Search for, evaluate and propose the recruitment of senior personnel in charge of bonds, investment and financial service.</li> <li>- Consider increasing and reducing the scale of recruitment and training in some positions of mid-level officials to ensure the smooth and efficient operation of the system.</li> </ul>	<ul style="list-style-type: none"> <li>- BOD's members agreed with 100% consensus.</li> <li>- Issued relevant resolutions and decisions to build and maintain a qualified and experienced team, consistent with the development orientation of the Company.</li> </ul>
Financial accounting and internal control	04	<ul style="list-style-type: none"> <li>- Evaluate the compliance and appropriateness of the financial accounting system and financial reports prepared by the Board of Management and auditing units.</li> <li>- Review and evaluate the internal control system and the system of internal regulations and processes to ensure compliance with the law and synchronous and standardized operation.</li> </ul>	<ul style="list-style-type: none"> <li>- BOD's members agreed with 100% consensus.</li> <li>- Approved statements and reports related to financial accounting and internal control activities.</li> </ul>
Risk management and internal audit	04	<ul style="list-style-type: none"> <li>- Build, implement and adjust the risk management plan and internal audit plan in accordance with the business operation conditions of SHS.</li> <li>- Assess the appropriateness of policies, risk appetite as well as compliance with risk limits.</li> <li>- Check the risk management system and internal audit to ensure efficiency.</li> <li>- Recommend the appointment and dismissal of independent auditors.</li> </ul>	<ul style="list-style-type: none"> <li>- BOD's members agreed with 100% consensus.</li> <li>- Approved risk policies, tasks and limits, risk management plans as well as internal audit plans.</li> </ul>

**▶ DEPARTMENTS AND INDIVIDUALS SUPPORTING THE BOARD OF DIRECTORS**

Office of The Board of Directors	<ul style="list-style-type: none"> <li>- Implement the direction of the Chairman of the Board of Directors in organizing the General Meeting of Shareholders and the work of the Board of Directors and Supervisory Board.</li> <li>- Manage shareholders of the Company and support shareholders to exercise their rights.</li> <li>- Prepare and store documents related to the General Meeting of Shareholders and BOD.</li> </ul>
Internal Audit Department	<ul style="list-style-type: none"> <li>- Perform internal audits of the Company's management and business activities.</li> <li>- Request and make proposals towards thoroughly resolving the Company's shortcomings and risks, contributing to improving the quality of the Company's business operations.</li> <li>- An internal audit reports by request of BOD and State Management Agency.</li> </ul>
- Company Secretary	Mrs. Doan Thi Nhu Quynh - Deputy Chief in charge of the BOD's Office
- Person in charge shareholder relations	- Education: Bachelor of Foreign Affairs University
	- Experience: 12 years of experience in finance, banking, securities.
- The person in charge of corporate governance	- Telephone: 024.38.181.888 (312)
	- Email: quynh.dtn@shs.com.vn

**ACTIVITIES OF THE BOARD OF DIRECTORS IN 2020****Decide the strategy, medium and long-term development plan, Business plan for 2020**

2020 is the third year during 5-year plan (2017-2020) of the Company, so the Board of Directors focuses on directing and supervising the Board of Managements to comply with the 5-year strategic plan set by the General Meeting of Shareholders and the Board of Directors.

In addition, the Board of Directors also focuses on:

- Developing a business plan for 2020 to ensure safety, efficiency, and good risk management;
- Deciding investment plans on the basis of the Proposal of the Board of Managements;
- Deciding on solutions to develop the main business activities of the Company as well as on technology.

**Discuss and approve the contents of the Annual General Meeting of Shareholders and the contents under the approval authority of the Board of Directors**

The Board of Directors discussed and approved the contents submitted to the Annual General Meeting of Shareholders of 2020 such as:

- Reports of the Board of Directors on business activities in 2019 and orientations in 2020.
- Business report for 2019.
- Business plan for 2020.
- Audited Financial Statements of 2019.
- Reports of the Supervisory Board at Annual General Meeting of Shareholders.
- Amending the Charter and Internal Regulations on Corporate Governance.
- Decision on changing a member of the BOD.
- Profit distribution plan and setting up funds in 2019.
- Remuneration fund-collecting report for the BOD and SB in 2020.
- Selecting an independent auditing company in 2020.

The Board of Directors discussed and approved the contents under the approval authority of the Board of Directors such as:

- Convene the General Meeting of Shareholders; approve the agenda, documents for the meeting of the General Meeting of Shareholders and the contents to collect opinions for approval of the 2020 Annual General Meeting of Shareholders.
- Approve the election, dismissal, recruitment, salary rating, salary increase ... of the positions of Administrative Council, Board of Directors and managers in the Company.



- Approving the establishment of a representative office in Hai Phong.
- Adopting new salary mechanism.
- Approve the contracts of purchase, sale, loan, lending ... and other contracts, transactions under the authority of the Board of Directors.

In 2020, the Board of Directors has approved 3 resolutions and 28 decisions and hundreds of sheets related to many important issues of the company, the basis and direction for the Board of Managements to implement the tasks.

#### Operational orientation of the Board of Directors

The Board focused on reviewing and learning from the experience of the Board of Directors' activities in 2019 and implementing the activities of 2020 according to the orientation of the Board of Directors for the 2017-2022 term and according to the operation and business plan of 2020 approved by the General Meeting of Shareholders. The Board of Directors focused on assigning tasks to members and implementing tasks effectively.

#### Review the management system, checkpoints, critical control and risk management system

In 2020, the Board of Directors and the Financial Accounting & Internal Control and Risk Management & Internal Audit sub-committees periodically coordinated with the Supervisory Board and Internal Audit Department to review the Company's management and risk management systems and its key inspection and control points to direct the Board of Management in considering implementing measures to improve these.

#### MEETINGS OF THE BOARD OF DIRECTORS

NO.	DATE	DETAIL	APPROVED DOCUMENTS
1	08/01/2020	Regular meeting of Quarter I/2020 to implement early 2020 tasks such as evaluating business performance in 2019, developing and implementing business plan for 2020, agreeing on the plan to adjust SHS's salary structure, appointing a replacement member of the Board of Directors, reporting on activities of the Supervisory Board in 2019 and working plan for 2020, reporting on activities of the Board of Directors in 2019, reporting on the remuneration of the Board of Directors and Supervisory Board 2020.	01-2020/BBH-HDQT
2	25/03/2020	Implementing investment activities, financial advisory, approving credit issues and developing capital for business activities, especially in investment and brokerage activities, take out loans at VP bank	02-2020/BBH-HDQT
3	03/05/2020	Regular meeting of Quarter II/2020 to implement the 2020 business plan, agree on the tasks need to be done for the following months of 2020, determine business activities and capital development, capital exploitation and mobilization; brokerage and financial services; implementing the co-operation between SHS and SHB to develop bond products for retail customers.	03-2020/BBH-HDQT
4	25/05/2020	Preliminary meeting for the first 5 months of the year and implementing plans for the last 7 months of 2020 including: building and implementation the 2020 business plan (adjusted for the General Meeting of Shareholders 2020 if any); organizing the General Meeting of Shareholders 2020 and preparing the contents submitted to the General Meeting of Shareholders for approval; summarizing the appraisal resulted of the 2020 financial statements of the Supervisory Board; report on activities of the Supervisory Board for the first 5 months of the year, the plan for the last 7 months of the year and the actual implementation up to now; Report on remuneration paid to the Board of Directors and Supervisory Board for the first 9 months of 2020 and a remuneration plan for the last 3 months of 2020.	04-2020/BBH-HDQT
5	02/06/2020	Implementing investment activities, financial advisory, approving credit issues and developing capital for business activities by cooperating with Indovinabank	05-2020/BBH-HDQT
6	15/06//2020	Regular meeting of Quarter III/2020 to implement investment activities, financial advisory; through credit issues and developing capital for business activities; approving the bond issuance plan for the first phase of 2020.	06-2020/BBH-HDQT

7	10/8/2020	Approving the bond issuance plan for the second phase of 2020.	07-2020/BBH-HDQT
8	17/8/2020	Approving the bond issuance plan for the third phase of 2020.	08-2020/BBH-HDQT
9	11/9/2020	Adopting operational capital orientation and network development.	09-2020/BBH-HDQT
10	28/10/2020	Regular meeting of Quarter IV/2020 to review business activities in the first 9 months of 2020, approving overdraft at SHB Hanoi and approving the reappointment of CEO.	10-2020/BBH-HDQT
11	5/11/2020	Approved the loan according to the overdraft limit at SHB Hang Trong	11-2020/BBH-HDQT
12	6/11/2020	Approve the credit loan plan at VPBank.	12-2020/BBH-HDQT

The attendance of BOD's members in meetings in 2020 is as follows

NO.	FULL NAME	POSITION	PERIOD OF MEMBERSHIP	NUMBER OF MEETINGS ATTENDED/AUTHORIZED TO ATTEND
1	Do Quang Hien	Chairman of the BOD	01/01/2020-31/12/2020	12/12
2	Le Dang Khoa	Member of the BOD	01/01/2020-31/12/2020	12/12
3	Vu Duc Tien	Member of the BOD cum General Director	01/01/2020-31/12/2020	12/12
4	Mai Xuan Son	Member of the BOD	01/01/2020-31/12/2020	12/12
5	Nguyen Dieu Trinh	Member of the BOD	03/01/2020-31/12/2020	12/12

#### DOCUMENTS APPROVED BY THE BOARD OF DIRECTORS IN 2020

In 2020, the Board of Directors has approved 3 resolutions and 28 decisions as follows:

NO.	NUMBER	DATE	DETAIL
<b>I RESOLUTIONS</b>			
1	01-2020/NQ-HDQT	15/06/2020	Approval of the plan to issue bonds in the first phase of 2020.
2	02-2020/NQ-HDQT	08/10/2020	Approval of the plan to issue bonds in the second phase of 2020.
3	03-2020/NQ-HDQT	17/08/2020	Approval of the plan to issue bonds in the third phase of 2020.
<b>II DECISIONS</b>			
1	01-2020/QĐ-HDQT	03/01/2020	Appointing the BOD's member to Nguyen Dieu Trinh.
2	02-2020/QĐ-HDQT	13/01/2020	Outstanding Collective Award to the Capital Resources Department.
3	03-2020/QĐ-HDQT	13/01/2020	Outstanding Collective Award to the Bond Division under Underwriting & Financial Advisory Department
4	04-2020/QĐ-HDQT	13/01/2020	SHS Outstanding Personal Award to Ms. Dang Thi Quyen - Capital Resources Department.
5	05-2020/QĐ-HDQT	10/02/2020	Establishing the Organizing Committee of the General Meeting of Shareholders 2020.
6	06-2020/QĐ-HDQT	10/02/2020	Establishment of the Inspection Committee for Status of Shareholders Meeting 2020.
7	07-2020/QĐ-HDQT	16/04/2020	Re-appointing Deputy General Director to Tran Sy Tien.
8	08-2020/QĐ-HDQT	24/03/2020	Changing the time organize the General Meeting of Shareholders 2020
9	09-2020/QĐ-HDQT	23/04/2020	Re-appointing Deputy General Director to Nguyen Chi Thanh.
10	10-2020/QĐ-HDQT	06/05/2020	Appointing Deputy Director of HCM Branch to Pham Minh Son.
11	11-2020/QĐ-HDQT	06/05/2020	Salary arrangements to Deputy Director of Ho Chi Minh City Branch Pham Minh Son.
12	12-2020/QĐ-HDQT	24/06/2020	Appointing the person in charge of corporate governance to Doan Thi Nhu Quynh.



NO.	NUMBER	DATE	DETAIL
13	13-2020/QĐ-HDQT	24/06/2020	Remuneration for the Board of Directors and the Supervisory Board.
14	14-2020/QĐ-HDQT	18/5/2020	Line of credit at ABBANK
15	15-2020/QĐ-HDQT	10/7/2020	Pay dividends for fiscal year 2019
16	16-2020/QĐ-HDQT	10/7/2020	Remuneration for the Board of Directors and the Supervisory Board.
17	17-2020/QĐ-HDQT	11/9/2020	Line of credit of each time at VPBANK
18	18-2020/QĐ-HDQT	11/9/2020	Established SHS representative office in Hai Phong.
19	19-2020/QĐ-HDQT	28/10/2020	Loan according to the overdraft limit at SHB Hanoi.
20	20-2020/QĐ-HDQT	30/10/2020	Re-appointing General Director to Vu Duc Tien.
21	21-2020/QĐ-HDQT	5/11/2020	Loan according to the overdraft limit at SHB Hang Trong
22	22-2020/QĐ-HDQT	6/11/2020	Loan according to the overdraft limit at VPBank
23	23-2020/QĐ-HDQT	15/12/2021	Transaction between SHS and related parties.
24	24-2020/QĐ-HDQT	21/12/2020	Salary arrangement of General Director Vu Duc Tien
25	25-2020/QĐ-HDQT	21/12/2020	Salary arrangement of Deputy Director Tran Sy Tien
26	26-2020/QĐ-HDQT	21/12/2020	Salary arrangement of Deputy Director Nguyen Chi Thanh
27	27-2020/QĐ-HDQT	21/12/2020	Salary arrangement of Deputy Director Tran Thi Thu Thanh
28	28-2020/QĐ-HDQT	29/12/2020	Borrowing according to the limit of each time at VPBank.

#### ► ACTIVITIES OF INDEPENDENT BOARD MEMBERS

In the structure of the Board of Directors in 2020, 1/5 of Board members are independent members and 4/5 of Board members are non-executive. Therefore, the instructions of the Board always ensure objectivity and timeliness, keep up with daily business activities, and ensure the common interests of shareholders and the Company.

The Company does not distinguish between independent board members and regular board members. The independent members of the Board are proactive and active in implementing their responsibilities, contributing positively to the general decisions of the Board.

#### ► CORPORATE GOVERNANCE TRAINING

In 2020, members of the Board of Management, the Supervisory Board, the Board of Directors, the Company Secretary and the person in charge of corporate governance will participate in the following training courses on corporate governance:

NO.	PARTICIPANTS	TRAINING PROGRAMS
1	BOD member Head of SB	Training program (7th) on governance to certify the member of the Board of DirectorsDCP7.
2	Company secretary	Workshop on Sustainable Report and Annual Report organized by SCC and IFC Workshop on Corporate Governance organized by HNX and some securities member companies Workshop on Company Secretary. Workshop on Corporate Governance.

3	The person in charge of corporate governance	Corporate governance training program organized and certified by SRTC Annual forum on promoting corporate governance in a new normal period organized by VIOD in collaboration with the SSC. HNX Membership Conference on corporate governance is organized by Hanoi Stock Exchange, SSC, VSD, Ho Chi Minh City Stock Exchange, Vietnam Association of Securities Business, and VIOD. Training program on Auditing Committee organized and certified by VIOD in coordination with the State Securities Commission. Professional improvement courses and other legal knowledge updates.
4	BOM and managers	The discussion and instructions of the State Securities Commission, the Stock Exchange and the VSD on the access and implementation of new legal documents on securities company organization and operation, corporate governance, information disclosure...

### PLAN AND ORIENTATION FOR OPERATIONS OF THE BOARD OF DIRECTORS IN 2021

2020 was a year with many changes because the domestic and foreign economic situations are both deeply affected by the Covid-19 pandemic, leading to a significant impact on the Company's business activities. Comparing the plan, operational orientation of the Board of Directors and the actual implementation of the Company in 2020, it can be seen that the plans and operational orientations of the Board of Directors in 2020 are very feasible, flexible, and consistent with the actual situation. The year 2021 has been identified as a year of continuing difficulties because the Covid-19 pandemic has not been completely controlled.

Therefore, the Board of Directors directs the activities of the Board in 2021 as follows:

- The Board of Directors will continue to play the key role in orienting the business strategy of the whole Company.
- The Board of Directors will maintain regular meetings and discuss issues under the authority of the Board of Directors and strategic issues for the development of the Company.
- All members of the Board of Directors must actively participate in the activities of the Board of Directors and the Sub-Committees under the Board of Directors to keep up with the fluctuations of the market and the changing of the Company's activities.
- Sub-committees under the Board of Directors will actively enhance activities; update, advise and report to the Board of Directors the actual status of the Company's activities to propose timely solutions.
- The Board of Directors supervise and promote information technology innovation, applies a new salary mechanism, closely monitor risks.
- The Board of Directors will support and advise the Board of Management in finding, accessing and exploiting external resources, partners, customers, and businesses to increase capital, expand business operations, increase the number of customers and develop products.
- The Board of Directors will support and advise the Board of Management, the Board of Directors' Office and relevant departments to amend, supplement and perfect the Company's Charter, the Internal Governance regulations, the Regulation on organization and operation of the Board of Directors and Supervisory Board; and relevant documents/regulations of SHS to make the legal corridor for SHS business activities implemented in compliance with the provisions of the law.



## SUPERVISORY BOARD

### MEMBERS OF THE SUPERVISORY BOARD

NO.	FULL NAME	POSITION	MEMBERSHIP TYPE	TERM	START/END DATE OF TERM
1	Pham Thi Bich Hong	Head of the SB	In charge	2017-2022	Start: 26/04/2017
2	Vu Duc Trung	Member of the SB	Non-in charge	2017-2022	Start: 26/04/2017
3	Luong Thi Luu	Member of the SB	Non-in charge	2017-2022	Start: 26/04/2017

(Please see information of members of SB in the Key personnel section)

### MEETINGS OF THE SUPERVISORY BOARD DURING 2020

NO.	MEETING	MEETING CONTENTS	NUMBER OF MEMBERS ATTENDING	
			ATTENDING	PERCENTAGE
1	Meeting in the first quarter of 2020 (04/02/2020)	Assigned tasks to the members of the Supervisory Board. Examined business activities during the fourth quarter of 2019 and consolidated business data of 2019. Appraised the 2019 financial statements to be submitted to the 2020 Annual General Meeting. Consolidated the Annual Report of the Supervisory Board to be submitted to the 2020 Annual General Meeting.	3/3	100%
2	Meeting in the second quarter of 2020 (31/5/2020)	Evaluated the Supervisory Board's activities during the first quarter of 2020 and prepared for the second quarter of 2020. Selected an independent auditor to audit the semi-annual and annual Financial Statements, report the financial safety ratio of 2020 and propose it to the Board of Directors for approval.	3/3	100%
3	Meeting in the third quarter of 2020 (05/08/2020)	Evaluated the Supervisory Board's activities during the first 6 months of 2020 and prepared for the third quarter of 2020. Assessed business activities and financial activities of the Company during the first 6 months of 2020. Attended preliminary meetings, summarized the business activities of the Company during the first 6 months of 2020 and consolidated the results of the meetings of the Board of Directors.	3/3	100%
4	Meeting in the fourth quarter of 2020 (05/10/2020)	Evaluated the Supervisory Board's activities during the three quarters of 2020 and prepared for the fourth quarter of 2020. Assessed the business situation and financial situation of the Company in the third quarter of 2020 and the first 9 months of the year through direct inspection or through reports of internal audit and internal control. Assessed the implementation of the Resolution of the General Meeting of Shareholders and the Resolution of the Board of Directors in 2020; assessed the level of completion of the Company's plan.	3/3	100%

## BOARD OF SUPERVISORS' OPERATIONS IN 2020

NO.	MONITORING ACTIONS	MONITORING CONTENT AND METHOD	SB'S EVALUATION ON SUPERVISED ACTIVITIES
1	Supervising the BOD, BOM and managers in the Company.	The Supervisory Board participated in a number of regular meetings of the Board of Directors, checked the results of the opinions of Board of Directors' members on important issues of the Company as well as the meeting minutes, resolutions, and decisions issued by the Board of Directors.	<ul style="list-style-type: none"> <li>- The Board of Directors has strictly complied with the provisions of law, the Company's Charter, and corporate governance regulations in directing and supervising the Board of Management's activities.</li> <li>- The Board of Directors has conducted meetings and issued appropriate and timely resolutions and decisions which positively affected the Company's business activities.</li> </ul>
		The Supervisory Board has supervised the administration of the Company by the BOD and management staffs through books and reports of the BOD and through participating in some regular meetings of the BOD ...	<ul style="list-style-type: none"> <li>- The Board of Management has been united, active, creative, assertive and flexible in management activities; has grasped business opportunities; and has made good efforts to implement the business plan agreed at the 2020 Annual General Meeting.</li> <li>- The managers have been dedicated and professional, making great efforts in management as well as completing their assigned work.</li> <li>- The Supervisory Board did not notice any unusual signs or any indications of non-compliance with the laws and regulations of the Company in directing, administrating and management activities of the Board of Directors, Board of Management and managers.</li> </ul>
2	Supervise legal compliance, the execution of the Company's Charter and implementation of the Resolution of the Annual General Meeting of Shareholders	The Supervisory Board monitored compliance with legislative provisions and the Company Charter of members of the Board of Directors, Board of Management and the Chief Accountant to ensure that the Company strictly complied with the provisions of law and the Company's Charter during its operations.	The BOD, BOM, and Chief Accountant of the Company have strictly complied with the provisions of law and Corporate Charter during the operation.
		The Supervisory Board also closely monitored the implementation of Resolution No. 01-2020/NQ-ĐHĐCĐ dated June 24th 2020 of the Annual General Meeting of Shareholders. The Supervisory Board participated in counting votes at the Annual General Meeting of Shareholders in 2019 and provided comments on the scope of its responsibilities and powers.	The issues raised in the Resolution were fully and seriously implemented by the Board of Directors and the Board of Management.
		The Supervisory Board also closely monitored the implementation of information disclosure obligations for listed companies, securities companies, major shareholders, internal shareholders and related persons.	In 2020, there were no serious violations related to information disclosure obligations in the Company.
3	Supervise the implementation of legal regulations on accounting, finance, statistics and financial statement preparation.	The Supervisory Board has supervised through interviews, documents review, accounting books and reports prepared by the Board of Directors and compared with current legal regulations related to accounting, finance, statistics and financial statements.	The Company has strictly implemented the provisions of the current law in business activities and complied with the current accounting regime in preparing financial statements and financial safety ratio reports



4	Monitor the Company's activities.	The Supervisory Board has supervised the activities of the Company through periodic inspections, directly at the Head Office of the Company and its branches, representative offices or indirectly through reports of the Board of Management, Internal Control Department, Risk Management Department and Internal Audit Department. On that basis, the Supervisory Board also evaluated the efficiency of the Company's business activities.	In 2020, the BOM, the BOD and all officers and employees of the Company have made an effort to implement relatively well the business plan set by the General Meeting of Shareholders. In addition, the Company has well - managed risks, did not incur additional bad debts, complied with the provisions of law in business activities, financial accounting and information disclosure.
5	Review, test and evaluate the effectiveness and efficiency of the internal control system, internal audit and risk management	The Supervisory Board reviews and evaluates the effectiveness and efficiency of these systems through periodic and extraordinary inspection and control of departments in the Company and through interviews in coordination with the Legal Department, the Internal Control Department, the Risk Management Department and the Internal Audit Department.	The Company's internal control, internal audit and risk management systems have ensured performance, efficiency, prevention of critical frauds and errors, good risk management, contributing to high business performance of the Company.
6	Propose the selection of an independent auditing unit and assess the audited financial statements.	The Supervisory Board has worked with a number of reputable independent auditors and in accordance with current law provisions to choose from.	The Board of Supervisors selected a short list of 3 independent auditing companies and proposed to the BOD to approve the independent auditor audit Financial Statements and Report of the Financial Safety Ratio in a semi-annual and annual basis for the FY2020.
		The Supervisory Board has appraised and confirmed the matching of figures of the 2020 Financial Statements as well as reviewed the audited Financial Statements of the Company by AASC Auditing Company Limited.	The Supervisory Board agreed on the data of AASC, confirming the Financial Statements, reflecting honestly and reasonably in terms of the key aspects of the Company's financial situation as of December 31st, 2020, business performance, cash flow situation and volatility of equity for the fiscal year ending December 31st 2020. The report on the financial safety ratio as of December 31st 2020 was consistent with current Vietnamese accounting standards, regimes and related legal regulations.
7	Resolve shareholders' recommendations to the Company.	In 2020, the Supervisory Board did not receive any inquiries from shareholders or groups of shareholders holding 5% or more of voting shares requesting a review of the Company's operations, the activities of the Board of Directors or the Board of Management.	

► **THE SUPERVISORY BOARD'S EVALUATION**

**Evaluation on the Supervisory Board's activities**

- Within its authority, the Supervisory Board has fully performed its responsibilities in accordance with the provisions of law and the Charter of the Company.

**Evaluation on coordination between the Supervisory Board and the Board of Directors, the Board of Management, shareholders**

- The Supervisory Board has maintained a good relationship with the Board of Directors and the Board of Management based on the principle of maximizing shareholders' interests, complying with the law and regulations of the Company.
- In 2020, the Supervisory Board maintained a good relationship with the shareholders and did not receive any complaints from the shareholders regarding the direction, administration and management activities of the Board of Directors, Board of Management, and managers of the Company as well as business activities of the Company.

**OPERATIONAL PLAN FOR 2021**

**WORKPLAN**

- Continue to inspect and supervise the operation and management activities of the Board of Directors and the Board of Management, and check the rationality, legality, compliance, honesty and prudence in management and operation of the business as well as the management of capital, supplies and assets of the Company.
- Review plans and reports of the Company on its financial situation; business situation; development plans; management of organization, labor, salary, bonuses, and other policies related to the Company and its employees.
- Review the inspection and control results of the Internal Control Department, Internal Audit Department and feedback of the Board of Directors and CEO of the Company.
- Coordinate with the Office of the Board of Directors, the Legal Department to review the process system, current internal regulations of the Company to make corrections to suit the new regulations of Government that recently issued and took effect from 2021 such as: Enterprise Law 2020, Securities Law 2019.
- Conducting inspections at the Head Office according to quarterly, semi-annual and annual plans and inspecting branches, transaction offices of the Company by a year.
- Maintain smooth coordination in operation among the Board of Directors, Board of Management and the departments in the Company. Coordinate with the Board of Directors to understand difficulties and problems in different areas of business activities to approach and resolve these issues.
- Participate in professional training programs to improve quality and participate fully conferences and seminars related to control work.
- Maintained periodic meetings of the Supervisory Board to review the past quarter and set out the operation direction in the next quarter.



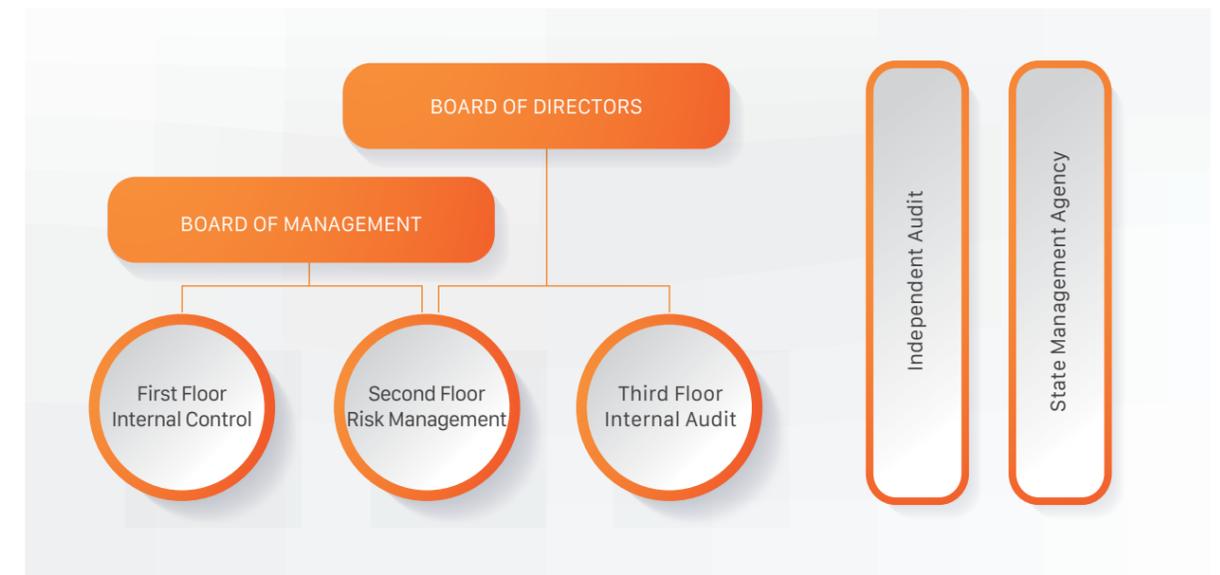
**HUMAN RESOURCES PLAN**

NO.	FULL NAME	POSITION	ASSIGNED WORK
1	Pham Thi Bich Hong	Head of the SB	Overall responsibility. In charge of inspection and control of the Investment Department, Capital Markets Department, Accounting and Finance Department, Internal Auditing Department, Legal and Risk Management Department.
2	Vu Duc Trung	Member of the SB	In charge of inspection and control of the Investment Banking Department, IT Department, PR & Marketing Department, Administration Department and Debt Handling Board.
3	Luong Thi Luu	Member of the SB	In charge of inspection and control of the Brokerage Department and Financial Services Department.

## INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT

### THREE LINES OF DEFENSE MODEL

SHS applies the model of "Three lines of defense" to manage risks well; preventing and promptly detecting errors and frauds; contribute to improving business efficiency of the Company.



### INTERNAL CONTROL

Internal control is the Company's first line of defense and includes internal control system and internal control department.

### INTERNAL CONTROL SYSTEM

SHS' internal control system includes organizational structure, processes and internal regulations applicable to all positions, units and divisions and to the Company's operations. The goal of the internal control system is:

- The Company's operations are in compliance with the provisions of law, safe and effective.
- Ensuring customers' interests.
- Protecting, managing and using assets and resources safely and effectively.
- Financial information systems and management information are honest, reasonable, adequate, timely and honest in the preparation of the Company's financial statements.



### INTERNAL CONTROL DEPARTMENT

Independent and specialized SHS Internal Control Department of the Division of Legal and Risk Management and directly under the Board of Directors of the Company. The Internal Control Department is responsible for reporting directly to the CEO.

The goal of the internal control department's activities is:

- Examining and monitoring compliance with legal provisions; Company ordinance to its relevant departments and securities practitioners.
- Monitoring the activities of potential conflicts of interest within the Company; monitoring the implementation of officials' and employees' duties in the Company and partners' duties for the authorized activities.
- Checking the contents and monitoring the implementation of the rules of professional ethics;
- Monitoring the calculation and complying with regulations on financial security;
- Separating customers' assets;
- Preserving and keeping customers' assets;
- Controlling the compliance with the provisions of the law on the prevention of money laundering, and;
- Other contents assigned by the CEO.

### INTERNAL CONTROL ACTIVITIES IN 2020

**Regarding internal control system:** In 2020, the Company focused on perfecting the internal control system including completing internal processes and regulations; improving control capacity of the whole system in order to improve business efficiency of the Company.

**Regarding internal control department:** The Company's Internal Control Department operates on the basis of the Annual Control Plan approved by the General Director including regular control plans and periodic control plans.

In 2020, the Internal Control Department focused on regular (daily, monthly) control for high-risk activities. Regular control activities included monitoring the compliance with current legal regulations, internal processes and regulations of the Company by officials and employees; monitoring potential conflicts of interest mainly in activities such as investment and lending; employees' and officials' performance of their responsibilities such as brokerage, mortgages, loan distribution, debt collection, system installation and authorization; the implementation of professional ethical rules of practicing staff such as brokerage staff, depository staff, investment staff and consulting staff; the compliance with mobilization, lending, investment and underwriting limits; the use of the Company's general account; signing of contracts such as opening and closing accounts and lending...; the completion of the order form; the preparation and presentation of reports sent to the outside parties...

To periodic control activities, the Internal Control Department focused on monitoring inadequacies of the system of processes and internal regulations; operation and operational efficiency of departments, divisions and branches; the preparation and presentation of the Company's financial statements and financial safety ratio statements.

Through regular and periodic control activities, the Internal Control Department promptly reported to the Board of Management the limitations and shortcomings in internal processes and regulations as well as financial and operational issues of the Company. At the same time, the Company also coordinated with related departments and branches to complete and correct the weaknesses of the internal control system in a timely manner. In addition, the Internal Control Department cooperated with the Legal Department and other departments to assess the impact of the new policies and regulations of the State management agency to help the Company proactively comply with and apply these new changes.

### INTERNAL CONTROL PLAN IN 2021

**Regarding internal control system:** Focusing on improving the system to ensure compliance with the new provisions of the Enterprise Law, the Securities Law and its amendments, supplements and implementation guidance.

**Regarding internal control department:** Focusing on assessing and controlling well the risks of the Company, contributing to the prevention and timely detection of errors and frauds. Closely coordinate with the Information Technology Innovation Project Board and other departments of the Company in completing, upgrading software and adding new features.

### RISK MANAGEMENT

#### RISK MANAGEMENT MODEL

Risk management is the second line of defense of the Company, directly under the BOD and the BOM, but with decentralization. SHS's risk management process is based on international standards with 5 steps to identify, measure, monitor, report and effectively handle all types of risks.



The risk management model at SHS is built in 3 levels to fully perform the functions of strategy development, strategy execution and observation on the implementation of risk management strategy.





► IDENTIFY THE COMPANY'S MATERIAL RISKS

SHS focused on identifying and handling 6 key types of risks: legal risks, operational risks, market risks, credit risks, liquidity risks and brand risks.

LEGAL RISK

**Identification:** Legal risk is the risk arising when the Company does not correctly comply, either in full or in part, with the current legal regulations in its operational process. For example, if the Company were to operate and supply products and services without legal provisions; or if the Company were to enter into illegal contracts beyond its authority, missing important terms, disputes or complaints related to economic contracts that the Company has signed with customers, partners, or employees...

**Determining methods:** Legal risks are identified in the process of the Legal Department cooperating with relevant departments to review current and newly issued legal regulations with actual application at the Company.

**Measures to prevent and detect:** The Company has established the Legal Department to provide legal advice to the Company's Board of Management and other departments and branches. It also participates in building products and services of the Company; drafts and reviews most of the Company's agreements, contracts, documents and papers; and updates and disseminates legal documents, regimes and policies for the whole Company. Legal officers and employees are regularly required to attend legal seminars and provide full comments on the projects and draft legal documents when required. In addition, the Company is also focused on improving legal knowledge and experience for the Board of Management and Heads of Department based on strengthening exchange, training, and sharing legal knowledge and experience with the Legal Department and State management agencies related to legal activities.

OPERATIONAL RISK

**Identification:** Operational risk is the risk arising from the technical or system errors of the information technology system; incomplete, obsolete, or inappropriate business processes or procedures; human error through incorrect procedures or intentional mistakes; delayed or erroneous financial controlling and reporting; and a lack of capital and objective external reasons.

**Determining methods:** Operational risk is identified in the process that the Legal Department, the Internal Control Department and the Risk Management Department coordinate with relevant departments to review the process, internal regulations and actual Company activities; in the process of the Internal Audit Department and the Supervisory Board independently evaluate the internal control system of the Company.

**Measures to prevent and detect:** The Company has built an internal control system and set up an Internal Control Department. Besides, the Company has also implemented activities to mitigate this risk such as: Issuing a Code of Professional Ethics and supervising compliance with this Code of Conduct; regularly reviewing, amending, supplementing and updating internal processes and regulations; increasing automation in providing products and services, minimizing manual manipulation; regularly upgrading security software and working with partners to provide software to ensure the stability and security of the trading software system; clearly assigning, strengthening and cross-checking among departments and individuals, including through a mutual supervision mechanism; strengthening activities of checking and controlling compliance with internal processes and regulations; and developing a preventive mechanism to cope with arising risks.

MARKET RISK

**Identification:** Market risk is the risk arising in activities such as investment, deposits and loans which are caused by a fall in the value of the Company's investments, the interest rate of deposits and the value of customers' collateral with loans, thus causing adverse effects to the Company.

**Determining methods:** Market risk is determined by regular monitoring and analysis on the basis of close coordination between the Risk Management Division and related operation departments such as Investment, Financial Services, and Treasury.

**Measures to prevent and detect:** The Company has implemented different measures to mitigate market risk such as:

- Regarding investment activities in listed and unlisted stocks and fund certificates: The Investment Department successfully analyzed, forecast and closely monitored market fluctuations and stock prices, applying risk assessment tools to enter and exit in a timely manner.
- Regarding investment activities in bonds, including Government bonds, corporate bonds and other financial tools: The Treasury Department closely monitored fluctuations of interest rates in the market to promptly decide when to buy and sell.
- Regarding deposit activities: The Treasury Department updated deposit interest rates at banks daily, balanced the Company's capital resources appropriately, and diversified banks and deposit terms to ensure maximum benefit for SHS.
- Regarding lending activities: The Analysis Department and Financial Services Department updated the lending interest rate level of securities companies; analyzed, forecasted and closely monitored market fluctuations and securities prices as collateral for loans of customers; and elaborated and complied with regulations on securities mortgage sale.

CREDIT RISK

**Identification:** Credit risk is the risk arising when customers, banks and partners do not pay or pay incompletely and untimely to SHS loans, deposits and debt tools such as bonds...

**Determining methods:** Credit risk is determined by each customer, partner and debt in the process of operational departments such as Financial Services, Treasury ... in coordination with the Risk Management Department, Internal Control and Legislation to track, manage and evaluate customers, partners and debts.

**Measures to prevent and detect:** To mitigate credit risk, the company takes many different measures such as:

- Regarding lending activities: The Company classifies customers; develops loan limits; and applies credit policies in accordance with customers' credibility, solvency, and collateral assets. SHS also develops a list of loan securities and lending, retention and mortgage rates in accordance with the law and the Company's regulations; and effectively manages mortgage settlements, the calling for additional collateral and debt recovery.
- Regarding the investment in bonds, including Government and Corporate bonds: the Company complies with the investment limit in accordance with the law, the Company Charter and the reports approved by the Board of Directors. It also carefully assesses the credibility, solvency and collateral of issuers and develops specific policies to handle the collateral assets of issuing organizations in case issuers are at risk of insolvency.
- Regarding deposit activities: the Company complies with the annual deposit limit (if any) approved by the Board of Directors, deposits money at highly-rated credit institutions on diversified terms.



**LIQUIDITY RISK**

**Identification:** Liquidity risk is the risk that occurs when the Company cannot pay its due financial obligations or cannot promptly convert assets into cash with reasonable value in a short amount of time. This risk arises when the Company is unable to balance its input and output capital flows.

**Determining methods** Liquidity risk is determined by regular monitoring and analysis on the basis of close coordination between the Risk Management Division and related operation departments such as Treasury, Financial Accounting.

**Measures to prevent and detect:** The Company has expanded the form and scale of mobilized capital such as mergers, capital raised, and corporate bond issuance; and expanded the number of credit institutions for business loans. It has also expanded the number and form of credit institutions to lend money to securities investors, reducing pressure on the use of equity for lending. Furthermore, the company reasonably balances the terms of loans; reasonably allocates capital for investment and lending activities; and makes use of idle deposits to maximize the efficient use of resources as well as contributing to stabilizing liquidity.

**BRAND RISKS**

**Identification:** Brand risk is the loss of or damage to the image and the brand of the Company due to a change in the perception of customers and partners. This may greatly affect the demand for products or services of the Company as well as its entire operation.

**Determining methods:** Brand risks often follow other risks such as legal risks, operational risks ... The Company identifies these risks by immediately analyzing the effects and impacts of related risks (if any) to the image, trademark of the Company.

**Measures to prevent and detect:** The Company works to constantly improve the quality of its products and services and to complete the organizational structure and operational apparatus. SHS also develops and maintains good relationships with shareholders, customers, and partners; ensures effective internal and external communication through the diversification of information channels and proactive, consistent communication with the media. Information is published regularly in English to enhance the knowledge of investors and international partners; full-time staff are put in charge of communication and reporting, and of disclosing information fully, promptly and transparently; and contingency plans are proactively prepared to manage brand risk.

SHS will focus on standardize risk management to improve business performance, guaranteeing to the Company safe and effective development

**► RISK MANAGEMENT OPERATIONS IN 2020**

According to the plan of 2020, SHS will focus on standardizing risk management to improve the business performance of the Company and ensure its safe and effective development. In particular, the Company focuses on building automatic risk measurement and monitoring tools, but due to limitations of current software, this work has not achieved the desired results.

**► RISK MANAGEMENT PLAN FOR 2021**

In the context of the information technology explosion in the banking and securities sectors, especially eKYC, AI, Blockchain technology ... and the plan to complete the software core securities upgrade as well as adding new features to the system in 2021, the Risk Management Department plans to effectively coordinate with the IT Innovation Project Board and related departments within the Company to complete the software upgrade and new features to the system; building automatic risk management tools on the system; building risk management processes as well as coordinating with other departments to build full, timely and effective business processes.

**OTHER RISKS**

Besides the 6 main types of risk discussed above, other risks have also been considered and evaluated by the Company in the process of its operation such as environmental risks, strategic risks, competitive risks... In detail:

- **Regarding the business environment:** SHS operates in the financial sector so elements of the business environment such as politics, economics and culture all have significant impacts on SHS's business activities. Therefore, SHS regularly updates changes in the business environment and assesses their impacts on all aspects of the Company's operations whenever elements of the business environment change.
- **Regarding strategic risks:** SHS judges that not having a suitable and effective business strategy or improperly implementing the business strategy are the Company's strategic risks. Accordingly, annually and periodically, the Company concentrates resources to build an appropriate and effective business strategy. The implementation of this strategy is regularly reviewed and evaluated.
- **Regarding competitive risks:** SHS operates in the financial sector with a constantly changing business environment, often faces competitive risks. The principal risk is of failing to maintain the Company's position and market share... In order to effectively control these risks, SHS concentrates its resources to synthesize information and identify changes in politics, economics, the stock market and among competitors which could affect the Company's operations. SHS also builds annual business strategies in a feasible and effective manner; perseveres in implementing the proposed strategy; and flexibly adapts to developments of the market and of competitors...





## INTERNAL AUDIT

### ► INTERNAL AUDIT DEPARTMENT

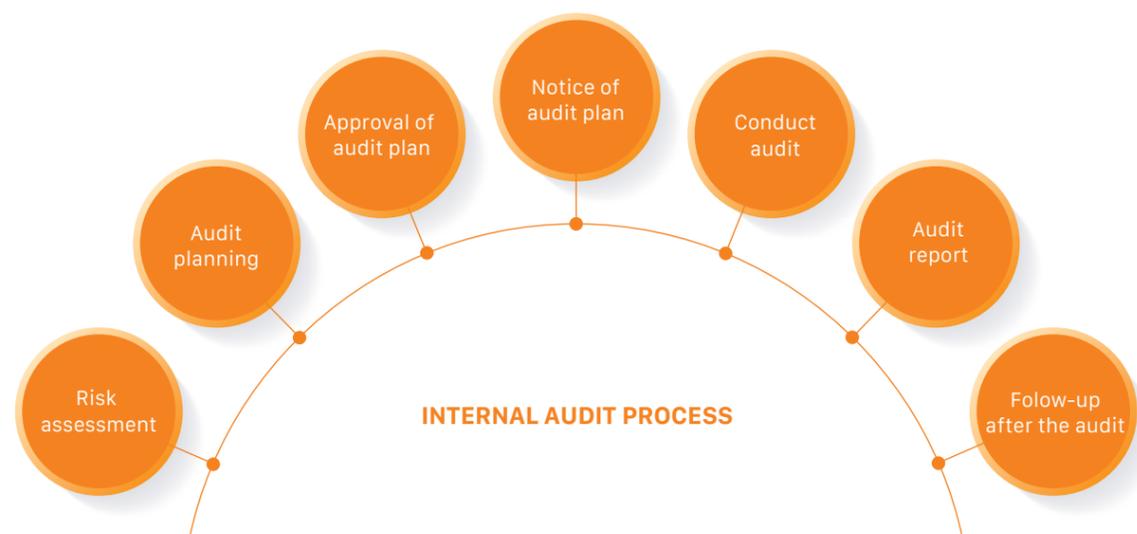
The Internal Audit Department sits under the Board of Directors and reports directly to them. This is the third line of defense of the Company with the following goals:

- Independently assessing suitability and compliance with policies and law, ordinance and decision of the General Meeting of Shareholders and the Board of Directors.
- Assessing the compliance of business operations for policies and internal processes.
- Advising on the establishment of internal policies and procedures.
- Review and evaluate the adequacy, efficiency and effectiveness of the internal control system directly under the Board of Directors.
- Assessing the process of determination, assessing and managing business risks.
- Assessing the effectiveness of activities.
- Investigating violations inside the Company.
- Performing internal audit inside the Company.

### ► INTERNAL AUDIT ACTIVITIES 2020

The Internal Audit Department conducted internal audits on the basis of its plan approved annually by the Board of Directors.

The annual audit contents under the audit program has been risk-oriented by the Internal Audit Department. The internal audit process is as follows



In 2020, the Internal Audit Department has implemented the internal audit plan on the basis of the Statement approved by the Board of Directors including periodic audit plans and thematic

The 2020 internal audit detected a number of key issues related to activities such as investment, credit and compliance with the Company's financial and accounting regime. However, after consulting from the Internal Audit Department, the Board of Management and related departments adjusted and completed these according to the opinion of the Internal Audit Department.

### ► INTERNAL AUDIT PLAN IN 2021

Besides complying with the internal audit plan already approved by the Board of Directors, the focus of the 2021 operational plan is to review and evaluate the effectiveness of departmental activities in order to find solutions to improve and enhance operational capacity, contribute more actively to the Company's management activities, and especially to enhance the operational and control capacity of software system towards the Company's sustainable development.

## WAGES, REWARDS, REMUNERATION AND OTHER BENEFITS

### WAGES, REWARDS AND REMUNERATION

#### ► PRINCIPLES OF PAYMENT

##### FOR MEMBERS OF THE BOARD OF DIRECTORS AND SUPERVISORY BOARD

The principles of remuneration fund deduction and payment to members of the Board of Directors and the Supervisory Board of the Company are as follows:

- The Company's Charter has regulations on the principles of setting up remuneration fund and paying remuneration for members of the Board of Directors and the Supervisory Board.
- Resolution of the Annual General Meeting of Shareholders 2020 of the Company approving the Report No. 03-2020/TTr-HĐQT of the Board of Directors on the remuneration fund of the Board of Directors and the Supervisory Board in 2020.

Accordingly, the remuneration fund for members of the Board of Directors and the Supervisory Board in 2020 is 1.5% of profit after tax, but not lower than VND 4.6 billion.

The level of detailed allocation for each member of the Board of Directors and the Supervisory Board should be decided by the Board of Directors in line with the Company's business results in 2020.

##### FOR MEMBERS OF THE BOARD OF MANAGERMENTS

The payment of salary to members of the Board of Management complies with the Company's Charter, Salary Regulation and Labor Contract. In addition, the Board of Directors will decide bonuses for members of the Board of Management based on the business and performance results of the Company.

##### FOR THE COMPANY'S MANAGERS

Managers appointed by the Board of Directors are paid according to the Company's salary regulation and labor contract. In addition, the Board of Management will decide bonuses for managers based on the business results and the assessment of performance in the year.

#### ► WAGES, BONUSES AND REMUNERATION ACHIEVED IN 2020

##### • COLLECTING AND SPENDING FUNDS FOR THE BOARD OF DIRECTORS AND SUPERVISORY BOARD

(For 5 members of the Board of Directors and 3 members of the Supervisory Board)

NO.	CRITERIA	AMOUNT (VND)
1	Funds balance at 01/01/2020	-
2	Setting up funds in according with the Resolution of the Annual General Meeting of Shareholders 2020	4,102,895,503
3	Funds expenditures in 2020 (*)	4,102,895,503
4	Funds balance at 31/12/2020	-

(\*) Of which: - Remuneration payment: VND 3,276,895,509  
- Bonuses payment: VND 825,999,994

Details of the payment are as follows:

NO.	FULL NAME	TITLE	REMUNERATION	BONUS
I	MEMBERS OF THE BOARD OF DIRECTORS			
1	Do Quang Hien	Chairman of BOD	v	v
2	Le Dang Khoa	Member of BOD	v	v



3	Vu Duc Tien	Member of BOD	v	v
4	Mai Xuan Son	Member of BOD	v	v
5	Nguyen Dieu Trinh	Member of BOD (02/01/2020-31/12/2020)	v	v
<b>II MEMBERS OF THE SUPERVISORY BOARD</b>				
1	Pham Thi Bich Hong	Head of SB	v	v
2	Vu Duc Trung	Member of SB	v	v
3	Luong Thi Luu	Member of SB	v	v

**SALARY AND REWARDS OF THE BOARD OF MANAGEMENT**

(For 5 members of the Board of Management and including part-time salary, bonus)

Total payment: VND 9,531,495,696

In which: Income from salary: VND5,794,130,000

Income based on business results: VND3,737,365,696

Details of the payment are as follows:

NO.	FULL NAME	TITLE	SALARY	BONUS
1	Vu Duc Tien	General Director	v	v
2	Tran Sy Tien	Deputy General Director cum Chief Accountant	v	v
3	Tran Thi Thu Thanh	Deputy General Director	v	v
4	Nguyen Chi Thanh	Deputy General Director Director of HCM Branch Chief of Hai Phong Representative Office	v	v
5	Tran Phuoc Ha Nhi	Director of Da Nang Branch	v	v

**WAGES AND REWARDS OF MANAGERS**

(For 30 managers and including part-time salary, bonus)

Total payments: VND31,799,054,419

In which: Income from salary: VND16,254,938,421

Income based on business results: VND15,544,115,998

**OTHER BENEFITS**

In addition to remuneration, salaries and bonuses, members of the Board of Directors, the Supervisory Board and the Company's managers were also entitled to other benefits in 2020 as follows:

- Lunch regime
- Permission mode
- Compulsory insurance (social insurance, health insurance and unemployment insurance)
- Voluntary insurance (life insurance and annual health insurance)
- Periodic health check-up
- Gasoline, telephone and working fee.

**EXECUTION OF REGULATIONS ON CORPORATE GOVERNANCE****LEGAL BASIS FOR CORPORATE GOVERNANCE**

As a reputable securities company listed on the HNX, SHS always strives to comply with the current legal regulations of Vietnam on corporate governance, and also aiming to comply with international best practices in terms of corporate governance.

In 2020, the Company continued to strictly adhere to the current regulations on corporate governance prescribed in: The Enterprise Law 2014; The Securities Law 2006 and the Law amending and supplementing the Securities Law 2010; The Decree No.71/2017/ND-CP guiding the governance of public companies; The Circular No. 95/2017/TT-BTC guiding the Decree No.71/2017/ND-CP; The Circular No.210/2012/TT-BTC providing guidance on the establishment and operation of securities companies and Circular No.07/2016/TT-BTC amending and complementing Circular No.210/2012/TT-BTC and; The Circular No.155/2015/TT-BTC on information disclosure. At the same time, SHS also continued to self-assess the Company's internal governance activities in accordance with the Decision No.617/QD-UBCK guiding the classification of securities companies and the Corporate Governance Code, which was issued in August 2019 (please see the detail of evaluation results at the section called "Corporate Governance and Financial Evaluation").

**IMPLEMENTATION OF CORPORATE GOVERNANCE REGULATIONS IN 2020**

In 2020, the Company has completed the set out plan such as continuing to review the current legal regulations to comply with the relevant regulations and improve the internal governance of the Company. Especially focusing on analyzing and evaluating the impact of new legal documents related to the securities sector and securities companies such as the Enterprise Law 2020, the Securities Law 2019, the Regulation on the organization and operation of the Securities Company, regulations on corporate governance, regulations on information disclosure... In addition, the Company has appointed the title of Company Administrator in accordance with the provisions of Decree No.71/2017/ND-CP, appointing relevant personnel to participate in training sessions of the Vietnam Institute of Board of Directors (VIOD), strengthening monitoring to ensure accountability of reporting on the interests of insiders and related people; Responsibilities for reporting and disclosing information on related person transactions as well as approving transactions need to be approved by the General Meeting of Shareholders, the Board of Directors in accordance with applicable laws.

However, a number of contents in the 2020 plan of the Company have not yet been implemented such as increasing the rate of independent BOD members of 1/3; member of BOD in charge of Human Resources Sub-Committee, salary and bonus are independent member; Each member of the BOD of the Company is not concurrently a member of the BOD of more than 5 other companies.

**PLAN TO IMPLEMENT CORPORATE GOVERNANCE REGULATIONS IN 2021**

2021 is the year witnessing many changes related to public company governance such as the Law on Enterprises 2020, the Securities Law 2019, Circular 121/2020/TT-BTC regulating the organization and operation of securities companies, Circular 96/2020 / TT-BTC on information disclosure... Therefore, the focus in SHS's 2021 business plan is to continue completing corporate governance objectives and plans for 2020 that have not been completed. ; focus on reviewing changes in current legal regulations; revision of internal documents in accordance with new legal regulations; analyze and evaluate the development trend of the market as well as the impacts on SHS's business activities, at the same time well manage risks, improve competitiveness and improve business operation's performance of the Company.



## INFORMATION FOR SHAREHOLDERS

### SHS SHARES

Stock code: SHS

Listed floor: HNX

### THE INFORMATION OF SHS SHARES IN 2020:

Lowest price: VND4,920/share

Highest price: VND25,400/share

Total trading volume in 2020: 707,470,398 (share)

Total transaction value in 2020: VND8,747.5 billion

EPS: 3,649 (VND/share)

P/B: 1.6

P/E: 6.9

### THE INFORMATION OF SHS SHARES AT 31/12/2020:

Number of shares issued: 207,268,201

Number of common shares: 207,268,201

Number of transferable shares: 207,268,201

Number of outstanding shares: 207,268,201

Number of treasury shares: 0

Number of listed shares: 207,268,201

Change of owner's equity: None

Treasury stock transactions: None

Market price at 31/12/2020: VND25,000/share

Market capitalization at 31/12/2019: VND5,181.71 billion

BV: VND15,563

### OTHER INFORMATION:

Paying dividends in cash in 2019 at the rate of 12%:

- Last registration date: 23/07/2020
- Payment date: 12/08/2020

Organizing the Annual General Meeting of Shareholders in 2020:

- Last registration date: 20/05/2020
- Held date: 24/06/2020

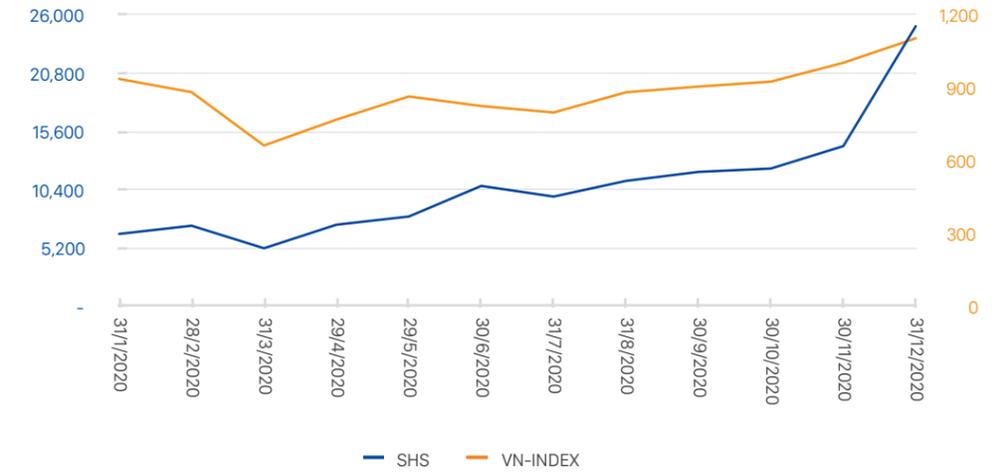
### MOVEMENT OF SHS STOCKS IN 2020

	VN-Index	HNX-Index	SHS
The price at the beginning of the year	936.6	102.4	6,470
The price at the ending of the year	1,103.9	203.1	25,000
Lowest price	659.2	92.6	5,100
Highest price	1,103.9	203.1	25,000
The fluctuation between the price at the ending of the year and the price at the beginning of the year	17.9%	98.4%	286.4%
The fluctuation between the highest price and the lowest price	67.5%	119.3%	390.2%
Trading volume at beginning of the year	210,630,208	47,522,560	435,525
Trading volume at ending of the year	501,148,800	100,208,096	8,105,097
Lowest trading volume	102,398,800	18,831,410	131,600
Highest trading volume	742,856,128	145,162,592	9,563,600
The fluctuation between the trading volume at the ending of the year and the trading volume at the beginning of the year	137.9%	110.9%	1,761.0%
The fluctuation between the lowest trading volume and the highest trading volume	625.5%	670.9%	7,167.2%

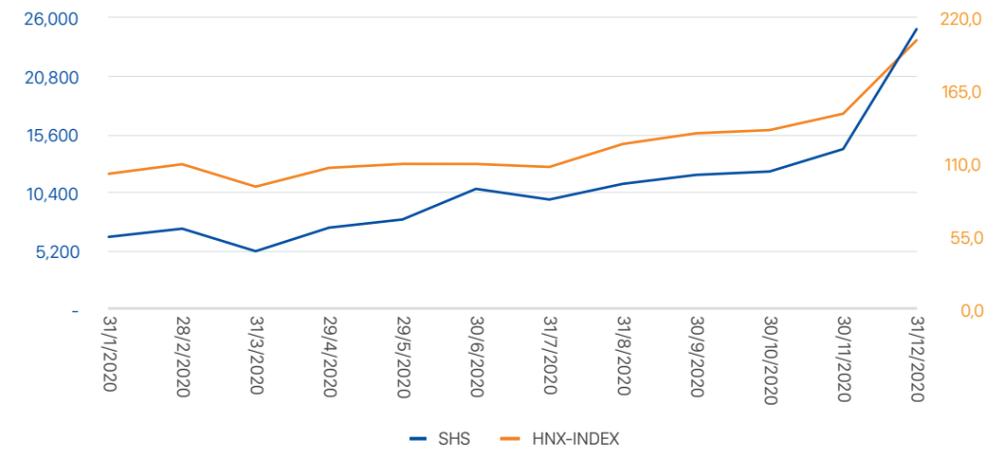
Comparing the price fluctuations and trading volume of SHS stock with the VN-Index and HNX-Index in 2020 shows that the price of SHS shares at the end of the year compared to the beginning of the year or at the highest price compared with the lowest price, there are outstanding fluctuations

compared to the two indexes above. Moreover, the highest price SHS achieved in the year is also the closing price of SHS in 2020 and equal to 25,000 VND per share. This price is almost double the book value of SHS that shows how attractive of SHS shares to investors in 2020.

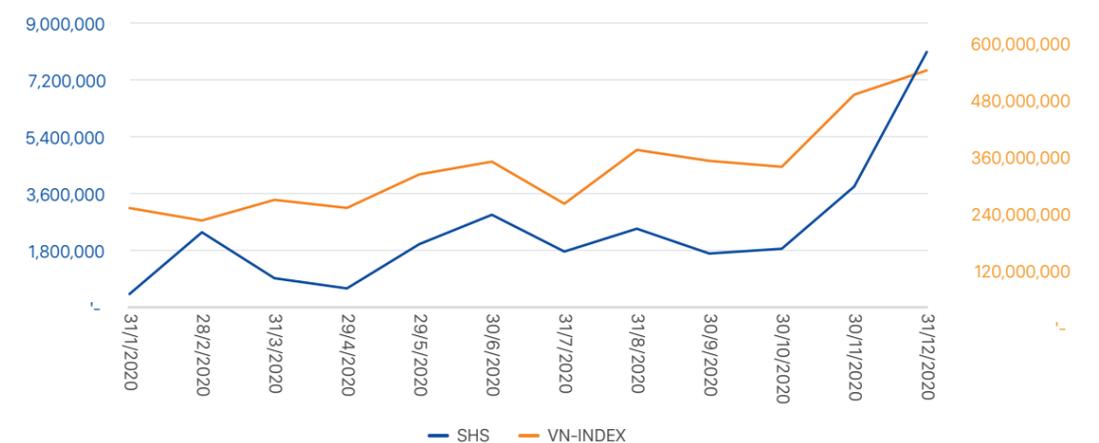
### SHS STOCK CLOSING PRICE VOLATILITY COMPARE WITH VN-INDEX FROM 01/01/2020 TO 31/12/2020



### SHS STOCK CLOSING PRICE VOLATILITY COMPARE WITH HNX-INDEX FROM 01/01/2020 TO 31/12/2020

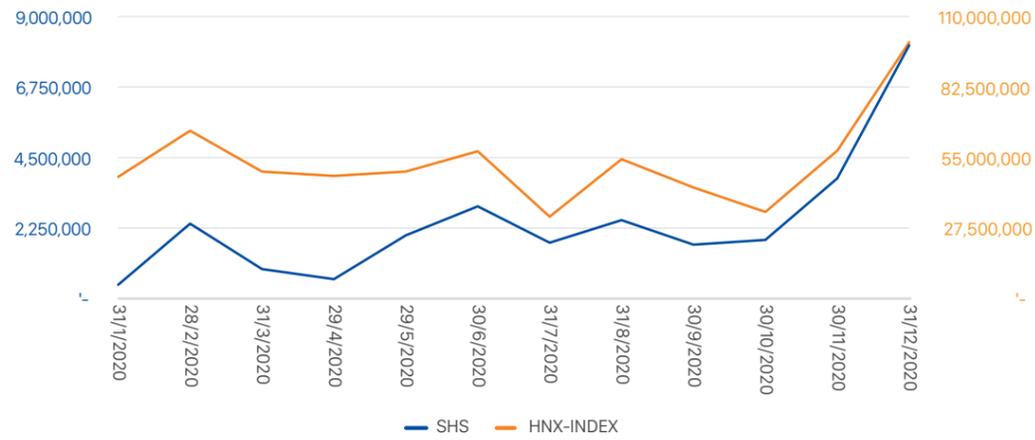


### FLUCTUATIONS IN TRADING VOLUME OF SHS STOCK COMPARE WITH VN-INDEX FROM 01/01/2020 TO 31/12/2020

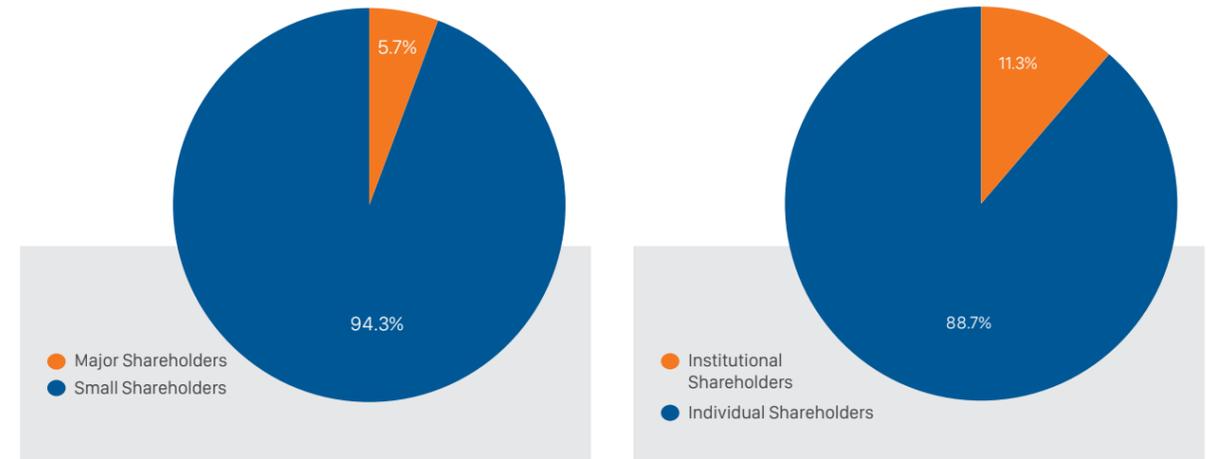




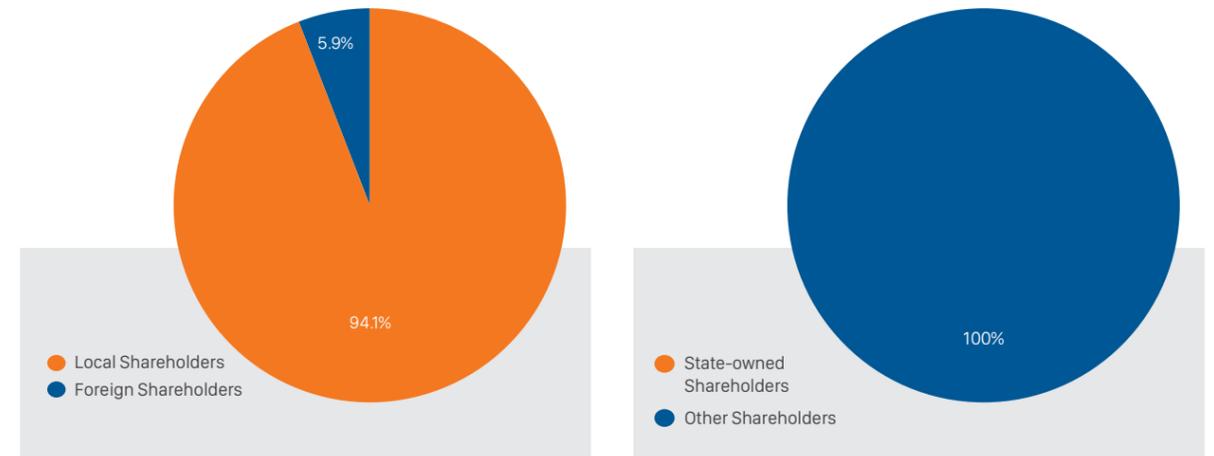
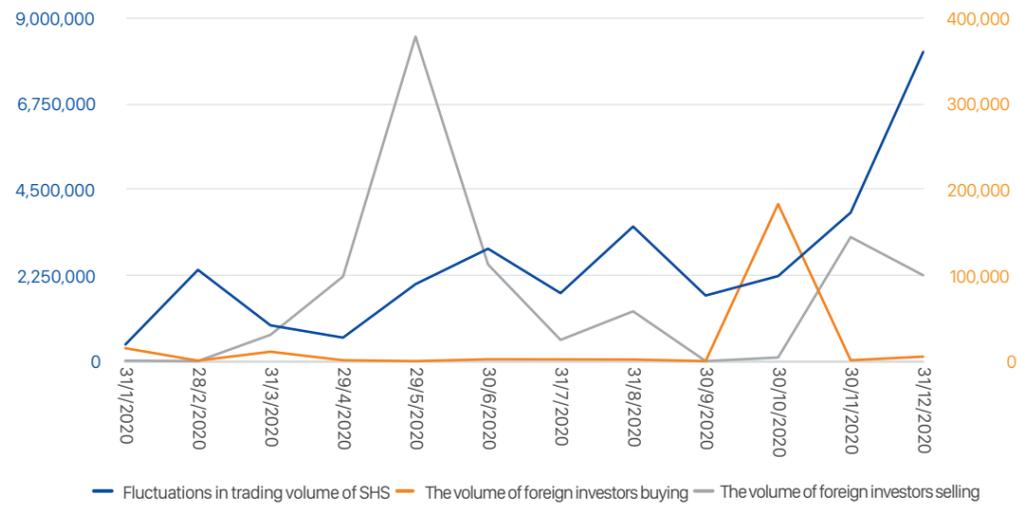
**FLUCTUATIONS IN TRADING VOLUME OF SHS STOCK COMPARE WITH HNX-INDEX FROM 01/01/2020 TO 31/12/2020**



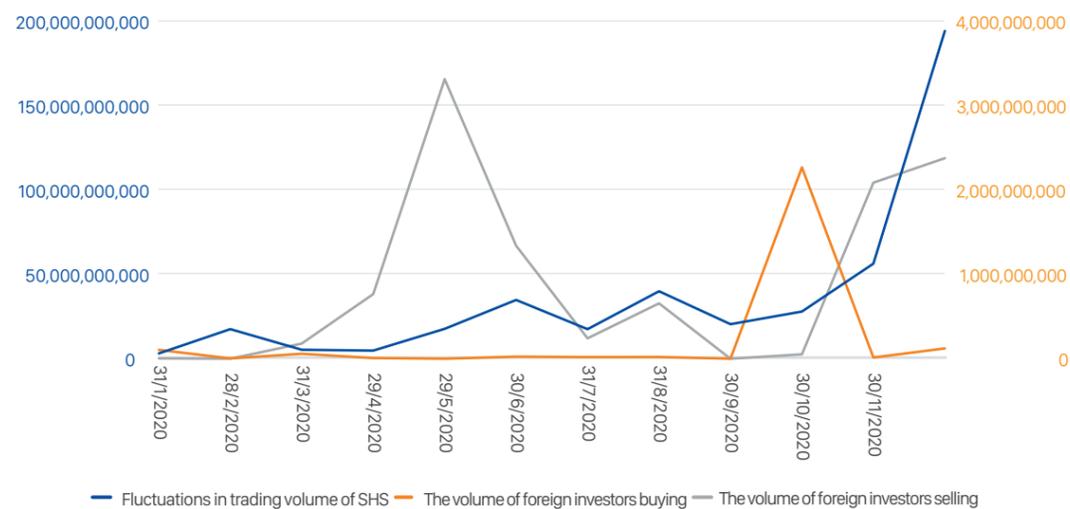
**SHAREHOLDER STRUCTURE**



**FLUCTUATIONS IN TRADING VOLUME OF SHS STOCK AND FOREIGN INVESTORS OF SHS SHARES FROM 01/01/2020 TO 31/12/2020**



**FLUCTUATION IN TRADING VALUE OF SHS SHARES AND FOREIGN INVESTORS OF SHS SHARES FROM 01/01/2020 TO 31/12/2020**



**SHS STOCK'S TRANSACTIONS OF MAJOR SHAREHOLDERS**

None.

**CONTRACTS AND TRANSACTIONS WITH MAJOR SHAREHOLDERS**

In 2020, no contracts and transactions arose between SHS and any major shareholders, except with T&T Group JSC. This is both SHS's major shareholder and a related organization (See Audited Financial Statements 2020).

**SHS STOCK'S TRANSACTIONS OF INTERNAL INDIVIDUALS AND RELATED ORGANIZATIONS/ INDIVIDUALS****OF INTERNAL HAREHOIDERS**

NO.	FULL NAME	POSITION	At 01/01/2020		Change in the year		At 31/12/2020	
			NUMBER OF SHARES (SHARE)	PERCENTAGE OF OWNERSHIP	INCREASE	DECREASE	NUMBER OF SHARES (SHARE)	PERCENTAGE OF OWNERSHIP
<b>INTERNAL INDIVIDUALS</b>								
I	MEMBERS OF THE BOARD OF DIRECTORS FOR THE TERM 2017-2022							
1	Vu Duc Tien	Member of the BOD	152,150	0.07%	4,492,100	-	4,644,250	2.24%
II	MEMBERS OF THE SUPERVISORY BOARD FOR THE TERM 2017-2022							
	None							
III	MEMBERS OF THE BOARD OF MANAGEMENT AND CHIEF ACCOUNTANT							
1	Vu Duc Tien	CEO	152,150	0.07%	4,492,100	-	4,644,250	2.24%
IV	AUDIT DEPARTMENT							
	None.							
V	SECRETARY OF THE COMPANY/INDIVIDUAL IN CHARGE OF CORPORATE GOVERNANCE							
	None.							
VI	COMPANY'S SPOKESPERSON							
	None.							

**OF RELATED ORGANIZATIONS/INDIVIDUALS**

None.

**TRANSACTIONS AND CONTRACTS WITH INTERNAL INDIVIDUALS AND RELATED ORGANIZATIONS/INDIVIDUALS***(see Audited Financial Statements 2020)***INVESTOR RELATIONS****▶ INVESTOR RELATIONS DEPARTMENT**

The Investor Relations Department is directly under the Board of Directors. Information about the individual in charge of investor relations is as follows:



Education: Bachelor of Foreign Affairs University  
Working experience: 12 years of experience in finance, banking and securities  
Position at SHS: Deputy Chief of the Office of BOD/ Secretary of the Company/Individual in charge of investor relations  
Phone contact: 024.38.181.888 (312)  
Email: quynh.dtn@shs.com.vn

**▶ INVESTOR RELATIONS IN 2020**

In 2020, the Company's Investor Relations Department has successfully performed its role in exercising the rights and legitimate interests of shareholders such as:

- The right to participate, state and vote at the Annual General Meeting of Shareholders.
- The right to receive dividends and freely transfer shares.
- The right to receive information about the Company's operations and business results.
- The right to review, look up, extract or copy the Company Charter, Meeting Minutes and Resolutions of the Annual General Meeting of Shareholders.
- The right to review, look up, extract the List of Shareholders with voting rights; the right to correct inaccurate information.
- The right to correct the shareholder book, the right to re-issue the shareholder book when it is lost and the right to appeal...

The Shareholder Relations department has reported the wishes and aspirations of shareholders to the members of the Board of Directors and the Supervisory Board. It has also arranged appointments between shareholders, potential investors and the Board of Management of the Company.

The Company carried out activities to ensure fair treatment among shareholders such as all shareholders are invited to attend the Company's Annual General Meeting of Shareholders and voted regardless of whether they are domestic or foreign shareholders, individuals or organizations, own more or fewer shares, are of male or female gender etc. It also ensures that shareholders who were unable to attend may authorize others easily. The process and procedures for organizing the Company's Annual General Meeting of Shareholders as well as the regulations on election and voting at it are public and comply with legal regulations. At the General Meeting of Shareholders, the questions raised by investors were answered fully, clearly and transparently by the Company. Interpreters and representatives of independent auditing firms were invited to assist in answering investors' questions.

It can be seen that, in 2020, SHS has fully met the legal regulations on shareholder relation activities. Facing the strong development of science and technology, and the growing demand for online transactions, the Company plans to strongly deploy the application of modern information technology in



an online General Meeting of Shareholders by 2020. Electronic votes should create the most favorable conditions for shareholders to exercise their rights and interests, especially those who are far away, busy or who cannot attend directly. However, the Company had to postpone the holding of the Annual General Meeting of Shareholders 2020 once and only applied online confirmation, but could not apply electronic voting due to legal problems in the voting collection by electronic method.

#### ► INVESTOR RELATION PLAN FOR 2021

Realizing the trend of online General Meeting of Shareholders and electronic voting will be inevitable and popular in the future, therefore, besides performing high-quality work in order to ensure the legitimate rights and interests of shareholders. The company plans in 2020 are to continue to research the legal basis, consult public companies on the market and find reasonable solutions to help shareholders implement e-voting and to help the Company to comply with the relevant laws as well.

## INFORMATION DISCLOSURE

#### ► REPORTING AND INFORMATION DISCLOSURE DEPARTMENT

The Reporting and Information Disclosure Department sits under the Legal and Risk Management Division. The individual in charge of reporting and disclosing information is as follows:

 <p><b>Mrs Nguyen Thuy Hanh Mai</b></p>	<p>Education: Master of Accounting Working experience: 18 years of experience in auditing and securities Position at SHS: Head of Legal &amp; Risk Management Department Phone contact: 024.3818.1888 (318) Email: mai.nth@shs.com.vn</p>
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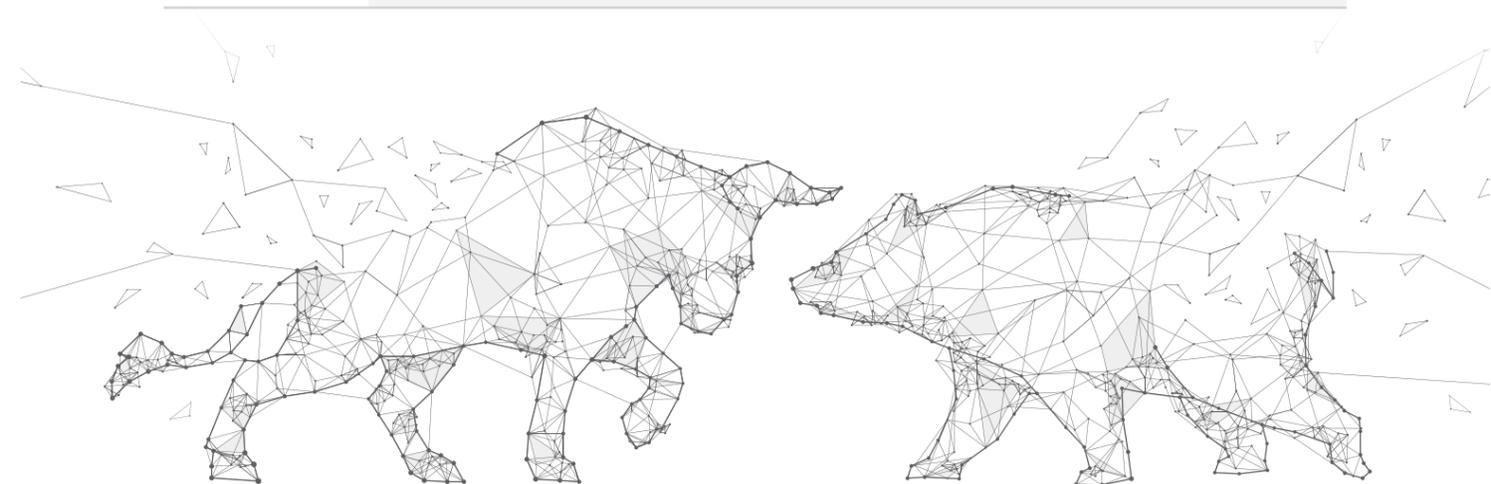
#### ► INFORMATION DISCLOSURE IN 2020

In addition to ensuring full and timely reporting and disclosure of information to State management agencies and on the Company's website, in 2020, SHS has focused more on disclosing information in English for investors. The Company's Reporting and Information Disclosure Department is also the focal point to answer questions of shareholders and State management agencies about the Company's reported information. In 2020, no State management agency issued a reminder or sanctioned administrative violation to SHS on the obligation to report and disclose information.

Compared with the proposed 2020 plans, it can be seen that the reporting and disclosure plan of the Company in English has done comparatively well, but it is necessary continuing to promote further in the coming years. The plan to provide information disclosure services to institutional investors, individuals and especially foreign investors who have demands and authorize the Company but has not yet to be implemented. The reason is that the Company has not promoted communication activities about the Company can provide these services.

#### BELOW IS A LIST OF INFORMATION DISCLOSED PERIODICALLY IN 2020:

Month, 2020	07/01/2020	20/01/2020	17/01/2020	22/01/2020
January, 2020	The portfolio of margin stocks Quarter 1.2020	Financial statements Quarter 4.2019.	Report on the registration and depository of 2020 corporate bonds.	- Report providing information on corporate governance in 2019. - Report on corporate governance in 2019.
March, 2020	30/03/2020			
	Audited Financial Statements and Financial Safety Ratio Statement of 2019.			
April, 2020	06/04/2020	17/04/2020	20/04/2020	
	The portfolio of margin stocks Quarter 2.2020	Annual Report 2019 – Vietnamese.	Financial statements Quarter 1.2020.	
June, 2020	15/06/2020			
	Annual Report 2019 – English.			
July, 2020	7/07/2020	20/07/2020		
	The portfolio of margin stocks Quarter 3.2020	Financial statements Quarter 2.2020.		
August, 2020	14/08/2020			
	Reviewed Financial Statements and Financial Safety Ratio Statement of first 6 months of 2020			
October, 2020	07/10/2020	20/10/2020		
	The portfolio of margin stocks Quarter 4.2020.	Financial statements Quarter 3.2020.		





**BELOW IS A LIST OF INFORMATION DISCLOSED EXTRAORDINARILY IN 2020:**

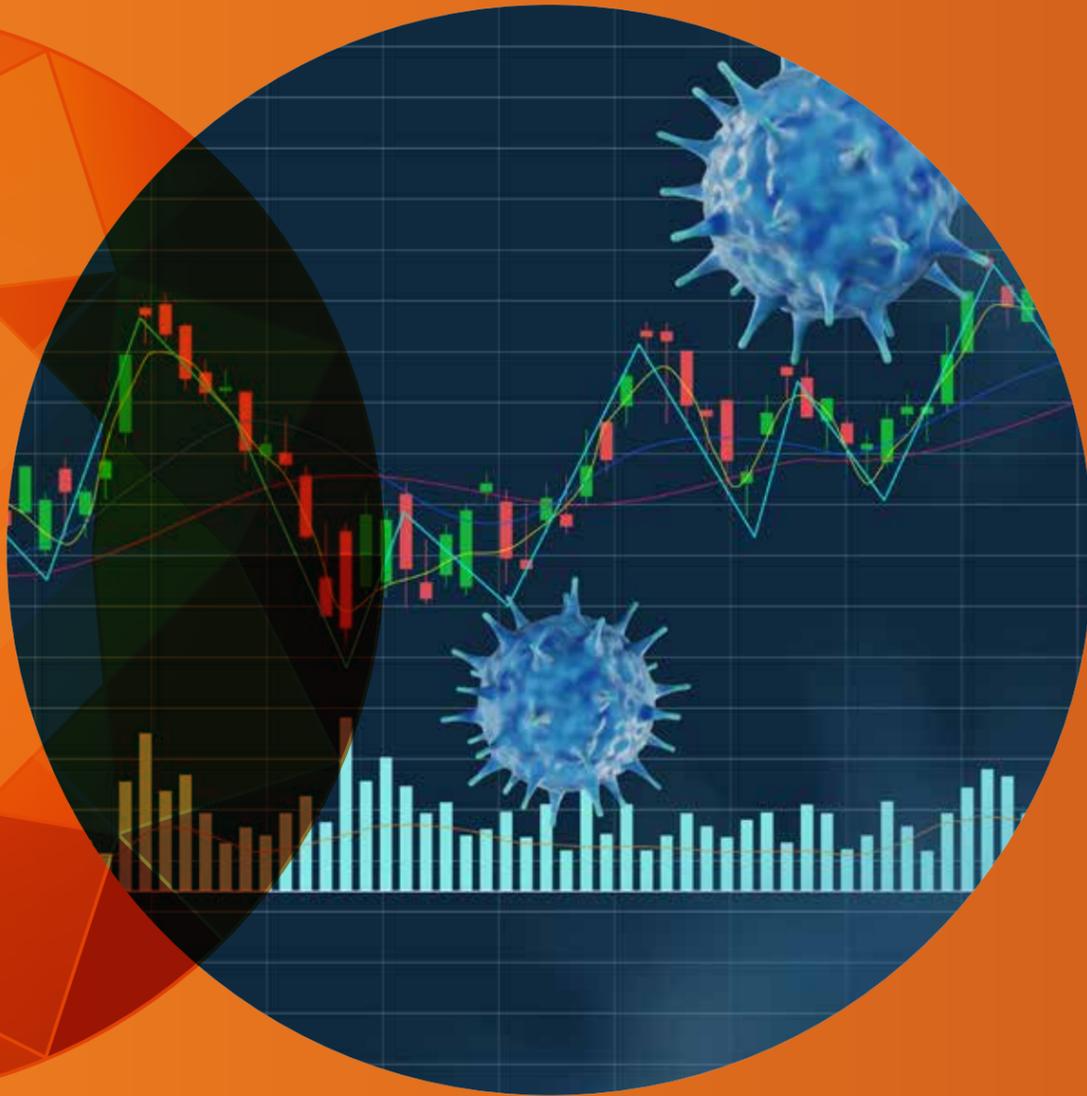
<b>January, 2020</b>	<b>06/01/2020</b>			
	Appointed Mrs. Nguyen Dieu Trinh to be a member of the Board of Directors.			
<b>February, 2020</b>	<b>06/02/2020</b>	<b>21/02/2020</b>		
	Acquired 100 SHS bonds before maturity.	The final registration date to close the list of shareholders attending the 2020 Annual General Meeting of Shareholders.		
<b>March, 2020</b>	<b>07/03/2020</b>	<b>24/03/2020</b>		
	Report on acquiring 100 SHS bonds before maturity.	Notice of adjusting time to hold the Annual General Meeting of Shareholders 2020.		
<b>April, 2020</b>	<b>17/04/2020</b>	<b>23/04/2020</b>	<b>27/04/2020</b>	
	Reappointed Mr. Tran Sy Tien to be the Deputy General Director.	Reappointed Mr. Nguyen Chi Thanh to be the Deputy General Director.	The final registration date to close the list of shareholders attending the 2020 Annual General Meeting of Shareholders.	
<b>June, 2020</b>	<b>08/06/2020</b>	<b>10/06/2020</b>	<b>16/06/2020</b>	<b>25/06/2020</b>
	Report on shareholder structure as at 20/05/2020 to exercise the right to attend the Annual General Meeting of Shareholders 2020.	Upload documents of the Annual General Meeting of Shareholders 2020	Resolution of the BOD on the private placement of bonds in phase 1 2020	Appointed individual in charge of corporate governance.
	<b>26/06/2020</b>			
	Resolution and Minutes of the 2019 Annual General Meeting of Shareholders 2020.			
<b>July, 2020</b>	<b>01/07/2020</b>	<b>02/07/2020</b>	<b>10/07/2020</b>	<b>13/07/2020</b>
	SHS became a major shareholder of TEG	Report on bond issue result in the first round of 2020.	Notice of the last registration date to exercise the right to receive dividends in 2019.	Decision of the BOD on dividend payment in 2019.
	<b>16/07/2020</b>		<b>22/07/2020</b>	
	Disclosure of related party transactions of PVM.	Signing the contract to review and audit the semi-annual and year 2020 Financial Statements and Financial Safety Ratio statements.		
<b>August, 2020</b>	<b>10/08/2020</b>	<b>18/08/2020</b>	<b>20/08/2020</b>	<b>28/08/2020</b>
	BOD's resolution on the private placement of bonds in the 2.2020 period	Resolution of BOD on the private placement of bonds in the 3.2020 period.	Report on related party PVM transactions.	Report on bond issue result in the second round of 2020.

<b>September, 2020</b>	<b>04/09/2020</b>	<b>18/09/2020</b>	<b>29/09/2020</b>	
	Report on bond issue result in the third round of 2020.	Resolution of the BOD on the establishment of Hai Phong Representative Office.	SHS became a major shareholder of PMC	
<b>October, 2020</b>	<b>12/10/2020</b>	<b>26/10/2020</b>	<b>30/10/2020</b>	
	SHS is no longer a major shareholder of TEG	Acquired 300 SHS bonds before maturity.	Reappointed Mr. Vu Duc Tien to be the General Director.	
<b>November, 2020</b>	<b>05/11/2020</b>	<b>18/11/2020</b>	<b>24/11/2020</b>	
	License to establish Hai Phong Representative Office.	Report on acquiring 300 SHS bonds before maturity.	Acquired 200 SHS bonds before maturity.	
<b>December, 2020</b>	<b>17/12/2020</b>	<b>18/12/2020</b>	<b>28/12/2020</b>	<b>29/12/2020</b>
	- Report on acquiring 200 SHS bonds before maturity. - Decision of the Board of Directors on related party transactions PVM.	Decision of the BOD on related party SHB transactions	SHS is no longer a major shareholder of VRC, LGL.	Decision to appoint and dismiss internal auditors for Mrs. Tran Thi Bich Thao and Mrs. Phan Thuy Linh.

All periodic and extraordinary information published in 2020 are posted by the Company in the Shareholder Relations section on the Company's website and through the information disclosure system of the SSC, Hanoi Stock Exchange, and HCM Stock Exchange.

**► INFORMATION DISCLOSURE PLAN IN 2021**

In 2021, The Securities Law 2019, the Enterprise Law 2020 and many guiding documents, amendments and supplements come into effect. There are many new regulations including provisions on information disclosure that need to be reviewed and applied. Therefore, the focus of the Company's 2021 information disclosure plan is to update and strictly comply with the new regulations on information disclosure. Furthermore, in order to continue attracting customers who are foreign investors, SHS plans to further strengthen information disclosure in English and promote communication on the provision of this service.



## PART **03**

# 2020 BUSINESS REPORT

- ECONOMIC AND SECURITIES MARKET OVERVIEW IN 2020
- REPORT OF THE BOARD OF DIRECTORS
- REPORT OF THE BOARD OF MANAGEMENT
- CORPORATE GOVERNANCE AND FINANCIAL ASSESSMENT

# ECONOMIC AND SECURITIES MARKET OVERVIEW IN 2020

## ECONOMIC OVERVIEW

### ▶ WORLD ECONOMY

- World economy in 2020 fell into recession, suffering from a medical crisis caused by Covid-19 pandemic (by the end of 2020, over 81 million people were infected with the virus, of which 1.8 million people died). The medical crisis forced the governments to impose travel restrictions and border closures, therefore, the global commodity supply chains were disrupted. Consequently, many businesses were forced to stop production, many economic sectors stagnated, many companies went bankrupt and the unemployment rate increased. According to IMF and World Bank, Global GDP in 2020 decreased by 4.3% ~ 4.4%.
- The largest economy in the world, the US economy, was heavily affected in the first 2 quarters of the year when it fell into a state of technical recession (GDP in 2 consecutive quarters decreased) before rebounding strongly in the third quarter thanks to stimulus packages. Although the unemployment rate decreased from the peak of 14.7% in April, it was still high, at 6.7% in December, which was equivalent to unemployment rate in 2013.

The Eurozone and Japan also suffered similar effects in 2020 with lower declines than the US, however, these regions had previous low growth rate, the Japanese economy even started to decrease from the fourth quarter of 2019. On the contrary, among major economies, China has recorded positive signals. Although China was the first place where the Covid-19 disease was discovered, thanks to the drastic anti-epidemic measures, after a sharp decline in the first quarter of 2020, the country's economy grew again in the next 2 quarters due to the rapid recovery of manufacturing as well as retail sectors.

- Global commodity markets: Facing the impact of the Covid-19 pandemic on the global economy, prices of almost key commodities witnessed sharp declines in the early second quarter in 2020 before recovering. Oil price dramatically plummeted for the first time in history, WTI even dropped to USD -40.3 / barrel in April 2020, while the prices of precious metals strongly increased as the need to seek shelter increased, gold price continued to rise and recorded a new historical high at USD 2,035/ounce.

### ▶ VIETNAM ECONOMY

- Vietnam's economy was affected by the Covid-19 pandemic, GDP growth rates in 2020 quarters were low, especially in the second quarter (+0.4%), for the whole year 2020, GDP growth rate was 2.9% - the lowest growth rate in the history of statistics. However, Vietnam was one of few countries to record positive GDP growth in 2020. In key economic sectors, except for agriculture sector with high growth momentum in 2019, industry sector and especially service sector heavily affected by social distancing (retail sales decreased by 1.2%, while in 2019 increased by 9.5%, number international arrivals decreased by 78.7%), number of business suspension and business dissolution increased by 13.9% compared to 2019, the unemployment rate increased to 2.3%, a high level since 2016. CPI in 2020 increased by 3.2%, lower than the target of 4.0% but higher than CPI in 2019, mainly because the sharp increase in food prices during the year due to shortages in supply and natural disasters.
- The outstanding achievement in the past year, in addition to effective pandemic control facilitating the economy, was that Vietnam's import and export activities remained stable with a total turnover of USD 543 billion, increased 5.1% compared to 2019, of which exports increased by 6.5% compared to 2019. The trade surplus was maintained for 5 consecutive years and reached a record high, estimated at USD 19.1 billion. In 2020, the EVFTA officially came into effect, Vietnam also signed RCEP and FTA with the UK. Registered FDI capital in 2020 (excluding capital contribution and share purchase) decreased slightly by 6.7% to USD 21 billion, disbursed FDI decreased by 2.0% compared to 2019. Foreign exchange reserves of Vietnam continued to rise to a record high, estimated at USD 92 billion. The USD/VND exchange rate at the end of the year was still stable. During 2020, the interest rate was adjusted down many times to support businesses – on average, the interest rate reduced 1%/year compared to the end of 2019. Capital disbursement from the State budget in 2020 reached 91.1% of the 2020 plan and increased 34.5% compared to 2019, reached the highest level in the 2011-2020 period.
- However, the SOE restructuring process were behind the schedule. In the first 11 months of 2020, only 1 enterprise had its equitization plan approved and there was no enterprise conducting IPO compared to the plan of 91 enterprises. State capital divestment in the first 11 months of 2020 reached VND 979 billion compared to the plan of VND 55,300 billion.



### SOME OF VIETNAM'S ECONOMIC INDICATORS IN 2020

Indicators	2018	2019	2020
GDP growth (%)	7.1	7.0	2.9
Average CPI growth (%)	3.5	2.8	3.2
Credit growth (%)	14.0	13.6	12.1
Central exchange rate (USD/VND)	22,825	23,155	23,131
Foreign exchange reserves (USD billion)	60	80	92
Budget deficit/surplus (compared to GDP) (%)	0.0	2.6	-2.0

(Source: GSO, WB, HSBC, SBV, SHS Research)

# STOCK MARKET OVERVIEW

## ▶ WORLD STOCK MARKET

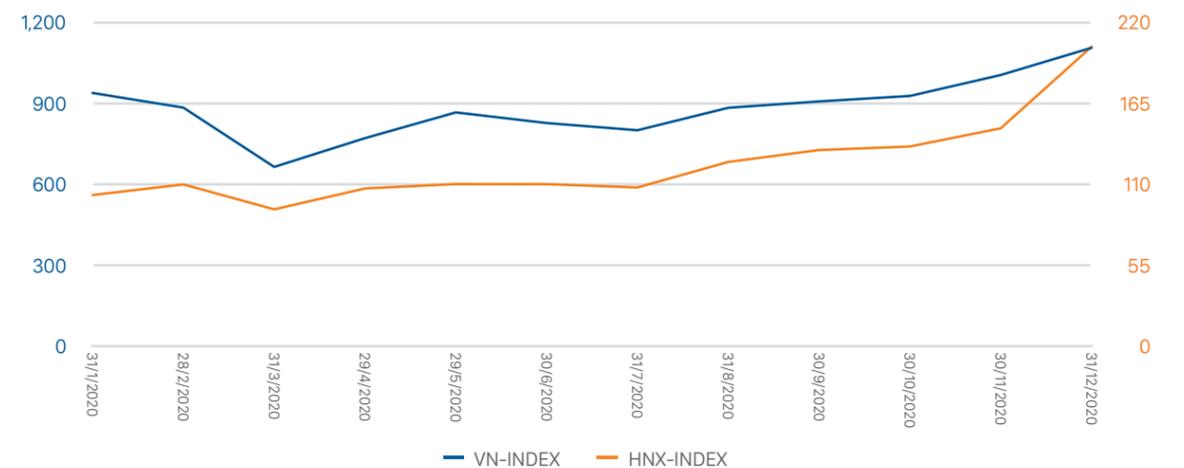
- In contrast to the economic conditions, the global stock markets in 2020 witnessed a year of strong growth. After a sharp decline in April 2020 - the time when the Covid-19 pandemic appeared, the world main indexes had a spectacular breakthrough, most notably, all 3 main indexes of the US and German stocks established new highs in history, Japanese stocks also recorded the highest level since 1990. Market uptrend momentum had mainly come from the recovery of the post-pandemic economy, the progress of vaccine development, especially the huge stimulus packages (according to IMF, G10 countries had adopted monetary easing policy valued at USD 7.5 trillion and global fiscal stimulus package worth USD 12 trillion, of which Japan alone spent USD 3,000 billion, the US spent USD 2,700 billion) and low interest rate policies (Statistics show that central banks in 60% of the global economy reduced interest rates to below 1%, many countries even applied negative interest rates. On the money market, with large quantitative easing, the US Dollar Index (measuring the USD against a basket of 6 other major currencies) decreased by 7.1% compared to the beginning of the year; the Chinese yuan experienced a sharp increase in price thanks to the country's rapid post-pandemic recovery; the crypto currency Bitcoin in 2020 recorded a phenomenal increase of 3.9 times, reached its highest level in history at the end of the year, at USD 28,966.



## ▶ VIETNAM STOCK MARKET

- In 2020, Vietnam's stock market was not titled as tier 2 emerging market by FTSE Russell because it did not meet the criterion "Payment cycle - DvP" despite the fact that the proportion of Vietnamese shares in the MSCI index for the frontier market had been increased.
- Vietnam's stock market in 2020, facing a strong shock at the time of Covid-19 pandemic emergence in the first quarter, VN-Index fell from 991.5 points before the Lunar New Year holiday to the bottom of 649.1 points at the end of March, a decline of 34.5%. However, the index then recorded a very strong rally. At the end of the year, VN-Index reached 1,103.9 points, increased 17.9% compared to the end of 2019 and increased 67.5% from the bottom, Vietnamese's stock market was one of the markets with the strongest growth in the world. HNX-Index at the end of the year closed at 203.1 points, increased 98.4% compared to the end of 2019. The Upcom-Index at the end of the year closed at 74.5 points, increased 31.6% compared to the end of 2019. Market capitalization of the whole market reached the highest ever record, approximately VND 5.3 quadrillion (equivalent to USD228 billion), equivalent to 84.2% of GDP, increased 20.8% compared to the end of 2019.

MOVEMENTS OF VIETNAM'S STOCK MARKET IN 2020

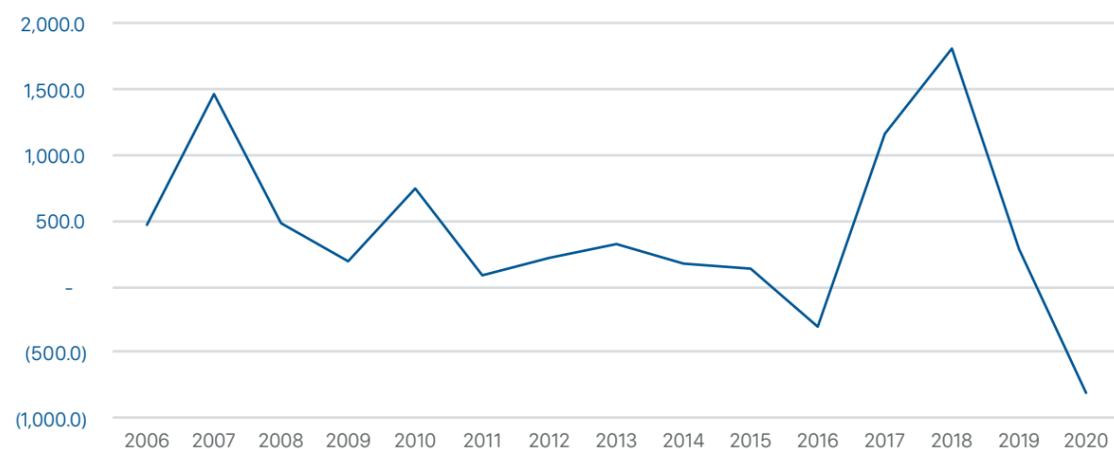


(Source: SHS Research)

- Market liquidity (including Upcom) in 2020 increased 61.5% compared to 2019, with an average transaction value of VND7,435 billion / session in which the HNX transaction value increased sharply by 77%, HOSE transaction value increased by 60%. However, in 2020, liquidity increased mainly due to domestic cash flow while foreign investors recorded net sale value of VND 18,756 billion (equivalent to USD810 million) of which foreign net sale value on HOSE was VND15,214 billion. In 2020, the most notable deal with foreign investors was that the KKR purchased shares of Vinhomes (VHM) with the total value of USD 651 million. The number of new accounts opened by domestic investors in 2020 was 393,659 accounts, of which number of individual accounts was 392,527 accounts, increased 109% as compared to 2019 and was a record high in the history of the market.

- The derivatives market continued to grow in 2020 with the average trading volume of the year reaching 158,390 contracts/session, increased 78.5% as compared to 2019. Number of derivative trading accounts at the end of the year December 2020 was 173,395, increased 88% as compared to the end of 2019. Along with the excitement of the traditional stock market, the market for Covered Warrant (CW) was also quite bustling, by the end of the year there were 118 listed CW compared to 53 listed CW at the end of 2019. There were 9 securities companies participating in the issue of CW, of which KIS was the company issuing the most CW with 94 CW, followed by HCM: 59 CW, SSI: 48 CW, MBS: 46 CW, VND: 21 CW, VCI: 11 CW, BSC: 3 CW, ACBS: 1 CW, VPBS: 1 CW.
- In terms of the underlying asset: HPG was the stock that was used as the underlying asset for the 30 CW; followed by VNM: 22 CW; FPT: 21 CW; VRE, STB: 19CW; VPB, MSN and MWG: 18 CW; TCB, MBB: 15 CW; VHM: 14 CW, PNJ: 11 CW; VIC, REE: 10 CW; HDB: 9 CW; VJC: 8 CW; NVL, KDH: 5 CW; SBT: 4 CW; DPM: 3 CW; ROS: 2 CW; CTD, EIB: 1 CW. The total transaction value of CW in 2020 was VND 5,446 billion, increased 474% as compared to 948 billion in 2019. The transaction volume of CW was nearly 3 billion CW, increased 685% as compared 379 million CW in 2019.
- Total capital mobilization on Vietnam's securities market in 2020 was estimated at VND 413,700 billion, increased 30% compared to the end of 2019, of which capital mobilization through share issuance decreased, capital mobilization through equitization increased slightly, only Government bond mobilization increased 350,000 billion dong – highest increase in history. In addition, corporate bond issuance had a strong growth with 2,228 issuances having total successful issuance value of VND 403,469 billion, increased 2.6 times in volume and 36% in value as compared to 2019. Successful mobilization rate reached 69.1%, higher than in 2019 (67%).
- The listing activities in 2020 were quiet. There were only 11 new companies listing on the HOSE and 7 new companies listing on the HNX, while there were 23 companies being delisted. Trading registration activities on the UPCOM were also quiet when there were only 20 new companies (in 2019 it was 80 companies). The process of equitization and divestment of SOEs was behind the schedule with only 1 enterprise had its equitization plan approved and there was no enterprise conducting IPO compared. State capital divestment in the first 11 months of 2020 reached VND 979 billion compared to the plan of VND 55,300 billion.

**NET BUYING/SELLING VALUE OF FOREIGN INVESTORS (MILLION USD)**



(Source: SHS Research)



**THE STATISTICS OF VIETNAM'S STOCK MARKET IN 2020**

TARGETS	2018	2019	2020	+/- 2020 COMPARED TO 2019 (%)
VN-Index	892.5	961.0	1,103.9	14.9
HNX-Index	104.2	102.5	203.1	98.1
Upcom-Index	52.8	56.6	74.5	31.6
Market capitalization (VND billion)	3,960	4,384	5,294	20.7
Capitalization/GDP	71.6%	72.6%	84.2%	
Number of accounts (million accounts)	2.2	2.4	2.8	17.4
Total shares/fund certificates listed (billion shares/fund certificates)	754	744	765	2.8

(Source: GSO, SHS Research)



## CHANGE OF LEGAL FRAMEWORK

Agency issued	Number of documents	Date of documents	Content of documents	Enforcement	Replaced documents
Law	54/2020/QH14	26/11/2019	Securities Law 2019.	01/01/2021	Securities Law No. 70/2006/QH11, 62/2010/QH12.
	59/2020/QH14	17/06/2020	Enterprise Law 2020.	01/01/2021	Enterprise Law No. 68/2014/QH13.
	61/2020/QH14	17/06/2020	Investment Law 2020.	01/01/2021	Investment Law No. 67/2014/QH14, 90/2015/QH13, 03/2016/QH14, 04/2017/QH14, 28/2018/QH14 và 42/2019/QH14.
Decree	37/2020/QĐ-TTg	23/12/2020	Establishment, organization and operation of the Vietnam Stock Exchange.	20/02/2021	Decision No. 01/2009/QĐ-TTg, 599/2007/QĐ-TTg, 21/2015/QĐ-TTg, 599/2007/QĐ-TTg.
	44/2020/NĐ-CP	08/04/2020	Regulations on enforcement of judgments against commercial legal entities.	01/06/2020	None.
	55/2020/NĐ-CP	22/05/2020	Guidelines for the law on enforcement of criminal judgments concerning enforcement of judgments against corporate entities	15/07/2020	None.
	58/2020/NĐ-CP	27/05/2020	Regulating rates of compulsory insurance contributions to the occupational accident and disease benefit fund	15/07/2020	Decree No. 44/2017/NĐ-CP, Point b, Clause 1, Article 13 of Decree No. 143/2018/NĐ-CP.
	81/2020/NĐ-CP	09/07/2020	Amendments to the government's Decree no. 163/2018/ND-CP dated december 04, 2018 on issuance of corporate bonds	01/09/2020	None.
	121/2020/NĐ-CP	09/10/2020	Amendment to clause 2 article 12 of Decree no. 91/2015/ND-CP dated october 13, 2015 of the government on state capital investment in enterprises and management, use of capital and property in enterprises with amendments thereto under clause 5 article 1 of Decree no. 32/2018/ND-CP dated march 8, 2018 of the Government on amendments to decree no. 91/2015/ND-CP	09/10/2020	None.
	126/2020/NĐ-CP	19/10/2020	Elaboration of the law on tax administration.	05/12/2020	Decree No. 83/2013/NĐ-CP, Article 4 of Decree No. 91/2014/NĐ-CP...

Agency issued	Number of documents	Date of documents	Content of documents	Enforcement	Replaced documents
Decree	140/2020/NĐ-CP	30/11/2020	Amendments to the government's Decree no. 126/2017/ND-CP dated november 16, 2017 on conversion of state-owned enterprises and wholly state-owned single-member limited liability companies into joint-stock companies, the Government's Decree no. 91/2015/ND-CP dated october 13, 2015 on state capital investment in enterprises, use and management of capital and assets in enterprises, and the Government's Decree no. 32/2018/ND-CP dated march 08, 2018 providing amendments to Decree no. 91/2015/ND-CP	30/11/2020	None.
	150/2020/NĐ-CP	25/12/2020	Transform public non-business units into joint stock companies	15/02/2021	Decision No. 22/2015/QĐ-TTg.
	153/2020/NĐ-CP	31/12/2020	Regulations on private placement and trading of privately placed corporate bonds in domestic market and offering of corporate bonds in international market	01/01/2021	Decree No. 163/2018/NĐ-CP, 81/2020/NĐ-CP
	155/2020/NĐ-CP	31/12/2020	Detailed regulations on the implementation of a number of articles of the Securities Law.	01/01/2021	Decree No. 58/2012/NĐ-CP, 60/2015/NĐ-CP, 86/2016/NĐ-CP, 71/2017/NĐ-CP, Article 13, Article 14 of Decree No. 151/2018/NĐ-CP
	156/2020/NĐ-CP	31/12/2020	Regulations on sanctioning of administrative violations in the field of securities and securities markets.	01/01/2021	Decree No. 108/2013/NĐ-CP, 145/2016/NĐ-CP, 108/2013/NĐ-CP
	158/2020/NĐ-CP	31/12/2020	Derivatives and derivatives market.	01/01/2021	Decree No. 42/2015/NĐ-CP
Circular	14/2020/TT-BTC	18/03/2020	Amendments to Circular no. 127/2018/TT-BTC dated December 27, 2018 of the Minister of finance prescribing prices of securities-related services applied at securities exchanges and Vietnam securities depository for assisting organizations and individuals facing difficulties amid covid-19 pandemic	19/03/2020 – 31/08/2020	None.
	37/2020/TT-BTC	07/05/2020	Prescribing fees and charges payable in securities sector	07/05/2020 – 31/12/2020	None.
	70/2020/TT-BTC	17/07/2020	Increase the period of the implementation of Circular no.14 / 2020 / TT-BTC dated march 18, 2020 about amending and supplementing a number of articles of Circular no. 127/2018 / TT-BTC dated December 27, 2018 of the Minister of finance prescribing prices of securities-related services applied at securities exchanges and Vietnam securities depository for assisting organizations and individuals facing difficulties amid covid-19 pandemic.	31/08/2020	None.

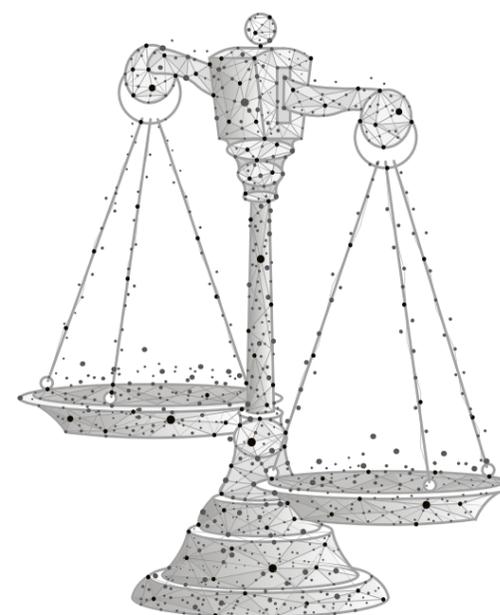


Agency issued	Number of documents	Date of documents	Content of documents	Enforcement	Replaced documents
Circular	73/2020/TT-BT	07/08/2020	Amendments to Circular no. 134/2017/TT-BTC dated December 19, 2017 of minister of finance providing guidelines for e-transactions on securities market	01/10/2020	None.
	77/2020/TT-BTC	14/08/2020	Providing guidance on Government's Decree no. 81/2020/ND-CP dated July 09, 2020 on amendments to Government's Decree no. 163/2018/ND-CP dated December 04, 2018 on issuance of corporate bonds	28/09/2020	None.
	80/2020/TT-BTC	03/09/2020	Guidance on the method of submitting reports of credit rating service providers and the Government's debt instrument market makers as prescribed in Decree no. 88/2014 / ND-CP on credit rating services and Decree no. 95/2018 / ND-CP regulating the issuance, registration, depository, listing and trading of government debt instruments on the securities market.	19/10/2020	None.
	81/2020/TT-BTC	15/09/2020	Amending Circular no. 110/2018/TT-BTC dated November 15, 2018 of the ministry of finance providing guidance on repurchase and swap of Government's debt instruments, Government-guaranteed bonds and municipal bonds in domestic market and Circular no. 342/2016/TT-BTC dated December 30, 2016 of the Ministry of finance elaborating the Government's Decree no. 163/2016/ND-CP dated December 21, 2016 providing guidelines for the law on state budget.	01/11/2020	None.
	36/VBHN-BTC	07/09/2020	Integrated document of two Decrees on corporate bond issuance issued by the Ministry of Finance.	01/02/2019	Decree No. 90/2011/ND-CP.
	37/VBHN-BTC	18/09/2020	Integrated document on providing guidelines for e-transactions on securities market	01/03/2018	Circular No. 87/2013/TT-BTC.
	91/2020/TT-BTC	13/11/2020	Regulation on financial safety standards and handling measures for securities trading organizations that fail to meet financial safety standards.	01/01/2021	Circular No. 87/2017/TT-BTC.
	95/2020/TT-BTC	16/11/2020	Guidance on securities trading supervision on securities market.	01/01/2021	Circular No. 115/2017/TT-BTC dated 25/10/2017.
	96/2020/TT-BTC	16/11/2020	Guidance on information disclosure on the securities market	01/01/2021	Circular No. 155/2015/TT-BTC.
	97/2020/TT-BTC	16/11/2020	Guidance on the operation of representative offices, branches of foreign securities companies, foreign fund management companies in Vietnam.	01/01/2021	Circular No. 91/2013/TT-BTC
	98/2020/TT-BTC	16/11/2020	Guidance on the operation and management of the securities investment fund.	01/01/2021	Circular No. 183/2011/TT-BTC, 15/2016/TT-BTC, 183/2011/TT-BTC, 224/2012/TT-BTC, 227/2012/TT-BTC, 228/2012/TT-BTC, 229/2012/TT-BTC

Agency issued	Number of documents	Date of documents	Content of documents	Enforcement	Replaced documents
Circular	99/2020/TT-BTC	16/11/2020	Guidance on the operations of securities investment fund management companies.	01/01/2021	Circular No. 212/2012/TT-BTC; Article 1; Clause 1, Clause 3 and Clause 4, Article 7 of Circular No. 91/2019 / TT-BTC.
	06/2020/TT-BTP	17/12/2020	Amending and supplementing a number of articles of the Circular No. 08/2018 / TT-BTP dated June 20, 2018 of the Minister of Justice guiding a number of issues on registration, provision of information on security measures, contracts and exchange of information on the registration of security measures at the Transaction and Asset Registration Centers of the National Registration Agency For Secured Transactions under the Ministry of Justice.	01/02/2021	None.
	111/2020/TT-BTC	29/12/2020	Guidance on a number of issues of financial settlement, valuation of public non-business units, initial share offering and management of proceeds from transforming public non-business units into joint-stock companies .	15/02/2021	None.
	116/2020/TT-BTC	31/12/2020	Guidelines for implementation of some articles on administration of public companies in the Government's Decree no. 155/2020/ND-CP dated December 31, 2020 elaborating some articles of the law on securities.	15/02/2021	Circular No. 95/2017/TT-BTC.
	117/2020/TT-BTC	31/12/2020	Regulating the method of calculating illegal proceeds and illegal benefits gained from conducting violations of the law on securities and securities market.	15/02/2021	Circular No. 217/2013/TT-BTC, 36/2017/TT-BTC.
	118/2020/TT-BTC	31/12/2020	Guidance on a number of issues of offering and issuing securities, making a public offering, offering share repurchase, registering public companies and disqualifying the status as a public company.	15/02/2021	Circular No. 162/2015/TT-BTC.
	119/2020/TT-BTC	31/12/2020	Regulations on securities registration, depository, clearing and settlement activities.	15/02/2021	Circular No. 05/2015/TT-BTC.
	120/2020/TT-BTC	31/12/2020	Regulations on trading of listed and registered shares, fund certificates, corporate bonds and covered warrants listed on securities trading systems.	15/02/2021	Circular No. 203/2015/TT-BTC.
	121/2020/TT-BTC	31/12/2020	Regulations on the operations of securities company	15/02/2021	Circular No. 210/2012/TT-BTC, 07/2016/TT-BTC.
	122/2020/TT-BTC	31/12/2020	Guidance on information disclosure and reporting regime in accordance with Decree 153/2020/ND-CP on private placement and trading of privately placed corporate bonds in domestic market and offering of corporate bonds in international market	15/02/2021	Circular No. 77/2020/TT-BTC.
Decision					



Agency issued	Number of documents	Date of documents	Content of documents	Enforcement	Replaced documents
Ha Noi Stock Exchange	160/QĐ-SGDHN	21/04/2020	Regulations on Settlement of disputes related to securities trading at the Hanoi Stock Exchange	21/04/2020	None.
	277/QĐ-SGDHN	22/06/2020	Regulations on handling violations of trading members and trading representatives at the Hanoi Stock Exchange	22/06/2020	Decision No. 487/QĐ-SGDHN dated 06/08/2015.
	384/QĐ-SGDHN	28/07/2020	Regulations on operation of the corporate bond information website at the Hanoi Stock Exchange	28/07/2020	None.
	538/QĐ-SGDHN	02/10/2020	Procedure of Manual auction bidding for the Government debt swap in 2020 at the Hanoi Stock Exchange	02/10/2020	None.
	770/QĐ-SGDHN	30/12/2020	Regulations on trading Government debt instruments, Government guaranteed bonds issued by Banks for policies and municipal bonds.	01/01/2021	Decision No. 501/QĐ-SGDHN dated 05/07/2017.
Ho Chi Minh Stock Exchange	231/QĐ-SGDHCM	06/05/2020	Regulations on organizing public auction, competitive offering and book-building at the Ho Chi Minh City Stock Exchange		
	462/QĐ-SGDHCM	14/08/2020	Amending a number of articles of the Securities Trading Regulations at the Ho Chi Minh Stock Exchange.		
	714/QĐ-SGDHCM	09/11/2020	Establishing the Principles of Construction and Management of the HOSE-Index Version 3.0.		Decision No. 529/QĐ-SGDHCM dated 20/12/2018.
	894/QĐ-SGDHCM	30/12/2020	Amending the regulations on trading time, price fluctuation amplitude, trading units, order types at the Ho Chi Minh City Stock Exchange	04/01/2021	None.
VSD	01/QĐ-VSD	02/01/2020	Regulations on domestic securities code issuance and international securities identification numbers at Vietnam Securities Depository	02/01/2020	Decision No. 198/QĐ-VSD dated 29/09/2017.
	02/QĐ-VSD	02/01/2020	Regulation on exercising rights for securities owners	02/01/2020	
	03/QĐ-VSD	02/01/2020	Regulations on registration and transfer of ownership of securities.	02/01/2020	Decision No. 196/QĐ-VSD dated 29/09/2017.
	04/QĐ-VSD	02/01/2020	Regulations on operations of Vietnam Securities Depository.	02/01/2020	Decision No. 199/QĐ-VSD dated 29/09/2017.
	05/QĐ-VSD	02/01/2020	Regulations on organization of securities lending at Vietnam Securities Depository.	02/01/2020	Decision No. 157/QĐ-VSD dated 21/08/2017.
	06/QĐ-VSD	02/01/2020	Regulations on payment for Government debt instruments, Government-guaranteed bonds issued by Banks for Policies and municipal bonds	02/01/2020	Decision No. 199/QĐ-VSD dated 29/09/2017.
	131/QĐ-VSD	21/07/2020	Regulations on registration, depository, clearing, transaction settlement and exercising Covered warrants at Vietnam Securities Depository.	21/07/2020	Decision No. 32/QĐ-VSD dated 15/03/2018, 156/QĐ-VSD dated 05/09/2019.
	154/QĐ-VSD	26/08/2020	Amending and supplementing the Regulations on securities registration and transfer of ownership issued with Decision No. 03 / QĐ-VSD dated January 2, 2020 of the General Director of Vietnam Securities Depository	26/08/2020	None.
	155/QĐ-VSD	01/09/2020	Regulations on transfer of ownership of corporate bonds privately issued at Vietnam Securities Depository	01/09/2020	None.



SHS is ready with the changes of the legal framework related to securities.

## ASSESSMENT OF IMPACT OF THE ECONOMIC ENVIRONMENT, THE SECURITIES MARKET AND THE CHANGE OF THE LEGAL FRAMEWORK ON SHS

### OPPORTUNITIES

- Although the whole world had to face with the negative impacts of the Covid-19 pandemic, Vietnam had done a good job in controlling the pandemic. Therefore, the impact of the pandemic on Vietnamese enterprises was not too adverse.
- In the difficult context of Covid-19 pandemic, Vietnamese business community had quickly changed direction, implementing many solutions to maintain production and business activities, including promoting e-commerce activities, transactions without direct meetings... These solutions helped Vietnam stabilizes production activities and promote the world integration process.
- Successful Covid-19 pandemic control helped our country become a reliable place for foreign investors, a potential and safe destination for the reallocation of investment capital around the world, especially ahead of the trend shifting production plants out of China.
- The fact that countries simultaneously issued economic stimulus packages and decreased interest rates was the main driving force for the cash flow to pour into the securities market despite the impacts of the Covid-19 pandemic.
- The strong growth of the securities market due to the impact of economic stimulus packages and the decrease in interest rates had positively affected all aspects of SHS's business activities, especially brokerage, financial services and investment activities.
- Securities Law 2019, Enterprise Law 2020, Investment Law 2020 and guiding legal documents contributed to improving the quality of enterprises on Vietnam's securities market, removing bottlenecks related to Foreign ownership in Vietnamese enterprises thereby attracting investment from domestic and foreign investors, creating a legal corridor for the issuance of Non-Voting Depository Receipts (NVDR); improving the capacity and quality of operations of market participants, increasing openness, transparency, and ensuring the market's sustainable, safe, professional and modern operations. At the same time, these legal documents also create the basis for improving the effectiveness and efficiency of managing, monitoring and enforcing, protecting the legitimate rights and interests of investors, increasing market confidence, creating a legal basis for the establishment of the Vietnam Securities Exchange (VNX) with the model of parent - subsidiary company on the basis of restructure of the Hanoi Stock Exchange and the Ho Chi Minh Stock Exchange.



**CHALLENGES:**

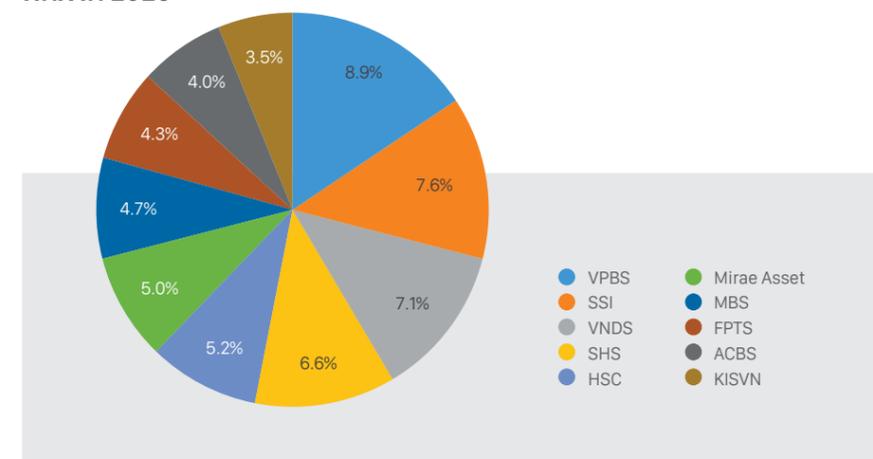
- Although in 2020, Vietnam had well-controlled the Covid-19 Pandemic, the risk of Covid-19 pandemic outbreaks at any time made business activities always prepare for negative scenarios, thus failing to fully utilize its capabilities.
- Industrial Revolution 4.0 had a strong influence on the securities market in terms of structure and quality of goods in the market, investors, market intermediaries and market management. As a service provider on the securities market, SHS faced increasing demands from customers and fierce competition from the group of securities companies that prioritized technology investment.
- To limit the risk of the overheated bond market, Decree No. 81/2020/ND-CP amending and supplementing Decree No. 163/2018 / ND-CP was issued, thereby adding stricter conditions in issuing private corporate bonds. However, these regulations made securities companies having more activities of issuing corporate bonds or consulting, underwriting, acting as agents to issue corporate bonds, such as SHS, face more challenges.

**OPERATION OF SECURITIES COMPANIES**

- In 2020, one securities company was put into the control category while two other securities companies were removed from the control category and 1 securities company decided to terminate its operation, 2 fund management companies had their operation license revoked and 1 fund management company suspends its operation. As of the beginning of March 2021, 66 securities companies reported profitable business results with a total revenue of VND 35,962 billion and pretax profit of VND 13,437 billion.
- Regarding brokerage activities and financial services, along with competitive pressure from securities companies with foreign capital, the group of securities companies in the Top 10 was under strong competitive pressure from VPBS. VPBS lowered transaction fees, lowered lending interest rates, focused on individual customers, applied modern technology in securities trading, thereby attracting many number of customers and brokers, making the race on the brokerage market share among securities companies more and more fierce.
- Regarding investment trading activities, most securities companies recorded impressive business results in 2020 due to the strong growth of the stock market, the huge participation of F0 investors and the reduction of lending interest rates.
- For securities companies with strong operations in bond trading, consulting, agency and underwriting, the fourth quarter was an unfavorable period when Decree 81 took effect from the beginning of September 2020, tightening the issuance procedures and the conditions on who were allowed to buy private corporate bonds.

**MARKET SHARE**

**LISTED STOCK AND FUND CERTIFICATES BROKERAGE MARKET SHARE ON HNX IN 2020**



**MOVEMENTS OF LISTED STOCK AND FUND CERTIFICATES BROKERAGE MARKET SHARE ON HNX IN 2020**

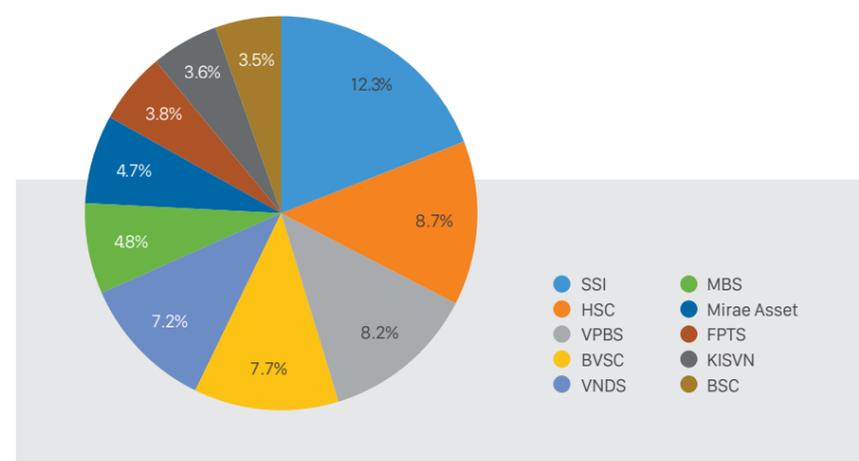
COMPANY	2019	2020	CHANGE
SSI	9.7%	7.6%	-2.1%
VNDS	8.6%	7.1%	-1.5%
HSC	6.5%	5.2%	-1.3%
<b>SHS</b>	<b>5.0%</b>	<b>6.6%</b>	<b>1.6%</b>
MBS	5.8%	4.7%	-1.1%
ACBS	4.8%	4.0%	-0.8%
FPTS	4.2%	4.3%	0.1%
VCSC	3.3%	N/A	N/A
KISVN	N/A	3.5%	N/A
VPBS	5.6%	8.9%	3.3%
Mirae Asset	4.5%	5.0%	0.5%

(Source: SHS Research)

Securities companies that were regularly in the top 10 securities companies with the largest brokerage market share, on the HNX in the past such as SSI, VNDS, HSC, MBS, ACBS, VPS all experienced a strong decline in market share in 2020, the total decrease reached 6.8%. However, VPS and SHS had a strong breakthrough, their market shares increased by 3.3% and 1.6%, respectively. Followed by market share of FPTS and Mirae Asset which increased by 0.1% and 0.5%. VCSC was no longer in the Top 10 market share.

**SHS: Increased its position from 6th place with 5.0% market share in 2019 to 4th place with 6.6% market share in 2020.**

**LISTED STOCK AND FUND CERTIFICATES BROKERAGE MARKET SHARE ON HOSE IN 2020**



**MOVEMENTS OF LISTED STOCK AND FUND CERTIFICATES BROKERAGE MARKET SHARE ON HOSE IN 2020**

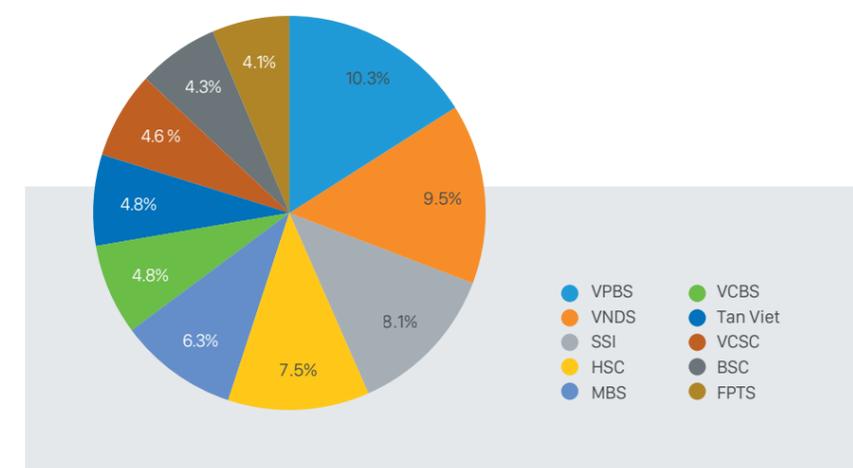
COMPANY	2019	2020	CHANGE
SSI	14.0%	12.3%	-1.7%
HSC	10.5%	8.7%	-1.8%
VCSC	8.2%	N/A	N/A
VNDS	6.8%	7.2%	0.4%
MBS	4.8%	4.8%	0.0%
FPTS	N/A	3.8%	N/A
BVSC	3.8%	7.7%	3.9%
BSC	N/A	3.5%	N/A
Mirae Asset	4.5%	4.7%	0.2%
VPBS	3.9%	8.2%	4.3%
BOS	3.1%	N/A	N/A
KISVN	3.1%	3.6%	0.5%

(Source: SHS Research)

Similar to HNX, a decline in market share of leading securities companies such as SSI, HSC also showed on HOSE with a total decrease of about 3.5%. Some domestic securities companies left Top 10 such as VCSC and BOS. BVSC and VPS had their market share increased strongly with an increase of 3.9% and 4.3% respectively.

**SHS: No longer in the Top 10 securities companies with the largest share of securities brokerage market on HOSE since the third quarter of 2019**

**MARKET SHARE OF DERIVATIVES SECURITIES BROKERAGES ON HNX IN 2020**



**MOVEMENTS OF MARKET SHARE OF DERIVATIVES SECURITIES BROKERAGES ON HNX IN 2020**

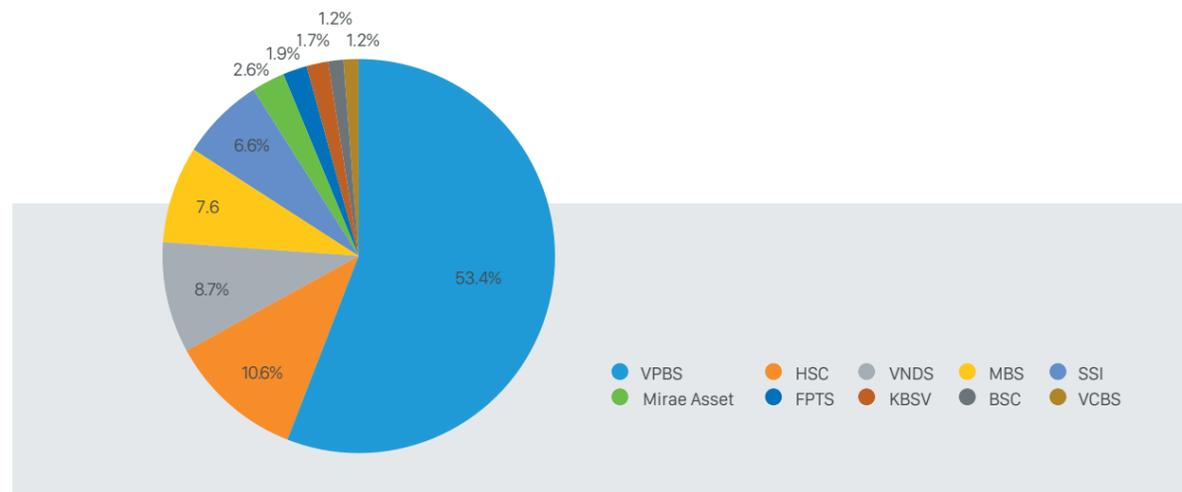
COMPANY	NĂM 2019	NĂM 2020	CHANGE
SSI	9.6%	8.1%	-1.5%
VNDS	9.7%	9.5%	-0.2%
VCSC	3.7%	4.6%	0.9%
HSC	7.8%	7.5%	-0.3%
BSC	5.0%	4.3%	-0.7%
MBS	6.9%	6.3%	-0.6%
VCBS	4.3%	4.8%	0.5%
VPBS	8.3%	10.3%	2.0%
BVSC	4.3%	N/A	N/A
Tan Viet	5.4%	4.8%	-0.6%
FPTS	N/A	4.1%	N/A

(Source: SHS Research)

Similarly on UPCOM, the market share of top securities firms in early 2020 such as SSI, VNDS, HSC, BSC, MBS, Tan Viet all decreased compared to 2019. The total brokerage market share of these companies decreased by 3.9% in 2020. VPS and VCSC had a strong breakthrough, increasing by 2.0% and 0.9% respectively. VCBS only increased by 0.5%. Some companies left Top 10 such as BVSC and FPTS. There were still no presence of securities companies with foreign capital on UPCOM.

**SHS: No longer in the Top 10 securities companies with the largest share of securities brokerage market on UPCOM since the third quarter of 2019**

**GOVERNMENT BOND BROKERAGE MARKET SHARE ON HNX IN 2020**



**GOVERNMENT BOND BROKERAGE MARKET SHARE ON HNX IN 2020**

COMPANY	2019	2020	CHANGES
Group with market share above 10%	BSC, VCBS, BVSC, HSC	BSC, VCBS, VCSC, VPS	- Add VCSC, VPS. - Deduct BVSC, HSC.
Group with market share from above 5% to 10%	VCSC, <b>SHS</b> , ACBS	BVSC, HSC, <b>SHS</b> , ACBS	- Add BVSC, HSC. - Deduct VCSC.
Group with market share of 5% or less	VPBS, SSI, Thiên Việt	SSI, EVS	- Add EVS. - Deduct VPBS.

(Source: SHS Research)

VPS had moved up rapidly from 3rd group (market share <5%) to 1st group (market share >= 10%), VCSC from 2nd group (market share from 5% to 10%) to 1st group (market share >= 10%), BVSC, HSC moved from 1st group (Market share >= 10%) to 2nd group (market share from 5% to 10%), EVS entered Top 10 market share in 2020.

**SHS: Maintained position in 2nd group 2 (market share from 5% to 10%). According to our estimates, SHS's market share in 2020 was about 6-7% and ranked 8th in the market.**

**MOVEMENTS OF GOVERNMENT BOND BROKERAGE MARKET SHARE ON HOSE IN 2020**

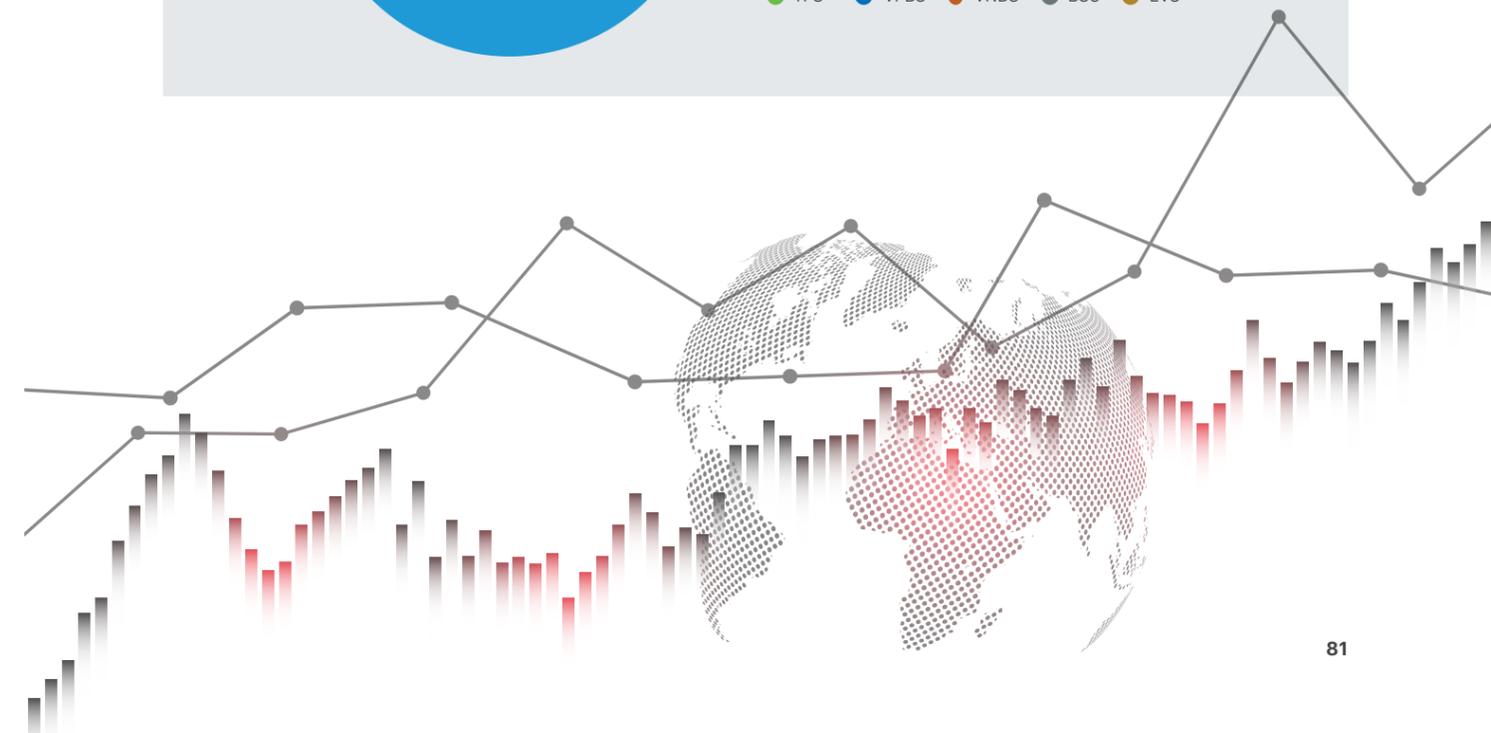
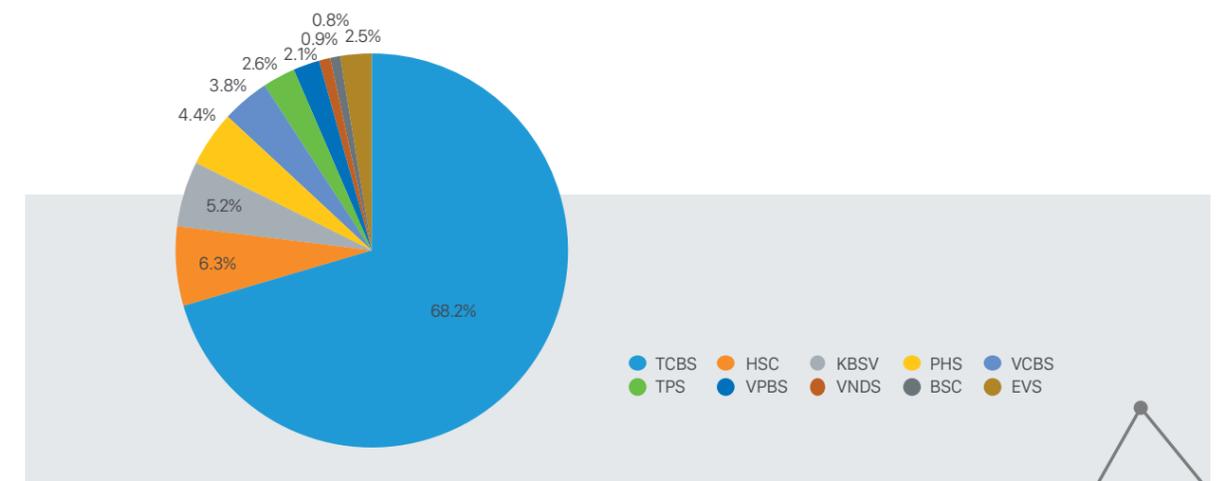
COMPANY	2019	2020	CHANGE
VVND	12.7%	8.7%	-4.0%
HSC	8.7%	10.6%	1.9%
MBS	11.1%	7.6%	-3.5%
SSI	7.3%	6.6%	-0.7%
VPBS	49.9%	53.4%	3.5%
BSC	1.8%	1.2%	-0.6%
VCBS	1.4%	1.2%	-0.2%
Mirae Asset	2.3%	2.6%	0.3%
FPTS	1.1%	1.9%	0.8%
VDSC	0.5%	N/A	N/A
KBSV	N/A	1.7%	N/A

(Source: SHS Research)

2020 was the third year Vietnam securities market had implemented derivatives brokerage products. In 2020, the top 10 securities companies hold 95.5% market share. However, the leading securities firms such as VVND, HSC, MBS, SSI, BSC, and VCBS had their market share, with total decrease of 9.0%. On the contrary, the derivatives' brokerage market shares of VPS, HSC, FPTS, and Mirae Asset increased by 3.5%, 1.9%, 0.8% and 0.3%, respectively.

**SHS: In 2020, SHS did not provide this service yet.**

**MOVEMENTS OF GOVERNMENT BOND BROKERAGE MARKET SHARE ON HOSE IN 2020**





### GOVERNMENT BOND BROKERAGE MARKET SHARE ON HOSE IN 2020

Company	2019	2020	Change
TCBS	82.4%	68.2%	-14.2%
VCBS	5.2%	3.8%	-1.4%
BVSC	1.8%	N/A	N/A
BSC	1.5%	0.8%	-0.7%
VPBS	N/A	2.1%	N/A
VNDS	N/A	0.9%	N/A
<b>SHS</b>	<b>0.4%</b>	<b>N/A</b>	<b>N/A</b>
HSC	N/A	6.3%	N/A
PSI	3.5%	N/A	N/A
EVS	1.8%	2.5%	0.7%
PHS	1.5%	4.4%	2.9%
VCSC	0.4%	N/A	N/A
CTS	0.4%	N/A	N/A
KBSV	N/A	5.2%	N/A
TPS	N/A	2.6%	N/A

(Source: SHS Research)

In 2020, 96.8% of the Government bond brokerage market share on HOSE belongs to the Top 10 securities companies, a decrease of nearly 2% compared to 2019. Although TCBS still dominates the market share, TCBS's market share had decreased 14.2% compared to 2019.

**SHS: No longer in the Top 10 securities companies with the largest market share of Government bond brokerage market on HOSE. In 2019, SHS ranked 10th with a market share of 0.4%.**

## POSITIONING SHS

### COMPARING SHS TO THE MARKET AND TO THE SECTOR

INDICATORS	EPS (VNĐ)	P/E	P/B
SHS	3,649	6.9	1.6
VN-Index	3,372	17.8	2.4
HNX-Index	2,050	15.0	1.4
Upcom - Index	2,111	26.2	2.2
Securities sector	1,924	14.8	1.4

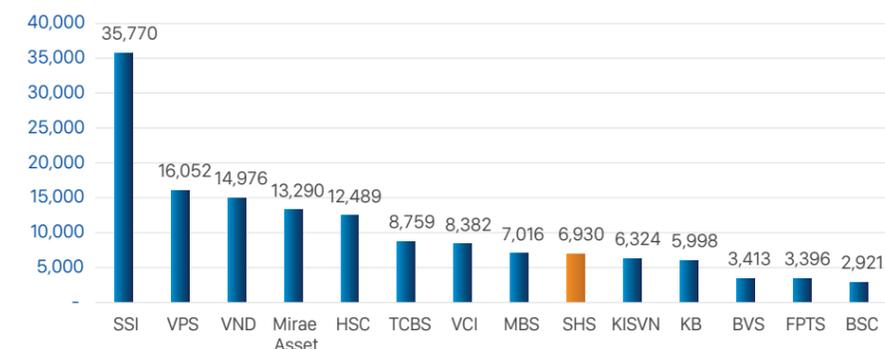
(Source: FiinPro, SHS Research)

In 2020, compared to the securities market and compared to the securities industry, SHS had higher EPS, had lower P/E and had P/B that was lower than the VN-Index. That shows that besides the outstanding business performance, SHS's share price was still undervalued and there will be room to increase in 2021.

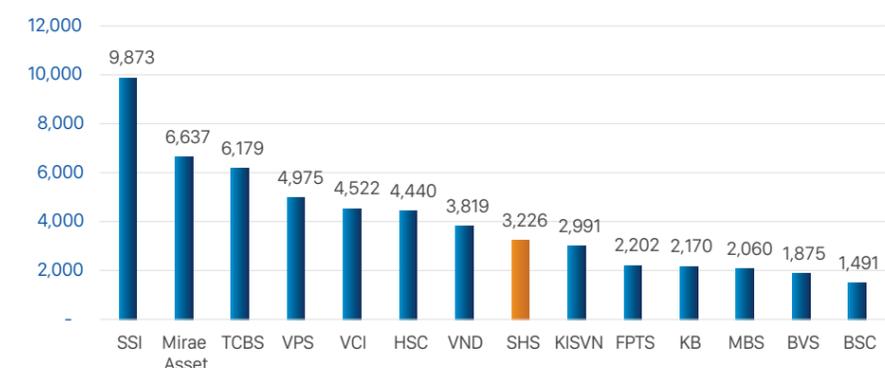
### COMPARING SHS TO OTHER SECURITIES COMPANIES

SHS selected 9 listed securities companies and 4 outstanding unlisted securities companies on Vietnam's stock market to compare basic financial indicators such as total assets, total debt, total equity, charter capital, ROA, ROE, EPS, P/E, P/B, financial safety ratios of these securities companies in 2020 to show the position of SHS in the market.

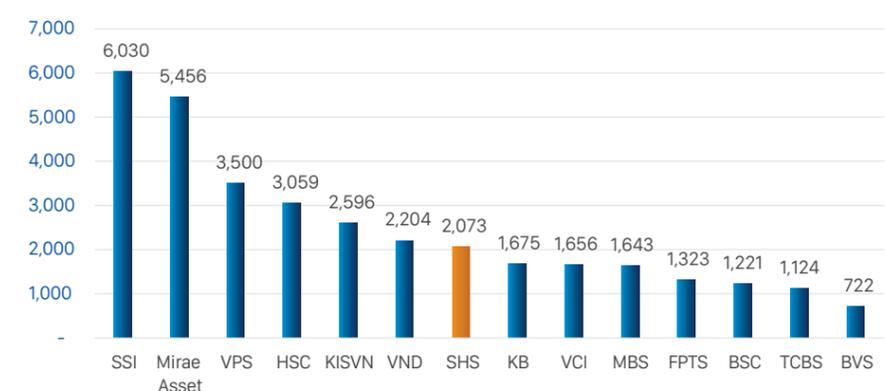
Total assets (VND billion)



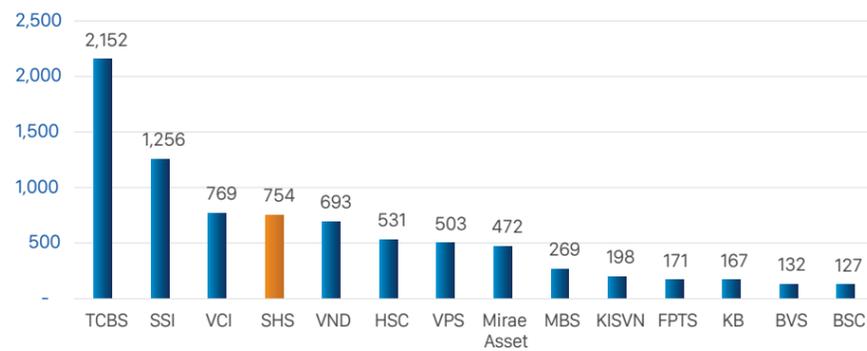
Owner's equity (VND billion)



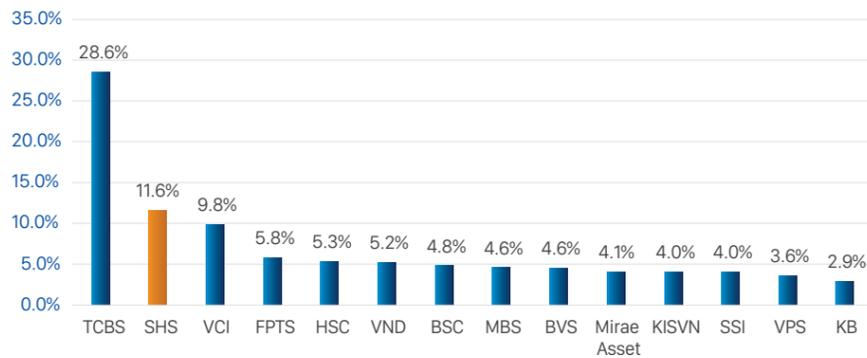
Charter capital (VND billion)



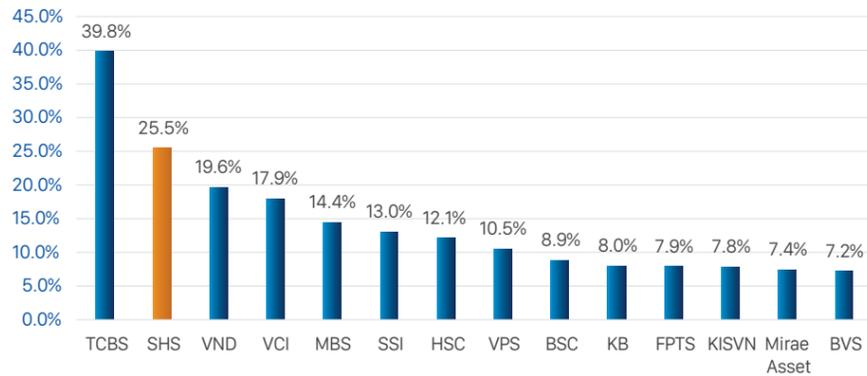
**Profit after tax (VND billion)**



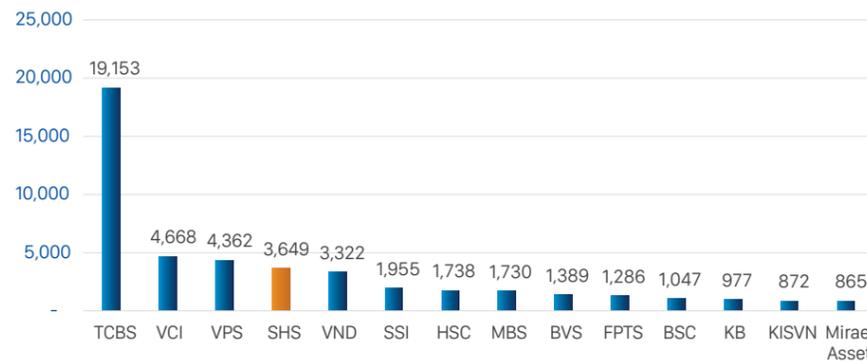
**ROA**



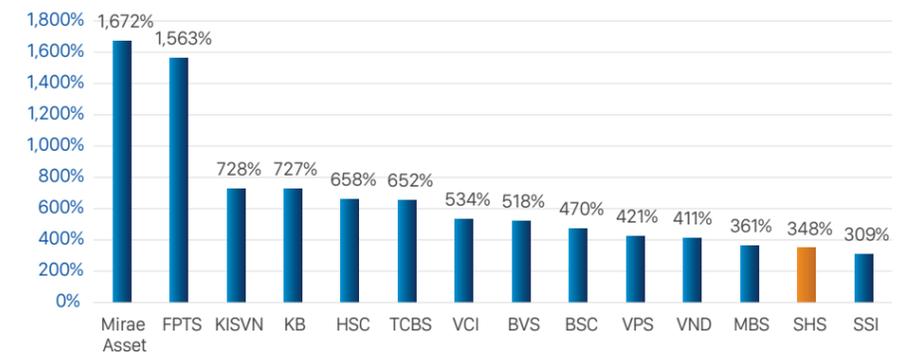
**ROE**



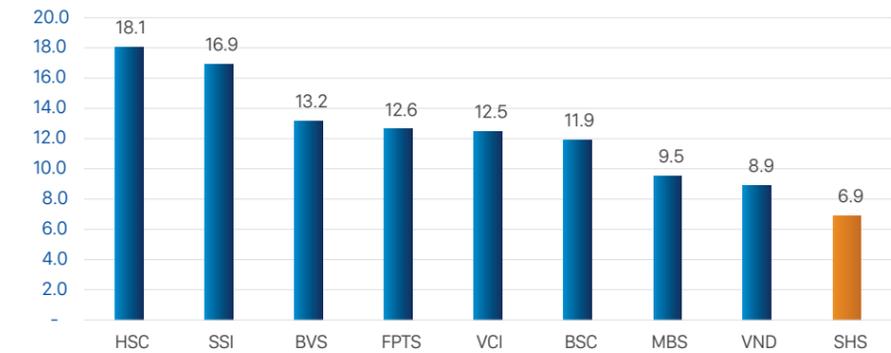
**EPS**



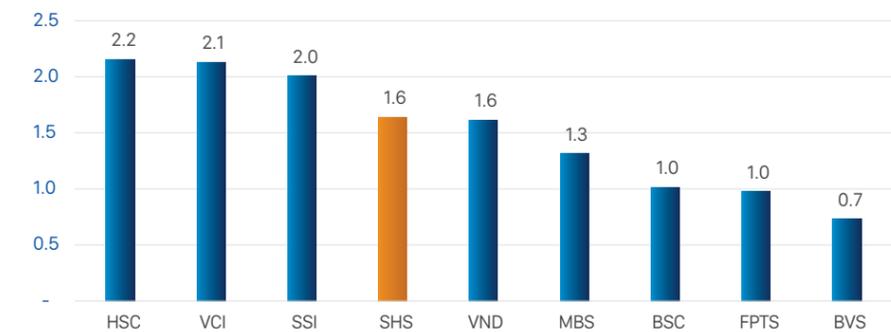
**Prudential Ratio**



**P/E**



**P/B**



(Source: FiinPro, SHS Research)

Among 14 selected securities companies, SHS ranked 13th in terms of financial safety ratio, 9th in terms of total assets, 8th in terms of equity, 7th in terms of charter capital, but 2nd in terms of ROA and ROE, 4th in terms of profit after tax and EPS. Excluding 5 unlisted securities companies, SHS ranked 9th in terms of P/E but 4th in terms of P/B. In 2020, the Company achieved outstanding business performance on total assets and equity. In addition, as of December 31, 2020, the market value of SHS shares was still relatively undervalued compared to its book value, and as a result, SHS become more attractive to investors as compared to other securities companies in the industry.



# REPORT OF THE BOARD OF DIRECTORS

## EVALUATION OF THE OPERATIONS OF THE COMPANY

### ► THE IMPLEMENTATION OF THE APPROVED BUSINESS PLAN 2020

The 2020 Annual General Meeting of Shareholders approved the Resolution No. 01-2020/NQ-HDQT on the Company's business plan for 2020. This Resolution is based on assumptions about the macro-economic situation, the development of Vietnam's stock market and the brokerage market share obtainable to SHS. In 2020, the implementation of the business plan according to the Resolution of the 2020 Annual General Meeting of Shareholders was enacted as follows:

	ASSUMPTIONS/PLAN	IMPLEMENTATION	EVALUATION
<b>I. ASSUMPTIONS</b>			
1. Macro-economic situation	Being unstable in the first 6 months and being stable in the last 6 months	Being stable the whole year	Better than assumptions
2. Average trading value of the whole market	VND5,100 billion/session.	+ HOSE: VND6.290 billion/session. + HNX: VND720.5 billion/session.	Better than assumptions
3. SHS's market share	+ HOSE: 3.0% + HNX: 5.0% + The whole market: 3.3%	+ HOSE: 2.5% + HNX: 6.6% + The whole market: 2.8%	SHS did not complete its brokerage market share plan on the HNX, however, the overall brokerage market share was actually better.
<b>II. PLAN</b>			
1. Total revenue	VND950.0 billion	VND1,808.5 billion	Outperformed the plan.
2. Total expenses	VND700.0 billion	VND869.6 billion	Didn't meet the plan.
3. Total profit before tax	VND320.0 billion	VND938.9 billion	Outperformed the plan.

In 2020, the Company outperformed the business plan approved by the Annual General Meeting of Shareholders. In addition to the objective reason that Vietnam's stock market grew strongly in 2020, the subjective reason was the consensus and solidarity of all employees of the Company; flexibility, innovation, creativity, taking advantage of business opportunities in management and administration of the Board of Directors. As a result, most of the main business activities of the Company reached and outperformed the plan. Specifically:

- **Securities brokerage and depository activities:** Despite facing fierce competition pressure from leading securities companies with many competitive policies such as fee exemptions, fee reductions and fierce competition pressure from foreign-related securities companies with advantages of capital and technology which made the Company's market share decrease, brokerage and depository revenue of the Company still

increased by 26.1% yoy and exceeded plan by 36.3%. In addition to the strong development of Vietnam's securities market in 2020, the fact that the Company focused on business efficiency and consulting to increase the net asset value of customers instead of focusing on increasing market share also contributed to the above achievement. However, SHS's share of securities brokerage on the HNX still increased to 6.6% (increased by 1.5% yoy) and moved up 2 ranks to 4th position of TOP companies with the highest market share (instead of 6th position in the previous year). In addition, SHS still maintained place in Top 10 largest Government bond brokerage market share on HNX although SHS was no longer in the Top 10 securities companies with the highest market share of listed securities brokerage and Government bond brokerage on HOSE. Brokerage and depository revenue accounted for 10.7% of the total revenue of the Company in 2020 and

tended to increase again compared to 2019. Compared to securities companies operating in Vietnam, SHS's brokerage and depository revenue ranked 14th, while total assets ranked 9th and charter capital ranked 8. Number of newly opened accounts increased by 1,667 accounts, equivalent to an increase of 59.6% yoy to 49,920 accounts. However, compared to other securities companies in the Top 10, the number of new accounts opened in 2020 by SHS was not high, mainly because some securities companies had strongly applied information technology in opening accounts remotely, in consulting and supporting customers with transactions. Domestic individual customers still accounted for a large proportion in the Company's customer structure.

- **Investment activity:** In 2020, the Company's investment activities achieved outstanding results thanks to the strong growth of Vietnam's stock market. However, there were subjective reasons must be mentioned that the Company correctly assessed the situation, correctly assessed market trends and stock price trends, persistently pursued investment strategy, was flexible, creative and determined in making investment decisions. As a result, the company's investment revenues in 2020 reached VND 986.1 billion, an increase of 199.6% yoy and up 98.8% compared to the plan. Investment revenues accounted for a large proportion in the revenue structure of the Company (54.6%). Compared to securities companies operating in Vietnam, the company's investment trading revenue ranks 5th, while total assets rank 9th and charter capital 8th. Investment scale as at 31/12/2020 increased by 28.1% yoy. The company's investment portfolio was increasingly high quality, had the potential to bring high business efficiency.
- **Financial service activity:** Although the capital source for securities investment activities from banks to customers was suspended in 2020 and fierce competition of foreign-related securities companies with much lower lending interest rates, financial service revenue of the Company still reached VND 474.7 billion, increased 3.3% yoy and exceeded plan by 11% while the scale of loan as at 31/12/2020 only increased by 4.6% yoy. In the company's revenue structure in 2020, financial services revenue accounted for 26.3% of the total revenue of the Company and increased 2.3 times compared to 5 years ago.

The company had financial services revenue ranked 4th among securities companies operating in Vietnam while total assets ranked 9th and charter capital ranked 8th. However, the biggest limitations in the Company's financial services activity were still the lending interest rates that were not really competitive, lending procedures that were still complicated.

- **Financial advisory and underwriting, issuing agent activity:** Traditional financial advisory activities of securities companies in general and SHS in particular continued to be affected by the Covid-19 pandemic. However, thanks to the orientation of focusing on in-depth consulting activities related to corporate bonds, the Company's revenue from these activities still increased strongly. For the whole year 2020, revenue of financial advisory and underwriting, issuing agent services of the Company reached VND 150.6 billion, increased 11.3% yoy and completed 97.6% of the plan, ranked 5th among securities companies operating in Vietnam.

### ► THE COMPLETION OF THE MANAGEMENT SYSTEM AND FINANCIAL SAFETY AND RISK MANAGEMENT ASSURANCE

- In 2020, the Company's operations strictly complied with the provisions of the law and the Company's Charter. Human resource management and improvement of internal processes and regulations were still prioritized. SHS also implemented synchronous solutions to enhance the financial capacity of the Company, such as increasing the charter capital, issuing bonds under private placement, restructuring assets and debts and so on. The financial safety ratio of the Company has met the prevailing regulations. In 2020, SHS did not need to use the Payment Support Fund of the Vietnam Securities Depository. The risk management, internal control and internal audit continued to be strengthened in order to protect the Company's business achievements.

### ► IMPROVEMENT OF THE COMPANY'S COMPETING CAPABILITY AND REPUTATION

- In 2020, the Company focused on the business to effectively use the additional capital in 2019. The Company also successfully issued 3 separate bonds with the scale of VND 1,100 billion to compensate for the capital shortage because previously issued bonds reached maturity.



In addition, the Company also extended loan contracts and successfully negotiated with banks to increase loan limits at banks.

- The Board of Management and all SHS employees have made great efforts to implement various solutions in order to gradually improve the competitiveness of the Company. In particular, SHS effectively grasped market trends as well as all opportunities. This resulted in more efficient investment and a streamlining of business processes which, in turn, has reduced procedures and documents, created more convenience for customers, and improved the quality of products and services. Although SHS's products and services no longer hold the leading position in the market, they are still highly appreciated thanks to their flexibility and investor-orientation.
- With the results achieved in business activities and the improvement in competitiveness, the Company has gradually promoted its brand and reputation to customers, partners and the authorities. In 2020, SHS continued to be honored and awarded by many agencies and organizations (please see the Achievement Section – the General Information of the Company).

**► IMPLEMENTATION OF ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES**

- In 2020, the Company continued to focus on the goal of increasing the net asset value of customers and developing the Company sustainably. Accordingly, the Board of Directors still assigned 1 member of the Board of Directors

to be in charge of sustainable development issues of the Company. In addition to efforts to implement business plans assigned by the General Meeting of Shareholders, the Company also strove to fulfill its responsibility for environmental and social issues. Specifically, all employees of the Company continued their efforts to save electricity, water and materials while working, continued to properly reuse or dispose of office waste in scientific ways to minimizing harmful effects on the environment. The Company ensured stable jobs with competitive income for employees of the Company, did not employ child labor or forced labor. The Company completed the new salary policies for all employees of the Company since June 2020. Average income of employees increased from VND28.7 million/person/month (in 2019) to VND38.3 million/person/month (in 2020). The company continued to buy annual life insurance at Saigon - Hanoi Insurance Company (BSH) for employees. However, due to the impact of the Covid-19 pandemic, in 2020, the Company did not conduct periodic medical examination for employees. Education and training for employees were encouraged. In 2020, in addition to internal training courses, on-the-job training, the Company spent VND53.5 million on external training courses. The company also ensured the gender balance as well as the rights to liberty of the employees according to the law. The company actively contributed to the green capital market through all main activities of the Company such as brokerage, analysis, investment, consulting... VND40,800 billion was invested in 2020 in green stocks and government bonds, green corporate bonds, the Company contributed together with the Government and other enterprises to protect the environment, to improve social security. More than VND5.5 billion was spent to sponsor local communities and society... It showed that the Company's social responsibility was significantly raised in 2020.



**EVALUATION OF THE BOARD OF MANAGEMENT'S ACTIVITIES**

The Board of Directors acknowledged the great efforts of the Board of Management in managing and operating the Company in the context of fierce competition of securities companies with many advantages in capital and technology. The Board of Management has made efforts to find and develop relationships with new customers and partners. It has also arranged capital, developed products and restructured the investment portfolio which has had positive effects on the Company and its shareholders, stabilized the organization and ensured good risk management. The Board

of Management has fueled the passion of the Company's employees; encouraged creativity, initiative, and constant learning; mobilized all available resources to reach markets and customers; and implemented stricter management and administration to keep the Company's system operating effectively. The Board of Management also recognized the opportunities and advantages of SHS exploiting the bond segment. As a result, the Company has achieved outstanding business results compared to the previous year.

**BUSINESS PLAN AND ORIENTATION IN 2021**

The year 2021 is considered to be the year having both advantages and disadvantages when the risk of Covid-19 pandemic can come back at any time as mass vaccination has not been completed. Vietnam's securities market is still in an uptrend, but the risks have increased significantly. The Enterprise Law 2020, the Securities Law 2020, effective from January 1<sup>st</sup> 2021, and many new legal documents released in 2020 will have a profound and comprehensive impact on Vietnam's securities market, including securities company activities. Competition among securities companies will become increasingly fierce, mainly based on modern information technology and effective asset management for customers and for the company itself. All activities of the Company should always be ready to enter the stage of applying modern information technology with a drastic change of legal corridors.

Therefore, the process of restructuring, making comprehensive changes, renewing the organization in both quantity and quality on the basis of available resources and minimizing inherent limitations, exploiting more opportunities for development, especially of the brokerage, financial services, investment and consulting activities within SHS still have to be deployed continuously. The company still has to explore the differences and exploit its own customer segments; to improve quality and diversify products and services; to maintain an effective investment style of the previous year in order to shape SHS's own investment style; to apply modern information technology by quickly upgrading securities core software and adding

new features to the software towards centralized asset management; to strengthen inspection, control and risk management, ensure the financial safety ratio. The company also needs to establish an operation system that is standardized, professional, compliance with the law and flexible in business operations.

**THE BOARD OF DIRECTORS HAS REQUESTED THE BOARD OF MANAGEMENT TO HANDLE THE FOLLOWING MAIN TASKS:**

- Achieve the strategic objectives approved by the General Meeting of Shareholders, in compliance with the provisions of law, the Company's Charter and the operational orientation of the State agencies.
- Continue to implement solutions in order to improve the executive management capacity in accordance with international and Vietnamese standards on corporate governance, internal control and audit; risk management and financial safety.
- Continue to diversify products and services; maintain an effective investment style; complete the system of regulations, professional processes... on the basis of being compliance with legal regulations and improving professionalism.
- Enhance the spirit of "Integrity - Solidarity - Responsibility - Discipline" for each employee to create and maintain the strength of the Company.
- Enhance sustainable development by focusing on community work, environmental protection and social security.



## REPORT OF THE BOARD OF MANAGEMENT

### REPORT OF BUSINESS RESULTS

#### ► COMPARISON WITH PLAN

In 2020, the whole world faced the Covid-19 pandemic. This pandemic brought the most serious economic crisis since the Great Depression in the 30s of the last century. However, under the direct and comprehensive leadership of the Communist Party of Vietnam and the Government, Covid-19 pandemic prevention and control strategies and measures were implemented synchronously with the participation of the entire political system and the support of the people. As a result, the Covid-19 pandemic was soon controlled, contributing to stabilizing the macro economy. Along with economic stimulus packages, Vietnam's stock market grew sharply. Therefore, securities companies, including SHS, which were heavily dependent on market movements, had a year of impressive business results.

The Company's total revenue and other income reached VND1,808.5 billion, equal to 161.4% of the plan. Due to applying all cost-saving measures, the Company's total cost in 2020 is VND869.6 billion, only equal to 108.6% of the plan. As a result, for the whole of 2020, the Company's accounting profit before tax reached VND938.9 billion, or 293.4% of the business plan approved by the 2020 Annual General Meeting of Shareholders.

(Unit: VND billion)

NO.	CRITERIA	2020 ACTUAL	2020 PLAN	CHANGE	
				AMOUNT	%
1	Total revenue and other incomes	1,808.5	1,120.8	687.7	161.4%
2	Total expenses	869.6	800.8	68.8	108.6%
3	Profit before tax	938.9	320.0	618.9	293.4%

#### ► COMPARISON WITH THE PREVIOUS YEAR

(Unit: VND billion)

CRITERIA	2020 ACTUAL	2019 ACTUAL	CHANGE	
			AMOUNT	%
<b>I. TOTAL REVENUE, IN WHICH:</b>	<b>1,808.5</b>	<b>1,072.4</b>	<b>736.1</b>	<b>68.6%</b>
1. Operating revenue	1,805.0	1,067.3	737.7	69.1%
- Gain from financial assets at fair value through profit and loss	986.1	329.1	657.0	199.6%
- Gain from loans and receivables	464	425.5	38.5	9.0%
- Revenue from brokerage services	172.5	128	44.5	34.8%
- Revenue from securities underwriting and issuance agent services	84.2	126.9	-42.7	-33.6%
- Revenue from securities investment advisory services	10.7	34.1	-23.4	-68.6%
- Revenue from securities custody services	20.4	14.6	5.8	39.7%
- Revenue from financial advisory services	66.4	8.4	58.0	690.5%
- Revenue from other activities	0.7	0.7	-	-
2. Financial income	3.3	3.1	0.2	6.5%
3. Other income	0.2	2.0	-1.8	-90.0%

CRITERIA	2020 ACTUAL	2019 ACTUAL	CHANGE	
			AMOUNT	%
<b>II. TOTAL EXPENSE, IN WHICH:</b>	<b>869.6</b>	<b>760.4</b>	<b>109.2</b>	<b>14.4%</b>
1. Operating expense	590.2	459.8	130.4	28.4%
2. General and administrative expense	82.2	66.6	15.6	23.4%
3. Finance expense	197.2	234.0	-36.8	-15.7%
4. Other expenses	-	-	-	-
<b>III. PROFIT BEFORE TAX</b>	<b>938.9</b>	<b>312.0</b>	<b>626.9</b>	<b>200.9%</b>
<b>IV. CORPORATE INCOME TAX (CIT) EXPENSE, IN WHICH:</b>	<b>184.6</b>	<b>57.4</b>	<b>127.2</b>	<b>221.6%</b>
1. Current CIT expense	73.9	62.3	11.6	18.6%
2. Deferred CIT expense	110.7	-4.9	115.6	-2,359.2%
<b>V. PROFIT AFTER TAX</b>	<b>754.3</b>	<b>254.6</b>	<b>499.7</b>	<b>196.3%</b>

#### REVENUES:

The Company's total revenue in 2020 reached VND1,808.5 billion. This was up by VND736.1 billion, equivalent to an increase of 68.6% YoY. Compared to the previous year, all main business activities of the Company increased except for 2 activities, investment advisory activity and underwriting, issuance agent activity, which decreased 68.6% and 33.6% respectively. The reason was the tightening of regulations on bank credit for securities investment in 2020, leading to a sharp decline in the size of bank loans to customers and SHS's investment advisory revenue also decreased as a result. In addition, due to the tightening of regulations on issuing private corporate bonds from September 1, 2020, in accordance with the provisions of Decree No. 81/2020/ND-CP, revenue from underwriting and issuance agent services of SHS also fell sharply.

Among increasing business activities, financial advisory and investment activities grew the most, increased by VND 58.0 billion, equivalent to an increase of 690.5% and by 657.0 billion VND, equivalent to an increase of 199.6%. The reason was that although the enterprises were affected by Decree 81/2020 / ND-CP in issuing private corporate bonds, the Company still promoted the exploitation of customers who needed the advisory services in the first 8 months of the year, therefore, the financial advisory revenue of the Company still increased strongly. In addition, the Company has correctly assessed the market and the trend of stock prices on HOSE and HNX to buy and sell at the right time in 2020. Moreover, the Company has had a detailed and in-depth business analysis to make appropriate buying and selling decisions; to

select stocks with good fundamentals, supportive factors; to exclude stocks with weak bases, or having heavy speculative factors. As a result, the company's revenue from investment activities in 2020 has increased sharply.

#### EXPENSES:

Thanks to efficient cost control measures, the Company's total cost in 2020 was VND869.6 billion, up only VND109.2 billion and equivalent to an increase of 14.4% compared to 2019. The increase in expenses in 2020 was mainly due to the increase in operating expenses and administrative costs because most of the business activities of the Company had revenue increased in 2020. However, financial expenses decreased due to the good use of the investors' idle money and the sharp decrease in bank loan costs in 2020.

#### PROFIT BEFORE AND AFTER TAX:

Accounting profit before tax in 2020 was VND938.9 billion, up VND626.9 billion and equivalent to an increase of 200.9% YoY. The Company's accounting profit after tax was VND754.3 billion, up VND499.7 billion and equivalent to an increase of 196.3% YoY. This is because total revenue and other income increased by VND736.1 billion and equivalent to an increase of 68.6% but total cost only increased by VND109.2 billion and equivalent to an increase of 14.4% YoY. In 2020, the Company recorded an 18.6% increase in the current corporate income tax expense and a decrease of 2,359.2% of the deferred corporate income tax expense YoY.



## REPORT OF THE FINANCIAL SITUATION

### ► ASSETS SITUATION

(Unit: VND billion)

CRITERIA	31/12/2020		31/12/2019		CHANGE	
	AMOUNT	WEIGHTING	AMOUNT	WEIGHTING	AMOUNT	% CHANGE
<b>CURRENT ASSETS</b>	<b>6,857.7</b>	<b>99.0%</b>	<b>5,989.9</b>	<b>98.6%</b>	<b>867.8</b>	<b>14.5%</b>
Cash & cash equivalents	653.0	9.4%	1,052.4	17.3%	(399.4)	-38.0%
Short-term investments	2,665.7	38.5%	1,570.1	25.9%	1,095.6	69.8%
Receivables	3,536.1	51.0%	3,360.2	55.3%	175.9	5.2%
Other current assets	2.9	0.0%	7.2	0.1%	(4.3)	-59.7%
<b>NON-CURRENT ASSETS</b>	<b>72.0</b>	<b>1.0%</b>	<b>82.8</b>	<b>1.4%</b>	<b>(10.8)</b>	<b>-13.0%</b>
Fixed assets	4.4	0.1%	4.4	0.1%	-	-
Long-term investments	67.6	1.0%	78.4	1.3%	(10.8)	-13.8%
<b>Total</b>	<b>6,929.7</b>	<b>100.0%</b>	<b>6,072.7</b>	<b>100.0%</b>	<b>857.0</b>	<b>14.1%</b>

#### ASSET STRUCTURE

The Company's total assets at the end of 2020 reached the highest-ever level of VND6,929.7 billion, an increase of VND857.0 billion and equivalent to an increase of 14.1% YoY. The Company's assets are mainly composed of short-term assets. Short-term assets at the end of 2020 accounted for 90.0% of total assets, a slight increase of 0.4% YoY. The Company's short-term assets in 2020 were mainly composed of:

- Short-term investments, including short-term cash investments, listed and unlisted securities investments such as stocks, Government bonds, commercial bank bonds and corporate bonds, and bank certificates of deposits. Short-term investments of the Company in 2020 accounted for 38.5% of total assets, increased 12.6% YoY.
- Short-term receivables, including receivables from financial services loans, prepayments to suppliers, receivables and accrued dividends, interest and other receivables. Short-term receivables in 2020 accounted for 51.0% of total assets, decreased 4.3% YoY.
- Cash and cash equivalents, including cash on hand, bank deposits in the form of payment accounts, deposit accounts for less than 3 months, deposits for sale of underwriting securities, clearing deposits and payment of securities transactions, etc. Cash and cash equivalents of the Company in 2020 accounted for 9.4% of total assets, decreased 7.9% YoY.

#### CHANGES IN ASSETS COMPARED TO THE PREVIOUS YEAR

Total assets at the end of 2020 were VND6,929.7 billion, an increase of VND857.0 billion and equivalent to an increase of 14.1% YoY. Of these, short-term assets accounted for VND6,857.7 billion, increase VND867.8 billion and equivalent to an increase of 14.5%; and long-term assets totalled VND72.0 billion, decrease VND10.8 billion and equivalent to a decrease of 13.0%.

- For short-term assets: All short-term investment items at the end of 2020 decreased YoY except for short-term investments, which increased sharply by 69.8% and receivables slightly increased by 5.2%. The reason was that the Company continued to promote investment activities on the basis of making good use of market opportunities in 2020 and at the end of the year, the Company retained a large investment portfolio for next year.
- For long-term assets: The Company's long-term assets decreased mainly due to the reduction of other long-term assets by VND10.8 billion, equivalent to a decrease of 13.8%. This was mainly because SHS allocates goodwill from merging SHBS into the Company's expenses in 2020.

### ► LIABILITIES AND EQUITY SITUATION

(Unit: VND billion)

ITEMS	31/12/2020		31/12/2019		CHANGE	
	AMOUNT	WEIGHTING	AMOUNT	WEIGHTING	AMOUNT	% CHANGE
<b>LIABILITIES</b>	<b>3,703.4</b>	<b>53.4%</b>	<b>3,380.3</b>	<b>55.7%</b>	<b>323.1</b>	<b>9.6%</b>
Current liabilities	3,586.4	51.8%	3,374.0	55.6%	212.4	6.3%
Non-current liabilities	117.0	1.7%	6.3	0.1%	110.7	1,757.1%
<b>OWNER'S EQUITY</b>	<b>3,226.3</b>	<b>46.6%</b>	<b>2,692.4</b>	<b>44.3%</b>	<b>533.9</b>	<b>19.8%</b>
Share capital	2,295.3	33.1%	2,295.3	37.8%	-	0-
Funds and undistributed profit	931.0	13.4%	397.1	6.5%	533.9	134.4%
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>	<b>6,929.7</b>	<b>100.0%</b>	<b>6,072.7</b>	<b>100.0%</b>	<b>857.0</b>	<b>14.1%</b>

#### LIABILITIES AND EQUITY STRUCTURE:

The Company's capital at the end of 2020 reached the highest-ever level of VND6,929.7 billion, an increase of VND 857.0 billion and equivalent to an increase of 14.1% YoY. The Company's capital is made up of liabilities and owner's equity, of which liabilities accounted for 53.4% and equity accounted for 46.6%. The Company's liabilities consisted of:

- Short-term liabilities: As of December 31st 2020, the Company's short-term payables amounted to VND3,586.4 billion, accounted for 51.8% of the Company's total capital and included short-term bank loans, long-term bonds with maturities of less than 1 year, seller payables, securities trading payables, taxes and State payables, payables to employees, short-term accrued expenses, payables for short-term deposits and collaterals, bonus and welfare fund, other payables, etc.
- Long-term liabilities: As of December 31st 2020, the Company's long-term liabilities were VND117.0 billion, accounted for 1.7% of the Company's total capital and included long-term bonds payable, long-term seller payables, and payables for long-term deposits and collaterals.

The Company's equity consisted of:

- Owner's invested capital: As of December 31st 2020, owner's invested capital was VND2,295.3 billion, accounted for 33.1% of the Company's total capital and included the owner's contributed capital and equity surplus.
- Funds and undistributed profits: As of December 31st 2020, funds and undistributed profits were VND931.0 billion, accounted for 13.4% of the Company's total capital and included the charter capital supplement fund, financial reserve and professional risk fund, and undistributed profits.

#### CHANGES IN LIABILITIES AND EQUITY COMPARED TO THE PREVIOUS YEAR:

At the end of 2020, the total capital of the Company was VND6,929.7 billion, an increase of VND857.0 billion and equivalent to an increase of 14.1% YoY. This was due to an increase in liabilities of VND323.1 billion, equivalent to an increase of 9.6% YoY, and an increase in owner's equity of VND533.9 billion, equivalent to an increase of 19.8% YoY. In detail:

- Liabilities increased due to an increase in both current liabilities and non-current liabilities. In which, current liabilities increased by VND212.4 billion, equivalent to an increase of 6.3%, mainly because the Company increased the issuance of private bonds and received deposits in Securities brokerage contracts while reducing bank loans to reduce the cost of capital of the Company. Non-current liabilities increased VND110.7 billion, equivalent to an increase of 1,757.1% because the Company recorded an increase in deferred corporate income tax expenses.
- The Company's equity capital increased due to an increase in funds of owner's equity and undistributed profit while the owner's investment capital remained unchanged. Funds of owner's equity and undistributed profit at the end of 2020 increased by VND533.9 billion, equivalent to an increase of 134.4% YoY. The reason was that in 2020, the Company recorded the differences between the asset revaluation at the fair value of VND43.4 billion, increased charter capital supplement fund and additional financial reserve fund, each fund increased VND14.8 billion, from the undistributed profit of 2019 according to the Resolution of the Annual General Meeting of Shareholders 2020 and recorded an increase of the undistributed profit of VND461.2 billion from the business results in 2020.

**REPORT OF KEY FINANCIAL RATIOS**

CRITERIA	2020	2019	% CHANGE
<b>LIQUIDITY RATIOS</b>			
Quick ratio	18.2%	31.2%	-13.0%
Current ratio	191.2%	177.5%	13.7%
<b>LEVERAGE RATIOS</b>			
Debt-to-asset ratio	53.4%	55.7%	-2.3%
Debt-to-equity ratio	114.8%	125.6%	-10.8%
<b>OPERATIONAL RATIOS</b>			
Account receivable turnover	0.3	0.3	-
Working capital turnover	0.4	0.3	0.1
Asset turnover	0.2	0.2	-
<b>PROFITABILITY RATIOS</b>			
Operating profit/revenue	67.3%	56.9%	10.4%
Profit before tax/revenue	52.0%	29.2%	22.8%
Profit after tax/revenue	41.8%	23.9%	17.9%
Profit before tax/owner's equity (ROE)	25.5%	11.2%	14.3%
Profit before tax/total asset (ROA)	11.6%	4.7%	6.9%
Earning per share (EPS)	3,649.0	1,359.0	2,290.0
<b>CAPITAL ADEQUACY RATIO</b>			
Financial Safety Ratio as of 31/12	347.9%	338.4%	9.5%

- Among the indicators evaluating the solvency of SHS in 2020, the current ratio was greater than 1 and increased compared to 2019 while the quick ratio was less than 1 and decreased compared to 2019. SHS's ability to pay short-term debts was generally good and tended to be better, but its solvency with short-term liquidity assets was not good and there were signs of deterioration.
- The indicators of capital structure such as Debt-to-asset ratio, Debt-to-equity ratio of SHS in 2020 all decreased, showing that the Company could be more proactive with equity capital compared to 2019. In fact, SHS had outstanding business results in 2020, thereby enhancing SHS's inherent capacity.
- The indicators of the Company's operating capacity such as account receivable turnover, working capital turnover, and asset turnover of the Company in 2020 were basically stable, there were no change in comparison with the previous year.
- The indicators for evaluating the profitability of SHS in 2020 all increased sharply compared to the previous year. That shows that the Company has used effectively the business capital, well-controlled costs, leading to outstanding business results in 2020.
- The financial safety ratio at 31/12/2020 was 347.9%, an increase of 9.4% YoY, showing that the financial safety of the Company improved.

**REPORT OF THE COMPANY'S OPERATIONS****BROKERAGE AND DEPOSITORY****▶ OPERATIONAL RESULTS IN 2020****Revenue**

Vietnam securities market developed strongly in both the number of newly opened accounts and the average trading value per session in 2020.

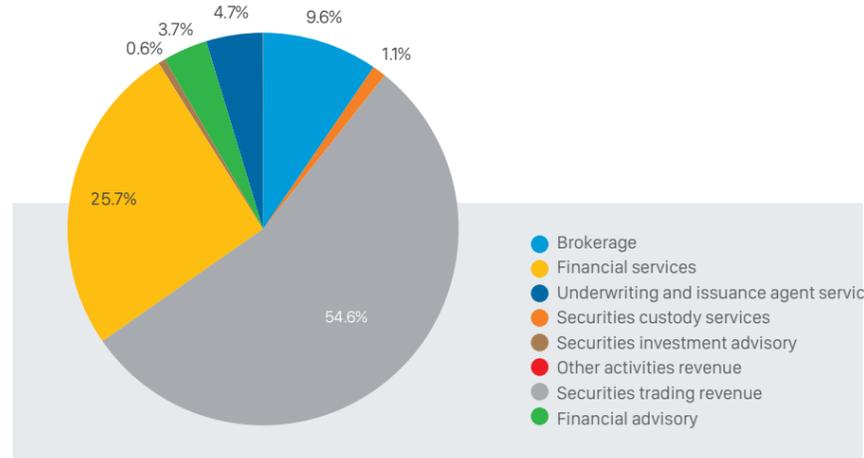
- Number of newly opened accounts reached about 393,000 accounts, double the figure in 2019 and reached the highest level in the 20-year history of the Vietnam securities market
- The VN-Index reached 1,103.9 points, increased 14.9% YoY. Average trading volume per session reached 335.5 million shares, increased 83.8% YoY. The average transaction value per session reached VND 6,290 billion, increased 52.41% YoY.
- The HNX - Index reached 203.1 points, increased 98% YoY. Average trading volume per session reached 60.6 million shares, increased 92.4% YoY. The average transaction value per session reached VND 720.5 billion, increased 77.9% YoY.

In addition, thanks to the strategic direction from previous years, taking advantage of the Government bond market, which still thrived in 2020, thus, brokerage and depository revenue of the Company also grew strongly, reached VND 192.9 billion, was equal to 136.3% of the plan and increased 26.1% YoY.

(Unit: VND billion)

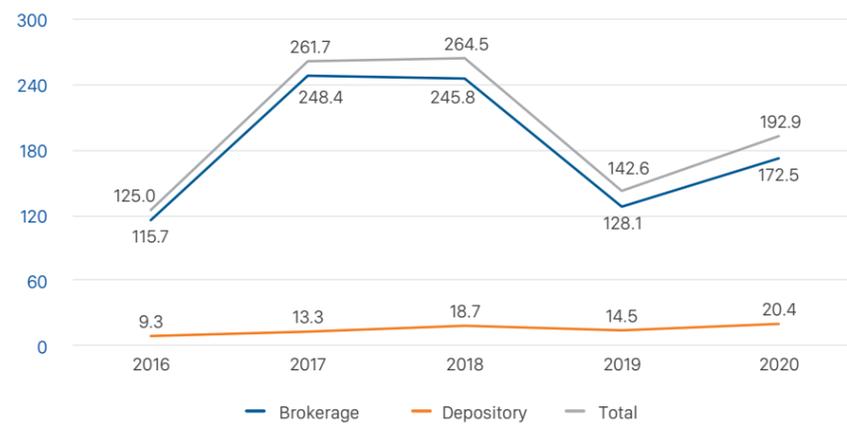
REVENUE	2019	2020		CHANGE	
		ACTUAL	PLAN	% CHANGE COMPARED TO 2019 ACTUAL	% CHANGE COMPARED TO 2020 PLAN
Brokerage	128.1	172.5	126.3	25.7%	136.6%
Depository	14.5	20.4	15.2	28.9%	134.2%
<b>Total</b>	<b>142.6</b>	<b>192.9</b>	<b>141.5</b>	<b>26.1%</b>	<b>136.3%</b>

In SHS's revenue structure in 2020, brokerage revenue accounted for 9.6%, depository revenue accounted for 1.1%. Summing up revenue of 2 activities, SHS brokerage and depository revenue in 2020 accounted for 10.7% of total revenue.



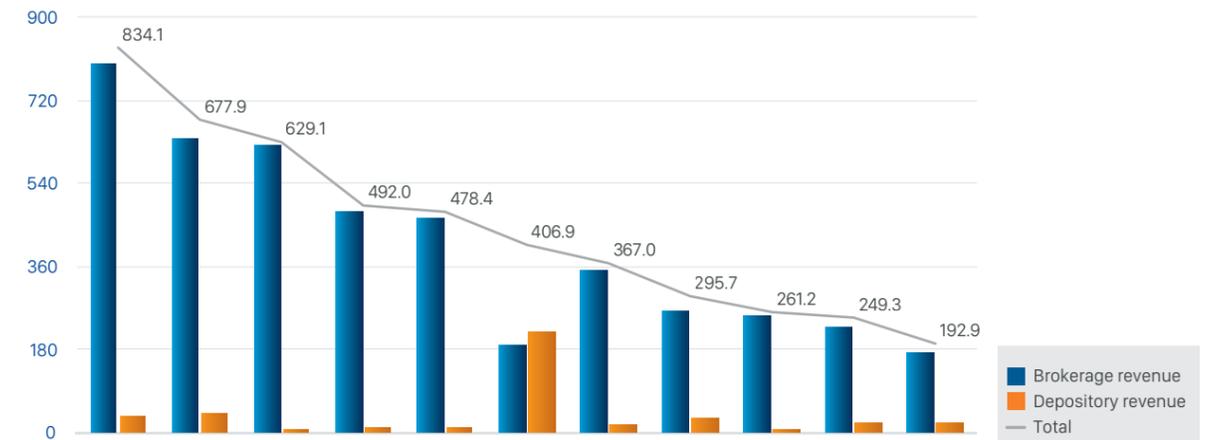
Thanks to the gradual recovery of Vietnam securities market in the 2016-2018 period, and especially thanks to the company's assertive and market-appropriate policies in 2017 and 2018, SHS's brokerage and depository revenue strongly grew in this period. However, in 2019, the brokerage and depository revenue of the Company showed signs of decline due to the fierce competition of foreign-related companies with plentiful capital resources and more favorable lending costs. Entering 2020, Vietnamese securities market grew strongly thanks to Government's economic stimulus packages to deal with the economic slowdown due to the impact of the Covid-19 pandemic. Therefore, brokerage and depository activities of securities companies, including SHS, benefited from this growth in Vietnamese securities market. SHS's brokerage and depository revenue increased again.

(Unit: VND billion)



Compared to other securities companies operating in Vietnam, in 2020, SHS ranked 14th in terms of brokerage and depository revenue (VND 192.9 billion).

(Unit: VND billion)



(Source: SHS Research)

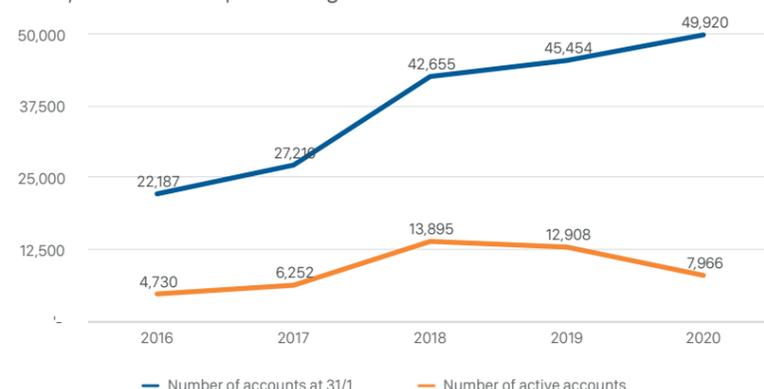
### Market share

SHS's listed stock brokerage market share had grown continuously from 2015 to 2017 and decreased gradually from 2017 to 2019 (for HNX) but there was fluctuation in the decreasing trend from 2015 to 2020 (on HOSE and Upcom). Despite having advantages on HNX over HOSE, SHS still faced fierce competition from other securities companies. To overcome the decline in the Company's market share on HOSE and Upcom, the Company repositioned its business strategy, accordingly, since 2018, the Company has focused on developing the market share of Government bond brokerage on HNX.

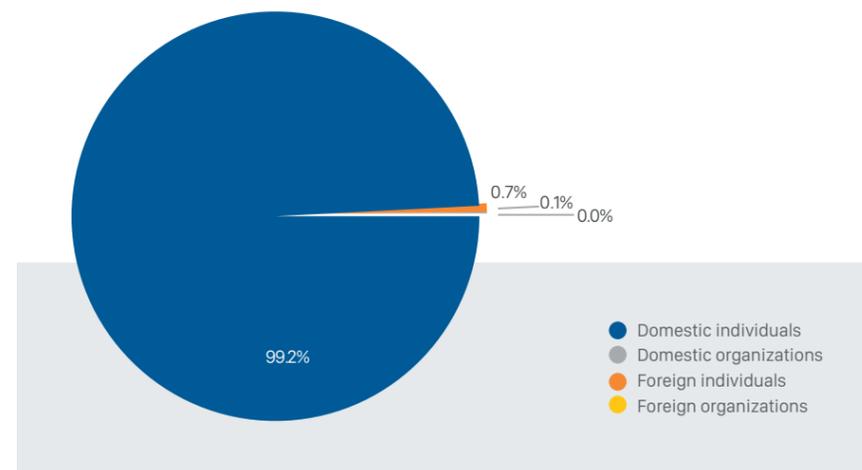
STOCK EXCHANGES	MARKET SHARE/RANK	2016	2017	2018	2019	2020
HNX - CP	Market share	8.0%	11.0%	8.4%	5.0%	6.6%
	Rank	3	2	4	6	4
HOSE - CP	Market share	4.3%	5.1%	4.0%	3.0%	
	Rank	6	7	6	13	
Upcom	Market share		7.9%	5.1%	3.0%	
	Rank		4	8	11	
HNX - TP	Market share			5-10%	5-10%	5-10%
	Rank			8	6	8
HOSE - TP	Market share			1.3%	0.4%	
	Rank			7	10	

### Number of accounts

The number of newly opened accounts in 2020 at SHS increased by 1,667 accounts, equivalent to an increase of 59.6% YoY. Accumulated in the 5 years from 2016 to 2020, the number of newly opened accounts increased by 27,733 accounts, equivalent to an increase of 125% compared to the end of 2016. As of December 31, 2020, the total number of accounts at SHS reached 49,920 accounts, of which the percentage of active accounts was 15.9%.



In SHS's customer structure, most of customers were domestic customers, accounted for about 99.9% customers. In which, domestic individual customers accounted for 99.2%. Only 0.7% of customers were domestic institutional customers. The number of foreign customers only accounted for a small percentage.



### Other results

- Facing complicated developments of the Covid-19 pandemic, the Company drastically and closely followed the instructions of the Board of Directors to ensure stable securities trading during the social distancing in the Hanoi city.
- The Company deployed market survey activities to upgrade the securities core software and add new features to the software
- The Company promoted the development of new products, especially retail bond products.
- Facing the fierce competition among securities companies in brokerage activities, the company continued to expand its network and to develop a representative office in Hai Phong city with 3 securities brokers.

### ► DRAWBACKS

Comparing with the plan for brokerage activities in 2020, the Company successfully implemented a number of targets in 2020 as follows:

- Consolidate and improve existing stock brokerage products and services in the direction of serving each group of customers better, focusing on customers with a high rate of transaction turnover.
- Complete and apply the renewal of broker salary policy to retain qualified brokers of the Company, to attract qualified brokers from other securities companies, creating the stability and improving the efficiency of brokerage activities.

Besides, a number of targets for brokerage activities in 2020 has not yet been implemented, such as:

- Sustain the goal of maintaining the brokerage market share in the top-5 securities companies with the largest market share on both exchanges, aiming to become top-3.
- Diversify brokerage products such as derivative securities, corporate bonds, fund certificates, deposit certificates, etc., contributing to increasing brokerage fees for the Company.
- Train the staff of brokers on financial investment knowledge in order to upgrade from securities investment brokerage advisory to asset management consultancy for customers.
- Until the core software can be changed, focus on upgrading the current software system in order to meet the needs of asset management and diversify investment channels for customers.
- Incorporate effectively the Securities Brokerage Center and the Information Technology Department, the Planning and Market Development Department to develop non-broker customer segment on the basis of advanced technology.
- Develop foreign-related institutional customer segment.

### ► 2020 PLAN

The above limitations in brokerage activities of the Company need to continue to be improved in 2021. The business plan for 2021 is as follows:

- Sustain the goal of maintaining the brokerage market share in the top-5 securities companies with the largest market share on both exchanges, aiming to become top-3.
- Diversify brokerage products such as derivative securities, corporate bonds, fund certificates, deposit certificates, etc., contributing to increasing brokerage fees for the Company.
- Train the staff of brokers on financial investment knowledge in order to upgrade from securities investment brokerage advisory to asset management consultancy for customers.
- Upgrade the securities core software and add new features to the software to meet the needs of asset management and to diversify investment channels for customers.
- Incorporate effectively the Securities Brokerage Center and the Information Technology Department, the Planning and Market Development Department to develop non-broker customer segment on the basis of advanced technology.
- Develop a practical customer development strategy to expand the size of customer base in a sustainable direction, especially focus on customers who are equitized SOEs and must follow the listing road map as regulated by the Government. Build a strategy to develop foreign-related institutional customer segment.

## INVESTMENT

### ► OPERATIONAL RESULTS 2020

#### REVENUE

Thanks to the combination of detailed, in-depth corporate analysis, focusing on selecting stock with good fundamentals, supportive factors, excluding stocks with weak bases or having heavy speculative factors and the correct assessment of the market and the trend of stock prices, thereby SHS made appropriate buying and selling decisions, maximizing profits, minimizing risks of investments. In 2020, investment activity recorded VND 986.1 billion in revenue, achieved 198.8% of the plan and increased 199.6% YoY.

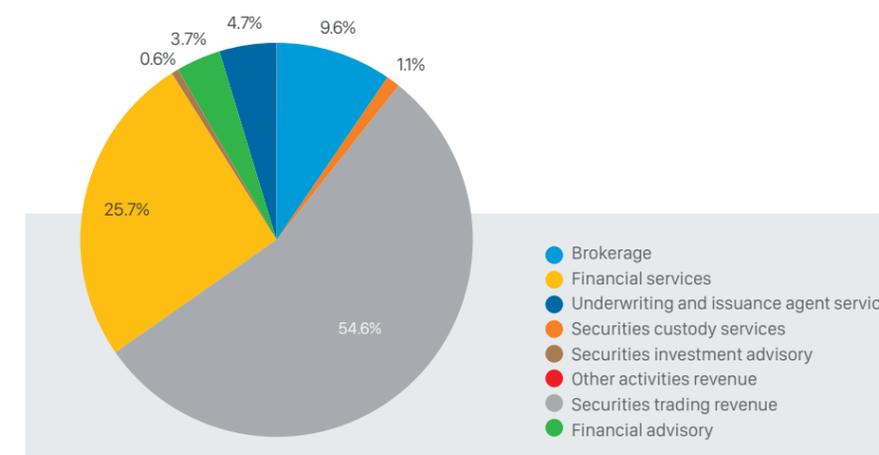
(Unit: VND billion)

REVENUE	2020			CHANGE	
	2019	ACTUAL	PLAN	% CHANGE COMPARED TO 2019 ACTUAL	% CHANGE COMPARED TO 2020 PLAN
Investment	329.1	986.1	496.0	199.6%	198.8%

Some investments that brought high efficiency for SHS in 2020 such as:

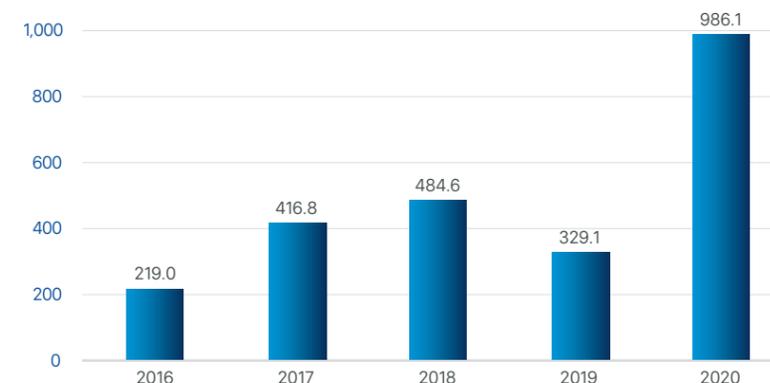
- Listed and unlisted stocks: SHB, GVR, TCB, PVM, HPG, VPB, BSI, STB, GEX, GMD...
- Listed and unlisted bonds include:
  - Bank bonds: TCB, BIDV, VPB, VIETBANK, VIB, VCB, SHB, PVB...
  - Corporate bonds: Masan Group Joint Stock Company, ADEC Joint Stock Company, BCG Enegy Joint Stock Company, Bac Ha Enegy Joint Stock Company, Construction Corporation No. 1 - Joint Stock Company (CC1), Crystal Plastic Technology and Production Joint Stock Company (PLP)...
  - Underwritten Government bonds.
  - Term deposits: ABB, VIETBANK, VIETABank, Electricity Finance Joint Stock Company, SHB, MBB...

In SHS's revenue structure in 2020, revenue from investment activities accounted for the majority, 54.6%



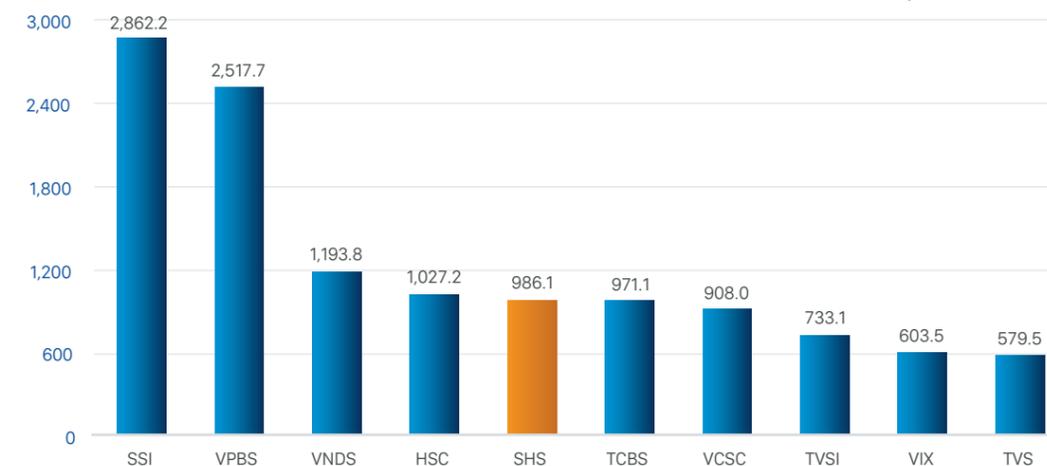
Thanks to the gradual recovery of Vietnam's stock market in the 2016-2020 period, especially in 2020, the Company's investment revenue had grown continuously from 2015 to 2018 and only declines in 2019 and then continued to increase sharply in 2020.

(Unit: VND billion)



Compared to other securities companies operating in Vietnam, SHS's investment revenue in 2020 was VND986.1 billion, ranking 5th.

(Unit: VND billion)



(Source: SHS Research)



### INVESTMENT SCALE

Taking advantage of the strong growth of Vietnam's securities market in 2020, the Company focused on investing in listed stocks, especially the portfolio of stocks with growth potential. In 2020, the Company disbursed an additional investment of VND 1,281.8 billion and realized investment profit of VND 673.4 billion.

For unlisted stocks, the Company complied with the plan of keeping the same or increasing a little amount of capital for unlisted stocks because there was not much room for unlisted stock prices to increase.

In addition, investment activity continued to have a strong shift. Accordingly, the Company focused on investing in listed and unlisted bonds (such as government bonds, bank bonds, corporate bonds) and term deposits which had many opportunities in 2020. At the same time, at the end of the year, the Company made profits of most of these investments.

(Unit: VND billion)

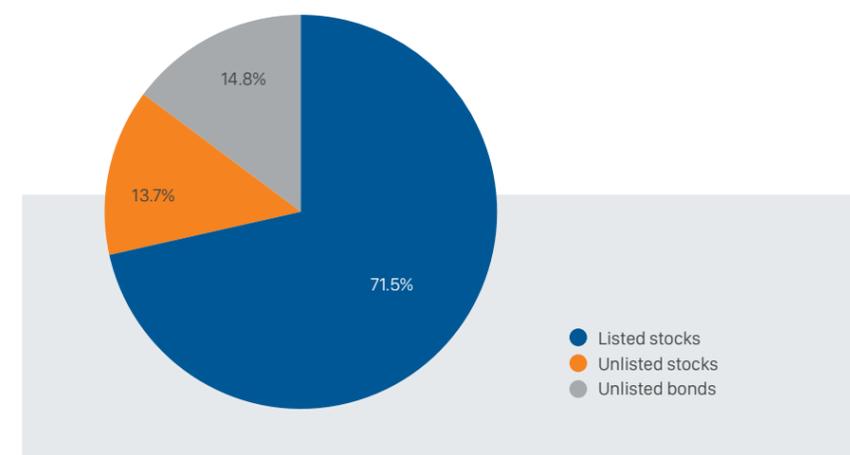
CRITERIA	AS OF 01/01/2020	INCREASE	DECREASE	AS OF 31/12/2020
<b>BUYING PRICE</b>	<b>1,631.1</b>	<b>64,084.6</b>	<b>63,625.5</b>	<b>2,090.2</b>
<b>FVTPL assets</b>	<b>1,631.1</b>	<b>63,901.1</b>	<b>63,625.5</b>	<b>1,906.7</b>
Listed stocks	702.3	1,281.8	673.4	1,310.7
Unlisted stocks	287.4	94.8	95.8	286.4
Listed bonds	341.4	21,957.2	22,298.6	-
Unlisted bonds	300.0	12,028.0	12,018.4	309.6
Term deposits	-	28,539.3	28,539.3	-
<b>AFS assets</b>	<b>-</b>	<b>183.5</b>	<b>-</b>	<b>183.5</b>
Reclassification - Listed stocks	-	183.5	-	183.5
<b>DIFFERENCE UPON REVALUATION OF FINANCIAL ASSETS RECOGNIZED THROUGH PROFIT/LOSS</b>	<b>(61.1)</b>	<b>800.2</b>	<b>193.6</b>	<b>545.5</b>
FVTPL assets	(61.1)	522.7	193.6	268.0
AFS assets	-	277.5	-	277.5
<b>Total</b>	<b>1,570.0</b>	<b>64,884.8</b>	<b>63,819.1</b>	<b>2,635.7</b>

As of December 31, 2020, the investment portfolio value of the Company increased by VND 459.1 billion, equivalent to an increase of 28.1% compared to the end of 2019.

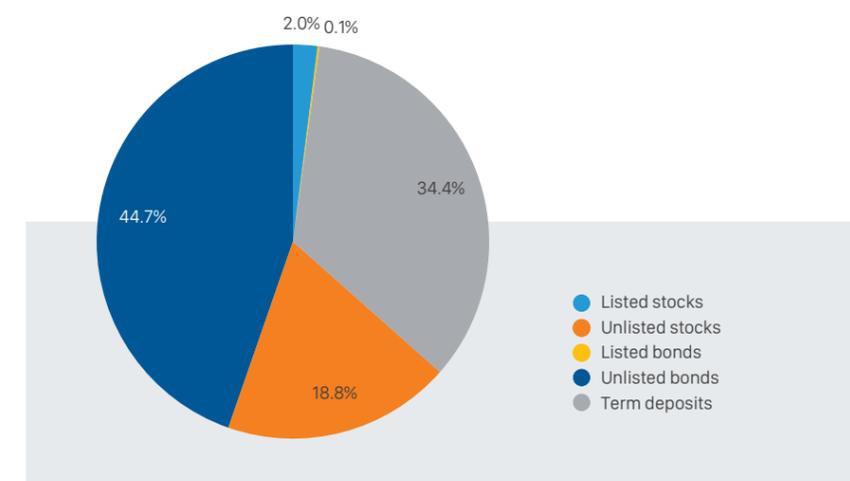
(Unit: VND billion)

CRITERIA	AS OF 01/01/2020	AS OF 31/12/2020	CHANGE	
			AMOUNT	%
<b>BUYING PRICE</b>	<b>1,631.1</b>	<b>2,090.2</b>	<b>459.1</b>	<b>28.1%</b>
<b>FVTPL assets</b>	<b>1,631.1</b>	<b>1,906.7</b>	<b>275.6</b>	<b>16.9%</b>
Listed stocks	702.3	1,310.7	608.4	86.6%
Unlisted stocks	287.4	286.4	(1.0)	-0.3%
Listed bonds	341.4	-	(341.4)	-100.0%
Unlisted bonds	300.0	309.6	9.6	3.2%
<b>AFS assets</b>	<b>-</b>	<b>183.5</b>	<b>183.5</b>	<b>-</b>
Reclassification - Listed stocks	-	183.5	183.5	-

In the investment structure of the Company as at 31/12/2020, listed stocks still accounted for a large proportion, 71.5%, followed by unlisted bonds, 14.8% and unlisted stocks, 13.7%.



However, the company's investment scale in 2020 mainly focused on bonds and term deposits. In which, the total amount invested in listed bonds accounted for 34.4%, in unlisted bonds was 18.8%, in deposit was 44.7% and in listed and unlisted stocks were only 2.0% and 0.1% respectively.



**OTHER RESULTS**

- The Company has strictly complied with the current provisions of the law on investment restrictions specified in Circular 210 and Circular 07.
- Investment process was completed day-by-day; investment personnel were added promptly; the information technology system served and supported investment activities; and records, papers and procedures were increasingly standardized.
- There was detailed and in-depth business analysis to make the suitable buying and selling decision at the right time, focusing on selecting stock with good fundamentals, supportive factors, excluding stocks with weak bases or having heavy speculative factors and the correct assessment of the market and the trend of stock prices

**► DRAWBACKS**

Compared with the investment plan in 2020, the Company achieved most of the goals in 2020. However, some targets have not yet been achieved, such as:

- The divestment of investments that were still in the form of unlisted shares can not be done because it was not the right time to sell or the

business results of the invested enterprises did not meet the expectations, therefore, the prices of unlisted shares did not increase.

- There was a shortage of analysts covering the listed stock market.
- There were limitations in accessing corporate information.

**► 2021 PLAN**

The above limitations in investment activities of the Company need to continue to be improved in 2021. The business plan for 2021 is as follows

- Continue divestment of investments that were still in the form of unlisted shares.
- Recruit more qualified analyst who can cover the listed stock market.
- Keep track of information about the business to seek good investment opportunities for 2021.
- Complete investment procedure and regulations on investment decentralization.
- Put into use data analysis tools (Bloomberg, Reuters...) to better support investment activities.
- Strictly comply with the current law on investment restriction according to the provisions of Circular 121/2020/TT-BTC.

**FINANCIAL SERVICES**

**► OPERATIONAL RESULTS IN 2020**

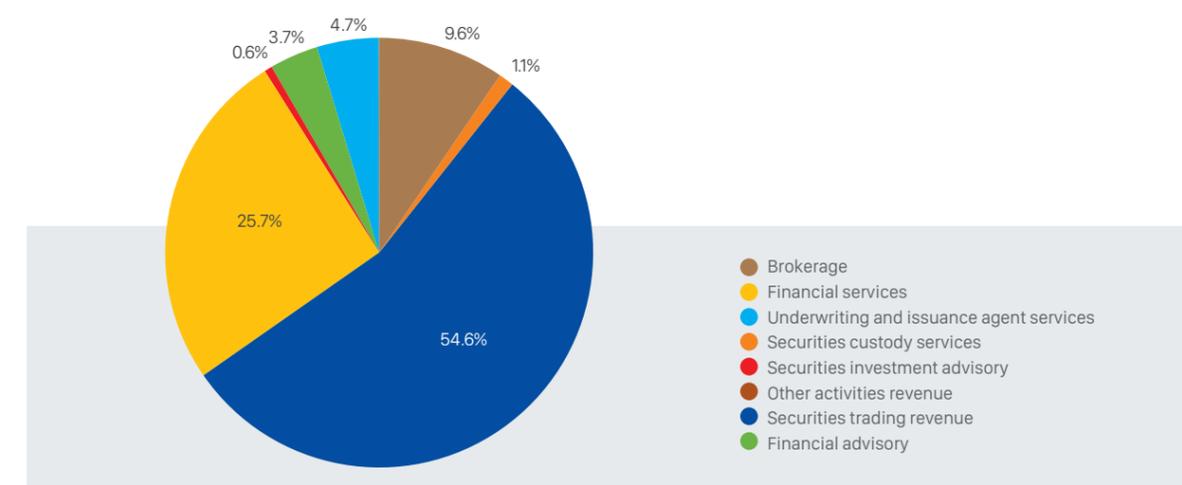
**REVENUES**

In 2020, although capital for customers' securities investment activities at SHS faced difficulties due to the tightening of bank credit for customers investing in securities, revenue from financial services of the Company still reached VND 474.7 billion, equal to 111.0% of the plan and increase 3.3% YoY. In addition to the traditional lending activities of the Company that increased compared to the previous year and exceeded the plan, the revenue from investment advisory and collateral management activities for investors' loans at the bank decreased sharply compared to the previous year and did not complete the plan.

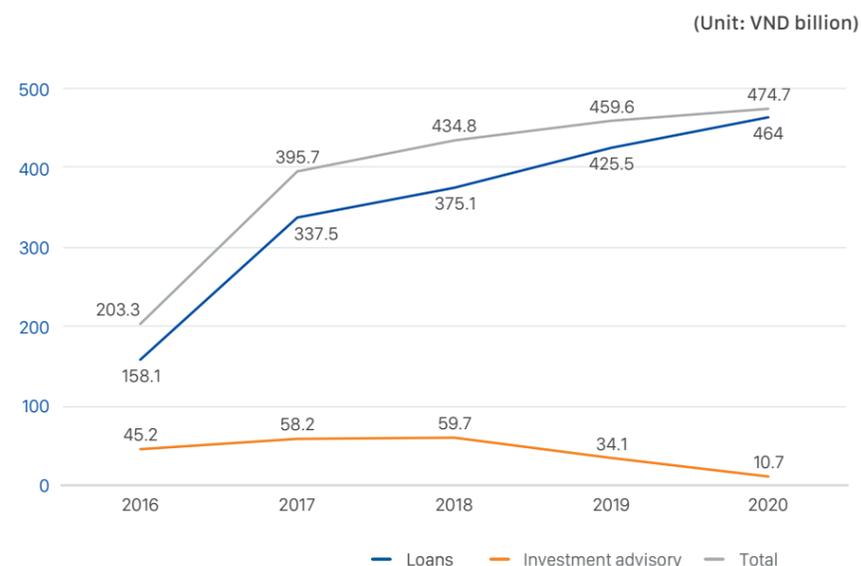
(Unit: VND billion)

REVENUE	2020			CHANGE	
	2019	ACTUAL	PLAN	% CHANGE COMPARED TO 2019 ACTUAL	% CHANGE COMPARED TO 2020 PLAN
Loan	425.5	464.0	404.5	9.0%	114.7%
Investment advisory	34.1	10.7	23.0	-68.6%	46.5%
<b>Total</b>	<b>459.6</b>	<b>474.7</b>	<b>427.5</b>	<b>3.3%</b>	<b>111.0%</b>

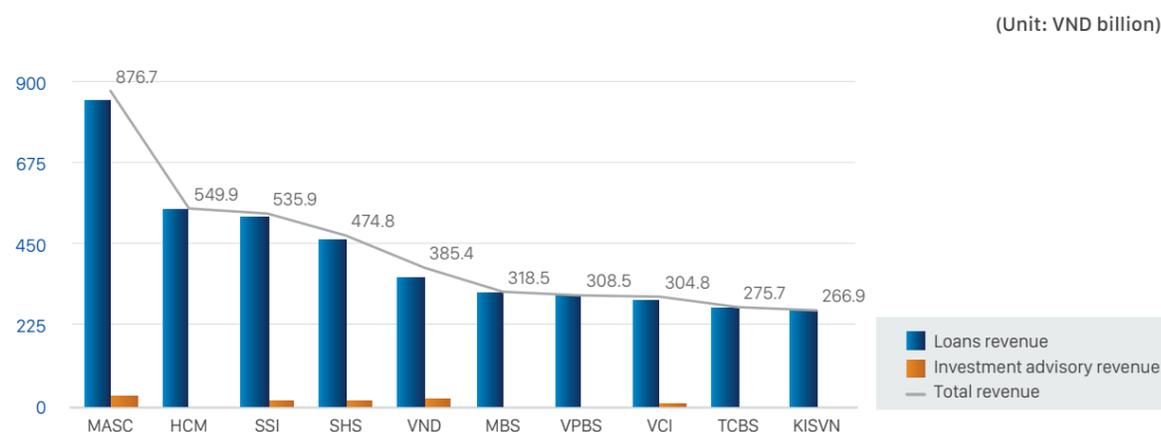
In SHS's revenue structure in 2020, revenue from loans accounted for 25.7% and revenue from investment advisory accounted for 0.6%. Combining 2 activities, financial services revenue of the Company accounted for 26.3% of the total revenue of the Company



Revenue from financial services of the Company has continued to grow over the past 5 years, in which revenue in 2020 was 2.3 times higher than the figure in 2016.



Among the securities companies in Vietnam in 2020, SHS ranked 4th in terms of revenue from financial services.



(Source: SHS Research)

### OUTSTANDING LOANS

In 2020, the Company spent VND 15,515.3 billion in margin lending, VND 18,192.6 billion in advance loans for securities sale and VND 19,187.0 billion in lending for other securities transactions

At the end of 2020, the Company's financial service outstanding loans increased by VND 166.5 billion, equivalent to an increase of 4.6% YoY. However, while outstanding loans from margin lending and Advance loans for securities sale increased compared to the same period last year, outstanding loans from other securities transactions decreased significantly.

(Unit: VND billion)

FINANCIAL SERVICE OUTSTANDING LOAN	31/12/2020	1/1/2020	CHANGE	
			AMOUNT	%
Margin lending	1,778.9	1,544.7	234.1	15.2%
Advance loans for securities sale	392.8	103.1	289.7	280.9%
Securities business cooperation	427.8	427.8	-	-
Other securities transactions	1,171.1	1,528.4	(357.3)	-23.4%
<b>Total</b>	<b>3,770.6</b>	<b>3,604.1</b>	<b>166.5</b>	<b>4.6%</b>

### OTHER RESULTS

- Diversified products and services were provided to customers.
- An appropriate policy framework for each customer group was developed to meet customers' needs and to optimize efficiency, especially as the sources of loans from banks were paused.
- Flexible and reasonable policies on controlling, recovery and settlement of debt were implemented.
- Gradually improved the procedure of coordination, cross-checking and business support tools to reduce risks during product deployment process.
- Gradually improved the supportive reporting system, making the operation management software fast and suitable in the current situation.
- Regularly coordinated to appraise and re-evaluate the securities loan portfolio to update the portfolio in accordance with the market context, ensuring good risk management.

### ► DRAWBACKS

Comparing with the approved business plan in 2020, the Company has basically achieved the targets set out for financial services activities. However, a number of targets that have not yet been achieved are as follows:

- Loan products and the scale of third party loans were not stable, lending rates were not competitive, the loan portfolio was not attractive to customers, lending procedures were complicated and time consuming...

### ► 2021 PLAN

The above limitations in financial services activities of the Company need to continue to be improved in 2021. The business plan for 2021 is as follows:

- Establish flexible product packages, with preferential interest rates, portfolio, rate ... to attract customers
- Coordinate to develop mechanisms and policies on customer care and assessment to make products more suitable and attract more customers
- Develop policies and mechanisms to attract more institutional investors, especially foreign investors.
- Restructure capital sources and use capital ensuring safety, efficiency and sustainability.
- Diversify capital sources in addition to existing capital sources.
- Coordinate in building, improving and updating a number of processes according to the actual context
- Coordinate to upgrade the management software system to help increase work processing speed and improve risk management.
- Organize internal training when there are changes in technology, policies, products ...

## FINANCIAL ADVISORY AND UNDERWRITING

### ► OPERATIONAL RESULTS IN 2020

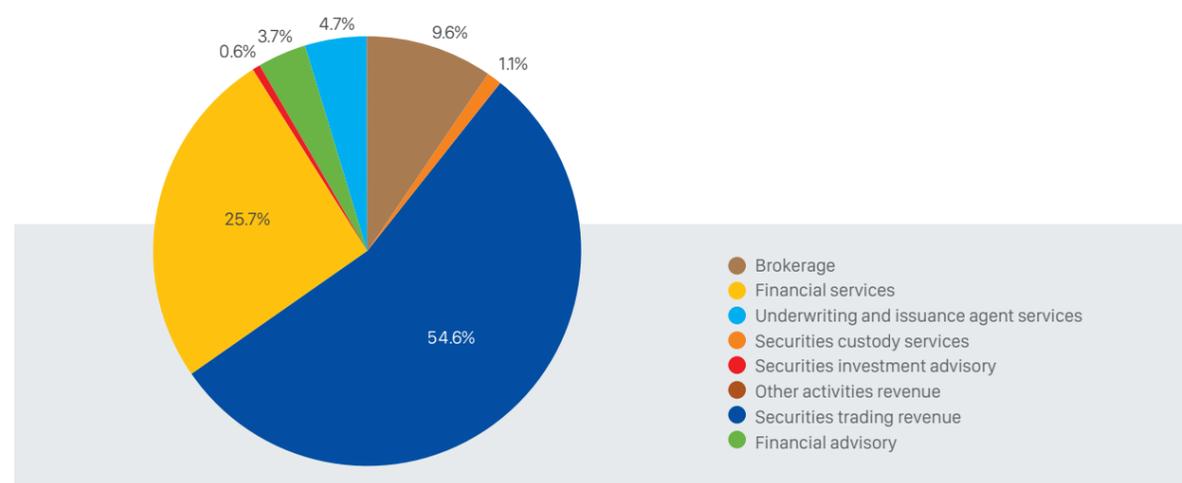
#### REVENUE

In 2020, due to the impact of the Covid-19 pandemic, the equitization and divestment of state-owned enterprises became quiet, the M&A activities in Vietnam as well as in the world decreased sharply, enterprises faced many difficulties. Therefore, financial advisory and underwriting activities of securities companies in general and SHS in particular were strongly affected. However, thanks to the policy of product and service restructuring, which was oriented from previous years, in the direction of taking advantage of the strong bond market in the first 9 months of 2020, revenue from financial advisory and underwriting, issuance agent to issue bonds still increased strongly and accounted for a large proportion. For the whole year 2020, revenue of financial advisory, underwriting and issuance agent of the Company reached VND 150.6 billion, increased 11.3% YoY and reached 297.6% of the plan.

(Unit: VND billion)

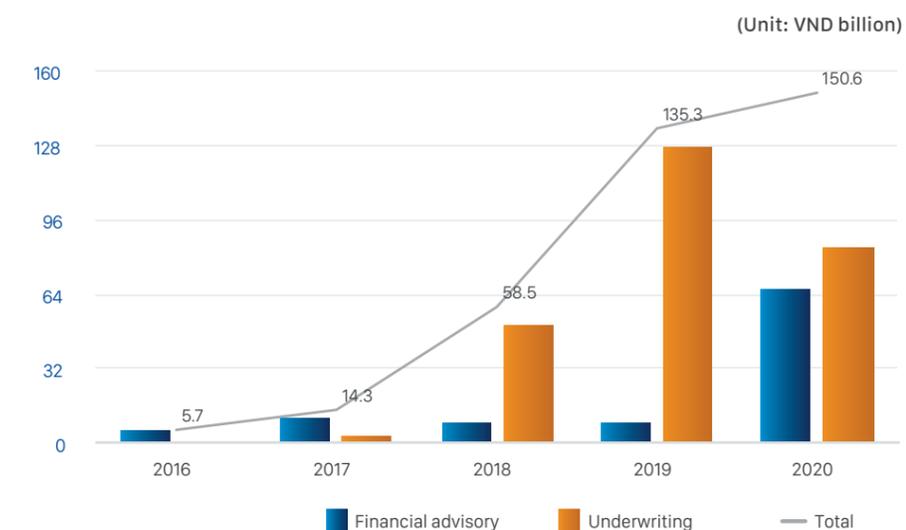
REVENUE	2020		CHANGE		
	2019	ACTUAL	PLAN	% CHANGE COMPARED TO 2019 ACTUAL	% CHANGE COMPARED TO 2020 PLAN
Financial advisory	8.4	66.4	15.6	690.5%	425.6%
Underwriting	126.9	84.2	35.0	-33.6%	240.6%
<b>Total</b>	<b>135.3</b>	<b>150.6</b>	<b>50.6</b>	<b>11.3%</b>	<b>297.6%</b>

In the revenue structure of SHS in 2020, revenue from financial advisory, underwriting and issuance agent accounted for 8.3%.

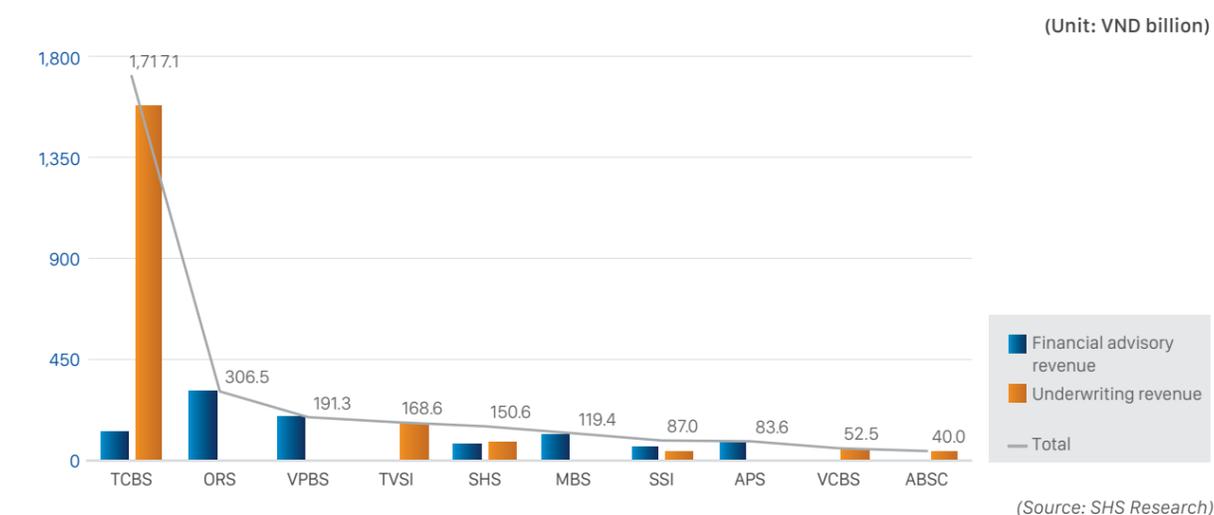


A number of major contracts of financial advisory, underwriting and issuance agent service recorded revenue in 2020 such as: Vietnam Posts and Telecommunications Group, Truong Son Construction Corporation, Vietnam National Aviation Insurance Corporation, Vietnam Packaging Corporation, SHBank Finance Company Limited (SHBFC), Saigon - Hanoi Commercial Joint Stock Bank (SHB), Orient Commercial Joint Stock Bank, Ea Sup Joint Stock Company, BCG Energy Joint Stock Company, Crystal Plastic Technology and Production Joint Stock Company, Xuan Thien Ninh Thuan Joint Stock Company, Long Giang Investment and Urban Development Joint Stock Company, Xuan Thien Thuan Bac Joint Stock Company...

The Company's revenue from financial advisory, underwriting and issuance agent service has grown continuously over the past 5 years, of which revenue in 2020 was 26.4 times more than revenue in 2016.



Among securities companies operating in Vietnam in 2020, SHS is ranked 5th in underwriting and financial advisory revenue.



(Source: SHS Research)

#### RESULTS OF CONTRACT EXPLOITATION

Due to the impact of the Covid-19 pandemic, the traditional advisory contract exploitation activities in 2020 did not achieve the expected results, revenue from traditional advisory in 2020 was only 7.3 billion VND 88.0% of the plan.

However, the intensive financial advisory, underwriting and issuance agent activities achieved outstanding results. Accordingly, the Company has expanded the customer base of financial institutions, commercial banks and enterprises in industries such as seaports, real estate and renewable energy in addition to traditional customers.

#### OTHER RESULTS

- Advisory services have been improved and adjusted to suit the requirements of each customer and each transaction, different from the services of other securities companies
- Some bonds which issued with SHS's service of financial advisory, underwriting and issuance agent were sold to individual investors, opening a distribution channel for SHS.
- SHS's customer base and reputation increasingly improved.
- The team of advisory staff specialized in two main operations, namely traditional financial advisory and intensive financial advisory, were fully recruited.



► **DRAWBACKS**

Comparing with the approved business plan for 2020, the Company has basically achieved the targets set out for financial advisory, underwriting and issuance agent activities. However, a number of targets that have not yet been achieved are as follows:

- For in-depth financial advisory, underwriting and issuance agent services: Most employees were still in the period of accumulating experience, lack of independence, and there was no big data analysis department as planned.
- There were still limitations in creating and maintaining relations with large financial institutions.
- The market in the South has not been well-exploited when revenue was still mainly generated from the Head Office.

► **2021 PLAN**

- For traditional advisory services:
  - Continue to diversify customer base.
  - Closely coordinate departments in the Company and partners to find customers and cross-sell products/services
  - Develop M&A advisory customer group following the restructuring strategy of State Corporations .
  - Exploit listing service contracts through IPO activities
  - Complete service providing process.
- For in-depth financial advisory, underwriting and issuance agent services:
  - Continue to exploit more customer groups in other potential industries.
  - Improve the quality of human resources. Recruiting employees for big data analysis department.
  - Complete service providing process.
  - Continuing to research and develop new products/services.
  - Establish relations with the group of foreign institutional customers.

**TREASURY**

► **OPERATIONAL RESULTS IN 2020**

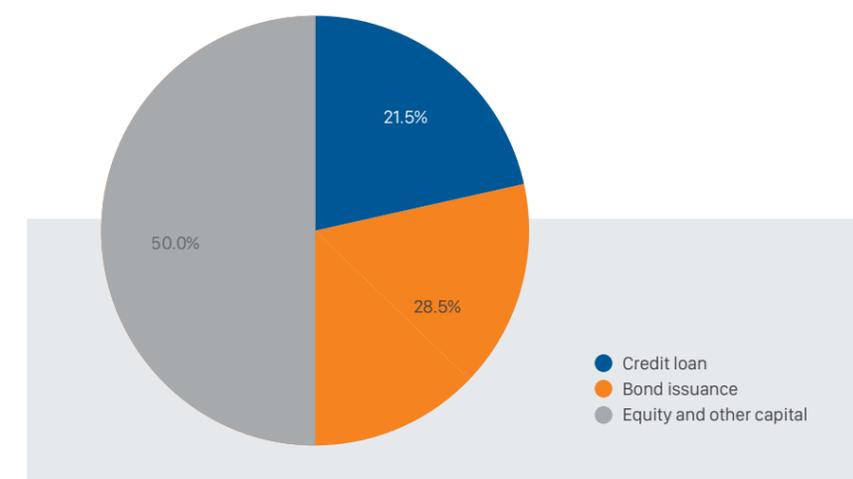
**BALANCING RESOURCE MANAGEMENT ACTIVITIES**

- The Company has ensured liquidity for the entire system of SHS in 2020.
- The Company has also met the capital demand for business activities of SHS and financial support for investors.

**CAPITAL MOBILIZATION ACTIVITIES**

In 2020, the average mobilized capital of the Company is VND 5,982.0 billion, an increase of 11.8% compared to the previous year and includes:

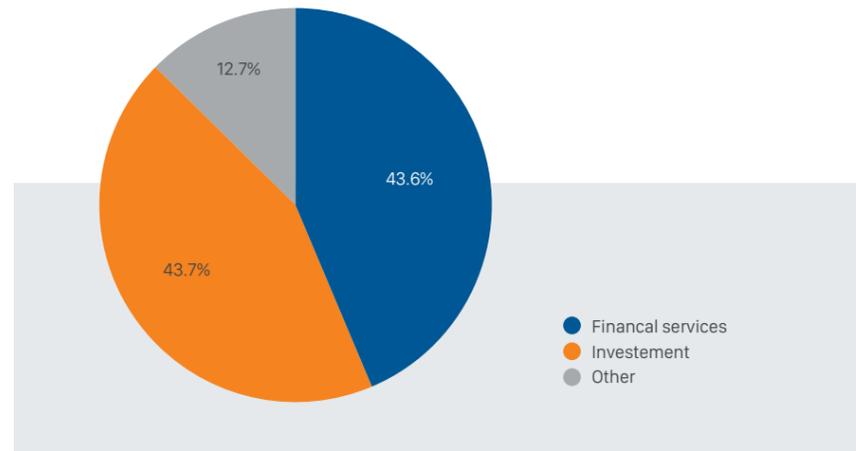
- Loans from credit institutions were on average VND 1,287.0 billion, an increase of 58.1% over the previous year and accounted for 21.5% of the total mobilization of the Company. SHS still maintains relationships with traditional banking partners such as Saigon - Hanoi Commercial Joint Stock Bank, An Binh Commercial Joint Stock Bank, Indovinabank, CTBC Bank, VPBank...
- The average capital mobilized from bond issuance was VND 938.0 billion, down 38.5% compared to the previous year and accounted for 28.5% of the total mobilization of the Company. When the ability to mobilize sources from private corporate bond issuance has been limited since September 2020, the increased mobilization of sources from credit institutions in 2019 is a timely solution to supplement the source of funds. long-term capital for the Company's business activities.
- Equity capital and other capital sources averaged VND 3,757.0 billion, up 24.7% over the previous year and accounted for about 50.0% of total mobilization of the whole Company, contributing significantly to helping the Company maintain stable capital source for business activities as well as financial support for investors, contributing to reducing the cost of capital of the Company.





**CAPITAL USAGE ACTIVITIES**

Capital of the Company in 2020 were mainly used for financial services activities of the Company (VND2,610 billion, decreased 4.4% YoY and accounted for 43.6% of total capital), investment activities (VND2,615.0 billion, increased 114.9% YoY and accounted for 43.1% of total capital), other activities (VND757.0 billion, decreased 46.2% YoY and accounted for 12.7% of total capital). The use of capital in 2020 was effective in the direction of prioritizing investment activities due to the strong growth of Vietnamese securities market in 2020, contributing to ensuring the company's planned revenue.



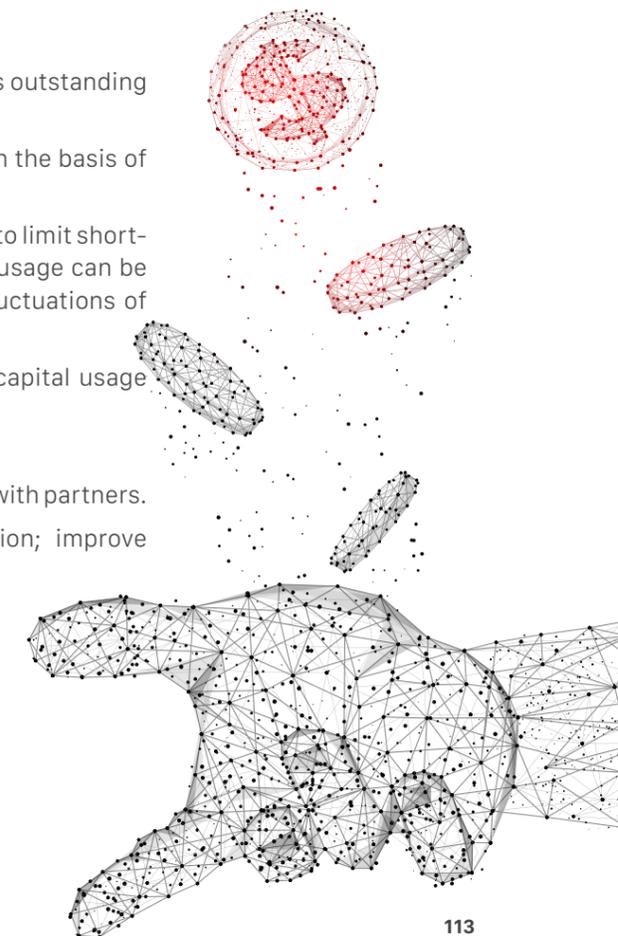
**► DRAWBACKS**

In comparison with the approved business plan in 2020, the Company has basically achieved the targets set for capital usage. The mobilization of capital was better, the cost of capital decreased, contributing to the reduction of lending rates, thereby improving the efficiency of capital usage. However, a number of targets that have not yet been achieved:

- The important sources of capital mobilized to serve the business activities of the Company were still lacked of stability
- SHS's working capital was mainly loans with high interest rates, depending on market fluctuations, so the
- When the bank's capital disbursed directly to investors trading securities had been affected, the Company became passive in finding alternative sources to maintain financial services for customers, influencing the whole product system of the Company.

**► 2021 PLAN**

- Balancing resource management activities:
  - Continue to conduct resource balancing operations on a daily basis, ensuring liquidity throughout the system.
  - Manage liquidity risk throughout the system including contingency plan.
  - Strengthen the management of capital plans by each department/branch.
  - Calculate and allocate monthly capital expense to each department and branch using capital to increase responsibility and efficiency in using capital.
  - Strengthen forecasting, assessing interest rate fluctuations and liquidity to find timely solutions
- Capital mobilization activities:
  - Sign the credit limit of 2021 with banks. Establish relationships with large financial institutions to strengthen SHS's financial capacity towards more sustainable direction.
  - Continue to issue private corporate bonds on the basis of compliance with the new regulations on issuing private bonds.
  - Continue to promote cooperation with banks that directly lend to SHS investors.
  - Periodically assess the efficiency of raising capital activities and the structure of capital.
- Capital usage activities:
  - Strengthen the coordination in handling of the Company's outstanding capital.
  - Provide financial services to investors with SHS capital on the basis of ensuring the ability to recover capital.
  - Flexibly provide financial products and services investors to limit short-term capital redundancy due to the fact that the capital usage can be different from the registered plan because of adverse fluctuations of market.
  - Periodically assess the capital allocation structure and capital usage efficiency.
- Other activities:
  - Delay intermediary service in corporate bond trading deal with partners.
  - Continue to promote staff training and internal rotation; improve processes, procedures and regulations.





## INFORMATION TECHNOLOGY

### ▶ OPERATIONAL RESULTS IN 2020

In the context that other securities companies promoted the application of information technology in operations and SHS's securities core software systems reached the tipping point, the company's information technology activities in 2020 still ensured the stable operation of the software, supporting brokers and customers. Below are some of information technology activities that have taken place in 2020

- Submitted to the Board of Directors and the Board of Management to approve the project to upgrade the securities trading software and deploy the derivatives trading software.
- Maintained stability of securities core software system, meeting the requirements of change and upgrade of HOSE, HNX and VSD.
- Maintained stable infrastructure / network / security system
- Added 02 channels connecting HOSE to test the project of upgrading securities core software of Ho Chi Minh City Stock Exchange.
- Deployed web application firewall system.
- Deployed video conference system
- Deployed a new cooling system for the server room
- Periodically maintained server room infrastructure to ensure a stable operating environment for information technology equipment.
- Deployed the bond transaction management software system.
- Added CRM reports to support Brokers.
- Added on-demand features, supporting the HRM system to meet requirements of administration, human resources management activities.
- Add on-demand features, supporting the capital management software system to meet requirements of Treasury Department.
- Add on-demand features, supporting shareholder management software to meet requirements of the Depository Department

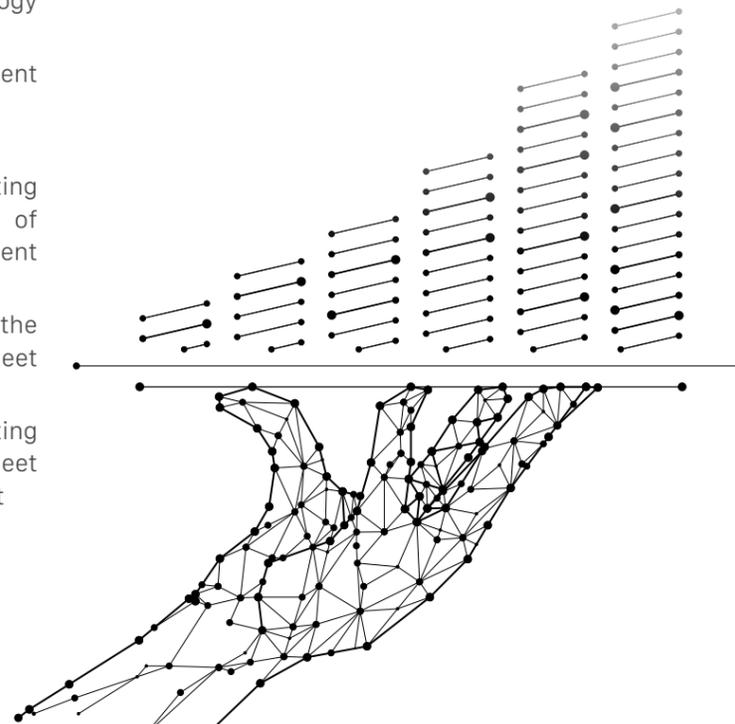
### ▶ DRAWBACKS

Comparing with the approved business plan in 2020, the Company has basically achieved the targets set for information technology activities. However, a number of targets that have not yet been achieved are as follows:

- The project to upgrade the securities trading core software and to deploy derivatives trading software, although approved by the Board of Directors, needed the consensus of many departments in the Company, so progress was still behind schedule.
- The upgrade of switch core, DMZ firewall, proxy system were not deployed... because the funds of the Company was allocated for higher priority items.

### ▶ 2021 PLAN

- Maintain stable hardware and software systems.
- Meet all requirements of the State management agencies including SSC, VSD, HOSE and HNX on information technology changes.
- Upgrade core software.
- Implement the derivatives trading system.
- Complete the bond trading system



## RESEARCH

### ▶ OPERATIONAL RESULTS IN 2020

The research activities in 2020 have contributed significantly to the business results of the main business segments of the Company, especially brokerage activities, financial services and investment activities. Below are research activities of the Company in 2020

- Macro analysis: including an overview analysis of the macro and market in 2019, prospects for 2020, supporting the annual business planning and analysis of Covid-19 pandemic and its impact.
- Industry analysis: including fishing industry analysis and textile industry analysis.
- Enterprise analysis: analysis of unlisted companies which did IPO (such as Thai Nguyen Hospital, Mipec Port, Hanoi Machino, PV Machino ...) and analysis of listed companies (such as VHC, TDH, PHC, HT1, TNH, PLP, CMX, AMV ...).
- Market news: Maintaining daily and weekly reviews, newsletter updating the financial and macro situation of Vietnam and the world with daily recommendations on stocks investment before trading hours.
- Investment advisory which includes providing support for brokerage and investment activities.
- Coordinate with PR to respond to journalists on comments related to the securities market
- Contact enterprises and institutional customers such as FPT, HPG, VPB, TCB, PVPower, AGG, FRT, PVT, HDG, Mipec Port...
- Monitoring and adjusting lending portfolio and room for each stock in the lending portfolio.
- Other supportive activities.

### ▶ DRAWBACKS

In comparison with the approved business plan in 2020, the Company has basically achieved the targets set for researching activities. However, a number of targets that have not yet been realized are as follows

- The products of macro, industry and enterprise analysis were mainly for internal purposes only.
- The number of macro analysis reports and industry analysis reports was limited, sometimes reports was not timely or did not meet the requirements of quality.
- The appearance and quality of the research products needed to be further improved.

### ▶ 2021 PLAN

- Continue to maintain business analysis, promote macro analysis, industry analysis to serve both internal needs and customers of the Company.
- Recruit more personnel for analysis activities.
- Improve the qualifications of employees.
- Closely coordinate and assist other departments in evaluating market trends, seeking investment opportunities, valuing business, managing risk, promoting SHS brand ...



## LEGAL DEPARTMENT ACTIVITIES

### ► OPERATIONAL RESULTS IN 2020

The legal department plays an increasingly important role in the operation of SHS. In 2020, legal department activities have positively contributed to support all important activities of the Company such as brokerage, financial services, advisory, investment ... In addition, with the major changes of the Enterprise Law 2020, the Securities Law 2020 and guiding documents, the legal department has focused on coordinating with other departments to research the orientation of the State management agency to advise the Board of Directors to carry out the necessary preparations, orienting the business activities of the Company on the basis of compliance with the law. Below are some typical activities of legal department in 2020:

- Advising the Board of Management, other departments and branches in the Company on legal issues related to the entire operation of the Company, so that SHS operated safely, efficiently and in compliance with the law.
- Drafting and assisted in drafting documents of the Company at the request of the Board of Directors, other departments and branches of the Company.
- Reviewing and giving legal advice on the Company's documents.
- Reviewing and coordinating with other departments and branches to standardize internal processes, regulations and official forms of the whole Company.
- Reviewing, proposing and drafting authorization documents and monitoring the implementation of authorization within the Company.
- Supporting the preparation of documents related to the application for new/amendment of the Establishment and Operation License of each unit of the Company.
- Participating in resolving disputes, complaints, denunciations and non-performing loan handling related to the Company and in proceedings in court.
- Updating and disseminating legal regulations and bulletins throughout the Company.
- Participating in legal seminars hosted by State agencies, contributing/sending written comments.

- Establishing cooperative relationships with organizations that can support in legal issues.

### ► DRAWBACKS

In comparison with the approved business plan in 2020, the Company has basically achieved the targets set for legal department activities. However, a number of targets that have not yet been achieved are as follows:

- Remaking the set of Account Opening Contract in the direction of general regulations, expanding the scope of service provision.

### ► 2021 PLAN

On the basis of assessment of the shortcomings that have not been resolved in 2020 and the expected legal issues affecting the securities company in 2021, the Company sets out a legal operation plan in 2021 with the goal of Legal Department increasingly plays an important role in supporting the decisions of the Company, ensuring that the Company complies with the law in business activities, preventing and minimizing risks for the Company. Below is the action plan for 2021 of legal department:

- Complete tasks related to the functions of the department. Based on the plans and work assignments of the head of the department, the Board of Management will make detailed work implementation plans and assignments for each employee.
- Collaborate with relevant departments to continue reviewing and developing processes and official forms in accordance with current laws and new software including the securities account opening contract.
- Train and recruit personnel and assign and arrange jobs logically to maximize the capacity of the department and make it more professional.
- Actively advise and propose solutions on the handling of legal risks in the Company's operations directly, regularly and continuously in the process of developing products, services and handling assigned work.

## NON-PERFORMING LOAN (NPL) HANDLING

### ► OPERATIONAL RESULTS IN 2020

The total value of the Company's NPLs on December 31st 2020 was VND553.9 billion. During the year, SHS made an additional provision of VND 35.0 billion, increasing the Company's balance of provision for NPLs by the end of 2020 to VND 466.1 billion. The ratio (balance of provision for NPL)/(balance of NPL) as of 31st December 2020 was 84.1% and equivalent to previous years; the ratio of 2020 (additional provision of NPL)/(balance of NPL) sharply increased to 6.3%.

(Unit: VND billion)

YEAR	BALANCE OF NPL (END OF YEAR)	BALANCE OF PROVISION OF NPL (BEGINNING OF YEAR)	ADDITIONAL PROVISION OF NPL	REVERSAL OF PROVISION OF NPL	BALANCE OF PROVISION OF NPL (END OF YEAR)	BALANCE OF PROVISION FOR NPL/BALANCE OF NPL	ADDITIONAL PROVISION OF NPL/BALANCE OF NPL
2020	553.9	442.1	35.0	11.0	466.1	84.1%	6.3%
2019	520.6	432.8	14.2	4.9	442.1	84.9%	2.7%
2018	495.5	266.7	168.9	2.8	432.8	87.3%	3.6%
2017	360.2	280.3	6.2	19.8	266.7	74.0%	1.7%
2016	343.6	275.6	6.4	1.7	280.3	81.6%	1.9%

The management of NPLs in 2020 continued to focus on completing the necessary documents; monitoring progress; coordinating with the related departments, branches and individuals to urge customers to settle outstanding debt. For customers who were sued at the court, the Company continued to provide requested information and implement proceedings according to the notice of the courts and the legal proceedings.

### ► DRAWBACKS

The management of bad debts in 2020 did not achieve the expected results. The value of NPLs recovered was not high due to the complexity of debts, lengthy legal proceedings and the limitations of legal staff in terms of quantity, qualifications and experience in legal proceedings...

### ► 2021 PLAN

On the basis of assessing the limitations in 2020, the Company continues to set out a plan to deal with NPLs in 2021 as follows:

- Continue to supplement and complete legal documents on NPLs to ensure the efficiency of managing debts.
- Urge and coordinate effectively with the departments, branches and individuals involved in the recovery of NPLs.
- Conduct an overall assessment of each lawsuit and the likelihood of winning and recovering NPLs in order to decide whether to continue or withdraw the petition. For cases where the decision is to continue, the Company will continue to work with the courts to speed up the trial and enforcement process.
- Develop close relationships with organizations that have functions to support the handling of NPLs.



## REPORT ON THE INVESTMENT SITUATION AND IMPLEMENTATION OF INVESTMENT PROJECTS

### MAJOR INVESTMENT

#### Financial investment

Check Report of the Board of Management -> Report of the Company's operations -> Investment

#### Project investment

The Company had no project investments in 2020.

### SUBSIDIARIES AND ASSOCIATED COMPANIES

The Company has no subsidiaries or affiliates.

## PROGRESS MADE DURING THE YEAR

### SUCCESSFULLY ISSUING VND1,100 BILLION OF CORPORATE BONDS

In 2020, SHS has successfully conducted 3 private bond issuances with total mobilization scale of VND1,100 billion. These successful issuances with interest rates cheaper than bank credit has contributed to reducing interest expenses, improving SHS's business performance. At the same time, buyer of SHS's bonds were mostly banks and large organizations, showing that SHS increasingly affirmed its prestige and brand name in the market.

### INCREASINGLY ASSERTED THE COMPANY'S POSITION IN THE MARKET

In 2020, besides other business positions in balance and positions of brokerage activities and financial services activities, on the basis of cooperation with third parties to lend money to customers for securities investment, slightly decreased, SHS was still positioned as one of the most effective securities companies in the market. Accordingly, the Company has made good use of market opportunities and stock price trends, buying and selling at the right time, contributing to shaping own investment style, improving business performance as well as creating an effective and sustainable investment portfolio.

Financial advisory activities gradually shifted to intensive advisory. Financial advisory and underwriting, issuance agent service activities continued to shift to corporate bond segment and focused on institutional customers which brought positive revenue for the Company in 2020. This demonstrated that the Company has not only seized the opportunity timely but also increasingly enhanced its prestige, brand and position in the financial advisory market.

### INCREASINGLY CONSIDERED TO BE A REPUTABLE AND RESPONSIBLE SECURITIES COMPANY

In 2020, SHS continued to receive many certificates and awards from State management agencies such as Hanoi City, SSC, HOSE, HNX, VSD... This proved the confidence not only of customers and partners but also of State management agencies in SHS (please see Award Section - General Information of the Company).

In addition, the total amount of funding for community and social activities in 2020 of the Company reached VND5.5 billion, many times higher than previous years. SHS strongly showed its responsibility towards the community and society (Please see the Sustainable Development Report 2020 Section).

## IMPROVEMENTS IN THE STRUCTURE OF THE ORGANIZATION AND MANAGEMENT POLICY

In 2020, the Company has successfully arranged salaries for employees according to the new salary mechanism which was officially applied from June 1, 2020. The new salary mechanism made income of the Company's employees more competitive in the market, equivalent to income of employees of leading securities companies. However, the KPI was not applied in 2020 and was expected to be officially applied from 2021.

Although the KPI was not applied in 2020, the Company still regularly reviewed to complete the organizational structure as well as management policies to maximize productivity, so that SHS always maintained position as the most effective securities company in the market with the most effective turnover per employee. In 2020, the ratio of revenue and other income / Number of employees increased 80.6% compared to 2019 and increased 193.9% compared to 5 years ago (from VND 2.9 billion/person in 2016 and 4.7 VND billion/person in 2019 to VND 8.5 billions/person in 2020).

YEAR	REVENUE AND OTHER INCOME (VND BILLION)	NUMBER OF EMPLOYEES (PERSON)	RATIO OF REVENUE AND OTHER INCOME / NUMBER OF EMPLOYEES (VND BILLION/PERSON/YEAR)
2020	1,808.5	212	8.5
2019	1,072.4	227	4.7
2018	1,247.9	235	5.3
2017	1,093.7	209	5.2
2016	566.0	195	2.9





# CORPORATE GOVERNANCE AND FINANCIAL ASSESSMENT

## CORPORATE GOVERNANCE ASSESSMENT

### ACCORDING TO THE BEST GOVERNANCE PRACTICE FOR THE VIETNAM PUBLIC COMPANIES IN 2019

NO.	CONTENT OF QUESTION	PERFORMANCE		ASSESSMENT
		2020	2019	
<b>A. THE RESPONSIBILITY OF THE BOARD OF DIRECTORS</b>				
1.	ESTABLISHING CLEAR ROLES, RESPONSIBILITIES AND COMMITMENT OF THE BOARD			
1.1.	The board should clearly define and disclose the full scope of its roles, responsibilities and accountabilities			
1.1.1.	The Board should adopt a separate Board charter that clearly defines its roles, responsibilities and accountabilities; the Board charter should be disclosed on the company's website.	Good	Good	Operation regulation of the Board of Directors is in the internal regulation on corporate governance – posted on the website.
1.1.2.	The Board should review and guide corporate strategy, major plans of action, risk policy, annual budgets and business plans; set performance objectives; monitor implementation and corporate performance; and oversee major capital expenditures, acquisitions and divestitures.	Good	Good	
1.1.3.	The Board should monitor the effectiveness of the company's governance, environmental and social policies and practices, and adhere to applicable laws.	Good	Good	
1.1.4.	The Board should embody high standards of business ethics and oversee the implementation of codes of conduct that engender a corporate culture of integrity.	Good	Good	
1.1.5.	The Board should assess the major risks facing the company and the steps taken by management to monitor and control such risks.	Good	Good	
1.1.6.	The Board should oversee the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems to risk management, financial and operational control, and compliance with the law and relevant standards.	Good	Good	
1.1.7.	The Board should select, compensate, monitor and, when necessary, replace key executives and oversee their succession planning.	Good	Good	
1.1.8.	The Board should align key executive and board remuneration fairly with risk appetite and the longer-term interests of the company and its shareholders	Good	Good	
1.1.9.	The Board should monitor and manage potential conflicts of interest of management, board members, supervisory board (if applicable) and shareholders, including misuse of corporate assets and abuse in related-party transactions.	Good	Good	
1.1.10.	The Board should oversee the process of disclosure and communications of the company.	Good	Good	

NO.	CONTENT OF QUESTION	PERFORMANCE		ASSESSMENT
		2020	2019	
1.2.	Board members should fully understand their fiduciary duties to act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company and the shareholders, while taking into account the interest of the company's relevant stakeholders.			
1.2.1.	Board members should perform their duties in good faith and in the best interest of the company and all of its shareholders, avoiding all potential or actual conflicts of interest.	Good	Good	
1.2.2.	Board members who are working within the structure of a group of companies: even though a company might be controlled by another entity, the duty of loyalty for a board member relates to the company and all its shareholders and not to the controlling entity of the group.	Good	Good	
1.2.3.	Board members should exercise maximum care and prudence in the performance of their duties that may be expected from a good director in a similar situation and under similar circumstances.	Good	Good	
1.2.4.	Board members should fully understand the Board's roles and responsibilities as described in the law and company policies, and help ensure the Board is effectively discharging its roles and responsibilities.	Good	Good	
1.2.5.	Board members should inform themselves of applicable corporate governance and ethics requirements and ensure the company continuously acts in accordance with its policies on good governance and ethical conduct.	Good	Good	
1.2.6.	Board members should actively participate in overseeing the activities of the company, in discussions of respective bodies and making adequate efforts to obtain the information with regard to the discussed matters. Board members are expected to have reviewed all materials distributed to them prior to board meetings in order to be prepared for their contributions in the board room.	Good	Good	
1.2.7.	Each board member has a responsibility to attend all Board meetings of the company during a year.	Good	Good	
1.2.8.	Unless required to do so by law, board members should not, during their membership on the Board of afterwards, disclose any information that they know or should know to be of a confidential nature and that came to their knowledge through their work at the company's Board. Board members should not use such confidential information for their personal benefit.	Good	Good	
1.2.9.	If Board members resign or are unable to perform their functions, the Board should immediately take steps necessary to ensure substitution or replacement on the Board following best practice guidance and in accordance with current law and regulations.	Good	Good	
1.3.	Together with senior management, the Board should promote a good corporate governance culture within the company and monitor its effectiveness at all times.			
1.3.1.	The Board of directors sits at the center of the corporate governance system of the company and plays a critical oversight role.	Good	Good	
1.3.2.	The Board should ensure the company adopts its own corporate governance code that is based upon principles of transparency, accountability, responsibility, and fairness, in line with the best practices and current regulations to demonstrate the company's commitment towards good corporate governance.	Good	Good	



NO.	CONTENT OF QUESTION	PERFORMANCE		ASSESSMENT
		2020	2019	
1.3.3.	To foster the confidence of shareholders, employees, investors, and the public, a corporate governance code should reach beyond compliance with established local legal and regulatory frameworks to embrace both nationally and internationally recognized corporate governance best practices.	Good	Good	
1.3.4.	The Board should actively conduct a regular review of the corporate governance implementation of the company to ensure that there are clear lines of accountability for management throughout the organization.	Good	Good	
1.3.5.	The company should disclose its governance structures and policies, in particular, the content of any corporate governance code or policy and the process by which it is implemented. It is also good practice disclosing the company charter, board charters, corporate governance code and, where applicable, committees' structures and charters.	Good	Good	
1.4.	The Board should be responsible for ensuring and adopting an effective succession planning program for directors, CEO and key executive management positions to ensure growth and a continued increase in the shareholders' value.			
1.4.1.	The transfer of company leadership to highly competent and qualified individuals is the goal of succession planning. It is the Board's responsibility to implement a process to appoint competent, professional, honest and highly motivated management officers who can add value to the company.	Good	Good	
1.4.2.	A good succession plan is linked to the documented roles and responsibilities for each position, and should start in objectively identifying the key knowledge, skills, and abilities required for the position.	Good	Good	
1.4.3.	For any potential candidate identified, a professional development plan is defined to help the individuals prepare for the job (e.g. training to be taken and cross experience to be achieved).	Good	Good	
1.4.4.	The process is conducted in an impartial manner and aligned with the strategic direction of the organization.	Good	Good	
2.	ESTABLISHING A COMPETENT AND PROFESSIONAL BOARD			
2.1.	Collectively, the Board should possess a diversified and broad range of views, expertise, skills, and competencies, sufficient to provide effective stewardship and oversight of the company.			
2.1.1.	Board diversity is crucial because it allows the company to take advantage of a plurality of arguments and of a richer and more reliable decision-making process.	Good	Good	
2.1.2.	The composition of the Board of directors must consider a diversity of knowledge, experiences, behaviour, cultural aspects, age and gender.	Good	Good	
2.1.3.	The Board must ensure that the executive management defines and promotes policies that provide equal opportunities for women to access high leadership positions within the organization.	Good	Good	
2.1.4.	The Board should develop a Board skills matrix with a description of the role and capabilities required or Board appointments, including factors such as independence, diversity, age, gender, future succession planning, integrity, skills, expertise, breadth of experience, knowledge about the company's business and industry, and willingness to devote adequate time and effort to Board responsibilities in the context of the existing composition and needs of the Board and its committees.	Good	Good	

NO.	CONTENT OF QUESTION	PERFORMANCE		ASSESSMENT
		2020	2019	
2.1.5.	The Board, with the assistance of the nomination committee, should select and recommend director nominees for election by shareholders. The nomination committee of the Board should oversee the development and implementation of the formal board nomination process. The Board should disclose the process in appointing new directors, and the criteria used to select new directors.	Good	Good	
2.1.6.	All shareholders should have the opportunity to nominate candidates to the Board of Directors. The shareholders owning at least 5 percent of company shares should be provided with a right to propose nominees. The shareholders owning less than 5 percent of the company's voting shares should be provided with the opportunity to propose nominees. The deadlines for nominee director proposals, procedures for considering them and including into the agenda should be determined in the Board charter.	Good	Good	
2.1.7.	An odd number of Board members between five and eleven is recommended. This number may vary according to the company's industry, size, complexity, as well as where it is in its life cycle, and what committees need to be created.	Good	Good	The Board of Directors of SHS has 5 members.
2.1.8.	The Board should aim to have at least two female members or 30% of female directors to optimize the benefits of gender diversity on the Board.	Not good	Not good	How ever, there was improvement. In 2020, there was 1 female member while in 2019 there was no female member
2.2.	The Board should be composed of at least two-thirds of non-executive directors who possess the necessary qualifications to effectively participate and help secure objective, independent judgment on corporate affairs and to substantiate proper checks and balances.			
2.2.1.	The right combination of executive directors and non-executive directors (NEDs), which includes an independent director, ensures that no director or small group of directors can dominate the decision-making process.	Good	Good	
2.2.2.	Further, a Board composed of at least two-thirds NEDs assures protection of the company's interest over the interest of the individual shareholders.	Good	Good	In 2019 and 2020, the Board of Directors of SHS had 4/5 non-executive members.
2.2.3.	The company determines the qualifications of the NEDs that enable them to effectively participate in the deliberations of the Board and carry out their roles and responsibilities.	Good	Good	
2.3.	The Board shall appoint a professionally qualified Corporate Secretary who is accountable directly to the Board of Directors on all matters to do with the proper functioning of the Board.			
2.3.1.	The modern Corporate Secretary is normally a senior management position of the company and is now expected to provide professional guidance to shareholders, boards, individual directors, management, and other stakeholders on the governance aspects of strategic decisions.	Good	Good	



NO.	CONTENT OF QUESTION	PERFORMANCE		ASSESSMENT
		2020	2019	
2.3.2.	The Corporate Secretary typically would act as a bridge for information, communication, advice, and arbitration between the Board and management. The Corporate Secretary would also act as a bridge between the company and its shareholders and stakeholders, however, in big companies this is the job of an "investor relations officer".	Relatively good	Relatively good	The Board of Directors of SHS hasn't issued any decision to appoint a Company Secretary and the person in charge of shareholder relations but has arranged Mrs. Doan Thi Nhu Quynh - Deputy Chief of the Office of the Board of Directors to assume this role.
2.3.3.	The roles and responsibilities of a Corporate Secretary include, but are not limited to the following: (1) Manage all Board and committee meeting logistics, attend and record meetings; (2) minute all Board and committee meetings and facilitate Board communications; (3) advise Board and Board committees on its roles and responsibilities; (4) facilitate the orientation of new directors and assist in director training and development; (5) advise the Board on corporate disclosures and compliance with company and securities regulations and listing requirements; (6) manage processes pertaining to the annual shareholder meeting; (7) monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations; and (8) serve as a focal point for stakeholders' communication and engagement on corporate governance issues.	Good	Good	
2.3.4.	To carry out his/her role effectively, a Corporate Secretary needs to act with the highest integrity and independence in protecting the interests of the company, its shareholders, and others with a legitimate interest in the company's affairs. This level of responsibility calls for a thorough knowledge of the business environment in which the company operates as well as of the laws, rules, and regulations that govern its activities. The Corporate Secretary should undertake continuous professional development and maintain neutrality and objectivity in supporting the Board and relevant bodies in its work.	Good	Good	
2.4.	The Company should provide in its Board Charter and Corporate Governance Regulations a policy on the continuing development of members of BOD, including an orientation program for first-time new members and relevant annual continuing training for all members.			
2.4.1.	All of BOD's members should be properly oriented upon joining the Board to ensure that new members are appropriately appraised of their duties and responsibilities before beginning their directorships.	Good	Good	
2.4.2.	The orientation program shall be developed by the Board (with support of its relevant committee or the Corporate Secretary) and cover key corporate governance topics (including this Code) and an introduction to the company's business, its Charter and Code of Conduct. It should be able to meet the specific needs of the company and the individual directors and aid any new directors in effectively performing his or her functions.	Good	Good	

NO.	CONTENT OF QUESTION	PERFORMANCE		ASSESSMENT
		2020	2019	
2.4.3.	Board members should have the necessary resources and network to develop and maintain their knowledge, skills, and expertise to help promote effective Board performance and continuing qualification of the directors in carrying out their duties and responsibilities.	Good	Good	
2.4.4.	All directors should attend at least one corporate governance or director training program organized by an accredited and professional organization to ensure they understand key principles of good corporate governance and strive to update themselves annually with the latest governance trends and requirements.	Good	Good	
2.4.5.	The company should disclose within the Corporate Governance Section of their annual reports the policies and practices of professional development and training for board members, both as part of the onboarding process and on an ongoing basis.	Good	Good	
3.	ENSURING EFFECTIVE BOARD LEADERSHIP AND INDEPENDENCE			
3.1.	Once elected, all Board members have a responsibility to the company, regardless of the shareholders, shareholder group, administrator or stakeholder who appointed them to the position.			
3.1.1.	Board members must perform their duties based on technical knowledge, with full objectivity and without the influence of any personal or professional relationships. They must create and preserve value for the organization as a whole, within the appropriate legal and ethical guidelines.	Good	Good	
3.1.2.	Board members who are conflicted on a particular matter must refrain from participating in the discussion and the decision on that specific issue. Board members who feel they can no longer maintain an appropriate level of objectivity in discharging their duties due to improper pressure or influence, should resign from the board if they cannot otherwise mitigate the issue.	Good	Good	At SHS: Board members who have conflicts of interest are not allowed to vote on related issues.
3.1.3.	Board members should not serve as paid consultants or advisors to the company.	Good	Good	At SHS: there is no Board member who works as a consultant or an adviser paid by the Company.
3.2.	To promote independent judgment by all Board members and the integrity of the governance system, Boards should contain at least one-third independent directors.			
3.2.1.	The presence of independent directors in the Board ensures the exercise of independent judgment on corporate affairs and proper oversight of managerial performance, including prevention of conflict of interest and balancing of competing demands of the corporation.	Good	Good	
3.2.2.	There is increasing global recognition that the presence of independent directors on the Board will help ensure more objective decision-making, particularly in conflict of interest situations.	Good	Good	
3.2.3.	In addition, experts have recognized that there are varying opinions on the optimal number of independent directors in the Board. However, the ideal number ranges from one-third to a substantial majority.	Not good	Not good	In 201 and 2020: SHS had 1/5 independent BOD members.
3.3.	The Board should ensure that its independent directors possess the necessary qualifications and none of the disqualifications for an independent director to hold the position.			
3.3.1.	Independent directors need to possess a good general understanding of the industry they are in.	Good	Good	



NO.	CONTENT OF QUESTION	PERFORMANCE		ASSESSMENT
		2020	2019	
3.3.2.	It is worth noting that independence and competence should go hand-in-hand.	Good	Good	
3.3.3.	It is important that independent directors possess the qualifications and stature that would enable them to effectively and objectively participate in the deliberations of the Board.	Good	Good	
3.3.4.	All companies should have at least one independent director who has financial expertise and experience to participate and lead the Audit Committee.	Good	Good	The independent Board member – Mrs. Nguyen Dieu Trinh – has financial expertise and experience.
3.4.	The Board's independent directors should serve for a maximum cumulative term of nine years.			
3.4.1.	Service in a board for a long duration may impair a director's ability to act independently and objectively. Hence, the tenure of an independent director is set to a cumulative term of nine years.	Good	Good	Mr. Mai Xuan Son has been a member of the Board of Directors of SHS since January 24th, 2014.
3.4.2.	After nine years, the independent director should be perpetually barred from re-election as such in the same company, but may continue to qualify for nomination and election as a non-independent director.	Good	Good	
3.5.	The Board should designate a lead director among the independent directors if the Chairman of the Board is not independent, including if the positions of the Chairman of the Board and Chief Executive Officer (CEO) are held by one person.			
3.5.1.	The Chairman of the Board and the CEO are separate individuals to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision - making. It is also recommended that the Chairman is an independent director.	Relatively good	Relatively good	At SHS: The Chairman of the Board of Directors is not concurrently the CEO but is a non-independent member.
3.5.2.	In cases where the Chairman is not independent and where the role of Chair and CEO are combined, putting in place proper mechanisms ensures independent views and perspectives. More importantly, it avoids the abuse of power and authority, and potential conflicts of interest.	Does not apply	Does not apply	At SHS: The Chairman of the Board of Directors is not concurrently the CEO but is a non-independent member.
3.5.3.	A suggested mechanism is the appointment of a strong "lead director" among the independent directors and it is also recommended that Boards are comprised of a majority of independent directors where the Chairman is not independent.	Relatively good	Relatively good	SHS has only one independent member.
3.5.4.	This lead director has sufficient authority to lead the Board in cases where the remaining directors (including the dual Chairman-CEO) have clear conflicts of interest.	Good	Good	SHS has only one independent member.
4.	ESTABLISHING BOARD COMMITTEES			
4.1.	The Board should set up specialized Board committees to support the Board in the performance of its functions and to avoid any conflicts of interest.			

NO.	CONTENT OF QUESTION	PERFORMANCE		ASSESSMENT
		2020	2019	
4.1.1.	The Board should create an audit committee which should be composed of a minimum of three Board members, all non-executives and a majority of whom, including the committee chair, should be independent.	Not good	Not good	Due to the small number of BOD members and the fact that the BOD has many sub-committees, the Audit Committee of SHS has only one members.
4.1.2.	The committee should have collective knowledge in terms of internal audit, IFRS and VAS accounting, compliance, financial reporting and control. The chair of the audit committee should have financial expertise and be an independent director.	Good	Good	
4.1.3.	The role and responsibilities of the audit committee should be covered in a separate charter which should be adopted by the Board and disclosed on the company's website. The authorities, composition and working procedures specified in the audit committee charter should be developed as a practical benchmark, against which performance of the audit committee would be evaluated.	Good	Good	
4.1.4.	The primary responsibilities of the audit committee are to: (1) Oversee the integrity of the financial statements of the company and any formal announcements relating to the company's financial performance; (2) review the company's internal financial controls, internal control and risk management systems; (3) review related-party transactions which meet the Board or shareholders' meeting approval threshold and make a recommendation on these transactions to the Board or shareholders for approval; (4) oversee the company's internal audit function; (5) recommend the appointment, remuneration and terms of engagement of the external auditor for the Board's review and approval (before submitting to the AGM for final approval); (6) monitor and review the external auditors' independence and objectivity and the effectiveness of the audit process, especially when the company uses non-audit services of the external auditors; (7) develop and implement policy on the engagement of the external auditor to supply non-audit services; and (8) ensure the company's compliance with all legal and regulatory requirements and other internal regulations of the company.	Good	Good	At SHS: It is the Supervisory Board.
4.2.	The Board should establish a competent risk management committee to ensure that the risks inherent to the company's business activities are properly managed.			
4.2.1.	The Board should establish a risk management committee with at least three non-executive directors; the majority of whom, including the committee chairman, should be independent.	Not good	Not good	Due to the small number of BOD members and the fact that the BOD has many sub-committees, the Risk Management Committee of SHS has only 1 members.



NO.	CONTENT OF QUESTION	PERFORMANCE		ASSESSMENT
		2020	2019	
4.2.2.	The Board should adopt a risk management committee charter which should be made publicly available via the company's website. The authorities, composition and working procedures specified in the risk management committee charter should be developed as a practical benchmark, against which performance of the risk management committee would be evaluated.	Relatively good	Relatively good	The Board of Directors has approved the operational regulations of the Risk Management Committee but it has not been posted on the website.
4.2.3.	The primary responsibilities of the risk management committee are to: (1) Approve and oversee the company's procedures and policies in identifying and managing risk; (2) oversee and monitor senior management's performance in implementing the company's risk management policy; (3) review and recommend for Board approval risk appetite and risk management strategies; (4) recommend to the Board exposure limits and risk-taking authority delegated to chief executive officer (CEO) and senior management; (5) consider risk aspects of strategies and proposals by management; (6) monitor the effectiveness of the risk management function and ensure that there are adequate resources and systems in place to meet the desired level of capability and exceed minimum compliance requirements; and (7) establish a continuing education program to improve member knowledge of risk management.	Good	Good	
4.2.4.	Subject to legal requirements on company size, the nature of its business environment and other factors, if there is no urgent need to establish the separate risk management committee, the audit committee may combine audit and risk management oversight responsibilities.	Good	Good	
4.3.	The Board should establish a corporate governance, nomination and remuneration committee to strengthen the effectiveness of the company's corporate governance framework and ensure that the company's nomination and remuneration policies and practices support the successful appointment, development, and retention of directors and managers.			
4.3.1.	The Board should establish a corporate governance, nomination and remuneration (CGNR) committee which should be composed of at least three qualified non-executive directors, the majority of whom, including the committee chairman, should be independent.	Not good	Not good	Due to the small number of BOD members and the fact that the BOD has many sub-committees, the SHS's System Management and Salary Committee has only one member and he is a non-independent member.
4.3.2.	The Board should adopt a CGNR committee charter which should be made publically available via the company's website. The authorities, composition and working procedures specified in the CGNR committee charter should be developed as a practical benchmark, against which performance of the CGNR committee would be evaluated.	Relatively good	Relatively good	The Board of Directors approved CGNR's operating regulations but this has not been posted on the website.

NO.	CONTENT OF QUESTION	PERFORMANCE		ASSESSMENT
		2020	2019	
4.3.3.	The primary responsibilities of the CGNR committee are to: (1) Develop, recommend and annually review the company's corporate governance policies and oversee corporate governance matters; (2) identify individuals qualified to become Board members and recommend such individuals to the Board for nomination for election to the Board; (3) make recommendations to the Board concerning committee appointments (other than the CGNR Committee); (4) coordinate an annual evaluation of the Board, directors and committee; (5) ensure compliance with the company's corporate governance policy (manual) and the Code of Conduct; (6) assist the Board with discharging its responsibilities relating to the remuneration of the directors, CEO, senior management, the company secretary and such other members of the management as it is designated to consider by the Board; (7) oversee the administration of the company's compensation and benefits plans; and (8) prepare an annual report on remuneration policy and practices which will form part of the company's annual report.	Good	Good	
5.	ENSURING EFFECTIVE PERFORMANCE OF THE BOARD			
5.1.	The Board should conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees. Every three years, the assessment should be supported by an external facilitator.			
5.1.1.	Board assessment helps the directors to thoroughly review their performance and understand their roles and responsibilities.	Good	Good	
5.1.2.	The periodic review and assessment of the Board's performance as a body, the board committees, the individual directors, and the Chairman show how the afore mentioned should perform their responsibilities effectively.	Good	Good	
5.1.3.	In addition, it provides a means to assess a director's attendance at Board and committee meetings, participation in boardroom discussions and manner of voting on material issues.	Good	Good	
5.1.4.	The use of an external facilitator in the assessment process increases the objectivity of the same. The external facilitator can be any independent third party such as, but not limited to, a consulting firm, academic institution or professional organization.	Not good	Not good	SHS has not yet hired external auditors.
5.2.	The Board should have in place a system that provides, at a minimum, criteria and processes to determine the performance of the Board, the individual directors, and its committees. Such a system should allow for a feedback mechanism from the shareholders.			
5.2.1.	Disclosure of the criteria, process and collective results of the assessment ensures transparency and allows shareholders and stakeholders to determine if the directors are performing their responsibilities to the company.	Good	Good	
5.2.2.	Companies are given the discretion to determine the assessment criteria and process, which should be based on the mandates, functions, roles and responsibilities provided in the Board and Committee Charters.	Good	Good	



NO.	CONTENT OF QUESTION	PERFORMANCE		ASSESSMENT
		2020	2019	
5.2.3.	In establishing the criteria, attention is given to the values, principles and skills required for the company. Normally, the Corporate Governance Nomination and Remuneration Committee oversees the evaluation process.	Good	Good	
5.3.	When proposing director remuneration to the shareholders' meeting for approval, the Board should consider whether the remuneration structure is appropriate for the directors' respective roles and responsibilities, linked to their individual and company performance, and provide incentives for the Board to lead the Company in meeting its objectives, both in the short and long term.			
5.3.1.	The Board's remuneration committee with its members' majority and the chairman being independent directors is responsible for setting the remuneration policy.	Good	Good	
5.3.2.	The remuneration of the Board should be consistent with the Company's strategies and long-term objectives, and reflect the experience, obligations, scope of work, accountability and responsibilities, and contribution of each director. Directors who have additional roles and responsibilities, such as a member of a committee, should be entitled to additional remuneration, comparable to industry practice.	Good	Good	
5.3.3.	Shareholders must approve the Board remuneration structure, including level and pay components (both cash-based and non-cash compensation). The Board should consider the appropriateness of each pay component, both in terms of fixed rates (such as retainer fee and attendance fee) and remuneration paid according to the company's performance (such as bonus and rewards). The remuneration should reflect the values that the Company creates for shareholders taking a long-term perspective on company performance, and the pay level should not be too high so as avoiding the Board excessively focusing on the Company's short-term results.	Relatively good	Relatively good	SHS's Annual General Meeting of Shareholders only approves the total remuneration of the BOD and the Supervisory Board by year. The AGM authorizes the Board of Directors to allocate the remuneration fund to each member.
6.	ESTABLISHING AND MAINTAINING AN ETHICAL CORPORATE CULTURE			
6.1.	The Board should ensure the adoption of a Code of Business Conduct and Ethics to set an appropriate ethical business culture within the company. This Code would provide standards for professional and ethical behaviors, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings. The Code should be properly disseminated to the Board, Senior Management and employees. It should also be disclosed and made available to the public through the company website.			
6.1.1.	A Code of Business Conduct and Ethics formalizing ethical values is an important tool to install an ethical corporate culture that pervades throughout the company.	Good	Good	
6.1.2.	The main responsibilities to create and design a Code of Business Conduct and Ethics suitable to the needs of the company and the culture by which it operates lies with the Board.	Good	Good	
6.1.3.	To ensure proper compliance with the Code, appropriate orientation and training of the Board, Senior Management and employees on the same are necessary.	Good	Good	
6.2.	The Board should ensure the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.			

NO.	CONTENT OF QUESTION	PERFORMANCE		ASSESSMENT
		2020	2019	
6.2.1.	The Board has the primary duty to make sure that the internal controls are in place to ensure the Company's compliance with the Code of Business Conduct and Ethics and its internal policies and procedures. Hence, it needs to ensure the implementation of said internal controls to support, promote and guarantee compliance.	Good	Good	
6.2.2.	This includes efficient communication channels, which aid and encourage employees, customers, suppliers and creditors to raise concerns on potential unethical/unlawful behavior to the Board's appropriate communication channel, without fear of retribution.	Good	Good	
6.2.3.	A company's ethics policy can be made effective and inculcated in the company culture through a communication and awareness campaign, continuous training to reinforce the code, strict monitoring and implementation and setting in place proper avenues where issues may be raised and addressed without fear of retribution.	Good	Good	
6.3.	The Board of Directors is the focal point of and collectively bears accountability for the governance of the company, its long-term success and the delivery of sustainable value to its stakeholders. The Board should set the role model for management and employees of the company to follow.			
6.3.1.	The Board and management of the company shall act in an ethical manner, with honesty and integrity in all of its dealings with and on behalf of the company and its shareholders at all times.	Good	Good	
6.3.2.	The Board and management of the company shall ensure that all deliberations, decisions and actions are founded on core values underpinning good governance-responsibility, accountability, fairness and transparency.	Good	Good	
6.3.3.	The Board and management of the company shall ensure that the company complies with applicable laws, regulations, standards and internal policies.	Good	Good	
B.	CONTROL ENVIRONMENT			
7.	ESTABLISHING A SOUND RISK MANAGEMENT AND CONTROL ENVIRONMENT			
7.1.	The Board of Directors should ensure integration of strategy, risk and control, and oversee the effectiveness of the company's internal control system.			
7.1.1.	The Board has the ultimate responsibility for oversight of the company's risk management and internal control frameworks. The Board should ensure that an effective means of risk oversight is in place and clear lines of responsibility and accountability throughout the organization are enforced.	Good	Good	
7.1.2.	The Board should approve strategic plans and monitor their effective implementation. The Board, with assistance from the audit and risk committees, should periodically review the effectiveness of the company's internal controls. The Board's agenda on internal control should not be static and it should be tailored to the issues and risk that demands the Board's highest attention.	Good	Good	



NO.	CONTENT OF QUESTION	PERFORMANCE		ASSESSMENT
		2020	2019	
7.1.3.	The Audit and Risk Committees should ensure that the management team is equipped with the mechanisms and internal controls to identify, assess, and mitigate risks, with a view to keeping them at levels in line with the company's risk appetite. The internal control system should have forward-looking and pro-active perspectives in an attempt to anticipate potential risks. Committees should organize face-to-face meetings with the executive team to understand the most pressing internal control issues.	Good	Good	
7.1.4.	The Board should ensure that all necessary control bodies (e.g. risk management, compliance, internal audit) within the company are established with adequate standing, authority and reporting lines.	Good	Good	
7.1.5.	All Board-level committees should ensure adequate flow of information, on individual incidents or themes that might indicate an underlying or emerging risk, among the committees.	Good	Good	
7.1.6.	The Board, with an aim to support the internal control framework, should develop a whistle-blowing mechanism which would enable employees and stakeholders to make early disclosures about wrongdoing, so that problems can be identified and resolved. Employees should be protected from possible reprisals and they should not be at risk of losing their job or suffering any form of retribution as a result of reporting alleged wrongdoing.	Good	Good	
7.2.	The Board of Directors should establish an internal audit function that provides objective assurance and consulting activity designed to add value and improve an organization's operations.			
7.2.1.	The Company should have an independent internal audit function that provides assurance to the Board as to the effectiveness and efficiency of the company's governance, risk management framework and internal control system. The internal auditor's authority, composition, remuneration, annual budget, working procedures and other relevant matters are regulated in a separate internal audit charter approved by the audit committee.	Good	Good	
7.2.2.	The Head of Internal Audit (Chief Audit Executive) should directly report to the Board or Audit Committee. The Head shall be a senior executive of the organization (but not part of the senior management team). Appointment and dismissal of the Head of Internal Audit shall be approved by the audit committee.	Good	Good	
7.2.3.	The internal audit function should be established in line with applicable legal requirements and the standards adopted by the Institute of Internal Auditors (IIA) which are widely accepted as international best practice.	Good	Good	
7.2.4.	The Audit Committee should receive results of the annual risk assessment, internal audit reports, results of quality assessment and improvement plan of the internal audit department, updates on key audit issues, extensions on audit resolutions, and provide necessary guidance.	Good	Good	
7.3.	The Board should establish a compliance function as a second line of defense with the necessary standing and authority.			
7.3.1.	The Company should have a compliance function that ensures proper compliance with all applicable external laws and regulations as well as internal policies. The compliance function shall monitor activities of the company and its employees to ensure compliance and report to senior management and the Board on a regular basis.	Good	Good	

NO.	CONTENT OF QUESTION	PERFORMANCE		ASSESSMENT
		2020	2019	
7.3.2.	The Compliance Unit will be able to discharge its function better when its independence is reinforced through a direct reporting line to the Board. The Head of Compliance should have the necessary standing and authority within the company. The Head should have direct and unfiltered access to the Board or a board-level committee (E.g. Risk Committee, Audit Committee). The Board or its related Committee should receive periodic updates from the Compliance function.	Not good	Not good	The Legal and Internal Control Department only report directly to the CEO.
7.3.3.	The Head of Compliance should advise senior management and the Board on the applicable laws, rules and standards, including keeping them informed on developments in the area; educate staff on compliance issues; identify, document, assess, measure, monitor and report the compliance risks associated with the company's business activities.	Relatively good	Relatively good	Mainly advised the Board of Management, sometimes advised the Board of Directors
7.4.	The Board should oversee the company's enterprise-wide risk management and ensure the risk management activities help the company in making better and risk-informed strategic decisions, and managing risks within the company's risk appetite.			
7.4.1.	The Board should regularly monitor implementation of the company's strategy and discuss business risks, the management's assessment of the internal risk management and control systems, and any significant changes to such systems. The Board should ensure that sufficient time is devoted to discussing risk-management strategy, including social and environmental risks, activities and outcomes, at Board meetings.	Good	Good	
7.4.2.	The Board should set the risk appetite and risk tolerance limits per the company's strategy. The Board should ensure that the company's risk management framework is reviewed at least on an annual basis. The Audit Committee should receive a report from the internal audit on the effectiveness of the risk management framework on an annual basis.	Good	Good	
7.4.3.	The Board should develop and publish a risk management policy with a clear risk management framework and structure. This framework should incorporate a "three lines of defense" concept, where management is the first line of defense, risk management and compliance functions are the second line of defense, and internal audit is the third line of defense.	Good	Good	
7.4.4.	The Board, with an aim to encourage prudent risk-taking, should ensure that executive remuneration packages aligned with the long-term interest of the shareholders and are adjusted for all types of risks (e.g. operational risks, reputational risks). Organizations can employ risk-adjustment measures such as deferral of payment, longer performance periods etc. when designing their remuneration framework.	Good	Good	
7.4.5.	The company should appoint a Chief Risk Officer (CRO) to head its risk management function. The CRO should have direct access to the Board and/or Risk/Audit Committee.	Good	Good	
7.4.6.	The CRO is responsible and accountable for the execution of the risk-management policy and development of risk management strategies.	Good	Good	
7.5.	The Board should ensure that a foundation and framework for a cyber-resilient company are properly established.			
7.5.1.	The Board should have the necessary capacity to understand cybersecurity risks and related legal implications. If necessary, the Board should seek independent cybersecurity expertise to have discussions on this topic.	Good	Good	



NO.	CONTENT OF QUESTION	PERFORMANCE		ASSESSMENT
		2020	2019	
7.5.2.	Cybersecurity risk should be dealt with as part of the company's enterprise-wide risk management rather than as a separate issue. Adequate time should be given to the cybersecurity on the Board's agenda to ensure satisfactory cyber protection.	Good	Good	
7.5.3.	The Board should approve the company's strategy on identification and mitigation of cyber risks, including the transfer of risks through insurance.	Good	Good	
7.5.4.	The Board should seek annual reports from the internal auditors on the company's cybersecurity program.	Good	Good	
7.6.	The Board of Directors should establish the selection criteria for the external auditor, evaluation of the quality of work of the external auditor, and set procedures for follow-up on external auditors' recommendations.			
7.6.1.	The external auditor will be appointed by the general assembly (unless otherwise required by specific laws). The Audit Committee should report to the Board and the annual general assembly on the Committee's recommendations with respect to the selection of the external auditor, engagement fees and the overall terms of service to be provided by the external auditor.	Relatively good	Relatively good	At SHS: Every year, the Annual General Meeting of Shareholders authorizes the Board of Directors to select an independent auditing company from at least 3 independent auditing companies on the basis of the Supervisory Board's offer.
7.6.2.	The Audit Committee should determine and oversee the audit quality indicators (e.g. external auditor's compliance with independence requirements, years of audit experience and industry specialization, attribution rate etc.) and oversee the work of the external auditor and the effectiveness of the audit process. The committee should review the company's policies on external auditor (e.g. selection, rotation, performance assessment etc.) and report to the board the Committee's recommendations for any modification of such policies.	Good	Good	
7.6.3.	The external auditor should be independent, well-qualified to carry out their duties, and free of conflicts of interest. The external auditor should provide only an audit opinion and refrain from providing any other non-audit services to the company. Financial Statements should be audited in accordance with Internal Standards on Auditing (ISA),	Good	Good	The Independent Auditing Company audits SHS's financial statements according to Vietnamese Standards on Auditing.
7.6.4.	The company should disclose all fees payable to the external auditor including both assurance and non-assurance services. The Audit Committee should ensure that the amount of non-audit (non-assurance) fees, if any, does not exceed a number of fees paid for the provision of external audit services.	Good	Good	SHS only pays auditing fees to the Independent Auditing Company.
C.	DISCLOSURE AND TRANSPARENCY			
8.	STRENGTHENING COMPANY DISCLOSURE PRACTICES			
8.1.	The Board should ensure adequate communications with shareholders, investors, regulators and the general public by pursuing a transparent and effective disclosure policy.			

NO.	CONTENT OF QUESTION	PERFORMANCE		ASSESSMENT
		2020	2019	
8.1.1.	The Board should adopt the disclosure policy which ensures that all relevant information on the governance and operations of the company is disclosed accurately, in time and in full in accordance with applicable laws and regulations, and that it is available to shareholders and other stakeholders at the same time. In particular, the company should make a full, fair, accurate and timely disclosure of every material fact or event that occurs, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Good	Good	
8.1.2.	The Board of Directors should ensure that the company's disclosure practices follow the disclosure policy. The company's disclosure system should guarantee equal access to information to shareholders, investors, and other stakeholders and should not allow for any abuse of internal information or insider trading.	Good	Good	
8.1.3.	The Audit Committee should oversee all financial and non-financial reports in accordance with the policy.	Good	Good	
8.1.4.	The Board should adopt a policy requiring all directors and senior managers to disclose/report to the company any dealings in the company's shares within 3 business days.	Good	Good	All SHS's internal and related people are required to report before trading SHS shares in accordance with the provisions of Circular 155.
8.1.5.	The company should have a dedicated investor relations function, responsible for overseeing the external communications and statutory filings.	Good	Good	
8.1.6.	The company must absolutely comply with all applicable laws and regulations, national and international standards as required elsewhere.	Good	Good	
8.2.	To promote effective, cost-efficient access to relevant information, the Board should ensure easy and non-discriminatory access to disclosed information using diverse tools of communication			
8.2.1.	The Board should ensure that relevant company information is published as soon as possible, and for that reason, the company's disclosure policy should cover the procedures for electronic disclosure.	Good	Good	
8.2.2.	The company should establish and continuously update a corporate website. The Board of a listed company should ensure that all information provided via its website is available in both Vietnamese and English.	Good	Good	
8.2.3.	The company should allow investors and analysts to ask their questions related to the company's operations. This can be achieved through open meetings with investors/analysts, press conferences, analyst's briefings or in other formats allowed by a company and subject to guidance defined in the applicable legislation/listing rules.	Good	Good	
8.3.	The Board should ensure disclosure of key non-financial information, including environmental and social reporting.			



NO.	CONTENT OF QUESTION	PERFORMANCE		ASSESSMENT
		2020	2019	
8.3.1.	The Board should ensure that company disclosures are updated and relevant information about its corporate governance practices and structures are published on its website and in annual reports. At a minimum, the company should disclose corporate governance policies and charters in accordance with this Code.	Good	Good	
8.3.2.	The Board should disclose the detailed level and roadmap of the company's compliance with this Code in its annual report.	Good	Good	
8.3.3.	The Board should ensure that the company discloses information on its significant environmental and social (E&S) impacts and its approach to E&S risk management. The information should be prepared in accordance with globally accepted standards, such as standards issued by the Integrated Reporting Council (IIRC), or the Global Reporting Initiative (GRI) or the Sustainable Assurance Standards Board (SASB), and subject to independent verification.	Good	Good	
8.3.4.	The Board should ensure that appropriate governance policies and processes are in place to monitor the quality of environmental and social information. The Board should ensure that the information is linked to the strategy, governance and performance of the company, to promote the long-term sustainable success of the company.	Good	Good	
8.4.	The Board should ensure remuneration of members of the Board and key executives are disclosed publicly to satisfy concerns of the shareholders with regards to remuneration, performance and value creation.			
8.4.1.	The Board should disclose in the company's annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of: (a) Each individual director, member of the Supervisory Board (if applicable) and the CEO; and (b) top key management personnel (who are not directors or the CEO).	Relatively good	Relatively good	SHS discloses the total remuneration and total salary but also details the types of remuneration, salary, bonus... that each member is entitled to.
8.4.2.	The Board should disclose in the company's annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.	Good	Good	
8.4.3.	The Board should also disclose the directors' remuneration policy that reflects the duties and responsibilities of each individual, including the pay components and level received by each director. The remuneration disclosed for each director should also include remuneration for what each individual receives from holding directorships at the company's subsidiaries (if any).	Not good	Not good	SHS hasn't disclosed the remuneration outside the Company that each member of the Board of Directors receives.
D.	SHAREHOLDER RIGHTS			
9.	ESTABLISHING A FRAMEWORK FOR EFFECTIVE EXERCISE OF SHAREHOLDER RIGHTS			
9.1.	The Board should establish and disclose the policy protecting shareholders rights and oversee their implementation			

NO.	CONTENT OF QUESTION	PERFORMANCE		ASSESSMENT
		2020	2019	
9.1.1.	The Board should adopt a comprehensive policy with a description of shareholders' rights and requirements on the authorities' procedures for preparing, conducting, and making decisions at shareholders' meetings.	Good	Good	
9.1.2.	To avoid share dilution, the charter of the company should provide for the preemptive rights of shareholders allowing the company's shareholders to maintain a proportionate share of the ownership of a company when the company issues new shares. The share purchase price and purchase terms for shareholders should not be less favorable than those proposed to third parties.	Good	Good	
9.1.3.	The company should disclose the shareholder policy and the rules and procedures for shareholder participation in the shareholder meetings on its website.	Good	Good	
9.1.4.	The Board should ensure that the company has a system of registering shareholder complaints and effectively regulating corporate disputes.	Good	Good	
9.1.5.	The company should disclose the ultimate beneficial ownership (citing individuals) of 5% or more of its shares.	Good	Good	
9.2.	The Board should organize effective shareholder meetings.			
9.2.1.	The Board should send the notice of annual and extraordinary shareholders' meetings with sufficient and relevant information, at least 21 days before the meetings.	Good	Good	In 2020: the Annual General Meeting of Shareholders met on June 24th, 2018. The notice of the meeting was given on May 27th, 2020. In 2019: the Annual General Meeting of Shareholders met on April 23rd, 2019. The notice of the meeting was given on March 29th, 2019.
9.2.2.	Each shareholder should receive advance notification, an agenda, as well as accurate, objective, and timely information sufficient for making an informed decision about the issues to be decided at the shareholders' meeting.	Good	Good	
9.2.3.	The Board should provide shareholders with comprehensive information regarding the experience and background of the candidates for membership of the Board of Directors, including the age, academic qualifications and other relevant experience including the directorships in other listed and non-listed companies.	Good	Good	



NO.	CONTENT OF QUESTION	PERFORMANCE		ASSESSMENT
		2020	2019	
9.2.4.	The Board should have in place a fair and effective procedure for submitting proposals to the agenda of the shareholders' meeting, including proposals for the nomination of Board members. The shareholders owning at least 10 percent of the company's voting shares should be provided with a right to include additional items in the meeting agenda. The shareholder(s) owning less than 10 percent of the company's voting shares should be provided with the opportunity to propose additional items to the agenda of the shareholders' meeting.	Good	Good	
9.2.5.	Shareholders or a group of shareholders holding 10 percent of the company's voting shares should be able to call for an extraordinary meeting of shareholders.	Good	Good	
9.2.6.	The Board should ensure that shareholders can vote via authorized representatives (proxies) in accordance with the instructions of the shareholders. The rules of absentee voting shall be defined in the policy on shareholders' meeting of the company. The Board should also encourage and allow shareholders to vote via email or by postal services, and to participate at the shareholders meeting via conference calls or video conferences in a manner which does not make voting procedures unnecessarily difficult or expensive.	Relatively good	Relatively good	In 2019 and 2020: SHS has just registered for attending the GMS online, but has not implemented the online GMS meeting, electronic vote or vote via postal service.
9.2.7.	The shareholders' meetings should be held at a time and place that is the most convenient for shareholders.	Good	Good	
9.2.8.	The directors, senior management and external auditors should attend the shareholders' meetings to answer questions asked by the shareholders at the meeting.	Good	Good	
9.2.9.	The company should disclose the voting results within 1 day after the annual or extraordinary shareholders' meeting. Voting results should include a breakdown of the approving and dissenting votes on the matters raised during the shareholders' meeting.	Good	Good	In 2019 and 2020: SHS disclosed voting results on the day of the Annual General Meeting of Shareholders.
9.2.10.	The minutes of the annual and extraordinary shareholders' meetings should be available on the company website within 24 hours after the meeting. In addition to the regulatory requirements, the minutes should include the following: (1) Voting procedures; (2) if the opportunity was given to shareholders to ask questions, as well as a record of the questions asked and the answers received; (3) the matters discussed and the resolutions reached; (4) voting results for each agenda item; (5) a list of the directors, officers, external auditors and shareholders who attended the meeting; and (6) dissenting opinion on any agenda item that is considered significant in the discussion process.	Good	Good	In 2019 and 2020: SHS disclosed Minutes of the General Meeting of Shareholders on the day of the Annual General Meeting of Shareholders.
9.3.	The Board should develop and implement a fair and consistent dividend policy.			
9.3.1.	The Board should adopt a clear and transparent policy on the dividend distribution and payment process. Shareholders should be given full information on conditions of dividends distribution and payout procedures and there should no hindrance for shareholders in obtaining their dividends.	Good	Good	

NO.	CONTENT OF QUESTION	PERFORMANCE		ASSESSMENT
		2020	2019	
9.3.2.	The cash dividends should be paid within 30 days after the adoption of the relevant resolution. In case the company had a resolution to pay dividends by shares, the script dividends should be paid within 60 days.	Not good	Not good	- Resolution of the Annual General Meeting of Shareholders 2020 (June 24th, 2020) approved the dividend payment in 2019 by cash with the ratio of 12%, the payment date on August 12th, 2020. - Resolution of the Annual General Meeting of Shareholders 2019 (April 23rd, 2019) approved the dividend payment in 2018 at the rate of 15%, payment date July 15th, 2019.
9.3.3.	The company is responsible for paying all declared dividends. Accordingly, the Board shall be liable to its shareholders for the failure to discharge this duty, pursuant to the applicable legislation.	Good	Good	
9.3.4.	The Board should disclose the dividend policy via the company's website.	Good	Good	
9.4.	All shareholders shall be treated equally.			
9.4.1.	All shareholders' rights shall be recognized, respected and protected by the Board. In particular, minority shareholders shall be protected from any abuse by controlling or significant shareholders, holding shares directly or indirectly, who may control or significantly influence company decisions.	Good	Good	
9.4.2.	Shareholder voting shall be on a 'one share, one vote' basis. All rights pertaining to each class of shares shall be publicly disclosed.	Good	Good	
9.4.3.	Foreign and domestic shareholders shall be encouraged to participate and vote at the AGM. Impediments to cross-border voting at the AGM shall be eliminated. AGM materials, including documents, resolutions and minutes, shall be provided in English to enable full participation by those not familiar with Vietnamese and translators shall be provided at the AGM where necessary.	Good	Good	
9.4.4.	The company shall establish and publish on its website an effective Complaints Policy and mechanism which enables shareholders and others to register their complaint, have it investigated and acted upon.	Good	Good	
9.5.	Related-party transactions (RPTs) should be approved and conducted in a manner that ensures proper management of conflict of interest and protects the interest of the company and its shareholders.			



NO.	CONTENT OF QUESTION	PERFORMANCE		ASSESSMENT
		2020	2019	
9.5.1.	The Board must ensure that transactions between related parties are conducted according to market practices in all aspects (e.g. price, term, guarantees, and general conditions). All RPTs, if they occur, should be subject to strict review and (dis)approval processes following the defined approval matrix, and should be properly disclosed.	Good	Good	
9.5.2.	Members of the Board and key executives should be required to disclose to the Board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the corporation.	Good	Good	
9.5.3.	Companies should issue a written policy on RPTs (approved by the Board) and publish it on their website. This policy should incorporate, as a minimum, the following elements: (1) Policy objective; (2) definitions; (3) policy owner; (4) applicability of the policy; (5) identification of RPs and RPTs, including thresholds and disclosure requirements; (6) notification, accountabilities and processes; (7) review and (dis)approval processes; (8) monitoring of RPTs; (9) transparency and disclosure/reporting of RPTs; and (10) publication and promotion of the policy.	Good	Good	The Company's Charter and Internal Regulations on Corporate Governance have been provided.
9.5.4.	Independent, non-conflicted directors should be identified and their duties with regard to RPTs formalized in a committee charter. These directors should support implementation of the RPT policy, review and (dis)approval processes and have close interactions with the internal audit function and the external auditor who provides RPT assurance.	Good	Good	
9.5.5.	In the case of RPTs that are large in scale or which could shape the company's strategic direction or capital structure, shareholders should have the right to approve RPTs. The Board should submit the transaction for shareholder approval and disclose the following information (both before concluding the transaction and in the company's annual report): (1) The identity of the ultimate beneficiaries, including any controlling owner and any party affiliated with the controlling owner with any direct/indirect ownership interest in the company; (2) other businesses in which the controlling shareholder has a significant interest; and (3) shareholder agreements (e.g. commitments to related party payments such as license fees, service agreements and loans).	Good	Good	
E.	STAKEHOLDER RELATIONS			
10.	BUILDING EFFECTIVE STAKEHOLDER ENGAGEMENT			
10.1.	The Board should ensure establishing rules for stakeholder protection and engagement.			

NO.	CONTENT OF QUESTION	PERFORMANCE		ASSESSMENT
		2020	2019	
10.1.1.	The Board should ensure that there is a formal stakeholder identification process and that company's stakeholders include the employees, creditors, clients, suppliers, the local communities and key Non-Governmental Organizations. The Board should adopt well-defined stakeholder policies with differentiated approaches for identified priority groups.	Good	Good	
10.1.2.	The Board should ensure that the Company respects the legitimate interests and rights of stakeholders as established by law or contractual commitments. The Board should set up high expectations for stakeholder interactions and demonstrate the commitment to stakeholder engagement in the Code of Conduct.	Good	Good	
10.1.3.	As a priority, the Board should adopt employee policies and programs, in particular on safety, welfare and development, so company employees are able to actively contribute to the achievement of the company's objectives and can participate in its governance.	Good	Good	
10.1.4.	The Board should ensure that the company adopts and enforces a strict anti-corruption and anti-bribery policy in its Code of Business Conduct and Ethics.	Good	Good	
10.1.5.	The Board should ensure that company's social and environmental requirements are incorporated into requirements for contractors.	Good	Good	
10.2.	The Board should ensure and oversee the appropriate dialogue between the company and its stakeholders.			
10.2.1.	The Board should establish and oversee a mechanism for employees and other stakeholders to formally report their questions and complaints.	Good	Good	
10.2.2.	The Board should adopt a transparent and publicly accessible communication procedure which allows the company to: (1) Receive and register external communication from the external stakeholders; (2) assess issues raised and determine a response; and (3) provide and document responses, if any.	Good	Good	



## ACCORDING TO THE DECISION NO. 617/QĐ-UBCK DATED 09/10/2013 ON GUIDING THE CLASSIFICATION OF SECURITIES COMPANIES

NO.	CRITERIA	VALUE	SCORE	PROPORTION	TOTAL SCORE IN 2020	TOTAL SCORE IN 2019
1	Years of leadership (in the Board of Directors/General Director) in the finance/securities sector of the Chairman of the BOM	>=5 years	100	4%	4	4
2	Years of leadership (in the Board of Directors/General Director) in the securities sector of the Director/General Director	>=5 years	100	6%	6	6
3	Years of experience in the finance/securities sector of the Chairman of the Board	>=7 years	100	4%	4	4
4	Years of experience in the securities sector of the Director/General Director	>=7 years	100	6%	6	6
5	Stability of key leadership positions (Director (CEO, CFO), Deputy Director, Heads of Departments) for the past 3 years. Calculated with the total number of personnel changes in these positions (leaving the company)/total of these positions	Under 5%	80	4%	3.2	3.2
6	The adequacy of professional procedures in accordance with the law on securities and regulations of the Exchange and Securities Depository Center	Issued fully, met the actual requirements	100	5%	5	5
7	Risk management policy for all operations	An independent risk management unit has been established, policies have been issued fully, meeting practical requirements.	100	5%	5	5
8	Evaluating the operational capability of the internal inspection and control department	Has been established, and fully met the requirements for effective operation	100	5%	5	5
9	Evaluating the control quality of investors' deposits for stock trading	The Company has a process for managing investors' deposits and investors' deposits are strictly controlled and managed.	100	5%	5	5
10	Transparency of financial information	Financial information is publically available, complete and timely on the mass media and there are no significant corrections after the publication date.	100	6%	6	6
11	Years of operation	>7 years	100	6%	6	6
12	The proportion of securities transaction turnover through the Company (on both exchanges)/total transaction turnover of the market (total transaction turnover of two exchanges)	From 2% to 5%	80	8%	6.4	6.4
13	Modernity of information technology systems	Having an online transaction system and an effective internal management information system	100	5%	5	5
14	The size of the equity of the Company compared to the common ground of securities companies on the market	Top 10	90	5%	4.5	4.5
15	Stability and ability to increase (or decrease) equity over the next two years (plan to increase capital, profit or loss)	Having clear capital raising plans and prospects and high feasibility	100	4%	4	4
16	Stability and sustainability of growth, reflected by the average revenue growth rate in the last 3 reporting periods (6 months)	Over 20%	100	6%	6	6
17	Using the settlement support fund of the Securities Depository Center due to lack of money for clearing securities transactions	Not used	100	5%	5	5
18	Situation of compliance (violation) of legal regulations in the field of securities and securities market in the last 6 months	Not violated	100	6%	6	6
19	The number of licensed operations of the Company	Over 4 operations	100	5%	5	5
<b>Total</b>					97.1	97.1

GOVERNANCE  
SCORE:**97.1 points**

The results of corporate governance self-assessment according to Decision No. 617/QĐ-UBCK showed that the corporate governance score of the Company remained unchanged from the previous year and was equal to 97.1 points (ranked A), showing the stability in terms of corporate governance.



## CORPORATE FINANCIAL ASSESSMENT

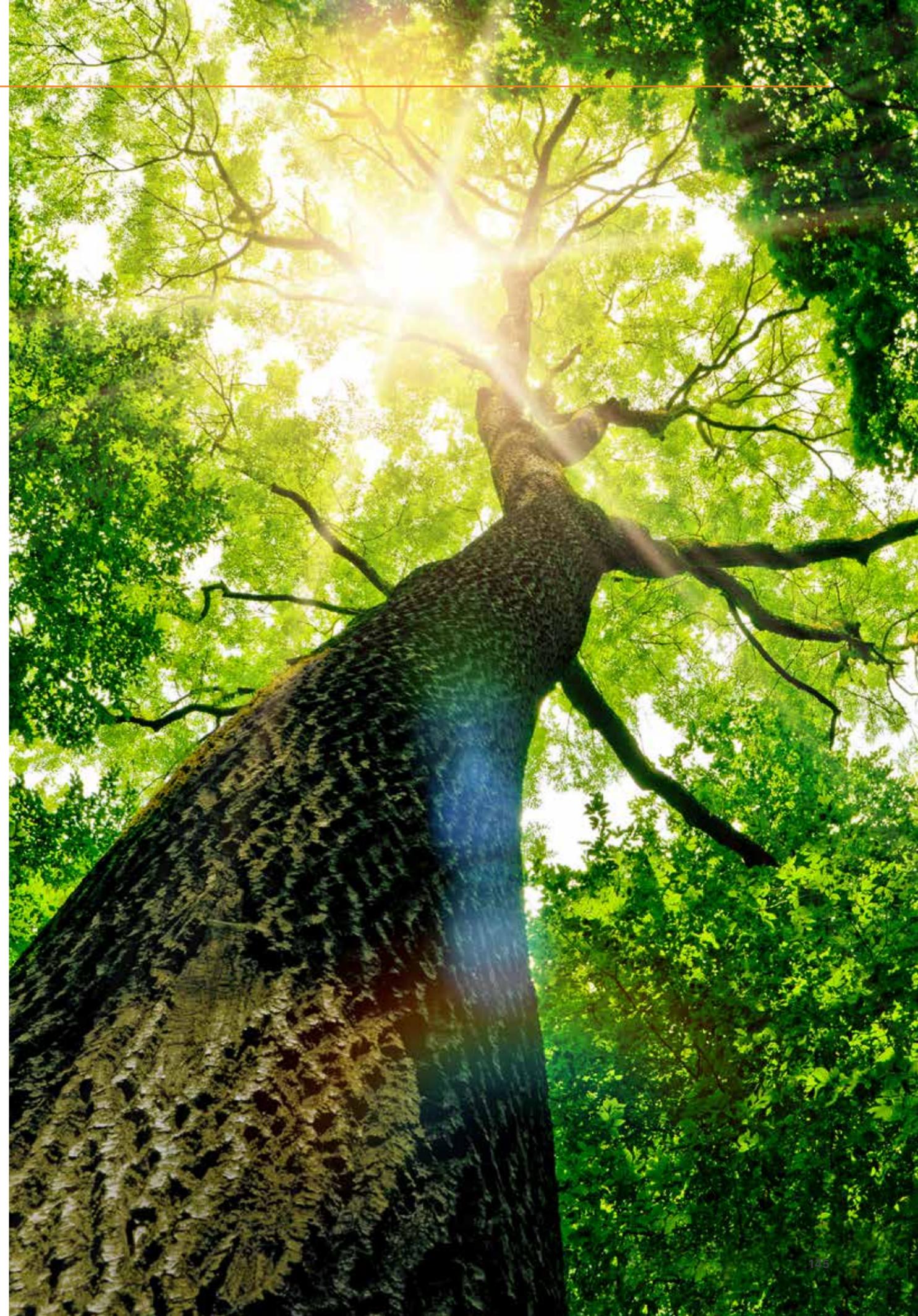
ACCORDING TO THE DECISION NO. 617/QĐ-UBCK DATED 09/10/2013 ON GUIDING THE CLASSIFICATION OF SECURITIES COMPANIES

NO.	NAME OF CRITERIA	VALUE	SCORE	PROPORTION	TOTAL SCORE IN 2020	TOTAL SCORE IN 2019
<b>I. THE LEVEL OF CAPITAL ADEQUACY</b>						
1	Equity/Total assets	47%	20	10%	2	2
2	Equity/Legal capital	922%	100	10%	10	10
3	Net available capital ratio	346%	100	10%	10	10
<b>II. ASSET QUALITY</b>						
4	Ratio of total assets after adjusting risk/Total assets (excluding fixed assets)	87%	80	5%	4	4
5	Provision rate/(short-term investment + long-term investment + receivables)	0%	80	10%	8	8
6	Accounts receivable/Total assets ratio	58%	50	10%	5	5
<b>III. PROFITABILITY</b>						
7	Profit after tax/Total revenue	42%	100	10%	10	10
8	Profit after tax/Average equity	25%	100	10%	10	7
<b>IV. QUALITY OF LIQUIDITY</b>						
9	Short-term assets/Short-term liabilities	191%	100	15%	15	15
10	Cash and cash equivalents/Short-term liabilities	18%	60	10%	6	10
<b>Total</b>				<b>100%</b>	<b>80</b>	<b>81</b>

FINANCIAL  
SCORE:

**80.0 points**

The results of the company's financial self-assessment according to Decision No. 617/QĐ-UBCK showed that the financial score in 2020 decreased slightly compared to the previous year (reached 80.0 points, ranked A). The reason was that the ratio of cash and cash equivalents / short-term liabilities decreased by 4 points while the ratio of profit after tax / average equity increased only 3 points.





# PART 04 BUSINESS PLAN FOR 2021

- OVERVIEW OF 2021
- BUSINESS PLAN FOR 2021



## OVERVIEW OF 2021

### THE WORLD

The outlook of the global economic growth in 2021, assessed by organizations is much more positive than 2020 due to recession caused by the Covid-19 pandemic. The circulation of four vaccines and 43 other ongoing vaccine research projects create expectations for a recovery in production and consumption globally. Growth drivers are expected to come from leading economies such as the US (+5.1%), China (+8.1%), and Europe (4.2%). As a result, the global economy is forecast to grow 5.5% according to the IMF after negative growth (-3.5%) in 2020.

Nevertheless, certain risks to the global economy are:

- Prospect for growth depends heavily on the size and effectiveness of Covid vaccination. The risk that several countries have to quarantine again still exists because there do not have enough vaccines for every people while viruses are emerging to transform into new types.
- After becoming the President, Joe Biden's policies towards China is expected to be more flexible and predictable than the old one. However, China is still considered to the US. Therefore, the trade war between the US and China has not come to an end and could explode at any time.
- The risk of global asset bubble because of cheap capital flows.
- The risk of rising global public debt when governments borrow more and more to launch large-scale bailout

### VIETNAM

In 2021, Vietnam's economy is expected to return to its growth momentum before the Covid-19 pandemic thanks to the recovery of domestic demand after the epidemic is well-controlled and support packages and disbursement of public investment are launched by the Government. In addition, the growth drivers will continue to come from the foreign-invested sector as import and export activities are forecast to remain well because of the recovery of external demand and effect of FTA. Moreover, an increase in FDI due to the change of supply chains will also support both import activities, export activities and foreign exchange reserves.

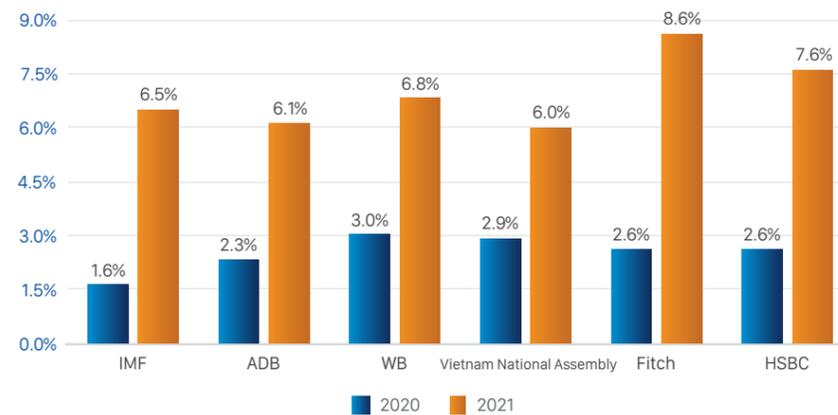
Certain challenges, however, include:

- Disease is returning in the context those vaccines are not popular and the Covid-19 viruses have many new variants.
- The US – China trade war, although is easing, might come back.
- Slow economic restructuring process will affect the post-epidemic recovery momentum.
- The increasing Non Performing Loans in the banking system.

Several forecasts about Vietnam's economy in 2021 are as follows:

- **GDP growth:** GDP growth in 2021 is expected to be ranging from 6.0% to 6.8%, or reaching 8.6% according to certain organization. The growth drivers are expected to be the recovery of domestic consumption, resilience of FDI sector, export activities and the support from public investments. Sectors that have still been experiencing difficulties include logistics, tourism due to limiting commuting between countries which cannot be removed shortly.



**ECONOMIC FORECASTS FOR VIETNAM IN 2021**

- **Inflation:** in 2021, inflation is assessed to not significantly rise, similar to cost of essential goods and materials and can be controlled under 4.0% because the global economy hasn't fully recovered. Nevertheless, there are still factors such as unpredictable weather and epidemics in 2020.
- **Exchange rate:** in 2021, the exchange rate is expected to rise given the fact that the FED and many other countries in the world are lowering interest rates and launching large support packages. However, the rate will increase slightly because the State Bank will also manage to reduce the risk related to the issue of "currency manipulation".
- **Interest and credit:** credit is forecast to continue growing with the rate of 12.0%, similar to that of 2020. The interest level is likely to remain unchanged after several reductions to support the recovery of enterprises. However, NPL ratio will increase as a result of difficulties since 2020.
- **Restructuring:** the restructuring and equitizing of SOEs and divesting will continue to be strongly implemented after the National Congress of the Communist Party of Vietnam.

**IMPACT PREDICTION**

The stock market in 2021 is forecast to be positive in spite of periods of growth, adjustment, and accumulation.

**OPPORTUNITIES:**

- Both global and Vietnam economies is projected to recover in 2021 because of the Covid-19 preventive vaccines, in which Vietnam is still recognized as a bright spot in Asia thanks to its success against the epidemic, a young population structure with the increasing middle class, ability to attract FDI shifts, ability to take advantage of trade agreements. These are factors supporting to the stock market's growth.
- The interest rate level is forecast to remain at a low level in 2021 to support enterprises and the economy in the recovery process. In that context, the stock market continues to be an investment channel to attract available funds of investors.

- In 2021, a series of new policies such as the Securities Law, the Enterprise Law, and the Investment Law will officially take effect to create a legal corridor for the issuance of Non-Voting Depository Certificates (NVDR) with positive economic prospects and new IT system creating the basis for T+0 transactions, guaranteed short-selling. These factors are expected to open up opportunities for Vietnam's stock market to be considered by FTSE and MSCI to upgrade to an Emerging Market in the following periods, thereby attracting more cash flows, especially foreign capital flows.
- The process of restructuring SOE, equitization and listing of large enterprises will continue to take place with many potential enterprises such as Mobifone, VNPT, Satra, Genco 2, Genco 1, Vicem, Vinachem, Vinataba ... The divestment of SOE in listed enterprises such as ACV, Vietnam Airlines, Viglacera, PV Gas, Petrolimex ... along with the process of changing the stock exchange for many large stocks from Upcom to HOSE/HNX will help the market to have more quality goods and increase liquidity.

**CHALLENGES:**

- The new US government is expected to be flexible and predictable, China, however is still considered a competitor and might affect US's interests. Thus, tension between two countries and trade war are still in danger of returning. Besides, geopolitical risks in hot spots around the world are also at risk of escalating bad impacts on international and Vietnam financial markets.
- Inflation, although is forecast to be kept at a low level in 2021, still a factor to be observed because unexpected factors in Vietnam and abroad, if happens, can lead to an increase in inflation. Monetary policy is becoming more cautious, thereby affecting the cash flow into the stock market.
- Covid-19 vaccination couldn't be completed by 2021 in both Vietnam and global level with the increasing risk of disease outbreaks again in other countries then spreading to Vietnam is thereby affecting the economic recovery and development of the stock market.
- After the strong growth in many sectors in 2020, stock prices of listed companies are projected to strongly diverge, which requires investment activities, flexible and more quickly investment consultation of securities companies.
- The IT system of Ho Chi Minh City Stock Exchange and some securities companies are too overloaded, leading to congestion of investors' orders, affecting psychology, development of the market.



## BUSINESS PLAN FOR 2021

Based on an overview of the global and Vietnamese economies in 2021, the Company focuses on analyzing its strengths, weaknesses, opportunities and challenges determining the Company's business plan in 2021.

### ► ANALYSIS

#### STRENGTHS:

- SHS is a reputable securities company and one which is positioned as a large player in the market.
- Strongly supported by T&T and associated financial institutions in terms of financial resources, customer base and strategic orientation.
- Large partners and a large customer base.
- Highly qualified, experienced, and long-term staff.
- Diverse and flexible financial products and services.

#### WEAKNESSES:

- Business growth has not been sustainable. Business results of major operations such as brokerage, financial services, investment and consulting are heavily subject to market fluctuations.
- Although the Company manages a huge number of customers, most of them are domestics individual customers, thus limiting the implementation of a centralization strategy.
- Abundant business capital, meanwhile, the cost of capital is not attractive.
- The current trading software system has reached a critical point and needs to be upgraded.

#### OPPORTUNITIES:

- Interest rate being kept at low level will encourage cash flow to the stock market thereby creating opportunities for SHS business activities.
- 2021 will be the peak year of equitization, IPOs, and divestments in SE as well as bank debt restructuring. This will provide opportunities for brokerage, investment, consulting and underwriting activities.

#### THREATS:

- Credit regulations for trading and investing in securities are still under tight control, thus affecting cash flow into the stock market, including SHS.
- In addition to Decree No.81/2020/ND-CP effective from 1 September 2020, in 2021, the Law on Securities 2019 and Decree No.155/2020/ND-CP also came into effect, including many tightening conditions for management of issuance of private bond. Besides, after a successful year of 2020, many other securities companies have also participated in consulting activities for bond issuance, lowering service prices to compete. These will be challenges for SHS's consulting activities.
- Competition pressure in terms of both interest rates and brokerage fees from other companies continues to increase, especially from foreign-owned companies. Besides, the fact that SHS has not joined the derivatives market and has not issued covered warrants also makes the Company's financial products less competitive than others.
- The cash flow of foreign investors, especially foreign institutional customers, has increased sharply recently. In this context, securities companies in the lower group will face many challenges, including SHS, as the top-3 companies (SSI, HSC and Ban Viet) currently hold almost all the market share of this group of customers.
- Bond yields have plummeted to their lowest level in 10 years. The Government bond market is predicted to be more difficult in 2021 due to bond yields drifting sideways and maybe increase. Investment activities, therefore, will be riskier.
- The fact that the stock market is expected to be highly volatile in 2021 requires SHS to take flexible and agile actions in order to manage risks and seize opportunities.
- Besides scaling up, competition among securities companies continues to intensify and drive up the quality of services, requiring SHS to invest still further in human resources and technology to maintain and improve market share. This may increase operating costs and put pressure on the Company in the short term.

**► EVALUATION OF THE IMPLEMENTATION OF THE BUSINESS**

CRITERIA	2020 PLAN	2020 ACTUAL	EVALUATION
Assumptions	Macroeconomic situation: unstable in the first 6 months and stable in the second half of the year.	Macroeconomic situation is kept stable throughout the year	Actual situation is better than assumption.
	Average trading value of the whole market: VND 5,100 billion/session.	Average trading value of the whole market: - HOSE: VND6.290 billion/session. - HNX: VND720.5 billion/session.	Actual situation is better than assumption.
	SHS's market share: - HOSE: 3.0% - HNX: 5.0% - The whole market: 3.3%	SHS's market share: - HOSE: 2.5% - HNX: 6.6% - The whole market: 2.8%	Not met the target for HOSE and the whole market but exceeded in HNX
General plan for 2020	Total revenue: VND950.0 billion	Total revenue: VND1,808.5 billion	Exceed planned revenues.
	Total expenses: VND700.0 billion	Total expenses: VND869.6 billion	Not met planned expenses.
	Total profit before tax: VND320.0 billion	Total profit before tax: VND938.9 billion	Exceed planned profit before tax.
Detailed plan for 2020	Promote and develop brokerage activities in terms of scale and quality, improve the quality of investment advisory, and maintain financial stability to serve investors' needs. The goal is to be ranked in the top-5 securities companies with the largest market share of brokerage on listed stocks on both HNX and HOSE, striving to reach the top 3.		Not achieved. SHS's market share is decreasing due to fierce competition.
	Focus on researching, developing and implementing a model that provides portfolio management services for clients.		Not achieved due to limit of current management software.
	Prepare all necessary conditions to implement derivatives market operations.		Achieved. All of requirements were met but not yet implemented.
	Improve the quality of financial products and services and develop new products that are competitive in the market and suitable for each customer segments.		Relatively achieved. Research to improve the quality of products and services suitable for customer segments were regularly implemented but not really competitive.
	Investment activity in listed stock takes advantage of opportunities available in the market, seeking investment opportunities through strategic investment and participation in the auction of SOEs that will IPO in 2020.		Achieved.



CRITERIA	2020 PLAN	2020 ACTUAL	EVALUATION
Detailed plan for 2020	Continue to take advantage of trading opportunities as well as consulting and underwriting bonds issued by corporations or credit institutions in 2020.		Achieved.
	Build a new, modern and professional organizational structure model.		Achieved.
	Recruit more qualified staff for business operations, especially for IPO consulting, M&A consulting and restructuring activities.		Achieved.
	Invest in and upgrade the current information technology system and invest in a derivatives trading system.		Not achieved. BoD has approved but the Company hasn't implemented yet.
	Focus on and enhance control activities, risk management, and financial safety enhancement in business operations.		Achieved.

**► BUSINESS PLAN FOR 2021**

At the time of this report, SHS has not held the 2021 Annual General Meeting of Shareholders, thus the data of business plan for 2021 below is expected figures. These figures will be updated after SHS's 2021 Annual General Meeting of Shareholders is officially approved.

No.	Criteria	Plan for 2021 (VND billion)	Actual in 2020 (VND billion)	% change (VND billion)
1.	Total revenue	1,650.0	1,808.5	-8.8%
2.	Total expenses	900.0	869.6	3.5%
3.	Total profit before tax	750.0	938.9	-20.1%



## PART **05**

# SUSTAINABLE DEVELOPMENT

- SUSTAINABLE DEVELOPMENT GOAL
- 2020 SUSTAINABLE DEVELOPMENT REPORT
- SUSTAINABLE DEVELOPMENT PLAN IN 2021

## SUSTAINABLE DEVELOPMENT GOAL

### ► GOAL

Responding to the United Nations' efforts to promote the global successful implementation of the 17 Sustainable Development Goals for 2015-2030, which includes Vietnam, aside from its short-term business targets on revenue and profitability, SHS also focuses on its sustainable development goals such as gender equality, social security, good management of energy, environmental protection, balancing stakeholders' interests, etc.

### SHS'S SPECIFIC SUSTAINABLE DEVELOPMENT GOALS ARE:

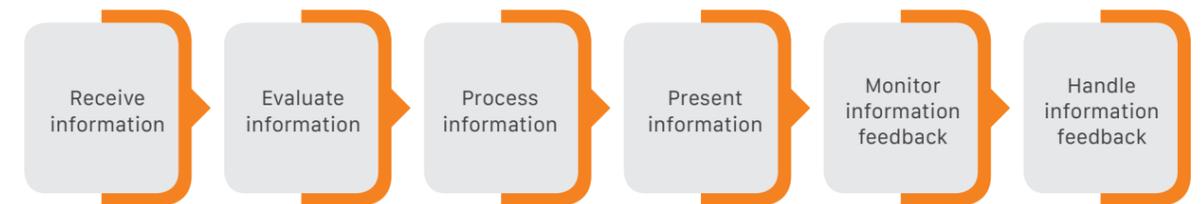
- To become a multi-functional securities company following the model of the leading investment banks in Vietnam.
- To be a reputable securities company brand in the Asian stock market.
- To contribute to, establish and develop a safe and efficient Vietnam's securities market.
- To maximize profit for its shareholders.
- To provide diversified and quality financial and securities services to its customers and partners.
- To create a good working environment that provides safety, high income and promotion opportunities for its employees.
- To align the Company's business targets with environmental and social goals, ensuring the balance of interests within its stakeholders.



### ► SUSTAINABLE MANAGEMENT MODEL

	Board of Director	<ul style="list-style-type: none"> <li>- Provide general guidance on strategy</li> <li>- Approve the objectives and action plans</li> </ul>
	Board of Management	<ul style="list-style-type: none"> <li>- Develop the goals and according action plans to for submission to the Board of Directors</li> <li>- Implement the objectives and action plans approved by the Board of Directors</li> </ul>
	Departments, employees, staffs	<ul style="list-style-type: none"> <li>- Implement the action plans under the direction of the Board of Management</li> <li>- Share and spread sustainable development values to the community</li> </ul>

### SUSTAINABLE DEVELOPMENT INFORMATION MANAGEMENT PROCESS



### RESPONSIBLE PEOPLE FOR SUSTAINABLE DEVELOPMENT

Mr.  
Mai Xuan Son

**Education:** Bachelor of Commercial Business Management – University of Trade and Bachelor of English - University of Language

**Working experience:** 23 years of experience in trade, manufacturing, finance, banking and securities

**Position at SHS:** Member of BOD

**Telephone:** 024.38.181.888 (0)

**Email:** sonmx@ttgroup.com.vn

Mrs.  
Tran Thi Trang

**Education:** Master of Business Administration - LaTrobe University, Australia

**Working experience:** 14 years of experience in finance and securities

**Position at SHS:** Deputy Head of Marketing Department

**Telephone:** 024.38.181.888 (333)

**Email:** trang.tt3@shs.com.vn



# 2020 SUSTAINABLE DEVELOPMENT REPORT

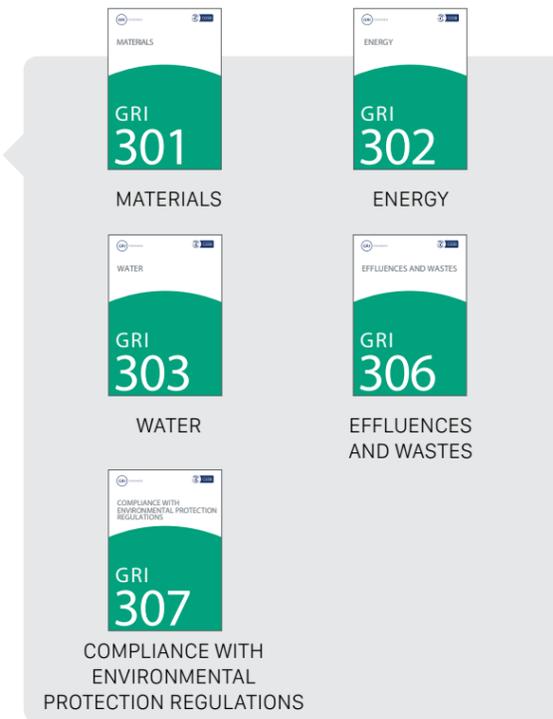
## TARGET AUDIENCES

This year's Sustainable Development Report based on the processing of information and data from the actual operation of the whole Company in the 2020 fiscal year. The report was made by the Sustainable Development Report Team of the Company. This team are assemble from different departments to provide the most complete and honest information and data.

The report's target audience are each and every employee of the Company as well as its involved stakeholders in SHS's activities such as its partners, customers, suppliers, investors, shareholders, local communities and the society, etc.

## SCOPE OF THE REPORT

This report focuses on evaluating the implementation of several key criteria, consistent with the characteristics of the industry and business activities of SHS according to the GRI Standards.





### CONTENTS OF THE REPORT



#### GRI 102 – 14: ANNOUNCEMENT OF THE HIGH LEVEL DECISION MAKER

**This is sixth consecutive years** that SHS provides the Sustainable Development Report in accordance with the Sustainable Development Reporting Guidelines for Financial Services of the Global Reporting Initiative - GRI. In which, SHS complies with the following principles for the making of this year report:

- Principles to determine the content of the report
  - Participation of the Parties
  - Materiality
- Principles to determine the quality of the report
  - Completeness
  - Clarity
  - Consistency
  - Reliability
  - Comparability

#### GRI 102 – 40: RECOGNIZING RELATED PARTIES



#### GRI 102 – 43: APPROACH METHOD

SHS has implemented several channels and approaches to connect and understand the concerns of each stakeholder as follows:

##### To Shareholders/Investors

- At Annual or Extraordinary General Meeting of Shareholders
- Via SHS's website
- Via Investor Relation (phone call, mail, email, and/or Facebook, etc.)
- Direct meetings
- Networking, cooperating, investment opportunities introductory programs.

##### To Employees

- Through HR Department/union
- Through preliminary and summarizing conferences
- Through direct meetings, phone calls, mailings, emails, Facebook
- Through internal training programs

##### To Clients

- Through the opinion of the brokerage team and employees in direct contact with customers
- Direct contact at transaction floor, seminars, customer appreciation conferences etc.
- Customer care switchboard
- Customer calls, mails, emails, Facebook

##### To Suppliers

- Direct meetings and negotiations
- Through website, capacity assessments and other documents

##### To State management agencies

- Direct contact
- Through seminars, conferences, and training programs
- Through periodically and irregularly checks and inspections

##### To Associations

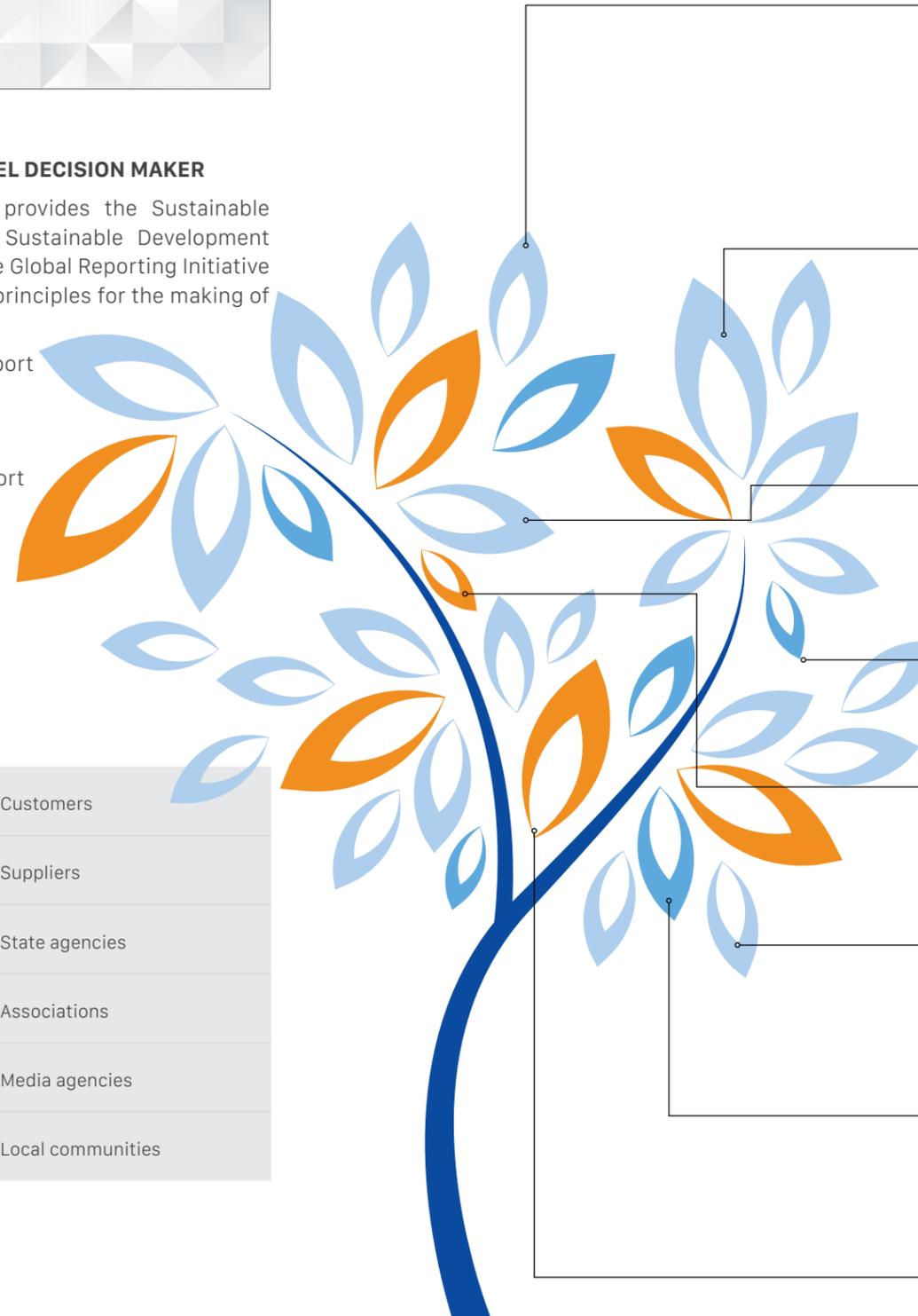
- Participate in meetings of association members, seminars, and forums
- Through direct meetings, phone calls, email, and periodically checks and inspections.

##### To Media agencies

- Interviews
- Press conferences
- Networking programs
- Direct meetings, phone calls, and email, etc.

##### Local communities

- Through local government and local authorities
- Direct contact
- Through Facebook and phone calls





GRI 102 – 44: CONCERNS AND ACTIONS

RELATED PARTIES	CONCERNS	SHS ACTIONS
 Shareholders/ Investors	<ul style="list-style-type: none"> <li>- Effective business operations</li> <li>- Full, transparent, and timely publication of information</li> <li>- Ensure dividends and the legal rights of shareholders</li> <li>- Stable and rising stock prices</li> </ul>	<ul style="list-style-type: none"> <li>- Complete and exceed the business plan approved by the General Meeting of Shareholders</li> <li>- Professionalize the activities of the Office of the Board of Directors, the Information Disclosure Department and the PR &amp; Marketing Department</li> <li>- Strictly comply with commitments to shareholders on payment of dividends and other legal rights</li> <li>- Complete and constantly improve the corporate governance system in accordance with the laws and best governance practices</li> </ul>
 Employees	<ul style="list-style-type: none"> <li>- Good working environment</li> <li>- Stable employment</li> <li>- Promotion and development opportunities</li> <li>- Full and transparent payment of salary, bonus, and competitive benefits</li> <li>- Good staff training and development policy</li> </ul>	<ul style="list-style-type: none"> <li>- Constantly expand and improve business performance to create stable employment with increasing income for employees</li> <li>- Constantly improve the Company's culture to create an effective and competitive working environment</li> <li>- Plan and regularly organize appropriate training programs inside and outside the Company</li> <li>- Regularly organize personnel assessment, promoting and rewarding staff who perform their tasks well</li> </ul>
 Clients	<ul style="list-style-type: none"> <li>- Product quantity and quality, good and competitive service with reasonable price</li> <li>- Fast and modern IT application in providing products and services</li> <li>- The scale and stability of loan capital</li> <li>- Qualifications and professionalism of staff</li> </ul>	<ul style="list-style-type: none"> <li>- Professionalize the product research and development department</li> <li>- Regularly research, update and upgrade IT systems</li> <li>- Actively use capital as well as link with other organizations and individuals to ensure the size of loan capital is growing and diverse</li> <li>- Regularly organize internal training courses, on-the-job training as well as appoint employees to participate in external training courses to improve customer care skills</li> </ul>
 Suppliers	<ul style="list-style-type: none"> <li>- Fairness and transparency in the supplier selection process</li> <li>- Prestige in payment</li> </ul>	<ul style="list-style-type: none"> <li>- Develop a supplier evaluation and selection process</li> <li>- Establish a contractor selection council consisting of many departments to ensure righteous review</li> <li>- Promote inspection and control activities for the purchase process, also operate legal and accounting activities for contracting review</li> </ul>
 State management agencies	<ul style="list-style-type: none"> <li>- Compliance with the law</li> <li>- Effective business performance of the Company</li> <li>- Corporate governance and risk management</li> <li>- Contribution to the State budget</li> <li>- Sharing of ideas, views and suggestions on the market</li> </ul>	<ul style="list-style-type: none"> <li>- Promote corporate governance activities, internal legislation, inspection and internal control</li> <li>- Complete and exceed the business plan approved by the General Meeting of Shareholders</li> <li>- Actively send reports, provide information, comments and professional experience sharing</li> </ul>
 Associations	<ul style="list-style-type: none"> <li>- Full participation of the Association's meetings</li> <li>- Contribution of ideas for the establishment and development of the Association.</li> <li>- Full financial contributions to the Association.</li> </ul>	<ul style="list-style-type: none"> <li>- Follow up and assign personnel to fully participate in the Association's meetings.</li> <li>- Proactive in ideas contribution and assign personnel to fully participate in the opinion surveys initiated by the Association.</li> <li>- Timely and fully contribution of its financial obligations under the Association's announcements.</li> </ul>

RELATED PARTIES	CONCERNS	SHS ACTIONS
 Media agencies	<ul style="list-style-type: none"> <li>- Timely and efficient information of company accessing capacity.</li> <li>- Cooperating with media agencies in its media presence.</li> </ul>	<ul style="list-style-type: none"> <li>- Proactively releasing press announcements</li> <li>- Transparent and timely information disclosure of the Company's major events and actions.</li> <li>- Fully, timely, and transparently provide information, data, analysis and opinions as requested.</li> </ul>
 Local communities	<ul style="list-style-type: none"> <li>- Compliance with the law on environmental protection</li> <li>- Implement activities to improve the quality of community life</li> <li>- Implement volunteer activities</li> <li>- Implement investment and support investment activities in sustainable development areas</li> </ul>	<ul style="list-style-type: none"> <li>- Implement programs and solutions to save energy and water resources at the office</li> <li>- Set a minimum annual limit to contribute, support and sponsor social security programs</li> <li>- Set a minimum annual limit to invest in stocks and green bonds</li> </ul>





Given the bloom of Vietnam's stock market in 2020, SHS has proactively and flexibly employing all of its resources under a comprehensive solution to fully realize all of the market opportunities to achieve the business plan set forth by the 2020 AGM.

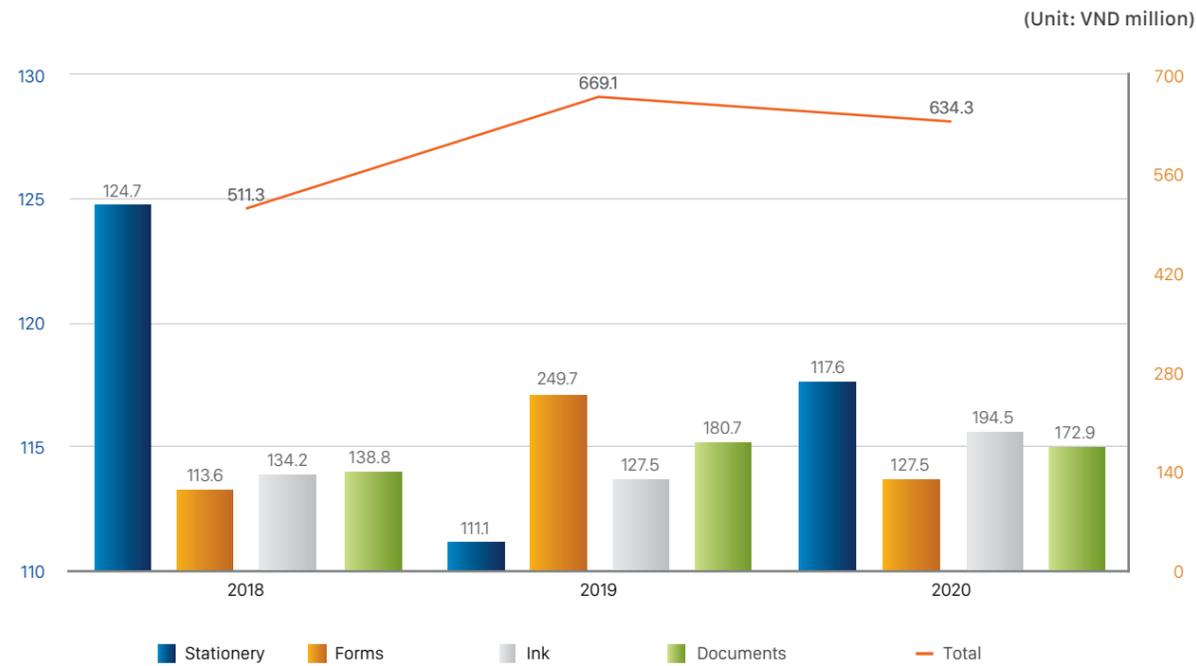
<b>BUSINESS PERFORMANCE</b>	<ul style="list-style-type: none"> <li>• Top 4 HNX in listed covered warrant, fund certificates, and stock brokerage market share with a share of 6.6%.</li> <li>• The historically highest level of total assets and charter capital of VND 6,929.7 billion and VND 2,072.7 billion respectively</li> <li>• Total Revenue and Other income: VND 1,808.5 billion.</li> <li>• Total Profit before tax: VND 938.9 billion.</li> <li>• Total Profit before distribution: VND 760.5 billion.</li> <li>• ROE (25.5%), ROA (11.6%), EPS (VND 3,649), Financial Safety Ratio (347.9%).</li> </ul>
<b>ENSURE THE RIGHTS OF SHAREHOLDERS</b>	<ul style="list-style-type: none"> <li>• 12% cash dividend payment</li> </ul>
<b>ENSURE THE RIGHTS OF EMPLOYEES</b>	<ul style="list-style-type: none"> <li>• Average income increased significantly to VND 38.3 million/person/month.</li> <li>• VND 4.2 billion/4.3 billion of Social Insurance, Health Insurance, Unemployment Insurance, and Trade Union Fee have been paid.</li> </ul>
<b>ASSET MANAGEMENT</b>	<ul style="list-style-type: none"> <li>• Management of 49,920 personal and institutional trading accounts.</li> <li>• Management of VND 5,719 billion of deposit and VND 32,596.5 billion worth of securities.</li> </ul>
<b>CONTRIBUTION TO STATE BUDGET</b>	<ul style="list-style-type: none"> <li>• VND 151.9 billion/173.2 billion of taxes and duties contributed to the State Budget.</li> <li>• Support all of the Company's customers, partners, staffs and employees to fill tax returns for settlement elsewhere or to receive tax returns filling for final settlement at the Company.</li> </ul>
<b>IMPROVING CORPORATE GOVERNANCE</b>	<ul style="list-style-type: none"> <li>• Increasingly completing the corporate governance model according to Decision No. 61/QD-UBCK dated October 9, 2013 issued by the State Securities Commission on guiding the classification of securities companies and Vietnam's best corporate governance practices for listed companies published in 2019.</li> <li>• Support its shareholders to fully exercise their legitimate rights and interests as well as providing fair treatment to all shareholders.</li> <li>• Organization of the Annual General Meeting of Shareholders in accordance with the procedures set forth by the law, the Charter and internal governance regulations of the Company.</li> <li>• Enhance the capacity, role, responsibility and commitment of the Board of Directors, the Supervisory Board and the Managers of the Company.</li> <li>• Fully, timely, and transparently information disclosure.</li> </ul>



In 2020, SHS continued to strengthen its presence on the Vietnam stock market through a number of important events:

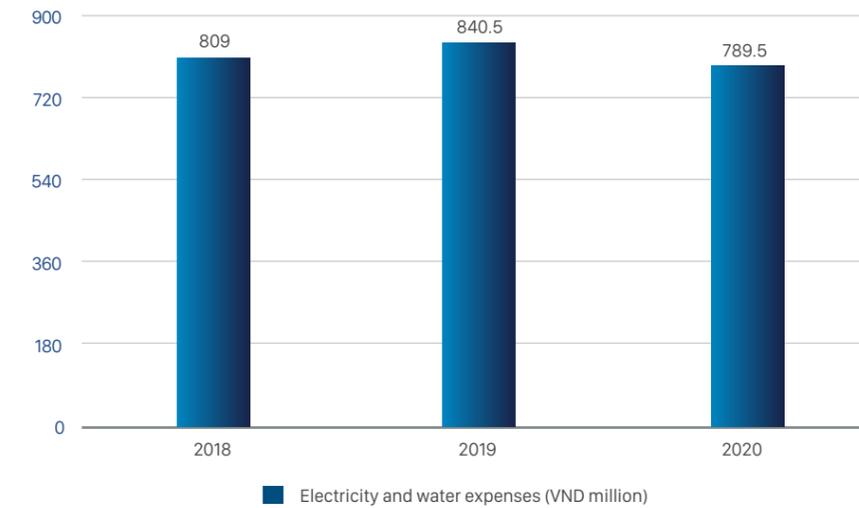
- Despite is not being in Top 10 securities companies with the largest market share in HOSE, SHS has strengthened its position in HNX. In details: SHS reached 4th place in HNX with a market share of 6.6% as compared to a market share of 5.04% in 2019, which was also in 4th place.
- SHS is among the top 10 listed capitalization companies with the best annual reports.
- SHS is among the best performing stock with large trading volume in 2020, which demonstrates high interests from retail investors as well as domestic and foreign institutional investors.
- SHS continues to receive many certificates of merit from organizations including the SSC, HNX, HOSE, VSD, and the Vietnam Association of Small and Medium Enterprises... for achievements in business operations as well as contributions to the stock market.





With the characteristics of a securities company, the main materials used by SHS are printing paper, ink, forms, books, documents, and stationery of all kinds. The annual volume of these materials is not large, so there is no significant effect on the environment.

The use of materials is based on an annual proposal of departments and branches. In case extra materials are used, the head of department must provide a proper explanation. During the year, materials are used by each department and branch in accordance with the limits as assigned. In the event an extraordinary amount of material is needed, the Head of the Department must send a reasonable explanation of the purpose of such consumption to the member of the Board of Management in charge and the Department of Organization and Administration. All materials are fully utilized and properly treated after use to ensure environmental protection requirements.



Due to the characteristics of the company that provides the service, SHS does not use as much electricity and water as companies in other fields. However, SHS always connects its goals to environmental protection in business activities and raises awareness of staff about the need to protect the environment, save energy and water resources.

The Company has installed its entire lighting system using energy-saving devices. Departments are designed with multiple windows to increase their exposure to sunlight and natural wind. The central air conditioning system is always set at a reasonable level to reduce the difference between the outdoor and indoor temperature. SHS does not encourage its employees to work overtime to ensure a reduction of labor power and energy savings. Staff must register in advance if they want to work overtime. The General Administration Department is responsible for checking and turning off the lights and air-conditioning in the lobby and the rooms if they have been left on. SHS has periodic maintenance contracts in place for air conditioning systems and machine reviews (computers, printers etc.) to maintain capacity and limit power loss.

The General Administration Department regularly checks the faucets to ensure there is no water leakage and that no one has forgotten to turn off the faucet. Bottled drinking water is provided on each floor according to the quota.

Besides implementing policies and procedures, the Company has also issued sanctions to departments and staff who have violated regulations on electricity and water use.



In order to minimize pollution, the Company has also implemented a number of measures to reduce emissions and waste discharged into the environment. The modern, high-tech air-conditioning system is regularly checked and maintained to avoid leaking harmful emissions into the environment. Office waste is classified into organic waste, recyclable waste and hazardous waste. Waste collectors are required to classify the waste before handing it over to the waste collection company.

- Cleaning staff are required to collect organic waste daily to avoid polluting the office. In every department and corridor, toilets always have closed trash receptacles.
- Cleaning staff collect recyclable waste such as paper, cardboard, plastic bottles and glass separately for sale or reuse.
- Hazardous waste like ink, batteries and light bulbs are collected separately and handed over to ink suppliers or garbage collection companies.



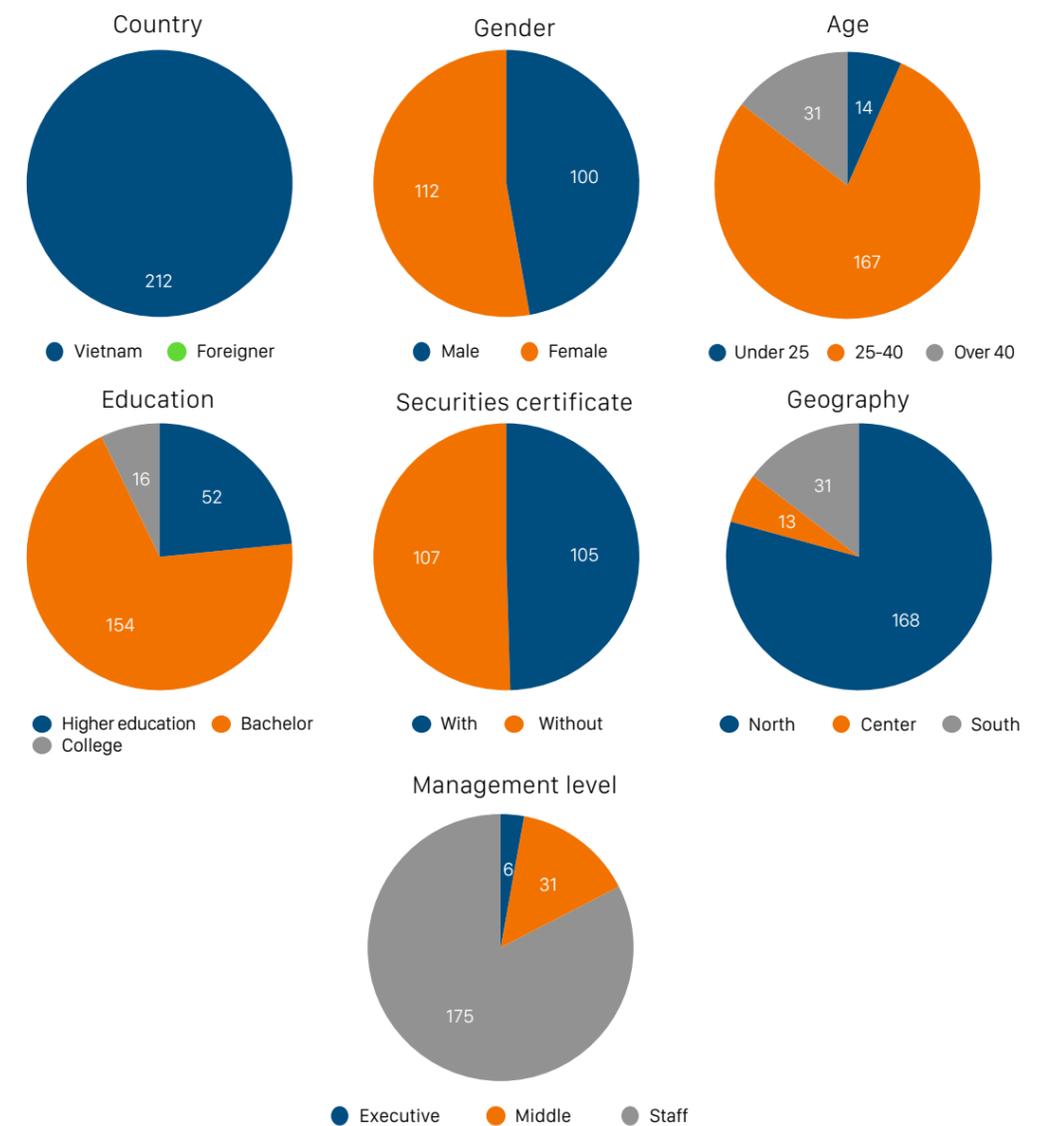
The Company has not recorded any violations of environmental protection regulations in 2020.

In order to ensure the health of all employees, and to contribute to keeping the environment green, clean and beautiful, cleaning staff are required to clean 2 times/day in common areas and 1 time/day for specific areas. Staffs are required to regularly clean desks/equipment and arrange documents neatly and logically. The Company has also hired a unit to periodically take care of the plants and maintain the machines throughout the office.



► HUMAN RESOURCE STRUCTURE OF SHS

The total number of SHS employees as of December 31st, 2020 was 212 people.





### ► RECRUITING TALENTED, PASSIONATE AND DEVOTED EMPLOYEES DEDICATED TO BUSINESS STRATEGIES AND COMPANY CULTURE

The recruitment is based on annual recruitment plan approved by the Board of Management. Recruitment plan is built on the base of the proposals of departments, branches and transaction offices as well as annual business plan and development goals. Recruitment is conducted through many different channels such as announcements in the mass media, on the Company's website and through referrals and professional recruitment organizations. Therefore, SHS has many chances to approach and attract highly-qualified and experienced personnel. All candidates must undergo a number of exams and interviews to ensure the most experienced and suitable candidates are selected in line with the Company's business strategy and culture. In 2020, SHS recruited 21 new members of staff in all 3 regions. SHS categorically does not use child labor or forced labor.

### ► PROFESSIONAL PERSONNEL MANAGEMENT

The Company manages its personnel by business location and by department. The General Director is responsible for managing the Deputy General Directors. The Board of Management is responsible for managing Heads of Department. Heads of Department are responsible for managing their own staff. Directors of branches, transaction offices and Heads of Representative Offices are responsible for managing the staff of branches, transaction offices and representative offices, respectively.

Staff are obliged to record attendance by biometric fingerprinting. At the end of each month staff are required to complete the time sheet for days without attendance, submit it to superior authorities for approval and then transfer it to the General Administration Department for wage calculation.

SHS has also equipped HR management software with many useful utilities. Staff can find information about salaries, bonuses, allowances, annual leave, timekeeping and more on the system. The HR department can directly manage personnel using the many different functions of the software such as salary calculation, bonuses and deductions, attendance management, and annual leave.

All employees are fully informed of the Labor Rules and related processes and regulations right from their first working day to ensure that they understand their rights and obligations in the workplace.

### ► APPOINTMENTS AND TRANSFERS TO MEET THE COMPANY'S BUSINESS STRATEGY

Appointments and transfers to meet the Company's business strategy

In 2020, SHS recruited 21 people, raised the salaries of 150 people, reassessed the labor contracts of 60 people, and settled the 34-person leave based on personal aspirations, skills and an appropriateness assessment to best promote the capabilities of each employee thereby contributing to improving the quality of products and services provided to customers.

### ► ATTRACTIVE SALARY AND BONUS REGIME

SHS's salary and bonus system is based on the principle of agreement to ensure competition, transparency, and to encourage employees to remain with the Company for a long time. It is also designed to motivate staff to improve their quality of work and sense of responsibility.

Employees earn a monthly net income paid in two instalments worth 30% and 70% of their salary, respectively. The Company deducts and pays all social insurance, health insurance, unemployment insurance and personal income tax for 100% of employees before paying income in accordance with the law and the Company regulation.

The structure of employees' income includes their basic salary, salary based on business performance paid monthly, 13th-month salary, bonus based on business performance, overtime, meal allowances and other income. Particularly for the Brokerage Division and its supporting departments, the Company has a policy of sharing brokerage fees with the brokers and salaries according to the Brokerage Revenue for Support Department.

In 2020, the Company has completed the salary restructure for all of its staffs and employees and applied the new salary scheme's salary payment from June 2020 to ensure its competitiveness as compared to the other securities companies in the Top 10. In addition, with the strong performance of Vietnam's stock market in 2020, the salary and bonuses of the brokers have increased sharply, contributing to the increase in the average salary and bonus of the Company to VND28.7 million/month (2019) to VND38.3 million/person/month (2020)

	(VND)		
TARGETS	2018	2019	2020
Salary, bonus, overtime paid	78,564,275,086	75,405,201,484	97,558,180,768
Salary deduction (trade union fee, insurance, medical insurance, unemployment insurance)	2,845,270,120	2,691,475,976	2,868,186,440
Total cost	81,409,545,206	78,096,677,460	100,426,367,208
Employees at the end of the year	235	227	212
Average income/person/month	28,868,633	28,669,852	38,348,341

SHS has voted for and rewarded excellent employees who have made positive contributions to the Company's operations in 2019 with a total value of VND175 million. Of these:

- The Chairman of the Board of Directors rewarded 2 teams and 1 individual.
- The General Director rewarded 2 team and 4 individuals.

The reward regime in both spirit and material has created a continuous movement of emulation among staff between departments. As a result, it has increased labor productivity and the quality of products and services provided to customers.





► **FULL SUPPORT FOR ALLOWANCE AND WELFARE FOR EMPLOYEES AND THEIR RELATIVES**

In addition to salaries and bonuses, employees are also entitled to other allowances depending on their specific job, position, capacity and the business results of the Company (such as allowances for telephones, petrol, meals, business trips, personal birthdays, company birthdays, November 15th, March 8th, October 20th, and allowances for employees who have previously joined the army).

Female employees are entitled to full 6-month maternity leave and a 1-hour reduction in working hours during a pregnancy from the 7th month onwards and for 1 year after giving birth. Male workers are entitled to 5-14 days leave when their wife gives birth. During the year, the Company has approved the maternity regime for 9 people. In addition, SHS also fully implements other regimes such as sick leave, maternity leave, annual leave, etc. to ensure maximum benefits for employees. There have been no complaints about the implementation of employee policies in 2020.

In November 2020, SHS also spent VND 1.7 billion for the vacation of all staffs and employees of the Company, which is combined with the review conference of business activities in the first 10 months of 2020 in Quang Binh. The trip not only gives the Company some moments to review its entire business activities in a year and an opportunity for the company's staffs and employees to relax, but also help promote the exchanges, solidarity, and mutual learning for employees working across the 3 main regions of the country.

The Company not only cares directly about its employees but also their relatives and families. Every year, SHS organizes rewards for children who have had good academic results during the year; presents gifts for children on Tet holiday and Mid-Autumn Festival; and provides support for families with sick relatives, weddings and funerals of up to VND5 million/case.



SHS is dedicated to providing a safe, professional, effective, fair, friendly and open working environment. The Company guarantees the best working conditions for all employees. Head office and its branches, transaction offices, and representative offices are spacious and airy and equipped with personal computers and other working tools to create a sense of comfort and convenience for employees. The General Administration Department is responsible for regularly reminding employees to maintain a safe, clean and professional working environment.

Due to the impact of the Covid pandemic, the Company's periodic sport events must be temporarily suspended. However, the Company's employees were still encouraged by the Company to self-organize small group events such as marathon for example to improve their health for better contribution to the Company's work.

Health care for workers is always prioritized. In 2020, the Company continues to purchase annual life insurance for all employees of the Company with a total expense about VND 1.2 billion provided by Saigon - Hanoi Insurance Joint Stock Company (BSH). Due to the Covid pandemic, the Company postponed the regular annual health checks for its employees.



SHS attaches special importance to training because employees are the most valuable asset of the Company. SHS can only develop sustainably if employees are regularly cared for and their development fostered. In addition, training is oriented in a practical way and designed to develop the contingent of human resources, encouraging initiative in personnel issues.

In 2020, together with the internal work training program, the Company has sent its employees to receive training from other institutions as follows:

COURSE	NO. OF STAFF	ORGANIZATION	FEES
Corporate Management	01	Securities Research and Training Center	1,500,000
In depth Audit Committee Program	01	Vietnam Institute of Director Social Joint Stock Company	11,495,000
Financial Statement Fraud Detection Method	09	AFA Research & Education	40,500,000
COC Lecturer	04	Vietnam Association of Securities Businesses	-
Total			53,495,000

Furthermore, the Company also sent many employees to attend training courses of the SSC and stock exchanges on information disclosure, making annual reports and reports on sustainable development, updating new regulations related to the securities sector, corporate governance and other securities practice certificates. Meanwhile, internal training courses are still delivered regularly to improve the professional, communication and customer service skills of employees.



SHS always ensures fairness in the working environment as well as development opportunities for female employees. The proportion of women in the Company is 53.0%, an increase of 1.0% compared to 2019. The Company's salary and bonus regime does not discriminate between male and female workers. Women are always encouraged to comment and participate in management positions and the Company always complies with the law on women's policies such as working time and rest time when pregnant.



Staff and employees are free to set up associations to improve their morale and health. Some associations were newly established or maintained regularly in 2020 including running group, soccer group, tennis group, golf group, etc.

SHS implements the labor regime in accordance with the Labor Law and current regulations. The collective labor agreement is approved by all employees of the Company and registered with the Department of Labor - Invalids and Social Affairs. All employees benefit from this agreement. The life of officials and employees is taken care of through the Company's trade union party and reward and welfare fund. Any conflict of interest between the Company and its employees (if any) shall be settled by the trade union party to ensure the legitimate rights and interests of employees.



**► BEING AN OUTSTANDING AND RESPONSIBLE MEMBER FOR THE DIRECT MANAGEMENT AGENCIES AND ASSOCIATIONS**

In 2020, SHS actively participated in activities organized by direct management agencies and associations. Specifically:

- Participate in all seminars for legal documents amendment held by the State Securities Commission and the Securities Investment Association, participate in all seminars on legal documents dissemination, corporate governance regulations dissemination, regulations on making annual reports and sustainable development reports.
- Participate in all opinion surveys on legal documents amendments required by the State Securities Commission, the Stock Exchange, the Securities Investment and Trading Association, including important documents such as the draft amendment to the Enterprise Law in 2020, draft amendments to Circular 155 on information disclosure, draft amendments to Circular 210 on securities company organization and operation, draft amendments to Circular 87 on financial safety ratios, etc.
- The Company contributed many important comments to State management agencies (such as the SSC, SE, VSD, VCCI, Ministry of Planning and Investment...) as well as the Securities Investment Association, Association of Small and Medium Enterprises and the Bond Association. These contribute to building a safe, efficient securities market in Vietnam and improving the quality of operations and competitiveness of Vietnamese enterprises.
- The Company has sent reports and disclosed information fully, promptly and transparently to various management agencies such as the State Securities Commission, Hanoi and Hochiminh stock exchanges, VSD, National Financial Supervisory Commission, the State Bank, the Tax Authority, the Statistics Agency and Insurance Agency...
- The Company has provided full and reasonable explanations about the business and its financial and customer situation upon request of the State management agencies.
- The Company has continued to promote cooperation with many commu

Resulting from its positive contributions, in 2020, the Company was honored to receive many certificates and merits from Hanoi City, the Ministry & Department of Labor, Invalids and Social Affairs, Vietnam Intellectual Property Association, Small and Medium Enterprise Association, the SSC, Hanoi Stock Exchange, Ho Chi Minh City Stock Exchange, VSD, etc. *(Please refer to the Awards section)*

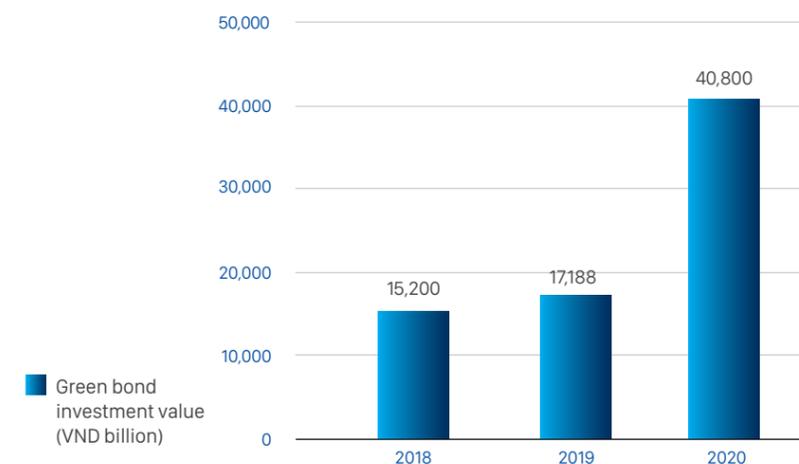
**► CONTRIBUTE POSITIVELY TO THE GREEN CAPITAL MARKET**

SHS continued in its business strategy of more efficiently using existing resources to enhance the competitiveness of businesses towards sustainable development. One of the priorities of the sustainable development strategy is to devote a significant portion of resources to invest in and support the green capital market through brokerage activities, financial services, investment, financial advisory and underwriting activities.

**BROKERAGE AND FINANCIAL SERVICE ACTIVITIES**

SHS has provided diverse brokerage and financial services to clients who invest in listed and unlisted green stocks. Furthermore, the Company has provided a range of brokerage and financial services to green organizations to improve their financial capacity and corporate governance. SHS has also assisted them in their transactions and helped to improve the liquidity of green stocks so that more investors will be aware of stocks. SHS is also a trustee and auctions agent for many green shares through the stock exchange and through the securities company. The operation of SHS has contributed to assisting the divestment and equitization of green organizations to enable them to be more efficient.

**INVESTMENT ACTIVITIES**



In 2020, the Company has invested about VND 40,600 billion in Government bonds; Government-guaranteed bonds; Bank bonds, Government-guaranteed corporate bond, etc., which accounted for 63% of SHS's total investment in 2020 to indirectly finance the Government and private sector's green targets, programs and projects. Comparing with SHS's investment results in previous years, it has been demonstrated that SHS's investment in green bonds in 2020 has increased significantly (specifically an increase of 136.0% as compared to 2019 and 167.1% as compared to 2018).

The Company has also spent hundreds of billions of VND investing in green stocks (stocks of listed companies having a basic foundation who invests in green areas, produce products that protect or improve human health, save energy, are environmentally friendly or apply environmentally friendly technology solutions. Examples include AMV, BMI, BVH, MBB, MSB, PLP...)

**FINANCIAL ADVISORY AND UNDERWRITING ACTIVITIES**

The Company always focuses on providing financial advisory and underwriting services for sustainability-oriented businesses (green businesses). In 2020, the Company has provided these services to green businesses with a total value about VND 80 billion, accounting for more than 50% of SHS's financial advisory and underwriting services contract value in 2020.

Major customers in 2020 are as follows:

NO.	COMPANY	TYPE OF SERVICES PROVIDED	LINES OF BUSINESS
1	Vietnam Forest Corporation - JSC.	Issuing and financial investment advisory	Research and development of forestry varieties, forestry planting for economic purposes, supplying raw materials, intensive forestry planting, large-size forestry planting for wood.
2	Danang Water Supply JSC	Issuing advisory	Clean water treatment, production and supply for Da Nang
3	Northern Power Corporation	Divestment advisory	Electricity production, trading, distribution, import and export; consulting, design, construction and installation of power infrastructures, etc.
4	Camimex Group JSC.	Issuing advisory	Organic shrimp farming contributes to the protection of mangroves in both quantity and quality in Ca Mau Province.
5	Thuan An Coffee JSC	UPCOM trading registration advisory	Coffee planting, maintenance, management and harvest in 228.27 ha of areas; greening of bare land and barren hills, prevention of soil erosion and creating jobs for ethnic minorities in Dak Mil District, Dak Nong Province.
6	Ea Sup 1 JSC	Issuing documentation advisory	Solar power generation.
7	Ea Sup 2 JSC	Issuing documentation advisory	Solar power generation.
8	Ea Sup 3 JSC	Issuing documentation advisory	Solar power generation.
9	Ea Sup 5 JSC	Issuing documentation advisory	Solar power generation.
10	Xuan Thien Dak Lak LTD	Issuing documentation advisory	Solar power generation.
11	Xuan Thien Thuan Bac JSC.	Issuing documentation advisory	Solar power generation.
12	Xuan Thien Ninh Thuan JSC.	Issuing documentation advisory	Solar power generation.
13	LienVietPostBank	Issuing advisory	Capital supply for enterprises and individuals engaged in production, sale, and consumption, etc. propelling economic development.
14	Sai Gon - Hanoi Joint Stock Commercial Bank	Issuing advisory	Capital supply for enterprises and individuals engaged in production, sale, and consumption, etc. propelling economic development.
15	Vietnam Posts and Telecommunications Group	Divestment advisory	Capital supply for enterprises and individuals engaged in production, sale, and consumption, etc. propelling economic development.

**ANALYSIS AND INVESTMENT ADVISORY ACTIVITIES**

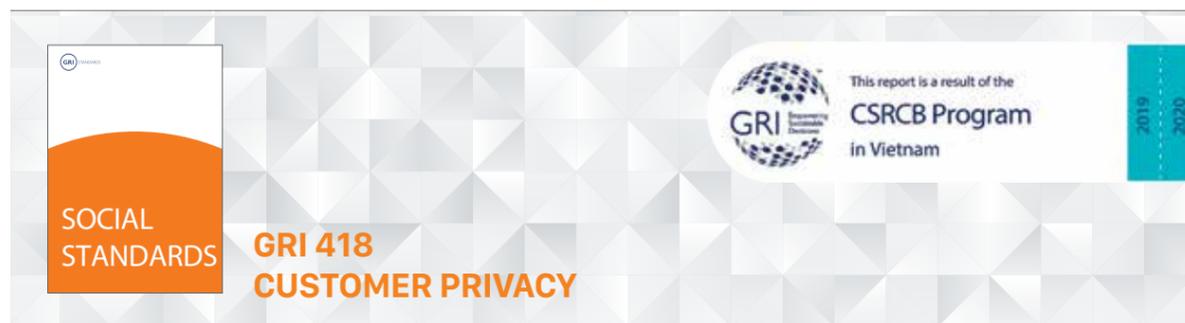
In 2020, the Company has provided a lot of investment recommendations through its analysis newsletters and investment advisory reports. In which, the Company regularly recommends its Investors to prioritize investment in green stocks for the sustainability and efficiency of investing in these stocks. SHS has always been willing to share information and investment opportunities in green securities with the customers. Signature recommendations to invest in green securities of SHS in 2020 are Thai Nguyen Hospital (TNH), VHC, PLP, CMX, AMV, etc.

**► DEMONSTRATING A DEEP SENSE OF RESPONSIBILITY FOR THE LOCAL COMMUNITY AND SOCIETY**

In 2020, SHS has actively contributed to the supporting programs and funds for children, the poor, families of war invalids, martyrs, doctors and patients affected by the Covid pandemic towards a better living condition for the community. Total funding and support for the community of the Company in 2020 is VND 5.5 billion.

Details of SHS funding in 2020 are as follows:

NO.	FUNDING DETAILS	ORGANIZER	DATE
1	"SHS together to immediately stop Covid-19" Program to support doctors and patients affected by the Covid pandemic.	SHS Trade Union	3/2020
2	Supporting the Central Provinces (Da Nang City, Quang Nam Province, and Quang Ngai Province) to prevent the spread of the Covid-19 pandemic	Direction of the Chairman of the Board of Directors	7/2020
3	"General Department II Museum" Project under the Ministry of National Defence.	Direction of the Chairman of the Board of Directors	8/2020
4	"Giving wings to the Dream, supporting children to school" Program to award scholarships to poor and disadvantaged children in Yen Bai and Thai Nguyen provinces.	Association in Support of Vietnamese Handicapped and Orphans in collaboration with Vietnam National Communication Corporation JSC.	28/09/2020
5	"Action Month for the Poor" Program.	Vietnamese Fatherland Front Hanoi City Committee	06/10/2020
6	"Immortal children" Program to grant passbooks to war invalids and martyrs' families.	Vietnam Martyrs Family Support Association in collaboration with Thien Son Communication JSC	16/10/2020
7	"Action Month for the Poor" Program initiated by the Vietnamese Fatherland Front	Vietnamese Fatherland Front	17/10/2020
8	"Supporting the people of Central Vietnam to recover from the storm and flood" Program.	Vietnamese Fatherland Front Hanoi City Committee	24/10/2020
9	"Enterprise Night 2020" hosted by Hanoi City Fund for Poor Children.	Hanoi SME	24/10/2020
10	"Towards the Central of Vietnam" Program.	Saigon – Hanoi Joint Stock Commercial Bank	28/10/2020



TOTAL ACCOUNT UNDER MANAGEMENT



TOTAL CASH DEPOSIT BALANCE UNDER MANAGEMENT



TOTAL VALUE OF SECURITIES UNDER MANAGEMENT

As a securities company managing 49,920 customer accounts with VND5,719.6 billion of deposits and VND32,596.5 billion of securities value for clients, the privacy of customer information is a top priority. The Company has issued internal regulations regarding customer privacy protection as well as outlined punishments for failing to meet these regulations. All securities trading and accounting software is purchased from reputable partners. Furthermore, their use is decentralized and access to information and data is based on the written proposal of the department's head. It is also subject to the approval of the Board of Management and is decentralized and implemented by the IT Department. The Company has also bought software to protect the security of and prevent illegal access to the Company's website and software systems. All contracts, records, documents related to customer information are managed by the departments concerned and kept in locked cabinets. When no longer in use, they are destroyed in accordance with the Company's regulations.

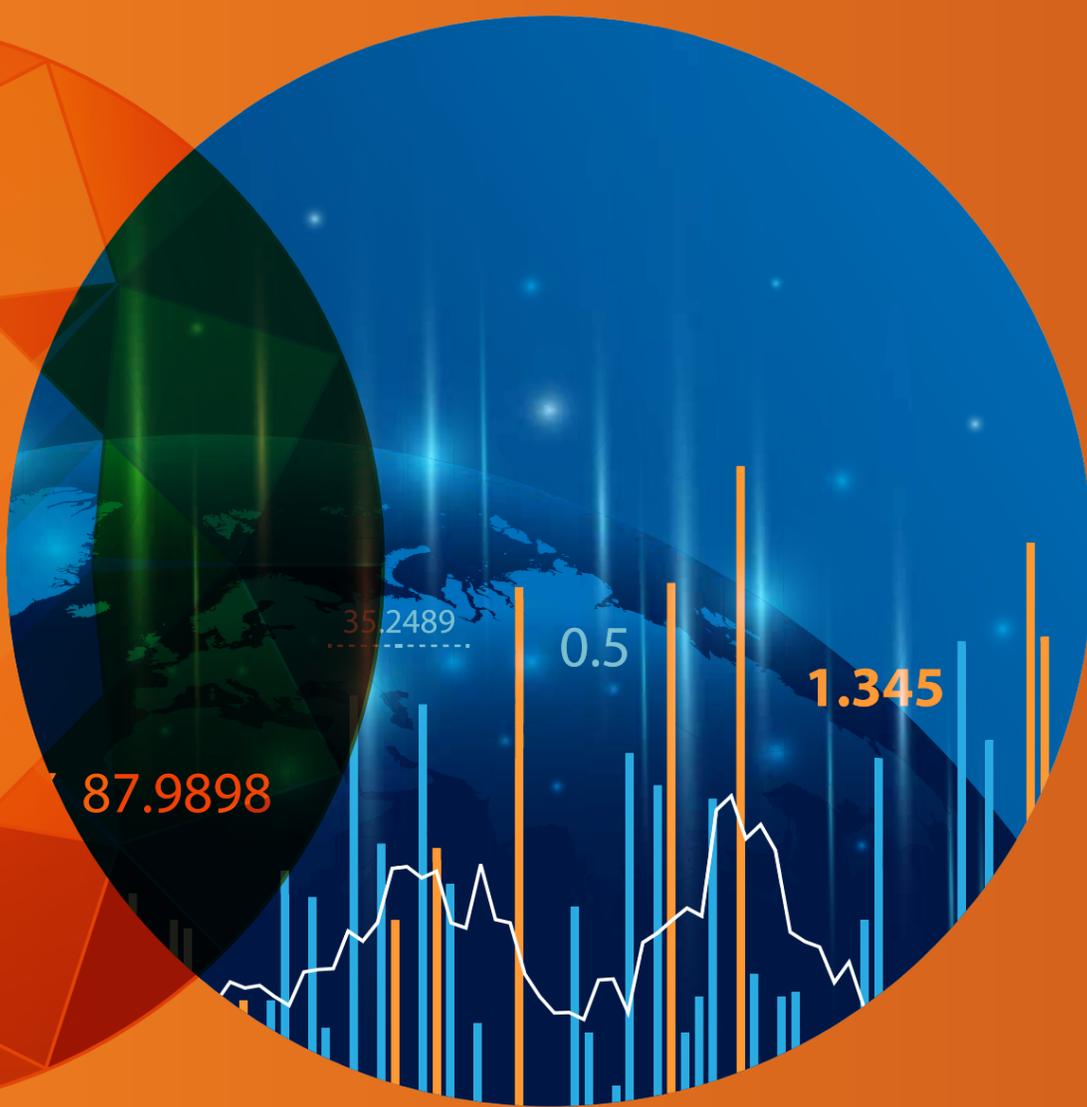
## SUSTAINABLE DEVELOPMENT PLAN IN 2021

Compared with the 2020 sustainable development plan, it can be seen that the Company has completed most of the sustainable development goals of 2020, except for the goal of maintaining the position of Top 5 securities companies with the largest brokerage market share in Vietnam.

Based on an assessment of the results of sustainable development in 2020 and comparing it to the objectives and direction of action in 2021, SHS's proposed action plan for 2021 is as follows:

CRITERIA	OBJECTIVES
Enhance business effectiveness	Complete and exceed the 2021 business plan approved by the General Meeting of Shareholders. Maintain SHS's position in the top-5 securities companies with the largest brokerage market share in Vietnam. Achieve other non-financial goals.
Ensure commitments with related parties	<p><b>To employees</b></p> <ul style="list-style-type: none"> <li>- Increase salary and bonus by at least 10%.</li> <li>- Creates an equal and professional working environment with opportunities for promotion.</li> </ul> <p><b>To shareholders</b></p> <ul style="list-style-type: none"> <li>- Ensure dividends and other benefits of at least 10%.</li> <li>- Disclose information promptly and transparently.</li> </ul> <p><b>To customers and suppliers</b></p> <ul style="list-style-type: none"> <li>- Complete and continue to improve the quality of products and services provided at competitive prices.</li> <li>- Be a regular, reliable partner and share benefits together.</li> </ul> <p><b>To management agencies, associations and the media</b></p> <ul style="list-style-type: none"> <li>- Fulfill obligations to the State Budget.</li> <li>- Be an active member and contribute effectively to the development of Vietnam's stock market and its associations.</li> <li>- Cooperates in reporting, information disclosure and communication.</li> </ul>
Enhance social responsibilities	<p><b>To the environment</b></p> <ul style="list-style-type: none"> <li>- Comply with legal regulations on environmental protection.</li> <li>- Implement solutions to save more energy and water resources.</li> <li>- Actively protect the environment in different forms.</li> </ul> <p><b>To society</b></p> <ul style="list-style-type: none"> <li>- Strengthen voluntary work and social security programs.</li> </ul>





## PART 06

# AUDITED REPORTS IN 2020

- EXPLANATION ON THE OPINION OF THE INDEPENDENT AUDITOR
- AUDITED FINANCIAL STATEMENTS IN 2020
- AUDITED PRUDENTIAL RATIO STATEMENT IN 2020



## EXPLANATION ON THE OPINION OF THE INDEPENDENT AUDITOR



## AUDITED FINANCIAL STATEMENTS IN 2020

### REPORT OF THE BOARD OF MANAGEMENT

The Board of Management of Sai Gon - Ha Noi Securities Joint Stock Company ("the Company") presents its report and the Company's Financial statements for the fiscal year ended as at 31 December 2020.

#### ► THE COMPANY

Sai Gon - Ha Noi Securities Joint Stock Company which was established and operating activities based on License of Securities operating activities No 66/UBCK-GPHDKD dated November 15th, 2007 and Amended License of securities operating activities No 27/UBCK-GP dated April 25th, 2019 issued by the State Securities Committee.

The Company's head office is located at: Floors 1-5 Unimex Hanoi Building, 41 Ngo Quyen, Hang Bai Ward, Hoan Kiem District, Hanoi City.

#### ► BOARD OF DIRECTORS, BOARD OF MANAGEMENT AND SUPERVISORY BOARD

The members of The Board of Directors during the fiscal year and to the reporting date are:

Mr. Do Quang Hien	Chairman
Mr. Vu Duc Tien	Member
Mr. Le Dang Khoa	Member
Mr. Mai Xuan Son	Member
Mrs. Nguyen Dieu Trinh	Member

The members of The Board of Management in the fiscal year and to the reporting date are:

Mr. Vu Duc Tien	General Director
Mr. Tran Sy Tien	Deputy General Director as Chief Accountant
Mr. Nguyen Chi Thanh	Deputy General Director
Mrs. Tran Thi Thu Thanh	Deputy General Director

The members of the Supervisory Board are:

Mr. Pham Thi Bich Hong	Head of Control Department
Mrs. Luong Thi Luu	Member
Mr. Vu Duc Trung	Member

#### ► AUDITORS

The auditors of the AASC Auditing Firm Company Limited take the audit of Financial statements for the Company.

**► STATEMENT OF THE BOARD OF MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS**

The Board of Management is responsible for the Financial statements of each financial year which gives a true and fair view of the state of affairs of the Company and of results of its operation and its cash flows for the year. In preparing those Financial statements, The Board of Management is required to:

- Establishment and maintenance of an internal control system which is determined necessary by The Board of Management and those charged with governance to ensure the preparation and presentation of Financial statements do not contain any material misstatement caused by errors or frauds;
- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial statements;
- Prepare the Financial statements on the basis of compliance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System applicable to securities companies and the current requirements relevant to preparation and presentation of Financial statements;
- Prepare the Financial statements on going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclosed, with reasonable accuracy at any time, the financial position of Company and to ensure that the accounting records comply with the registered accounting system. It is responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We, The Board of Management, confirm that the Financial statements for the fiscal year ended as at 31 December 2020 prepared by us, give a true and fair view of the financial position at 31 December 2020, results of its operations and its cash flows in the year 2020 of Company accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System applicable to securities companies and the current requirements relevant to preparation and presentation of Financial statements.

**► OTHER COMMITMENT**

The Board of Management pledges that the Company complies with Decree No.71/2017/ND-CP dated 06 June 2017 on corporate governance applicable to public companies and the Company does not offend obligation of information disclosure under the regulation of Circular No. 155/2015/TT-BTC dated 06 October 2015 issued by Ministry of Finance guiding the disclosure of information on securities market.

On behalf of The Board of Management.

**VU DUC TIEN**

General Director

*Hanoi, 20 March 2021*

No: 290321.048/BCTC.KT2

**INDEPENDENT AUDITORS' REPORT**

To: **Shareholders, the Board of Directors and the Board of Management  
Sai Gon - Ha Noi Securities Joint Stock Company**

We have audited the Financial statements of Sai Gon - Ha Noi Securities Joint Stock Company prepared on 20 March 2021, as set out on pages 06 to 49, including: Statement of financial position as at 31 December 2020, Statement of comprehensive income, Statement of cash flows, Statement of changes in the owner's equity for the fiscal year ended as at 31 December 2020 and Notes to financial statements.

**THE BOARD OF MANAGEMENT'S RESPONSIBILITY**

The Board of Management responsible for the preparation of Financial statements that give a true and fair view in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System applicable to securities companies and the statutory requirements relevant to preparation and presentation of Financial statements and for such internal control as management determines is necessary to enable the preparation of Financial statements that are free from material misstatement, whether due to fraud or error.

**AUDITOR'S RESPONSIBILITY**

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

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

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

**AUDITOR'S OPINION**

In our opinion, the Financial statements give a true and fair view, in all material respects, of the financial position of Sai Gon - Ha Noi Securities Joint Stock Company as at 31 December 2020, and of the results of its operations and its cash flows for the fiscal year ended as at 31 December 2020 in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System applicable to securities companies and the statutory requirements relevant to preparation and presentation of financial statements.

**EMPHASIS OF MATTER**

We note that the reader refers to No. 6 - "Short-term receivables" in the Notes to the Financial Statements section, whereby the figures presented in the Financial Statements are subject to change based on the final judgment of the Supreme People's Court.

This emphasis should not change our audit opinion.

**AASC Auditing Firm Company Limited**
**Pham Anh Tuan**

Deputy General Director

Certificate of registration to audit practice

No: 0777-2018-002-1

**Nguyen Tuan Anh**

Auditor

Certificate of registration to audit practice

No: 1369-2018-002-1

Hanoi, 29 March 2021

**BALANCE SHEET**

As at 31 December 2020

Code		ASSETS	Note	31/12/2020 VND	01/01/2020 VND
<b>100</b>	<b>A.</b>	<b>CURRENT ASSETS</b>		<b>6,857,673,176,841</b>	<b>5,989,907,588,500</b>
<b>110</b>	<b>I.</b>	<b>Financial assets</b>		<b>6,854,795,267,225</b>	<b>5,982,620,174,098</b>
111	1.	Cash and cash equivalents	4	653,074,220,193	1,052,419,267,919
111.1	1.1	Cash		653,074,220,193	1,052,419,267,919
112	2.	Financial assets at fair value through profit and loss (FVTPL)	5	2,204,736,610,306	1,270,103,498,366
114	3.	Loans	5	2,171,684,164,501	1,647,839,423,627
115	4.	Available for sale financial assets (AFS)	5	461,007,802,000	300,000,000,000
117	5.	Receivables	6	33,134,169,793	47,668,983,400
117.2	5.1	Receivables from and accruals for dividend and interest income		33,134,169,793	47,668,983,400
	5.1.1	Receive dividends, interest		33,134,169,793	47,668,983,400
118	6.	Prepayments to suppliers	7	1,866,245,590	2,247,585,608
119	7.	Receivables from services provided by the Company	6	1,702,764,467,372	2,059,380,600,595
122	8.	Other receivables	6	92,583,752,886	45,021,531,845
129	9.	Provision for impairment of receivables	8	(466,056,165,416)	(442,060,717,262)
<b>130</b>	<b>II.</b>	<b>Short-term accounts receivable</b>		<b>2,877,909,616</b>	<b>7,287,414,402</b>
131	1.	Advances		1,703,254,001	6,605,055,591
132	2.	Tools, supplies	9	309,592,214	267,329,831
133	3.	Short-term prepaid expenses	10	862,313,401	412,278,980
134	4.	Short-term mortgages	11	2,750,000	2,750,000
<b>200</b>	<b>B.</b>	<b>NON- CURRENT ASSETS</b>		<b>72,069,516,866</b>	<b>82,769,951,720</b>
<b>220</b>	<b>II.</b>	<b>Fixed assets</b>		<b>4,372,741,766</b>	<b>4,426,059,066</b>
221	1.	Tangible fixed assets	12	3,792,208,871	4,426,059,066
222	-	Initial cost		25,379,572,966	31,441,199,258
223a	-	Accumulated depreciation		(21,587,364,095)	(27,015,140,192)
227	2.	Intangible fixed assets	13	580,532,895	-
228	-	Initial cost		23,184,664,987	31,196,229,207
229a	-	Accumulated amortization		(22,604,132,092)	(31,196,229,207)
<b>250</b>	<b>V.</b>	<b>Other long-term assets</b>		<b>67,696,775,100</b>	<b>78,343,892,654</b>
251	1.	Long-term mortgages	11	1,436,890,343	890,532,343
252	2.	Long-term prepaid expenses	10	46,259,884,757	58,197,258,349
254	3.	Deposits to Settlement Assistance Fund	14	20,000,000,000	19,256,101,962
<b>270</b>		<b>TOTAL ASSETS</b>		<b>6,929,742,693,707</b>	<b>6,072,677,540,220</b>

**BALANCE SHEET**As at 31 December 2020  
(Continue)

Code	RESOURCES	Note	31/12/2020 VND	31/12/2020 VND
<b>300</b>	<b>C. LIABILITIES</b>		<b>3,703,427,874,103</b>	<b>3,380,341,789,038</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>2,943,000,520,354</b>	<b>3,374,023,210,957</b>
311	1. Short-term loans and debts from financial lease	15	794,000,000,000	988,000,000,000
312	1.1 Short-term loans		794,000,000,000	988,000,000,000
316	2. Short-term issued bonds	16	450,000,000,000	950,000,000,000
318	3. Payables for securities transaction activities		-	345,340,035
320	4. Short-term trade payables		10,378,267	59,135,976
321	5. Short-term advances from customers		1,635,950,611	1,961,500,000
322	6. Tax payables and statutory obligations	17	45,720,650,347	24,438,863,837
323	7. Payables to employees		32,362,067,343	11,624,933,886
324	8. Employee benefits		428,565,961	379,279,297
325	9. Short-term accrued expenses	18	64,450,609,647	78,374,868,256
328	10. Short-term deposits, collateral received	19	1,495,276,630,132	1,266,400,629,532
329	11. Other short-term payables	20	15,812,574,720	19,202,991,772
331	12. Bonus and welfare fund		43,303,093,326	33,235,668,366
<b>340</b>	<b>II. Long-term liabilities</b>		<b>760,427,353,749</b>	<b>6,318,578,081</b>
346	1. Long-term issued bonds	16	650,000,000,000	-
347	2. Long-term trade payables		-	14,025,690
352	3. Long-term deposits, collateral received	19	25,000,000	25,000,000
356	4. Deferred tax payables	38.2	110,402,353,749	6,279,552,391
<b>400</b>	<b>D. OWNER'S EQUITY</b>		<b>3,226,314,819,604</b>	<b>2,692,335,751,182</b>
<b>410</b>	<b>I. Equity</b>	<b>21</b>	<b>3,226,314,819,604</b>	<b>2,692,335,751,182</b>
411	1. Share capital		2,295,262,472,800	2,295,262,472,800
411.1	1.1 Contributed capital		2,072,682,010,000	2,072,682,010,000
411.1a	a. Ordinary shares with voting rights		2,072,682,010,000	2,072,682,010,000
411.2	1.2 Share Premium		222,580,462,800	222,580,462,800
412	2. Asset revaluation differences		43,388,969,600	-
414	3. Charter capital supplementary reserve fund		63,561,856,552	48,863,340,849
415	4. Operational risk and financial reserve fund		63,561,856,552	48,863,340,849
417	5. Undistributed earnings		760,539,664,100	299,346,596,684
417.1	5.1 Realized profit after tax		318,930,249,102	340,550,702,961
417.2	5.2 Unrealized earnings		441,609,414,998	(41,204,106,277)
<b>440</b>	<b>TOTAL RESOURCES AND OWNER'S EQUITY</b>		<b>6,929,742,693,707</b>	<b>6,072,677,540,220</b>

**OFF-STATEMENT OF FINANCIAL POSITION ACCOUNTS**

Code	ITEMS	Note	31/12/2020	01/01/2020
	<b>A. ASSETS OF THE SECURITIES COMPANY AND ASSETS MANAGED UNDER AGREEMENTS</b>			
002	1. The custody of value certification		1,500,000,000	1,500,000,000
003	2. Receipt of collateral assets		6,903,330,000	6,903,330,000
006	3. Quantity of outstanding shares in circulation		207,268,201	207,268,201
008	4. Financial assets listed/registered at the VSD of the Company	22	941,156,880,000	841,851,110,000
009	5. The Company's non-traded financial assets deposited at the VSD	23	1,501,710,000	1,501,490,000
010	6. The Company's awaiting financial assets	24	16,570,100,000	-
012	7. The Company's financial assets which are not deposited at the VSD	25	179,201,130,000	179,531,730,000
	<b>B. ASSETS AND PAYABLES UNDER AGREEMENT WITH INVESTORS</b>			
021	1. Financial assets listed/registered at the VSD of investors	26	32,085,071,250,000	26,232,263,140,000
021.1	a. Unrestricted financial assets		25,820,844,780,000	21,105,570,290,000
021.2	b. Restricted financial assets		3,369,389,590,000	3,109,444,650,000
021.3	c. Mortgage financial assets		2,322,266,100,000	1,814,684,440,000
021.4	d. Blocked financial assets		66,755,200,000	50,000,000,000
021.5	e. Financial assets awaiting settlement		505,815,580,000	152,563,760,000
022	2. Non-traded financial assets deposited at the VSD of investors	27	511,438,690,000	960,385,460,000
022.1	a. Unrestricted and non-traded financial assets deposited at the VSD		219,143,010,000	740,054,780,000
022.2	b. Restricted and non-traded financial assets deposited at the VSD		277,000,000,000	205,035,000,000
022.3	c. Non-traded and mortgage financial assets deposited at the VSD		15,295,680,000	15,295,680,000
023	4. Awaiting financial assets of investors	28	500,707,280,000	157,948,760,000



Code	ITEM	Note	31/12/2020	01/01/2020
026	5 Investors' deposits	29	2,859,812,190,075	640,275,385,374
027	5.1 Investors' deposits for securities trading activities managed by the Company		511,475,622,919	440,076,755,463
028	5.2 Investors' synthesizing deposits for securities trading activities		800,254,229,600	195,589,127,600
030	5.1 Deposits of securities issuers		1,548,082,337,556	4,609,502,311
031	7 Payables to investors on deposit of securities transaction under securities company management method	30	1,311,729,852,519	635,665,883,063
031.1	7.1 Payables to investors - domestic investors' deposits for securities trading activities managed by the Company		1,302,837,980,794	635,107,914,454
031.2	7.2 Payables to foreign investors - domestic investors' deposits for securities trading activities managed by the Company		8,891,871,725	557,968,609
035	8 Payables for dividend, principal and interest from bonds	31	1,548,082,337,556	4,609,502,311

NGUYEN THI THUY

Preparer

TRAN SY TIEN

Chief Accountant



VU DUC TIEN

General Director

Hanoi, 20 March 2021

## STATEMENT OF COMPREHENSIVE INCOME YEAR 2020

Code	ITEMS	Note	Year 2020 VND	Year 2019 VND
<b>I. OPERATING INCOME</b>				
01	1.1 Gain from financial assets at fair value through profit and loss (FVTPL)		986,114,407,450	325,334,482,231
01.1	a. Gain from disposal of financial assets at FVTPL	33.a)	323,403,346,578	308,597,466,757
01.2	b. Gain from revaluation of financial assets at FVTPL	33.b)	553,290,190,657	(24,491,043,155)
01.3	c. Dividend, interest income from financial assets at FVTPL	33.c)	109,420,870,215	41,228,058,629
03	1.2 Gain from loans and receivables	33.c)	464,042,037,678	425,503,987,684
04	1.3 Gain from available-for-sale (AFS) financial assets	33.c)	-	3,774,246,575
06	1.4 Revenue from brokerage services		172,457,118,516	128,053,138,116
07	1.5 Revenue from underwriting and issuance agent services		84,232,318,184	126,918,670,182
08	1.6 Revenue from securities investment advisory services		10,739,433,258	34,110,544,513
09	1.7 Revenue from securities custodian services		20,364,809,158	14,540,334,446
10	1.8 Revenue from financial advisory services		66,358,150,910	8,406,237,262
11	1.9 Revenue from other operating	33.d)	716,081,934	743,373,648
<b>20</b>	<b>Total operating income</b>		<b>1,805,024,357,088</b>	<b>1,067,385,014,657</b>
<b>II. OPERATING EXPENSES</b>				
21	2.1 Loss from financial assets at fair value through profit and loss (FVTPL)		143,314,555,235	66,582,614,774
21.1	a. Loss from disposal of financial assets at FVTPL	33.a)	181,831,482,382	50,584,111,108
21.2	b. Loss from revaluation of financial assets at FVTPL	33.b)	(39,925,684,368)	14,841,002,470
21.3	c. Transaction costs of acquisition of financial assets at FVTPL	33.c)	1,408,757,221	1,157,501,196
24	2.2 Provision expenses for diminution in value and impairment of financial assets, doubtful receivables and borrowing costs of loans		241,503,118,904	229,331,688,430
26	2.3 Expenses for proprietary trading activities		8,891,911,035	7,489,793,466
27	2.4 Expenses for brokerage services		130,364,422,865	112,282,782,564
28	2.5 Expenses for underwriting and issuance agent services		4,382,307,344	2,210,853,909
29	2.6 Expenses for securities investment advisory services		4,949,152,206	706,686,378
30	2.7 Expenses for securities custodian services		10,092,230,420	10,670,343,319
31	2.8 Expenses for financial advisory services		8,091,845,275	9,167,497,623
32	2.9 Expenses for other operating	34	38,649,065,268	21,348,146,399
<b>40</b>	<b>Total operating expenses</b>		<b>590,238,608,552</b>	<b>459,790,406,862</b>
<b>III. FINANCIAL INCOME 35</b>				
42	3.1 Non-fixed dividend and interest income		3,282,085,321	3,115,765,920
<b>50</b>	<b>Total financial income</b>		<b>3,282,085,321</b>	<b>3,115,765,920</b>



## STATEMENT OF CASH FLOWS

YEAR 2020

(UNDER INDIRECT METHOD)

<b>IV.</b>	<b>FINANCIAL EXPENSES</b>	<b>36</b>		
52	4.1	Borrowing costs	194,561,422,445	230,077,492,225
55	4.2	Other financial expenses	2,644,931,507	3,930,697,260
<b>60</b>		<b>Total financial expenses</b>	<b>197,206,353,952</b>	<b>234,008,189,485</b>
<b>62</b>	<b>VI.</b>	<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>37</b>	<b>82,193,699,222</b>
<b>70</b>	<b>VII.</b>	<b>OPERATING PROFIT</b>	<b>938,667,780,683</b>	<b>310,091,181,136</b>
	<b>VIII.</b>	<b>OTHER INCOME AND EXPENSES</b>		
71	8.1	Other income	226,864,206	1,954,319,000
72	8.2	Other expense	61,495	6,500,002
<b>80</b>		<b>Total other operating profit</b>	<b>226,802,711</b>	<b>1,947,818,998</b>
<b>90</b>	<b>IX.</b>	<b>TOTAL PROFIT BEFORE TAX</b>	<b>938,894,583,394</b>	<b>312,039,000,134</b>
91	9.1	Realized profit	345,678,708,369	351,371,045,759
92	9.2	Unrealized profit	593,215,875,025	(39,332,045,625)
<b>100</b>	<b>X.</b>	<b>CORPORATE INCOME TAX EXPENSES</b>	<b>38</b>	<b>184,582,643,371</b>
100.1	10.1	Current corporate income tax expenses	80,459,842,013	62,298,940,330
100.2	10.2	Deferred corporate income tax expenses	104,122,801,358	(4,898,208,632)
<b>200</b>	<b>XI.</b>	<b>PROFIT AFTER TAX</b>	<b>754,311,940,023</b>	<b>254,638,268,436</b>
<b>300</b>	<b>XII.</b>	<b>OTHER COMPREHENSIVE INCOME AFTER TAX</b>	<b>43,388,969,600</b>	<b>-</b>
301	12.1	Gain/(Loss) from revaluation of AFS financial assets	43,388,969,600	-
<b>400</b>		<b>Total other comprehensive income</b>	<b>43,388,969,600</b>	<b>-</b>
<b>500</b>	<b>XIII.</b>	<b>NET INCOME PER SHARE</b>		
501	13.1	Earnings per share (VND/share)	39	3,649

Code	ITEM	Note	Year 2020 VND	Year 2019 VND
	<b>I.</b>			
	<b>Cash flow from operating activities</b>			
<b>01</b>	<b>1.</b>	<b>Profit before tax</b>	<b>938,894,583,394</b>	<b>312,039,000,134</b>
02	2.	Adjustments for	216,687,907,577	236,214,521,564
03	-	Depreciation and amortisation	1,413,122,300	998,748,434
04	-	Provisions	23,995,448,153	9,213,137,733
06	-	Interest expense	194,561,422,445	230,077,492,225
07	-	Gains/losses from investing activities	(3,282,085,321)	(4,074,856,828)
<b>10</b>	<b>3.</b>	<b>Increasing non-monetary costs</b>	<b>(39,925,684,368)</b>	<b>14,841,002,470</b>
11	-	Loss from revaluation of financial assets at FVTPL	(39,925,684,368)	14,841,002,470
18	4.	Reduce non-monetary revenue	(553,290,190,657)	24,491,043,155
19	-	Gains revaluation of financial assets at fair value through profit or loss of FVTPL	(319,204,129,606)	24,491,043,155
20	-	Rate of recording the assessed difference at fair value available-for-sale (AFS) upon reclassification	(234,086,061,051)	-
<b>30</b>	<b>5.</b>	<b>Operating profit before changes in working capital</b>	<b>(661,406,670,623)</b>	<b>(501,033,750,510)</b>
31	-	Increase (decrease) of financial assets is recognized through profit / loss of FVTPL	(341,417,236,915)	(302,982,200,585)
33	-	Increase (decrease) in loans	(523,844,740,874)	403,169,542,208
34	-	Increase (decrease) of financial assets available for sale AFS	(117,618,832,400)	(300,000,000,000)
35	-	(-) Increase, (+) decrease in receivables from sale of financial assets	-	50,807,500,000
36	-	(-) Increase, (+) decrease in receivables and accrued dividends, interest on financial assets	14,534,813,607	(5,303,170,644)
37	-	(-) Increase, (+) decrease in receivables of services provided by securities companies	356,290,583,834	(906,946,450,362)
39	-	(-) Increase, (+) decrease other receivables	(47,562,221,041)	14,840,868,452
40	-	Increase (decrease) other assets	4,115,641,169	(6,361,823,661)
41	-	Increase (decrease) accrual expense (exclude interest expense)	(24,360,566,601)	32,850,163,797
42	-	Increase (decrease) prepaid expense	11,487,339,171	17,466,872,622
43	-	Corporate income tax paid	(72,298,940,330)	(82,054,737,086)
44	-	Interest expense paid	(184,125,114,453)	(250,041,888,076)
45	-	Increase (decrease) payables to supplier	318,556,619	(24,090,973,214)
46	-	Increase (decrease) employee benefits payables	49,286,664	83,058,790
47	-	Increase (decrease) taxes and other payables to State budget (exclude corporate income tax)	13,120,884,827	(1,393,627,707)
48	-	Increase, (decrease) pay to employees	20,737,133,457	8,626,031,865

NGUYEN THI THUY

Preparer

TRAN SY TIEN

Chief Accountant



VU DUC TIEN

General Director

Hanoi, 20 March 2021



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

YEAR 2020

Code	ITEM	Note	Year 2020 VND	Year 2019 VND
50	- Increase, (decrease) payable and other payables		234,645,675,683	858,923,283,091
51	- Other receipts from operating activities		-	49,000,000
52	- Other payments receipts from operating activities		(5,478,933,040)	(8,675,200,000)
<b>60</b>	<b>Net cash flows from investing activities</b>		<b>(99,040,054,677)</b>	<b>86,551,816,813</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
61	1. Purchase of fixed assets and other long-term assets		(1,359,805,000)	(2,513,725,000)
62	2. Proceeds from disposals of fixed assets and other long-term assets		-	959,090,908
65	3. Proceeds from dividends and profits are distributed from long-term financial investments		3,282,085,321	3,115,765,920
<b>70</b>	<b>Net cash flows from investing activities</b>		<b>1,922,280,321</b>	<b>1,561,131,828</b>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
71	1. Receipts from stocks issuing and capital contribution from equity owners		-	906,285,396,000
73	2. Loan principal		23,207,842,685,626	19,885,051,179,366
73.2	2.1 Other loans		23,207,842,685,626	19,885,051,179,366
74	3. Repayment of principal		(23,251,842,685,626)	(20,365,031,179,366)
74.3	3.1 Other repayment of principal		(23,251,842,685,626)	(20,365,031,179,366)
76	4. Dividends, profit paid to equity owners		(258,227,273,370)	(300,784,464,585)
<b>80</b>	<b>Net cash flows from financing activities</b>		<b>(302,227,273,370)</b>	<b>125,520,931,415</b>
<b>90</b>	<b>Net decrease/increase in cash and cash equivalents</b>		<b>(399,345,047,726)</b>	<b>213,633,880,056</b>
<b>101</b>	<b>Cash and cash equivalents at beginning of the year</b>		<b>1,052,419,267,919</b>	<b>838,785,387,863</b>
101.1	- Cash		1,052,419,267,919	838,785,387,863
<b>103</b>	<b>Cash and cash equivalents at end of the year</b>	<b>4</b>	<b>653,074,220,193</b>	<b>1,052,419,267,919</b>
103.1	- Cash		653,074,220,193	1,052,419,267,919

Code	ITEM	Note	Year 2020 VND	Year 2019 VND
<b>I. Cash flows from brokerage and trust activities of the investors</b>				
01	1. Cash receipts from disposal of brokerage securities of customers		65,888,267,801,895	46,644,424,552,681
02	2. Cash payments for acquisition of brokerage securities of customers		(68,328,162,781,340)	(47,018,941,270,040)
07	3. Cash receipts for settlement of securities transaction of customers		3,125,930,937,062	475,848,408,870
11	4. Cash payments for custodian fees of customers		(9,971,988,161)	(8,090,034,649)
14	5. Cash receipt from securities issuers		9,970,732,975,159	2,755,151,118,282
15	6. Cash payments to securities issuers		(8,427,260,139,914)	(2,766,133,805,033)
<b>20</b>	<b>Net increase/decrease in cash during the year</b>		<b>2,219,536,804,701</b>	<b>82,258,970,111</b>
<b>30</b>	<b>II Cash and cash equivalents of investors at the beginning of year</b>		<b>640,275,385,374</b>	<b>558,016,415,263</b>
31	Cash at banks:		640,275,385,374	558,016,415,263
32	- Investors' deposits managed by the Company for securities trading activities		440,076,755,463	264,543,388,401
33	- Investors' synthesizing deposits for securities trading activities		195,589,127,600	277,880,837,800
35	- Deposits of securities issuers		4,609,502,311	15,592,189,062
<b>40</b>	<b>Cash and cash equivalents of investors at the end of year</b>	<b>29</b>	<b>2,859,812,190,075</b>	<b>640,275,385,374</b>
41	Cash at banks:		2,859,812,190,075	640,275,385,374
42	- Investors' deposits managed by the Company for securities trading activities		511,475,622,919	440,076,755,463
43	- Investors' synthesizing deposits for securities trading activities		800,254,229,600	195,589,127,600
45	- Deposits of securities issuers		1,548,082,337,556	4,609,502,311

NGUYEN THI THUY

Preparer

TRAN SY TIEN

Chief Accountant



VU DUC TIEN

General Director

Hanoi, 20 March 2021



## STATEMENT OF CHANGES IN THE OWNER' S EQUITY

### YEAR 2020

ITEMS	Note	Beginning balance		Increase/ Decrease				Ending balance	
		01/01/2019	01/01/2020	Year 2019	Year 2020		31/12/2019	31/12/2020	
		VND	VND	Increase VND	Decrease VND	Increase VND	Decrease VND	VND	VND
1. Share capital		1,125,489,636,800	2,295,262,472,800	1,169,772,836,000	-	-	-	2,295,262,472,800	2,295,262,472,800
1.1 Ordinary shares with voting rights		1,053,956,740,000	2,072,682,010,000	1,018,725,270,000	-	-	-	2,072,682,010,000	2,072,682,010,000
1.2 Share Premium		71,532,896,800	222,580,462,800	151,047,566,000	-	-	-	222,580,462,800	222,580,462,800
2. Charter capital supplementary reserve fund		29,901,717,464	48,863,340,849	18,961,623,385	-	14,698,515,703	-	48,863,340,849	63,561,856,552
3. Operational risk and financial reserve fund		29,901,717,464	48,863,340,849	18,961,623,385	-	14,698,515,703	-	48,863,340,849	63,561,856,552
4. Asset revaluation differences		-	-	-	-	43,388,969,600	-	-	43,388,969,600
5. Retained earnings		680,021,316,518	299,346,596,684	254,638,268,436	635,312,988,270	754,311,940,023	293,118,872,607	299,346,596,684	760,539,664,100
5.1 Realized earnings		681,893,377,170	340,550,702,961	293,970,314,061	635,312,988,270	271,498,418,748	293,118,872,607	340,550,702,961	318,930,249,102
5.2 Unrealized earnings		(1,872,060,652)	(41,204,106,277)	(39,332,045,625)	-	482,813,521,275	-	(41,204,106,277)	441,609,414,998
<b>TOTAL</b>		<b>1,865,314,388,246</b>	<b>2,692,335,751,182</b>	<b>1,462,334,351,206</b>	<b>635,312,988,270</b>	<b>827,097,941,029</b>	<b>293,118,872,607</b>	<b>2,692,335,751,182</b>	<b>3,226,314,819,604</b>
<b>II. Other comprehensive income</b>									
1. Gain/Loss from revaluation of financial assets at AFS		-	-	-	-	43,388,969,600	-	-	43,388,969,600
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,388,969,600</b>	<b>-</b>	<b>-</b>	<b>43,388,969,600</b>

NGUYEN THI THUY

Preparer

TRAN SY TIEN

Chief Accountant



VU DUC TIEN

General Director

Hanoi, 20 March 2021



## NOTES TO THE FINANCIAL STATEMENTS

### YEAR 2020

#### 1. BACKGROUND

##### 1.1. FORMS OF OWNERSHIP

Sai Gon - Ha Noi Securities Joint Stock Company which was established and operating activities based on License of Securities operating activities No 66/UBCK-GPHDKD dated November 15th, 2007 and Amended License of securities operating activities No 27/UBCK-GP dated April 25th, 2019 issued by the State Securities Committee.

The Company's head office is located at: Floors 1-5 Unimex Hanoi Building, 41 Ngo Quyen, Hang Bai Ward, Hoan Kiem District, Hanoi City.

Company's Charter capital under Business License: VND 2,072,682,010,000, Contributed Legal capital as at December 31st, 2020: VND 2,072,682,010,000; Equivalent to 207,268,201 shares with the price of VND 10,000 per share.

The total number of employees of the Company as at 31 December 2020 is: 213 people (as at 31 December 2019: 211 people).

The Company's member entities are as follows:

NAME OF MEMBER ENTITIES	PLACE OF ESTABLISHMENT AND OPERATION
Ho Chi Minh Brand of Sai Gon - Ha Noi Securities Joint Stock Company	3 <sup>rd</sup> Floor, Artex Saigon Building, 236-238 Nguyen Cong Tru, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City
Da Nang Brand of Sai Gon - Da Nang Securities Joint Stock Company	8 <sup>th</sup> Floor, Thanh Loi 2 Building, No. 03 Le Dinh Ly, Vinh Trung Ward, Thanh Khe District, Da Nang City

##### 1.2. BUSINESS FIELD

The Company's business activities include: Securities brokerage; Securities dealing; Securities investment advisory; Securities depository; Underwriting securities; Financial advice and other financial services.

##### 1.3. OPERATIONS OF THE COMPANY IN THE FISCAL YEAR AFFECTING THE FINANCIAL STATEMENTS

In 2020, the business performance achieved higher results than the previous year due to the sharp increase in the market price of some proprietary shares of the Company at the end of the year, especially bond dealing. Accordingly, operating revenue and pre-tax accounting profit this year increased sharply compared to the previous year.

#### 2. ACCOUNTING SYSTEM AND ACCOUNTING POLICY

##### 2.1. ACCOUNTING PERIOD AND ACCOUNTING MONETARY UNIT

Annual accounting period commences from 1st January and ends as at 31st December.

The Company maintains its accounting records in VND.

##### 2.2. ACCOUNTING STANDARDS AND ACCOUNTING SYSTEM

###### Accounting System

The Company applies Accounting System for securities company issued under Circular No.210/2014/TT-BTC dated 30 December 2014 by The Ministry of Finance on accounting guidance applicable to securities companies (replaced for Circular No.95/2008/TT-BTC dated 24 October 2008, Decision No.99/2000/QĐ-BTC dated 13 June 2000, Circular 162/2010/TT-BTC dated 20 October 2010); Circular No.334/2016/TT-BTC

dated 27 December 2016 by Ministry of Finance amended, supplemented and replace appendix 02, 04 of Circular No.210/2014/TT-BTC.

###### Announcement on compliance with Vietnamese standards and accounting system

The Company applies Vietnamese Accounting Standards and supplement documents issued by the State. Financial statements are prepared in accordance with regulations of each standard and supplement documents as well as with current accounting system.

###### Form of accounting record

The Company is applying accounting record by computer.

##### 2.3. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

Financial statements are presented based on historical cost principle.

Interim Financial Statements of the Company are prepared based on summarization of transactions incurred and recorded into accounting books of dependent accounting entities of the head office of the Company.

In the financial statements of the Company, the intra-group balances and transactions related to assets, equity, receivables and payable are eliminated in full.

##### 2.4. CASH AND CASH EQUIVALENTS

Cash include cash on hand, operating deposits of securities companies.

Cash deposit for disposing underwriting securities is the money receive from disposing underwriting securities at the assigned commercial bank by the function of the Company - Securities underwriting organizations (underwriting principal or secondary) (including proceeds from securities sale agents) and principal, interest and dividend payments of the Issuing Organizations.

Deposits for off set payment for securities transactions are amounts ready for off set and settlement of the Company and investors at T + x at the request of the Vietnam Securities Depository Center (VSD). It may be opened at the assigned bank to make payment for the purchases or sales of securities according to the net deduction result.

Investors' deposits on securities trading are presented at the non-financial statements (Off - statement of financial accounts).

##### 2.5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

###### a) Initial recognition

###### Financial assets

Financial assets of the Company comprised cash and cash equivalents, financial assets recognized through gain/loss (FVTPL), loans, and available-for-sale financial assets (AFS) and receivables. At the date of initial recognition, financial assets are determined according to the purchase price/issuing cost plus other costs directly related to the purchase and issuance of financial assets, except for financial assets. Financial assets recognized through profit/loss (FVTPL) and available-for-sale financial assets (AFS) are determined only at purchase price/issuing cost.

###### Financial liabilities

Financial liabilities of the Company including loans, trade payables and other payables, accrued expenses. At initial recognition, financial liabilities are determined by issuing price plus other expense directly related to the issuance of those liabilities.

###### b) Classification principles

**Financial assets at fair value through profit and loss (FVTPL):** financial asset is classified as FVTPL if it were held for the purpose of selling or repurchasing in financial market through researching and analyzing with profit-taking expectation. The other financial assets which are not classified to FVTPL when they are sold, must be reclassified to FVTPL.



Financial assets FVTPL is a debt instrument at maturity which must be recognized as receivables and make an allowance as doubtful debts (if any).

**Loans:** are non-derivative financial assets with fixed or identifiable payments and not listed on the perfect market.

Types of loan commitments made:

- Margin contract;
- Prepaid of selling securities contract.

After initial recognition, loans are measured at amortized cost using the real interest rate method, except for loans to financial assets recognized at fair value through profit or loss; Financial liabilities arising from the transfer a financial asset that is not eligible for discontinuance or when applicable in accordance with the continued relevant regulations; financial guarantee contracts.

**Available for sale financial assets (AFS):** are the non-derivative financial assets that are determined as available for sale or are not classified as:

- Loans or Receivables;
- Held to maturity investments;
- Financial assets at fair value through profit and loss (FVTPL).

Financial assets that are invested by the Company but have no short-term investment objectives and long-term objectives have not been identified. Therefore, this is a limited financial asset classified in the Company's operations.

**Financial liabilities recognized through profit or loss:** are financial liabilities that meet one of the following conditions:

- Financial liabilities are classified by The Board of Management into the holding group for business;
- At the time of initial recognition, the Company classified financial liabilities into groups that recognized through profit or loss.

**Financial liabilities recognized by amortized value:** financial liabilities are not classified as financial liabilities recognized through profit or loss.

#### c) Revalue financial asset principles

Revaluation of financial assets FTVPL and AFS at market value or fair value is according to the method of valuation in accordance with the law. In case, there is no market prices at the most recent trading date, the Company uses fair value to revalue its financial assets. The fair value is determined on the basis of respect for the principle, method or model of valuation theory of financial assets approved by the Board of Director.

The fair value/market value of financial assets is determined in accordance with Circular No.146/2014/TT-BTC as follows:

- The market value of the securities listed on the Hanoi Stock Exchange and the Ho Chi Minh City Stock Exchange is the closing price of the last trading day counted to the date of revaluation;
- For securities of unlisted, the Company registered for trading on unlisted public listed companies (UPCom), the market value is determined as the average closed price at the latest trading day counts until the date of revaluation;
- For listed securities that are delisted or blocked from the 6th trading day, actual stock prices are book values at the most recent Statement of Financial Position date;
- For unlisted and unregistered securities traded on unlisted public listed companies (UPCom), the actual market price of securities as a basis for re-evaluation is the average price of the actual transaction prices quoted by three (03) securities companies whose transactions have been made at the latest date with the time of re-evaluation but not more than one month prior to the re-evaluation date.

For securities without reference from the above sources, the Company has not properly measured the fair values of these securities because Vietnam Accounting Standards and Vietnamese Accounting System apply for securities companies do not have specific guidance on the determination of fair value.

Accordingly, fair value is estimated at the original cost of the investment.

For unlisted stocks that have been merged from SHB Securities Joint Stock Company, the basis for revaluation is the quotation provided at the time of the merger on March 31st, 2018. As at December 31st, 2020, the Company did not collect quotes of these shares, so it retains the revaluation value at the time of the merger.

Difference of revaluation at market price or the most reliable value (in the absence of market price) of financial assets recognized through FVTPL on the List of financial assets of securities companies At the end of the accounting period, it is monitored separately on Account level 2 "Re-evaluation difference" of Account 121 - "Financial assets recognized through profit/loss" without recording increase or decrease of purchase price of Financial assets on the «Purchase Price» Account and specified for each reassessment are as follows:

- At the first revaluation period, fair value of re-evaluating financial assets recorded through FVTPL profit/loss on the List of financial assets of securities companies are recorded to Account 1212 "Re-evaluation difference re " is the difference between the revaluation of financial assets at fair value through profit or loss at fair value at the time of revaluation at market value or fair value and initial purchase price of assets The financial income is recorded through FVTPL profit/loss on the List of financial assets of securities companies.
- At the second re-evaluation period onwards, the revaluation value of financial assets recorded via FVTPL profit/loss on the List of financial assets of securities companies are recorded to Account 1212 " revaluation " means the difference between the purchase price of financial assets recorded via FVTPL profit/loss and revaluation value at market value or fair value this period. Differences between assessments are recorded in Account 51112 "Increase in revaluation of financial assets is recognized by profit/loss of FVTPL" or Account 63213 "Reduction in revaluation of assets financial assets recognized through profit/loss FVTPL".

Differences in the increase or decrease due to revaluation of financial assets recorded through profit/loss of FVTPL on the List of financial assets of securities companies are recorded on the principle of non-clearing presented in the Income Statement, according to 2 indicators:

- Decreasing difference due to revaluation of financial assets recorded via FVTPL profit/loss reflected in the "Loss" item and transaction costs of financial assets, FVTPL proprietary trading, details "The difference in revaluation of financial assets is recognized though profit/loss "FVTPL".
- Increased difference due to revaluation of financial assets recorded though profit/loss FVTPL reflected in the item "Income", details "Difference in revaluation - Financial assets recognized in over profit/loss".

The difference in increase/decrease dues to reevaluate AFS are recognized directly in equity of the Statements of Financial Position on the item "Asset revaluation differences".

Loans are made provision of impairment at the Statement of Financial Position date. Provision for loans is made on the basis of the estimated loss, calculated as the difference between the market values of the security used as collateral for the loan and the balance of the loan. Increases and decreases of provision are recognized in the Statement of Comprehensive Income on the "Provision expenses for diminution in value and impairment of financial assets, doubtful receivables and borrowing costs of loans".

#### 2.6. SHORT-TERM AND LONG-TERM DEPOSITS RECEIVED

Deposits received are recording amounts enterprises received deposits related to business to be performed in compliance with regulations of law in force. Deposits received are not under assets of the Company, the Company has to manage separately from monetary assets of the Company.

#### 2.7. SHORT-TERM AND LONG-TERM RECEIVABLES

**Receivables from disposal of financial assets:** reflecting receivables from disposal of financial assets of the Company (not through Stock Exchange), including maturity value of financial assets or liquidation of these financial assets.



**Receivables from and accruals for dividend and interest income:** reflecting receivables from and accruals for dividend and interest income belonging to the Company's financial asset list.

**Receivables of services rendered by the Company:** reflecting receivables of the Company with the Stock Exchange, the Vietnam Securities Depository (VSD), the Investors are clients of the Company, with Securities issuing organizations or underwriters of securities and receivables from securities trading activities.

**Provision for impairment of receivables:** The provision for doubtful debts is made for receivables that are overdue under an economic contract, a loan agreement, a contractual commitment or a promissory note and for receivables that are not due but difficult to be recovered. Accordingly, the provisions for overdue debts shall be based on the due date stipulated in the initial sale contract, exclusive of the debt rescheduling between contracting parties and the case where the debts are not due but the debtor is in bankruptcy, in dissolution, or missing and making fleeing.

The provision for bad debts is made for each bad debts according to the Circular No.48/2019/TT-BTC issued by Ministry of Finance on 08 August 2019 as follow:

OVERDUE PERIOD	PROVISION RATE
From over six (06) months to less than one (01) year	30%
From one (01) year to less than two (02) years	50%
From two (02) years to less than three (03) years	70%
From three (03) years and above	100%

## 2.8. FIXED ASSETS, FINANCE LEASE FIXED ASSETS AND INVESTMENT PROPERTIES

Fixed assets (tangible and intangible) are initially stated at the historical cost. During the using time, fixed assets (tangible and intangible) are recorded at cost, accumulated depreciation and carrying amount.

Depreciation is provided on a straight-line basis. Annual rates calculated to write off the cost of each asset evenly over its expected useful life as follows:

Machinery, equipment	03 - 07 year
Transportation equipment	06 year
Office equipment and furniture	04 - 05 year
Management software	03 - 05 year

## 2.9. PREPAID EXPENSES

Prepaid expenses only related to present fiscal year are recognised as short-term prepaid expenses and are recorded into operating costs.

The calculation and allocation of long-term prepaid expenses to operating expenses of each accounting period are based on the nature and extent of each type of expense to select a reasonable allocation method and criteria. Prepaid expenses are amortized into operating expenses on a straight-line basis.

Goodwill arising on merger with SHB Securities Joint Stock Company is amortized within 7 years.

## 2.10. SHORT-TERM AND LONG-TERM PAYABLES

Payables is presented according to term of payables, details for every entity, details for each type of currency and the other factors due to the management of the Company.

**Loans:** reflects the situation of bond issuance and bond payment; reflect the temporary borrowings and repayment the loans of the Company to the Bank, Vietnam Securities Depository Center, Settlement Assistance Fund or other borrowers in accordance with the regulations on lending activities applicable to securities companies.

**Payables for securities transaction activities:** reflect the payment situation about Fees for securities trading activities, Securities services for the Stock Exchange, Vietnam Securities Depository (VSD), payable to the Securities release agent.

**Payables to a securities issuing organization:** reflecting the Securities Issuing Organization payable's receipt and payment of disposing underwriting securities by The Company in the primary or secondary issuing company Primary or secondary securities, including the circumstance which the issued company disposed securities through agents.

## 2.11. BORROWING COSTS

Borrowing costs are recognized as operating expenses in the year, in which it is incurred excepting those which are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset in accordance with VAS No. 16 "Borrowing costs". Besides, regarding borrowings serving the construction of fixed assets and investment properties, the interests shall be capitalized even when the construction duration is under 12 months.

## 2.12. ACCRUED EXPENSES

Accrued expenses include payables to goods or services received from the suppliers or provided for the customers during the reporting period, but the payments for such goods or services have not been made and other payables such as annual leave salary, expenses arising from seasonal cessation of production, interest expenses, etc. which are recorded as operating expenses of the reporting period.

The recording of accrued expenses as operating expenses during the year shall be carried out under the matching principle between revenues and expenses during the year. Accrued expenses are settled with actual expenses incurred. The difference between accrued and actual expenses is reverted.

## 2.13. OWNER'S EQUITY

Owner's equity is stated at actually contributed capital of owners.

Share premium is recorded at the difference between the par value with costs directly attributable to the issuance of shares and issue price of shares (including the case of re-issuing treasury shares) and can be a positive premium (if the issue price is higher than par value and costs directly attributable to the issuance of shares) or negative premium (if the issue price is lower than par value and costs directly attributable to the issuance of shares).

Differences arising from asset revaluation shall be recorded when having the decision of State on asset revaluation; or when carrying out the equalization of State-owned enterprises and other cases in accordance with the provisions of the law.

Undistributed profits of the Company include realized profits and unrealized profits. Accumulated realized profit of the Company at the end of the previous period is the basis for distributing profit to the owner. Accumulated unrealized profit at the end of the previous period is not the basis for distribution to the owner.



Realised profit during the period is the net difference between total revenue and income, and total expenses in the statement of comprehensive income of the Company. The profit is used to allocate for the owner will not contains losses realized at the beginning and losses not yet realized until distributing of interest to the owners. The distribution of the Company's profits to the owner must be transparent and in accordance with the securities law and other relevant laws applicable to the securities company, Charter of the securities company, Resolution of the General Meeting of Shareholders. Profits have distributed income to capital contributing members or shareholders after subtracting the tax liabilities to be calculated on the income they are entitled to.

Dividends to be paid to shareholders are recognised as a payable in Statement of Financial position after the announcement of dividend payment from the Board of Management and announcement of cut-off date for dividend payment of Vietnam Securities Depository Center.

#### 2.14. REVENUE

##### *Rendering of services*

Revenue from rendering of services is recognized when the outcome of that transaction can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, each period's revenue should be recognized by reference to the stage of completion at the balance sheet date. The outcome of a transaction can be estimated reliably when all the 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 stage of completion of the transaction at the balance sheet date can be measured reliably;
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

The stage of completion of a transaction may be determined by surveys of work completed method

##### *Income from securities trading*

Income from disposing of proprietary financial assets FVTPL is determined as the difference between the selling price and the cost of the number of FVTPL financial assets sold. Income from sale of financial assets is income earned.

Income from an increasing revalue of FVTPL proprietary financial assets at fair value. Income from revaluation financial asset in FVTPL proprietary financial assets are unrealized income.

Income derived from FVTPL, loans including: loan interest arising on loans in accordance with the Law on Securities; Dividends, dividends distributed from stock, bond interest; Interest derived from fixed deposits.

Dividends and profit arising from financial assets belonging to the Company's portfolio: FVTPL and AFS are recognized when the Company is entitled to receive dividends from the ownership of the shares already established.

#### 2.15. OPERATING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

Costs are recognized into operating costs when it may decrease economic benefits at the generating time or it may be determined in a certain way, no distinction it was paid or not.

#### 2.16. FINANCIAL INCOME, FINANCIAL EXPENSE

##### *Financial income*

- Income from interest is recognized in the Statement of Comprehensive Income on accrual basis;
- Bonus shares or dividends paid by stocks: No earnings are recognized when the rights to receive bonus shares or stock dividend is established.

##### *Income from business cooperation contracts*

- Interest expenses;
- Other financial expenses (transfer fees...).

#### 2.17. TAXATION

##### a) Deferred income tax liability

Deferred income tax liability are determined based on ... prevailing corporate income tax rate (or corporate income tax rate which is estimated to change in the future if the deferred income tax asset or deferred income tax liability are reversed when the new tax rates have been enacted), tax rates and tax laws enacted at the end of accounting year.

##### b) Current corporate income tax expenses and Deferred corporate income tax expenses

Current corporate income tax expenses are determined based on taxable income during the year and current corporate income tax rate.

Deferred corporate income tax expenses are determined based on deductible temporary differences, the taxable temporary differences and corporate income tax rate.

Current corporate income tax expenses and deferred corporate income tax expenses are not offset against each other.

##### c) Tax rate

The Company is subject to corporate income tax of 20% for the fiscal year ended as at December 31st, 2020.

#### 2.18. EARNINGS PER SHARE

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

#### 2.19. RELATED PARTIES

The parties are regarded as related parties if that party has the ability to control or significantly influence the other party in making decisions about the financial policies and activities. The Company's related parties include:

- Companies, directly or indirectly through one or more intermediaries, having control over the Company or being under the control of the Company, or being under common control with the Company, including the Company's parent, subsidiaries and associates;
- Individuals, directly or indirectly, holding voting power of the Company that have a significant influence on the Company, key management personnel including directors and employees of the Company, the close family members of these individuals;
- Enterprises that the above-mentioned individuals directly or indirectly hold an important part of the voting power or have significant influence on these enterprises.

In considering the relationship of related parties to serve for the preparation and presentation of Financial Statements, the Company should consider the nature of the relationship rather than the legal form of the relationship.

#### 2.20. SEGMENT INFORMATION

A segment is a distinguishable component of the Company that is engaged in providing an individual or group of related products or services (business segment), or providing products or services within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from other components.

Segment information should be prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company in order to help users of financial statements better understand and make more informed judgments about the Company as a whole.

**3. VALUE OF SECURITIES TRANSACTION THIS YEAR**

	VOLUME OF SECURITIES TRANSACTION THIS YEAR VND	VOLUME OF SECURITIES TRANSACTION THIS YEAR VND
<b>Securities company</b>	<b>412,865,698</b>	<b>43,035,645,203,200</b>
- Shares	82,445,698	1,810,104,503,200
- Bonds	330,420,000	41,225,540,700,000
<b>Investors</b>	<b>7,694,172,159</b>	<b>135,669,533,463,740</b>
- Shares	7,447,931,288	107,502,247,124,330
- Bonds	214,501,861	28,136,372,522,410
- Other securities	31,739,010	30,913,817,000
	<b>8,107,037,857</b>	<b>178,705,178,666,940</b>

**4.4. CASH AND CASH EQUIVALENTS**

	31/12/2020 VND	01/01/2020 VND
Cash on hand	104,069,222	55,644,272
Cash at bank	652,448,389,780	1,051,978,622,315
Cash at bank for securities transaction compensation payment	521,761,191	385,001,332
	<b>653,074,220,193</b>	<b>1,052,419,267,919</b>

**5.5. FINANCIAL ASSETS****a, Financial assets at fair value through profit and loss (FVTPL)**

	31/12/2020		01/01/2020	
	BOOK VALUE VND	FAIR VALUE VND	BOOK VALUE VND	FAIR VALUE VND
Listed securities	1,310,685,994,021	1,628,002,782,990	702,337,011,133	661,132,707,070
Unlisted securities	286,399,669,748	267,133,827,316	287,407,854,670	267,533,291,296
Listed bonds	-	-	341,437,500,000	341,437,500,000
Unlisted bonds	309,600,000,000	309,600,000,000	-	-
	<b>1,906,685,663,769</b>	<b>2,204,736,610,306</b>	<b>1,331,182,365,803</b>	<b>1,270,103,498,366</b>

**b, Available for sale financial assets (AFS)**

	31/12/2020		01/01/2020	
	BOOK VALUE VND	FAIR VALUE VND	BOOK VALUE VND	FAIR VALUE VND
Listed securities	183,532,771,349	461,007,802,000	-	-
Unlisted bonds	-	-	300,000,000,000	300,000,000,000
	<b>183,532,771,349</b>	<b>461,007,802,000</b>	<b>300,000,000,000</b>	<b>300,000,000,000</b>

**c, Loans**

	31/12/2020 VND	01/01/2020 VND
Margin operation	1,778,870,609,208	1,544,724,340,397
Prepaid of selling securities operation	392,813,555,293	103,115,083,230
	<b>2,171,684,164,501</b>	<b>1,647,839,423,627</b>

**d, Fluctuation of market value**

	BOOK VALUE		MARKET VALUE		INCREASE		DECREASE		REVALUATION VALUE	
	31/12/2020 VND	01/01/2020 VND	31/12/2020 VND	01/01/2020 VND	31/12/2020 VND	01/01/2020 VND	31/12/2020 VND	01/01/2020 VND	31/12/2020 VND	01/01/2020 VND
<b>FVTPL</b>	<b>1,906,685,663,769</b>	<b>1,331,182,365,803</b>	<b>2,204,736,610,306</b>	<b>1,270,103,498,366</b>	<b>352,357,794,552</b>	<b>33,153,664,946</b>	<b>(54,306,848,015)</b>	<b>(94,232,532,383)</b>	<b>2,204,736,610,306</b>	<b>1,270,103,498,366</b>
Listed securities	1,310,685,994,021	702,337,011,133	1,628,002,782,990	661,132,707,070	350,607,294,552	31,400,932,668	(33,290,505,583)	(72,607,784,731)	1,628,002,782,990	661,130,159,070
SHB	-	137,065,831,349	-	120,814,044,000	-	-	-	(16,251,787,349)	-	120,814,044,000
GVR	118,798,154,052	88,727,133,688	272,831,322,000	92,398,080,000	154,033,167,948	3,670,946,312	-	-	272,831,322,000	92,398,080,000
RCC	52,895,611,009	52,895,611,009	66,470,000,000	57,500,000,000	13,574,388,991	4,604,388,991	-	-	66,470,000,000	57,500,000,000
BSI	37,913,089,680	37,913,027,320	50,602,502,100	31,905,932,500	12,689,412,420	-	-	(6,007,094,820)	50,602,502,100	31,905,932,500
VRC	72,552	101,644,178,789	38,240	93,865,894,500	-	-	(34,312)	(7,778,284,289)	38,240	93,865,894,500
TCB	187,211,506,500	-	241,389,540,000	-	54,178,033,500	-	-	-	241,389,540,000	-
HPG	113,582,515,007	-	131,465,845,850	-	17,883,330,843	-	-	-	131,465,845,850	-



	BOOK VALUE		MARKET VALUE		INCREASE		DECREASE		REVALUATION VALUE	
	31/12/2020 VND	01/01/2020 VND	31/12/2020 VND	01/01/2020 VND	31/12/2020 VND	01/01/2020 VND	31/12/2020 VND	01/01/2020 VND	31/12/2020 VND	01/01/2020 VND
Other stock	800,285,045,221	284,091,228,978	865,243,534,800	264,648,756,070	98,248,960,850	23,125,597,365	(33,290,471,271)	(42,570,618,273)	865,243,534,800	264,646,208,070
Delisted securities	1,506,150,610	1,506,475,532	1,504,203,640	1,506,751,640	-	2,232,278	(1,946,970)	(1,956,170)	1,504,203,640	1,506,751,640
<i>Petro Vietnam Construction Joint Stock Corporation</i>	1,503,750,000	1,503,750,000	1,503,750,000	1,503,750,000	-	-	-	-	1,503,750,000	1,503,750,000
Other stock	2,400,610	2,725,532	453,640	3,001,640	-	2,232,278	(1,946,970)	(1,956,170)	453,640	3,001,640
Unlisted securities (1)	284,893,519,138	285,901,379,138	265,629,623,676	266,026,539,656	1,750,500,000	1,750,500,000	(21,014,395,462)	(21,622,791,482)	265,629,623,676	266,029,087,656
<i>Sai Gon - Ha Noi Insurance Corporation</i>	145,257,484,500	145,257,484,500	145,257,484,500	145,257,484,500	-	-	-	-	145,257,484,500	145,257,484,500
<i>ICA Biotechnological - Pharmaceutical Joint Stock Company</i>	35,682,501,638	35,682,501,638	16,787,500,000	16,787,500,000	-	-	(18,895,001,638)	(18,895,001,638)	16,787,500,000	16,787,500,000
<i>My Xuan Port services and shipyard Joint Stock Company</i>	84,000,000,000	84,000,000,000	84,000,000,000	84,000,000,000	-	-	-	-	84,000,000,000	84,000,000,000
Other stock	19,953,533,000	20,961,393,000	19,584,639,176	19,981,555,156	1,750,500,000	1,750,500,000	(2,119,393,824)	(2,727,789,844)	19,584,639,176	19,984,103,156
Listed bonds	-	341,437,500,000	-	341,437,500,000	-	-	-	-	-	341,437,500,000
<i>Government bonds were auctioned in round 14/2015</i>	-	341,437,500,000	-	341,437,500,000	-	-	-	-	-	341,437,500,000
Unlisted bonds	309,600,000,000	-	309,600,000,000	-	-	-	-	-	309,600,000,000	-
<i>Bonds issued by Joint Stock Commercial Bank for Investment and Development of Vietnam November 5, 19 (2)</i>	300,000,000,000	-	300,000,000,000	-	-	-	-	-	300,000,000,000	-
<i>Bonds issued by Crystal Plastic Technology and Production Joint Stock Company, issued on October 15, 20 (3)</i>	9,600,000,000	-	9,600,000,000	-	-	-	-	-	9,600,000,000	-
<b>AFS</b>	<b>183,532,771,349</b>	<b>300,000,000,000</b>	<b>461,007,802,000</b>	<b>300,000,000,000</b>	<b>277,475,030,651</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>461,007,802,000</b>	<b>300,000,000,000</b>
Listed	183,532,771,349	-	461,007,802,000	-	277,475,030,651	-	-	-	461,007,802,000	-
SHB (4)	183,532,771,349	-	461,007,802,000	-	277,475,030,651	-	-	-	461,007,802,000	-
Bonds	-	300,000,000,000	-	300,000,000,000	-	-	-	-	-	300,000,000,000
<i>Bonds of The Joint Stock Commercial Bank for Investment and Development of Vietnam November 5th, 2019</i>	-	300,000,000,000	-	300,000,000,000	-	-	-	-	-	300,000,000,000
	<b>2,090,218,435,118</b>	<b>1,631,182,365,803</b>	<b>2,665,744,412,306</b>	<b>1,570,103,498,366</b>	<b>629,832,825,203</b>	<b>33,153,664,946</b>	<b>(54,306,848,015)</b>	<b>(94,232,532,383)</b>	<b>2,665,744,412,306</b>	<b>1,570,103,498,366</b>

**Note:**

(1) Some merged stocks from SHB Securities Joint Stock Company are being assessed at market value according to the quotation provided at the time of merging March 31st, 2018. As at December 31st, 2020, the Company did not collect quotes of these shares, so it retains the revaluation value at the time of the merger. For the remaining unlisted stocks, due to the failure to collect 3 quotes of the securities company that traded at the time closest to the evaluation time, the market value is estimated at cost.

(2) Bonds issued by Bank for Investment and Development of Vietnam have a term of 7 years from the date of issuance on November 5th, 2019, the date of exercising the right to transfer November 5th, 2021, with interest rates 8.2%/year.

(3) Bonds issued by Crystal Plastic Technology and Production Joint Stock Company have a term of 18 months from the date of issue 15/10/2020, the amount of 9,600 bonds, price 1,000,000 VND, the date of exercising the right to transfer 15/10/2021 with the rate of 12%/year.

(4) SHB shares were reclassified from FVTPL to AFS on October 1, 2020, the market price at the time of reclassification based on the closing price on HNX on September 30, 2020 was VND461,007,802,000; Evaluation difference increased as at 31/12/2020 and the date to switch to AFS was 43,388,969,600 VND.

**6. RECEIVABLES**

	31/12/2020 VND	01/01/2020 VND
Receivables from and accruals for dividend and interest income	4,155,342,462	4,594,246,575
Receivables from interest of margin activities	28,978,827,331	43,074,736,825
Receivables from services provided by the Company	1,702,764,467,372	2,059,380,600,595
- Receivables of business cooperation contracts	427,767,228,594	427,767,228,594
- Receivables interest of business cooperation contracts	58,035,032,434	58,256,550,516
- Receivables of advances to pay dividends	10,000,000,000	10,000,000,000
- Receivables from consulting activities	21,696,400,000	16,790,600,000
- Receivables from other securities trading activities	1,185,265,806,344	1,546,566,221,485
Other receivables	92,583,752,886	45,021,531,845
- Agricultural products and material Joint Stock Company (*)	45,006,580,297	45,006,580,297
- Self-employed auction deposit	47,200,000,000	-
- Other receivables	377,172,589	14,951,548
	<b>1,828,482,390,051</b>	<b>2,152,071,115,840</b>

(\*) This is the receivable amount relating to a lawsuit between the Company and the Agricultural Materials Joint Stock Company regarding the disposal of collaterals for margin lending. On January 16th, 2019, the Company received a notice from the Supreme People's Court that responded that the Court has received the Company's application for requesting review of cassation procedure and will notify the Company again when there is a final conclusion. The company has sent Official Letter No. 1278/2019/CV-SHS dated December 30th, 2019 to the Supreme People's Court, which requested the review of cassation procedures for Appellate Commercial Business Judgment No. 36/2017/KDTM-PT dated May 16th, 2017 of the People's Court of Hanoi. On 06/01/2020, the Company received the Official Letter No.01/TB-ANDTC-VP of the Supreme People's Court in response to the above dispatch regarding the acceptance and treatment by the Supreme People's Court consider and settle according to law provisions. When the settlement results are available, the Supreme People's Court will notify the Company. With the documents submitted to the Court by the Company, the Board of General Directors believes that the outcome of the lawsuit may be changed and the figures presented in the Financial Statements may change based on on the final judgment of the Supreme People's Court.

**7. PROVISION FOR IMPAIRMENT OF RECEIVABLES**

	31/12/2020 VND	01/01/2020 VND
Hoa Lac Hi-Tech Park Development Company Limited	1,252,000,000	-
Dai-ichi Life Insurance of Vietnam Company Limited	48,031,000	1,249,031,000
Sai Gon - Ha Noi Insurance Corporation	-	613,666,668
Other advances	566,214,590	384,887,940
	<b>1,866,245,590</b>	<b>2,247,585,608</b>

**8. PROVISION FOR IMPAIRMENT OF RECEIVABLES**

	AMOUNT OF DOUBTFUL DEBT	BEGINNING	CURRENT YEAR		CLOSING VND
			PROVISION VND	REVERSAL VND	
<b>Provision for impairment of receivables and accrual dividend and interest income</b>	<b>820,000,000</b>	<b>820,000,000</b>	-	-	<b>820,000,000</b>
No.8 Investment and Construction Joint Stock Company	820,000,000	820,000,000	-	-	820,000,000
<b>Provision for impairment of trading contract (margin)</b>	<b>75,204,043,412</b>	<b>11,654,597,122</b>	<b>33,430,249,001</b>	<b>(923,475,564)</b>	<b>44,161,370,559</b>
<b>Provision for impairment of other receivables</b>	<b>477,916,741,170</b>	<b>429,586,120,140</b>	<b>1,545,176,676</b>	<b>(10,056,501,959)</b>	<b>421,074,794,857</b>
- Receivables from principal and interest of securities trading cooperation contracts	464,587,821,162	416,257,200,132	1,545,176,676	(10,056,501,959)	407,745,874,849
- Receivables of advances to pay dividends	10,000,000,000	10,000,000,000	-	-	10,000,000,000
- Receivables consulting activities	330,000,000	330,000,000	-	-	330,000,000
- Receivables from other financial services	2,998,920,008	2,998,920,008	-	-	2,998,920,008
	<b>553,940,784,582</b>	<b>442,060,717,262</b>	<b>34,975,425,677</b>	<b>(10,979,977,523)</b>	<b>466,056,165,416</b>

**9. INVENTORIES**

	31/12/2020 VND	01/01/2020 VND
Raw material	185,702,214	205,494,831
Tools, supplies	123,890,000	61,835,000
	<b>309,592,214</b>	<b>267,329,831</b>

**10. PREPAID EXPENSES****a, Short-term prepaid expenses**

	31/12/2020 VND	01/01/2020 VND
Rent expenses waiting for allocation	129,525,000	140,025,000
Telecommunication network costs waiting for allocation	27,084,464	20,203,348
Expense for health insurance for employees	484,166,666	-
Others	221,537,271	252,050,632
	<b>862,313,401</b>	<b>412,278,980</b>

**b, Long-term prepaid expenses**

	31/12/2020 VND	01/01/2020 VND
Prepaid expenses for operating leases (*)	44,181,444,176	54,577,078,100
Tools and consumables awaiting for allocation	643,028,554	1,056,588,059
Substantial expenditure on fixed asset overhaul	455,233,219	434,233,219
Substantial expenditure on fixed asset overhaul	90,096,334	43,665,411
Telecommunication network costs waiting for allocation	448,957,710	733,087,851
Maintenance costs waiting for allocation	216,208,222	812,437,939
Others	224,916,542	540,167,770
	<b>46,259,884,757</b>	<b>58,197,258,349</b>

(\*) All are goodwill arising from merger with SHB Securities Joint Stock Company, Company allocation within 7 years.

**11. DEPOSITS, COLLATERALS AND PLEDGES****a, Short-term**

	31/12/2020 VND	01/01/2020 VND
Deposit water of bottle	2,750,000	2,750,000
	<b>2,750,000</b>	<b>2,750,000</b>

**b, Long-term**

	31/12/2020 VND	01/01/2020 VND
Office rental deposit	1,431,490,343	886,132,343
Others	5,400,000	4,400,000
	<b>1,436,890,343</b>	<b>890,532,343</b>

**12. TANGIBLE FIXED ASSETS**

	MACHINERY, EQUIPMENT VND	TRANSPORTATION EQUIPMENT VND	EQUIPMENT, MANAGEMENT VND	TOTAL VND
<b>Original cost</b>				
As at 01/01/2020	24,654,217,366	6,386,267,182	400,714,710	31,441,199,258
Purchase	757,262,000	-	-	757,262,000
Liquidating, disposed	(6,818,888,292)	-	-	(6,818,888,292)
<b>As at 31/12/2020</b>	<b>18,592,591,074</b>	<b>6,386,267,182</b>	<b>400,714,710</b>	<b>25,379,572,966</b>
<b>Accumulated depreciation</b>				
As at 01/01/2020	24,341,497,792	2,468,051,703	205,590,697	27,015,140,192
Depreciation	384,969,387	949,033,332	57,109,476	1,391,112,195
Liquidating, disposed	(6,818,888,292)	-	-	(6,818,888,292)
<b>As at 31/12/2020</b>	<b>17,907,578,887</b>	<b>3,417,085,035</b>	<b>262,700,173</b>	<b>21,587,364,095</b>
<b>Net carrying amount</b>				
As at 01/01/2020	312,719,574	3,918,215,479	195,124,013	4,426,059,066
<b>As at 31/12/2020</b>	<b>685,012,187</b>	<b>2,969,182,147</b>	<b>138,014,537</b>	<b>3,792,208,871</b>

In which: - Cost of fully depreciated tangible fixed assets but still in use: VND 17,922,526,115.

The Company has not determined the fair value of fixed assets because Vietnamese's Accounting Standards, Vietnamese Accounting System applied for securities companies has not guided in detail on the determination of the fair value.

**13. INTANGIBLE FIXED ASSETS**

	TRANSACTION, ACCOUNTING SOFTWARE VND
<b>Original cost</b>	
As at 01/01/2020	31,196,229,207
Purchase	602,543,000
Liquidating, disposed	(8,614,107,220)
<b>As at 31/12/2020</b>	<b>23,184,664,987</b>
<b>Accumulated depreciation</b>	
As at 01/01/2020	31,196,229,207
Depreciation	22,010,105
Liquidating, disposed	(8,614,107,220)
<b>As at 31/12/2020</b>	<b>22,604,132,092</b>
<b>Net carrying amount</b>	
As at 01/01/2020	-
<b>As at 31/12/2020</b>	<b>580,532,895</b>

The Company has not determined the fair value of fixed assets because Vietnamese's Accounting Standards, Vietnamese Accounting System applied for securities companies has not guided in detail on the determination of the fair value.

**14. DEPOSITS TO SETTLEMENT ASSISTANCE FUND**

	31/12/2020 VND	01/01/2020 VND
Initial deposit	120,000,000	120,000,000
Additional deposit	18,066,986,207	17,173,800,433
Allocated interest	1,813,013,793	1,962,301,529
<b>Ending balance</b>	<b>20,000,000,000</b>	<b>19,256,101,962</b>

**15. LOANS AND DEBTS**

	01/01/2020 VND	Loans VND	Payments VND	31/12/2020 VND
<b>Short-term loans</b>	<b>988,000,000,000</b>	<b>19,644,002,685,626</b>	<b>19,838,002,685,626</b>	<b>794,000,000,000</b>
Loans from banks	988,000,000,000	19,644,002,685,626	19,838,002,685,626	794,000,000,000
	<b>988,000,000,000</b>	<b>19,644,002,685,626</b>	<b>19,838,002,685,626</b>	<b>794,000,000,000</b>

	31/12/2020 VND	01/01/2020 VND
<b>DETAIL SHORT-TERM LOANS</b>		
Saigon Hanoi Commercial Joint Stock Bank	-	543,000,000,000
Indovina Bank Limited	100,000,000,000	-
An Binh Commercial Joint Stock Bank	100,000,000,000	51,000,000,000
The Joint Stock Commercial Bank for Investment and Development of Vietnam	294,000,000,000	294,000,000,000
Vietnam Prosperity Joint Stock Commercial Bank	200,000,000,000	-
ChinaTrust Commercial Bank - HCMCity Branch	100,000,000,000	100,000,000,000
	<b>794,000,000,000</b>	<b>988,000,000,000</b>

As at December 31st, 2020, the Company had short-term loans with terms of between 01 days and 01 months to supplement working capital, with the interest rates ranging from 5.2%/year to 7.8%/year. The collateral for these loans is listed and unlisted shares, detailed by each credit agreement or mortgage agreement.

**16. SHORT-TERM ACCOUNTS RECEIVABLE**

	01/01/2020 VND	INCREASE VND	DECREASE VND	31/12/2020 VND
<b>Short-term liabilities</b>	<b>950,000,000,000</b>	<b>2,913,840,000,000</b>	<b>(3,413,840,000,000)</b>	<b>450,000,000,000</b>
- FIDES XIN ZHAO PRIVATE INVESTMENT TRUST 1	300,000,000,000	-	(300,000,000,000)	-
- FIDES XIN MOI B&I PRIVATE INVESTMENT TRUST 3	100,000,000,000	-	(100,000,000,000)	-
- Tien Phong Commercial Joint Stock Bank	500,000,000,000	-	(500,000,000,000)	-
- Lien Viet Post Joint Stock Commercial Bank	-	300,000,000,000	-	300,000,000,000
- Saigon - Hanoi Commercial Joint Stock Bank	-	500,000,000,000	(500,000,000,000)	-
- Indovina Bank Limited	-	500,000,000,000	(500,000,000,000)	-
- Others	50,000,000,000	1,613,840,000,000	(1,513,840,000,000)	150,000,000,000
<b>Long-term liabilities</b>	<b>-</b>	<b>650,000,000,000</b>	<b>-</b>	<b>650,000,000,000</b>
- Bao Viet Commercial Joint Stock Bank	-	250,000,000,000	-	250,000,000,000
- Ho Chi Minh City Development Joint Stock Commercial Bank	-	400,000,000,000	-	400,000,000,000
	<b>950,000,000,000</b>	<b>3,563,840,000,000</b>	<b>(3,413,840,000,000)</b>	<b>1,100,000,000,000</b>

The balance reflects bonds sold to organizations and individuals according to the issuances of the Company, with the following details:

- Face value: VND 1,000,000,000/bond (with the amount of 300 bonds) and VND 10,000,000/bond (with the amount of 80,000 bonds);
- Term: 01 year for short term bonds, 02 years for long term bonds;
- Method of issuance: Individual issuance via issuing agent;
- Collateral: There are no collaterals;
- Interest rate: Specified and adjusted in detail in each issue from time to time;
- Issuing purpose: Supplementing operating capital for margin lending.

**17. TAX PAYABLES AND STATUTORY OBLIGATIONS**

	31/12/2020 VND	01/01/2020 VND
Value added tax	5,243,187,804	553,699,786
Business income tax	28,459,842,013	20,298,940,330
Personal income tax	12,017,620,530	3,586,223,721
	<b>45,720,650,347</b>	<b>24,438,863,837</b>

The Company's tax settlements are subject to examination by the tax authorities. Because the application of tax laws and regulations on many types of transactions is susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

**18. ACCRUED EXPENSES**

	31/12/2020 VND	01/01/2020 VND
Accrued interest expenses	18,564,455,722	15,792,379,085
Interest expenses on securities brokerage contracts	11,963,333,694	40,757,606,799
Interest paid on bonds	24,038,904,110	16,374,672,755
Payables to exchanges	4,113,221,009	2,311,705,941
The cost of introducing product information	-	1,986,349,196
Office rental cost at 41 Ngo Quyen - Hanoi	-	330,000,000
Other accrued expenses	5,770,695,112	822,154,480
	<b>64,450,609,647</b>	<b>78,374,868,256</b>

**19. DEPOSITS, COLLATERAL RECEIVED****a, Short-term deposits, collateral received**

	31/12/2020 VND	01/01/2020 VND
Receiving deposits for securities brokerage contracts (*)	1,495,276,630,132	1,266,400,629,532
	<b>1,495,276,630,132</b>	<b>1,266,400,629,532</b>

**b, Long-term deposits, collateral received**

	31/12/2020 VND	01/01/2020 VND
Others	25,000,000	25,000,000
	<b>25,000,000</b>	<b>25,000,000</b>

(\*) The balance reflects the deposit received in accordance with the Brokerage Contract to buy securities between the Company and the customers. Accordingly, the Company is responsible for finding organizations and individuals wishing to sell securities and carrying out relevant procedures to transfer securities to customers. In case the Contract is not fulfilled, the Company is responsible for refunding the deposit received and the opportunity fee calculated on the amount of the deposit received multiplied by the specified interest rate and the number of actual holding days.

**20. OTHER PAYABLES**

	31/12/2020 VND	01/01/2020 VND
Dividend for shareholders payables	967,379,544	10,472,811,714
Payables for market development and finding customer	6,055,729,068	2,632,801,089
Dividends paid back to Vietnam National Aviation Insurance Joint	-	1,764,634,850
Others	8,789,466,108	4,332,744,119
	<b>15,812,574,720</b>	<b>19,202,991,772</b>

**21. OWNER'S EQUITY****a, Details of owner's invested capital**

	Percentage %	31/12/2020 VND	Percentage %	01/01/2020 VND
T&T Group Joint Stock Company	5.67%	117,434,160,000	5.67%	117,434,160,000
Others	94.33%	1,955,247,850,000	94.33%	1,955,247,850,000
	<b>100%</b>	<b>2,072,682,010,000</b>	<b>100%</b>	<b>2,072,682,010,000</b>

**b, Undistributed earnings**

	31/12/2020 VND	01/01/2020 VND
Realized earnings	318,930,249,102	340,550,702,961
Unrealized earnings	441,609,414,998	(41,204,106,277)
	<b>760,539,664,100</b>	<b>299,346,596,684</b>

**c, The situation of income distribution for shareholders or capital contributors**

	31/12/2020 VND	01/01/2020 VND
Realized earnings undistributed previous year	340,550,702,961	681,893,377,170
Unrealized loss accumulated to the end of the fiscal year	441,609,414,998	(41,204,106,277)
Realized gain/loss accumulated to the beginning of the year	271,498,418,748	293,970,314,061
Earnings distributed to shareholders accumulate to the end of the fiscal year	612,049,121,709	975,863,691,231
The deduction of funds from profit	(44,397,031,407)	(60,923,246,770)
- Charter capital supplementary reserve fund	(14,698,515,703)	(18,961,623,385)
- Operational risk and financial reserve fund	(14,698,515,703)	(18,961,623,385)
- Bonus and welfare fund	(15,000,000,000)	(23,000,000,000)
Earnings distributed to shareholders	(248,721,841,200)	(574,389,741,500)
<b>Realized earning undistributed accumulated to the end of the fiscal year</b>	<b>318,930,249,102</b>	<b>340,550,702,961</b>

According to Resolution No 01-2020/NQ-ĐHĐCĐ dated 24/06/2020 issued by General Meeting of shareholders, the Company announced its profit distribution plan as follows:

	PERCENTAGE %	PROFIT VND
Profit after tax	100.00%	340,550,702,961
Charter capital supplementary reserve fund	4.32%	14,698,515,703
Operational risk and financial reserve fund	4.32%	14,698,515,703
Bonus and welfare fund	4.40%	15,000,000,000
Paid dividends by cash (equal to 15% of charter capital)	73.04%	248,721,841,200
Retained profit	13.93%	47,431,830,355

**22. FINANCIAL ASSETS LISTED/REGISTERED AT THE VSD OF THE COMPANY**

	31/12/2020 VND	01/01/2020 VND
Unrestricted financial assets	588,236,780,000	152,713,610,000
Mortgage financial assets	331,137,500,000	439,137,500,000
Financial assets awaiting settlement	21,782,600,000	250,000,000,000
	<b>941,156,880,000</b>	<b>841,851,110,000</b>

**23. THE COMPANY'S NON-TRADED FINANCIAL ASSETS DEPOSITED AT THE VSD**

	31/12/2020 VND	01/01/2020 VND
Unrestricted and non-traded financial assets deposited at the VSD	1,501,710,000	1,501,490,000
	<b>1,501,710,000</b>	<b>1,501,490,000</b>

**24. THE COMPANY'S AWAITING FINANCIAL ASSETS**

	31/12/2020 VND	01/01/2020 VND
The Company's awaiting financial assets	16,570,100,000	-
	<b>16,570,100,000</b>	-

**25. THE COMPANY'S FINANCIAL ASSETS WHICH ARE NOT DEPOSITED AT THE VSD**

	31/12/2020 VND	01/01/2020 VND
The Company's financial assets which are not deposited at the VSD	179,201,130,000	179,531,730,000
	<b>179,201,130,000</b>	<b>179,531,730,000</b>

**26. FINANCIAL ASSETS LISTED/REGISTERED AT THE VSD OF INVESTORS**

	31/12/2020 VND	01/01/2020 VND
Unrestricted financial assets	25,820,844,780,000	21,105,570,290,000
Restricted financial assets	3,369,389,590,000	3,109,444,650,000
Mortgage financial assets	2,322,266,100,000	1,814,684,440,000
Blocked financial assets	66,755,200,000	50,000,000,000
Financial assets awaiting settlement	505,815,580,000	152,563,760,000
	<b>32,085,071,250,000</b>	<b>26,232,263,140,000</b>

**27. NON-TRADED FINANCIAL ASSETS DEPOSITED AT THE VSD OF INVESTORS**

	31/12/2020 VND	01/01/2020 VND
Unrestricted and non-traded financial assets deposited at the VSD	219,143,010,000	740,054,780,000
Restricted and non-traded financial assets deposited at the VSD	277,000,000,000	205,035,000,000
Non-traded and mortgage financial assets deposited at the VSD	15,295,680,000	15,295,680,000
	<b>511,438,690,000</b>	<b>960,385,460,000</b>

**28. AWAITING FINANCIAL ASSETS OF INVESTORS**

	31/12/2020 VND	01/01/2020 VND
Awaiting financial assets of investors	500,707,280,000	157,948,760,000
	<b>500,707,280,000</b>	<b>157,948,760,000</b>



## 29. INVESTORS' DEPOSITS

	31/12/2020 VND	01/01/2020 VND
<b>Investors' deposits for securities trading activities managed by the Company</b>	<b>511,475,622,919</b>	<b>440,076,755,463</b>
1. Domestic investors	502,583,751,194	439,518,786,854
2. Foreign investors	8,891,871,725	557,968,609
<b>Investors' synthesizing deposits for securities trading activities</b>	<b>800,254,229,600</b>	<b>195,589,127,600</b>
<b>Deposits of securities issuers</b>	<b>1,548,082,337,556</b>	<b>4,609,502,311</b>
1. Deposits for dividend payments of issuers	1,548,082,337,556	4,609,502,311
	<b>2,859,812,190,075</b>	<b>640,275,385,374</b>

## 30. PAYABLES TO INVESTORS

	31/12/2020 VND	01/01/2020 VND
<b>1. Payables to investors - Investors' deposits for securities trading activities managed by the Company</b>	<b>511,475,622,919</b>	<b>440,076,755,463</b>
1.1. Domestic investors	502,583,751,194	439,518,786,854
2.1. Foreign investors	8,891,871,725	557,968,609
<b>2. Payables to investors - Investors' synthesizing deposits for securities trading activities</b>	<b>800,254,229,600</b>	<b>195,589,127,600</b>
2.1. Domestic investors	800,254,229,600	195,589,127,600
	<b>1,311,729,852,519</b>	<b>635,665,883,063</b>

## 31. PAYABLES FOR DIVIDEND, PRINCIPAL AND INTEREST FROM BONDS

	31/12/2020 VND	01/01/2020 VND
Payables for dividend, principal and interest from bonds to investors	1,548,082,337,556	4,609,502,311
	<b>1,548,082,337,556</b>	<b>4,609,502,311</b>

## 32. LOAN PAYABLES OF INVESTORS TO THE COMPANY

	31/12/2020 VND	01/01/2020 VND
<b>1. Margin transaction payables</b>	<b>1,807,849,436,539</b>	<b>1,587,799,077,222</b>
1.1. Principal of margin transaction	1,778,870,609,208	1,544,724,340,397
Domestic investors	1,778,870,609,208	1,544,724,340,397
1.2. Interest of margin transaction	28,978,827,331	43,074,736,825
Domestic investors	28,978,827,331	43,074,736,825
<b>2. Prepaid of selling securities operation payables</b>	<b>392,813,555,293</b>	<b>103,115,083,230</b>
2.1. Principal of prepaid of selling securities operation	392,813,555,293	103,115,083,230
Domestic investors	392,813,555,293	103,115,083,230
	<b>2,200,662,991,832</b>	<b>1,690,914,160,452</b>

## 33. REVENUE

### a. Gain/loss from disposal of financial assets

	Total amount VND	Gain, loss from trading shares of current		Gain, loss from trading shares of the previous year		
		Cost of goods sold VND	Gain VND	Loss VND	Gain VND	Loss VND
Listed securities	471,308,265,100	489,957,013,345	62,860,442,592	81,509,190,837	88,300,181,880	25,218,747,715
Listed securities	76,000,000,000	94,825,000,000	1,000,000,000	19,825,000,000	445,751,200	-
Listed bonds	22,392,287,300,000	22,216,467,180,000	240,517,160,000	64,697,040,000	208,217,721,159	14,453,656,159
Unlisted bonds	12,348,529,820,799	12,345,743,108,611	12,740,709,404	9,953,997,216	5,346,653,723	10,243,012,856
Monetary market tool	28,592,628,875,196	28,592,190,094,943	6,285,034,582	5,846,254,329	6,287,158,795	668,694,378
	<b>63,880,754,261,095</b>	<b>63,739,182,396,899</b>	<b>323,403,346,578</b>	<b>181,831,482,382</b>	<b>308,597,466,757</b>	<b>50,584,111,108</b>

### b. Gain/loss from revaluation of financial assets

	Original cost VND	Revaluation difference at 31/12/2020		Revaluation difference at 01/01/2021		Accounting revaluation difference 2020		
		Market value/ Fair value VND	Increase VND	Decrease VND	Increase VND	Decrease VND	Increase VND	Decrease VND
FVTPL	1,597,085,663,769	1,895,136,610,306	352,357,794,552	(54,306,848,015)	33,153,664,946	(94,232,532,383)	319,204,129,606	(39,925,684,368)
Listed securities	1,310,685,994,021	1,628,002,782,990	350,607,294,552	(33,290,505,583)	31,400,932,668	(72,607,784,731)	319,206,361,884	(39,317,279,148)
Delisted securities	1,506,150,610	1,504,203,640	-	(1,946,970)	2,232,278	(1,956,170)	(2,232,278)	(9,200)
Unlisted securities	284,893,519,138	265,629,623,676	1,750,500,000	(21,014,395,462)	1,750,500,000	(21,622,791,482)	-	(608,396,020)
AFS (*)	183,532,771,349	461,007,802,000	277,475,030,651	-	-	-	234,086,061,051	-
Listed securities	183,532,771,349	461,007,802,000	277,475,030,651	-	-	-	234,086,061,051	-
	<b>1,780,618,435,118</b>	<b>2,356,144,412,306</b>	<b>629,832,825,203</b>	<b>(54,306,848,015)</b>	<b>33,153,664,946</b>	<b>(94,232,532,383)</b>	<b>553,290,190,657</b>	<b>(39,925,684,368)</b>

(\*) SHB shares were reclassified from FVTPL to AFS on October 1, 2020, the market price at the time of reclassification based on the HNX's closing price on September 30, 2020 was 461,007,802,000 copper; Evaluation difference increased as at 01/10/2020 with the purchase price of VND 234,086,061,051 is recorded in the income statement for the year.

**c, Dividend, interest income from financial assets at FVTPL, loans, HTM, AFS**

	YEAR 2020 VND	YEAR 2019 VND
Financial assets at fair value through profit and loss (FVTPL)	109,420,870,215	41,228,058,629
Loans	464,042,037,678	425,503,987,684
Available for sale financial assets (AFS)	-	3,774,246,575
	<b>573,462,907,893</b>	<b>470,506,292,888</b>

**d, Revenue outside of financial assets income**

	YEAR 2020 VND	YEAR 2019 VND
<b>Other revenue</b>	<b>716,081,934</b>	<b>743,373,648</b>
Of which:		
- Other revenue	716,081,934	743,373,648
<b>Revenue deductible</b>	<b>-</b>	
<b>Net revenue from operating activities</b>	<b>716,081,934</b>	<b>743,373,648</b>

**34. EXPENSES FOR OTHER SERVICES**

	YEAR 2020 VND	YEAR 2019 VND
<b>Expenses for other services</b>	<b>38,649,065,268</b>	<b>21,348,146,399</b>
- Expenses from other financial services	14,545,354,483	12,135,008,666
- Expenses from dividend, bond principal and interest of securities issuers	66,909	-
- Provision expenses for diminution in value and impairment of doubtful receivables from services provided by the Company	23,995,448,153	9,213,137,733
- Other expenses	108,195,723	-
	<b>38,649,065,268</b>	<b>21,348,146,399</b>

**35. FINANCIAL INCOME**

	31/12/2020 VND	01/01/2020 VND
Income from interest on demand deposits	3,282,085,321	3,115,765,920
	<b>3,282,085,321</b>	<b>3,115,765,920</b>

**36. FINANCIAL EXPENSES**

	31/12/2020 VND	01/01/2020 VND
Borrowing costs	194,561,422,445	230,077,492,225
Other financial expenses	2,644,931,507	3,930,697,260
	<b>197,206,353,952</b>	<b>234,008,189,485</b>

**37. GENERAL ADMINISTRATIVE EXPENSES**

	31/12/2020 VND	01/01/2020 VND
Labor expenses	49,280,927,421	34,405,116,163
Trade union fund, Social insurance, Health insurance, Unemployment insurance	923,264,329	2,815,082,516
Office supplies expenses	439,751,347	699,622,915
Tools, supplies	404,965,750	697,156,250
Depreciation and amortisation	1,292,108,603	888,173,879
Tax, fees and charge	117,305,152	210,151,567
Expenses from external services	8,743,996,758	9,090,196,731
Other expenses	20,991,379,862	17,805,503,073
	<b>82,193,699,222</b>	<b>66,611,003,094</b>

**38. CURRENT CORPORATE INCOME TAX EXPENSES****38.1. CURRENT CORPORATE INCOME TAX EXPENSE**

	YEAR 2020 VND	YEAR 2019 VND
Total profit before tax	938,894,583,394	312,039,000,134
Increase	283,294,609	717,686,664
- Ineligible expenses	283,294,609	717,686,664
Decrease	(536,878,667,942)	(1,261,985,149)
- Dividend	(16,264,661,147)	(25,753,028,304)
- Difference in reassessment of FAO FVTPL	(520,614,006,795)	24,491,043,155
Taxable income	402,299,210,061	311,494,701,649
<b>Current corporate income tax expense (tax rate 20%)</b>	<b>80,459,842,013</b>	<b>62,298,940,330</b>
Tax payable at the beginning of year	20,298,940,330	40,054,737,086
Tax paid in the year	(72,298,940,330)	(82,054,737,086)
<b>Corporate income tax payable end of the year</b>	<b>28,459,842,013</b>	<b>20,298,940,330</b>

**38.2. DEFERRED INCOME TAX LIABILITIES**

	YEAR 2020 VND	YEAR 2019 VND
Opening balance	6,279,552,391	11,177,761,023
<b>Deferred income tax liabilities arising from increased and decreased differences on the revaluation of FVTPL</b>	<b>104,122,801,358</b>	<b>(4,898,208,632)</b>
	<b>110,402,353,749</b>	<b>6,279,552,391</b>
	YEAR 2020 VND	YEAR 2019 VND
<b>Deferred income tax expenses charged to statement of comprehensive income</b>	<b>104,122,801,358</b>	<b>-</b>
Deferred corporate income tax expenses arising from increasing and decreasing differences on the revaluation of FVTPL	-	(4,898,208,632)
Deferred corporate income tax expenses arising from increasing differences on the revaluation of FVTPL	104,122,801,358	(4,898,208,632)

**39. BASIC EARNINGS PER SHARE**

Earning per share distributed to common shareholders of the company is calculated as follows:

	31/12/2020 VND	01/01/2020 VND
Undistributed earnings	754,311,940,023	254,638,268,436
Profit distributed for common stocks	754,311,940,023	254,638,268,436
Average circulated common stocks in the year	206,701,894	187,349,841
<b>Basic earnings per share</b>	<b>3,649</b>	<b>1,359</b>

The company has not planned to deduct Bonus and welfare from the profit after tax for the fiscal year ended at the time of making financial statements.

**40. FINANCIAL INSTRUMENTS**

The types of financial instruments of the Company include:

	ACCOUNTING VALUE			
	31/12/2020		01/01/2020	
	ORIGINAL VALUE VND	PROVISIONS VND	ORIGINAL VALUE VND	PROVISIONS VND
Cash and cash equivalents	653,074,220,193	-	1,052,419,267,919	-
Financial assets at fair value through profit and loss (FVTPL)	2,204,736,610,306	-	1,270,103,498,366	-
Available for sale financial assets	461,007,802,000	-	300,000,000,000	-
Loans	2,171,684,164,501	(44,161,370,559)	1,647,839,423,627	(11,654,597,122)
Trade and other receivables	1,828,482,390,051	(421,894,794,857)	2,152,071,115,840	(430,406,120,140)
	<b>7,318,985,187,051</b>	<b>(466,056,165,416)</b>	<b>6,422,433,305,752</b>	<b>(442,060,717,262)</b>
			31/12/2020 VND	01/01/2020 VND
Borrowings and debts			1,894,000,000,000	1,938,000,000,000
Payables to supplier, payables for securities transaction activities			15,822,952,987	19,621,493,473
Accrued expenses			64,450,609,647	78,374,868,256
			<b>1,974,273,562,634</b>	<b>2,035,996,361,729</b>

According to the Circular 210/2009/TT-BTC, Circular 146/2014/TT-BTC and Circular 334/2016/TT-BTC, financial assets and financial liabilities of the Company were reevaluated at fair value at the ending of the period.

**FINANCIAL RISK MANAGEMENT**

The Company's financial risks include market risk, credit risk and liquidity risk. The Company has developed its control system to ensure the reasonable balance between cost of incurred risks and cost of risk management. The Board of Directors of the Company is responsible for monitoring the risk management process to ensure the appropriate balance between risk and risk control.

**Market risk**

The Company's business operations will bear the risks of changes in prices and interest rates.

**Price Risk**

The Company bears price risk of equity instruments from short-term and long-term investments in securities due to the uncertainty of future prices of the securities. As regards, long-term securities held for long-term strategies, at the end of the fiscal year, the Company has no plan to sell these investments.

	UNDER 1 YEAR VND	FROM 1 TO 5 YEARS VND	FROM MORE THAN 5 YEARS VND	TOTAL VND
<b>As at 31/12/2020</b>				
Financial assets at fair value through profit and loss (FVTPL)	2,204,736,610,306	-	-	2,204,736,610,306
Available for sale financial assets	461,007,802,000	-	-	461,007,802,000
	<b>2,665,744,412,306</b>	<b>-</b>	<b>-</b>	<b>2,665,744,412,306</b>
<b>As at 01/01/2020</b>				
Financial assets at fair value through profit and loss (FVTPL)	1,270,103,498,366	-	-	1,270,103,498,366
Available for sale financial assets	300,000,000,000	-	-	300,000,000,000
	<b>1,570,103,498,366</b>	<b>-</b>	<b>-</b>	<b>1,570,103,498,366</b>

**Interest rate risk**

The Company bears the risk of interest rates due to the fluctuation in fair value of future cash flow of a financial instrument in line with changes in market interest rates if the Company has time or demand deposits, borrowings and debts subject to floating interest rates. The Company manages interest rate risk by analyzing the market competition situation to obtain interest beneficial for its operation purpose.

**Credit Risk**

Credit risk is the risk of financial loss to the Company if a counterparty fails to perform its contractual obligations. The Company has credit risk from operating activities (mainly to trade receivables) and financial activities (including deposits, loans and other financial instruments), detailed as follows:

	UNDER 1 YEAR VND	FROM 1 TO 5 YEARS VND	FROM MORE THAN 5 YEARS VND	TOTAL VND
<b>As at 31/12/2020</b>				
Cash and cash equivalents	653,074,220,193	-	-	653,074,220,193
Loans	2,127,522,793,942	-	-	2,127,522,793,942
Trade and other receivables	1,406,587,595,194	-	-	1,406,587,595,194
	<b>4,187,184,609,329</b>	<b>-</b>	<b>-</b>	<b>4,187,184,609,329</b>
<b>As at 01/01/2020</b>				
Cash and cash equivalents	1,052,419,267,919	-	-	1,052,419,267,919
Loans	1,636,184,826,505	-	-	1,636,184,826,505
Trade and other receivables	1,721,664,995,700	-	-	1,721,664,995,700
	<b>4,410,269,090,124</b>	<b>-</b>	<b>-</b>	<b>4,410,269,090,124</b>

**Liquidity Risk**

Liquidity risk is the risk that the Company has trouble in settlement of its financial obligations due to the lack of funds. Liquidity risk of the Company is mainly from different maturity of its financial assets and liabilities.

Due date for payment of financial liabilities based on expected payment under the contracts (based on cash flow of the original debts) as follows:

	UNDER 1 YEAR VND	FROM 1 TO 5 YEARS VND	FROM MORE THAN 5 YEARS VND	TOTAL VND
<b>As at 31/12/2020</b>				
Borrowings and debts	1,244,000,000,000	650,000,000,000	-	1,894,000,000,000
Payables to supplier, payables for securities transaction activities	15,822,952,987	-	-	15,822,952,987
Accrued expenses	64,450,609,647	-	-	64,450,609,647
	<b>1,324,273,562,634</b>	<b>650,000,000,000</b>	<b>-</b>	<b>1,974,273,562,634</b>



	UNDER 1 YEAR VND	FROM 1 TO 5 YEARS VND	FROM MORE THAN 5 YEARS VND	TOTAL VND
<b>As at 01/01/2020</b>				
Borrowings and debts	1,938,000,000,000	-	-	1,938,000,000,000
Payables to supplier, payables for securities transaction activities	19,607,467,783	14,025,690	-	19,621,493,473
Accrued expenses	78,374,868,256	-	-	78,374,868,256
	<b>2,035,982,336,039</b>	<b>14,025,690</b>	<b>-</b>	<b>2,035,996,361,729</b>

The Company believes that risk level of loan repayment is low. The Company has the ability to pay due debts from cash flows from its operating activities and cash received from mature financial assets.

## 41. SEGMENT REPORTING

### UNDER BUSINESS FIELDS

	GUARANTEE ACTIVITIES, SECURITIES ISSUANCE AGENTS VND	ACTIVITIES OF SECURITIES BROKERAGE AND DEPOSITORY VND	PROPRIETARY INVESTMENT ACTIVITIES VND	OTHERS VND	GRANT TOTAL VND
Net revenue from operating activities	84,232,318,184	192,821,927,674	986,114,407,450	541,855,703,780	1,805,024,357,088
Segment expenses	4,382,307,344	140,456,653,285	152,206,466,270	293,193,181,653	590,238,608,552
Unallocated revenue					3,282,085,321
Unallocated expenses					279,400,053,174
<b>Net profit from operating activities</b>	<b>79,850,010,840</b>	<b>52,365,274,389</b>	<b>833,907,941,180</b>	<b>248,662,522,127</b>	<b>938,667,780,683</b>
Costs of buying fixed assets					1,359,805,000
Direct segment assets	-	24,925,825,573	2,669,899,754,768	2,326,380,914,511	5,021,206,494,852
Unallocated assets					1,908,536,198,855
<b>Total assets</b>	<b>-</b>	<b>24,925,825,573</b>	<b>2,669,899,754,768</b>	<b>2,326,380,914,511</b>	<b>6,929,742,693,707</b>
Unallocated liabilities					3,703,427,874,103
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,703,427,874,103</b>

### UNDER GEOGRAPHICAL AREAS

	HEADQUARTERS VND	DA NANG BRANCH VND	HCMC BRANCH VND	TOTAL VND
Net revenue from operating activities	1,697,166,907,182	21,433,530,236	86,423,919,670	1,805,024,357,088
Segment assets	6,143,480,294,528	160,943,930,312	625,318,468,867	6,929,742,693,707
Segment liabilities	3,436,758,253,217	82,944,228,046	183,725,392,840	3,703,427,874,103

## 42. EVENTS AFTER BALANCE SHEET DATE

There have been no significant events occurring after the reporting period, which would require adjustments or disclosures to be made in the financial statements.

## 43. TRANSACTION AND BALANCES WITH RELATED PARTIES

During operation, there are a number of transactions between the companies with related parties as follows:

	RELATION	YEAR 2020 VND	YEAR 2019 VND
<b>Received the loan</b>			
Saigon Hanoi Commercial Joint Stock Bank	The same the Chairman of the Board of Directors	2,219,000,000,000	1,897,017,338,699
<b>Paid of loans</b>			
Saigon Hanoi Commercial Joint Stock Bank	The same the Chairman of the Board of Directors	2,762,000,000,000	1,630,997,338,699
<b>Borrowing costs</b>			
Saigon Hanoi Commercial Joint Stock Bank	The same the Chairman of the Board of Directors	43,331,767,124	19,107,481,507

Up to financial statements date, payments which have not been made with related parties are as follows:

	RELATION	YEAR 2020 VND	YEAR 2019 VND
<b>Cash at bank</b>			
Saigon Hanoi Commercial Joint Stock Bank	The same the Chairman of the Board of Directors	449,194,677,760	716,841,796,269
<b>Stock investment</b>			
Saigon Hanoi Commercial Joint Stock Bank	The same the Chairman of the Board of Directors	183,532,771,349	137,065,831,349
Sai Gon - Ha Noi Insurance Corporation	The same the Chairman of the Board of Directors	145,257,484,500	145,257,484,500
Thanh Hoa Petrovietnam Investment and Construction Joint Stock Company	(*)	2,170,000,000	-
<b>Receivables</b>			
Thanh Hoa Petrovietnam Investment and Construction Joint Stock Company	(*)	38,000,000	38,000,000
<b>Prepayments to suppliers</b>			
Sai Gon - Ha Noi Insurance Corporation	The same the Chairman of the Board of Directors	-	613,666,668
<b>Receive deposit</b>			
Saigon Hanoi Commercial Joint Stock Bank	The same the Chairman of the Board of Directors	560,000,000,000	760,000,000,000
<b>Short-term loans</b>			
Saigon Hanoi Commercial Joint Stock Bank	The same the Chairman of the Board of Directors	-	543,000,000,000

(\*) Mr. Vu Duc Tien is member of the Board of Directors cum General Director of Saigon - Hanoi Securities Joint Stock Company, and a member of the Board of Directors of Thanh Hoa Petrovietnam Investment and Construction Joint Stock Company.



Transactions with other related parties:

	YEAR 2020 VND	YEAR 2019 VND
<b>The Board of Directors</b>		
Mr. Do Quang Hien	1,511,111,111	1,416,666,667
Mr. Vu Duc Tien	(*)	(*)
Mr. Le Dang Khoa	355,555,556	333,333,333
Mr. Mai Xuan Son	355,555,556	333,333,333
Mrs. Nguyen Dieu Trinh	288,888,889	-
Mr. Nguyen Van Hung	-	144,444,444
Mr. Mai Anh Chinh	-	177,777,778

(\*) Was presented at the earnings of the Board of Management:

	YEAR 2020 VND	YEAR 2019 VND
<b>The Board of Management</b>		
Mr. Vu Duc Tien	4,152,055,706	3,469,496,536
Mr. Tran Sy Tien	2,529,602,350	2,029,459,743
Mr. Nguyen Chi Thanh	2,641,520,252	2,060,433,073
Mrs. Tran Thi Thu Thanh	2,086,599,500	1,565,192,389

#### 44. COMPARATIVE FIGURES

The comparative figures are figures in the Financial Statements for the fiscal year ended as at December 31st, 2019, which was audited by A&C Auditing and Consulting Co., Ltd.

**NGUYEN THI THUY**

Preparer

**TRAN SY TIEN**

Chief Accountant

**VU DUC TIEN**

General Director

Hanoi, 20 March 2021

## AUDITED PRUDENTIAL RATIO STATEMENT IN 2020

### REPORT OF THE BOARD OF MANAGEMENT

The Board of Management of Sai Gon - Ha Noi Securities Joint Stock Company ("the Company") presents its report and the Company's prudential ratio statements as at 31 December 2020.

#### ► THE COMPANY

Sai Gon - Ha Noi Securities Joint Stock Company which was established and operating activities based on License of Securities operating activities No 66/UBCK-GPHDKD dated November 15th, 2007 and Amended License of securities operating activities No 27/UBCK-GP dated April 25th, 2019 issued by the State Securities Committee.

The Company's head office is located at: Floors 1-5 Unimex Hanoi Building, 41 Ngo Quyen, Hang Bai Ward, Hoan Kiem District, Hanoi City.

#### ► BOARD OF DIRECTORS, BOARD OF MANAGEMENT AND SUPERVISORY BOARD

The members of The Board of Directors during the fiscal year and to the reporting date are:

Mr. Do Quang Hien	Chairman
Mr. Vu Duc Tien	Member
Mr. Le Dang Khoa	Member
Mr. Mai Xuan Son	Member
Mrs. Nguyen Dieu Trinh	Member

The members of The Board of Management in the fiscal year and to the reporting date are:

Mr. Vu Duc Tien	General Director
Mr. Tran Sy Tien	Deputy General Director as Chief Accountant
Mr. Nguyen Chi Thanh	Deputy General Director
Mrs. Tran Thi Thu Thanh	Deputy General Director

The members of the Supervisory Board are:

Mrs. Pham Thi Bich Hong	Head of Control Department
Mrs. Luong Thi Luu	Member
Mr. Vu Duc Trung	Member

#### ► AUDITORS

The auditors of the AASC Auditing Firm Company Limited take the audit of financial statements for the Company.

**► STATEMENT OF THE BOARD OF MANAGEMENT' RESPONSIBILITY IN RESPECT OF THE PRUDENTIAL RATIO STATEMENT**

The Board of Management confirm that the give a true and fair view of prudential ratios of Company Prudential ratio statement, accordance with Circular No.87/2017/TT-BTC dated 15 August 2017, of the Ministry of Finance on the prudential ratio and the handling measures for the securities institutions that fail to achieve the prudential ratio.

The Board of Management confirm that the Prudential ratio statement give a true and fair view of prudential ratios of Company as at 31 December 2020, accordance with Circular No.87/2017/TT-BTC dated 15 August 2017, of the Ministry of Finance on the prudential ratio and the handling measures for the securities institutions that fail to achieve the prudential ratio.

**► OTHER COMMITMENT**

The Board of Management pledges that the Company complies with Decree No.71/2017/ND-CP dated 06 June 2017 on corporate governance applicable to public companies and the Company does not offend obligation of information disclosure under the regulation of Circular No.155/2015/TT-BTC dated 06 October 2015 issued by Ministry of Finance guiding the disclosure of information on securities market.

On behalf of The Board of Management.

**VU DUC TIEN**

General Director

Hanoi, 20 March 2021

No: 290321.049/BCTC.KT2

**INDEPENDENT AUDITORS' REPORT**

To: **Shareholders, The Board of Directors and The Board of Management  
Sai Gon - Ha Noi Securities Joint Stock Company**

We have audited the Prudential ratio statement as at 31 December 2020 of Sai Gon - Ha Noi Securities Joint Stock Company prepared on 20 March 2021, as set out on pages 06 to 14, was prepared by The Board of Management of Sai Gon - Ha Noi Securities Joint Stock Company in accordance with the Circular No.87/2017/TT-BTC dated 15 August 2017 of the Ministry of Finance on the prudential ratio and the handling measures for the securities institutions that fail to achieve the prudential ratio.

**THE BOARD OF MANAGEMENT' RESPONSIBILITY**

The Board of Management responsible for the preparation of Prudential ratio statement that give a true and fair view in accordance with the Circular No.87/2017/TT-BTC dated 15 August 2017 of the Ministry of Finance on the prudential ratio and the handling measures for the securities institutions that fail to achieve the prudential ratio, and for such internal control as management determines is necessary to enable the preparation of Prudential ratio statement that are free from material misstatements, whether due to fraud or error.

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on this Prudential Ratio Statement based on our audit. We conducted our audit in accordance with Vietnamese standards on auditing No.800 - "The Auditor's report on special purpose audit engagements" and relevant other's Vietnamese Standards on Auditing. Those standards require that we comply with standards, ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Prudential Ratio Statement are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Prudential Ratio Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Prudential Ratio Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of Prudential Ratio Statement that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Prudential Ratio Statement.

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 Prudential ratio statement of Sai Gon - Ha Noi Securities Joint Stock Company give a true and fair view of the prudential ratios of the Company as at 31 December 2020, in accordance with the provisions of Circular No.87/2017/TT-BTC dated 15 August 2017 of the Ministry of Finance on the prudential ratio and the handling measures for the securities institutions that fail to achieve the prudential ratio.



**Accounting Policy**

Do not deny our opinion above, we draw readers' attention that Prudential Ratio Statement is prepared to help Sai Gon - Ha Noi Securities Joint Stock Company to meet the requirements of the State Securities Commission. Thus, Prudential Ratio Statement may not be suitable for other purposes.

**OTHER MATTERS**

Sai Gon - Ha Noi Securities Joint Stock Company has prepared a Financial Statements for the year ended at 31 December 2020 in accordance with Vietnamese Accounting Standards and System and comply with relevant statutory requirements relating to the preparation and presentation of financial statements and we have issued an Independent auditors' reports on that financial statements of Sai Gon - Ha Noi Securities Joint Stock Company on 29 March 2021.

**AASC Auditing Firm Company Limited.**

**Pham Anh Tuan**

Deputy General Director

Certificate of registration to audit practice

No: 0777-2018-002-1

**Nguyen Tuan Anh**

Auditor

Certificate of registration to audit practice

No: 1369-2018-002-1

Hanoi, 29 March 2021

**SOCIALIST REPUBLIC OF VIETNAM**  
**Independence - Freedom - Happiness**

**To: The State Securities Commission**

**PRUDENTIAL RATIO STATEMENT**

**As at 31 December 2020**

We commit that:

- (1) The Statement is based on the data updated on the date of making this statement in accordance with the Circular No.87/2017/TT-BTC dated 15 August 2017 of the Ministry of Finance, on the prudential ratio and the handling measures for the securities institutions that fail to achieve the prudential ratio;
- (2) The issues that might affect the financial condition of the Company, which arise after this statement is made, shall be updated in the succeeding statement;
- (3) We are responsible before law for the accuracy of the statement.

**TRAN SY TIEN**

Preparer

**NGUYEN THUY HANH MAI**

Internal control department



**VU DUC TIEN**

General Director

Hanoi, 20 March 2021



## PRUDENTIAL RATIO STATEMENT

As at 31 December 2020

### I. LIQUIDITY

NO.	CONTENT	LIQUIDITY			
		Liquidity	Deductions	Increases	
<b>A</b>	<b>OWNER'S EQUITY</b>		<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
1	Owner investment capital, excluding refunded preferred equity (if any)	2,072,682,010,000			
2	Equity surplus, excluding refunded preferred equity (if any)	222,580,462,800			
3	Treasury stocks	-			
4	Bond conversion option - Capital component	-			
5	Other owner's equity	-			
6	Differences in revaluation of assets at fair value	43,388,969,600			
7	Reserve fund for charter capital supplementation	63,561,856,552			
8	Financial provision and professional risk	63,561,856,552			
9	Other funds pertaining to equity	-			
10	After-tax profit	760,539,664,100			
11	Provision for impairment of assets	466,056,165,416			
12	Difference in revaluation of fixed assets	-			
13	Foreign exchange rate difference	-			
14	Convertible debts				-
15	Total decrease or increase of securities of financial investment		-	21,014,395,462	
16	Other equity (if any)	-			
<b>1A</b>	<b>Total</b>			<b>3,713,385,380,482</b>	
<b>B</b>	<b>Short-term assets</b>				
<b>1</b>	<b>Cash and cash equivalents</b>				
1	Cash and cash equivalents				
2	Fair value through profit and loss financial assets (FVTPL)				
	Securities with market latene risks				
	Securities be deducted from liquidity		-		
3	Held-to-maturity investments (HTM)				
	Securities with market latene risks				
	Securities be deducted from liquidity		-		
4	Loans				
5	Financial assets available for sale (AFS)				
	Securities with market latene risks				
	Securities be deducted from liquidity		-		

NO.	CONTENT	LIQUIDITY		
		Liquidity	Deductions	Increases
6	Provision for impairment of financial assets and mortgage assets			
7	Receivables from clients (Receivables from sale of financial assets; Receivables from and accruals for dividend and interest income)			
	Receivables from customers having the remaining payment period of 90 days or less			
	Receivables from customers having the remaining payment period of over 90 days		4,155,342,462	
8	Warrant certificate is not yet issued			
9	Basic securities for the purpose of risk prevention when issuing warrant certificates			-
	Receivables from services provided by the Company			
10	Receivables have the remaining payment period of 90 days or less			
	Receivables have the remaining payment period of over 90 days		460,873,687,561	
	Short-term internal receivables			
11	Internal receivables have the remaining payment period of 90 days or less			
	Internal receivables have the remaining payment period of over 90 days			-
	Receivables from securities trading error			
12	Receivables have the remaining payment period of 90 days or less			
	Receivables have the remaining payment period of over 90 days			-
	Other receivables			
13	Other receivables have the remaining payment period of 90 days or less			
	Other receivables have the remaining payment period of over 90 days		45,006,580,297	
14	Provision for impairment of receivables			
15	Advances to suppliers		1,866,245,590	
<b>V</b>	<b>Other short-term assets</b>			-
	Advances			
	Advances have the remaining payment period of 90 days or less			
1	Advances have the remaining payment period of over 90 days			-
2	Office supplies, tools		309,592,214	
3	Short – term prepaid expenses		862,313,401	
4	Mortgages, mortgages, collateral, short-term deposits		2,750,000	
5	VAT deducted			-



NO.	CONTENT	LIQUIDITY		
		Liquidity	Deductions	Increases
6	Taxes and receivables to state budget		-	
7	Other short-term assets		-	
8	Provision for impairment of other short - term assets			
<b>1B</b>	<b>Total</b>			<b>513,076,511,525</b>
<b>C</b>	<b>Long-term assets</b>			
<b>I</b>	<b>Long - term financial assets</b>			
1	Long-term receivables		-	
2	Investments			
	Held-to-maturity investments (HTM)			
2.1	Securities with market latene risks			
	Securities be deducted from liquidity		-	
2.2	Investments in subsidiaries		-	
2.3	Investment in associated companies, joint-venture companies		-	
2.4	Other long-term investments		-	
<b>II</b>	<b>Fixed assets</b>		<b>4,372,741,766</b>	
<b>III</b>	<b>Investment real estate</b>		-	
<b>IV</b>	<b>Cost of construction in progress</b>		-	
<b>V</b>	<b>Other long-term assets</b>			
1	Long - term mortgages, mortgages, collateral, short-term deposits		1,436,890,343	
2	Long – term prepaid expenses		46,259,884,757	
3	Deferred income tax assets		-	
4	Deposits to Settlement Assistance Fund		20,000,000,000	
5	Other long - term assets		-	
<b>VI</b>	<b>Provision for long-term assets</b>			
	The asset targets are considered exceptions, contrary to or denied in the audited, reviewed financial statements without being deducted as prescribed in Article 5		-	
<b>1C</b>	<b>Total</b>			<b>72,069,516,866</b>
<b>D</b>	<b>Collateral guaranteed asset</b>			
1	Collateral value			
1.1	Deposits to Settlement Assistance Fund (for derivatives market)		-	
1.2	Value of contributing to the clearing fund of the central payment for the opening position of the clearing member (for derivatives market)		-	
1.3	Cash deposit and bank guarantee value upon issuance of secured warrant certificate		-	
2	The value of the collateral for liabilities has a term of more than 90 days		-	
<b>1D</b>	<b>Total</b>			<b>-</b>
	<b>LIQUIDITY = 1A-1B-1C-1D</b>			<b>3,128,239,352,091</b>

## PRUDENTIAL RATIO STATEMENT

As at 31 December 2020

### II. RISK VALUE

A MARKET RISKS	Investment items	Risk coefficient	Scale of risk	Value of risk
		(1)	(2)	(3) = (1) x (2)
<b>I</b>	<b>Cash and cash equivalents, instruments of the money market</b>			<b>-</b>
1	Cash (VND)	0%	653,074,220,193	-
2	Cash equivalents, term deposits	0%	-	-
3	Valuable papers, transferring instruments on the money market, certificates of deposit	0%	-	-
<b>II</b>	<b>Government bonds</b>			<b>-</b>
4	Government bonds without interest	0%	-	-
5	Government bonds with coupon payment	0%		
5.2	Government bond (including bonds and bonds for projects issued previously), Government bond of countries in OECD bloc or sponsored by Government or Central Bank of the countries in this bloc. The bond issued by international organizations IBRD, ADB, IADB, AfDB, EIB and EBRD.	3%		
<b>III</b>	<b>Corporate bonds</b>			<b>122,880,000,000</b>
6	The listed bond has the remaining maturity time of less than 01 year, including convertible bond	8%	-	-
	The listed bond has the maturity time from 01 to under 03 years, including convertible bond			
	The listed bond has the maturity time from 03 to under 05 years, including convertible bond	15%	-	-
	The listed bond has the maturity time from 05 years or more, including convertible bond	20%	-	-
7	The unlisted bond has the remaining maturity time of less than 01 year, including convertible bond	25%	-	-
	The unlisted bond has the remaining maturity time from 01 to under 03 years, including convertible bond	30%	9,600,000,000	2,880,000,000
	The unlisted bond has the remaining maturity time from 03 to under 05 years, including convertible bond	35%	-	-
	The unlisted bond has the remaining maturity time from 05 years or more, including convertible bond	40%	300,000,000,000	120,000,000,000
<b>IV</b>	<b>Shares</b>			<b>380,851,881,096</b>
8	Common stock and preferred stock of the listed organizations at HCM Stock Exchange; open treasury certificate	10%	1,249,874,079,370	124,987,407,937
9	Common stock and preferred stock of the listed organizations at Hanoi Stock Exchange	15%	554,656,734,300	83,198,510,145



10	Common stock and preferred stock of the public companies not listed and registered for trading via UpCom system	20%	284,479,771,320	56,895,954,264
11	Common stock and preferred stock of the public companies registering depository but not listed or registered for trading; Stocks are in the initial issuance (IPO)	30%	-	-
12	Shares of other public companies	50%	231,540,017,500	115,770,008,750
<b>V Certificate of securities investment funds</b>				<b>-</b>
13	Public funds, including public investment companies	10%	-	-
14	Member funds, separate investment companies	30%	-	-
<b>VI Restricted securities</b>				<b>752,101,820</b>
15	Securities suspended from trading	40%	-	-
16	Delisted or canceled securities	50%	1,504,203,640	752,101,820
<b>VII Derivative securities</b>				<b>-</b>
17	Shares, capital contribution, and other kinds of securities	8%	-	-
18	Other investment assets	3%	-	-
<b>VII Other securities</b>				<b>44,083,201,310</b>
19	Shares, capital contribution, and other kinds of securities	80%	55,104,001,638	44,083,201,310
20	Shares listed in foreign markets are subject to the benchmark	25%	-	-
21	Shares listed on foreign markets are not included in the benchmark	100%	-	-
22	Warrants guaranteed to be listed on the Ho Chi Minh City Stock Exchange	8%	-	-
23	Warrants guaranteed to be listed on the Hanoi Stock Exchange	10%	-	-
24	Warrant certificates issued by the securities company		-	-
25	Securities formed from risk prevention activities for warranted securities issued by the securities company (in case the security certificate is not profitable)		-	-
26	The difference between the value of underlying securities used to hedge the risk and the value of underlying securities necessary to hedge against the risk of secured warranties		-	-
<b>VIII The additional risk (if any) (based on the liquidity after making all provisions)</b>				<b>6,915,117,030</b>
	<b>Securities code</b>	<b>Level increased</b>	<b>Rate of</b>	<b>Scale of</b>
2	SHB	10%	15%	461,007,802,000
<b>A TOTAL MARKET RISK VALUE (A= I+II+III+IV+V+VI+VII+VIII)</b>				<b>555,482,301,256</b>

## PRUDENTIAL RATIO STATEMENT

As at 31 December 2020

### II. RISK VALUE

B	PAYMENT RISK	FORM OF TRADING	TOTAL VALUE OF RISK						
			(1)	(2)	(3)	(4)	(5)	(6)	
			0.0%	0.8%	3.2%	4.8%	6.0%	8.0%	
<b>I</b>	<b>RISK BEFORE THE DUE DATE</b>								<b>101,636,544,865</b>
1	Term deposits, loans without collateral, and receivables from the securities trading and securities services and other potential payment risk items.		-	-	-	-	-	-	101,636,544,865
2	Given securities loans/economic agreements with the same nature		-	-	-	-	-	-	-
3	Taken securities loans/economic agreements with the same nature		-	-	-	-	-	-	-
4	Securities trading contracts with commitment to sell back/economic agreements with the same nature		-	-	-	-	-	-	-
5	Securities trading contracts with commitment to buy back/economic agreements with the same nature		-	-	-	-	-	-	-



Details of payment risk factors by partners are determined as follows:

STT	PAYMENT PARTNER FOR SECURITIES TRADING ORGANIZATIONS	COEFFICIENT OF PAYMENT RISK		
1	Government, issuers guaranteed by the Government and Central Banks of OECD countries; People's Committees of provinces and cities under central authority;	0%		
2	Stock Exchange, Securities Depository Center	0.8%		
3	Credit institutions, financial institutions, securities business organizations established in OECD countries and having credit ratings that meet other conditions according to internal regulations of securities trading organizations	3.2%		
4	Credit institutions, financial institutions, securities business organizations established outside OECD countries; or established in OECD countries and did not meet other conditions according to internal regulations of securities trading organizations.	4.8%		
5	Credit institutions, financial institutions, securities business organizations established and operating in Vietnam	6.0%		
6	Others	8.0%		
<b>II</b>	<b>RISK AFTER THE DUE DATE</b>	<b>2,790,000,000</b>		
	<b>OVERDUE PERIOD</b>	<b>RISK COEFFICIENT</b>	<b>SCALE OF RISK</b>	<b>VALUE OF RISK</b>
1	0 – 15 days after the deadline of payment or securities transfer	16%	-	-
2	16 – 30 days after the deadline of payment or securities transfer	32%	-	-
3	31 – 60 days after the deadline of payment or securities transfer	48%	-	-
4	60 days or more	100%	2,790,000,000	2,790,000,000
<b>III</b>	<b>INCREASED RISK (IF ANY)</b>			<b>28,141,084,931</b>
	<b>DETAILS OF EACH LOAN AND EACH PARTNER</b>	<b>RATE OF INCREASE</b>	<b>SCALE OF RISK</b>	<b>VALUE OF RISK</b>
3	Viet Nam Financial Technology And Services Joint Stock Company (FITECH)	8%	1,172,545,205,477	28,141,084,931
<b>B</b>	<b>TOTAL VALUE OF RISK OF PAYMENT (B=I+II+III)</b>			<b>132,567,629,796</b>

## PRUDENTIAL RATIO STATEMENT

As at 31 December 2020

### II. RISK VALUE

C	RISK OF OPERATION (WITHIN 12 MONTHS)	RISK VALUE
<b>I</b>	<b>Total expenses arising within 12 months</b>	<b>869,638,661,726</b>
<b>II</b>	<b>Amounts deducted from the total expense</b>	<b>25,408,570,453</b>
	1. Depreciation expenses	1,413,122,300
	2. Provision for devaluation of short-term financial investments and collateral assets	
	3. Provision for devaluation of long-term financial investments	
	4. Provision for bad receivables	23,995,448,153
	5. Provision for other short - term assets	
	6. Provision for long - term assets	
<b>III</b>	<b>Total expense after deduction (III = I – II)</b>	<b>844,230,091,273</b>
<b>IV</b>	<b>25% of total expense after deduction (IV = 25% III)</b>	<b>211,057,522,818</b>
<b>V</b>	<b>20% of legal capital of the securities institution</b>	<b>60,000,000,000</b>
C	TOTAL VALUE OF OPERATION RISK (C=Max {IV, V})	211,057,522,818
D	TOTAL VALUE OF RISK (A+B+C)	899,107,453,870

### III. SUMMARY OF RISK AND LIQUIDITY

NO.	TARGETS	RISK VALUE/LIQUIDITY	NOTE (IF ANY)
1	Total value of market risk	555,482,301,256	
2	Total value of payment risk	132,567,629,796	
3	Total value of operation risk	211,057,522,818	
4	Total value of risk (4=1+2+3)	899,107,453,870	
5	Liquidity	3,128,239,352,091	
6	Liquidity ratio (6=5/4)	347.93%	

TRAN SY TIEN

Preparer

NGUYEN THUY HANH MAI

Internal control department



VU DUC TIEN

General Director

Hanoi, 20 March 2021

**REPRESENTATION**  
**SAIGON - HANOI SECURITIES JOINT STOCK COMPANY**

Hanoi, 19<sup>th</sup> April 2021



**VU DUC TIEN**  
General Director

**SAIGON - HANOI SECURITIES JOINT STOCK COMPANY**

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