**Finhay Viet Nam Joint Stock Company**

Interim consolidated financial statements

For the six-month period then ended 30 June 2024

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# **THE COMPANY**

Finhay Viet Nam Joint Stock Company (“the Company”) is a joint stock company established in Vietnam. The Company type of ownership was changed from Finhay Company Limited which was operating under the Corporate Law of Vietnam, Operating License No. 0107748373 issued by Ha Noi Department of Planning and Investment dated 06 March 2017. The Operating License was amended for the 14th on 27 February 2023. As at 30 June 2024, the domestic individuals and organizations own 52.17% of the Company shares, and foreign investors own 47.83% of the Company's shares.

The initial registered capital of the Company was VND 200,000,000. By 30 June 2024, the Company’s charter capital is VND 134,641,110,000 (31 December 2023: VND 134,641,110,000).

The business activities of the Company according to its latest Business Registration include:

* Activities auxiliary to financial service activities not elsewhere classified. Details: Investment consultancy activities (except financial, accounting and legal consultancy);
* Computer programming activities. Details: Software implementation services;
* Computer consultancy and computer facilities management activities. Details: Consulting services related to the installation of computer hardware systems;
* Data processing, hosting and related activities. Details: Data processing services;
* Market research and public opinion polling. Details: Market research;
* Management consultancy activities (except: financial, accounting and legal consultancy);
* Other information technology and computer service activities. Details: Maintenance and maintenance services for office machines and equipment, including computers; other computer services.

The Company’s Head Office is located at 8th floor, Capital Building, No.58 Kim Ma Street, Kim Ma Ward, Ba Dinh District, Hanoi City, Vietnam. As at 30 June 2024, the Company has one (01) Head Office and one (01) branch in Ho Chi Minh City.

# **BOARD OF DIRECTORS**

The Company’s Board of Directors during the period and at the date of this report are:

|  |  |  |
| --- | --- | --- |
| Mr. Nghiem Xuan Huy | Chairman | Appointed on 21 November 2019 |
| Ms. Nguyen Thanh Thao | Member | Appointed on 21 November 2019 |
| Ms. Vu Thanh Van | Member | Appointed on 21 November 2019 |

# **MANAGEMENT**

The Company’s management during the period and at the date of this report are:

|  |  |  |
| --- | --- | --- |
| Ms. Nguyen Phuong Thao | General Director | Appointed on 15 November 2024 |
| Mr. Nghiem Xuan Huy | General Director | Appointed on 26 April 2022  Relieved of duty on 15 November 2024 |
| Ms Vu Thanh Van | Chief Operating Officer | Appointed on 03 September 2019  Relieved of duty on 01 November 2024 |
| Ms Vu Thi Thanh Van | Chief Operating Officer | Appointed on 15 November 2024 |
| Mr Hoang Minh Chau | Chief Information Officer | Relieved of duty on 01 October 2024 |
| Ms Vu Quynh Huong | Chief Marketing Officer | Relieved of duty on 01 October 2024 |
| Ms. Tran Gia Binh | Business Deputy General Director | Relieved of duty on 01 February 2024 |

# **LEGAL REPRESENTATIVE**

The legal representative of the Company during the period and at the date of this report is:

|  |  |
| --- | --- |
| *Full name* | *Title* |
| Nghiem Xuan Huy | Chairman |

# **AUDITORS**

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

Management of Finhay Viet Nam Joint Stock Company (“the Company”) is pleased to present this report and the interim consolidated financial statements of the Company and its subsidiaries (collectively referred to as “the Group”) for the six-month period then ended 30 June 2024.

**MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Management of the Company is responsible for the interim consolidated financial statements of each financial period which give a true and fair view of the interim consolidated statement of financial position of the Group and of the interim consolidated statement of profit or loss, the interim consolidated statement of comprehensive income, the interim consolidated changes in equity and the interim consolidated cash flows for the period. In preparing those interim consolidated financial statements, Management is required to:

* 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 interim consolidated financial statements; and
* prepare the interim consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue its business.

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

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

**STATEMENT BY MANAGEMENT**

Management does hereby state that, in its opinion, the accompanying interim consolidated financial statements give a true and fair view of the interim consolidated financial position of the Company as at 30 June 2024 and of the interim consolidated statement of profit or loss, the interim statement of comprehensive income, the interim consolidated statement of changes in equity, and the interim consolidated cash flows for the six-month period then ended in accordance with International Financial Reporting Standards.

Mr. Nghiem Xuan Huy

Chairman

Hanoi, Vietnam

xx November 2024

Reference: 12223560/66849827-IFRS-HN/LR

**INDEPENDENT AUDITOR’S REVIEW REPORT**

**To: The Shareholders of**

**Finhay Viet Nam Joint Stock Company**

***Report on the Financial Statements***

We have reviewed the accompanying interim consolidated financial statements of Finhay Viet Nam Joint Stock Company (“the Company”) which comprise the interim consolidated statement of financial position as at 30 June 2024, the interim consolidated statement of profit or loss, the interim consolidated statement of comprehensive income, the interim consolidated changes in equity and the interim consolidated cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory information.

***Responsibilities of Management for the Interim Consolidated Financial Statements***

Management of the Company is responsible for the preparation and fair presentation of the interim consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors’ Responsibilities***

Our responsibility is to express a conclusion on the accompanying interim consolidated financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. [ISRE 2400](https://live.atlas.ey.com/#document/523177?pref=20052/9/1007&crumb=8) (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with [ISRE 2400](https://live.atlas.ey.com/#document/523177?pref=20052/9/1007&crumb=8) (Revised) is a limited assurance engagement. The auditor performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that these accompanying interim consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Finhay Viet Nam Joint Stock Company as at 30 June 2023, and its interim consolidated financial performance and interim consolidated cash flows for six-month period then ended, in accordance with the International Financial Reporting Standard.

***Other Matter***

The interim consolidated financial statements of the Group for the six-month period ended 30 June 2023 was not reviewed.

**Ernst & Young Vietnam Limited**

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



Hanoi, Vietnam

xx August 202

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| --- | --- | --- | --- |
|  |  | *For the six-month period then ended 30 June 2024* | *For the six-month period then ended 30 June 2023* |
|  | *Notes* | *VND* | *VND* |
| Interest revenue calculated using the effective interest method |  | 61,370,476,945 | 73,152,949,087 |
| Interest expense calculated using the effective interest method |  | (52,548,643,054) | (60,773,439,706) |
| **Net interest and similar income/(expense)** | **5** | **8,822,018,490** | **12,379,509,381** |
| Fees and commission income |  | 5,123,178,325 | 4,561,991,027 |
| Fees and commission expense |  | (16,542,684,082) | (7,143,920,109) |
| **Net fees and commission income** | **6** | **(11,419,505,757)** | **(2,581,929,082)** |
| Revenue from the sale of gold |  | 26,934,845,377 | 25,933,999,386 |
| Cost of sales related to gold |  | (26,283,678,084) | (25,397,271,572) |
| **Net trading Income** | **7** | **651,167,293** | **536,727,814** |
| Credit loss expense on financial assets | 8 | (21,152,899,526) | 226,787,496 |
| Net gain/(loss) from financial assets at fair value through profit or loss | 9 | 76,631,441,126 | 74,884,032,975 |
| Net gain/(loss) from financial liabilities at fair value through profit or loss | 10 | (46,937,421,075) | (52,920,245,795) |
| Other operating income | 11 | 38,854,174,077 | 25,492,850,137 |
| **Net operating income** |  | **45,448,974,628** | **58,017,732,926** |
| Personnel expenses | 12 | (12,806,021,022) | (14,434,358,134) |
| Depreciation and amortization |  | (3,301,523,649) | (5,503,676,196) |
| Other operating expenses | 13 | (11,413,492,424) | (20,691,720,202) |
| **Total operating expenses** |  | **(27,521,037,095)** | **(40,629,754,532)** |
| **Profit/(Loss) before tax** |  | **17,927,937,533** | **17,387,978,394** |
| Current income tax expense | 14.1 | - | - |
| Deferred tax expenses | 14.3 | (764,325,916) | (9,625,169,743) |
| **Loss after tax** |  | **17,163,611,617** | **7,762,808,651** |
| **Attributable to:** |  |  |  |
| Equity holders of the parent | 27 | 17,222,429,388 | 7,802,631,664 |
| Non-controlling interest | 27 | (58,817,771) | (39,823,013) |
|  |  | **17,163,611,617** | **7,762,808,651** |
| **Earnings per share** |  |  |  |
| Equity shareholders of the parent for the period |  |  |  |
| Basic earnings per share | 32 | 1,279 | 689 |



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|  |  |  |
| Preparer  Nguyen Huong Linh | Chief Accountant  Nguyen Huong Linh | General Director  Nghiem Xuan Huy |

Hanoi, Vietnam

xx August 2024

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|  | *Notes* | *For the six-month period then ended 30 June 2024* | *For the six-month period then ended 30 June 2023* |
| *VND* | *VND* |
| **Gain for the period** |  | **17,163,611,617** | **7,762,808,651** |
| Net change in fair value of financial assets through other comprehensive income |  | 11,066,839,170 | 1,293,431,498 |
| Income tax related to net change in fair value of financial assets through other comprehensive income | 14.3 | (2,213,367,834) | (258,686,300) |
| **Net gains on debt instruments at fair value through other comprehensive income** | **27** | **8,853,471,336** | **1,034,745,198** |
| **Total comprehensive income for the period, net of tax** |  | **26,017,082,953** | **8,797,553,849** |
| **Attributable to:** |  |  |  |
| Equity holders of the parent |  | 26,075,900,724 | 8,837,376,862 |
| Non-controlling interest |  | (58,817,771) | (39,823,013) |
|  |  | **26,017,082,953** | **8,797,553,849** |

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| Preparer  Nguyen Huong Linh | Chief Accountant  Nguyen Huong Linh | Chairman  Nghiem Xuan Huy |

Hanoi, Vietnam

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| --- | --- | --- | --- |
|  |  | *30 June 2024* | *31 December 2023* |
|  | *Notes* | *VND* | *VND* |
| **Assets** |  |  |  |
| Cash and cash equivalent | 15 | 107,372,571,111 | 91,229,260,913 |
| Due from banks | 16 | 495,475,266,204 | 597,726,907,672 |
| Financial assets at fair value through profit or loss | 17 | 420,085,969,838 | 464,608,207,675 |
| Financial assets at amortized cost |  | 111,970,477,858 | 63,617,350,647 |
| Financial assets at fair value through other comprehensive income | 18 | 1,285,217,526,779 | 1,035,539,655,673 |
| Deferred tax assets | 14.3 | 189,361,619 | 426,830,402 |
| Property, equipment and Right-of-use assets | 20 | 11,241,361,223 | 14,504,674,744 |
| Goodwill and other intangible assets | 21 | 173,414,210,033 | 169,935,093,652 |
| Other assets | 19 | 33,971,088,372 | 32,190,113,501 |
| **Total assets** |  | **2,638,937,833,037** | **2,469,778,094,879** |
|  |  |  |  |
| **Liabilities** |  |  |  |
| Financial liabilities at fair value through profit or loss | 22 | 235,869,012,920 | 307,726,174,355 |
| Financial liabilities at amortized cost | 23 | 1,727,854,352,004 | 1,651,458,298,938 |
| Deferred tax liabilities | 14.3 | 26,447,669,681 | 23,707,444,713 |
| Lease liabilities | 24 | 2,560,392,118 | 5,966,129,123 |
| Other liabilities | 25 | 44,273,147,291 | 38,998,371,679 |
| **Total liabilities** |  | **2,171,599,074,014** | **2,027,856,418,808** |
| **Equity** |  |  |  |
| Share capital |  | 134,641,110,000 | 134,641,110,000 |
| Share premium |  | 515,310,808,868 | 515,310,808,868 |
| Revaluation reserves |  | 13,119,181,273 | 4,265,709,937 |
| Accumulated losses |  | (196,798,717,236) | (213,421,225,318) |
| Total equity attributable to parent |  | 466,272,382,905 | 440,796,403,487 |
| Total equity attributable to non-controlling interests |  | 1,066,376,118 | 1,125,272,584 |
| **Total equity** | **27** | 467,338,759,023 | 441,921,676,071 |
| **Total liabilities and equity** |  | **2,638,937,833,037** | **2,469,778,094,879** |

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| Preparer  Nguyen Huong Linh | Chief Accountant  Nguyen Huong Linh | General Director  Nghiem Xuan Huy |

Hanoi, Vietnam

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | *Share capital* | *Share premium* | *Revaluation reserves* | | *Accumulated losses* | | *Total attributable to equity holders of the parent* | *Non-controlling interests* | *Total equity* |
|  | *VND* | *VND* | *VND* | | *VND* | | *VND* | *VND* | *VND* |
| **Balance as at 01 January 2023** | **133,524,690,000** | **515,310,808,868** | | **8,384,262,644** | | **(209,226,080,745)** | **447,993,680,767** | **2,619,205,867** | **450,612,886,634** |
| Loss during the year | - | - | | - | | (2,260,587,360) | (2,260,587,360) | 21,509,504 | (2,239,077,856) |
| Contributed capital during the year | 1,116,420,000 | - | | - | | - | 1,116,420,000 | - | 1,116,420,000 |
| Change in fair value of financial assets at FVTOCI | - | - | | 1,293,431,498 | | - | 1,293,431,498 | - | 1,293,431,498 |
| Increase of NCI due to additional capital investment | - | - | | (258,686,300) | | - | (258,686,300) | - | (258,686,300) |
| Contributed capital during the year | - | - | | (5,153,297,905) | | (1,934,557,213) | (7,087,855,118) | (1,515,442,787) | (8,603,297,905) |
| **Balance as at 31 December 2023** | **134,641,110,000** | **515,310,808,868** | | **4,265,709,937** | | **(213,421,225,318)** | **440,796,403,487** | **1,125,272,584** | **441,921,676,071** |
| Loss during the year | - | - | - | | 17,222,429,388 | | 17,222,429,388 | (58,817,771) | 17,163,611,617 |
| Change in fair value | - | - | 11,066,839,170 | | - | | 11,066,839,170 | - | 11,066,839,170 |
| Tax on OCI | - | - | (2,213,367,834) | | - | | (2,213,367,834) | - | (2,213,367,834) |
| Decrease of NCI due to capital transaction between subsidiary and NCI | - | - | - | | (599,921,304) | | (599,921,304) | (78,695) | (599,999,999) |
| **Balance as at 30 June 2024** | **134,641,110,000** | **515,310,808,868** | **13,119,181,273** | | **(196,798,717,234)** | | **466,272,382,907** | **1,066,376,118** | **467,338,759,025** |

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|  |  |  |
| Preparer  Nguyen Huong Linh | Chief Accountant  Nguyen Huong Linh | Chairman  Nghiem Xuan Huy |

Hanoi, Vietnam

xx August 202x

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| --- | --- | --- | --- |
|  | *Notes* | *For the six-month period then ended 30 June 2024* | *For the six-month period then ended 30 June 2023* |
|  | *VND* | *VND* |
| **OPERATING ACTIVITIES** |  |  |  |
| **Loss after tax** |  | **17,163,611,617** | **7,762,808,651** |
| *Adjustments for:* |  |  |  |
| Amortization and depreciation of fixed assets, right-of-use assets and goodwill |  | 5,641,160,938 | 4,916,618,102 |
| Net (gain)/loss from revaluation of financial liabilities at FVTPL |  | 46,937,421,075 | 52,920,245,795 |
| Net (gain)/loss from revaluation of financial assets at FVTPL |  | (59,948,254,150) | (79,265,038,119) |
| Net movement of NCI |  | (599,921,306) | (967,278,607) |
| Interest income |  | (61,370,476,945) | (44,454,940,242) |
| Interest expense |  | 52,548,643,054 | 58,747,965,690 |
| **Net operating cash flows before changes in operating assets and liabilities** |  | **371,999,684** | **(339,618,729)** |
| **Changes in operating assets and liabilities** |  |  |  |
| (Increase)/decrease in operating assets: |  |  |  |
| Due from banks |  | 138,330,640,263 | (182,444,038,356) |
| Financial assets at FVTPL |  | 149,978,852,737 | 164,462,200,281 |
| Financial assets at amortized cost |  | (45,204,821,290) | (31,446,408,148) |
| Financial assets at FVTOCI |  | (222,369,596,099) | 484,959,179 |
| Other assets |  | (1,769,797,397) | 7,950,362,261 |
| Increase/(decrease) in operating liabilities: |  |  |  |
| Financial liabilities at FVTPL |  | (118,794,582,510) | (207,525,312,536) |
| Financial liabilities at amortised cost |  | 41,377,392,014 | 88,109,161,082 |
| Other liabilities |  | 14,639,918,966 | (1,255,864,858) |
| Interest received |  | (5,165,102,778) | 16,182,057,063 |
| Interest paid |  | (17,433,569,107) | (41,139,346,976) |
| **Net cash flows used in operating activities** |  | **(111,547,026,268)** | **(186,961,849,735)** |
| **INVESTING ACTIVITIES** |  |  |  |
| Purchase of intangible fixed assets |  | (158,807,091) | (1,380,090,141) |
| Purchase of tangible fixed assets |  | - | (3,870,198,604) |
| Purchase and construction of fixed assets |  | (5,471,944,093) | (9,812,980,645) |
| **Net cash flows used in investing activities** |  | **(5,630,751,184)** | **(15,063,269,390)** |
| **FINANCING ACTIVITIES** |  |  |  |
| Proceeds from issue of share capital |  | - | - |
| Proceeds from borrowings |  | 134,594,500,000 | - |
| Repayment of borrowings |  | - | - |
| Repayment of principal portion of lease liabilities |  | (1,273,412,351) | (2,378,883,959) |
| **Net cash flows (used in)/from financing activities** |  | **133,321,087,649** | **(2,378,883,959)** |
| **Net change in cash and cash equivalents** |  | **16,143,310,198** | **(204,404,003,084)** |
| Cash and cash equivalents at the beginning of year | 15 | 91,229,260,913 | 345,181,015,496 |
| **Cash and cash equivalents at the end of year** | **15** | **107,372,571,111** | **140,777,012,413** |

Preparer Chief Accountant Chairman

Nguyen Huong Linh Nguyen Huong Linh Nghiem Xuan Huy

Hanoi, Vietnam

xx August 202x







**1. COMPANY INFORMATION**

Finhay Viet Nam Joint Stock Company (“the Company”) is a joint stock company established in Vietnam by changing entity’s ownership type from Finhay Company Limited which was operating under the Corporate Law of Vietnam, Operating License No. 0107748373 issued by Ha Noi Department of Planning and Investment dated 06 March 2017. The Operating License was amended for the 14th on 27 February 2023. As at 30 June 2024, the domestic individuals and organizations own 52.17% of the Company shares, and foreign shareholders own 47.83% of the Company's shares.

The initial registered capital of the Company was VND 200,000,000. As at 30 June 2024, the Company’s charter capital is VND 134,641,110,000 (as at 31 December 2023: VND 134,641,110,000).

The business activities of the Company according to its latest Business Registration include:

* Activities auxiliary to financial service activities not elsewhere classified. Details: Investment consultancy activities (except financial, accounting and legal consultancy);
* Computer programming activities. Details: Software implementation services;
* Computer consultancy and computer facilities management activities. Details: Consulting services related to the installation of computer hardware systems;
* Data processing, hosting and related activities. Details: Data processing services;
* Market research and public opinion polling. Details: Market research;
* Management consultancy activities (except: financial, accounting and legal consultancy);
* Other information technology and computer service activities. Details: Maintenance and maintenance services for office machines and equipment, including computers; other computer services.

The main activity of the Company during the period is to provide the following products via Finhay application:

* *Finhay investment:* This is a product that helps users to invest in investment funds in Vietnam. Accordingly, after users deposit money into Finhay’s account, the system will automatically invest that amount in the investment funds in accordance with the proportion of the selected investment structure. Finhay does not hold user money nor make investments by itself. The volatility of users’ assets will depend on the market and the performance of the funds;
* *Finhay saving:* This is a product in which users’ money is used to purchase financial assets such as certificates of deposit, term deposits, bonds. Users receive interest on purchased accumulation plans;
* *Protection:* This is a Finhay’s product that helps users protect their assets from risks such as illness, accident... by offering non-life insurance packages in Vietnam.
* *Finhay sercurities:* This is a cooperation product between Finhay and Thien Viet Securities Joint Stock Company (TVS), allowing users to invest in odd-lot leading stocks in Vietnam’s stock market. The users’ assets will be marked to the market every day.
* *HayBond:* This is a cumulative product with stable profit levels and flexible terms through the negotiated purchase form of 'Public Bonds - Bonds issued by reputable organizations, listed on the market and guaranteed by leading exchanges and enterprises in Vietnam.' Users will receive profits each time a cumulative package concludes

**1. COMPANY INFORMATION** (continued)

* *Finhay Gold Jar:* This is a product of Finhay Vietnam Service and Distribution Co., Ltd., which let users trade and sell gold on Finhay software. This product supports users to buy and sell gold online; deposit gold without cost; receive physical gold upon demand. The type of gold for trading is 24K gold in the form of plain rings of 0.5 Vietnam mace and 1 Vietnam mace produced and provided by Phu Nhuan Jewelry Joint Stock Company (PNJ). After the customers successfully buy gold and wish to put the gold under custody, Finhay will automatically be authorized to be the custodian of these gold.

The contract signed with the user for the Finhay investment product and Finhay saving product is a business cooperation contract. For protection products, users receive a Certificate of insurance-by-insurance companies. In addition to the above products, through linking with e-commerce platforms, Finhay application also provides a cashback feature when users make purchases of goods and services on websites e-commerce associated with the application.

The Head Office of the Company is located at 8th floor, Capital Building, No.58 Kim Ma Street, Kim Ma Ward, Ba Dinh District, Hanoi City, Vietnam. As at 30 June 2024, the Company has one (01) Head Office and one (01) branch in Ho Chi Minh City.

As at 30 June 2024, the total number of employees of the Company is 38 people (as at 31 December 2023: 112 people).

**1. COMPANY INFORMATION** (continued)

***Subsudiary***

As at 30 June 2024, the Company has two (02) directly owned subsidiary as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Company name | Established under | Business sector | Charter capital  VND | % holding |
| Finhay Viet Nam Service and Distribution Company Limited | Operating License No. 0109122447 issued by Hanoi Department of Planning and Investment dated 19 March 2022 | Insurance agency, broker and gold trading | 440,000,000,000 | 100% |
| KCG Vietnam Investment Company Limited | Operating License No. 0110142624 issued by Hanoi Department of Planning and Investment dated 06 October 2022 | Insurance agency and brokerage activities according to regulations of the Ministry of Finance and the State Securities Commission | 20,000,000 | 75% |

and two (02) indirectly owned subsidiaries via Finhay Viet Nam Service and Distribution Company Limited as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Company name | Established under | Business sector | Charter capital  VND | % holding |
| Vina Securities Joint Stock Company | Operating License No. 0103015219 issued by Hanoi Department of Planning and Investment dated 26 December 2006 and latest adjustment No 09/GPDC-UBCK dated 19 January 2022 | Securities brokerage and securities investment consulting in accordance with the regulations of the Ministry of Finance and the State Securities Commission | 558,599,980,000 | 99.49% |
| XH Investment & Services Joint Stock Company | Operating License No. 0110137078 issued by Hanoi Department of Planning & Investment dated 03 October 2022 | Other credit activities | 2,500,000,000 | 99,92% |

1. **BASIS OF PREPARATION**

***2.1 Statement of compliance***

The interim consolidated financial statements of the Company and its subsidiaries (“the Group”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

The Group maintains its accounting records in VND and prepares statutory financial statements in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance of Vietnam. The accompanying financial statements, which are prepared primarily to meet the reporting requirements of the Group to its foreign owner, differ from the financial statements filed for statutory purposes in Vietnam in that they reflect adjustments appropriate to present the financial position, financial performance and cash flows in accordance with IFRS.

***2.2 Basis for consolidation***

The interim consolidated financial statements comprise the financial statements of Finhay Viet Nam Joint Stock Company (“the parent company”) and its subsidiaries as at 30 June 2024.

The interim financial statements of the parent company and subsidiaries are prepared for the same reporting period using the consistent accounting policies.

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

***2.3 Functional and presentational currency***

The Group maintains its accounting records in Vietnam Dong (VND) which is also its functional and presentation currency.

## ***2.4 Accounting period***

The Group’s fiscal year starts on 01 January and ends on 31 December.

The Group also prepares its interim consolidated financial statements for the six-month period from 01 January to 30 June each year.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

## ***3.1 Changes in accounting policies and disclosures***

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group’s consolidated financial statements for the year ended 31 December 2023 and interim consolidated financial statements for the six-month period ended 30 June 2024.

## ***3.2 Recognition of interest income***

***3.2.1 The effective interest rate method***

Under IFRS 9, interest income is recorded using the effective interest rate (“EIR”) method for all financial instruments measured at amortised cost. Interest expense is also calculated using the EIR method for all financial liabilities at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the gross carrying amount of the financial instrument.

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

***3.2 Recognition of interest income*** (continued)

***3.2.1 The effective interest rate method*** (continued)

The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account transaction costs, any discount or premium on the acquisition of the financial asset, as well as fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the fixed rate financial asset or liabilities are revised for reasons other than credit risk, then changes to future contractual cash flows are discounted at the original EIR with a consequential adjustment to the carrying amount. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset or liability in the balance sheet with an increase or decrease in interest income/expense calculated using the effective interest method.

***3.2.2 Interest and similar income/expense***

Net interest income comprises interest income and interest expense calculated using both the effective interest method and other methods. These are disclosed separately on the face of the income statement for both interest income and interest expense to provide symmetrical and comparable information.

In its Interest income/expense calculated using the effective interest method, the Company only includes interest on those financial instruments that are set out in *Note 3.2.1* above.

Interest income/expense on all trading financial assets/liabilities is recognised as a part of the fair value change in *“Net trading income”*.

The Group calculates interest income on financial assets, other than those considered credit-impaired, by applying the EIR to the gross carrying amount of the financial asset. The change in amortised cost is recorded as *“Net interest income”* for financial assets.

## ***3.3 Net loss on derecognition of financial assets measured at amortised cost***

Net loss on derecognition of financial assets measured at amortised cost includes loss (or income) recognised on sale or derecognition of financial assets measured at amortised cost calculated as the difference between the book value (including impairment) and the proceeds received.

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

## ***3.4 Recognition of fee and commission***

The Group earns fees and commission revenue from a diverse range of services it provides to its customers. Fee income can be divided into the following two categories:

Fee and commission revenue from services where performance obligations are satisfied over time

Performance obligations satisfied over time include assets management of users, where the user of the Finhay application simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs. Therefore, fee and commission revenue from services where performance obligations are satisfied over time only include assets management fee.

Fee and commission revenue from providing services where performance obligations are satisfied at a point in time

Services provided where the Group’s performance obligations are satisfied at a point in time are recognized once control of the services is transferred to the customer. This is typically on completion of the underlying transaction or service or, for fees or components of fees that are linked to a certain performance, after fulfilling the corresponding performance criteria.

These include the fees for withdrawing funded amount of business cooperation from users, fees for users’ money deposit withdrawal activities, fees for users’ balance verification and service fees arising from third-party association activities such as intermediaries to refer client activities, insurance agency activities. The Group typically has a single performance obligation with respect to these services, which is to successfully complete the transaction specified in the contract.

## ***3.5 Cash and cash equivalents***

Cash and cash equivalents comprise of cash on hand and amounts due from banks on demand or with an original maturity of three months or less.

## ***3.6* *Financial instruments – initial recognition and subsequent measurement***

***3.6.1 Financial assets***

***Initial recognition and measurement***

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (“OCI”), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are “solely payments of principal and interest (SPPI)” on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

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

***3.6* *Financial instruments – initial recognition and subsequent measurement*** (continued)

***3.6.1 Financial assets*** (continued)

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

***Subsequent measurement***

For purposes of subsequent measurement financial assets are classified in four categories:

* Financial assets at amortized cost (debt instruments);
* Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
* Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
* Financial assets at fair value through profit or loss.

*(i) Financial assets at amortized cost (debt instruments)*

The Group measures financial assets at amortized cost if both of the following conditions are met:

* The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
* The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group’s financial assets at amortized cost include loan to customers.

*(ii) Financial assets at fair value through OCI (debt instruments)*

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

* The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
* The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the interim consolidated statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Group’s financial assets at fair value through OCI (debt instruments) include bonds, certificates of deposits.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

***3.6* *Financial instruments – initial recognition and subsequent measurement*** (continued)

***3.6.1 Financial assets*** (continued)

***Subsequent measurement*** (continued)

*(iii) Financial assets designated at fair value through OCI (equity instruments)*

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the interim consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

The Group did not have financial assets at fair value through OCI (equity instruments).

*(iv) Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not sole payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the interim consolidated statement of financial position at fair value with net changes in fair value recognized in the interim consolidated statement of profit or loss.

***Derecognition***

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

***3.6* *Financial instruments – initial recognition and subsequent measurement*** (continued)

***3.6.1 Financial assets*** (continued)

***Subsequent measurement*** (continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred assets and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

***Impairment of financial assets***



The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 06-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

***3.6* *Financial instruments – initial recognition and subsequent measurement*** (continued)

***3.6.1 Financial assets*** (continued)



***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

***Subsequent measurement***

The measurement of financial liabilities depends on their classification, as described below:

*(i) Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the interim consolidated statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

The Group’s financial liabilities as at fair value through profit or loss include of payable to users’ investment portfolios.

*(ii) Financial liabilities at amortized cost (Loans and borrowings)*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the interim consolidated statement of profit or loss.

This category generally applies to borrowings and payable to users’ accumulation portfolios.

***Derecognition***

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the interim consolidated statement of profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

***3.6* *Financial instruments – initial recognition and subsequent measurement*** (continued)

***3.6.3 Offsetting of financial instruments***

Financial assets and financial liabilities are offset and the net amount is reported in the interim consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis.

## ***3.7 Impairment of non-financial assets***

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit (CGU)’s fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre–tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the Group estimates the assets or CGU’s recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such the reversal is recognized in the interim statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

## ***3.8 Determination of fair value***

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

* In the principal market for the asset or liability.

Or

* In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

***3.8* *Determination of fair value*** (continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

* Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
* Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
* Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

* Disclosures for valuation methods, significant estimates and assumptions - *Notes 3, 17, 18, 19, 23 and 24*
* Quantitative disclosures of fair value measurement hierarchy - *Note 31*
* Financial instruments (including those carried at amortised cost) - *Notes 17, 18, 19, 23 and 24*

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

## ***3.9 Receivables***

Receivables are presented in the interim consolidated financial statements at the carrying amounts due from customers and other debtors including employee advance, net of expected credit loss (if any).

## ***3.10 Prepaid expenses***

Prepaid expenses amortized over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

## ***3.11 Leases***

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

***Company as a lessee***

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

*Right-of-use assets*

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and useful term.

The right-of-use assets are also subject to impairment.

*Lease liabilities*

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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

***3.11 Leases*** (continued)

*Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of assets that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

## ***3.12 Property, equipment and right-of-use assets***

Property and equipment is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates. Right-of-use assets are presented together with property and equipment in the interim consolidated statement of financial position – refer to the accounting policy in *Note 3.11*. Right-of-use assets are depreciated on a straight-line basis over the lease term.

Depreciation of owned assets is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Means of transportation 08 years

Other equipments 03 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the interim consolidated statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

## ***3.13 Intangible assets***

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the interim consolidated statement of profit or loss in the year in which the expenditure is incurred.

Intangible assets with finite life are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each reporting period. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and they are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the interim consolidated statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

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

***3.13 Intangible assets*** (continued)

***Research and development costs***

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

* The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
* Its intention to complete and its ability and intention to use or sell the asset;
* How the asset will generate future economic benefits;
* The availability of resources to complete the asset;
* The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is completed, and the asset is available for use. It is amortized over the period of expected future benefit. Amortization is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

A summary of the policies applied to the Group’s intangible assets is, as follows:

|  |  |
| --- | --- |
| Type of intangible asset | Development costs |
| Useful lives | Finite (20 years) |
| Amortization method used | Amortized on a straight-line basis over the period of expected future sales from the related project |
| Internally generated or acquired | Either internally generated or acquired |

## ***3.14******Payables***

***Payables to users***

Payables to users comprises of payables to users’ investment portfolios and payables to users’ accumulation portfolios which have been funded by users as per Business Cooperation Contract (“BCC”) between the Group and users.

*Payables to users’ investment portfolios*

Payables to investment portfolios of users are financial liabilities at fair value through profit or loss which are initially recognized at cost (funded amount of business cooperation minus money transfer fees) and subsequently recognized at fair value in the interim consolidated statement of financial position.

Increase in the difference arising from revaluation of payables to investment portfolios of users in comparison with the funded amount of business cooperation is recognized into the interim consolidated statement of profit or loss under “Loss from revaluation of financial liabilities at fair value through profit or loss”. Decrease in the difference arising from revaluation of payables to users’ investment portfolios in comparison with the funded amount of business cooperation is recognized into the interim consolidated statement of profit or loss under “Gain from revaluation of financial liabilities at fair value through profit or loss”.

Payables to investment portfolios of users is derecognized upon the withdrawal funded amount of business cooperation from users.

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

***3.14******Payables*** (continued)

*Payables to users’ accumulation portfolios*

Payables to accumulation portfolios of users are financial liabilities measured at amortized cost which are initially recognized at cost (funded amount of business cooperation minus money transfer fees).

After initial recognition, payables to **accumulation** portfolios of users subsequently measured at cost plus (+) accumulative interest minus (-) withdrawal amount of business cooperation. Accumulative interest includes interest paid and interest payables with interest rates as per BCC at each different period and is recognized in the interim consolidated statement of profit or loss under “Interest expense”.

***Other payables***

Other payables comprise of payables recognized for amounts to be paid in the future for goods and services received, whether or not billed to the Group and payable to employees.

## ***3.15 Employee benefits***

*Post-employment benefits*

Post-employment benefits are paid to retired employees of the Group by the Social Insurance Agency which belongs to the Ministry of Labour, Invalids and Social Affairs. From 01 June 2017, according to Decision No. 595/QD-BHXH dated on 14 April 2017 and Decision No. 44/2017/ND-CP dated on 14 April 2017, the Company is required to pay a social insurance premium at the rate of 17.5% of an employee’s basic monthly salary, salary-related allowances and other supplements. Other than that, the Company has no further obligation relating to post-employment benefits.

*Unemployment* *insurance*

According to Article 52 of the Law on Employment No. 28/2015/TT-BLDTBXH and Decree No. 28/2015/ND-CP dated 12 March 2015 of the Government providing guidelines for the Law on Employment in term of unemployment insurance, the Group is required to contribute to the unemployment insurance at the rate of 1% of salary and wage fund of unemployment insurance joiners and deduct 1% of monthly salary and wage of each employee to contribute to the unemployment insurance. The monthly salary on which unemployment insurance contributions are based is the salary used as the basis for contribution of compulsory social insurance in accordance with the Law on Social Insurance. According to Decision No. 28/2021/QD-TTg of the Prime Minister, from 01 October 2021, the Group is entitled to reduce the unemployment insurance contributions rate of 1% mentioned above to 0% within 12 months.

*Health insurance contribution*

According to Decision No. 595/QD-BHXH dated on 14 April 2017, the Group is required to contribute to employee benefits by paying health insurance premiums to the Health Insurance Agency at the rate of 3% of an employee’s basic salary on a monthly basis.

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

## ***3.16 Taxation***

*Current income tax*

Current income tax assets and liabilities for the current and prior six-month period are measured at the amount expected to be paid to (or recovered from) the taxation authorities. The tax rates and tax laws are applied and enacted at the reporting date. Current income tax is charged or credited to profit or loss except when it relates to items recognized directly to equity, the current corporate income tax is also dealt with in equity.

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

The Group’s tax reports are subject to examination by the tax authorities. Because the application of tax laws and regulations to many types of transactions that are susceptible to various interpretations, amounts reported in the financial statements could be changed at a later date upon the final determination by the tax authorities.

*Deferred tax*

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

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

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except where the deferred corporate income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will be sufficient for the deferred corporate income tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled based on tax rates and tax laws that have been enacted at the reporting date.

Deferred tax is charged or credited to the profit or loss, except when it relates to items recognized directly to equity, in which case the deferred corporate income tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right exists to offset current corporate income tax assets against current corporate income tax liabilities and when they relate to income taxes levied by the same taxable entity and the same taxation authority and the Group intends to settle its current corporate income tax assets and liabilities on a net basis.

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

## ***3.17 Related parties***

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

## ***3.18 Revaluation reserves***

Revaluation reserves comprises of changes in fair value of financial assets at fair value through other comprehensive income, income tax related to net change in fair value of financial assets through other comprehensive income.

## ***3.19 Business combinations and*** ***goodwill***

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree’s identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

***Goodwill***

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the interim consolidated statement of profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

***3.19 Business combinations and*** ***goodwill*** (continued)

***Goodwill*** (continued)

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

# **4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES, AND ASSUMPTIONS**

The preparation of the Group interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Group’s accounting policies, the Management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting period.

Existing circumstances and assumptions about future developments may change due to circumstances beyond the Group’s control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognized in the financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved.

## ***4.1 Going concern***

The Group incurred consecutive operating losses in recent years. As at 30 June 2024, the accumulated loss is VND153,102,616,706. The Management of Group has conducted an assessment of the Company's going concern ability and believes that the Group can maintain its operations with financial support from enormous investors. On that basis, the interim consolidated financial statements for the period then ended 30 June 2024 are prepared on the assumption of the Group's ability to operate continuously and do not include any adjustments, if any, to reflect the effects of inability to operate continuously on assets and liabilities.

## ***4.2 Deferred tax assets***

Deferred tax assets are recognized in respect of tax losses to the extent that it is probable that future taxable profit will be available against which the tax losses can be utilized. Judgement is required to determine the amount of deferred tax assets that can be recognized, based on the likely timing and level of future taxable profits, together with future tax-planning strategies.

## ***4.3 Development costs***

The Group capitalizes costs for software/application development projects. Initial capitalization of costs is based on management’s judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalized, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. At 30 June 2024, the carrying amount of capitalized development costs was VND14,249,766,580 (as at 31 December 2023: VND37,922,598,119).

1. **SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES, AND ASSUMPTIONS** (continued)

## ***4.4 Fair value of financial instruments***

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the interim consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable market data where possible, but where this is not feasible, estimation is required in establishing fair values. Judgments and estimations include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty) and funding value adjustments.

## ***4.5 Estimating the incremental borrowing rate for a lease***

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company ‘would have to pay’, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency).The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific adjustments (such as the subsidiary’s stand-alone credit rating, or to reflect the terms and conditions of the lease).

# **5. NET INTEREST AND SIMILAR INCOME/(EXPENSE)**

|  |  |  |
| --- | --- | --- |
|  | *For the six-month period then ended 30 June 2024* | *For the six-month period then ended 30 June 2023* |
|  | *VND* | *VND* |
| **Interest income calculated using the effective interest method from:** | **61,370,476,945** | **73,152,949,087** |
| Due from banks | 16,986,264,557 | 45,295,067,252 |
| Financial assets measure at amortized cost | 5,715,164,022 | 131,507 |
| Financial assets at FVTOCI | 38,669,048,366 | 27,857,750,329 |
| **Interest expense calculated using the effective interest method for:** | **(52,548,643,054)** | **(60,773,439,706)** |
| Users | (47,367,670,620) | (60,545,344,851) |
| Borrowings | (5,084,559,539) | (128,806,667) |
| Lease | (96,412,895) | (99,288,189) |
| **Net interest and similar income/(expense)** | **8,822,018,490** | **12,379,509,381** |

# **6. NET FEES AND COMMISSION INCOME**

|  |  |  |
| --- | --- | --- |
|  | *For the six-month period then ended 30 June 2024* | *For the six-month period then ended 30 June 2023* |
|  | *VND* | *VND* |
| **Fees and commission income from:** | **5,123,178,325** | **4,561,991,027** |
| Revenue from users withdraw investment | 594,120 | 79,893,446 |
| Revenue from fast withdraw of users | 68,643,000 | 252,837,000 |
| Revenue from account maintenance fees | 406,990,448 | 966,641,059 |
| Revenue from supporting in users’ balance verification on Finhay application | - | 367,150,972 |
| Revenue from business alliance with partners | 892,564,780 | 2,895,468,550 |
| Revenue from securities brokerage | 3,565,252,628 | - |
| Revenue from securities depository | 106,855,055 | - |
| Other revenue | 82,278,294 | - |
| **Fees and commission expense for:** | **(16,542,684,082)** | **(7,143,920,109)** |
| Expense from users withdraw investment | (495,804,800) | (1,446,926,412) |
| Expense from fast withdraw of users | (63,471,458) | (66,247,860) |
| Expense from account maintenance fees | (3,630,244,508) | (5,630,745,837) |
| Expense from users depositing via e-wallets | (21,818,180) | - |
| Expense from business alliance with partners | (455,769,876) | - |
| Expense from securities brokerage | (11,769,133,232) | - |
| Expense from securities depository | (106,442,028) | - |
| **Net fees and commission income** | **(11,419,505,757)** | **(2,581,929,082)** |

# **7. NET TRADING INCOME**

|  |  |  |
| --- | --- | --- |
|  | *For the six-month period then ended 30 June 2024* | *For the six-month period then ended 30 June 2023* |
|  | *VND* | *VND* |
| Revenue from sales of gold | 26,934,845,377 | 25,933,999,386 |
| Cost of sales related to gold | (26,283,678,084) | (25,397,271,572) |
| Gain/(Loss) from sales of FVTOCI financial assets | - | - |
| **Net gain from gold trading** | **651,167,293** | **536,727,814** |

# **8. CREDIT LOSS EXPENSE ON FINANCIAL ASSETS**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | *Stage 1* | *Stage 2* | *Stage 3* | *POCI* | *Total* |
|  | *VND* | *VND* | *VND* | *VND* | *VND* |
| Debt instruments measured at FVOCI | 21,152,899,526 | - | - | - | 21,152,899,526 |
| **Total** | **21,152,899,526** | **-** | **-** | **-** | **21,152,899,526** |

# **9. NET (LOSS)/GAIN FROM FINANCIAL ASSETS AT FVTPL**

|  |  |  |
| --- | --- | --- |
|  | *For the six-month period then ended 30 June 2024* | *For the six-month period then ended 30 June 2023* |
|  | *VND* | *VND* |
| **Gains from:** | **82,634,020,341** | **108,734,845,786** |
| Sales of FVTPL financial assets | 22,685,766,191 | 29,469,807,668 |
| Revaluation of FVTPL financial assets | 59,948,254,150 | 79,265,038,119 |
|  |  |  |
| **Losses from:** | **(6,002,579,215)** | **(33,850,812,811)** |
| Sales of FVTPL financial assets | (6,002,579,215) | (33,925,942,892) |
| Revaluation of FVTPL financial assets | - | 75,130,081 |
| **Net (loss)/gain from financial assets** | **76,631,441,126** | **74,884,032,975** |

# **10.NET GAIN/(LOSS) FROM FINANCIAL LIABILITIES AT FVTPL**

|  |  |  |
| --- | --- | --- |
|  | *For the six-month period then ended 30 June 2024* | *For the six-month period then ended 30 June 2023* |
|  | *VND* | *VND* |
| Net gain/(loss) from revaluation of users' investment portfolios | (46,937,421,075) | (52,920,245,795) |
| **Net gain/(loss) from revaluation of users' investment portfolios** | **(46,937,421,075)** | **(52,920,245,795)** |

# **11. OTHER OPERATING INCOME**

|  |  |  |
| --- | --- | --- |
|  | *For the six-month period then ended 30 June 2024* | *For the six-month period then ended 30 June 2023* |
|  | *VND* | *VND* |
| Gain/(Loss) from sales of FVTOCI financial assets | 34,726,999,367 | 18,840,478,477 |
| Gain from revaluation of gold | 3,407,655 | 43,080,816 |
| Other | 4,123,767,055 | 6,609,290,846 |
|  | **38,854,174,077** | **25,492,850,138** |

# **12.** **PERSONNEL EXPENSES**

|  |  |  |
| --- | --- | --- |
|  | *For the six-month period then ended 30 June 2024* | *For the six-month period then ended 30 June 2023* |
|  | *VND* | *VND* |
| Salary and allowances | 11,948,582,803 | 12,187,910,582 |
| Expenses related to salary | 701,788,000 | 984,959,667 |
| Other employees' welfare | 155,650,219 | 1,261,487,885 |
|  | **12,806,021,022** | **14,434,358,134** |

# **13. OTHER OPERATING EXPENSES**

|  |  |  |
| --- | --- | --- |
|  | *For the six-month period then ended 30 June 2024* | *For the six-month period then ended 30 June 2023* |
|  | *VND* | *VND* |
| Tax, duties and fees | 35,692,469 | 23,033,084 |
| Tools and equipment expenses | 534,986,355 | 1,286,039,738 |
| Marketing, promotion and telecommunications | 1,438,495,695 | 2,800,037,560 |
| Expenses for office operation equipment | 3,042,134,269 | 3,930,618,742 |
| Expenses related to business trip | 727,861,482 | 946,492,139 |
| Others | 5,634,322,154 | 11,705,498,940 |
|  | **11,413,492,424** | **20,691,720,202** |

**14. INCOME TAX**

## ***14.1 Current income tax expense***

The statutory corporate income tax (“CIT”) applicable to the Company is as follows:

The Group is entitled to an exemption from CIT for four years commencing form the first year in which a taxable income statement is earned and a 50% reduction of the applicable CIT tax rate for the following nine years.

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

The current CIT payable is based on taxable profit for the current period. The taxable income of the Group for the period differs from the profit as reported in the interim consolidated statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted by the period end date.

|  |  |  |
| --- | --- | --- |
|  | *For the six-month period then ended 30 June 2024* | *For the six-month period then ended 30 June 2023* |
|  | *VND* | *VND* |
| Accounting loss before tax under IFRS | 17,927,937,533 | 17,387,978,394 |
| Adjustment for difference between  VAS and IFRS | (3,821,629,578) | (20,588,321,776) |
| *Adjustments to increase* | 26,316,788,283 | 281,735,058 |
| Non-deductible expense | 719,297,861 | 281,735,058 |
| Gain due to revaluation of asset | 25,597,490,422 | - |
| *Adjustments to decrease* | (28,758,494,404) | (792,735,414) |
| Loss due to revaluation of asset | - | - |
| Loss transferred from past year | (28,758,494,404) | (725,248,414) |
| Unpaid bonus | - | (67,487,000) |
| Consolidation adjustments | (23,134,326,007) | (27,917,809) |
| **Taxable loss** | **(11,469,724,173)** | **(3,739,261,547)** |
| **CIT expense** | **-** | **-** |

**14. INCOME TAX** (continued)

## ***14.2 Tax losses carried forward***

According to the Law on Corporate Income Tax of Vietnam, the Group is entitled to carry tax loss forward to offset against taxable income arising within five years subsequent to the year in which the loss was incurred. At the balance sheet date, the Group has aggregated accumulated tax losses of VND575,730,041,761 (31 December 2023: VND572,802,586,533) available for offset against future taxable income. Details are as follows:

*Currency: VND*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| *Originating period* | *Can be utilized up to* | *Tax loss  amount (\*)* | *Utilized up to  30 June 2024* | *Forfeited* | *Unutilized at  30 June 2024* |
|  |  |  |  |  |  |
| 2018 | 2023 | 933,248,930 | - | (933,248,930) | - |
| From 01 Jan. 2019 to 19 Nov. 2019 | 2024 | 3,607,297,872 | - | - | 3,607,297,872 |
| From 20 Nov. 2019 to 31 Dec. 2019 | 2024 | 286,731,443 | - | - | 3,894,029,315 |
| 2020 | 2025 | 21,233,115,158 | (20,256,507,525) | - | 4,870,636,948 |
| 2021 | 2026 | 220,889,929,162.00 | (4,607,957,564) | - | 221,152,608,546 |
| 2022 | 2027 | 281,591,949,998.00 | (4,528,152,287) | - | 498,216,406,257 |
| 2023 | 2028 | 56,793,890,430 | (1,816,818,270) | - | 553,193,478,417 |
| Six month period ended 30 Jun.2024 | 2029 | 22,536,563,344 | - | - | 575,730,041,761 |
| **TOTAL** |  | **606,939,477,407** | **(31,209,435,646)** | **-** |  |

#### (\*) The Group of Companies is not allowed to carry forward the loss of 2018 of VND 933,248,930 due to expiry of 05-year time limit.

***Unrecognized deferred tax assets***

Deferred tax assets have not been recognized for the accumulated tax losses of VND 575,730,041,761 due to uncertainty of future taxable income.



**14. INCOME TAX** (continued)

## ***14.3 Deferred tax expenses***

Deferred tax assets and liabilities as at 30 June 2024:

|  |  |  |  |
| --- | --- | --- | --- |
|  | *Assets* | *Liabilities* | *Net* |
|  | *VND* | *VND* | *VND* |
| Cash and cash equivalents | - | (13,027,720) | (13,027,720) |
| Due from banks | - | - | - |
| Financial assets at FVTPL | - | (18,588,592,694) | (18,588,592,694) |
| Debt instruments at FVTOCI | - | (1,670,556,054) | (1,670,556,054) |
| Goodwill and other intangible assets | - | (6,175,493,213) | (6,175,493,213) |
| Right-of-use assets & lease liabilities | 188,361,620 | - | 188,753,425 |
|  | **189,361,620** | **(26,447,669,681)** | **(26,258,916,256)** |

Movement of tax on temporary differences during the period ended 30 June 2024:

*Currency: VND*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | *Balance at 31 December 2023* | *Recognized in*  *Profit or Loss* | *Recognized in*  *OCI* | *Balance at 30 June 2024* |
| Cash and cash equivalents | (12,346,189) | (681,531) | - | (13,027,720) |
| Due from banks | - | - | - | - |
| Financial assets at FVTPL | (11,496,147,806) | (7,092,444,888) | - | (18,588,592,694) |
| Debt instruments at FVTOCI | (7,210,851,302) | 7,753,663,082 | (2,213,367,834) | (1,670,556,054) |
| Goodwill and other intangible assets | (4,988,099,416) | (1,187,393,797) | - | (6,175,493,213) |
| Right-of-use assets & lease liabilities | 426,830,402 | (237,468,782) | - | 189,361,620 |
|  | **(23,280,614,311)** | **(764,325,916)** | **(2,213,367,834)** | **(26,258,916,256)** |

**15. CASH AND CASH EQUIVALENTS**

|  |  |  |
| --- | --- | --- |
|  | *30 June 2024 VND* | *31 December 2023 VND* |
| Cash on hand | 10,053,424 | 5,045,205 |
| Cash at bank | 63,705,124,801 | 69,036,445,327 |
| Due from banks with original term of three months or less | 43,443,021,437 | 17,335,901,063 |
| Gold | 214,371,449 | 4,851,869,318 |
|  | **107,372,571,111** | **91,229,260,913** |

**16. DUE FROM BANKS**

|  |  |  |
| --- | --- | --- |
|  | *30 June 2024 VND* | *31 December 2023 VND* |
| Due from banks with original term from three months to twelve months | 317,022,753,425 | 406,802,918,631 |
| Due from banks with original term of twelve months or more | 178,452,512,779 | 190,923,989,041 |
| Allowance for expected credit loss | - | - |
|  | **495,475,266,204** | **597,726,907,672** |

Interest rate of deposits at reporting date in commercial bank of the Group as follows:

|  |  |  |
| --- | --- | --- |
|  | *Ending balance % per annum* | *Beginning balance % per annum* |
| Due from banks with original term from three months to twelve months |  | 7.00 - 11.20 |
| Due from banks with original term of twelve months or more |  | 8.40 - 9.30 |

**17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | *30 June 2024* | | *31 December 2023* | |
|  | *Quantity* | *Fair value*  *VND* | *Quantity* | *Fair value*  *VND* |
| ***Listed shares*** | ***3,702,154*** | ***50,028,513,600*** | ***4,788,452*** | ***69,450,183,480*** |
| HPG | 139,600 | 3,950,680,000 | 172,400 | 4,818,580,000 |
| VIC | 82,400 | 3,394,880,000 | 100,300 | 4,473,380,000 |
| MWG | 36,800 | 2,296,320,000 | 57,300 | 2,452,440,000 |
| FPT | 13,553 | 1,768,666,500 | 37,873 | 3,639,595,300 |
| TCB | 69,800 | 1,629,830,000 | 79,500 | 2,528,100,000 |
| Other listed shares | 3,360,001 | 37,069,597,242 | 4,341,079 | 51,538,088,180 |
| ***Unlisted shares*** | ***213,300*** | ***1,248,598,076*** | ***213,300*** | ***1,248,598,076*** |
| ROS | 197,100 | 1,009,063,589 | 197,100 | 1,009,063,589 |
| VIS | 9,000 | 123,329,498 | 9,000 | 123,329,498 |
| CEE | 5,900 | 83,814,003 | 5,900 | 83,814,003 |
| EMC | 1,000 | 25,195,474 | 1,000 | 25,195,474 |
| THI | 300 | 7,195,512 | 300 | 7,195,512 |
| ***Listed fund units*** | ***14,214,210*** | ***237,777,741,879*** | ***16,183,610*** | ***244,486,236,300*** |
| FUESSVFL | 769,250 | 17,853,811,880 | 1,179,250 | 21,757,162,500 |
| FUEVN100 | 794,010 | 15,775,137,695 | 1,254,510 | 19,231,638,300 |
| FUEMAV30 | 609,900 | 10,663,501,249 | 981,400 | 13,239,086,000 |
| FUEVFVND | 245,800 | 9,026,861,648 | 448,500 | 11,858,340,000 |
| FUESSV50 | 368,120 | 8,111,395,386 | 559,920 | 9,350,664,000 |
| Others listed fund units | 11,427,130 | 176,347,034,022 | 11,760,030 | 169,049,345,500 |
| ***Unlisted fund units*** | ***4,892,883*** | ***130,949,656,141*** | ***7,074,783*** | ***149,423,189,819*** |
| SSISCA | 841,732 | 37,722,371,771 | 1,386,532 | 42,391,794,300 |
| TCBF | 951,787 | 20,987,085,224 | 1,328,987 | 23,550,975,462 |
| SSIBF | 1,169,595 | 20,353,123,968 | 1,634,795 | 24,088,576,194 |
| VFMVF1 | 207,912 | 19,149,360,310 | 333,012 | 21,847,949,235 |
| TCFF | 517,817 | 8,322,237,598 | 576,517 | 7,766,834,464 |
| Others unlisted fund units | 1,204,040 | 24,415,477,269 | 1,814,940 | 29,777,060,164 |
|  | **23,022,547** | **420,085,969,838** | **28,260,145** | **464,608,207,675** |

Fund units and shares are under management of Thien Viet Asset Management Company as per Investing Management Contract No. 01/TVAM-Finhay.

**18. FINANCIAL ASSETS AT AMORTISED COST**

|  |  |  |
| --- | --- | --- |
|  | *Ending balance VND* | *Beginning balance VND* |
| Loan to customers | 111,970,477,858 | 63,617,350,647 |
|  | **111,970,477,858** | **63,617,350,647** |

**19.**  **FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

|  |  |  |
| --- | --- | --- |
|  | *30 June 2024 VND* | *31 December 2023 VND* |
| **Bonds** |  |  |
| ***Bonds issued by local credit institutions*** | ***480,647,558,794*** | ***361,357,217,944*** |
| BAB201-08C | 100,287,671,233 | - |
| LPB123015 | 67,665,323,172 | - |
| MBBL2128004 | 50,511,397,104 | - |
| MBBL2128008 | 52,970,098,067 | - |
| VBBL2229001 | 49,667,633,224 | 49,550,258,288 |
| VBBL2229002 | 50,709,017,622 | 49,252,283,502 |
| BIDLH2431007 | 50,248,125,762 | - |
| Other bonds | 58,678,935,830 | 262,554,676,154 |
|  |  |  |
| ***Bonds issued by Vietnam State Treasury*** | ***52,131,000,000*** | ***-*** |
| TD2338137 | 52,131,000,000 | - |
|  |  |  |
| ***Bonds issued by local economics entities*** | ***221,859,338,908*** | ***114,422,652,021*** |
| MSN123009 | 105,697,821,087 | - |
| BCMbond\_20.08 | - | 50,705,611,226 |
| SBTH2427001 | 47,283,236,422 | - |
| BPWH2124001 | 7,656,922,777 | 12,763,474,253 |
| NVLH2123013.0810 | - | 6,747,380,840 |
| Other bonds | 65,448,958,501 | 44,206,185,702 |
|  |  |  |
| ***Certificate of deposits*** | ***571,434,974,081*** | ***583,689,831,064*** |
|  |  |  |
| ***Allowance for Expected Credit Loss*** | ***(45,082,944,882)*** | ***(23,930,045,356)*** |
|  | **1,285,217,526,779** | **1,035,539,655,673** |

**20.** **OTHER ASSETS**

|  |  |  |
| --- | --- | --- |
|  | *30 June 2024 VND* | *31 December 2023 VND* |
| Advance | 107,699,998 | 188,544,207 |
| Trade receivables | 2,357,332,734 | 999,420,431 |
| Payment intermediaries’ receivables | 2,041,293,340 | 13,378,840,971 |
| Prepaid expenses | 3,713,532,188 | 4,603,163,438 |
| Other assets | 25,751,230,112 | 13,020,144,454 |
|  | **33,971,088,372** | **32,190,113,501** |

# **21.** **PROPERTY, EQUIPMENT AND RIGHT-OF-USE ASSETS**

|  |  |  |
| --- | --- | --- |
|  | *30 June 2024 VND* | *31 December 2023 VND* |
| Tangible assets *(Note 21.1)* | 8,719,136,087 | 9,764,056,515 |
| Right-of-use assets *(Note 21.2)* | 2,529,240,079 | 4,740,618,229 |
|  | **11,248,376,166** | **14,504,674,744** |

## ***21.1 Tangible fixed assets***

Movements of tangible assets for the period ended 30 June 2024 are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | *Office equipment*  *VND* | *Means of transportation VND* | *Other*  *equipment VND* | *Total*  *VND* |
| **Cost** |  |  |  |  |
| Beginning balance | 2,721,930,149 | 7,836,008,182 | 2,514,921,818 | 13,072,860,149 |
| - Purchase | 124,909,091 | 33,898,000 | - | 158,807,091 |
| Ending balance | 2,846,839,240 | 7,869,906,182 | 2,514,921,818 | 13,231,667,240 |
| **Accumulated depreciation** |  |  |  |  |
| Beginning balance | 461,246,269 | 985,884,977 | 1,861,672,388 | 3,308,803,634 |
| - Depreciation for the year | 249,624,579 | 815,217,940 | 138,885,000 | 1,203,727,519 |
| Ending balance | 710,870,848 | 1,801,102,917 | 2,000,557,388 | 4,512,531,153 |
| **Net book value** |  |  |  |  |
| Beginning balance | 2,260,683,880 | 6,850,123,205 | 653,249,430 | 9,764,056,515 |
| Ending balance | 2,135,968,392 | 6,068,803,265 | 514,364,430 | 8,719,136,087 |



**21.** **PROPERTY, EQUIPMENT AND RIGHT-OF-USE ASSETS** (continued)

## ***21.2*** ***Right-of-use assets***

Movements of right-of-use assets for the period ended 30 June 2024 are as follows:

|  |  |
| --- | --- |
|  | *Right-of-use assets*  *VND* |
| **Net book value** |  |
| Beginning balance | 4,740,618,229 |
| Additions | 4,819,531,461 |
| Depreciation | (2,457,436,232) |
| Contract liquidation | (4,573,473,378) |
| **Ending balance** | **2,529,240,080** |

# **22.** **GOODWILL AND OTHER INTANGIBLE ASSETS**

|  |  |  |
| --- | --- | --- |
|  | *30 June 2024 VND* | *31 December 2023 VND* |
|  |  |  |
| Goodwill *(Note 22.1)* | 119,540,552,288 | 119,540,552,288 |
| Internally generated software *(Note 22.1)* | 51,381,829,231 | 45,043,879,426 |
| Construction in progress *(Note 22.2)* | 2,491,828,514 | 5,350,661,938 |
|  | **173,414,210,033** | **169,935,093,652** |

**22.** **GOODWILL AND OTHER INTANGIBLE ASSETS** (continued)

## ***22.1*** ***Goodwill and internally developed software***

Movements of goodwill and internally developed software for the period ended 30 June 2024 are as follows:

|  |  |
| --- | --- |
|  | *Goodwill*  *VND* |
| Beginning balance | 119,540,552,288 |
| Redeemed from VNSC's elder investor according to business acquisition contract dated 08 December 2021 | - |
| **Ending balance** | **119,540,552,288** |
|  |

|  |  |  |  |
| --- | --- | --- | --- |
|  | *Internally developed software (\*)* *VND* | *Rights and patents* *VND* | *Total*  *VND* |
| **Cost** |  |  |  |
| Beginning balance | 49,306,494,803 | 433,397,208 | 49,739,892,011 |
| Additions - internally developed | 8,330,777,517 | - | 8,330,777,517 |
| Purchasing | - | - | - |
| Ending balance | 57,637,272,320 | 433,397,208 | 58,070,669,528 |
| **Accumulated amortization** |  |  |  |
| Beginning balance | 4,691,119,391 | 4,893,194 | 4,696,012,585 |
| Amortisation for the year | 1,949,487,990 | 43,339,722 | 1,992,827,712 |
| Ending balance | 6,640,607,381 | 48,232,916 | 6,688,840,297 |
| **Net carrying amount** |  |  |  |
| Beginning balance | 44,615,375,412 | 428,504,014 | 45,043,879,426 |
| Ending balance | 50,996,664,939 | 385,164,292 | 51,381,829,231 |

(\*) Finhay application which was built and developed by the Company

**22.** **GOODWILL AND OTHER INTANGIBLE ASSETS** (continued)

## ***22.2*** ***Construction in progress***

Movements of construction in progress for the period ended 30 June 2024 are as follows:

|  |  |
| --- | --- |
|  | *Constructions in progress*  *VND* |
| **At 1 January 2023** | **7,039,671,296** |
| Additions | 19,625,961,290 |
| Transfer to fixed assets | (21,314,970,648) |
| **As at 31 December 2023** | **5,350,661,938** |
| Additions | 5,471,944,093 |
| Transferred to fixed assets | (8,330,777,517) |
| **As at 30 June 2024** | **2,491,828,514** |

**23.** **INTEREST-BEARING LOANS AND BORROWINGS**

|  |  |  |  |
| --- | --- | --- | --- |
|  | *Interest rate*  *% per annum* | *30/06/2024*  *VND* | *31/12/2023*  *VND* |
| **Borrowings from domestic bank** | **3.00% - 4.30%** | **134.594.500.000** | **-** |
| * *Bank for Investment and Development of Vietnam* |  | *49.000.000.000* | *-* |
| * *Joint Stock Commercial Bank for Foreign Trade of Vietnam* |  | *35.000.000.000* | *-* |
| * *Vietnam Commercial Joint Stock Export Import Bank* |  | *50.594.500.000* | *-* |
| **Current loans** |  | **134.594.500.000** | **-** |

**24.** **FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | *30 June 2024* | | *31 December 2023* | | |
|  | *Quantity* | *Fair value*  *VND* | | *Quantity* | *Fair value*  *VND* |
| **Payable to users - Finhay securities & Finhay investment** | | | | | |
| ***Listed shares*** | **3,686,834** | **49,756,272,901** | | **4,784,973** | **68,867,101,115** |
| HPG | 143,200 | 4,052,568,490 | | 175,763 | 4,818,580,000 |
| VIC | 82,807 | 3,411,652,520 | | 100,732 | 4,473,380,000 |
| MWG | 36,720 | 2,291,303,040 | | 57,283 | 2,451,699,560 |
| FPT | 15,552 | 2,029,483,800 | | 39,605 | 3,639,595,300 |
| TCB | 69,671 | 1,626,824,855 | | 79,398 | 2,524,862,760 |
| Other listed shares | 3,338,884 | 36,344,440,196 | | 4,332,192 | 50,958,983,495 |
| ***Unlisted shares*** | **204,019** | **1,357,622,306** | | **204,315** | **1,129,077,126** |
| ROS | 196,368 | 1,227,461,723 | | 196,368 | 1,005,316,078 |
| CEE | 5,698 | 91,927,656 | | 5,756 | 81,765,532 |
| EMC | 762 | 17,001,904 | | 840 | 21,164,198 |
| VIS | 967 | 15,230,333 | | 1,127 | 15,449,075 |
| THI | 224 | 6,000,690 | | 224 | 5,382,243 |
| ***Listed fund units*** | **3,283,906** | **65,780,875,410** | | **5,251,096** | **88,382,644,559** |
| FUESSVFL | 767,120 | 15,610,892,000 | | 1,174,348 | 21,666,721,892 |
| FUEVN100 | 787,479 | 13,717,884,180 | | 1,245,241 | 19,089,549,129 |
| FUEMAV30 | 603,870 | 9,257,327,100 | | 977,703 | 13,189,211,986 |
| FUEVFVND | 243,272 | 7,833,358,400 | | 444,719 | 11,758,366,923 |
| FUESSV50 | 362,912 | 7,011,459,840 | | 553,869 | 9,249,612,467 |
| Other listed fund units | 519,253 | 12,349,953,890 | | 855,216 | 13,429,182,162 |
| ***Unlisted fund units*** | **4,846,931** | **118,974,242,303** | | **7,043,286** | **149,347,351,555** |
| SSISCA | 836,887 | 32,884,637,778 | | 1,385,363 | 42,356,067,687 |
| TCBF | 945,470 | 18,279,367,156 | | 1,325,576 | 23,490,533,714 |
| SSIBF | 1,160,786 | 17,711,226,357 | | 1,633,123 | 24,063,931,451 |
| VFMVF1 | 206,073 | 16,641,631,188 | | 331,925 | 21,776,579,239 |
| TCFF | 514,527 | 7,250,585,852 | | 575,404 | 7,751,846,325 |
| Other unlisted fund units | 206,073 | 16,641,631,188 | | 331,925 | 21,776,579,239 |
|  | **12,021,690** | **235,869,012,920** | | **17,283,670** | **307,726,174,355** |

Payable to users - Finhay securities & Finhay investment products are measured at fair value of fund units and shares which are purchased by users via Finhay application. As per the Business Cooperation Contract, users have no ownership with these securities and the Company’s obligation with the users is equivalent with the fair value of these securities.

**25. FINANCIAL LIABILITIES AT AMORTISED COST**

|  |  |  |
| --- | --- | --- |
|  | *30 June 2024 VND* | *31 December 2023 VND* |
| Payable to users - Finhay accumulation | 1,727,854,352,004 | 1,651,458,298,938 |
|  | **1,727,854,352,004** | **1,651,458,298,938** |

**26.** **LEASE LIABILITIES**

|  |  |  |
| --- | --- | --- |
|  | *30 June 2024 VND* | *31 December 2023 VND* |
| Opening balance | 5,966,129,123 | 12,242,497,453 |
| Addition | 3,577,048,015 | 5,005,697,738 |
| Accretion of interest | 96,412,895 | 99,288,189 |
| Payments | (1,273,412,351) | (4,658,479,730) |
| Contract liquidation | (5,805,600,965) | (6,722,874,527) |
| **Closing balance** | 2,560,392,118 | 5,966,129,123 |

**27. OTHER LIABILITIES**

|  |  |  |
| --- | --- | --- |
|  | *30 June 2024 VND* | *31 December 2023 VND* |
| Tax and statutory obligation (*Note 27*) | 1,442,653,314 | 2,961,139,619 |
| Payables to employees | 2,921,370,177 | 5,675,308,911 |
| Payable to users | 25,794,939,057 | 17,348,513,769 |
| Trade payable | 9,738,207,333 | 11,100,823,805 |
| Other liabilities | 4,375,977,410 | 1,912,585,575 |
|  | **44,273,147,291** | **38,998,371,679** |

# **28.TAX AND STATUTORY OBLIGATIONS**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | *Beginning balance*  *VND* | *Payables during the year*  *VND* | *Paid during*  *the year*  *VND* | *Ending balance*  *VND* |
| **Payables** |  |  |  |  |
| Value added tax | 10,800,170 | 221,447,933 | (219,103,613) | 13,144,490 |
| Personal income tax | 2,888,859,146 | 5,689,208,029 | (7,149,330,589) | 1,428,736,586 |
| *- Personal income tax of employees* | 1,363,668,436 | 1,146,367,312 | (1,902,825,860) | 607,209,888 |
| *- Personal income tax of outsources* | 66,225,151 | 21,398,886 | (68,790,704) | 18,833,333 |
| *- Personal income tax of users* | 1,458,965,559 | 4,521,441,831 | (5,177,714,025) | 802,693,365 |
| Other | 61,480,303 | 33,799,255 | (94,507,320) | 772,238 |
| *- License tax* | - | 14,500,000 | (14,000,000) | 500,000 |
| *- Other tax* | 61,480,303 | 19,299,255 | (80,507,320) | 272,238 |
|  | 2,961,139,619 | 5,944,455,217 | (7,462,941,522) | 1,442,653,314 |
| **Receivables** |  |  |  |  |
| Value added tax | 3,890,741,978 | 219,103,613 | (371,865,845) | 3,737,979,746 |
|  | 3,890,741,978 | 219,103,613 | (371,865,845) | 3,737,979,746 |

**29. EQUITY**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | *Capital*  *VND* | *Share premium VND* | *Revaluation reserves*  *VND* | *Accumulated losses*  *VND* | *Total attributable to equity holders of the parent*  *VND* | *Non-controlling interests*  *VND* | *Total equity*  *VND* |
| **As at 1 January 2024** | **134,641,110,000** | **515,310,808,868** | **4,265,709,937** | **(213,421,225,318)** | **440,796,403,487** | **1,125,272,584** | **441,860,343,554** |
| Profit during the year | - | - | - | 17,222,429,388 | 17,222,429,388 | (58,817,771) | 17,163,611,617 |
| Contributed capital during the period | - | - | - | - | - | - | - |
| Net change in fair value of financial assets at FVTOCI | - | - | 11,066,839,170 | - | 11,066,839,170 | - | 11,066,839,170 |
| Tax on OCI | - | - | (2,213,367,834) | - | (2,213,367,834) | - | (2,213,367,834) |
| Decrease reverse on ECL | - | - | - | - | - | - | - |
| Decrease of NCI due to capital transaction between subsidiary and NCI | - | - | - | (599,921,304) | (599,921,304) | (78,695) | (599,999,999) |
| **As at 30 June 2024** | **134,641,110,000** | **515,310,808,868** | **13,119,181,273** | **(196,798,717,234)** | **466,272,382,907** | **1,066,376,118** | **467,338,759,025** |

# **30.** **RELATED PARTY TRANSACTIONS**

Related party transactions include all transactions undertaken with parties to which the Group is related. A party is considered to be related if the party has the ability to control or to influence other party in making decision of financial policies and operational activities. A party is related to the Group if:

(a) Directly, or indirectly through one or more intermediaries, the party:

* controls, is controlled by, or is under common control with the Group;
* has an interest (owning 5% or more of the charter capital or voting share capital) in the Group that gives it significant influence over the Group;
* has joint control over the Group.

(b) The party is a joint venture in which the Group is a venture or an associate (owning over 11% of the charter capital or voting share capital, but is not a subsidiary of the Group);

(c) The party is a member of the key management personnel of the Group;

(d) The party is a close member of the family of any individual referred to in (a) or (c); or

(e) The party is a Group that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such Group resides with, directly or indirectly, any individual referred to in (c) or (d).

**30.** **RELATED PARTY TRANSACTIONS** (continued)

Balances as at 30 June 2023 and transactions for the six-month period ended 30 June 2023 with related parties are as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  | *Receivables/(Payables)* | |  |
| *Related parties* | *Relations* | *Transactions* | *30 June 2024* | *31 December 2023* | *Revenue/(Expense)* |
| Thien Viet Securities JSC | Shareholder | Receivables from trust activities | 380,000 | 380,000 | - |
|  | Receivables from sold FVTPL | 2,122,875 | - | - |
|  |  |  |  |  |  |
| Thien Viet Fund Management JSC | Shareholder | Payables from trust activities | (9,841,690,560) | (11,194,827,682) | - |
|  | Receivables from sold FVTPL | 387,740,404 | 5,100,861,735 |  |
|  | Portfolio management fee | - | - | (3,535,760,917) |
|  | Deposit fee | - | - | (585,869,095) |
|  | Transaction fee, mail postal | - | - | (33,294,147) |
|  |  |  |  |  |  |
| Mr Nghiem Xuan Huy | Shareholder | Advances | 28,437,160 | 118,277,398 | - |







**30.** **RELATED PARTY TRANSACTIONS** (continued)

Addition/(Reduction) in owners' share capital in par value as follows:



|  |  |  |
| --- | --- | --- |
| *Related parties* | *30 June 2024*  *VND* | *31 December 2023*  *VND* |
| Finsight Joint Stock Company | 2,763,800,000 | 15,467,200,000 |
| Mr Hoang Minh Chau | 639,830,000 | - |
| Ms Vu Thanh Van | 426,610,000 | - |
| Camellia Wealth Joint Stock Company | 82,940,000 | - |
| Ms Nguyen Dieu Hoa | 29,990,000 | - |
| Mr Le Ngoc Long | 19,990,000 | - |
| Finhay PTY Limited | - | 16,956,810,000 |
| Ms Nguyen Thanh Thao | - | 441,560,000 |
| Valence Private Investment Limited | - | 1,051,480,000 |
| VI Ventures Joint Stock Company | - | 5,647,170,000 |
| Ms Dinh Thi Hoa | - | 2,647,490,000 |
| Mr Nguyen Khac Nguyen | - | 763,120,000 |
| Thien Viet Fund Management Joint Stock Company | (82,940,000) | 1,497,320,000 |
| Thien Viet Securities Joint Stock Company | (2,763,800,000) | (11,947,460,000) |
|  | **1,116,420,000** | **32,524,690,000** |

Remuneration to members of the Board of Directors and the Management is presented below:

|  |  |  |
| --- | --- | --- |
|  | For the six-month period then ended 30 June 2024 VND | For the six-month period then ended 30 June 2023 VND |
| Mr. Nghiem Xuan Huy | 1,066,078,900 | 1,281,540,000 |
| Ms. Vu Thanh Van | 810,604,800 | 782,600,000 |
| Mr. Hoang Minh Chau | 809,114,700 | 733,850,000 |
| Ms Vu Quynh Huong | 852,889,041 | 429,589,041 |
| Ms Tran Gia Binh | 1,164,266,667 | - |
|  | **4,702,954,108** | **3,227,579,041** |

# **31. OFF-BALANCE SHEET ITEMS**

***Gold under custodian***

|  |  |  |
| --- | --- | --- |
|  | *30 June 2024* | |
|  | *Quantity (\*)* | *Fair value (\*\*)*  *VND* |
| 0.5 Vietnam mace gold ring | 1,860 | 7,198,200,000 |
| 01 Vietnam mace gold ring | 3,400 | 26,318,160,000 |

*(\*) The number of PNJ gold rings that Finhay Service and Distribution Company Limited is monitoring on behalf of customer as at 31 December 2023 were kept at the warehouse of Saigon Thuong Tin Commercial Joint Stock Bank - Capital Branch.*

*(\*\*) The fair value is calculated using the rate of VND 7,740,000 as of 30 June 2024 (as at 31 December 2023: VND 6,200,000).*

# **32. FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

***Determination of fair value and fair value hierarchy***

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted prices/(unadjusted) in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

***Fair value of financial assets and liabilities carried at fair value***

*Equity instruments*

Some equity instruments are actively traded on public stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1.

Equity instruments in non-listed entities, which are not actively traded in Hanoi Stock Exchange (HNX), Ho Chi Minh city Stock Exchange (HOSE) or Unlisted Public Company Market (UPCoM), are initially recognized at transaction price and re-measured (to the extent information is available) and valued on a case-by-case and classified as Level 3. The Group also holds equity investments that is valued at cost due to lack of reliable information to value them. The Group intend to hold for an indefinite period of time for dividend and may decide to sell them in response to needs for liquidity or in response to changes in the market conditions.

*Debt securities issued by credit institutions and corporates*

Most of these instruments are standard fixed or floating rate securities. The Group uses active market prices when available, or other observable inputs in discounted cash flow models to estimate the corresponding fair value to estimate the relevant credit spreads. Bonds issued by corporates and credit institutions are Level 1 instruments when the bonds are listed in active market, Level 2 instruments when inputs are observable data or Level 3 instruments where significant inputs cannot be referenced to observable data and, therefore, inputs are adjusted for relative tenor and issuer quality.

**32.**  **FINANCIAL ASSETS AND FINANCIAL LIABILITIES** (continued)

***Fair value of financial assets and liabilities not carried at fair value***

The Group uses the following methodologies and assumptions to determine fair value for financial assets and liabilities not carried at fair value on the financial statements:

*Assets for which fair value approximates carrying value*

For financial assets and financial liabilities that have a short-term maturity (less than one year) it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to demand deposits.

*Fixed rate financial instruments*

The fair value is determined using discounted cash flows using interest at the balance sheet date of financial instruments in the market with similar risk and maturity.

## ***32.1 Fair value of financial assets and liabilities carried at fair value***

The following table presents the fair value of the financial instruments under the level used to determine fair value as at 30 June 2024:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | *Level 1* | *Level 2* | *Level 3* | *Total* |
|  | *VND* | *VND* | *VND* | *VND* |
|  |  |  |  |  |
| **Financial assets at FVTPL** | **258,512,240,700** | **-** | **116,065,368,388** | **374,577,609,088** |
| Fund certificate | 208,483,727,100 | - | 114,816,770,312 | 323,300,497,412 |
| Securities | 50,028,513,600 | - | 1,248,598,076 | 51,277,111,676 |
|  |  |  |  |  |
| **Financial assets at FVTOCI** | **71,556,626,500** | **-** | **962,889,353,054** | **1,034,445,979,554** |
| Bonds | 71,556,626,500 | - | 404,223,243,465 | 475,779,869,965 |
| Certificates of deposit | - | - | 558,666,109,589 | 558,666,109,589 |
| **Total financial assets** | **330,068,867,200** | **-** | **1,078,954,721,442** | **1,409,023,588,642** |
|  |  |  |  |  |
| **Financial liabilities at FVTPL** |  |  |  |  |
| Fund certificate | 65,780,875,410 | - | 118,974,242,303 | 184,755,117,713 |
| Securities | 49,756,272,901 | - | 1,357,622,306 | 51,113,895,207 |
| **Total financial liabilities** | **115,537,148,311** | **-** | **120,331,864,609** | **235,869,012,920** |

**32.**  **FINANCIAL ASSETS AND FINANCIAL LIABILITIES** (continued)

## ***32.2 Fair value of financial assets and liabilities not carried at fair value***

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group’s financial instruments that are not carried at fair value in the interim consolidated financial statements:

As at 30 June 2024

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | *Level 1* | *Level 2* | *Level 3* | *Total* |
|  | *VND* | *VND* | *VND* | *VND* |
| Cash and cash equivalent | 107,372,571,111 | - | - | 107,372,571,111 |
| Due from banks | 495,475,266,204 | - | - | 495,475,266,204 |
| Financial assets at amortized cost | - | - | 111,970,477,858 | 111,970,477,858 |
| Trade receivable | - | - | 2,357,332,734 | 2,357,332,734 |
| **Total financial assets** | **602,847,837,315** | **-** | **114,327,810,592** | **717,175,647,907** |
| Financial liabilities at amortized cost | - | - | 1,727,854,352,004 | 1,727,854,352,004 |
| Trade payable | - | - | 9,738,207,333 | 9,738,207,333 |
| **Total financial liabilities** | **-** | **-** | **1,737,592,559,337** | **1,737,592,559,337** |
|  |  |  |  |  |

**33.RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group's activities are subject to market risk, credit risk and liquidity risk.

***Market risk***

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks comprise three types of risk: interest rate risk, currency risk, commodity price risk.

*Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group’s exposure to market risk results mainly from the fact that it funds the assets with longer-term of repricing with users’ deposits with shorter-term of re-pricing.

The Group manages interest rate risk by using the interest rate spread between assets & liabilities as well as adjusting the rate offered for each product regularly.

*Currency risk*

Finhay manages gold inventory quantities with the minimum and maximum level of 1,000 Vietnam mace and 3,000 Vietnam mace respectively. The Company manages its gold price risk by keeping close watch on relevant information and situation of gold market in order to properly manage timing of purchases and inventories level.

As at the reporting date, the Company has gold rings in its inventory with the total value of VND 4,851,869,318. The increase (or decrease) of 3% on the gold market price could possibly result in a corresponding increase (or decrease) of VND 145,556,080 in gain/loss from revaluation of gold.

***Credit risk***

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financial investing activities, including bank deposits and other financial instruments.

*Impairment assessment*

The references below show where the Group’s impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies.

To apply the expected loss for the recognition of losses on impaired financial assets for these interim financial statements, the Group developed its owned approach to calculate the expected credit loss. The models incorporated historical data in over 2 years since the Parent Company’s establishment, current conditions and forecasts of future economic conditions. According to the practices, the historical data applied for the approach should be tracked in 5 – 7 years to ensure the meaningful statistical analysis. However, the IFRS 9 only requires the ECL to be measured in the way that reflects reasonable and supportable information that is available without undue cost or effort at the reporting date, the Group applied its own historical data and will update the approach in the future.

**33.RISK MANAGEMENT OBJECTIVES AND POLICIES** (continued)

***Credit risk*** (continued)

*Definition of default*

The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

*Probability of default estimation process*

The Group applied the overdue date criterion and Annual global corporate default and rating transition study by Standard & Poor’s financial Services LLC to classify the customers to create the information sources for PD estimation. Based on historical data in the 2 years of operations and the annual report’s rate the Group estimated the PD for each customer and then incorporate forward looking information to obtain the PDs for IFRS 9 ECL calculations.

*Exposure at default*

The exposure at default (EAD) represents the present value of all future cash flow of the financial instruments subject to the impairment calculation.

*Loss given default*

The Group applied historically collected loss data based on product type to construct the LGD rate for each group of financial instruments.

*Significant increase in credit risk*

The Group continuously monitors all assets subject to ECLs. The Group considers that if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

*Financial assets*

The Group entrusts its portfolio management to Thien Viet Asset Management Joint Stock Group. As at 30 June 2024, the Management of the Group assess that all these investments are not overdue and not impaired.

***Maximum exposure for credit risk***

|  |  |  |
| --- | --- | --- |
|  | *30 June 2024* | *31 December 2023* |
|  | *VND* | *VND* |
| Debt instrument measured at FVTOCI | 45,082,944,882 | 23,930,045,356 |
| Due from banks | - | - |
|  | 45,082,944,882 | 23,930,045,356 |

***Liquidity risk***

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

The Group monitors its liquidity risk by maintaining a level of cash and cash equivalents deemed adequate by Management to finance the Group’s operations and to mitigate the effects of fluctuations in cash flows.

# **34.** **EARNINGS PER SHARE**

The company uses the following information to calculate the EPS ratio

|  |  |  |
| --- | --- | --- |
|  | *30 June 2024* | *30 June 2023* |
| Gain/(Loss) after tax attributable to equity shareholders of the parent - VND | 12,284,645,726 | (66,502,169,768) |
| Weighted average of ordinary shares (excluding treasury shares) to calculate EPS (\*) - share | 13,464,111 | 11,320,088 |
| Earnings per share - VND/share | 912 | (5,875) |

(\*) When the number of ordinary shares in circulation increases due to capitalization, issuance of bonus shares, stock split or decrease due to stock pooling, the Company is required to retrospectively adjust “Basic earnings per share” for all reporting periods. Accordingly, the weighted average number of ordinary shares outstanding in 2023 was adjusted for the number of ordinary shares issued from share premium to existing shareholders in 2024.

# **35.** **EVENTS AFTER THE REPORTING DATE**

There is no other matter or circumstance that has arisen since the reporting date that requires adjustment or disclosure to be made in the interim consolidated financial statements of the Group.

# **36. APPROVAL FOR ISSUE**

The interim consolidated financial statements as at 30 June 2024 and for the period then ended were authorized for issue on xx August 202x by the Management.

|  |  |  |
| --- | --- | --- |
|  |  |  |
|  |  |  |
| Preparer  Nguyen Huong Linh | Chief Accountant  Nguyen Huong Linh | General Director  Nghiem Xuan Huy |

Hanoi, Vietnam

xx August 202x