

No.: .01../2023/TTr-HĐQT

Ho Chi Minh City, 20 April 2023

SUBMISSION FOR APPROVAL

**Audited Financial Statements for the year ended
31 December 2022**

**TO: THE ANNUAL GENERAL MEETING OF SHAREHOLDERS
OF PHU HUNG SECURITIES CORPORATION**

The Board of Directors of Phu Hung Securities Corporation submits to the Annual General Meeting of Shareholders to pass the Financial Statements for the year ended 31 December 2022 was audited by KPMG Limited Vietnam.

The financial statements has been disclosed as required by law and posted up the Company's website at (<https://www.phs.vn>), which include:

- 1/ Statement of the Board of Management;
- 2/ Independent Auditor's Report;
- 3/ Statement of financial position as at 31 December 2022;
- 4/ Statement of income for the year ended 31 December 2022;
- 5/ Statement of cash flows for the year ended 31 December 2022;
- 6/ Statement of changes in equity for the year ended 31 December 2022;
- 7/ Notes to the financial statements for the year ended 31 December 2022.

In which, including key items as follow:

No.	Items	Amount (VND)
1	Total assets	3,676,223,540,195
2	Owners' equity	1,597,443,619,209
3	Revenue	593,848,771,820
4	Profit before tax	73,682,873,799
5	Profit after tax	59,979,201,559

Please kindly consider and approve.

Enclosure:

1. Audited Financial Statements for the year ended 31 December 2022.

**ON BEHALF OF BOARD OF DIRECTORS
CHAIRMAN**


ALBERT KWANG-CHIN TING



Phu Hung Securities Corporation

Financial statements
for the year ended 31 December 2022

Phu Hung Securities Corporation Corporate Information

Establishment and

Operation Licence No.

122/GP-UBCK	20 January 2016
18/GPDC-UBCK	22 June 2016
23/GPDC-UBCK	25 July 2016
03/GPDC-UBCK	23 January 2017
03/GPDC-UBCK	11 January 2018
100/GPDC-UBCK	29 November 2018
107/GPDC-UBCK	26 December 2018
47/GPDC-UBCK	21 August 2019
12/GPDC-UBCK	4 March 2020
03/GCN-UBCK	16 June 2020
04/GCN-UBCK	16 June 2020
48/GPDC-UBCK	24 June 2021
82/GPDC-UBCK	28 September 2021
57/GCN-UBCK	31 December 2021
79/GPDC-UBCK	29 August 2022
110/GPDC-UBCK	10 November 2022

The Establishment and Operation Licence and its updates were issued by the State Securities Commission of Vietnam.

Enterprise Registration Certificate No.

0313642887

20 January 2016

The Enterprise Registration Certificate has been amended several times, the most recent of which is by Enterprise Registration Certificate No. 0313642887 dated 22 November 2022. The initial Enterprise Registration Certificate and its updates were issued by the Department of Planning and Investment of Ho Chi Minh City.

Board of Directors

Mr. Albert Kwang-Chin Ting	Chairman
Mr. Nguyen Doan Hung	Member
Mr. Wu, Jin-Jeng	Member
Mr. Chen Chia Ken	Member
Ms. Liu, Hsiu-Mei	Independent Member

Inspection Committee

Mr. Liew Sep Siang	Head of Inspection Committee
Mr. Chiu, Hsien-Chih	Member
Ms. Kuo, Ping-Min	Member
	(from 31 March 2022)
Mr. Lii, San Rong	Member
	(until 31 March 2022)

Board of Management

Mr. Chen Chia Ken	General Director
Ms. Pham Thi Thu Nhan	Deputy General Director
Mr. Li, Hsin-Hsien	Deputy General Director
	(from 8 April 2022)

Phu Hung Securities Corporation
Corporate Information (continued)

Registered offices

Head Office	21 st Floor, Phu My Hung Tower 8 Hoang Van Thai Street Tan Phu Ward, District 7 Ho Chi Minh City, Vietnam
Phu My Hung Transaction Office	Ground Floor, CR2-08 107 Ton Dat Tien Street Tan Phu Ward, District 7 Ho Chi Minh City, Vietnam
District 3 Branch	2 nd Floor, Phuong Nam Building 157 Vo Thi Sau Street Ward 6, District 3 Ho Chi Minh City, Vietnam
Tan Binh Branch	Park Legend Buildings 251 Hoang Van Thu Street Ward 2, Tan Binh District Ho Chi Minh City, Vietnam
Hanoi Branch	5 th Floor, Vinafor Building 127 Lo Duc Street Dong Mac Ward, Hai Ba Trung District Hanoi, Vietnam
Thanh Xuan Branch	5 th Floor, Udic Complex Building N04 Hoang Dao Thuy Street Trung Hoa Ward, Cau Giay District Hanoi, Vietnam
Hai Phong Branch	2 nd Floor, Eliteco Building 18 Tran Hung Dao Street Hoang Van Thu Ward, Hong Bang District Hai Phong City, Vietnam
District 1 Branch	Room 1003A, 10 th Floor 81-83-83B-85 Ham Nghi Street Nguyen Thai Binh Ward, District 1 Ho Chi Minh City, Vietnam
Auditor	KPMG Limited Vietnam

Phu Hung Securities Corporation Statement of the Board of Management

The Board of Management of Phu Hung Securities Corporation (“the Company”) presents this statement and the accompanying financial statements of the Company for the year ended 31 December 2022.

The Company’s Board of Management is responsible for the preparation and fair presentation of the financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 210/2014/TT-BTC dated 30 December 2014 (“Circular 210”) issued by the Ministry of Finance on the promulgation of accounting guidance for securities companies, Circular No. 334/2016/TT-BTC dated 27 December 2016 (“Circular 334”) issued by the Ministry of Finance amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and the relevant statutory requirements applicable to financial reporting. In the opinion of the Board of Management:

- (a) the financial statements set out on pages 6 to 64 give a true and fair view of the financial position of the Company as at 31 December 2022, and of its results of operations and the cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular 210, Circular 334 and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

The Board of Management has, on the date of this statement, authorised the accompanying financial statements for issue.



On behalf of the Board of Management

Mr. Chen Chia Ken
General Director

Ho Chi Minh City, 2 March 2023



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

To the Shareholders Phu Hung Securities Corporation

We have audited the accompanying financial statements of Phu Hung Securities Corporation ("the Company"), which comprise the statement of financial position as at 31 December 2022, the statements of income, cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management on 2 March 2023, as set out on pages 6 to 64.

Management's Responsibility

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

Auditor's Responsibility

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

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

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



Auditor's Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of Phu Hung Securities Corporation as at 31 December 2022 and of its results of operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises, Circular No. 210/2014/TT-BTC dated 30 December 2014 issued by the Ministry of Finance on the promulgation of accounting guidance for securities companies and Circular No. 334/2016/TT-BTC dated 27 December 2016 issued by the Ministry of Finance amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and the relevant statutory requirements applicable to financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Audit Report No.: 22-01-00189-23-1



Nelson Rodriguez Casihan
Practicing Auditor Registration
Certificate No. 2225-2023-007-1
Deputy General Director

Nguyen Thi Thu Ha
Practicing Auditor Registration
Certificate No. 2236-2023-007-1

Ho Chi Minh City, 2 March 2023

Phu Hung Securities Corporation
Statement of financial position as at 31 December 2022

Form B01 – CTCK
*(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)*

	Code	Note	31/12/2022 VND	31/12/2021 VND
ASSETS				
A CURRENT ASSETS (100 = 110 + 130)	100		3,594,952,135,875	4,694,128,159,696
I Financial assets	110		3,591,804,899,063	4,690,984,620,985
1 Cash and cash equivalents	111	5	763,880,564,438	324,775,589,207
1.1 Cash	111.1		55,080,564,438	108,134,947,665
1.2 Cash equivalents	111.2		708,800,000,000	216,640,641,542
2 Financial assets at fair value through profit or loss (“FVTPL”)	112	7(a)	6,715,109,065	19,421,700,137
3 Held-to-maturity investments	113	7(b)	768,313,246,576	600,223,000,000
4 Loans receivable	114	7(c)	1,991,637,329,285	3,538,093,574,660
6 Allowance for diminution in value of financial assets	116	11(a)	(13,161,395,486)	(6,837,025,917)
7 Receivables	117	8	57,343,194,800	46,758,401,725
7.2 Dividends and interest receivables from financial assets	117.2		57,343,194,800	46,758,401,725
8 Prepayments to suppliers	118		1,699,892,844	1,700,718,932
9 Receivables from services rendered	119	9	9,823,664,112	160,061,219,299
12 Other receivables	122	10	13,006,432,355	13,102,930,024
13 Allowance for doubtful debts	129	11(b)	(7,453,138,926)	(6,315,487,082)
II Other current assets	130		3,147,236,812	3,143,538,711
1 Advances	131		98,000,000	197,450,000
3 Short-term prepaid expenses	133	12(a)	3,049,236,812	2,946,088,711
B LONG-TERM ASSETS (200 = 220 + 240 + 250)	200		81,271,404,320	72,782,576,721
II Fixed assets	220		30,020,996,970	29,692,392,748
1 Tangible fixed assets	221	13	17,836,383,954	17,280,533,688
Cost	222		46,081,175,822	43,628,468,326
Accumulated depreciation	223a		(28,244,791,868)	(26,347,934,638)
3 Intangible fixed assets	227	14	12,184,613,016	12,411,859,060
Cost	228		25,271,616,400	22,433,666,400
Accumulated amortisation	229a		(13,087,003,384)	(10,021,807,340)
IV Construction in progress	240	15	1,633,369,056	3,461,452,486
V Other long-term assets	250		49,617,038,294	39,628,731,487
1 Long-term deposits	251	16	4,624,178,350	4,379,289,498
2 Long-term prepaid expenses	252	12(b)	16,785,221,733	13,006,695,427
3 Deferred tax assets	253	17	3,704,283,910	278,630,494
4 Deposits at Payment Support Fund	254	18	14,464,116,068	11,964,116,068
5 Other long-term assets	255	19	10,039,238,233	10,000,000,000
TOTAL ASSETS (270 = 100 + 200)	270		3,676,223,540,195	4,766,910,736,417

The accompanying notes are an integral part of these financial statements

Phu Hung Securities Corporation
Statement of financial position as at 31 December 2022 (continued)

Form B01 – CTCK

(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

	Code	Note	31/12/2022 VND	31/12/2021 VND
C LIABILITIES (300 = 310 + 340)	300		2,078,779,920,986	3,162,246,553,967
I Current liabilities	310		2,076,799,906,542	3,160,454,543,133
1 Short-term borrowings and finance lease liabilities	311		1,833,020,000,000	2,255,000,000,000
1.1 Short-term borrowings	312	20	1,833,020,000,000	2,255,000,000,000
6 Accounts payable for securities trading activities	318	21	199,342,817,216	848,064,294,306
8 Accounts payable to suppliers	320		431,709,828	2,418,827,205
10 Taxes payable to State Treasury	322	22	15,255,012,141	18,501,026,789
11 Payables to employees	323		6,146,000	6,146,000
12 Employees' benefits payable	324		370,446,773	374,662,823
13 Accrued expenses	325	23	18,899,320,991	29,275,186,647
15 Unearned revenue	327		-	3,333,330
17 Other payables	329	24	9,474,453,593	6,811,066,033
II Long-term liabilities	340		1,980,014,444	1,792,010,834
12 Provisions – long-term	354		1,980,014,444	1,792,010,834
D EQUITY (400 = 410)	400		1,597,443,619,209	1,604,664,182,450
I Owners' equity	410		1,597,443,619,209	1,604,664,182,450
1 Share capital	411		1,500,097,005,000	1,399,998,815,000
1.1 Share capital	411.1	25(a)	1,500,098,190,000	1,400,000,000,000
1.5 Treasury shares	411.5		(1,185,000)	(1,185,000)
4 Reserve to supplement share capital	414		12,064,998,139	12,064,998,139
5 Financial reserve	415		12,064,998,139	12,064,998,139
7 Retained profits	417	25(b)	73,216,617,931	180,535,371,172
7.1 Realised profits	417.1		24,115,514,543	169,653,012,807
7.2 Unrealised profits	417.2		49,101,103,388	10,882,358,365
TOTAL LIABILITIES AND EQUITY (440 = 300 + 400)	440		3,676,223,540,195	4,766,910,736,417

The accompanying notes are an integral part of these financial statements

Phu Hung Securities Corporation
Statement of financial position as at 31 December 2022 (continued)

Form B01 – CTCK

(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

OFF-BALANCE SHEET ITEMS

	Code	31/12/2022 VND	31/12/2021 VND
A. THE COMPANY'S ASSETS			
6 Shares in circulation (quantity of securities)	006	150,009,329	139,999,510
7 Treasury shares (quantity of securities)	007	490	490
8 Listed/registered financial assets at Vietnam Securities Depository ("VSD") of the Company	008	1,313,540,000	3,596,490,000
9 The Company's financial assets custodied at VSD but not yet traded	009	2,500,000	2,500,000
10 The Company's financial assets in transit	010	57,000,000	530,000,000
13 The Company's right to receive financial assets	013	6,710,000	122,800,000
B. ASSETS AND LIABILITIES RELATING TO ASSETS MANAGED BY THE COMPANY			
1 Investors'/customers' listed/registered financial assets at VSD	021	6,855,539,762,000	6,163,044,661,000
a Freely traded financial assets	021.1	6,168,361,102,000	5,709,378,146,000
b Financial assets restricted on transfer	021.2	109,765,880,000	38,204,410,000
c Pledged financial assets	021.3	203,667,990,000	180,639,500,000
d Blocked financial assets	021.4	308,993,160,000	70,000
e Financial assets awaiting settlement	021.5	64,751,630,000	234,822,535,000
2 Investors'/customers' financial assets custodied at VSD but not yet traded	022	606,584,450,000	596,740,910,000
a Freely traded financial assets custodied at VSD but not yet traded	022.1	96,265,250,000	89,740,910,000
b Custodied financial assets at VSD but not yet traded and restricted on transfer	022.2	510,319,200,000	507,000,000,000
3 Investors'/customers' financial assets in transit	023	97,802,768,000	182,014,779,000
6 Investors'/customers' rights to receive financial assets	025	6,480,280,000	73,407,360,000
7 Customers' deposits	026	486,676,329,967	298,101,713,984
7.1 Customers' cash deposits managed by the Company for securities transactions	027	219,474,250,558	210,209,375,966
7.2 Customers' margin deposits at VSD	027.1	267,202,079,409	87,892,338,018

The accompanying notes are an integral part of these financial statements

Phu Hung Securities Corporation**Statement of financial position as at 31 December 2022 (continued)****Form B01 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)*

	Code	31/12/2022 VND	31/12/2021 VND
8 Payables to customers for cash deposits managed by the Company for securities transactions	031	219,474,250,558	210,209,375,966
8.1 Payables to domestic customers for cash deposits managed by the Company for securities transactions	031.1	201,859,275,797	204,454,900,215
8.2 Payables to foreign customers for cash deposits managed by the Company for securities transactions	031.2	17,614,974,761	5,754,475,751

2 March 2023

Prepared by:

Ms. Nguyen Phuong Trinh
Accounting Staff

Reviewed by:

Ms. Do Thi Ai Vy
Chief Accountant

Approved by:

Mr. Chen Chia Ken
General Director

Phu Hung Securities Corporation
Statement of income for the year ended 31 December 2022

Form B02 – CTCK

(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

	Code	Note	2022 VND	2021 VND
I OPERATING INCOME				
1.1 Gains from financial assets at fair value through profit or loss (“FVTPL”)	01		1,933,611,365	9,985,315,892
a Gains from sales of financial assets at FVTPL	01.1	26	3,419,602,661	7,951,341,170
b Unrealised (losses)/gains from revaluation of financial assets at FVTPL	01.2		(1,827,492,604)	1,630,790,280
c Dividends and interest income from financial assets at FVTPL	01.3		341,501,308	403,184,442
1.2 Interest income from held-to-maturity investments	02	27	49,989,155,905	24,007,985,887
1.3 Income from loans and receivables	03	28	289,890,811,142	229,792,026,725
1.5 Gain from hedging derivatives instruments	05		-	80,000
1.6 Revenue from securities brokerage	06		188,307,352,556	225,207,389,952
1.7 Revenue from securities underwriting and issuance agency services	07		-	50,000,000
1.9 Revenue from securities custody	09		3,978,382,004	2,550,937,612
1.10 Revenue from advisory services	10		558,343,434	460,909,090
1.11 Other operating income	11		957,190,175	1,509,528,559
Total operating income	20		535,614,846,581	493,564,173,717
II OPERATING EXPENSES				
2.1 Losses from financial assets at FVTPL	21		5,777,217,205	4,260,364,430
a Losses from sales of financial assets at FVTPL	21.1	26	5,263,454,832	4,055,105,572
b Unrealised losses from revaluation of financial assets at FVTPL	21.2		513,762,373	205,258,858
2.2 Losses from held-to-maturities investment (HTM)	22		-	1,100,000
2.4 Allowance for loans and receivables	24	11(a)	6,324,369,569	-
2.6 Expenses for securities trading and investments	26		2,279,450,833	1,780,976,751
2.7 Expenses for securities brokerage	27	29	188,884,670,152	206,633,909,774
2.10 Expenses for securities custody	30		4,514,699,277	3,216,538,320
2.11 Expenses for advisory services	31		1,858,604,566	1,655,202,670
2.12 Other operating expenses/(income)	32	11(b)	1,137,651,844	(2,870,836,145)
Total operating expenses	40		210,776,663,446	214,677,255,800

The accompanying notes are an integral part of these financial statements

Phu Hung Securities Corporation

Statement of income for the year ended 31 December 2022 (continued)

Form B02 – CTCK

*(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)*

		Code	Note	2022 VND	2021 VND
III	FINANCIAL INCOME				
3.1	Realised and unrealised foreign exchange gains	41		57,236,901,439	14,978,390,066
3.2	Dividends and interest income from bank deposits	42		997,023,800	825,073,898
	Total financial income	50		58,233,925,239	15,803,463,964
IV	FINANCIAL EXPENSES				
4.1	Realised and unrealised foreign exchange losses	51		126,592,566,799	9,192,736,461
4.2	Interest expense	52	30	87,384,149,853	37,348,585,516
	Total financial expenses	60		213,976,716,652	46,541,321,977
VI	GENERAL AND ADMINISTRATION EXPENSES	62	31	96,158,826,067	71,782,028,606
VII	RESULTS FROM OPERATING ACTIVITIES (70 = 20 + 50 – 40 – 60 – 62)	70		72,936,565,655	176,367,031,298
VIII	OTHER INCOME AND OTHER EXPENSES				
8.1	Other income	71		806,933,548	229,147,188
8.2	Other expenses	72		60,625,404	169,237,292
	Results from other activities (80 = 71 – 72)	80		746,308,144	59,909,896
IX	ACCOUNTING PROFIT BEFORE TAX (90 = 70 + 80)	90		73,682,873,799	176,426,941,194
9.1	Realised profit before tax	91		35,464,128,776	168,403,909,772
9.2	Unrealised profit before tax	92		38,218,745,023	8,023,031,422

The accompanying notes are an integral part of these financial statements

Phu Hung Securities Corporation
Statement of income for the year ended 31 December 2022 (continued)

Form B02 – CTCK

*(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)*

		Code	Note	2022 VND	2021 VND
X	INCOME TAX EXPENSE	100		13,703,672,240	35,491,834,267
10.1	Income tax expense - current	100.1	32	17,129,325,656	35,456,565,983
10.2	Income tax (benefit)/expense - deferred	100.2	32	(3,425,653,416)	35,268,284
XI	NET PROFIT AFTER TAX (200 = 90 - 100)	200		59,979,201,559	140,935,106,927
XII	OTHER COMPREHENSIVE INCOME	300		-	-
XIII	EARNINGS PER SHARE	500			(Restated)
13.1	Basic earnings per share	501	33	400	1,229

2 March 2023

Prepared by:



Ms. Nguyen Phuong Trinh
Accounting Staff

Reviewed by:



Ms. Do Thi Ai Vy
Chief Accountant



Approved by:



Mr. Chen Chia Ken
General Director



The accompanying notes are an integral part of these financial statements

Phu Hung Securities Corporation

Statement of cash flows for the year ended 31 December 2022 (Indirect method)

Form B03 – CTCK

*(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)*

	Code	2022 VND	2021 VND
I CASH FLOWS FROM OPERATING ACTIVITIES			
1 Profit before tax	01	73,682,873,799	176,426,941,194
2 Adjustments for	02	52,377,239,979	10,307,722,710
Depreciation and amortisation of fixed assets	03	8,487,858,178	7,183,778,055
Allowances and provisions	04	7,650,025,023	(2,390,346,145)
Unrealised foreign exchange gains	05	(40,560,000,000)	(6,597,500,000)
Interest expense	06	87,384,149,853	37,348,585,516
Accrued interest income	08	(10,584,793,075)	(25,236,794,716)
3 Change in non-monetary expenses	10	513,762,373	205,258,858
Increase in revaluation losses from financial assets at FVTPL	11	513,762,373	205,258,858
4 Change in non-monetary income	18	1,827,492,604	(1,630,790,280)
Decrease/(increase) in revaluation gains from financial assets at FVTPL	19	1,827,492,604	(1,630,790,280)
5 Operating profit before changes in working capital (30 = 01 + 02 + 10 + 18)	30	128,401,368,755	185,309,132,482
Decrease/(increase) in financial assets at FVTPL	31	10,365,336,095	(7,517,667,458)
Increase in held-to-maturity investments	32	(168,090,246,576)	(210,221,900,000)
Decrease/(increase) in loans receivable	33	1,546,456,245,375	(2,011,977,881,468)
Decrease/(increase) in receivables from services rendered	37	150,237,555,187	(158,474,888,382)
Decrease/(increase) in other receivables	39	96,497,669	(175,502,659)
Increase in other assets	40	(2,684,677,085)	(2,824,523,113)
(Decrease)/increase in accrued expenses	41	(11,099,522,031)	12,383,183,991
Decrease/(increase) in prepaid expenses	42	(546,339,121)	(8,199,387,704)
Corporate income tax paid	43	(19,239,475,429)	(33,554,794,300)
Interest paid	44	(86,660,493,478)	(35,642,139,012)
Decrease in accounts payable	45	(1,986,291,289)	(7,730,349,974)
Decrease in employees' benefits payable	46	(4,216,050)	(1,368,000)
(Decrease)/increase in taxes payable to State Treasury	47	(1,135,864,875)	8,789,765,341
(Decrease)/increase in other payables	50	(649,012,692,420)	483,813,225,123
Net cash flows from operating activities	60	895,097,184,727	(1,786,025,095,133)

The accompanying notes are an integral part of these financial statements

Phu Hung Securities Corporation
Statement of cash flows for the year ended 31 December 2022
(Indirect method – continued)

Form B03 – CTCK
*(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)*

	Code	2022 VND	2021 VND
II CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	61	(10,323,714,256)	(6,809,335,019)
Net cash flows from investing activities	70	(10,323,714,256)	(6,809,335,019)
III CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from shares issued	71	-	500,000,000,000
Proceeds from short-term borrowings	73	11,877,850,193,200	10,219,848,372,616
Payments to settle borrowing principals	74	(12,259,270,193,200)	(8,705,785,872,616)
Dividends paid to the shareholders	76	(64,248,495,240)	(23,970,561,120)
Net cash flows from financing activities	80	(445,668,495,240)	1,990,091,938,880
Net cash flows during the year	90	439,104,975,231	197,257,508,728
Cash and cash equivalents at the beginning of the year	101	324,775,589,207	127,518,080,479
Cash and cash equivalents at the end of the year (Note 5)	103	763,880,564,438	324,775,589,207
▪ <i>Cash</i>	<i>103.1</i>	<i>55,080,564,438</i>	<i>108,134,947,665</i>
▪ <i>Cash equivalents</i>	<i>103.2</i>	<i>708,800,000,000</i>	<i>216,640,641,542</i>

The accompanying notes are an integral part of these financial statements

Phu Hung Securities Corporation
Statement of cash flows for the year ended 31 December 2022
(Indirect method – continued)

Form B03 – CTCK
*(Issued under Circular No. 334/2016/TT-BTC
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CASH FLOWS OF CUSTOMERS FOR BROKERAGE AND ENTRUSTMENT ACTIVITIES

	Code	2022 VND	2021 VND
Cash flows of customers for brokerage and entrustment activities			
Proceeds from sales of securities brokered by the Company	01	55,278,898,044,103	70,912,517,887,715
Payments for purchases of securities brokered by the Company	02	(53,472,664,033,750)	(69,761,655,842,550)
Deposits received to settle securities transactions of customers	07	68,602,863,817,464	84,682,371,539,562
Investors' margin deposits at VSD	07.1	179,309,741,391	87,700,229,912
Payments to settle securities transactions of customers	08	(70,398,012,296,993)	(85,824,913,283,488)
Payments for custody fee of customers' securities	11	(1,820,656,232)	(2,160,923,585)
Net cash flows during the year	20	188,574,615,983	93,859,607,566
Cash and cash equivalents of customers at the beginning of the year	30	298,101,713,984	204,242,106,418
Cash in banks at the beginning of the year	31	298,101,713,984	204,242,106,418
▪ Cash deposits for securities transactions of customers managed by the Company	32	298,101,713,984	204,242,106,418
Cash and cash equivalents of customers at the end of the year (40 = 20 + 30)	40	486,676,329,967	298,101,713,984
Cash in banks at the end of the year	41	486,676,329,967	298,101,713,984
▪ Cash deposits for securities transactions of customers managed by the Company	42	486,676,329,967	298,101,713,984
In which: Investors' margin deposits at VSD		267,202,079,409	87,892,338,018

Prepared by:



Ms. Nguyen Phuong Trinh
Accounting Staff

2 March 2023

Reviewed by:



Ms. Do Thi Ai Vy
Chief Accountant



Approved by:



Mr. Chen Chia Ken
General Director

The accompanying notes are an integral part of these financial statements

Phu Hung Securities Corporation
Statement of changes in equity for the year ended 31 December 2022

Form B04 – CTCK
*(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)*

	Opening balance as at		Movements during the year ended				Closing balance as at	
	1/1/2021	1/1/2022	31/12/2021		31/12/2022		31/12/2021	31/12/2022
	VND	VND	Increase VND	(Decrease) VND	Increase VND	(Decrease) VND	VND	VND
Share capital	900,000,000,000	1,400,000,000,000	500,000,000,000	-	100,098,190,000	-	1,400,000,000,000	1,500,098,190,000
Treasury shares	(1,185,000)	(1,185,000)	-	-	-	-	(1,185,000)	(1,185,000)
Reserve to supplement share capital	5,018,242,793	12,064,998,139	7,046,755,346	-	-	-	12,064,998,139	12,064,998,139
Financial reserve	5,018,242,793	12,064,998,139	7,046,755,346	-	-	-	12,064,998,139	12,064,998,139
Retained profits (Note 25(b))	83,393,613,237	180,535,371,172	140,935,106,927	(43,793,348,992)	59,979,201,559	(167,297,954,800)	180,535,371,172	73,216,617,931
<i>In which:</i>								
Realised profits	80,534,286,294	169,653,012,807	132,912,075,505	(43,793,348,992)	21,760,456,536	(167,297,954,800)	169,653,012,807	24,115,514,543
Unrealised profits	2,859,326,943	10,882,358,365	8,023,031,422	-	38,218,745,023	-	10,882,358,365	49,101,103,388
Total	993,428,913,823	1,604,664,182,450	655,028,617,619	(43,793,348,992)	160,077,391,559	(167,297,954,800)	1,604,664,182,450	1,597,443,619,209

2 March 2023

Prepared by:



Ms. Nguyen Phuong Trinh
Accounting Staff

Reviewed by:



Ms. Do Thi Ai Vy
Chief Accountant



Mr. Chen Chia Ken
General Director

The accompanying notes are an integral part of these financial statements



Phu Hung Securities Corporation
Notes to the financial statements for the year ended 31 December 2022

Form B09 – CTCK
*(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)*

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

1. Reporting entity

(a) Establishment

Phu Hung Securities Corporation (“the Company”) is a joint stock company established in Vietnam under Establishment and Operation Licence No. 122/GP-UBCK dated 20 January 2016 issued by the State Securities Commission of Vietnam. Establishment and Operation Licence was revised many times, and the latest update was Establishment and Operation Licence No. 110/GPDC-UBCK dated 10 November 2022 issued by the State Securities Commission of Vietnam.

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

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

(b) The Company’s charter capital

As at 31 December 2022, the Company’s charter capital was VND1,500,098,190,000 (31/12/2021: VND1,400,000,000,000).

(c) Principal activities

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

(d) Normal operating cycle

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

(e) Number of employees

As at 31 December 2022, the Company had 356 employees (31/12/2021: 331 employees).

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2022 (continued)

Form B09 – CTCK

*(Issued under Circular No. 334/2016/TT-BTC
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2. Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

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

(c) Annual accounting period

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

(d) Accounting and presentation currency

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

3. Summary of significant accounting policies

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

(a) Foreign currency transactions

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

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

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

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2022 (continued)

Form B09 – CTCK

*(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)*

(b) Cash and cash equivalents

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

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

(c) Financial assets and financial liabilities

(i) Recognition

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

(ii) Classification and measurement

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

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

(iii) Derecognition

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

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

(iv) Offsetting

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

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2022 (continued)

Form B09 – CTCK

*(Issued under Circular No. 334/2016/TT-BTC
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(d) Financial assets at FVTPL

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

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

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

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

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

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

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

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

(e) Held-to-maturity investments

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

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

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



Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2022 (continued)

Form B09 – CTCK

*(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)*

(f) Loans receivable

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

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

(g) Accounts receivable

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

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

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

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

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

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

(h) Tangible fixed assets

(i) Cost

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

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2022 (continued)

Form B09 – CTCK

*(Issued under Circular No. 334/2016/TT-BTC
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(ii) Depreciation

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

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

(i) Intangible fixed assets

Software

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

(j) Long-term prepaid expenses

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

(k) Trade and other payables

Trade and other payables are stated at their cost.

(l) Provisions

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

Severance allowance

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

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2022 (continued)

Form B09 – CTCK

*(Issued under Circular No. 334/2016/TT-BTC
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(m) Taxation

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

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

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

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

(n) Share capital

(i) Ordinary shares

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

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

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

(o) Statutory reserves

Before 1 January 2022

According to Circular No. 146/2014/TT-BTC (“Circular 146”) dated 6 October 2014 issued by the Ministry of Finance to provide guidance on the financial regime for securities companies, fund management companies, the Company is required to make the following allocations from realised profit to statutory reserves:

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2022 (continued)

Form B09 – CTCK

*(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)*

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

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

From 1 January 2022

On 17 December 2021, the Ministry of Finance issued Circular No. 114/2021/TT-BTC (“Circular 114”) to replace Circular 146. Circular 114 is effective from 1 February 2022 and is therefore deemed to be applied for the whole annual accounting period ending 31 December 2022. Consequently, the Company has ceased to allocate realised profit to statutory reserves since 2022. According to Circular 114, the existing balances can be used as follows:

In accordance with Circular 114:

- The reserve to supplement share capital that was already made under Circular 146 will be used to supplement share capital as promulgated under Securities Law No. 54/2019/QH14 and other legal regulations.
- The financial reserve can be used to supplement to share capital or distributed in accordance with the shareholders’ decision at the Annual General Meeting, Members’ Council or Chairman of the Company as promulgated under Securities Law No. 54/2019/QH14, other legal regulations.

The Company’s management has not yet made any decision regarding the existing balances of reserve to supplement share capital and financial reserve as at 31 December 2021.

(p) Revenue

(i) Gains from sales of financial assets

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

(ii) Dividend and interest income from financial assets

Dividend income is recognised in the statement of income when the Company’s right to receive dividends is established. Share dividends are not recognised as income.

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



Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2022 (continued)

Form B09 – CTCK

*(Issued under Circular No. 334/2016/TT-BTC
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(iii) Revenue from securities brokerage

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

(iv) Revenue from securities custody

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

(v) Revenue from securities investment advisory and financial advisory

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

(q) Interest expense

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

(r) Operating lease payments

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

(s) Earnings per share

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

(t) Segment reporting

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

(u) Related parties

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

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2022 (continued)

Form B09 – CTCK

*(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)*

(v) Nil balances

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

(w) Comparative information

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

4. Financial instruments

(a) Financial risk management

(i) Overview

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

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

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

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

(ii) Risk management framework

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

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

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

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2022 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***(b) Credit risk**

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

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

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

Collaterals

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

Exposure to credit risk

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

	31/12/2022 VND	31/12/2021 VND
Cash in banks and cash equivalents (i)	763,877,428,183	324,772,452,952
Held-to-maturity investments (i)	768,313,246,576	600,223,000,000
Loans receivable – gross (ii)	1,991,637,329,285	3,538,093,574,660
Receivables (ii)	57,343,194,800	46,758,401,725
Receivables from services rendered (ii)	9,823,664,112	160,061,219,299
Other receivables (ii)	13,006,432,355	13,102,930,024
Deposits at Payment Support Fund	14,464,116,068	11,964,116,068
Other long-term assets	10,039,238,233	10,000,000,000
	3,628,504,649,612	4,704,975,694,728

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2022 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***(i) Cash in banks, cash equivalents and held-to-maturity investments**

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

(ii) Loans receivable and other receivables

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

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

An aging analysis of impaired financial assets is as follows:

	31/12/2022 VND	31/12/2021 VND
Advances to customers for securities trading activities being overdue of more than 3 years	11,441,401,806	11,305,824,087
Margin loans being overdue of more than 3 years	3,924,199,169	5,974,199,169
Margin loans being overdue of from 2 to 3 years	862,826,748	862,826,748
Margin loans being overdue of under 1 year	48,291,197,147	-
	<hr/> 64,519,624,870	<hr/> 18,142,850,004

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

	31/12/2022 VND	31/12/2021 VND
Cash deposited at the Company	-	251,705
Listed or registered securities on	3,988,262,880	4,990,085,300
▪ The Ho Chi Minh City Stock Exchange	5,253,080	1,325,500
▪ UPCOM	3,983,009,800	4,988,759,800
Blocked financial assets	39,916,827,578	-
	<hr/> 43,905,090,458	<hr/> 4,990,337,005

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2022 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
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An aging analysis of financial assets that were past due but not impaired is as follows:

	31/12/2022 VND	31/12/2021 VND
Advances to customers for securities trading activities and margin loans being overdue of more than 3 years	732,072,435	1,013,185,604
Margin loans being overdue of under 1 year	770,013,968	-

(c) Liquidity risk

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

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

As at 31 December 2022	Carrying amount VND	Contractual cash flows VND	Within 1 year VND
Short-term borrowings	1,833,020,000,000	1,874,732,368,176	1,874,732,368,176
Accounts payable for securities trading activities	199,342,817,216	199,342,817,216	199,342,817,216
Accounts payable to suppliers	431,709,828	431,709,828	431,709,828
Accrued expenses	8,184,877,050	8,184,877,050	8,184,877,050
Other payables	9,474,453,593	9,474,453,593	9,474,453,593
	2,050,453,857,687	2,092,166,225,863	2,092,166,225,863
As at 31 December 2021	Carrying amount VND	Contractual cash flows VND	Within 1 year VND
Short-term borrowings	2,255,000,000,000	2,263,555,488,558	2,263,555,488,558
Accounts payable for securities trading activities	848,064,294,306	848,064,294,306	848,064,294,306
Accounts payable to suppliers	2,418,827,205	2,418,827,205	2,418,827,205
Accrued expenses	10,576,372,027	10,576,372,027	10,576,372,027
Other payables	6,811,066,033	6,811,066,033	6,811,066,033
	3,122,870,559,571	3,131,426,048,129	3,131,426,048,129

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

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2022 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)***(d) Market risk**

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

(i) Currency risk

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

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

Exposure to currency risk

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

	31/12/2022		31/12/2021	
	USD	VND equivalent	USD	VND equivalent
Short-term borrowings	73,000,000	1,733,020,000,000	75,000,000	1,719,000,000,000

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

	Exchange rate as at	
	31/12/2022	31/12/2021
USD/VND	23,740	22,920

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

	Effect to net profit after tax VND
As at 31 December 2022	
USD (4% strengthening against VND) – decrease in net profit	55,456,640,000
As at 31 December 2021	
USD (1% weakening against VND) – increase in net profit	13,752,000,000

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

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2022 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***(ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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

	Carrying amount	
	31/12/2022 VND	31/12/2021 VND
Interest-bearing instruments		
Cash in banks and cash equivalents	763,877,428,183	324,772,452,952
Held-to-maturity investments	768,313,246,576	600,223,000,000
Loans receivable – net	1,978,475,933,799	3,531,256,548,743
Deposits at Payment Support Fund	14,464,116,068	11,964,116,068
Other long-term assets	10,039,238,233	10,000,000,000
Short-term borrowings	(1,833,020,000,000)	(2,255,000,000,000)

(iii) Other market risk

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

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

As at 31 December 2022 and 31 December 2021, the Company's exposure to equity price risk is minimal because the Company held insignificant portfolio of financial assets at fair value through profit or loss.

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Notes to the financial statements for the year ended 31 December 2022 (continued)

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*(Issued under Circular No. 334/2016/TT-BTC
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(e) Fair value

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

	31/12/2022		31/12/2021	
	Carrying amount VND	Fair value VND	Carrying amount VND	Fair value VND
<i>Categorised as financial assets at fair value through profit or loss:</i>				
▪ Financial assets at fair value through profit or loss				
• Listed shares	6,304,703,558	6,304,703,558	19,183,351,498	19,183,351,498
• Shares registered for trading on UPCOM	395,505,500	395,505,500	235,003,100	235,003,100
• Unlisted shares	14,900,007	14,900,007	3,345,539	3,345,539
<i>Categorised as held-to-maturity investments:</i>				
▪ Term deposits at banks	768,313,246,576	768,313,246,576	600,223,000,000	600,223,000,000
<i>Categorised as loans and receivables:</i>				
▪ Cash and cash equivalents	763,880,564,438	763,880,564,438	324,775,589,207	324,775,589,207
▪ Loans receivable - net	1,978,475,933,799	(*)	3,531,256,548,743	(*)
▪ Receivables	57,343,194,800	(*)	46,758,401,725	(*)
▪ Receivables from services rendered	9,823,664,112	(*)	160,061,219,299	(*)
▪ Other receivables - net	5,553,293,429	(*)	6,787,442,942	(*)
▪ Deposits at Payment Support Fund	14,464,116,068	(*)	11,964,116,068	(*)
▪ Other long-term assets	10,039,238,233	(*)	10,000,000,000	(*)



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Notes to the financial statements for the year ended 31 December 2022 (continued)

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*(Issued under Circular No. 334/2016/TT-BTC
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	31/12/2022		31/12/2021	
	Carrying amount VND	Fair value VND	Carrying amount VND	Fair value VND
Financial liabilities				
<i>Categorised as liabilities at amortised cost:</i>				
▪ Short-term borrowings	(1,833,020,000,000)	(*)	(2,255,000,000,000)	(*)
▪ Accounts payable for securities trading activities	(199,342,817,216)	(*)	(848,064,294,306)	(*)
▪ Accounts payable to suppliers	(431,709,828)	(*)	(2,418,827,205)	(*)
▪ Accrued expenses	(8,184,877,050)	(*)	(10,576,372,027)	(*)
▪ Other payables	(9,474,453,593)	(*)	(6,811,066,033)	(*)

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

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Notes to the financial statements for the year ended 31 December 2022 (continued)

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5. Cash and cash equivalents

	31/12/2022 VND	31/12/2021 VND
Cash on hand	3,136,255	3,136,255
Cash in banks	55,077,428,183	108,131,811,410
Cash equivalents (i)	708,800,000,000	216,640,641,542
	763,880,564,438	324,775,589,207

As at 31 December 2022, cash and cash equivalents of VND91,000,000,000 were pledged with banks as security for loans granted to the Company (31/12/2021: VND216,640,641,542) (Note 20).

- (i) As at 31 December 2022, interest rate range for cash equivalents is from 5.0% to 6.0% per annum (31/12/2022: from 0.5% to 4.0% per annum).

6. Volume and value of transactions during the year

	2022		2021	
	Volume of transactions	Value of transactions VND	Volume of transactions	Value of transactions VND
a) The Company				
Shares	2,753,544	142,311,582,746	6,849,352	289,213,441,860
Bonds	11,382,564	1,154,627,879,404	2,000,000	206,818,000,000
b) Investors/customers				
Shares	4,180,501,483	115,920,499,518,256	5,533,164,770	145,885,771,265,300
Bonds	11,840,000	1,208,643,990,000	1,000,000	103,436,000,000
Other securities	31,782,340	49,545,054,710	19,937,540	120,872,523,660
	4,238,259,931	118,475,628,025,116	5,562,951,662	146,606,111,230,820

7. Financial assets

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

	31/12/2022		31/12/2021	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Listed shares	7,002,606,666	6,304,703,558	17,550,873,029	19,183,351,498
Shares registered for trading on UPCOM	411,499,004	395,505,500	240,123,204	235,003,100
Unlisted shares	14,900,007	14,900,007	3,345,539	3,345,539
	7,429,005,677	6,715,109,065	17,794,341,772	19,421,700,137

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Notes to the financial statements for the year ended 31 December 2022 (continued)

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*(Issued under Circular No. 334/2016/TT-BTC
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Movements of fair values of financial assets at FVTPL during the year were as follows:

	Quantity	31/12/2022	Fair value VND (2)	Revaluation difference as at 31 December 2022		
		Cost VND (1)		Revaluation gain VND (3) = (2) – (1)	Revaluation loss VND (4) = (1) – (2)	Revaluation value VND (5) = (1) + (3) – (4)
Listed shares						
BVH	22,753	1,165,751,609	1,060,289,800	-	105,461,809	1,060,289,800
FPT	13,453	1,042,382,403	1,034,535,700	345,241	8,191,944	1,034,535,700
SAB	4,320	757,425,917	721,008,000	-	36,417,917	721,008,000
VNM	9,288	700,618,373	706,816,800	6,563,759	365,332	706,816,800
GAS	5,240	558,255,913	531,860,000	127,138	26,523,051	531,860,000
BMP	6,612	395,393,294	396,720,000	1,326,706	-	396,720,000
PNJ	3,472	373,050,384	312,132,800	745,049	61,662,633	312,132,800
DHG	3,755	322,563,150	318,799,500	450,000	4,213,650	318,799,500
VJC	1,415	169,918,774	154,942,500	-	14,976,274	154,942,500
SSI	5,051	167,466,279	89,402,700	-	78,063,579	89,402,700
SHB	3,782	72,149,310	37,630,900	-	34,518,410	37,630,900
MSB	4,141	67,396,518	51,762,500	-	15,634,018	51,762,500
Others	47,309	1,210,234,742	888,802,358	46,653,039	368,085,423	888,802,358
	130,591	7,002,606,666	6,304,703,558	56,210,932	754,114,040	6,304,703,558
UPCOM						
ACV	4,600	397,386,094	389,160,000	-	8,226,094	389,160,000
Others	755	14,112,910	6,345,500	487,776	8,255,186	6,345,500
	5,355	411,499,004	395,505,500	487,776	16,481,280	395,505,500

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	Quantity	31/12/2022	Fair value VND (2)	Revaluation difference as at 31 December 2022		
		Cost VND (1)		Revaluation gain VND (3) = (2) – (1)	Revaluation loss VND (4) = (1) – (2)	Revaluation value VND (5) = (1) + (3) – (4)
Unlisted shares						
TAC	137	6,403,885	6,403,885	-	-	6,403,885
ROS	572	3,575,700	3,575,700	-	-	3,575,700
Others	369	4,920,422	4,920,422	-	-	4,920,422
	1,078	14,900,007	14,900,007	-	-	14,900,007
	137,024	7,429,005,677	6,715,109,065	56,698,708	770,595,320	6,715,109,065



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

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

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Notes to the financial statements for the year ended 31 December 2022 (continued)

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(b) Held-to-maturity investments

	31/12/2022		31/12/2021	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Term deposits at banks with original term to maturity of more than 3 months to 1 year (i)	768,313,246,576	(*)	600,223,000,000	(*)

- (i) As at 31 December 2022, term deposits at banks amounting to VND718,313,246,576 were pledged with banks as security for loans granted to the Company (31/12/2021: VND600,223,000,000) (Note 20).

As at 31 December 2022, interest rate range for term deposits at bank is from 4% to 10.5% per annum (31/12/2021: from 3.5% to 5.2%).

(c) Loans receivable

	31/12/2022		31/12/2021	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Margin loans (i)	1,961,759,634,420	(*)	3,111,473,043,935	(*)
Advances to customers for the proceeds from selling securities (ii)	29,877,694,865	(*)	426,620,530,725	(*)
	1,991,637,329,285	(*)	3,538,093,574,660	(*)

- (i) The margin loans were granted to customers for margin trade. As at 31 December 2022, these loans had original term to maturity of 90 days and earned annual interest rates ranging from 10.5% to 14.5% (31/12/2021: from 9.0% to 13.5%). The initial minimum margin is 50% - 90% (31/12/2021: 50% - 90%) and minimum maintenance margin for the margin trade is 30% - 70% (31/12/2021: 30% - 70%).

- (ii) As at 31 December 2022, advances to customers for the proceeds from selling securities earned annual interest rates ranging from 11.5% to 14.5% (31/12/2021: from 9.0% to 13.5%) and had original term to maturity ranging from 1 day to 2 days.

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

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8. Receivables

	31/12/2022 VND	31/12/2021 VND
Interest receivables from margin loans	38,674,541,319	36,649,528,556
Interest receivables from certificates of deposit	57,698,630	-
Interest receivables from term deposits at banks	18,610,954,851	10,108,873,169
	<hr/> 57,343,194,800	<hr/> 46,758,401,725 <hr/>

9. Receivables from services rendered

	31/12/2022 VND	31/12/2021 VND
Receivable from clearing and settlement of securities transaction	7,818,970,000	157,984,981,500
Receivables from brokerage activities	188,065,523	1,209,090,043
Receivables from custody services	1,195,186,990	787,561,993
Other receivables	621,441,599	79,585,763
	<hr/> 9,823,664,112	<hr/> 160,061,219,299 <hr/>

10. Other receivables

	31/12/2022 VND	31/12/2021 VND
Advances to customers for securities trading activities (i)	12,173,474,241	12,319,009,691
Others	832,958,114	783,920,333
	<hr/> 13,006,432,355	<hr/> 13,102,930,024 <hr/>

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

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

(a) Allowance for diminution in value of financial assets

2022	As at 31/12/2022			Allowance as at 31/12/2021 VND	Allowance made during the year VND
	Cost VND	Recoverable amount VND	Allowance VND		
Margin loans	53,078,223,064	39,916,827,578	13,161,395,486	6,837,025,917	6,324,369,569
<hr/>					
2021	As at 31/12/2021			Allowance as at 31/12/2020 VND	Allowance made during the year VND
	Cost VND	Recoverable amount VND	Allowance VND		
Margin loans	6,837,025,917	-	6,837,025,917	6,837,025,917	-

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2022 (continued)

Form B09 – CTCK

*(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)*

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

(b) Allowance for doubtful debts

2022

	As at 31/12/2022			Allowance as at 31/12/2021 VND	Allowance made during the year VND
	Cost VND	Recoverable amount VND	Allowance VND		
Advances to customers for securities trading activities	11,441,401,806	3,988,262,880	7,453,138,926	6,315,487,082	1,137,651,844

2021

	As at 31/12/2021			Allowance as at 31/12/2020 VND	Allowance reversed during the year VND
	Cost VND	Recoverable amount VND	Allowance VND		
Advances to customers for securities trading activities	11,305,824,087	4,990,337,005	6,315,487,082	9,186,323,227	(2,870,836,145)

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2022 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***12. Prepaid expenses****(a) Short-term prepaid expenses**

	31/12/2022 VND	31/12/2021 VND
Maintenance expense	520,069,553	624,021,019
Prepaid rental fees	397,739,634	373,477,674
Others	2,131,427,625	1,948,590,018
	<hr/>	<hr/>
	3,049,236,812	2,946,088,711
	<hr/>	<hr/>

(b) Long-term prepaid expenses

	31/12/2022 VND	31/12/2021 VND
Tools and instruments	5,107,800,698	4,124,250,617
Software	3,084,781,893	3,313,166,405
IT equipment installation	1,241,152,015	250,427,102
Office renovation	6,771,407,807	5,055,397,806
Others	580,079,320	263,453,497
	<hr/>	<hr/>
	16,785,221,733	13,006,695,427
	<hr/>	<hr/>

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

	2022 VND	2021 VND
Opening balance	13,006,695,427	5,509,349,173
Additions during the year	13,161,805,497	13,062,985,026
Amortisation during the year	(9,383,279,191)	(5,565,638,772)
	<hr/>	<hr/>
Closing balance	16,785,221,733	13,006,695,427
	<hr/>	<hr/>

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2022 (continued)

Form B09 – CTCK

*(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)*

13. Tangible fixed assets

2022	Leasehold improvements VND	Office equipment VND	Motor vehicles VND	Fixtures and fittings VND	Total VND
Cost					
Opening balance	1,347,351,678	39,688,270,879	2,265,440,000	327,405,769	43,628,468,326
Transfer from construction in progress	-	-	-	126,117,200	126,117,200
Additions	-	5,852,395,200	-	-	5,852,395,200
Write-off	(746,169,459)	(2,779,635,445)	-	-	(3,525,804,904)
Closing balance	601,182,219	42,761,030,634	2,265,440,000	453,522,969	46,081,175,822
Accumulated depreciation					
Opening balance	1,347,351,678	23,508,117,474	1,439,310,078	53,155,408	26,347,934,638
Charge for the year	-	4,788,715,568	546,246,857	87,699,709	5,422,662,134
Write-off	(746,169,459)	(2,779,635,445)	-	-	(3,525,804,904)
Closing balance	601,182,219	25,517,197,597	1,985,556,935	140,855,117	28,244,791,868
Net book value					
Opening balance	-	16,180,153,405	826,129,922	274,250,361	17,280,533,688
Closing balance	-	17,243,833,037	279,883,065	312,667,852	17,836,383,954



Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2022 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***13. Tangible fixed assets (continued)**

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

Included in tangible fixed assets were assets costing VND15,389,708,973 which were fully depreciated as at 31 December 2022, but which are still in use (31/12/2021: VND17,871,055,877).

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2022 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***14. Intangible fixed assets**

	2022 Software VND	2021 Software VND
Cost		
Opening and closing balance	22,433,666,400	10,985,466,400
Transfer from construction in progress	-	9,998,000,000
Additions	2,837,950,000	1,450,200,000
Closing balance	25,271,616,400	22,433,666,400
Accumulated amortisation		
Opening balance	10,021,807,340	6,907,001,026
Charge for the year	3,065,196,044	3,114,806,314
Closing balance	13,087,003,384	10,021,807,340
Net book value		
Opening balance	12,411,859,060	4,078,465,374
Closing balance	12,184,613,016	12,411,859,060

Included in intangible fixed assets were assets costing VND8,161,659,400 which were fully depreciated as at 31 December 2022, but which are still in use (31/12/2021: VND1,978,609,400).

15. Construction in progress

	31/12/2022 VND	31/12/2021 VND
Opening balance	3,461,452,486	8,998,200,000
Additions during the year	5,097,789,503	4,461,252,486
Transfer to tangible fixed assets	(126,117,200)	-
Transfer to long-term prepaid expenses	(6,547,406,933)	-
Transfer to short-term prepaid expenses	(252,348,800)	-
Transfer to intangible fixed assets	-	(9,998,000,000)
Closing balance	1,633,369,056	3,461,452,486

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2022 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***16. Long-term deposits**

	31/12/2022 VND	31/12/2021 VND
Security deposits for office, house and car rentals	4,624,178,350	4,379,289,498

17. Deferred tax assets and liabilities**Recognised deferred tax assets and liabilities**

	Tax rate	31/12/2022 VND	31/12/2021 VND
Deferred tax assets:			
Accrued expenses	20%	396,002,889	604,102,167
Allowance for diminution in value of financial assets	20%	3,165,501,699	-
Losses from revaluation of financial assets at FVTPL	20%	142,779,322	-
		3,704,283,910	604,102,167
Deferred tax liabilities:			
Gains from revaluation of financial assets at FVTPL	20%	-	(325,471,673)
Deferred tax assets - net		3,704,283,910	278,630,494

18. Deposits at Payment Support Fund

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

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2022 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)*

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

	2022 VND	2021 VND
Opening balance	11,964,116,068	9,464,116,068
Deposits made during the year	1,809,659,347	1,879,662,547
Interest received during the year	690,340,653	620,337,453
Closing balance	14,464,116,068	11,964,116,068

19. Other long-term assets

	31/12/2022 VND	31/12/2021 VND
Clearing Fund for derivatives trading activities	10,039,238,233	10,000,000,000

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

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

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

	2022 VND	2021 VND
Opening balance	10,000,000,000	10,000,000,000
Interest received during the year	39,238,233	-
Closing balance	10,039,238,233	10,000,000,000

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2022 (continued)

Form B09 – CTCK

(Issued under Circular No. 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)

20. Short-term borrowings

Description	Original currency	Annual interest rate %	Opening balance as at 1/1/2022 VND	Receipts VND	(Payments) VND	Foreign exchange differences VND	Closing balance as at 31/12/2022 VND
Short-term borrowings from							
▪ Domestic banks	VND	2.2% - 7.8%	536,000,000,000	7,945,170,193,200	(8,381,170,193,200)	-	100,000,000,000
▪ Foreign banks	USD	1.4% - 6.9%	1,719,000,000,000	3,932,680,000,000	(3,878,100,000,000)	(40,560,000,000)	1,733,020,000,000
			2,255,000,000,000	11,877,850,193,200	(12,259,270,193,200)	(40,560,000,000)	1,833,020,000,000

- (i) As at 31 December 2022, these borrowings are secured by cash and cash equivalents of VND91,000,000,000 (31/12/2021: VND216,640,641,542) (Note 5) and term deposits at banks of VND718,313,246,576 (31/12/2021: VND600,223,000,000) (Note 7(b)).

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2022 (continued)

Form B09 – CTCK

*(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)*

21. Accounts payable for securities trading activities

	31/12/2022 VND	31/12/2021 VND
Settlements of securities transactions by customers	115,820,407,530	836,887,989,000
Clearing and settlement of securities transactions	83,522,322,140	4,702,270,000
Payable for exercise the right on purchasing shares	-	6,473,966,000
Others	87,546	69,306
	199,342,817,216	848,064,294,306

22. Taxes payable to State Treasury

	Opening balance as at 1/1/2022 VND	Incurred VND	Net-off/paid VND	Closing balance as at 31/12/2022 VND
Corporate income tax	5,985,851,287	17,129,325,656	(19,239,475,429)	3,875,701,514
Personal income tax	12,483,094,449	105,327,038,462	(107,577,666,089)	10,232,466,822
Value added tax	3,727,273	230,465,287	(213,746,801)	20,445,759
Foreign contractor withholding tax	28,353,780	7,343,112,372	(6,245,068,106)	1,126,398,046
	18,501,026,789	130,029,941,777	(133,275,956,425)	15,255,012,141

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

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2022 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***23. Accrued expenses**

	31/12/2022 VND	31/12/2021 VND
Employee costs	10,714,443,941	18,698,814,620
Securities transaction fees	3,685,244,296	5,524,395,823
Interest expense	3,065,504,380	2,341,848,005
Consulting fees	143,548,420	304,230,268
Others	1,290,579,954	2,405,897,931
	<hr/>	<hr/>
	18,899,320,991	29,275,186,647

24. Other payables

	31/12/2022 VND	31/12/2021 VND
Dividend payables	9,414,758,993	6,463,489,433
Payables to customers	21,174,000	287,700,000
Other payables	38,520,600	59,876,600
	<hr/>	<hr/>
	9,474,453,593	6,811,066,033

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2022 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***25. Share capital****(a) Share capital**

The Company's authorised and issued share capital are:

	31/12/2022		31/12/2021	
	Number of shares	VND	Number of shares	VND
Authorised share capital	150,009,819	1,500,098,190,000	140,000,000	1,400,000,000,000
Issued share capital				
Ordinary shares	150,009,819	1,500,098,190,000	140,000,000	1,400,000,000,000
	150,009,819	1,500,098,190,000	140,000,000	1,400,000,000,000
Treasury shares				
Ordinary shares	(490)	(1,185,000)	(490)	(1,185,000)
Shares in circulation				
Ordinary shares	150,009,329	1,500,097,005,000	139,999,510	1,399,998,815,000

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

	2022		2021	
	Number of shares	VND	Number of shares	VND
Opening balance	140,000,000	1,400,000,000,000	90,000,000	900,000,000,000
Shares issued during the year	10,009,819	100,098,190,000	50,000,000	500,000,000,000
Closing balance	150,009,819	1,500,098,190,000	140,000,000	1,400,000,000,000

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2022 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***(b) Retained profits**

Movements of retained profits during the year were as follows:

	2022 VND	2021 VND
Opening balance	180,535,371,172	83,393,613,237
Net profit during the year	59,979,201,559	140,935,106,927
Dividend distribution by cash (*)	(67,199,764,800)	(29,699,838,300)
Share dividend issuance (*)	(100,098,190,000)	-
Appropriation to reserve to supplement share capital	-	(7,046,755,346)
Appropriation to financial reserve	-	(7,046,755,346)
Closing balance	73,216,617,931	180,535,371,172

- (*) The Annual General Meeting of Shareholders of the Company on 31 March 2022 resolved to distribute dividends amounting to VND67,199,764,800 equivalent to VND480 per share in cash and VND100,098,070,000 in shares with the ratio of 7.15%. As at 23 June 2022, the Company completed issuing shares to pay out dividends to shareholders. As at 29 August 2022, the State Commission Securities had issued the amendments the establishment and operation No. 79/GDPC-UBCK to update the change in share capital of the Company of VND100,098,190,000.

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2022 (continued)

Form B09 – CTCK

(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

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

2022	Quantity	Average selling price VND	Total selling amount VND	Total cost VND	Gains/(losses) from sales of securities VND
Financial assets at FVTPL					
<i>Listed shares and shares registered for trading on UPCOM</i>					
GAS	55,800	110,645	6,173,990,000	6,023,568,487	150,421,513
PNJ	47,900	110,279	5,282,380,000	5,127,181,638	155,198,362
BVH	90,600	56,374	5,107,465,000	5,056,712,731	50,752,269
FPT	58,000	87,727	5,088,160,000	4,856,955,764	231,204,236
SAB	25,800	178,060	4,593,950,000	4,362,126,983	231,823,017
MBB	133,500	25,644	3,423,525,000	3,688,576,566	(265,051,566)
HPG	98,200	31,434	3,086,865,000	3,763,413,663	(676,548,663)
PLX	56,500	45,940	2,595,625,000	2,844,492,400	(248,867,400)
SSI	81,300	29,769	2,420,250,000	2,673,571,892	(253,321,892)
VHM	29,492	75,316	2,221,207,600	2,352,901,318	(131,693,718)
Others	845,046	41,299	34,899,278,200	36,488,154,729	(1,588,876,529)
	1,522,138	49,202	74,892,695,800	77,237,656,171	(2,344,960,371)
<i>Listed bonds</i>					
VHM121024	2,741,282	100,742	276,161,743,802	275,890,585,602	271,158,200
MSN12003	1,450,000	103,451	150,003,250,000	149,928,300,000	74,950,000
MML121021	1,000,000	100,560	100,560,000,000	100,455,000,000	105,000,000
MSN12001	500,000	101,679	50,839,500,000	50,789,500,000	50,000,000
	5,691,282	101,482	577,564,493,802	577,063,385,602	501,108,200
	7,213,420	90,450	652,457,189,602	654,301,041,773	(1,843,852,171)

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2022 (continued)

Form B09 – CTCK

*(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)*

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

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2022 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***27. Interest income from held-to-maturity investments**

	2022 VND	2021 VND
Interest income from term deposits	49,989,155,905	23,153,191,363
Interest income from corporate bonds	-	854,794,524
	<hr/> 49,989,155,905	<hr/> 24,007,985,887

28. Income from loans and receivables

	2022 VND	2021 VND
Interest income from margin loans	276,486,591,233	210,092,311,370
Fees from advances to customers for the proceeds from selling securities	13,404,219,909	19,699,715,355
	<hr/> 289,890,811,142	<hr/> 229,792,026,725

29. Expenses for securities brokerage

	2022 VND	2021 VND
Employee costs	49,761,741,333	55,047,623,591
Brokerage commission	77,192,408,667	93,120,182,507
Securities brokerage fees	37,677,570,703	39,943,908,713
Rental expenses	10,942,236,853	9,311,617,646
External services	8,813,883,467	6,622,938,890
Tools and supplies	1,987,945,676	1,577,034,801
Depreciation and amortisation of fixed assets	193,922,085	105,532,464
Other expenses	2,314,961,368	905,071,162
	<hr/> 188,884,670,152	<hr/> 206,633,909,774

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2022 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***30. Interest expense**

	2022 VND	2021 VND
Interest expense on borrowings	86,764,840,628	36,993,349,906
Interest expense on customers' deposits for securities trading activities	619,309,225	355,235,610
	87,384,149,853	37,348,585,516

31. General and administration expenses

	2022 VND	2021 VND
Employee costs	38,622,220,009	29,559,966,029
External services	31,007,353,723	23,954,604,539
Rental expenses	7,039,940,071	6,024,986,495
Depreciation and amortisation of fixed assets	8,293,524,391	7,066,464,591
Tools and supplies	6,021,887,461	2,754,789,803
Other expenses	5,173,900,412	2,421,217,149
	96,158,826,067	71,782,028,606

32. Income tax**(a) Recognised in the statement of income**

	2022 VND	2021 VND
Current tax expense		
Current year	17,129,325,656	35,298,932,730
Under provision in prior years	-	157,633,253
	17,129,325,656	35,456,565,983
Deferred tax benefit		
(Reversal)/origination of temporary differences	(3,425,653,416)	35,268,284
	13,703,672,240	35,491,834,267

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2022 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)***(b) Reconciliation of effective tax rate**

	2022 VND	2021 VND
Accounting profit before tax	73,682,873,799	176,426,941,194
Tax at the Company's tax rate	14,736,574,760	35,285,388,239
Non-deductible expenses	298,495,158	129,449,663
Non-taxable income	(68,300,262)	(80,636,888)
Under provision in prior year	-	157,633,253
Deferred tax assets not recognised	(1,263,097,416)	-
	13,703,672,240	35,491,834,267

(c) Applicable tax rates

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

33. Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2022 was based on the profit attributable to ordinary shareholders of VND59,979,201,559 (year ended 31 December 2021: profit attributable to ordinary shareholders of VND140,935,106,927) and a weighted average number of ordinary shares outstanding of 150,009,329 shares (year ended 31 December 2021: 114,635,185 shares), calculated as follows:

(i) Net profit attributable to ordinary shareholders

	2022 VND	2021 VND
Net profit for the year	59,979,201,559	140,935,106,927

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2022 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***(ii) Weighted average number of ordinary shares**

	2022 VND	2021 VND (Restated)	2021 VND (Previously reported)
Issued ordinary shares at the beginning of the year	140,000,000	90,000,000	90,000,000
Effect of treasury shares held	(490)	(490)	(490)
Effect of shares issued during the year	-	16,986,301	16,986,301
Effect of shares dividend issued during the year	10,009,819	7,649,374	-
Weighted average number of ordinary shares for the year	150,009,329	114,635,185	106,985,811

(iii) Basic earnings per share

	2022 VND	2021 VND (Restated)	2021 VND (Previously reported)
Basic earnings per share	400	1,229	1,317

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

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2022 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***34. Significant transactions with related parties**

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

	Transaction value	
	2022	2021
	VND	VND
Phu Hung Far East Holding Corporation – major shareholder		
Receipt of capital contribution	-	230,000,000,000
Cash dividend paid	30,912,000,000	13,662,000,000
Share dividend	46,046,000,000	-
New Beam International Inc – major shareholder		
Receipt of capital contribution	-	235,600,000,000
Cash dividend paid	11,726,400,000	287,100,000
Share dividend	17,467,450,000	-
Securities custody fee	82,516,551	22,365,630
An Thinh Development Limited – major shareholder		
Cash dividend paid	5,373,441,150	-
Share dividend	11,642,450,000	-
Vu Thai Investment Consulting Co., Ltd – related company		
Cash dividend paid	3,347,867,040	2,301,658,590
Share dividend	4,986,920,000	-
Share transfer fee	-	159,168,240
Securities custody fee	23,558,333	30,274,685
Interest expense	-	1,545,404
Phu Hung Assurance Corporation – related company		
Capital contribution	-	10,500,000,000
Cash dividend paid	1,405,213,920	619,584,570
Share dividend	1,342,430,000	-
Insurance fee payment	107,003,951	91,374,276
Management fee of shareholder books	27,272,727	27,272,727
Securities custody fee	5,172,045	6,221,100
Interest expense	-	242,413
Freshfields Capital Corporation – other related party		
Cash dividend paid	3,265,920,000	2,245,320,000
Share dividend	4,864,860,000	-
Securities custody fee	18,364,686	22,351,140
Transaction fee	180,000,000	-

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2022 (continued)

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	Transaction value	
	2022	2021
	VND	VND
Phu Hung Fund Management Joint Stock Company – other related party		
Service fee	5,728,064,516	6,209,032,258
Transaction fee	3,079,980	29,385,753
	<hr/>	
	Balance outstanding as at	
	31/12/2022	31/12/2021
	VND	VND
An Thinh Development Limited – major shareholder		
Cash dividend payable	7,815,914,400	5,373,441,150
Receivable of securities custody fee	3,087,017	3,087,017
Freshfields Capital Corporation – other related party		
Receivable of securities custody fee	816,659	7,470,792
	<hr/>	
Key management personnel compensation		
	2022	2021
	VND	VND
General Director		
Salaries, bonus and other benefits	1,748,486,687	1,707,689,950
Other key management personnel		
Salaries, bonus and other benefits	2,081,920,767	1,208,131,000
Member of Inspection Committee		
Salaries, bonus and other benefits	720,000,000	-
Board of Directors members benefits		
Mr. Albert Kwang-Chin Ting – Chairman	240,000,000	-
Mr. Nguyen Doan Hung – Member	240,000,000	240,000,000
Mr. Wu, Jin-Jeng – Member	240,000,000	-
Mr. Chen Chia Ken – Member	240,000,000	-
Ms. Liu, Hsiu-Mei – Member	240,000,000	-
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Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2022 (continued)

Form B09 – CTCK

*(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)*

35. Segment reporting

(i) Business segments

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

	Code	Securities brokerage VND	Securities trading VND	Treasury activities VND	Others VND	Total VND
2022						
1. Revenue from operating activities	01	188,890,505,249	1,933,611,365	398,346,924,131	4,677,731,075	593,848,771,820
2. Direct expenses	02	173,739,456,698	8,154,635,975	310,684,808,617	12,444,050,688	505,022,951,978
3. Depreciation and amortisation expenses	03	170,776,417	411,702	8,316,670,059	-	8,487,858,178
4. Allowance for diminution in value of investments	04	-	-	-	-	-
5. Allowance for doubtful debts	05	-	-	7,462,021,413	-	7,462,021,413
6. Net other income	06	-	-	-	806,933,548	806,933,548
Profit/(loss) before tax (07 = 01 + 06 – 02 – 03 – 04 – 05)	07	14,980,272,134	(6,221,436,312)	71,883,424,042	(6,959,386,065)	73,682,873,799
As at 31 December 2022						
Segment assets		42,832,382,223	7,214,990,990	3,624,740,543,554	1,435,623,428	3,676,223,540,195
Segment liabilities		217,676,777,763	436,878,653	1,859,850,287,261	815,977,309	2,078,779,920,986

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2022 (continued)

Form B09 – CTCK

*(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)*

35. Segment reporting (continued)

(i) Business segments (continued)

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

(ii) Geographical segment

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

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2022 (continued)

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36. Commitments

Leases

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

	31/12/2022 VND	31/12/2021 VND
Within one year	19,341,504,234	19,286,494,340
Within two to five years	39,914,574,630	41,567,256,345
	<u>59,256,078,864</u>	<u>60,853,750,685</u>

37. Comparative figures

Unless otherwise stated, comparative information was derived from the balances and amounts reported in the Company financial statements as at and for the year ended 31 December 2021.

Prepared by:



Ms. Nguyen Phuong Trinh
Accounting Staff

2 March 2023

Reviewed by:



Ms. Do Thi Ai Vy
Chief Accountant

Approved by:



Mr. Chen Chia Ken
General Director