

**SUBMISSION FOR APPROVAL
Development and Business Plan
of the Company for Year 2023**

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

- Pursuant to the Law on Enterprises No. 59/2020/QH14;
- Pursuant to the Current Charter of Phu Hung Securities Corporation;

The Board of Directors (BOD) of Phu Hung Securities Corporation (PHS) hereby submits the proposal of **Development and Business Plan of the Company in 2023** as follows:

In 2023, Company will focus on the sustainable development, balancing between profitability and risk.

1. Brokerage

After a very successful year of 2021 in Vietnam stock market, many unforeseen events happened in 2022. VN-Index hit a peak on 4 July 2022, when market closed at 1,524 points and since then started a 7 months correction and the lowest point is when market closed at 911 points on 15 November 2022, resulting 40% lower than the peak. Until end of September 2022, total market trading value is 8% lower compared to the same period last year. Contrary to the booming market liquidity from May to September 2021, the trading value in such period of 2022 is only around VND 16,000 billion per day, which is 39% lower than same period of 2021. In short term, it has made a significant impact on the investment performance as well as the confidence of the majority of investors in the stock market. However, with Vietnam's current solid economic foundation, investor confidence should quickly recover and the stock market of Vietnam will return to the growth phase in a favorable manner.

In the first 9 months of 2022 and during reducing market liquidity situation, PHS' stock trading value still achieved 3% growth rate compared with the same period last year. PHS' stock market share reaches 1.25% at the end of September 2022, which is 12% higher than end of 2021. PHS has witnessed the impressive performance when 9 months accumulated brokerage revenue reach VND 151 billion and interest income from loan reach VND 232 billion, which are 4% and 59% higher YoY. Thanks to the appropriate customer service policy to attract and maintain large customers so PHS could reach such positive result. In 2023, PHS targets brokerage revenue and margin loan revenue of VND 308 billion and VND 327 billion respectively, the target market share of stock brokerage is 1.717%.

2022 is a significant year in term of PHS derivatives brokerage business, since it was launched in 2021, the market share at the end of that year and gross income was only 0.31% and around VND 1.4 billion respectively. However, until September 2022,

PHS's result is 1.38% and VND 5.3 billion respectively. The two indicators increased around 4 times after just a year, so it supports PHS to reach the top 10 of securities companies with the largest derivatives brokerage market share. This positive result was achieved by reaching out to some potential customers and successfully recruit brokers who focus on derivatives trading.

PHS also start cooperating with some partners who provide derivatives trading platform and concentrate noticeable asset value. It's believed that the increase trading of such partners could support PHS to boost our derivatives brokerage performance and get into higher position in the Top 10 of securities companies.

Following the successful restructure of HR division in general and making more investment in recruitment and training sector in particular, until the end of October 2022, PHS have recruited 98 brokerage staffs with the survival rate reached around 50%. A substantial result in the unfavorable market situation this year. In 2023, PHS still continues to update benefit scheme and target policy of Brokerage Division to match the market movement and to maintain current sales team efficiently. It's forecasted that the stock market in 2023 will maintain quite challenging, thus making the relationship between the brokerage staff and the firm easy to fell apart. However, it's also a good opportunity for PHS to approach and screen for potential candidates. After two years of establishment, PHS' institutional customer business has witnessed an increasingly improve performance year by year. Thanks to the raise of service quality that PHS has provided for customers, in the first 9 months 2022, their trading value at PHS is already 9% higher than same period of 2021. This year, PHS has invested to upgrade both in-house and international trading supporting tools to facilitate customers' trading process, where this process will continue in 2023. Its necessary investments to approach more potential institution customers in the future when Vietnam stock market expands and attracts more international funds.

2. Advisory & Underwriting

The stock market saw a positive performance for the first half of 2022, but then faced the down trend since the third quarter due to the concern of global economic recession caused by war and inflation. Interest rates and exchange rates, as a result, both increased sharply. The relevant government agencies and departments, regarding the listing and issuance documents review, now is processing more cautiously on all of the applications. Thus, the implementation time for Advisory division become longer and significantly affected the operation of the division in 2022. This year, PHS's Advisory division has strengthened connections with joint stock, public and listed companies by seeking more clients with the need of consulting, which a lot of new customers has been met. At the same time, the Advisory division had plan to expand personnel in 2022, however, due to the stock market declines causing customers to back down from issuing or listing this year, hence the number of advisory contracts decreases. The plan to increase the staff of Advisory division will also be postponed and implemented in 2023 when the stock market situation is better and customers have increased demand for corporate financial advice instead. On 16 Sep 2022, the government issued Decree 65/2022/NĐ-CP, tightening the bond issuance activities. Most businesses have completely reduced the issue of bonds to near zero. Advisory division has also updated S.O.P regarding of the bond issuance process to ensure risk control in the performance of offering bond contracts can be further decreased.

The advisory services of Advisory division maintain focusing on advising clients that require restructuring, stock issuance, listing and rejection for risky bond issuance.

PHS will maintain its main business strategy of providing full-service advisory services to valuable clients, especially advisory services related to foreign investors having demand to invest in Vietnam. At the same time, Advisory division will continue to improve both the service quality and professionalism in providing services related to corporate finance and M&A advisory, by improving client satisfaction and investors. To attract new customers by expanding domestic and international investor relationships by build a reputable brand in the industry. Based on the current situation and capabilities, PHS plans to focus on developing the Advisory division specifically in the following directions:

- Build a team of strong and professional staffs to improve service quality and meet the diverse needs for potential clients. To achieve the above goal, PHS will increase both the number and quality of human resources in 2023 when the stock market is favorable by recruiting experienced candidates. Expecting the result of equip PHS with an experienced and capable Advisory division to providing clients with more comprehensive and quality advisory services.
- Regularly communicate with PHS branches to have more opportunities to interact with clients, the employees of the branches can provide the opportunity to sign advisory service contracts and introduce the company with potential clients. To motivate employees, PHS has also established a commission policy for those who refer to a advisory service contract.
- Continue to perform existing contracts and expand relationships with domestic and international enterprises operating in Vietnam. Through consolidating and strengthening relationships with existing clients and introducing PHS to potential clients, PHS wishes to provide advisory services for listing on Vietnam's stock market, M&A advisory, etc.
- Co-operate with other securities companies on big contracts or finding investors to sharing the interest and increasing the investor number through cross-promotion.

3. Dealing

Vietnam stock market has experienced a difficult time in 2022. VN-Index declined 31%, and realized that the external pressures continued to harm the Vietnam stock market. Domestically, the risks from corporate bond and real estate market also created difficulties for the stock market. Therefore, when the market faced the sell-off pressure, Dealing Division has reduced the positions in our portfolio to a safe level for risk control. As a result, PHS's portfolio decline significantly lower than the VN-Index. As of 29 November 2022, PHS experience a loss of 12% over the total average investment, while VN-Index decreased by 31%.

In 2023, Vietnam economy will maintain its recovery momentum with the annual growth target of 6.5% set by National Assembly, demonstrating that Vietnam still has the potential in the global economy next year. Especially when recently Vietnam regulators are trying to find other solutions to regain investor confidence in financial markets. Therefore, it is expected that the Vietnam stock market, after the big decline in 2022, will show sign of recovery in 2023.

Meanwhile, with the deep cooperation with Research Division, Dealing Division expect to receive more professional support. With a more comprehensive and instant monitoring in fundamental and technical aspect, we believe that Dealing Division will be able to seek more valuable investment opportunities and to report a better performance in 2023.

Currently, the watch list for investable stocks is reviewed closely and adjusted based on the observation of the signals revealed from fundamental and technical indicators. The result of investment positions are regularly reviewed and stock tracking procedure will be recorded as a guideline for any investment decision making in the future. We maintain our portfolios at a reasonable, and will consider to raise equity weight again when the market recovers.

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

4. Cover Warrant

It has been more than 3 years since the covered warrant ("CW") was officially traded on the Ho Chi Minh City Stock Exchange ("HOSE") (date 28 June 2019), the CW market has achieved certain success and drawn a lot of attention from participating members including issuers and investors.

Since 2019 till present, the scale of issuing and listing covered warrants has grown continuously. In 2022, calculated until 30 September 2022, there have been new 218 CW issued and listed on HOSE, with a total volume of more than 1.3 billion CW units and a total value of more than VND 2,400 billion. In addition, the trading volume of the CW market has also constantly grown. In particular, the trading volume peaked at more than 60 million CW units on 7 October 2022 and the average trading volume reached 30 million CW units a day in the first three quarters of 2022.

Throughout the development of CW products, investors will be given more options for alternative investment products with plenty of advantages including easy transactions. Additionally, the maximum loss is determined in the beginning, and primarily, CW is also a highly leveraged product and a relatively complex product. Another feature that makes CW attract foreign investors is that it provides a new option to find profitable opportunities to get returns in the Vietnamese stock market. Moreover, the appearance of CW, with the underlying securities being stocks, will partly help listed companies to reduce the pressure on loosening foreign ownership in the future. Consequently, this can fulfill the investing needs of foreign investors. With the above advantages, the CW market is expected to continue to bring great benefits to the Vietnamese stock market in 2023 and to help investors not only to find profitable opportunities when the stock market is in the uptrend but also to provide investors with a new choice to find profitable opportunities in the downtrend. To a large extent, CW can be a useful tool for investors to implement portfolio diversification.

With expectations about the benefits contributed by CW, through the development of CW products, PHS hopes to join and become the leading CW issuer in the market in near future. PHS aims to issue CWs based on stocks of different industry groups in the VN30 index basket with flexible conversion ratios and maturities, meeting the diverse needs of investors for choosing CWs. In 2023, PHS sets that the target of CW's issuance will be well diversified with a total offering value of around VND 200 billion. In addition, PHS will improve the performance of the system, modern technological facilities as well as qualified talents to perform complex and specific operations such as hedging and market making for CW.

5. Marketing

In 2022, PHS has been promoting strongly on activities, products, services and events on 100% online platforms. In which, the online investment webinars for customers are conducted in a professional methodology and broadcasted online via Facebook and YouTube. Additionally, the online branding campaigns have attracted more than 3 million people accessing the information and hundreds of thousands views on PHS's social media platforms. Other projects completed include almost all communication channels from upgrading email and website, to building social media platforms to catch up with modern & tech savvy users.

2023 is forecasted to be a difficult year for the macro economy in general as well as for the Vietnam stock market in particular. Therefore, based on the results of the initial approach to digital marketing & communication activities in 2022, for next year, PHS is expected to optimize the power of internal communication channels with the targets below:

- Promote communication activities, products and services on digital channels – With the premise of operation in 2022, PHS has gradually navigated investors to receive information via online platforms such as website, email and social media. Expected in 2023, PHS will continue to develop content and optimize customer experience on online information platforms.
- Building good relationships with media agencies – This activity ensures that information about PHS is not led in the wrong direction and investors always have a reliable source of useful information from the press.
- Measuring and managing marketing data – One of the outstanding advantages of digital marketing communications is that the manager or company can capture customer behavioral data and evaluate the effectiveness of the activity based on intuitively data collected. Therefore, the operational direction of Marketing in 2023 also focuses on building a system to control and evaluate customer data on all online communication channels.

6. Risk Management

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

In 2022, the domestic economy still affected by the Covid-19 epidemic when the new variants as well as the disease situation continue to develop complicatedly in major cities and provinces across the country, especially in Ho Chi Minh City, which threatens the recovery and growth process.

Besides, the Vietnam stock market also suffered many big shocks in the last months of 2022. PHS has had flexible risk management strategies from time to time, such as changing force selling ratios to support business as well as hedge risks during the volatile market period. At the same time, control the max loan price and loan ratio in accordance with the legal provisions and the market situation.

Risk management strategy had been changed in which margin outstanding structure is mainly allocated on large-cap, fundamental stocks and strong background customers. Risk management activities, namely margin trading service, which was highly effective. Based on the result of bad debt assessment from margin trading services, we can see that there was no any new bad debt in the past year.

Risk Management Division has well-cooperated with Research Division to have advanced analyses of listing companies which is eligible for margin trading and many changes in risk management strategy in order to show effectiveness and

flexibility with market changes. Simultaneously with using some data analysis tools developed by the software department of the IT Division and launching stock pricing models also strongly support Risk Management Division in collecting data quickly, accurately and effectively to submit to the Risk Management Committee.

With the market volatile in the last months of 2022, it is likely that in 2023 the market will enter a stable phase before returning to a strong growth period. Based on the market situation in 2022, the Risk Management Division will develop policies suitable for the general market in 2023. At the same time, focus more on good fundamental stocks to increase the proportion of that stock in the portfolio of securities allowed for margin trading, furthermore, policies will also focus on improving the process of evaluating margin-traded securities in order to minimize risks for PHS and customers as well as support the business of the whole company.

PHS has officially launched derivatives securities trading for 2 years, so the number of customers has many opportunities to grow up in 2023. Derivative product is increasingly expanding, so the development of risk management strategies in this product needs to be proactive and improve to minimize negative impacts. The main identified risks include: market risk, capital leverage, margin requirement, legal, liquidity and system risk. Therefore, Risk Management Division will be submitted criteria to control risk in real-time and suitable for the market in order to minimize risks in business activities in the derivative market.

Besides 2023, minimizing risks and support business operations are the most important strategies in risk management operation. In order to ensure those strategies, Risk Management Division will effort to cooperate with Research Division to have advanced analyses of listing companies which is eligible for margin trading and continue to use some data analysis tools developed by the software department of the IT Division to assist strongly Risk Management Division in collecting data quickly, accurately and efficiently to submit to the Risk Management Committee. We will continue to apply more diversified margin list with different loan ratio to support safe and efficient business operations and increase competitiveness in the market.

Above of all, risk management policies in 2022 must ensure independence, flexibility, uniformity, efficiency and sustainability of business growth.

7. Information Technology

In 2022, PHS has invested heavily in IT infrastructure, comprehensively improved the website, mobile app, deployed the solution to link BIDV's account online with many features of deposit and withdrawal online to support customers to make transactions faster and more convenient. Applying digital technology solutions to the PHS's business and transaction activities.

PHS set up a backup datacenter to ensure the high level of continuous operation of the trading system. PHS has implemented and applied advanced technologies, established high safety and security standards, ensuring the conditions for safe operation of the trading system at all time.

PHS has implemented securities trading through the Bloomberg gateway, a modern trading tool with the function of receiving orders directly from the Bloomberg channel on the basis of a standard connection to Bloomberg's EMSX system. With this tool, foreign customers and foreign investment funds currently investing in Vietnam, can simultaneously trade in all markets in the world and place orders directly to PHS.

In 2023, PHS will focus on improving and investing deeply in technology and trading platforms to improve the quality of products and services, providing modern financial solutions and tools with the best efficiency for customers.

PHS will upgrade and comprehensively improve mobile app, web-trading to give customers the best experience of products and services that the company provides. PHS continues to build backup datacenter to ensure the conditions for the continuous operation of the transaction system at the highest level.

In addition, PHS will work continuously with securities trading software provider in Vietnam, to upgrade the stock trading software to meet the technical requirements of the new trading system KRX in terms of processing speed, support for more market orders, new financial products of the Stock Exchange and Vietnam Securities Depository.

8. Human Resources

Recruitment is the process of finding and selecting suitable personnel to fill in the missing positions in the company. This process is essentially recruitment and selection. Effective recruitment will help the company to increase more personnel at the correct positions, improving work efficiency, saving costs and time. In recent years, the recruitment department has prioritized posting on recruitment websites such as TopCV, Vietnamworks, Career builder, Vieclam24h, etc. to find candidates. All information related to the position to be recruited such as title, job description, salary, bonus policy, remuneration regime, and how to apply, etc. are posted by the recruitment department. In addition, the recruitment department also builds its recruitment process, being careful at every step so as not to miss bright candidates.

So far, the term “engagement” has not been comprehensively interpreted by many people in the way of what it really is. Each definition approaches the term in different ways. It can be a psychological state such as commitment, or attachment, or it can be an attitude and behavior such as being highly productive, getting along with colleagues, and giving your best to the company. For employee engagement, communication is key. Therefore, the recruitment & engagement department has continuously created and renewed internal communication contents on Base Inside - the company's internal communication channel to help employees understand more about the company's welfare company policies as well as organize internal events (employee birthday, team building, bowling, running, etc.) so that employees of the back office and Brokerage Division can exchange and understand each other better. In parallel with recruitment and employee engagement, the department began to draw up the recruiting brand the company wanted to aim for, and it was accurately reflecting the experiences the company was committed to creating for employees, so they in turn bring similar values to their customers. And what recruiting & engagement department is aiming for is that employees can proudly say to others, “I'm proud to be a PHSer!”.

Economy in 2022 has many fluctuations affecting financial activities in general and securities in particular, increasing the level of competition in the industry. With the motto that Human Resources is the company's competitive advantage, in 2022 PHS has built a comprehensive training roadmap for the employees. The company's training programs include the compulsory program of the State Securities Commission; the company's programs are trained in the form of direct learning (offline) and through E-learning system (online); The company's internal and external training programs from experts.

By the training roadmap in 2023, PHS aims to raise the bar for the employees not only with professional knowledge but also to build up professional sales processes and skills for each job position to help the company perform a mission to bring four values of innovation – efficiency – substance – simplicity to the customers. Through

training courses, the company expects to help the employees have a long-term vision, develop their careers, and be able to make a long-term contribution to the company.

In the 4.0 technology era, PHS has pioneered training technology application through a professional management system. With a corporate governance system of BASE, the company has developed a forum as well as a data warehouse to help the employees in "active learning" through a methodology of knowledge exchange among the employees, reports – analysis and standard operating procedures of the company. As for the E-learning system, the company will monitor the employee's learning process to provide a suitable route for each employee so as to meet the job standards.

In recent years, enterprises are trying to build a beautiful and professional image with the backing of attractive salary, bonus policies and welfare regimes in order to attract the workforce. At the same time, employees have also focused on this point for their selection of long-term contribution place. Therefore, a satisfactory salary and welfare policy will bring the enterprises the following values:

- To ensure business operations are carried out according to plan. At the same time, the satisfaction and faith of employees could be gained.
- To ensure fairness to all employees, thereby promoting productivity and quality of labor.
- To enhance the value of business in the market compared to other enterprises in the same industry.

In order to achieve the core values that the enterprise is building up, some essential goals are identified as follows:

- Developing a salary, bonus and welfare policy that is not only to ensure the most basic living standards for employees, but also to ensure the goal that the Employees could feel secure and be able to make a long-term contribution, to bring high efficiency in work and to increase labor productivity at the enterprise with the following basic factors:
- Regulations on salary, bonus and welfare policies must be developed on the basis of conformity with the labor law, business situation and operating budget of the enterprise;
- The salary, bonus and welfare payment mechanism is built up according to the position, capacity and experience of the employee;
- Be able to ensure the factors of internal fairness in the enterprise and external competition in the market in order to create a healthy, harmonious and stable working environment.
- Developing a fair and transparent labor disciplinary regulation is the basis for scientific labor organization, maintaining labor order and stability in production and business operations within the enterprise in particular and on the whole society in general.

9. Summary of Budget Plan 2023

Index	Plan for 2023 (VND)
Total revenue	788,104,738,843
Total expenses	642,808,066,924
Profit (loss) before tax	145,296,671,919
Profit (loss) after tax	115,560,992,730
Market share	1.717%

Please kindly consider and approve.

ON BEHALF OF BOARD OF DIRECTORS
CHAIRMAN



Mr. ALBERT KWANG-CHIN TING



BUSINESS PLAN 2023

PHU HUNG SECURITIES CORPORATION

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PHS BUSINESS PLAN 2023

1. GENERAL MARKET OVERVIEW

For 2022, Vietnam faced unfavorable macro-economic conditions from both the domestic and the international factors. Namely, the ongoing Russia – Ukraine war and the border lockdown in China, which have caused the world's supply chain to stagger, resulting in an escalating inflation for an expected long period of time. Aiming to combat the mounting inflation risk, the Federal Reserve System ("FED") had aggressively hiked the interest rate in 2022, thus this move had brought huge impact on the global economy.

For Vietnam, in line with the global tightening monetary policy, the domestic financial condition had seen an extreme contraction. To prevent the capital outflow and protect the VND as the greenback turned strengthened, the State Bank of Vietnam had to raise the key rates two times by two percentage points in 2022Q3. In the meantime, the VND lost by nearly 9% YTD in foreign exchange rate against USD as the foreign reserve had been reduced by nearly USD 25 billion to cope with outflow of foreign investment.

In addition, to manage the real estate sector from becoming a bubble and trigger a chain reaction of financial crisis, the government have implied strictly control in the bond market, which deepening the liquidity issue of the Vietnam financial market.

The stock market experience a tough time in 2022 as the investors feared the headwinds from both domestic and international could push Vietnam into a financial crisis. As of end of November 29th, 2022, the VN-Index have dropped by 31% YTD to 1,032 points. Meanwhile, the average trading value declined by 19.8% YoY to VND 19,432 billion per session.

Due to the current tumble of VN-Index while earnings of listed companies rose by 21%YoY in first 9 months, the P/E ratio of the stock market had downed to 10.x – a record low for past decade.

On a positive note, the foreign investors have conducted a net buy of around VND 11,130 billion in first 11 months, demonstrate that the foreign investors still believe in the potential of Vietnam stock market for the long term, benefit from the dynamic economic growth, Free-Trade Agreements and massive Foreign Direct Investment ("FDI") inflows.

Indeed, the Vietnam economic still resilient against the unfavorable macro-economic conditions. Vietnam's GDP increased by 8.83% YoY for first 9 months and expected to see a solid growth rate of 7%~7.5% YoY for the whole of 2022.

Inflation in Vietnam is still under controlled despite the disruption in the global supply chain. The CPI rose by 2.73% YoY for first 9 months thanks to the tax exemption policy on oil products from government in 2022Q2.

FDI disbursement in first 9 months reached USD 15.43 billion, increasing by 16.3% YoY. The figures reveal that FDI remained robust at the record high level for the past 5 years. Proofing that Vietnam is still one of the most attractive countries for foreign investors.

2. 2023 MARKET FORECAST

For 2023, the global economic prospect shall continue to be clouded due to the rampant inflation situation in both EU and US, resulting in the tightening monetary policy while there are many uncertainties from China reopening and the global geopolitical tensions.

International Monetary Fund (“IMF”) noted that a debt crisis caused by the tightening monetary policy in emerging economies will weigh on global economic growth and possibly lead to a global recession, and adding that the strong US dollar will make the situation worse.

IMF also cites out that the growing global recession risk of a global recession, urges policymakers to fight inflation, protect the most vulnerable from rising costs of living and support emerging and developing countries’ market.

However, IMF has given a positive forecasting for Vietnam with 2023 projected GDP growth at 6.2%, while the National Assembly of Vietnam also set a GDP growth target for 2023 at 6.5%. PHS believe that out of the gloomy global economic outlook, the target growth rate for Vietnam in 2023 considerably positive.

By using P/E method, fair valuation territory for VN-Index should be around 1,535 points in 2023 at average PE ratio of 12x. PHS expect the earnings of listed companies to see a growth rate of 10% YoY, while GDP expand by 6.5% YoY.

One of the major projected risks is the tightening monetary policy from US, which will be affected by the longer and higher than expected inflation, thus could result in a more aggressive rate hike, leading Vietnam’s policymakers to increase the interest rate as well, where resulting changes to the target P/E ratio.

In addition, the strict control over the housing sector could impact the financial system significantly, especially on the market sentiment and stock market, eventually driving the market valuation to a level lower than expected.

In our opinion, the liquidity condition should be improved in 2023 after the FED slowdown the rate hike, while Vietnam financial system recover to more stable. Thus, PHS forecast the trading value in Ho Chi Minh Stock Exchange (HSX) & Hanoi Stock Exchange (HNX) in 2023 can reach VND 21,191 billion per session (including put through and matching order).

3. BUSINESS PLAN

2022 is a relatively volatile year for the Vietnamese stock market. The impact of the Russia – Ukraine war, China's reopen policy and the risen of Fed's interest rates have made the market fiercer than ever. In Vietnam, a series of illegal activities from the large enterprises were brought to light and made the investors' psychology bewildered, causing the stock market to cool down gradually. Evidence shows that the number of new accounts opened in the last few months of 2022 continue to decrease sharply.

On the basis of proactively evaluating the development capacity and objective conditions of the market, PHS have built the development, investment – business plans for 2023, with the target of total revenue being VND 788 billion and total expenses VND 643 billion; the company expects achieve VND 145 billion for profit before tax and VND 115.56 billion for profit after tax.

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

- Upgrading current and developing new products – PHS is constantly researching, developing, and offering the best products and services, while also expanding many support utilities on existing products and trading tools. In 2022Q3, PHS reached TOP 10 of market share for derivatives brokerage, PHS will continue to develop new features for derivatives trading and target to TOP 8 market share in 2023. In 2023, PHS will launch Cover Warrant product to meet the different investment needs of customers.
- Building Disaster Recovery Site System (“DR-site”) – backing up database is one of the safest ways to ensure data being secure. Bringing confidence for customers to use our products and services, avoid the risk of putting the business in danger by continue operations using DR-site when require.
- Coding PHS Mobile App – PHS understood technology in a trading firm is no longer a supplementary role, but an essential factor to the key success. It is not only the fulfilment of regular demand for normal technology adaptation in stabilizing the environment and/or improving performance, but also on how to shorten the time to trading. The online trading platform are under revamping to best fit the requirements for traders from casual to professional. Looking forward to 2023, PHS is planning, exploring, improving, and implementing the online service on PHS Mobile App to react to the future changes
- Increasing the number of teams – PHS believes that human capital is the most valuable asset of the company. PHS has been paying special attention and focusing on the selection of potential candidates, who are enthusiastic, ambitious and willing to face new opportunities and challenges. In 2023, PHS plan to increase the number of new employees with experiences in securities brokerage, to increase the market share of not only the individual customer, but also the institutional customer. Expanding and combining new staffs with existing experienced senior employees, PHS aim to generate result greater than one plus one equal to more than two, able to execute and realize the company's development strategies during each progressing period.

3.1. Brokerage

After a very successful year of 2021 in Vietnam stock market, many unforeseen events happened in 2022. VN-Index hit a peak on July 4th, 2022, when market closed at 1,524 points and since then started a 7 months correction and the lowest point is when market closed at 911 points on November 15th, 2022, resulting 40% lower than the peak. Until end of September 2022, total market trading value is 8% lower compared to the same period last year. Contrary to the booming market liquidity from May to September 2021, the trading value in such period of 2022 is only around VND 16,000 billion per day, which is 39% lower than same period of 2021. The decrease of index point and market liquidity are due to both global instability problems together with Vietnam domestic economic and political issues. In short term, it has made a significant impact on the investment performance as well as the confidence of the majority of investors in the stock market. However, with Vietnam's current solid economic foundation, after Vietnam's internal problems are resolved in

early 2023, investor confidence should quickly recover and the stock market of Vietnam will return to the growth phase in a favorable manner.

In the first 9 months of 2022 and during reducing market liquidity situation, PHS' stock trading value still achieved 3% growth rate compared with the same period last year. PHS' stock market share reaches 1.25% at the end of September 2022, which is 12% higher than end of 2021. PHS has witnessed the impressive performance when 9 months accumulated brokerage revenue reach VND 151 billion and interest income from loan reach VND 232 billion, which are 4% and 59% higher YoY. Thanks to the appropriate customer service policy to attract and maintain large customers so PHS could reach such positive result. In 2023, PHS targets brokerage revenue and margin loan revenue of VND 308 billion and VND 327 billion respectively, the target market share of stock brokerage is 1.717%.

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PHS also start cooperating with some partners who provide derivatives trading platform and concentrate noticeable asset value. It's believed that the increase trading of such partners could support PHS to boost our derivatives brokerage performance and get into higher position in the Top 10 of securities companies.

Following the successful restructure of HR division in general and making more investment in recruitment and training sector in particular, until the end of October 2022, PHS have recruited 98 brokerage staffs with the survival rate reached around 50%. A substantial result in the unfavorable market situation this year. In 2023, PHS still continues to update benefit scheme and target policy of Brokerage Division to match the market movement and to maintain current sales team efficiently. It's forecasted that the stock market in 2023 will maintain quite challenging, thus making the relationship between the brokerage staff and the firm easy to fell apart. However, it's also a good opportunity for PHS to approach and screen for potential candidates.

After two years of establishment, PHS' institutional customer business has witnessed an increasingly improve performance year by year. Thanks to the raise of service quality that PHS has provided for customers, in the first 9 months 2022, their trading value at PHS is already 9% higher than same period of 2021. This year, PHS has invested to upgrade both in-house and international trading supporting tools to facilitate customers' trading process, where this process will continue in 2023. Its necessary investments to approach more potential institution customers in the future when Vietnam stock market expands and attracts more international funds.

3.2. Advisory & Underwriting

The stock market saw a positive performance for the first half of 2022, but then faced the down trend since the third quarter due to the concern of global economic recession caused by war and inflation. Interest rates and exchange rates, as a result, both increased sharply. The relevant government agencies and departments, regarding the listing and issuance documents review, now is processing more cautiously on all of the applications. Thus, the implementation time for Advisory

division become longer and significantly affected the operation of the division in 2022.

This year, PHS's Advisory division has strengthened connections with joint stock, public and listed companies by seeking more clients with the need of consulting, which a lot of new customers has been met. At the same time, the Advisory division had plan to expand personnel in 2022, however, due to the stock market declines causing customers to back down from issuing or listing this year, hence the number of advisory contracts decreases. The plan to increase the staff of Advisory division will also be postponed and implemented in 2023 when the stock market situation is better and customers have increased demand for corporate financial advice instead.

On Sep 16th, 2022 the government issued Decree 65/2022/NĐ-CP, tightening the bond issuance activities. Most businesses have completely reduced the issue of bonds to near zero. Advisory division has also updated S.O.P regarding of the bond issuance process to ensure risk control in the performance of offering bond contracts can be further decreased.

The advisory services of Advisory division maintain focusing on advising clients that require restructuring, stock issuance, listing and rejection for risky bond issuance.

PHS will maintain its main business strategy of providing full-service advisory services to valuable clients, especially advisory services related to foreign investors having demand to invest in Vietnam. At the same time, Advisory division will continue to improve both the service quality and professionalism in providing services related to corporate finance and M&A advisory, by improving client satisfaction and investors. To attract new customers by expanding domestic and international investor relationships by build a reputable brand in the industry. Based on the current situation and capabilities, PHS plans to focus on developing the Advisory division specifically in the following directions:

- Build a team of strong and professional staffs to improve service quality and meet the diverse needs for potential clients. To achieve the above goal, PHS will increase both the number and quality of human resources in 2023 when the stock market is favorable by recruiting experienced candidates. Expecting the result of equip PHS with an experienced and capable Advisory division to providing clients with more comprehensive and quality advisory services.
- Regularly communicate with PHS branches to have more opportunities to interact with clients, the employees of the branches can provide the opportunity to sign advisory service contracts and introduce the company with potential clients. To motivate employees, PHS has also established a commission policy for those who refer to a advisory service contract.
- Continue to perform existing contracts and expand relationships with domestic and international enterprises operating in Vietnam. Through consolidating and strengthening relationships with existing clients and introducing PHS to potential clients, PHS wishes to provide advisory services for listing on Vietnam's stock market, M&A advisory, etc.
- Cooperate with other securities companies on big contracts or finding investors to sharing the interest and increasing the investor number through cross-promotion.

3.3. Dealing

Vietnam stock market has experienced a difficult time in 2022. VN-Index declined 31%, and realized that the external pressures continued to harm the Vietnam stock

market. Domestically, the risks from corporate bond and real estate market also created difficulties for the stock market. Therefore, when the market faced the sell-off pressure, Dealing Division has reduced the positions in our portfolio to a safe level for risk control. As a result, PHS's portfolio decline significantly lower than the VN-Index. As of Nov 29th, 2022, PHS experience a loss of 12% over the total average investment, while VN-Index decreased by 31%.

In 2023, Vietnam economy will maintain its recovery momentum with the annual growth target of 6.5% set by National Assembly, demonstrating that Vietnam still has the potential in the global economy next year. Especially when recently Vietnam regulators are trying to find other solutions to regain investor confidence in financial markets. Therefore, it is expected that the Vietnam stock market, after the big decline in 2022, will show sign of recovery in 2023.

Meanwhile, with the deep cooperation with Research Division, Dealing Division expect to receive more professional support. With a more comprehensive and instant monitoring in fundamental and technical aspect, we believe that Dealing Division will be able to seek more valuable investment opportunities and to report a better performance in 2023.

Currently, the watch list for investable stocks is reviewed closely and adjusted based on the observation of the signals revealed from fundamental and technical indicators. The result of investment positions are regularly reviewed and stock tracking procedure will be recorded as a guideline for any investment decision making in the future. We maintain our portfolios at a reasonable, and will consider to raise equity weight again when the market recovers.

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

3.4. Cover Warrant

It has been more than 3 years since the covered warrant ("CW") was officially traded on the Ho Chi Minh City Stock Exchange ("HOSE") (date 28/6/2019), the CW market has achieved certain success and drawn a lot of attention from participating members including issuers and investors.

Since 2019 till present, the scale of issuing and listing covered warrants has grown continuously. In 2022, calculated until September 30th 2022, there have been new 218 CW issued and listed on HOSE, with a total volume of more than 1.3 billion CW units and a total value of more than VND 2,400 billion. In addition, the trading volume of the CW market has also constantly grown. In particular, the trading volume peaked at more than 60 million CW units on October 7th 2022 and the average trading volume reached 30 million CW units a day in the first three quarters of 2022.

Throughout the development of CW products, investors will be given more options for alternative investment products with plenty of advantages including easy transactions. Additionally, the maximum loss is determined in the beginning, and primarily, CW is also a highly leveraged product and a relatively complex product. Another feature that makes CW attract foreign investors is that it provides a new option to find profitable opportunities to get returns in the Vietnamese stock market. Moreover, the appearance of CW, with the underlying securities being stocks, will partly help listed companies to reduce the pressure on loosening foreign ownership

in the future. Consequently, this can fulfill the investing needs of foreign investors. With the above advantages, the CW market is expected to continue to bring great benefits to the Vietnamese stock market in 2023 and to help investors not only to find profitable opportunities when the stock market is in the uptrend but also to provide investors with a new choice to find profitable opportunities in the downtrend. To a large extent, CW can be a useful tool for investors to implement portfolio diversification.

With expectations about the benefits contributed by CW, through the development of CW products, PHS hopes to join and become the leading CW issuer in the market in near future. PHS aims to issue CWs based on stocks of different industry groups in the VN30 index basket with flexible conversion ratios and maturities, meeting the diverse needs of investors for choosing CWs. In 2023, PHS sets that the target of CW's issuance will be well diversified with a total offering value of around VND 200 billion. In addition, PHS will improve the performance of the system, modern technological facilities as well as qualified talents to perform complex and specific operations such as hedging and market making for CW.

3.5. Marketing

In 2022, PHS has been promoting strongly on activities, products, services and events on 100% online platforms. In which, the online investment webinars for customers are conducted in a professional methodology and broadcasted online via Facebook and YouTube. Additionally, the online branding campaigns have attracted more than 3 million people accessing the information and hundreds of thousands views on PHS's social media platforms. Other projects completed include almost all communication channels from upgrading email and website, to building social media platforms to catch up with modern & tech savvy users.

2023 is forecasted to be a difficult year for the macro economy in general as well as for the Vietnam stock market in particular. Therefore, based on the results of the initial approach to digital marketing & communication activities in 2022, for next year, PHS is expected to optimize the power of internal communication channels with the targets below:

- Promote communication activities, products and services on digital channels – With the premise of operation in 2022, PHS has gradually navigated investors to receive information via online platforms such as website, email and social media. Expected in 2023, PHS will continue to develop content and optimize customer experience on online information platforms.
- Building good relationships with media agencies – This activity ensures that information about PHS is not led in the wrong direction and investors always have a reliable source of useful information from the press.
- Measuring and managing marketing data – One of the outstanding advantages of digital marketing communications is that the manager or company can capture customer behavioral data and evaluate the effectiveness of the activity based on intuitively data collected. Therefore, the operational direction of Marketing in 2023 also focuses on building a system to control and evaluate customer data on all online communication channels.

3.6. Risk Management

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

In 2022, the domestic economy still affected by the Covid-19 epidemic when the new variants as well as the disease situation continue to develop complicatedly in major cities and provinces across the country, especially in Ho Chi Minh City, which threatens the recovery and growth process.

Besides, the Vietnam stock market also suffered many big shocks in the last months of 2022. PHS has had flexible risk management strategies from time to time, such as changing force selling ratios to support business as well as hedge risks during the volatile market period. At the same time, control the max loan price and loan ratio in accordance with the legal provisions and the market situation.

Risk management strategy had been changed in which margin outstanding structure is mainly allocated on large-cap, fundamental stocks and strong background customers. Risk management activities, namely margin trading service, which was highly effective. Based on the result of bad debt assessment from margin trading services, we can see that there was no any new bad debt in the past year.

Risk Management Division has well-cooperated with Research Division to have advanced analyses of listing companies which is eligible for margin trading and many changes in risk management strategy in order to show effectiveness and flexibility with market changes. Simultaneously with using some data analysis tools developed by the software department of the IT Division and launching stock pricing models also strongly support Risk Management Division in collecting data quickly, accurately and effectively to submit to the Risk Management Committee.

With the market volatile in the last months of 2022, it is likely that in 2023 the market will enter a stable phase before returning to a strong growth period. Based on the market situation in 2022, the Risk Management Division will develop policies suitable for the general market in 2023. At the same time, focus more on good fundamental stocks to increase the proportion of that stock in the portfolio of securities allowed for margin trading, furthermore, policies will also focus on improving the process of evaluating margin-traded securities in order to minimize risks for PHS and customers as well as support the business of the whole company.

PHS has officially launched derivatives securities trading for 2 years, so the number of customers has many opportunities to grow up in 2023. Derivative product is increasingly expanding, so the development of risk management strategies in this product needs to be proactive and improve to minimize negative impacts. The main identified risks include: market risk, capital leverage, margin requirement, legal, liquidity and system risk. Therefore, Risk Management Division will be submitted criteria to control risk in real-time and suitable for the market in order to minimize risks in business activities in the derivative market.

Besides 2023, minimizing risks and support business operations are the most important strategies in risk management operation. In order to ensure those strategies, Risk Management Division will effort to cooperate with Research Division to have advanced analyses of listing companies which is eligible for margin trading and continue to use some data analysis tools developed by the software department of the IT Division to assist strongly Risk Management Division in collecting data quickly, accurately and efficiently to submit to the Risk Management Committee. We

will continue to apply more diversified margin list with different loan ratio to support safe and efficient business operations and increase competitiveness in the market.

Above of all, risk management policies in 2022 must ensure independence, flexibility, uniformity, efficiency and sustainability of business growth.

3.7. Information Technology

In 2022, PHS has invested heavily in IT infrastructure, comprehensively improved the website, mobile app, deployed the solution to link BIDV's account online with many features of deposit and withdrawal online to support customers to make transactions faster and more convenient. Applying digital technology solutions to the PHS's business and transaction activities.

PHS set up a backup datacenter to ensure the high level of continuous operation of the trading system. PHS has implemented and applied advanced technologies, established high safety and security standards, ensuring the conditions for safe operation of the trading system at all time.

PHS has implemented securities trading through the Bloomberg gateway, a modern trading tool with the function of receiving orders directly from the Bloomberg channel on the basis of a standard connection to Bloomberg's EMSX system. With this tool, foreign customers and foreign investment funds currently investing in Vietnam, can simultaneously trade in all markets in the world and place orders directly to PHS.

In 2023, PHS will focus on improving and investing deeply in technology and trading platforms to improve the quality of products and services, providing modern financial solutions and tools with the best efficiency for customers.

PHS will upgrade and comprehensively improve mobile app, web-trading to give customers the best experience of products and services that the company provides.

PHS continues to build backup datacenter to ensure the conditions for the continuous operation of the transaction system at the highest level.

In addition, PHS will work continuously with securities trading software provider in Vietnam, to upgrade the stock trading software to meet the technical requirements of the new trading system KRX in terms of processing speed, support for more market orders, new financial products of the Stock Exchange and Vietnam Securities Depository.

3.8. Human Resources

Recruitment is the process of finding and selecting suitable personnel to fill in the missing positions in the company. This process is essentially recruitment and selection. Effective recruitment will help the company to increase more personnel at the correct positions, improving work efficiency, saving costs and time. In recent years, the recruitment department has prioritized posting on recruitment websites such as TopCV, Vietnamworks, Career builder, Vieclam24h, etc. to find candidates. All information related to the position to be recruited such as title, job description, salary, bonus policy, remuneration regime, and how to apply, etc. are posted by the recruitment department. In addition, the recruitment department also builds its recruitment process, being careful at every step so as not to miss bright candidates.

So far, the term “engagement” has not been comprehensively interpreted by many people in the way of what it really is. Each definition approaches the term in different ways. It can be a psychological state such as commitment, or attachment, or it can be an attitude and behavior such as being highly productive, getting along with

colleagues, and giving your best to the company. For employee engagement, communication is key. Therefore, the recruitment & engagement department has continuously created and renewed internal communication contents on Base Inside - the company's internal communication channel to help employees understand more about the company's welfare company policies as well as organize internal events (employee birthday, team building, bowling, running, etc.) so that employees of the back office and Brokerage Division can exchange and understand each other better.

In parallel with recruitment and employee engagement, the department began to draw up the recruiting brand the company wanted to aim for, and it was accurately reflecting the experiences the company was committed to creating for employees, so they in turn bring similar values to their customers. And what recruiting & engagement department is aiming for is that employees can proudly say to others, "I'm proud to be a PHSer!"

Economy in 2022 has many fluctuations affecting financial activities in general and securities in particular, increasing the level of competition in the industry. With the motto that Human Resources is the company's competitive advantage, in 2022 PHS has built a comprehensive training roadmap for the employees. The company's training programs include the compulsory program of the State Securities Commission; the company's programs are trained in the form of direct learning (offline) and through E-learning system (online); The company's internal and external training programs from experts.

By the training roadmap in 2023, PHS aims to raise the bar for the employees not only with professional knowledge but also to build up professional sales processes and skills for each job position to help the company perform a mission to bring four values of innovation – efficiency – substance – simplicity to the customers. Through training courses, the company expects to help the employees have a long-term vision, develop their careers, and be able to make a long-term contribution to the company.

In the 4.0 technology era, PHS has pioneered training technology application through a professional management system. With a corporate governance system of BASE, the company has developed a forum as well as a data warehouse to help the employees in "active learning" through a methodology of knowledge exchange among the employees, reports – analysis and standard operating procedures of the company. As for the E-learning system, the company will monitor the employee's learning process to provide a suitable route for each employee so as to meet the job standards.

In recent years, enterprises are trying to build a beautiful and professional image with the backing of attractive salary, bonus policies and welfare regimes in order to attract the workforce. At the same time, employees have also focused on this point for their selection of long-term contribution place. Therefore, a satisfactory salary and welfare policy will bring the enterprises the following values:

- To ensure business operations are carried out according to plan. At the same time, the satisfaction and faith of employees could be gained.
- To ensure fairness to all employees, thereby promoting productivity and quality of labor.
- To enhance the value of business in the market compared to other enterprises in the same industry.

In order to achieve the core values that the enterprise is building up, some essential goals are identified as follows:

- Developing a salary, bonus and welfare policy that is not only to ensure the most basic living standards for employees, but also to ensure the goal that the Employees could feel secure and be able to make a long-term contribution, to bring high efficiency in work and to increase labor productivity at the enterprise with the following basic factors:
- Regulations on salary, bonus and welfare policies must be developed on the basis of conformity with the labor law, business situation and operating budget of the enterprise;
- The salary, bonus and welfare payment mechanism is built up according to the position, capacity and experience of the employee;
- Be able to ensure the factors of internal fairness in the enterprise and external competition in the market in order to create a healthy, harmonious and stable working environment.
- Developing a fair and transparent labor disciplinary regulation is the basis for scientific labor organization, maintaining labor order and stability in production and business operations within the enterprise in particular and on the whole society in general.

4. FORECAST FINANCIAL PERFORMANCE

ITEMS	2021 (Actual)	2022 (Forecast)	2023 (Budget)
1. Operating income	493,564,173,717	535,457,964,977	787,487,936,359
Gains from financial assets at fair value through profit or loss ("FVTPL")	9,985,315,892	2,020,728,735	37,817,140,812
Interest income from held-to-maturity investments	24,007,985,887	47,461,947,493	68,737,329,869
Interest income from loans and receivables	229,792,026,725	289,552,656,164	351,740,532,841
Revenue from securities brokerage	225,207,389,952	191,133,879,362	319,583,116,319
Revenue from securities custody	2,550,937,612	3,699,136,708	5,193,917,462
Revenue from financial advisory	460,909,090	558,343,434	3,410,000,000
Other operating income	1,559,608,559	1,031,273,081	1,005,899,056
2. Operating expenses	214,677,255,800	212,502,952,533	328,057,767,588
Inside: Write-off expenses/ Provision for bad debt	(2,870,836,145)	5,871,071,038	10,041,895,475
3. Financial Income	15,803,463,964	6,586,622,556	616,802,484
4. Financial expenses	46,541,321,977	157,163,418,672	197,036,970,046
5. General and administration expenses	71,782,028,606	96,244,567,336	117,713,329,290
6. Profit/(loss) from operating	176,367,031,298	76,133,648,992	145,296,671,919
7. Other operating profit / (loss)	59,909,896	794,572,437	-
8. Net profit/ (loss) before tax	176,426,941,194	76,928,221,429	145,296,671,919
9. Corporate income Tax	35,491,834,267	15,628,924,244	29,735,679,189
10. Net profit/ (loss) after tax	140,935,106,927	61,299,297,185	115,560,992,730