

No: 99/2023/PHS-PL  
Ref.: disclosing Meeting Minutes  
and Resolution of Annual General  
Meeting of Shareholders in 2023

*Ho Chi Minh City, 20 April 2023*

**INFORMATION DISCLOSURE ON WEBSITE OF  
STATE SECURITIES COMMISSION**

**To:**

- **State Securities Commission**
- **Vietnam Exchange**
- **Hanoi Stock Exchange**

Name: **PHU HUNG SECURITIES CORPORATION (PHS)**

Headquarters: 21<sup>st</sup> Floor, Phu My Hung Tower, 08 Hoang Van Thai, Tan Phu Ward, District 7, Ho Chi Minh City.

Phone: (+84 28) 5413 5479

Fax: (+84 28) 5413 5472

Person to implement information disclosure: Mr. Chen Chia Ken

Type of information disclosure: ☐ 24 hours ☐ 72 hours ☐ Unusual ☒ Periodic

**Information of disclosed content:**

According to Circular 96/2020/TT-BTC on guidance for information disclosure in the stock market, PHS sincerely discloses Meeting Minutes and Resolution of Annual General Meeting of Shareholders in 2023 (further information, please find the attachments).

The information is disclosed on PHS's website at <https://www.phs.vn>, tab Investor Relations, and section Shareholder Information.

PHS undertakes the information disclosure above is true and takes entire responsibility to the laws for information of disclosed content.

**Attachments:**

1. Meeting Minutes No. 01/2023/BB-DHDCD dated 20 April 2023;
2. Resolution No. 01/2023/NQ-DHDCD dated 20 April 2023.

**Recipient:**

- As above;
- Archive at Company Secretariat;
- Archive at Legal Division.

**PERSON TO IMPLEMENT  
INFORMATION DISCLOSURE**



**Mr. CHEN CHIA KEN**

**MINUTES OF MEETING  
THE ANNUAL GENERAL MEETING OF SHAREHOLDERS  
DATED APRIL 20<sup>th</sup>, 2023  
PHU HUNG SECURITIES CORPORATION**

- Company name: : Phu Hung Securities Corporation (PHS)
- Address: : 21<sup>st</sup> Floor, Phu My Hung Tower, 08 Hoang Van Thai, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam
- Business code : 0313642887
- Business license: : 122/GP-UBCK issued by State Securities Committee dated 20/01/2016
- Time : Commencing at 2 P.M on April 20<sup>th</sup>, 2023  
Ending at 3:40 P.M on April 20<sup>th</sup>, 2023
- Venue : 21<sup>st</sup> Floor, Phu My Hung Tower, 08 Hoang Van Thai, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam
- Agenda : According to the Agenda of the Annual General Meeting of Shareholders dated April 20<sup>th</sup>, 2023 which was noticed to all shareholders
- Chairman of the Meeting : Mr. Chen Chia Ken
- Meeting Secretariat : Ms. Phan Thi Kim Anh – Chief of Meeting Secretariat
- Scrutiny team: : Ms. Nguyen Thi Kien Cham – Chief of scrutiny team  
Ms. Tran Thi Thien Trang – Member  
Ms. Nguyen Thi Thanh Thuy – Member
- Attendees: : The attending shareholders and their authorized persons are 26 shareholders; representing 147,095,440 shares; taking 98.057528% of the total voting shares of the Company.
- The Annual General Meeting of Shareholders dated April 20<sup>th</sup>, 2023 ("**Meeting**") thereby convened in validation as per Law on Enterprise and Charter of Phu Hung Securities Corporation



## I. MEETING OPENING PROCEDURE

1. Shareholders register attendances to receive documents, voting papers, voting cards.
2. Ms. Nguyen Thi Kien Cham reads the report on Shareholder status verification.
3. Ms. Chieu Nha Thy introduces the participants in the Meeting:

♦ Chairman:

Mr. Chen Chia Ken – Member of the Board of Directors cum General Director  
General Director, Chairman of the Meeting.

♦ Meeting Secretariat:

Ms. Phan Thi Kim Anh – Chief of Meeting Secretariat

♦ Scrutiny team:

Ms. Nguyen Thi Kien Cham – Chief of scrutiny team

Ms. Tran Thi Thien Trang – Member of scrutiny team

Ms. Nguyen Thi Thanh Thuy – Member of scrutiny team

Shareholders votes for passing members of Chairman, Meeting Secretariat, Scrutiny team with 100% of "agree" ratio.

The Chairman, Secretariat, and Scrutiny team start proceeding the Meeting.

4. Chairman declares agenda of the Meeting.
5. Ms. Chieu Nha Thy reads the voting guidelines.
6. The Annual General Meeting of Shareholders dated April 20<sup>th</sup>, 2023 votes for passing agenda, voting guidelines and voting method of the Meeting. Voting has 100% of "agree" ratio.

## II. CONFERENCE AND VOTING

### Subject 1. Discuss and pass audited Financial statement in 2022

The Board of Directors submits Shareholders to pass the audited Financial Statements in 2022 as attachment.

Shareholders vote to pass with the ratio as below:

| Vote result  | Number of shares (shares) | Percentage |
|--------------|---------------------------|------------|
| Valid vote   | 147,095,409               | 100%       |
| Invalid vote | 0                         | 0%         |
| Agree        | 147,095,409               | 100%       |
| Disagree     | 0                         | 0%         |
| Abstain      | 0                         | 0%         |

**Subject 2. Discuss and pass the Report of the Board of Directors on the Business performance in 2022**

The Board of Directors submits Shareholders to pass the Report of the Board of Directors on the Business performance in 2022 as attachment.

Shareholders vote to pass with the ratio as below:

| Vote result  | Number of shares (shares) | Percentage |
|--------------|---------------------------|------------|
| Valid vote   | 147,095,409               | 100%       |
| Invalid vote | 0                         | 0%         |
| Agree        | 147,095,409               | 100%       |
| Disagree     | 0                         | 0%         |
| Abstain      | 0                         | 0%         |

**Subject 3. Discuss and pass the Report of the Inspection Committee on the Business performance in 2022**

The Board of Directors submits Shareholders to pass the Report of the Inspection Committee on the Business performance in 2022 as attachment.

Shareholders vote to pass with the ratio as below:

| Vote result  | Number of shares (shares) | Percentage |
|--------------|---------------------------|------------|
| Valid vote   | 147,095,409               | 100%       |
| Invalid vote | 0                         | 0%         |
| Agree        | 147,095,409               | 100%       |
| Disagree     | 0                         | 0%         |
| Abstain      | 0                         | 0%         |

**Subject 4. Discuss and pass the Report on Corporate governance of PHS in 2022**

The Board of Directors submits Shareholders to pass the Report on Corporate governance of PHS in 2022 as attachment.

Shareholders vote to pass with the ratio below:

| Vote result  | Number of shares (shares) | Percentage |
|--------------|---------------------------|------------|
| Valid vote   | 147,095,409               | 100%       |
| Invalid vote | 0                         | 0%         |
| Agree        | 147,095,409               | 100%       |
| Disagree     | 0                         | 0%         |
| Abstain      | 0                         | 0%         |

**Subject 5. Discuss and pass the Report on updating the charter capital in Charter of PHS in 2022**

The Board of Directors submits Shareholders to pass the Report on updating the charter capital in Charter of PHS in 2022 as attachment.



Shareholders vote to pass with the ratio below:

| Vote result  | Number of shares (shares) | Percentage |
|--------------|---------------------------|------------|
| Valid vote   | 147,095,409               | 100%       |
| Invalid vote | 0                         | 0%         |
| Agree        | 147,095,409               | 100%       |
| Disagree     | 0                         | 0%         |
| Abstain      | 0                         | 0%         |

**Subject 6. Discuss and pass the Development and Business plan of PHS in 2023**

The Board of Directors submits Shareholders to pass the Development and Business plan of PHS in 2023 as attachment.

Shareholders vote to pass with the ratio below:

| Vote result  | Number of shares (shares) | Percentage |
|--------------|---------------------------|------------|
| Valid vote   | 147,095,409               | 100%       |
| Invalid vote | 0                         | 0%         |
| Agree        | 147,095,403               | 99.999996% |
| Disagree     | 0                         | 0%         |
| Abstain      | 6                         | 0.000004%  |

**Subject 7. Discuss and pass the Financial budget in 2023**

The Board of Directors submits Shareholders to pass Financial budget in 2023 as attachment.

Shareholders vote to pass with the ratio below:

| Vote result  | Number of shares (shares) | Percentage |
|--------------|---------------------------|------------|
| Valid vote   | 147,095,409               | 100%       |
| Invalid vote | 0                         | 0%         |
| Agree        | 147,094,888               | 99.99965%  |
| Disagree     | 0                         | 0%         |
| Abstain      | 521                       | 0.00035%   |

**Subject 8. Discuss and pass the selection of Auditor in 2023**

The Board of Directors submits Shareholders to pass the selection of Auditor in 2023 as attachment.

Shareholders vote to pass with the ratio below:

| Vote result  | Number of shares (shares) | Percentage |
|--------------|---------------------------|------------|
| Valid vote   | 147,095,409               | 100%       |
| Invalid vote | 0                         | 0%         |
| Agree        | 147,095,409               | 100%       |
| Disagree     | 0                         | 0%         |
| Abstain      | 0                         | 0%         |

**Subject 9. Discuss and pass the Plan for handling the operational risk and financial reserve funds and the authorization for the Board of Directors to perform related works**

The Board of Directors submits AGMS to pass the Plan for handling the operational risk and financial reserve funds and the authorization for the Board of Directors to perform related works as attachment.

Shareholders vote to pass with the ratio as below:

| Vote result  | Number of shares (shares) | Percentage |
|--------------|---------------------------|------------|
| Valid vote   | 147,095,409               | 100%       |
| Invalid vote | 0                         | 0%         |
| Agree        | 147,095,409               | 100%       |
| Disagree     | 0                         | 0%         |
| Abstain      | 0                         | 0%         |

**Subject 10. Discuss and pass the Profit Distribution Plan in 2022 and the authorization for the Board of Directors to choose the suitable time and proceed the procedure to pay dividend for shareholders**

The Board of Directors submits Shareholders to pass the Profit Distribution Plan in 2022 and the authorization for the Board of Directors to choose the suitable time and proceed the procedure to pay dividend for shareholders as attachment

Shareholders vote to pass with the ratio below:

| Vote result  | Number of shares (shares) | Percentage |
|--------------|---------------------------|------------|
| Valid vote   | 147,095,409               | 100%       |
| Invalid vote | 0                         | 0%         |
| Agree        | 147,095,403               | 99.999996% |
| Disagree     | 0                         | 0%         |
| Abstain      | 6                         | 0.000004%  |

**Subject 11. Discuss and pass the revised Charter of PHS**

The Board of Directors submits Shareholders to pass the revised Charter of PHS as attachment.

Shareholders vote to pass with the ratio below:

| Vote result  | Number of shares (shares) | Percentage |
|--------------|---------------------------|------------|
| Valid vote   | 147,095,409               | 100%       |
| Invalid vote | 0                         | 0%         |
| Agree        | 147,095,403               | 99.999996% |
| Disagree     | 0                         | 0%         |
| Abstain      | 6                         | 0.000004%  |



### III. MEETING CLOSURE

Ms. Phan Thi Kim Anh reads the Minutes of Meeting and the Resolution of the Annual General Meeting of Shareholders.

The Minutes of Meeting and the Resolution are passed with the ratio below:

| Vote result  | Number of shares (shares) | Percentage  |
|--------------|---------------------------|-------------|
| Valid vote   | 147,095,431               | 99.9999995% |
| Invalid vote | 8                         | 0.000005%   |
| Agree        | 147,095,431               | 100%        |
| Disagree     | 0                         | 0%          |
| Abstain      | 0                         | 0%          |

MEETING SECRETARIAT



Ms. PHAN THI KIM ANH

CHAIRMAN OF THE MEETING



Mr. CHEN CHIA KEN

**Enclosure:**

|     |  |
|-----|--|
| 1.  | Submission on the Audited Financial Statement in 2022<br>(Enclosure: The Audited Financial Statement in 2022)  |
| 2.  | Submission on the Report of the Board of Directors on the Business performance in 2022   |
| 3.  | Submission on the Report of the Inspection Committee on the Business performance in 2022   |
| 4.  | Submission on the Report on Corporate governance of PHS in 2022<br>(Enclosure: Report on Corporate governance of PHS in 2022)  |
| 5.  | Submission on the Report on updating the charter capital in Charter of PHS in 2022   |
| 6.  | Submission on the Development and Business plan of PHS in 2023<br>(Enclosure: Development and Business plan of PHS in 2023)  |
| 7.  | Submission on the Financial budget in 2023   |
| 8.  | Submission on the Selection of Auditor in 2023   |
| 9.  | Submission on the Plan for handling the operational risk and financial reserve funds and the authorization for the Board of Directors to perform related works                             |
| 10. | Submission on the Profit Distribution Plan in 2022 and the authorization for the Board of Directors to choose the suitable time and proceed the procedure to pay dividend for shareholders |
| 11. | Submission on the revised Charter of PHS<br>(Enclosure: Draft Charter, Comparison table between the current Charter and revised Charter)   |







**RESOLUTION**  
**THE ANNUAL GENERAL MEETING OF SHAREHOLDERS**  
**PHU HUNG SECURITIES CORPORATION**

Pursuant to:

- Law on Enterprises No. 59/2020/QH14;
- The current Charter of Phu Hung Securities Corporation;
- The Meeting minutes of the General Meeting of Shareholder No. 01/2023/BB-ĐHĐCĐ dated April 20<sup>th</sup>, 2023 of Phu Hung Securities Corporation;
- Report on shareholder status verification and minutes of scrutiny at the Annual General Meeting of Shareholders.

The Annual General Meeting of Shareholders ("AGMS") of Phu Hung Securities Corporation is held at 2 P.M on April 20<sup>th</sup>, 2023 at 21<sup>st</sup> Floor, Phu My Hung Tower, 08 Hoang Van Thai, Tan Phu Ward, District 7, Ho Chi Minh City, which thereby is convened in validation.

**Attendees:**

- Shareholders of Phu Hung Securities Corporation (PHS) as the list recorded on March 23<sup>rd</sup>, 2023.
- Number of attending shareholders: 26 shareholders and the authorized persons, representing 147,095,440 shares, taking 98.057528% of the total voting shares of the Company.

**RESOLVES TO**

The AGMS of Phu Hung Securities Corporation consents to pass these following Resolutions:

**RESOLUTION 1. PASS THE AUDITED FINANCIAL STATEMENT IN 2022**

The AGMS consents to pass the Audited Financial Statement in 2022 as attachment.

**RESOLUTION 2. PASS THE REPORT OF THE BOARD OF DIRECTORS ON THE BUSINESS PERFORMANCE IN 2022**

The AGMS consents to pass the Report of the Board of Directors on the Business performance in 2022 as attachment.





**RESOLUTION 3. PASS THE REPORT OF THE INSPECTION COMMITTEE ON THE BUSINESS PERFORMANCE IN 2022**

The AGMS consents to pass the Report of the Inspection Committee on the Business performance in 2022 as attachment.

**RESOLUTION 4. PASS THE REPORT ON CORPORATE GOVERNANCE OF PHS IN 2022**

The AGMS consents to pass the Report on Corporate Governance of PHS in 2022 as attachment.

**RESOLUTION 5. PASS THE REPORT ON UPDATING THE CHARTER CAPITAL IN CHARTER OF PHS IN 2022**

The AGMS consents to pass Report on updating the charter capital in Charter of PHS in 2022 as attachment.

**RESOLUTION 6. PASS THE DEVELOPMENT AND BUSINESS PLAN OF PHS IN 2023**

The AGMS consents to pass the Development and Business plan of PHS in 2023 as attachment.

**RESOLUTION 7. PASS THE FINANCIAL BUDGET IN 2023**

The AGMS consents to pass the Financial Budget of the Company in 2023 as attachment.

**RESOLUTION 8. PASS THE SELECTION OF AUDITOR IN 2023**

The AGMS consents to pass the Selection of Auditor in 2023 as attachment.

**RESOLUTION 9. PASS THE PLAN FOR HANDLING THE OPERATIONAL RISK AND FINANCIAL RESERVE FUNDS AND THE AUTHORIZATION FOR THE BOARD OF DIRECTORS TO PERFORM RELATED WORKS**

The AGMS consents to pass the Plan for handling the operational risk and financial reserve funds and the authorization for the Board of Directors to perform related works as attachment.

**RESOLUTION 10. PASS THE PROFIT DISTRIBUTION PLAN IN 2022 AND THE AUTHORIZATION FOR THE BOARD OF DIRECTORS TO CHOOSE THE SUITABLE TIME AND PROCEED THE PROCEDURE TO PAY DIVIDEND FOR SHAREHOLDER**

The AGMS consents to pass the Profit Distribution Plan in 2022 and the authorization for the Board of Directors to choose the suitable time and proceed the procedure to pay dividend for shareholders as attachment.

## **RESOLUTION 11. PASS THE REVISED CHARTER OF PHS**

The AGMS consents to pass the revised charter of PHS as attachment.

## **RESOLUTION 12. ORGANIZING IMPLEMENTATION**

The resolution is effective from April 20<sup>th</sup>, 2023.

The Board of Directors of Phu Hung Securities Corporation is responsible for organizing, leading the Company to implement the above content of the Resolution.

**ON BEHALF OF THE ANNUAL GENERAL  
MEETING OF SHAREHOLDERS  
CHAIRMAN OF MEETING**



**Mr. CHEN CHIA KEN**







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

|  |               |                   |
|--|---------------|-------------------|
| <b>Establishment and<br/>Operation Licence No.</b> | 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.

|  |            |                 |
|--|------------|-----------------|
| <b>Enterprise Registration<br/>Certificate No.</b> | 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.

|                             |                            |                                 |
|-----------------------------|----------------------------|---------------------------------|
| <b>Board of Directors</b>   | 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              |
| <b>Inspection Committee</b> | 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<br>(until 31 March 2022) |
| <b>Board of Management</b>  | 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**

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





KPMG Limited Branch  
10th Floor, Sun Wah Tower  
115 Nguyen Hue Street, Ben Nghe Ward  
District 1, Ho Chi Minh City, Vietnam  
+84 (28) 3821 9266 | kpmg.com.vn

## 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<br>VND        | 31/12/2021<br>VND        |
|---|------------|-----------|--------------------------|--------------------------|
| <b>ASSETS</b>   |            |           |                          |                          |
| <b>A CURRENT ASSETS</b><br>(100 = 110 + 130)                      | <b>100</b> |           | <b>3,594,952,135,875</b> | <b>4,694,128,159,696</b> |
| <b>I Financial assets</b>   | <b>110</b> |           | <b>3,591,804,899,063</b> | <b>4,690,984,620,985</b> |
| 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)          |
| <b>II Other current assets</b>                                    | <b>130</b> |           | <b>3,147,236,812</b>     | <b>3,143,538,711</b>     |
| 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>B LONG-TERM ASSETS</b><br>(200 = 220 + 240 + 250)              | <b>200</b> |           | <b>81,271,404,320</b>    | <b>72,782,576,721</b>    |
| <b>II Fixed assets</b>  | <b>220</b> |           | <b>30,020,996,970</b>    | <b>29,692,392,748</b>    |
| 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)         |
| <b>IV Construction in progress</b>                                | <b>240</b> | <b>15</b> | <b>1,633,369,056</b>     | <b>3,461,452,486</b>     |
| <b>V Other long-term assets</b>                                   | <b>250</b> |           | <b>49,617,038,294</b>    | <b>39,628,731,487</b>    |
| 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           |
| <b>TOTAL ASSETS</b><br>(270 = 100 + 200)                          | <b>270</b> |           | <b>3,676,223,540,195</b> | <b>4,766,910,736,417</b> |

*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<br>VND        | 31/12/2021<br>VND        |
|---|------------|-------|--------------------------|--------------------------|
| <b>C LIABILITIES</b><br><b>(300 = 310 + 340)</b>          | <b>300</b> |       | <b>2,078,779,920,986</b> | <b>3,162,246,553,967</b> |
| <b>I Current liabilities</b>                              | <b>310</b> |       | <b>2,076,799,906,542</b> | <b>3,160,454,543,133</b> |
| 1 Short-term borrowings and<br>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<br>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            |
| <b>II Long-term liabilities</b>                           | <b>340</b> |       | <b>1,980,014,444</b>     | <b>1,792,010,834</b>     |
| 12 Provisions – long-term                                 | 354        |       | 1,980,014,444            | 1,792,010,834            |
| <b>D EQUITY (400 = 410)</b>                               | <b>400</b> |       | <b>1,597,443,619,209</b> | <b>1,604,664,182,450</b> |
| <b>I Owners' equity</b>                                   | <b>410</b> |       | <b>1,597,443,619,209</b> | <b>1,604,664,182,450</b> |
| 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<br>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           |
| <b>TOTAL LIABILITIES AND<br/>EQUITY (440 = 300 + 400)</b> | <b>440</b> |       | <b>3,676,223,540,195</b> | <b>4,766,910,736,417</b> |

*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**

|  | <b>Code</b> | <b>31/12/2022<br/>VND</b> | <b>31/12/2021<br/>VND</b> |
|--|-------------|---------------------------|---------------------------|
| <b>A. THE COMPANY'S ASSETS</b>   |             |                           |                           |
| 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>B. ASSETS AND LIABILITIES RELATING TO ASSETS MANAGED BY THE COMPANY</b>                   |             |                           |                           |
| 1 Investors'/customers' listed/registered financial assets at VSD                            | 021         | 6,855,539,762,000         | 6,163,044,661,000         |
| <i>a Freely traded financial assets</i>  | 021.1       | 6,168,361,102,000         | 5,709,378,146,000         |
| <i>b Financial assets restricted on transfer</i>   | 021.2       | 109,765,880,000           | 38,204,410,000            |
| <i>c Pledged financial assets</i>  | 021.3       | 203,667,990,000           | 180,639,500,000           |
| <i>d Blocked financial assets</i>  | 021.4       | 308,993,160,000           | 70,000                    |
| <i>e Financial assets awaiting settlement</i>  | 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           |
| <i>a Freely traded financial assets custodied at VSD but not yet traded</i>                  | 022.1       | 96,265,250,000            | 89,740,910,000            |
| <i>b Custodied financial assets at VSD but not yet traded and restricted on transfer</i>     | 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<br>VND | 31/12/2021<br>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<br>VND            | 2021<br>VND            |
|--|-----------|-------|------------------------|------------------------|
| <b>I OPERATING INCOME</b>  |           |       |                        |                        |
| 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          |
| <b>Total operating income</b>  | <b>20</b> |       | <b>535,614,846,581</b> | <b>493,564,173,717</b> |
| <b>II OPERATING EXPENSES</b>   |           |       |                        |                        |
| 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)        |
| <b>Total operating expenses</b>  | <b>40</b> |       | <b>210,776,663,446</b> | <b>214,677,255,800</b> |

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)*

|             |   | <b>Code</b> | <b>Note</b> | <b>2022<br/>VND</b>    | <b>2021<br/>VND</b>    |
|-------------|---|-------------|-------------|------------------------|------------------------|
| <b>III</b>  | <b>FINANCIAL INCOME</b>   |             |             |                        |                        |
| 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            |
|             | <b>Total financial income</b>   | <b>50</b>   |             | <b>58,233,925,239</b>  | <b>15,803,463,964</b>  |
| <b>IV</b>   | <b>FINANCIAL EXPENSES</b>   |             |             |                        |                        |
| 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         |
|             | <b>Total financial expenses</b>   | <b>60</b>   |             | <b>213,976,716,652</b> | <b>46,541,321,977</b>  |
| <b>VI</b>   | <b>GENERAL AND ADMINISTRATION EXPENSES</b>                                | <b>62</b>   | <b>31</b>   | <b>96,158,826,067</b>  | <b>71,782,028,606</b>  |
| <b>VII</b>  | <b>RESULTS FROM OPERATING ACTIVITIES</b><br>(70 = 20 + 50 – 40 – 60 – 62) | <b>70</b>   |             | <b>72,936,565,655</b>  | <b>176,367,031,298</b> |
| <b>VIII</b> | <b>OTHER INCOME AND OTHER EXPENSES</b>                                    |             |             |                        |                        |
| 8.1         | Other income  | 71          |             | 806,933,548            | 229,147,188            |
| 8.2         | Other expenses  | 72          |             | 60,625,404             | 169,237,292            |
|             | <b>Results from other activities</b><br>(80 = 71 – 72)                    | <b>80</b>   |             | <b>746,308,144</b>     | <b>59,909,896</b>      |
| <b>IX</b>   | <b>ACCOUNTING PROFIT BEFORE TAX</b> (90 = 70 + 80)                        | <b>90</b>   |             | <b>73,682,873,799</b>  | <b>176,426,941,194</b> |
| 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)*

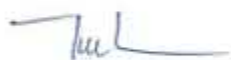
|             |  | <b>Code</b> | <b>Note</b> | <b>2022<br/>VND</b>   | <b>2021<br/>VND</b>    |
|-------------|--|-------------|-------------|-----------------------|------------------------|
| <b>X</b>    | <b>INCOME TAX EXPENSE</b>                        | <b>100</b>  |             | <b>13,703,672,240</b> | <b>35,491,834,267</b>  |
| 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             |
| <b>XI</b>   | <b>NET PROFIT AFTER TAX<br/>(200 = 90 - 100)</b> | <b>200</b>  |             | <b>59,979,201,559</b> | <b>140,935,106,927</b> |
| <b>XII</b>  | <b>OTHER COMPREHENSIVE<br/>INCOME</b>            | <b>300</b>  |             | -                     | -                      |
| <b>XIII</b> | <b>EARNINGS PER SHARE</b>                        | <b>500</b>  |             |                       | <b>(Restated)</b>      |
| 13.1        | Basic earnings per share                         | 501         | 33          | 400                   | 1,229                  |

2 March 2023

Prepared by:

Reviewed by:

Approved by:






Ms. Nguyen Phuong Trinh  
Accounting Staff

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**

**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<br>VND            | 2021<br>VND                |
|--|-----------|------------------------|----------------------------|
| <b>I CASH FLOWS FROM OPERATING ACTIVITIES</b>  |           |                        |                            |
| <b>1 Profit before tax</b>   | <b>01</b> | <b>73,682,873,799</b>  | <b>176,426,941,194</b>     |
| <b>2 Adjustments for</b>   | <b>02</b> | <b>52,377,239,979</b>  | <b>10,307,722,710</b>      |
| 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)           |
| <b>3 Change in non-monetary expenses</b>   | <b>10</b> | <b>513,762,373</b>     | <b>205,258,858</b>         |
| Increase in revaluation losses from financial assets at FVTPL                        | 11        | 513,762,373            | 205,258,858                |
| <b>4 Change in non-monetary income</b>   | <b>18</b> | <b>1,827,492,604</b>   | <b>(1,630,790,280)</b>     |
| Decrease/(increase) in revaluation gains from financial assets at FVTPL              | 19        | 1,827,492,604          | (1,630,790,280)            |
| <b>5 Operating profit before changes in working capital (30 = 01 + 02 + 10 + 18)</b> | <b>30</b> | <b>128,401,368,755</b> | <b>185,309,132,482</b>     |
| 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            |
| <b>Net cash flows from operating activities</b>                                      | <b>60</b> | <b>895,097,184,727</b> | <b>(1,786,025,095,133)</b> |

*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)*

|  | <b>Code</b>  | <b>2022<br/>VND</b>      | <b>2021<br/>VND</b>      |
|--|--------------|--------------------------|--------------------------|
| <b>II CASH FLOWS FROM INVESTING ACTIVITIES</b>                       |              |                          |                          |
| Payments for additions to fixed assets<br>and other long-term assets | 61           | (10,323,714,256)         | (6,809,335,019)          |
| <b>Net cash flows from investing<br/>activities</b>                  | <b>70</b>    | <b>(10,323,714,256)</b>  | <b>(6,809,335,019)</b>   |
| <b>III CASH FLOWS FROM FINANCING ACTIVITIES</b>                      |              |                          |                          |
| 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)         |
| <b>Net cash flows from financing<br/>activities</b>                  | <b>80</b>    | <b>(445,668,495,240)</b> | <b>1,990,091,938,880</b> |
| <b>Net cash flows during the year</b>                                | <b>90</b>    | <b>439,104,975,231</b>   | <b>197,257,508,728</b>   |
| <b>Cash and cash equivalents at the<br/>beginning of the year</b>    | <b>101</b>   | <b>324,775,589,207</b>   | <b>127,518,080,479</b>   |
| <b>Cash and cash equivalents at the end<br/>of the year (Note 5)</b> | <b>103</b>   | <b>763,880,564,438</b>   | <b>324,775,589,207</b>   |
| ▪ <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  
dated 27 December 2016 of the Ministry of Finance)*

**CASH FLOWS OF CUSTOMERS FOR BROKERAGE AND ENTRUSTMENT ACTIVITIES**

|   | <b>Code</b> | <b>2022<br/>VND</b>    | <b>2021<br/>VND</b>    |
|---|-------------|------------------------|------------------------|
| <b>Cash flows of customers for brokerage and entrustment activities</b>             |             |                        |                        |
| 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)        |
| <b>Net cash flows during the year</b>   | <b>20</b>   | <b>188,574,615,983</b> | <b>93,859,607,566</b>  |
| <b>Cash and cash equivalents of customers at the beginning of the year</b>          | <b>30</b>   | <b>298,101,713,984</b> | <b>204,242,106,418</b> |
| 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        |
| <b>Cash and cash equivalents of customers at the end of the year (40 = 20 + 30)</b> | <b>40</b>   | <b>486,676,329,967</b> | <b>298,101,713,984</b> |
| 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               | 31/12/2021               | 31/12/2022               |
|  | VND                    | VND                      | Increase<br>VND                 | (Decrease)<br>VND       | Increase<br>VND        | (Decrease)<br>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<br>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<br>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           |
| <b>Total</b>                           | <b>993,428,913,823</b> | <b>1,604,664,182,450</b> | <b>655,028,617,619</b>          | <b>(43,793,348,992)</b> | <b>160,077,391,559</b> | <b>(167,297,954,800)</b> | <b>1,604,664,182,450</b> | <b>1,597,443,619,209</b> |

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**

### **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  
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**(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**

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**(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**

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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  
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|                                     | <b>Annual allocation</b> | <b>Maximum balance</b> |
|-------------------------------------|--------------------------|------------------------|
| 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**

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**(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<br>VND       | 31/12/2021<br>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                |
|   | <hr/> 3,628,504,649,612 | <hr/> 4,704,975,694,728 <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)***(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<br>VND    | 31/12/2021<br>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<br>VND    | 31/12/2021<br>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:

|   | <b>31/12/2022<br/>VND</b> | <b>31/12/2021<br/>VND</b> |
|---|---------------------------|---------------------------|
| 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:

| <b>As at 31 December 2022</b>                      | <b>Carrying<br/>amount<br/>VND</b> | <b>Contractual<br/>cash flows<br/>VND</b> | <b>Within<br/>1 year<br/>VND</b> |
|--|------------------------------------|---|----------------------------------|
| 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                    |
|  | <b>2,050,453,857,687</b>           | <b>2,092,166,225,863</b>                  | <b>2,092,166,225,863</b>         |
| <b>As at 31 December 2021</b>                      | <b>Carrying<br/>amount<br/>VND</b> | <b>Contractual<br/>cash flows<br/>VND</b> | <b>Within<br/>1 year<br/>VND</b> |
| 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                    |
|  | <b>3,122,870,559,571</b>           | <b>3,131,426,048,129</b>                  | <b>3,131,426,048,129</b>         |

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:

|                       | <b>31/12/2022</b> |                       | <b>31/12/2021</b> |                       |
|-----------------------|-------------------|-----------------------|-------------------|-----------------------|
|                       | <b>USD</b>        | <b>VND equivalent</b> | <b>USD</b>        | <b>VND equivalent</b> |
| 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:

|         | <b>Exchange rate as at</b> |                   |
|---------|----------------------------|-------------------|
|         | <b>31/12/2022</b>          | <b>31/12/2021</b> |
| 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.

|   | <b>Effect to net profit after tax VND</b> |
|---|---|
| <b>As at 31 December 2022</b>                               |   |
| USD (4% strengthening against VND) – decrease in net profit | 55,456,640,000                            |
| <b>As at 31 December 2021</b>                               |   |
| 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<br>VND   | 31/12/2021<br>VND   |
| <b>Interest-bearing instruments</b> |                     |                     |
| 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.

**Phu Hung Securities Corporation**

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

**Form B09 – CTCK**

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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<br>VND | Fair value<br>VND | Carrying amount<br>VND | Fair value<br>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         | (*)               |



**Phu Hung Securities Corporation**

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

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|  | 31/12/2022             |                   | 31/12/2021             |                   |
|--|------------------------|-------------------|------------------------|-------------------|
|  | Carrying amount<br>VND | Fair value<br>VND | Carrying amount<br>VND | Fair value<br>VND |
| <b>Financial liabilities</b>                         |                        |                   |                        |                   |
| <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.



**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)***5. Cash and cash equivalents**

|                      | <b>31/12/2022<br/>VND</b> | <b>31/12/2021<br/>VND</b> |
|----------------------|---------------------------|---------------------------|
| 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           |
|                      | <b>763,880,564,438</b>    | <b>324,775,589,207</b>    |

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**

|                               | <b>2022</b>                       |  | <b>2021</b>                       |  |
|-------------------------------|-----------------------------------|--|-----------------------------------|--|
|                               | <b>Volume of<br/>transactions</b> | <b>Value of<br/>transactions<br/>VND</b> | <b>Volume of<br/>transactions</b> | <b>Value of<br/>transactions<br/>VND</b> |
| <b>a) The Company</b>         |                                   |  |                                   |  |
| 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>b) Investors/customers</b> |                                   |  |                                   |  |
| 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                          |
|                               | <b>4,238,259,931</b>              | <b>118,475,628,025,116</b>               | <b>5,562,951,662</b>              | <b>146,606,111,230,820</b>               |

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

|  | <b>31/12/2022</b>    |                           | <b>31/12/2021</b>     |                           |
|--|----------------------|---------------------------|-----------------------|---------------------------|
|  | <b>Cost<br/>VND</b>  | <b>Fair value<br/>VND</b> | <b>Cost<br/>VND</b>   | <b>Fair value<br/>VND</b> |
| 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                 |
|  | <b>7,429,005,677</b> | <b>6,715,109,065</b>      | <b>17,794,341,772</b> | <b>19,421,700,137</b>     |

**Phu Hung Securities Corporation**

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

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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<br>VND<br>(2) | Revaluation difference as at 31 December 2022 |  |   |
|----------------------|----------|--------------------|--------------------------|---|--|---|
|                      |          | Cost<br>VND<br>(1) |                          | Revaluation gain<br>VND<br>(3) = (2) – (1)    | Revaluation loss<br>VND<br>(4) = (1) – (2) | Revaluation value<br>VND<br>(5) = (1) + (3) – (4) |
| <b>Listed shares</b> |          |                    |                          |   |  |   |
| 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                                     |
| <b>UPCOM</b>         |          |                    |                          |   |  |   |
| 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<br>VND<br>(2) | Revaluation difference as at 31 December 2022 |  |   |
|------------------------|----------------|----------------------|--------------------------|---|--|---|
|                        |                | Cost<br>VND<br>(1)   |                          | Revaluation gain<br>VND<br>(3) = (2) – (1)    | Revaluation loss<br>VND<br>(4) = (1) – (2) | Revaluation value<br>VND<br>(5) = (1) + (3) – (4) |
| <b>Unlisted shares</b> |                |                      |                          |   |  |   |
| 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  |
|                        | <b>137,024</b> | <b>7,429,005,677</b> | <b>6,715,109,065</b>     | <b>56,698,708</b>                             | <b>770,595,320</b>                         | <b>6,715,109,065</b>                              |





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

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|                      | Quantity | 31/12/2021         | Fair value<br>VND<br>(2) | Revaluation difference as at 31 December 2021 |  |   |
|----------------------|----------|--------------------|--------------------------|---|--|---|
|                      |          | Cost<br>VND<br>(1) |                          | Revaluation gain<br>VND<br>(3) = (2) – (1)    | Revaluation loss<br>VND<br>(4) = (1) – (2) | Revaluation value<br>VND<br>(5) = (1) + (3) – (4) |
| <b>Listed shares</b> |          |                    |                          |   |  |   |
| 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                                    |
| <b>UPCOM</b>         |          |                    |                          |   |  |   |
| 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                                       |

**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)*

|                 | Quantity       | 31/12/2021            | Fair value<br>VND<br>(2) | Revaluation difference as at 31 December 2021 |  |   |
|-----------------|----------------|-----------------------|--------------------------|---|--|---|
|                 |                | Cost<br>VND<br>(1)    |                          | Revaluation gain<br>VND<br>(3) = (2) – (1)    | Revaluation loss<br>VND<br>(4) = (1) – (2) | Revaluation value<br>VND<br>(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   |
|                 | <b>412,417</b> | <b>17,794,341,772</b> | <b>19,421,700,137</b>    | <b>1,884,191,312</b>                          | <b>256,832,947</b>                         | <b>19,421,700,137</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)*

**(b) Held-to-maturity investments**

|   | <b>31/12/2022</b>   |                           | <b>31/12/2021</b>   |                           |
|---|---------------------|---------------------------|---------------------|---------------------------|
|   | <b>Cost<br/>VND</b> | <b>Fair value<br/>VND</b> | <b>Cost<br/>VND</b> | <b>Fair value<br/>VND</b> |
| 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**

|   | <b>31/12/2022</b>   |                           | <b>31/12/2021</b>   |                           |
|---|---------------------|---------------------------|---------------------|---------------------------|
|   | <b>Cost<br/>VND</b> | <b>Fair value<br/>VND</b> | <b>Cost<br/>VND</b> | <b>Fair value<br/>VND</b> |
| 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.



**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)***8. Receivables**

|   | 31/12/2022<br>VND    | 31/12/2021<br>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 |

**9. Receivables from services rendered**

|   | 31/12/2022<br>VND   | 31/12/2021<br>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 |

**10. Other receivables**

|   | 31/12/2022<br>VND    | 31/12/2021<br>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 |

- (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).

**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**

**(a) Allowance for diminution in value of financial assets**

**2022**

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

**2021**

|              | As at 31/12/2021 |                              |                  | Allowance<br>as at 31/12/2020<br>VND | Allowance made<br>during the year<br>VND |
|--------------|------------------|------------------------------|------------------|--------------------------------------|--|
|              | Cost<br>VND      | Recoverable<br>amount<br>VND | Allowance<br>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  
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**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<br>as at 31/12/2021<br>VND | Allowance made<br>during the year<br>VND |
|---|------------------|------------------------------|------------------|--------------------------------------|--|
|   | Cost<br>VND      | Recoverable<br>amount<br>VND | Allowance<br>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<br>as at 31/12/2020<br>VND | Allowance reversed<br>during the year<br>VND |
|---|------------------|------------------------------|------------------|--------------------------------------|--|
|   | Cost<br>VND      | Recoverable<br>amount<br>VND | Allowance<br>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**

|                     | <b>31/12/2022</b> | <b>31/12/2021</b> |
|---------------------|-------------------|-------------------|
|                     | <b>VND</b>        | <b>VND</b>        |
| 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**

|                           | <b>31/12/2022</b> | <b>31/12/2021</b> |
|---------------------------|-------------------|-------------------|
|                           | <b>VND</b>        | <b>VND</b>        |
| 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:

|                              | <b>2022</b>     | <b>2021</b>     |
|------------------------------|-----------------|-----------------|
|                              | <b>VND</b>      | <b>VND</b>      |
| 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**

| <b>2022</b>                                  | <b>Leasehold<br/>improvements<br/>VND</b> | <b>Office<br/>equipment<br/>VND</b> | <b>Motor<br/>vehicles<br/>VND</b> | <b>Fixtures and<br/>fittings<br/>VND</b> | <b>Total<br/>VND</b> |
|--|---|-------------------------------------|-----------------------------------|--|----------------------|
| <b>Cost</b>                                  |   |                                     |                                   |  |                      |
| Opening balance                              | 1,347,351,678                             | 39,688,270,879                      | 2,265,440,000                     | 327,405,769                              | 43,628,468,326       |
| Transfer from<br>construction in<br>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       |
| <b>Accumulated depreciation</b>              |   |                                     |                                   |  |                      |
| 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       |
| <b>Net book value</b>                        |   |                                     |                                   |  |                      |
| 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)**

| <b>2021</b>                     | <b>Leasehold improvements<br/>VND</b> | <b>Office equipment<br/>VND</b> | <b>Motor vehicles<br/>VND</b> | <b>Fixtures and fittings<br/>VND</b> | <b>Total<br/>VND</b> |
|---------------------------------|---------------------------------------|---------------------------------|-------------------------------|--------------------------------------|----------------------|
| <b>Cost</b>                     |                                       |                                 |                               |                                      |                      |
| 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       |
| <b>Accumulated depreciation</b> |                                       |                                 |                               |                                      |                      |
| 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       |
| <b>Net book value</b>           |                                       |                                 |                               |                                      |                      |
| 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)**

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**14. Intangible fixed assets**

|  | <b>2022<br/>Software<br/>VND</b> | <b>2021<br/>Software<br/>VND</b> |
|--|----------------------------------|----------------------------------|
| <b>Cost</b>                            |                                  |                                  |
| 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                   |
| <b>Accumulated amortisation</b>        |                                  |                                  |
| 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                   |
| <b>Net book value</b>                  |                                  |                                  |
| 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**

|   | <b>31/12/2022<br/>VND</b> | <b>31/12/2021<br/>VND</b> |
|---|---------------------------|---------------------------|
| 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**

|   | <b>31/12/2022<br/>VND</b> | <b>31/12/2021<br/>VND</b> |
|---|---------------------------|---------------------------|
| 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**

|   | <b>Tax rate</b> | <b>31/12/2022<br/>VND</b> | <b>31/12/2021<br/>VND</b> |
|---|-----------------|---------------------------|---------------------------|
| 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               | -                         |
|   |                 | <b>3,704,283,910</b>      | <b>604,102,167</b>        |
| Deferred tax liabilities:                             |                 |                           |                           |
| Gains from revaluation of financial assets at FVTPL   | 20%             | -                         | (325,471,673)             |
| Deferred tax assets - net                             |                 | <b>3,704,283,910</b>      | <b>278,630,494</b>        |

**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:

|                                   | <b>2022<br/>VND</b> | <b>2021<br/>VND</b> |
|-----------------------------------|---------------------|---------------------|
| 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**

|  | <b>31/12/2022<br/>VND</b> | <b>31/12/2021<br/>VND</b> |
|--|---------------------------|---------------------------|
| 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:

|                                   | <b>2022<br/>VND</b> | <b>2021<br/>VND</b> |
|-----------------------------------|---------------------|---------------------|
| 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 |
|-----------------------------------|-------------------|------------------------|------------------------------------|--------------------|----------------------|----------------------------------|--------------------------------------|
| <b>Short-term borrowings from</b> |                   |                        |                                    |                    |                      |                                  |                                      |
| ▪ 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**

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**21. Accounts payable for securities trading activities**

|   | <b>31/12/2022<br/>VND</b> | <b>31/12/2021<br/>VND</b> |
|---|---------------------------|---------------------------|
| 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                    |
|   | <b>199,342,817,216</b>    | <b>848,064,294,306</b>    |

**22. Taxes payable to State Treasury**

|                                    | <b>Opening balance<br/>as at 1/1/2022<br/>VND</b> | <b>Incurred<br/>VND</b> | <b>Net-off/paid<br/>VND</b> | <b>Closing balance<br/>as at 31/12/2022<br/>VND</b> |
|------------------------------------|---|-------------------------|-----------------------------|---|
| 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                                       |
|                                    | <b>18,501,026,789</b>                             | <b>130,029,941,777</b>  | <b>(133,275,956,425)</b>    | <b>15,255,012,141</b>                               |

|                                    | <b>Opening balance<br/>as at 1/1/2021<br/>VND</b> | <b>Incurred<br/>VND</b> | <b>Net-off/paid<br/>VND</b> | <b>Closing balance<br/>as at 31/12/2021<br/>VND</b> |
|------------------------------------|---|-------------------------|-----------------------------|---|
| 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  |
|                                    | <b>7,809,489,765</b>                              | <b>128,480,750,779</b>  | <b>(117,789,213,755)</b>    | <b>18,501,026,789</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)***23. Accrued expenses**

|                             | <b>31/12/2022<br/>VND</b> | <b>31/12/2021<br/>VND</b> |
|-----------------------------|---------------------------|---------------------------|
| 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**

|                       | <b>31/12/2022<br/>VND</b> | <b>31/12/2021<br/>VND</b> |
|-----------------------|---------------------------|---------------------------|
| 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               |
| <b>Authorised share capital</b> | 150,009,819      | 1,500,098,190,000 | 140,000,000      | 1,400,000,000,000 |
| <b>Issued share capital</b>     |                  |                   |                  |                   |
| 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 |
| <b>Treasury shares</b>          |                  |                   |                  |                   |
| Ordinary shares                 | (490)            | (1,185,000)       | (490)            | (1,185,000)       |
| <b>Shares in circulation</b>    |                  |                   |                  |                   |
| 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:

|  | <b>2022<br/>VND</b> | <b>2021<br/>VND</b> |
|--|---------------------|---------------------|
| 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<br>selling price<br>VND | Total<br>selling amount<br>VND | Total cost<br>VND | Gains/(losses) from<br>sales of securities<br>VND |
|---|-----------|---------------------------------|--------------------------------|-------------------|---|
| <b>Financial assets at FVTPL</b>                                |           |                                 |                                |                   |   |
| <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)**

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

| 2021  | Quantity  | Average<br>selling price<br>VND | Total<br>selling amount<br>VND | Total cost<br>VND | Gains/(losses) from<br>sales of securities<br>VND |
|---|-----------|---------------------------------|--------------------------------|-------------------|---|
| <b>Financial assets at FVTPL</b>                                |           |                                 |                                |                   |   |
| <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**

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

**28. Income from loans and receivables**

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

**29. Expenses for securities brokerage**

|   | <b>2022<br/>VND</b>    | <b>2021<br/>VND</b>    |
|---|------------------------|------------------------|
| 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            |
|   | <u>188,884,670,152</u> | <u>206,633,909,774</u> |

**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**

|   | <b>2022<br/>VND</b>   | <b>2021<br/>VND</b>   |
|---|-----------------------|-----------------------|
| 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           |
|   | <b>87,384,149,853</b> | <b>37,348,585,516</b> |

**31. General and administration expenses**

|   | <b>2022<br/>VND</b>   | <b>2021<br/>VND</b>   |
|---|-----------------------|-----------------------|
| 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         |
|   | <b>96,158,826,067</b> | <b>71,782,028,606</b> |

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

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

|                                    | <b>2022<br/>VND</b>   | <b>2021<br/>VND</b>   |
|------------------------------------|-----------------------|-----------------------|
| 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)       | -                     |
|                                    | <b>13,703,672,240</b> | <b>35,491,834,267</b> |

**(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**

|                         | <b>2022<br/>VND</b> | <b>2021<br/>VND</b> |
|-------------------------|---------------------|---------------------|
| 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**

|   | <b>2022<br/>VND</b> | <b>2021<br/>VND<br/>(Restated)</b> | <b>2021<br/>VND<br/>(Previously<br/>reported)</b> |
|---|---------------------|------------------------------------|---|
| 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**

|                          | <b>2022<br/>VND</b> | <b>2021<br/>VND<br/>(Restated)</b> | <b>2021<br/>VND<br/>(Previously<br/>reported)</b> |
|--------------------------|---------------------|------------------------------------|---|
| 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:

|  | <b>Transaction value</b> |                 |
|--|--------------------------|-----------------|
|  | <b>2022</b>              | <b>2021</b>     |
|  | <b>VND</b>               | <b>VND</b>      |
| <b>Phu Hung Far East Holding Corporation – major shareholder</b> |                          |                 |
| 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           | -               |
| <b>New Beam International Inc – major shareholder</b>            |                          |                 |
| 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      |
| <b>An Thinh Development Limited – major shareholder</b>          |                          |                 |
| Cash dividend paid   | 5,373,441,150            | -               |
| Share dividend   | 11,642,450,000           | -               |
| <b>Vu Thai Investment Consulting Co., Ltd – related company</b>  |                          |                 |
| 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       |
| <b>Phu Hung Assurance Corporation – related company</b>          |                          |                 |
| 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         |
| <b>Freshfields Capital Corporation – other related party</b>     |                          |                 |
| 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)**

**Form B09 – CTCK**

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

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

**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<br>brokerage<br>VND | Securities<br>trading<br>VND | Treasury<br>activities<br>VND | Others<br>VND          | Total<br>VND          |
|--|-----------|--------------------------------|------------------------------|-------------------------------|------------------------|-----------------------|
| <b>2022</b>  |           |                                |                              |                               |                        |                       |
| 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           |
| <b>Profit/(loss) before tax</b><br><b>(07 = 01 + 06 – 02 – 03 – 04 – 05)</b> | <b>07</b> | <b>14,980,272,134</b>          | <b>(6,221,436,312)</b>       | <b>71,883,424,042</b>         | <b>(6,959,386,065)</b> | <b>73,682,873,799</b> |
| <b>As at 31 December 2022</b>  |           |                                |                              |                               |                        |                       |
| 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     |

### 35. Segment reporting (continued)

#### (i) Business segments (continued)

|  | Code      | Securities<br>brokerage<br>VND | Securities<br>trading<br>VND | Treasury<br>activities<br>VND | Others<br>VND        | Total<br>VND           |
|--|-----------|--------------------------------|------------------------------|-------------------------------|----------------------|------------------------|
| <b>2021</b>  |           |                                |                              |                               |                      |                        |
| 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            |
| <b>Profit/(loss) before tax</b><br><b>(07 = 01 + 06 – 02 – 03 – 04 – 05)</b> | <b>07</b> | <b>32,783,505,149</b>          | <b>4,709,671,188</b>         | <b>139,362,039,784</b>        | <b>(428,274,927)</b> | <b>176,426,941,194</b> |
| <b>As at 31 December 2021</b>  |           |                                |                              |                               |                      |                        |
| 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)**

**Form B09 – CTCK**

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dated 27 December 2016 of the Ministry of Finance)*

**36. Commitments**

***Leases***

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

|                          | 31/12/2022<br>VND     | 31/12/2021<br>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*



Mr. Chen Chia Ken  
*General Director*

**SUBMISSION FOR APPROVAL**  
**Report of the Board of Directors (BOD)**  
**on the Business Performance in 2022**

**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;

**I. PERFORMANCE OF BOD**

**1. Structure of BOD**

There are five (5) BOD members of Phu Hung Securities Corporation (PHS) term 2022 – 2025:

|                            |                    |
|----------------------------|--------------------|
| 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 |

**2. Sum up BOD meetings, resolutions and administration of BOD in 2022**

BOD of Phu Hung Securities consists of five (05) people, including one (01) Chairman and four (04) members. BOD is authorized to carry out all duties and decisions related to the Company, except for those rights reserved for the Shareholder's Assembly. The activities of BOD are regulated under Article 33 of the current Company Charter.

In 2022, BOD held 10 meetings to decide the business activities for each period in accordance with the overall development objectives of the Company, specific topics addressed:

- Monthly reviewed and approved financial statements, brokerage performance reports, business plans;
- To pass the Agenda and documents using in the 2022 Annual General Meeting of Shareholders (AGMS) dated 31 March, 2022
- To pass the Report of the Board of Directors on the Business performance in 2021
- To pass the Report on Corporate Governance in 2021 of PHS
- To pass the Report on Utilization of Capital for the capital raised from the private placement of shares on 30 August, 2021
- To pass the Report on updating the charter with the head office address and charter capital in 2021
- To pass the Profit Distribution Plan in 2021
- To pass the Business Plan 2022
- To pass the Budget 2022
- To pass the Plan on private placement, capital utilization
- To pass the Introduction of Nomination on Members of BOD and Members of Inspection Committee of Company during period from 2022-2025
- To pass the Re-appoint of Mr. Chen Chia Ken to be General Director of the Company during period from 2022-2025
- To pass the Adjustment PHS organization chart and renaming Trading Service division
- To pass the Registration as a Covered Warrant issuer
- To pass the Listing of stock PHS on Ho Chi Minh Stock Exchange (HOSE)
- To pass the POA for Mr. Chen Chia Ken – BOD member cum General Director to be the Meeting Chairman and sign the documents of the AGMS dated 31 March, 2022
- To pass the Audited Financial Safety Ratio Report on 31 December 2022
- To pass the Amendment of Risk Management Policy;
- In addition, BOD also keeps track of business performance of the Company based on monthly reports and provide necessary guidelines by each period.

## **II. REVIEW OF THE BUSINESS PERFORMANCE IN 2022**

### **1. Operation review**

On 13 April 2022, PHS received Certificate of enterprise registration for the 13<sup>th</sup> amendment issued by Department of planning and Investment of Ho Chi Minh City.



On 14 April 2022, PHS received decision No.205/QĐ-UBCK issued by State Securities Commission, approved the advance payment service provision.

On 29 April 2022, PHS received decision No.52/QĐ-SGDVN issued by Vietnam Exchange, approved the trading member at Vietnam Exchange.

On 27 June 2022, PHS received decision No.417/QĐ-SGDHN issued by Hanoi Stock Exchange, approved the change of registration for trading shares of Phu Hung Securities Corporation with professional investor, in detail:

Name of the investor: **PHU HUNG ASSURANCE CORPORATION**

Number of shares registered for additional trading: 1,050,000 shares (One million and fifty thousand shares)

Value of shares registered for additional trading: VND 10.500.000.000 (Ten billion five hundred million dong)

On 11 August 2022, PHS received decision No.561/QĐ-SGDHN issued by Hanoi Stock Exchange, approved the change trading registration of Phu Hung Securities Corporation share to pay dividend in 2021, in detail:

Number of shares registered for additional trading: 10,009,819 shares (Ten million, nine thousand eight hundred nineteen shares)

Value of shares registered for additional trading: VND 100,098,190,000 (One hundred billion ninety eight million one hundred ninety thousand dong)

On 29 August 2022, PHS received amendment of license No.79/GPĐC-UBCK issued by State Securities Commission, approved the change of PHS's charter capital to VND 1,500,098,190,000.

On 17 October 2022, PHS received decision No.767/QĐ-UBCK issued by State Securities Commission, approved the amendment decision on establishing Tan Binh Branch.

On 19 October 2022, PHS received decision No.742/QĐ-SGDHN issued by Hanoi Stock Exchange, approved the change of registration for trading shares of Phu Hung Securities Corporation with strategic investors, in detail:

Name of the investor: **PHU HUNG FAR EAST HOLDING CORPORATION**

Number of shares registered for additional trading: 23,000,000 shares (Twenty-three million shares).

Value of shares registered for additional trading: VND 230,000,000,000 (Two hundred and thirty billion dong).

Name of the investor: **THE VU DEVELOPMENT COMPANY LIMITED**

Number of shares registered for additional trading: 2,390,000 shares (Two million three hundred and ninety thousand shares).

Value of shares registered for additional trading: VND 23,900,000,000 (Twenty-three billion nine hundred million dong).

Name of the investor: **NEW BEAM INTERNATIONAL INC**

Number of shares registered for additional trading: 23,560,000 shares (Twenty three million five hundred and sixty thousand shares).

Value of shares registered for additional trading: VND 235,600,000,000 (Two hundred thirty five billion six hundred million dong).

On 10 November 2022, PHS received amendment of license No. 110/GPĐC-UBCK issued by State Securities Commission, approved the update information of the second legal representative of the Company.

On 22 November 2022, PHS received Certificate of enterprise registration for the 14<sup>th</sup> amendment issued by Department of planning and Investment of Ho Chi Minh City.

BOD made amendment of the above licenses into the Company Charter as the Resolution No.01/2022/NQ-ĐHĐCĐ approved by PHS's General Meeting of Shareholders dated 31 March 2022. BOD reports this to the 2023 Annual General Meeting of Shareholders for acknowledge.

## **2. Business review**

### *Financial highlights in 2022*

Unit: VND

| Category          | 2022              |
|-------------------|-------------------|
| Total Assets      | 3,676,223,540,195 |
| Liabilities       | 2,078,779,920,986 |
| Equity            | 1,597,443,619,209 |
| Revenues          | 593,848,771,820   |
| Operation results | 72,936,565,655    |
| Before-Tax Profit | 73,682,873,799    |
| Net Profit        | 59,979,201,559    |

### *Key Ratios*

| Ratio                      | 2022 |
|----------------------------|------|
| <b>1. Liquidity Ratios</b> |      |
| Current Ratio              | 1.73 |
| <b>2. Leverage Ratios</b>  |      |
| Debt / Assets              | 0.57 |



|                                  |        |
|----------------------------------|--------|
| Debt / Equity                    | 1.30   |
| <b>3. Activity Ratios</b>        |        |
| Asset Turnover                   | 0.14   |
| <b>4. Profitability Ratios</b>   |        |
| Return on Assets (ROA)           | 0.02   |
| Return on Equity (ROE)           | 0.04   |
| <b>5. Valuation Ratios (VND)</b> |        |
| Basic Earnings per Share (EPS)   | 400    |
| Book Value per Share (BPS)       | 10,649 |

The domestic and international factors did have an impact on PHS's 2022 results. Total revenue of the whole year was more than VND 593.8 billion, increased nearly 16.6% y-o-y and completed 98% the approved target by the General Shareholders. In 2022, the Company had profit after tax, reached VND 59.9 billion. PHS will aim for higher achievement in the upcoming time.

### **3. Others issues**

After being in bull phase in 2021, Vietnam's stock market in 2022 have been through an unpleasant year. Vn-Index have declined nearly 33%YoY in 2022 and among one of the worst stock market performers. As end of 2022, the P/E ratio of the Vn-Index is at 9.7x which is much lower than 10 years average of 14.5x. The Board of Directors assessed that 2022 is not the right time to implement the Plan on private placement, capital utilization and the Plan to list PHS's shares to Ho Chi Minh Stock Exchange. BOD proposes to cancel the dossier to increase charter capital at State Securities Commission and the dossier to apply for Listing PHS shares at Ho Chi Minh Stock Exchange first and BOD will reassess at such time when the market conditions improve.

## **III. ASSESSMENT OF BOD ON MANAGEMENT TEAM'S PERFORMANCE**

In accordance with our Company Charter and internal procedures & policies, the Board of Directors delegates Board of Management to carry out the daily operational activities of the Company and to implement strategic decisions aligned with our business plans.

Through quarterly reports on business performance, the Company's daily operational reports and ad-hoc management reports, Board of Directors evaluates that General Director and Board of Management have executed their duties in compliance with prevailing laws, the Company Charter and the Resolutions of General Shareholders Meetings.



Due to the influence of domestic and foreign financial markets, revenue and profit before tax of PHS in 2022 compared to 2021 are 16.6% and -58%, respectively. PHS tried our best to achieve the targets approved at General Shareholders Meetings.

Additionally, the Board of Directors has conducted and performed their duties with care, professionalism and integrity so that protecting legal rights and benefits of the Company and its shareholders.

#### **IV. PLANS, ORIENTATIONS OF THE BOARD OF DIRECTORS**

To achieve 2023 goals, the solution groups for each business segment have been specifically established based on the long-term strategic vision and focusing on the factors that create sustainable development for PHS by the Board of Directors: systems development, quality of products and services and human resource development. Customers are always the focus in all activities. Specifically:

- a) 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.
- b) 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.
- c) 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
- d) 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.

Please kindly consider and approve.

Respectfully,

ON BEHALF OF THE BOARD OF DIRECTORS  
CHAIRMAN

A handwritten signature in blue ink, appearing to be 'Albert Kwang-Chin Ting', written over a circular stamp or seal.

ALBERT KWANG-CHIN TING

**SUBMISSION FOR APPROVAL  
Report of the Inspection Committee  
on the Business performance in 2022**

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

- Based on the 2022 Financial Report audited by KPMG;
- Based on the business performance of Phu Hung Securities Corporation in 2022;
- Based on the rights and obligation of the Inspection Committee;

For and on behalf of the Inspection Committee, I hereby report the Assessment on Business performance of the Company in 2022 as follows:

**1. BUSINESS PERFORMANCE AND FINANCIAL SITUATION IN 2022**

The business performance of the company reflected on the 2022 Audited Financial Report are made bona fide.

**2. CONFORMANCE TO THE LAW AND COMPANY'S REGULATIONS**

The Company has complied with the Law on Securities and relevant regulations namely:

- a. On Financial Safety Ratio: the Company makes and sends periodic Financial Safety Ratio report meet the requirements specified in Circular 91/2020/TT-BTC promulgated by the Ministry of Finance on 13 November 2020 and Circular 121/2020/TT-BTC promulgated by the Ministry of Finance on 31 December 2020.
- b. On Investment limit: meet the requirements specified in Article 28 in Circular 121/2020/TT-BTC promulgated by the Ministry of Finance on 31 December 2020.
- c. On Information disclosure: meet the requirements specified in Circular 96/2020/TT-BTC promulgated by the Ministry of Finance on 16 November 2020.
- d. Other regulations as Trading rules at the Vietnam Exchange, Ho Chi Minh Stock Exchange, Hanoi Stock Exchange, Vietnam Securities Depository as well as the



regulations applied to listed companies, and regulations on taxation and employment are also fully complied.

**3. COMMENTS OF INSPECTION COMMITTEE**

- a. The Board of Management has implemented the resolutions of the General Meeting of Shareholders, and in general, fulfilled its duty to the interests of the Company.
- b. In fiscal year 2022, The Company has strictly implemented and complied with the current provisions of laws and there was no complaint of the shareholders on business activities of the company.
- c. The internal control and risk management have been enhanced to ensure that all the Branches/Trading offices affiliated to the Company are well disciplined and that the Company will steer ahead in the right direction on a steady and long-term basis.

Please kindly consider and approve.

Respectfully,

**ON BEHALF OF INSPECTION COMMITTEE  
HEAD OF INSPECTION COMMITTEE**



**LIEW SEP SIANG**

**SUBMISSION FOR APPROVAL**

**Report on Corporate governance of PHS in 2022**

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

- Pursuant to Law on Enterprises No. 59/2020/QH14 dated 17 June, 2020;
- Pursuant to Decree No. 155/2020/NĐ-CP dated 31 December, 2020;
- Pursuant to the current Charter of Phu Hung Securities Corporation;

The Board of Directors of Phu Hung Securities Corporation hereby submits to the Annual General Meeting of Shareholders to pass on the Report on Corporate governance of PHS in 2022.

Please kindly consider and approve.

**Enclosure:**

Report on Corporate governance of PHS in 2022.

**ON BEHALF OF BOARD OF DIRECTORS  
CHAIRMAN**

  
**ALBERT KWANG-CHIN TING**

**PHU HUNG SECURITIES  
CORPORATION**

No.: 02/2022/BC-PHS

**THE SOCIALIST REPUBLIC OF VIETNAM**  
**Independence - Freedom – Happiness**

Ho Chi Minh City, day. 12. month 01 year 2023

## **REPORT ON CORPORATE GOVERNANCE**

**Year 2022**

**To:**

- STATE SECURITIES COMMISSION;
- VIETNAM EXCHANGE;
- HANOI STOCK EXCHANGE;
- HO CHI MINH STOCK EXCHANGE.

- Name of company: **PHU HUNG SECURITIES CORPORATION (PHS)**
- Address of head office: 21<sup>st</sup> Floor, Phu My Hung Tower, 08 Hoang Van Thai, Tan Phu Ward, District 7, Ho Chi Minh City
- Telephone: (84-28) 54135479 Fax: (84-28) 54135472
- Charter capital: VND 1,500,098,190,000
- Stock symbol: PHS
- Governance model: General Meeting of Shareholders, Board of Directors, Inspection Committee and General Director
- The implementation of internal audit (Implemented/ Not yet implemented): Implemented.

### **I. Activities of the General Meeting of Shareholders**

Information on meetings and Resolutions of the General Meeting of Shareholders (including the Resolutions of the General Meeting of Shareholders approved in the form of written comments):



| No. | Resolution No.   | Date       | Content  |
|-----|------------------|------------|--|
| 1.  | 01/2022/NQ-ĐHĐCĐ | 31/03/2022 | <ol style="list-style-type: none"> <li>1. Pass the Audited Financial Statement in 2021;</li> <li>2. Pass the Report of the Board of Directors on the Business performance in 2021;</li> <li>3. Pass the Report of the Inspection Committee on the Business performance in 2021;</li> <li>4. Pass the Report on Corporate governance of PHS in 2021;</li> <li>5. Pass the Report on Utilization of Capital for the capital raised from the private placement of shares on August 30<sup>th</sup>, 2021;</li> <li>6. Pass the Report on updating the charter with the head office address and charter capital in 2021;</li> <li>7. Pass the Profit Distribution Plan in 2021 and the authorization for the Board of Directors to choose the suitable time and proceed the procedure to pay dividend for shareholders;</li> <li>8. Pass the Development and Business plan of PHS in 2022;</li> <li>9. Pass the Financial budget in 2022;</li> <li>10. Pass the Selection of Auditor in 2022;</li> <li>11. Pass the Plan on private placement, capital utilization and the authorization from AGMS to the Board of Directors to implement the plan on private placement and capital utilization;</li> <li>12. Pass the revised Charter of PHS;</li> <li>13. Pass the Election members of the Board of Directors of the Company during the period from 2022-2025;</li> <li>14. Pass the Election members of Inspection Committee of the Company during the period from 2022-2025;</li> <li>15. Pass the Report of the Board of Directors on the re-appointment</li> </ol> |

|  |  |  |  |
|--|--|--|--|
|  |  |  | of Mr. Chen Chia Ken to be General Director of the Company during the period from 2022-2025;<br>16. Pass the Adjustment PHS organization chart and renaming Trading Service division;<br>17. Pass the Registration as a Covered Warrant issuer;<br>18. Pass the Listing of stock PHS on Ho Chi Minh Stock Exchange (HOSE). |
|--|--|--|--|

## II. Board of Directors (Year 2022):

### 1. Information about the members of the Board of Directors (BOD):

| No. | Board of Directors' members | Position (Independent members of the BOD, Non-executive members of BOD) | The date becoming/ceasing to be the member of the BOD |                   |
|-----|-----------------------------|---|---|-------------------|
|     |                             |   | Date of appointment                                   | Date of dismissal |
| 1.  | Mr. Albert Kwang-Chin Ting  | Chairman of the Board of Directors                                      | 15/04/2011  | -                 |
| 2.  | Mr. Nguyen Doan Hung        | Member  | 06/04/2016  | -                 |
| 3.  | Mr. Wu, Jin-Jeng            | Member  | 06/04/2016  | -                 |
| 4.  | Mr. Chen Chia Ken           | Member  | 06/04/2016  | -                 |
| 5.  | Ms. Liu, Hsiu-Mei           | Independent member  | 17/04/2019  | -                 |

### 2. Meetings of the Board of Directors:

| No. | Board of Director' member  | Number of meetings attended by Board of Directors | Attendance rate | Reasons for absence |
|-----|----------------------------|---|-----------------|---------------------|
| 1.  | Mr. Albert Kwang-Chin Ting | 10  | 100%            | -                   |
| 2.  | Mr. Nguyen Doan Hung       | 10  | 100%            | -                   |
| 3.  | Mr. Wu, Jin-Jeng           | 10  | 100%            | -                   |
| 4.  | Mr. Chen Chia Ken          | 10  | 100%            | -                   |
| 5.  | Ms. Liu, Hsiu-Mei          | 10  | 100%            | -                   |

### 3. Supervising the Board of Management by the Board of Directors:

In year 2022, Board of Directors promptly conducted the assignment from General Meeting of Shareholders in the spirit of in accordance to laws and internal regulations of PHS. The supervision activities of Board of Directors over Board of Management is prescribed in the monthly report of Board of Management and the Meeting Minutes of Board of Directors.

### 4. Activities of the Board of Directors' subcommittees (If any):

PHS does not establish the Board of Directors' subcommittees so there is not any activities to report.

### 5. Resolutions of the Board of Directors (Year 2022):

| No. | Resolution No.     | Date       | Content   | Approval rate |
|-----|--------------------|------------|---|---------------|
| 1.  | 01/65_0122/NQ-HDQT | 27/01/2022 | <ol style="list-style-type: none"><li>1. To pass the Provision for SIC debt on Dec 31<sup>st</sup>, 2021;</li><li>2. To pass the Provision for Margin debt on Dec 31<sup>st</sup>, 2021;</li><li>3. To pass the Setting up funds for 2021;</li><li>4. Pass the Applying New Credit Line with KGI Bank;</li><li>5. Pass the Risk Management Policy 2022.</li></ol> | 100%          |
| 2.  | 01/66_0222/NQ-HDQT | 10/02/2022 | <ol style="list-style-type: none"><li>1. To pass the Record Date, the Meeting Date of the Annual General Meeting of Shareholders;</li><li>2. To pass the Apply for a License to provide advance payment services for securities sales.</li></ol>  | 100%          |
| 3.  | 01/67_0322/NQ-HDQT | 07/03/2022 | <ol style="list-style-type: none"><li>1. To pass the Agenda and documents using in the 2022 Annual General Meeting of Shareholders (AGMS) dated March 31<sup>st</sup>, 2022;</li><li>2. To pass the Audited Financial Statement of 2021;</li><li>3. To pass the Report of the Board of Directors on the</li></ol>   | 100%          |



|  |  |  |  |  |
|--|--|--|--|--|
|  |  |  | <p>Business performance in 2021;</p> <ol style="list-style-type: none"> <li>4. To pass the Report on Corporate governance of PHS in 2021;</li> <li>5. To pass the Report on Utilization of Capital for the capital raised from the private placement of shares on August 30<sup>th</sup>, 2021;</li> <li>6. To pass the Report on updating the charter with the head office address and charter capital in 2021;</li> <li>7. To pass the Profit Distribution Plan in 2021 and the authorization for the Board of Directors to choose the suitable time and proceed the procedure to pay dividend for shareholders;</li> <li>8. To pass the Development and Business plan of PHS in 2022;</li> <li>9. To pass the Financial budget in 2022;</li> <li>10. To pass the Plan on private placement, capital utilization and the authorization from AGMS to the Board of Directors to implement the plan on private placement and capital utilization;</li> <li>11. To pass the revised Charter of PHS;</li> <li>12. To pass the Introduction of Nomination on Members of BOD and Members of Inspection Committee of Company during period from 2022-2025;</li> <li>13. To pass the Re-appoint of Mr. Chen Chia Ken to be General Director of the Company during period from 2022-2025;</li> <li>14. To pass the Adjustment PHS organization chart and renaming Trading Service division;</li> </ol> |  |
|--|--|--|--|--|

|    |                    |            |   |      |
|----|--------------------|------------|---|------|
|    |                    |            | <p>15. To pass the Registration as a Covered Warrant issuer;</p> <p>16. To pass the Listing of stock PHS on Ho Chi Minh Stock Exchange (HOSE);</p> <p>17. To pass the POA for Mr. Chen Chia Ken – BOD member cum General Director to be the Meeting Chairman and sign the documents of the AGMS dated March 31<sup>st</sup>, 2022;</p> <p>18. To pass the Audited Financial Safety Ratio Report on December 31<sup>st</sup>, 2021;</p> <p>19. To pass the Renewing Credit Line with Chang Hwa Bank, HSI-Sung Branch;</p> <p>20. To pass the Renewing Credit Line with Bank for Investment and Development of Vietnam JSC, Nam Ky Khoi Nghia Branch;</p> <p>21. To pass the Decision to terminate the labor contract and related procedures of Ms. Nguyen Le Duc Hanh.</p> |      |
| 4. | 01/68_0422/NQ-HDQT | 08/04/2022 | <p>1. To pass the Election on Mr. Albert Kwang – Chin Ting to be Chairman of Board of Directors of Company (Term 2022-2025);</p> <p>2. To pass the Re-appointment of Ms. Pham Thi Thu Nhan to be Deputy General Director of Company (Term 2022-2025);</p> <p>3. To pass the Appointment of Mr. Li, Hsin – Hsien to be Deputy General Director of Company (Term 2022-2025);</p> <p>4. To pass the Date to finalize the list of shareholders to pay cash dividend in 2021;</p> <p>5. To pass the Date to finalize the list of shareholders to</p>   | 100% |

|    |                    |            |   |      |
|----|--------------------|------------|---|------|
|    |                    |            | pay shares dividend in 2021.  |      |
| 5. | 01/69_0522/NQ-HĐQT | 13/05/2022 | <ol style="list-style-type: none"> <li>1. To pass the Provision for Margin debt on March 31<sup>st</sup>, 2022;</li> <li>2. To pass the Provision for SIC debt on March 31<sup>st</sup>, 2022;</li> <li>3. To pass the Remuneration of each member of Board of Directors and Inspection Committee in year 2022;</li> <li>4. To pass the Renewing Overdraft limit with Vietnam Joint Stock Commercial Bank for Industry and Trade – Branch 4 HCMC;</li> <li>5. To pass the Applying a credit limit with Orient Commercial Joint Stock Bank – HCMC Branch;</li> <li>6. To pass the Applying New credit limit with Bank of Panhsin;</li> <li>7. To pass the Renewing credit line with Shanghai Commercial and Savings Bank – Hong Kong Branch (SHHK);</li> <li>8. To pass the Changing the Head of Risk Management Division of Company.</li> </ol> | 100% |
| 6. | 01/70_0622/NQ-HĐQT | 20/06/2022 | <ol style="list-style-type: none"> <li>1. To pass the Renewing credit line with Taipei Fubon Commercial Bank Co., Ltd – OBU;</li> <li>2. To pass the Renewing credit line with Cathay United Bank – OBU;</li> <li>3. To pass the Renewing and increasing credit line with Mega International Commercial Bank – OBU;</li> <li>4. To pass the Renewing credit line with Shanghai Commercial &amp; Savings Bank, Ltd – Dong Nai Branch;</li> </ol>   | 100% |



|    |                    |            |   |      |
|----|--------------------|------------|---|------|
|    |                    |            | <ol style="list-style-type: none"> <li>5. To pass the Renewing credit line with Cathay United Bank – Ho Chi Minh City Branch;</li> <li>6. To pass the Renewing credit line with E.Sun Commercial Bank – Dong Nai Branch;</li> <li>7. To pass the Renewing credit line with Hua Nan Commercial Bank – Ho Chi Minh City Branch;</li> <li>8. To pass the Renewing credit line with Taipei Fubon Commercial Bank Co., Ltd – HCMC Branch;</li> <li>9. To pass the Renewing credit line with Mega International Commercial Bank Co., Ltd, – Ho Chi Minh City Branch;</li> <li>10. To pass the Renewing credit line with Saigon Bank For Industry and Trade – Head Office.</li> </ol>                      |      |
| 7. | 01/71_0722/NQ-HDQT | 15/07/2022 | <ol style="list-style-type: none"> <li>1. To pass the Provision for Margin debt on June 30<sup>th</sup>, 2022;</li> <li>2. To pass the Provision for SIC debt on June 30<sup>th</sup>, 2022</li> <li>3. To pass the Appointment of Chief of Internal Audit, Head of Finance Division;</li> <li>4. To pass the Consulting Contract with Phu Hung Fund Management Joint Stock Company;</li> <li>5. To pass the Applying new credit line with Taiwan Cooperative Bank;</li> <li>6. To pass the Renewing credit line with First Commercial Bank – OBU;</li> <li>7. To pass the Renewing credit line with Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh City Branch;</li> </ol> | 100% |

|     |                    |            |  |      |
|-----|--------------------|------------|--|------|
|     |                    |            | 8. To pass the Renewing credit line with First Commercial Bank – Ho Chi Minh City Branch.  |      |
| 8.  | 01/72_0822/NQ-HĐQT | 09/09/2022 | <ol style="list-style-type: none"> <li>1. To pass the Renewing credit line with Union Bank of Taiwan (UBOT);</li> <li>2. To pass the Renewing credit line with Entie Commercial Bank;</li> <li>3. To pass the Application for private offering in 2022 of PHS;</li> <li>4. To pass the Application for listing PHS shares on Ho Chi Minh Stock Exchange (HOSE) in 2022.</li> </ol>   | 100% |
| 9.  | 01/73_0922/NQ-HĐQT | 07/11/2022 | <ol style="list-style-type: none"> <li>1. To pass the Provision for Margin debt on September 30<sup>th</sup>, 2022;</li> <li>2. To pass the Provision for Advances to customers for securities trading activities on September 30<sup>th</sup>, 2022;</li> <li>3. To pass the Budget of Company in 2023;</li> <li>4. To pass the ERC amendment dossier at Department of Planning and Investment of Ho Chi Minh City;</li> <li>5. To pass the Dossier on offering condition of Covered Warrant;</li> <li>6. To pass the Renewing and increasing credit line with Cathay United Bank – Ho Chi Minh City Branch;</li> <li>7. To pass the Renewing credit line with Taiwan Shin Kong Commercial Bank.</li> </ol> | 100% |
| 10. | 01/74_1022/NQ-HĐQT | 30/12/2022 | <ol style="list-style-type: none"> <li>1. To pass the Updated Budget of Company in 2023;</li> <li>2. To pass the Business Plan 2023;</li> </ol>  | 100% |

|  |  |  |   |  |
|--|--|--|---|--|
|  |  |  | 3. To pass the Change the title of BOD's Secretary;<br>4. To pass the Offering condition of Covered Warrant;<br>5. To pass the Renewing overdraft facility with Bank for Investment and Development of Vietnam - Nam Ky Khoi Nghia Branch (BIDV);<br>6. To pass the Increasing Credit line with KGI Bank. |  |
|--|--|--|---|--|

### III. Inspection Committee (Year 2022):

#### 1. Information about Members of Inspection Committee:

| No. | Members of Inspection Committee | Position                     | The date becoming/ceasing to be the member of the Inspection Committee     | Qualification                     |
|-----|---------------------------------|------------------------------|--|-----------------------------------|
| 1.  | Mr. Liew Sep Siang              | Head of Inspection Committee | The date becoming to be the member of the Inspection Committee: 17/04/2019 | Master of Business Administration |
| 2.  | Mr. Lii San Rong                | Member                       | The date ceasing to be the member of the Inspection Committee: 31/03/2022  | Bachelor of Finance               |
| 3.  | Mr. Chiu Hsien Chih             | Member                       | The date becoming to be the member of the Inspection Committee: 06/04/2016 | Master of Business Administration |
| 4.  | Ms. Kuo, Ping-Min               | Member                       | The date becoming to be the member of the Inspection Committee: 31/03/2022 | Bachelor of Commerce              |

#### 2. Meetings of Inspection Committee:

| No. | Members of Inspection Committee | Number of meetings attended | Attendance rate | Voting rate | Reasons for absence   |
|-----|---------------------------------|-----------------------------|-----------------|-------------|---|
| 1.  | Mr. Liew Sep Siang              | 03                          | 100%            | 100%        | -   |
| 2.  | Mr. Lii San Rong                | 01                          | 100%            | 100%        | Meeting of IC held on 08/04/2022<br>The date ceasing to be the member of IC: 31/03/2022 |



|    |                     |    |      |      |  |
|----|---------------------|----|------|------|--|
| 3. | Mr. Chiu Hsien Chih | 03 | 100% | 100% | -  |
| 4. | Ms. Kuo, Ping-Min   | 02 | 100% | 100% | Meeting of IC held on 29/03/2022<br>The date becoming to be the member of IC: 31/03/2022 |

### 3. Supervising Board of Directors, Board of Management and shareholders by Inspection Committee:

In year 2022, Inspection Committee operated in the spirit of objection, independence, in accordance with the laws and internal regulations of PHS. The operation of Inspection Committee includes the inspection, observation and assessment on the administration and governance of Board of Directors, Board of Management, as well as the operation of PHS' division.

### 4. The coordination among the Inspection Committee, the Board of Directors, Board of Management and other managers:

During operation, the Inspection Committee cooperated with Board of Directors, Board of Management and other divisions, department to maintain the management and the business activities smoothly, effectively and in accordance to regulations of laws and the internal regulation of PHS.

### 5. Other activities of the Inspection Committee (if any):

There is not any other activities of the Inspection Committee to report.

## IV. Board of Management

| No. | Members of Board of Management | Date of birth | Qualification                     | Date of appointment/ dismissal of members of the Board of Management |
|-----|--------------------------------|---------------|-----------------------------------|--|
| 1.  | Mr. Chen Chia Ken              | 14/10/1971    | Master of Business Administration | Date of appointment: 28/03/2013                                      |
| 2.  | Ms. Pham Thi Thu Nhan          | 13/06/1984    | Master of Business Administration | Date of appointment: 23/07/2015                                      |
| 3.  | Mr. Li, Hsin – Hsien           | 07/03/1972    | Master of Business Administration | Date of appointment: 08/04/2022                                      |

**V. Chief Accountant**

| Name             | Date of birth | Qualification | Date of appointment/ dismissal  |
|------------------|---------------|---------------|---------------------------------|
| Ms. Do Thi Ai Vy | 16/09/1986    | Bachelor      | Date of appointment: 07/12/2018 |

**VI. Training courses on corporate governance:**

Members of the Board of Directors, Inspection Committee, Board of Management, other managers and the Company Secretary are always fully updated on training issues on corporate governance.

**VII. The list of affiliated persons of the public company (In year 2022) and transactions of affiliated persons of the Company.****1. The list of affiliated persons of the Company:**

| No. | Name of Organization /individual | Securities trading account (if any) | Position at the Company (if any) | NSH No.*, date of issue, place of issue | Address | Time of starting to be affiliated person | Time of ending to be affiliated person | Reasons | Relationship with the Company |
|-----|----------------------------------|-------------------------------------|----------------------------------|---|---------|--|--|---------|-------------------------------|
| 1.  | Mr. Albert Kwang-Chin Ting       |                                     | Chairman of Board of Directors   |   |         | 15/04/2011                               | -                                      | -       | Internal persons              |
| 2.  | Mr. Nguyen Doan Hung             | -                                   | Member of Board of Directors     |   |         | 06/04/2016                               | -                                      | -       | Internal persons              |

|    |                     |   |   |  |  |            |   |   |                  |
|----|---------------------|---|---|--|--|------------|---|---|------------------|
| 3. | Mr. Wu, Jin-Jeng    |   | Member of Board of Directors  |  |  | 06/04/2016 | - | - | Internal persons |
| 4. | Mr. Chen Chia Ken   |   | Member of Board of Directors cum General Director cum the second legal representative |  |  | 28/03/2013 | - | - | Internal persons |
| 5. | Ms. Liu, Hsiu-Mei   | - | Independent member of Board of Directors  |  |  | 17/04/2019 | - | - | Internal persons |
| 6. | Mr. Liew Sep Siang  |   | Head of Inspection Committee  |  |  | 17/04/2019 | - | - | Internal persons |
| 7. | Mr. Chiu Hsien Chih |   | Member of Inspection Committee  |  |  | 06/04/2016 | - | - | Internal persons |



|     |                       |  |                                |  |  |            |            |   |                  |
|-----|-----------------------|--|--------------------------------|--|--|------------|------------|---|------------------|
| 8.  | Mr. Lii San Rong      |  | Member of Inspection Committee |  |  | 06/04/2016 | 31/03/2022 | - | Internal persons |
| 9.  | Ms. Kuo, Ping-Min     |  | Member of Inspection Committee |  |  | 31/03/2022 | -          | - | Internal persons |
| 10. | Ms. Pham Thi Thu Nhan |  | Deputy General Director        |  |  | 23/07/2015 | -          | - | Internal persons |
| 11. | Mr. Li, Hsin – Hsien  |  | Deputy General Director        |  |  | 08/04/2022 | -          | - | Internal persons |
| 12. | Ms. Do Thi Ai Vy      |  | Chief Accountant               |  |  | 07/12/2018 | -          | - | Internal persons |

|     |                          |  |  |  |  |            |            |   |                  |
|-----|--------------------------|--|--|--|--|------------|------------|---|------------------|
| 13. | Ms. Bui Thi Thanh Huong  |  | Chief of Internal Audit  |  |  | 06/04/2016 | 28/02/2022 | - | Internal persons |
| 14. | Ms. Do Thi Ngoc Van      |  | Deputy of Risk Managemnt Division                              |  |  | 01/09/2020 | 20/05/2022 | - | Internal persons |
| 15. | Ms. Nguyen Le Duc Hanh   |  | Deputy Director of Finance Divison                             |  |  | 04/01/2021 | 07/03/2022 | - | Internal persons |
| 16. | Ms. Chieu Nha Thy        |  | Person in charge of Corporate Governance cum Company Secretary |  |  | 07/05/2021 | -          | - | Internal persons |
| 17. | Ms. Nguyen Thi Thu Anh   |  | Supervisor of Risk Management Division                         |  |  | 21/05/2022 | -          | - | Internal persons |
| 18. | Ms. Bach Thi Phuong Thao |  | Chief of Internal Audit  |  |  | 15/07/2022 |            |   | Internal persons |

|     |                                       |  |                                     |   |  |            |   |   |                   |
|-----|---------------------------------------|--|-------------------------------------|---|--|------------|---|---|-------------------|
| 19. | Mr. Huang Kai Sheng                   |  | Deputy Director of Finance Division |   |  | 15/07/2022 | - | - | Internal persons  |
| 20. | Phu Hung Far East Holding Corporation |  | -                                   | 1705717 – 04/04/2012 – British Virgin Islands | Portcullis Trustnet (BVI) Limited, Portcullis TrustNet Chambers P.O.Box 3444, Road Town, Tortola, British Virgin Islands | -          | - | - | Major shareholder |
| 21. | An Thinh Development Limited          |  | -                                   | 1873621 – 12/05/2015 – British Virgin Islands | Coastal Building, Wickhams Cay II, Road Town, Tortola, British Virgin Islands  | -          | - | - | Major shareholder |
| 22. | New Beam International Inc            |  | -                                   | 1909904 – 24/03/2016 – British Virgin Islands | Ground Floor, Coastal Building Wickhams Cay II, P O Box 3169, Road Town, Tortola, British Virgin Islands                 | -          | - | - | Major shareholder |



**Note:** NSH No.: ID card No./Passport No. (As for individuals) or Business Registration Certificate No., License on Operations or equivalent legal documents (As for organisations).

**2. Transactions between the Company and its affiliated persons or between the Company and its major shareholders, internal persons and affiliated persons.**

| No. | Name of organization/ individual             | Relationship with the Company               | NSH No.* date of issue, place of issue              | Address  | Time of transactions with the Company | Resolution No. approved by GMS/ BOD (if any, specifying date of issue) | Content, quantity, total value of transaction | Note |
|-----|--|---|---|--|---------------------------------------|--|---|------|
| 1   | Phu Hung Fund Management Joint Stock Company | Affiliated organization of internal persons | 24/UBCK-GP 28/12/2007 - State Securities Commission | Room No. 4, Floor 21, Phu My Hung Tower, No. 08 Hoang Van Thai Street, Tan Phu Ward, District 7, HCMC. | From 17/07/2022 to 16/07/2023         | Resolution No. 03/71_0722/NQ-HDQT dated 15/07/2022                     | VND 391,000,000 /month                        | -    |

**Note:** NSH No.: ID card No./Passport No. (As for individuals) or Business Registration Certificate No., License on operations or equivalent legal documents (As for organisations).

**3. Transaction between internal persons of the Company, affiliated persons of internal persons and the Company's subsidiaries in which the Company takes controlling power.**

| No. | Transaction executor | Relationship with internal persons | Position at the listed Company | ID card No. /Passport No., date of issue, place of issue | Address | Name of subsidiaries or companies which the Company control | Time of transaction | Content, quantity, total value of transaction | Note |
|-----|----------------------|------------------------------------|--------------------------------|--|---------|---|---------------------|---|------|
| -   | -                    | -                                  | -                              | -  | -       | -   | -                   | -   | -    |

4. Transactions between the Company and other objects:

4.1. Transactions between the Company and the company that its members of Board of Director, the Inspection Committee, General Director have been founding members or members of Board of Directors, or CEOs in three (03) latest years (calculated at the time of reporting): None

4.2. Transactions between the Company and the company that its affiliated persons with members of Board of Directors, Inspection Committee, General Director and other managers as a member of Board of Directors, Board of Directors, or CEOs: None

4.3. Other transactions of the Company (if any) may bring material or non- material benefits for members of Board of Directors, members of the Inspection Committee, General Director and other managers: None

VIII. Share transactions of internal persons and their affiliated persons (Year 2022).

1. The list of internal persons and their affiliated persons of the Company.

| No. | Name                       | Securities trading account (if any) | Position at the company (if any) | ID card No./Passport No., date of issue, place of issue | Address | Number of shares owned at the end of the period | Percentage of share ownership at the end of the period | Note |
|-----|----------------------------|-------------------------------------|----------------------------------|---|---------|---|--|------|
| 1.  | Mr. Albert Kwang-Chin Ting |                                     | Chairman of Board of Directors   |   |         | -   | -  | -    |
| 1.1 | Father: Lawrence S. Ting   | -                                   | Passed away                      | -   | -       | -   | -  | -    |

|     |  |   |   |  |  |            |        |   |
|-----|--|---|---|--|--|------------|--------|---|
| 1.2 | Mother:<br>Sylvia Tsong-<br>Ching Fei<br>Ting  | - | - |  |  | -          | -      | - |
| 1.3 | Wife: Wong,<br>I-Ting                          | - | - |  |  | -          | -      | - |
| 1.4 | Sister: Iris<br>Ting                           | - | - |  |  | -          | -      | - |
| 1.5 | Sister: Joyce<br>Ting                          | - | - |  |  | -          | -      | - |
| 1.6 | Brother:<br>Arthur Ting                        |   | - |  |  | -          | -      | - |
| 1.7 | Phu Hung<br>Far East<br>Holding<br>Corporation |   | - | 1705717 –<br>04/04/2012 –<br>British Virgin<br>Islands | Portcullis Trustnet<br>(BVI) Limited,<br>Portcullis<br>TrustNet<br>Chambers<br>P.O.Box 3444,<br>Road Town, | 69,004,000 | 46.00% | - |



|     |                                 |   |                              |                              |  |           |       |   |
|-----|---------------------------------|---|------------------------------|------------------------------|--|-----------|-------|---|
|     |                                 |   |                              |                              | Tortola, British Virgin Islands  |           |       |   |
| 1.8 | Freshfields Capital Corporation |   | -                            | 80690793-31/03/2004-Đài Loan | 18F., No.4, Sec. 1, Zhongxiao W. Rd., Zhongzheng Dist., Taipei City 100, Taiwan (R.O.C.) | 1,290,486 | 0.86% | - |
| 2.  | Mr. Nguyen Doan Hung            | - | Member of Board of Directors |                              |  | -         | -     | - |
| 2.1 | Father: Nguyen Van Tran         | - | Passed away                  | -                            | -  | -         | -     | - |
| 2.2 | Mother: Pham Thi Bac            | - | Retired                      |                              | -  | -         | -     |   |
| 2.3 | Daughter: Nguyen Phuong Anh     | - | -                            |                              | -  | -         | -     | - |
| 2.4 | Son: Nguyen Hung Nam            | - | -                            |                              | -  | -         | -     | - |
| 2.5 | Sister: Nguyen Nhi Ha           | - | -                            |                              | -  | -         | -     | - |
| 2.6 | Sister: Nguyen Thai             | - | -                            |                              | -  | -         | -     | - |

|      |                                 |   |   |  |   |         |       |   |
|------|---------------------------------|---|---|--|---|---------|-------|---|
|      | Binh                            |   |   |  |   |         |       |   |
| 2.7  | Sister:<br>Nguyen Hong<br>Nga   | - | -   |  | -   | -       | -     | - |
| 2.8  | Sister:<br>Nguyen Hong<br>Viet  | - | -   |  | -   | -       | -     | - |
| 2.9  | Brother:<br>Nguyen Hung<br>Manh |   | -   |  |   | 258,177 | 0.17% | - |
| 2.10 | Masan Group<br>Corporation      | - | -   | 0303576603-<br>01/11/2004 -<br>Department of<br>Planning and<br>Investment | Room 802, Floor<br>8, Central Plaza,<br>17 Le Duan, Ben<br>Nghe Ward,<br>District 1, HCMC | -       | -     | - |
| 3.   | <b>Ms. Liu<br/>Hsiu-Mei</b>     | - | <b>Independent<br/>member of<br/>Board of<br/>Directors</b> |  |   | -       | -     | - |
| 3.1  | Father: Liu,<br>Guo - Cheng     | - | -   |  | -   | -       | -     | - |
| 3.2  | Mother:<br>Chen, Yue-E          | - | -   |  | -   | -       | -     | - |
| 3.3  | Spouse:<br>Chiu, Yi-<br>Hung    | - | -   |  | -   | -       | -     | - |
| 3.4  | Daughter:<br>Chiu, Chen-<br>Yu  | - | -   | -  | -   | -       | -     | - |
| 3.5  | Son: Chiu,                      | - | -   | -  | -   | -       | -     | - |

|     |  |   |                              |   |  |           |       |   |
|-----|--|---|------------------------------|---|--|-----------|-------|---|
|     | Chen-Kai                                     |   |                              |   |  |           |       |   |
| 3.6 | Son: Chiu, Chen-En                           | - | -                            | -   | -  | -         | -     | - |
| 4.  | Mr. Wu, Jin-Jeng                             |   | Member of Board of Director  |   |  | -         | -     | - |
| 4.1 | Vu Thai Investment Consultant Limited        |   | -                            | 0102340904 – 13/09/2017 - Department of Planning and Investment | Floor 14, Cornerstone Building, 16 Phan Chu Trinh, Hoan Kiem District, Hanoi City                      | 7,473,415 | 4.98% | - |
| 4.2 | Phu Hung Fund Management Joint Stock Company |   | -                            | 24/UBCK-GP 28/12/2007 - State Securities Commission             | Room No. 4, Floor 21, Phu My Hung Tower, No. 08 Hoang Van Thai Street, Tan Phu Ward, District 7, HCMC. | -         | -     | - |
| 5.  | Mr. Liew Sep Siang                           |   | Head of Inspection Committee |   |  | -         | -     | - |
| 5.1 | Father: Liew Ee Khong                        | - | -                            |   | -  | -         | -     | - |
| 5.2 | Mother: Lee Yeak Leak                        | - | -                            |   | -  | -         | -     | - |



|     |                                |   |                                |   |  |           |       |   |
|-----|--------------------------------|---|--------------------------------|---|--|-----------|-------|---|
| 5.3 | Brother: Liew Sep Leng         | - | -                              |   | -  | -         | -     | - |
| 5.4 | Sister: Liew Chin Hui          | - | -                              |   | -  | -         | -     | - |
| 5.5 | Brother: Liew Sep Yong         | - | -                              |   | -  | -         | -     | - |
| 5.6 | Wife: Chu Zi Yan               | - | -                              |   | -  | -         | -     | - |
| 5.7 | Phu Hung Assurance Corporation |   | -                              | 41/GP-KDBH<br>12/12/2006 -<br>Ministry of Finance | Floor 4, CR3-04A,<br>109 Ton Dat Tien,<br>Tan Phu Ward,<br>District 7, HCMC. | 3,136,847 | 2.09% | - |
| 6.  | Mr. Chiu Hsien Chih            |   | Member of Inspection Committee |   |  | -         | -     | - |
| 6.1 | Father: Chiu Chuei Chun        | - | Passed away                    | -   | -  | -         | -     | - |
| 6.2 | Mother: Syu Yue Ye             | - | Passed away                    | -   | -  | -         | -     | - |
| 6.3 | Wife: Lin Ching Yi             | - | -                              |   |  | -         | -     | - |

|     |                         |   |                                |   |   |   |   |   |
|-----|-------------------------|---|--------------------------------|---|---|---|---|---|
| 6.4 | Sister: Chiu Li Chiu    | - | -                              |   |   | - | - | - |
| 6.5 | Sister: Chiu Li Ying    | - | -                              |   |   | - | - | - |
| 6.6 | Sister: Chiu Hsueh O    | - | -                              |   |   | - | - | - |
| 7   | Mr. Lii San Rong        |   | Member of Inspection Committee |   |   | - | - | - |
| 7.1 | Father: Lii Tson        | - | Passed away                    | - | - | - | - | - |
| 7.2 | Mother: Lii Wu Jin Tsou | - | Passed away                    | - | - | - | - | - |
| 7.3 | Wife: Yen Shu Ching     | - | -                              |   |   | - | - | - |
| 7.4 | Child: Lii Dih Yng      | - | -                              |   |   | - | - | - |

|     |                         |   |   |   |   |   |   |   |
|-----|-------------------------|---|---|---|---|---|---|---|
|     |                         |   |   |   |   |   |   |   |
| 7.5 | Child: Lii Hung Yen     | - | -   |   |   | - | - | - |
| 7.6 | Sibling: Lii Tzung Shin | - | -   |   |   | - | - | - |
| 8.  | Ms. Kuo, Ping-Min       |   | Member of Inspection Committee  |   |   | - | - | - |
| 8.1 | Mother: Ding Zhi Fang   | - | -   |   | - | - | - | - |
| 9.  | Mr. Chen Chia Ken       |   | Member of Board of Directors cum General Director cum the second legal representative |   |   | - | - | - |
| 9.1 | Father: Chen Yi Fan     | - | Passed away   | - | - | - | - | - |
| 9.2 | Mother: Tsai Pi Chin    | - | -   |   |   | - | - | - |



|      |                              |   |                                |  |  |   |   |   |
|------|------------------------------|---|--------------------------------|--|--|---|---|---|
|      |                              |   |                                |  |  |   |   |   |
| 9.3  | Wife: Wang Tzu               | - | -                              |  |  | - | - | - |
| 9.4  | Child: Chen Hsiu Te          | - | -                              |  |  | - | - | - |
| 9.5  | Child: Chen Hsiu Yi          | - | -                              |  |  | - | - | - |
| 10.  | <b>Ms. Pham Thi Thu Nhan</b> |   | <b>Deputy General Director</b> |  |  | - | - | - |
| 10.1 | Father: Pham Ngoc Ho         | - | -                              |  |  | - | - | - |
| 10.2 | Mother: Pham Thi Hon         | - | -                              |  |  | - | - | - |

|      |                                      |   |                               |          |   |   |   |   |
|------|--------------------------------------|---|-------------------------------|----------|---|---|---|---|
|      |                                      |   |                               |          |   |   |   |   |
| 10.3 | Child:<br>Nguyen<br>Pham An<br>Nhien | - | -                             | Children |   | - | - | - |
| 10.4 | Sibling: Pham<br>Ngoc Tinh           |   | -                             |          |   | - | - | - |
| 10.5 | Sibling: Pham<br>Thi Cam<br>Xuyen    |   | -                             |          |   | - | - | - |
| 11.  | Mr. Li, Hsin<br>– Hsien              |   | Deputy<br>General<br>Director |          |   | - | - | - |
| 11.1 | Father: Li<br>Bing-Rong              | - | Passed away                   | -        | - | - | - | - |
| 11.2 | Mother: Wu<br>Shou-Mei               | - | Passed away                   | -        | - | - | - | - |
| 11.3 | Child: Li Ting-<br>Yi                | - |                               |          | - | - | - | - |
| 11.4 | Child: Li Su-<br>Ying                | - |                               |          | - | - | - | - |
| 12.  | Ms. Do Thi<br>Ai Vy                  |   | Chief<br>Accountant           |          |   | - | - | - |

|      |                          |   |   |          |  |   |   |   |
|------|--------------------------|---|---|----------|--|---|---|---|
|      |                          |   |   |          |  |   |   |   |
| 12.1 | Father: Do Gia Van       | - | - |          |  | - | - | - |
| 12.2 | Mother: Nguyen Thi Tuyet | - | - |          |  | - | - | - |
| 12.3 | Husband: Pham Duc Vu     | - | - |          |  | - | - | - |
| 12.4 | Child: Pham Gia Khiem    | - | - | Children |  | - | - | - |
|      | Child: Pham Bao Chau     | - | - | Children |  | - | - | - |



|      |                                |   |                               |  |  |   |   |   |
|------|--------------------------------|---|-------------------------------|--|--|---|---|---|
|      |                                |   |                               |  |  |   |   |   |
| 12.5 | Sister: Do Thi Ly Ly           | - | -                             |  |  | - | - | - |
| 12.6 | Sister: Do Thi Uyen My         | - | -                             |  |  | - | - | - |
| 12.7 | Brother: Do Gia Bao            | - | -                             |  |  | - | - | - |
| 13   | <b>Ms. Bui Thi Thanh Huong</b> | - | <b>Head of Internal Audit</b> |  |  | - | - | - |
| 13.1 | Mother: Do Thi Chinh           | - | -                             |  |  | - | - | - |
| 13.2 | Husband: Truong Duy Phuc       | - | -                             |  |  | - | - | - |
| 13.3 | Child: Truong Thi Thanh Phuong | - | -                             |  |  | - | - | - |

|      |                              |   |  |  |  |   |   |   |
|------|------------------------------|---|--|--|--|---|---|---|
| 13.4 | Child: Truong<br>Duy Thai    | - | -  |  |  | - | - | - |
| 13.5 | Brother: Bui<br>Duc Thang    | - | -  |  |  | - | - | - |
| 13.6 | Brother: Bui<br>Xuan Canh    | - | -  |  |  | - | - | - |
| 14   | Ms. Do Thi<br>Ngoc Van       |   | Deputy of<br>Risk<br>Managemnt<br>Division |  |  | - | - | - |
| 14.1 | Father: Do<br>Hong Hai       | - | -  |  |  | - | - | - |
| 14.2 | Mother: Tran<br>Thi Thu Hong | - | -  |  |  | - | - | - |
| 14.3 | Brother: Do<br>Ngoc Vu       | - | -  |  |  | - | - | - |
| 14.4 | Brother: Do<br>Ngoc Van      | - | -  |  |  | - | - | - |
| 14.5 | Sister: Do Thi<br>Ngoc Vy    |   | -  |  |  | - | - | - |

|      |                             |   |  |   |  |   |   |   |
|------|-----------------------------|---|--|---|--|---|---|---|
|      |                             |   |  |   |  |   |   |   |
| 14.6 | Brother: Do Thanh Vinh      |   | -  |   |  | - | - | - |
| 15.  | Ms. Nguyen Le Duc Hanh      |   | Deputy<br>Director of<br>Finance<br>Division |   |  | - | - | - |
| 15.1 | Father: Nguyen Huu Phuoc    | - | -  | - |  | - | - | - |
| 15.2 | Mother: Le Thi Vinh Chau    | - | -  | - |  | - | - | - |
| 15.3 | Sister: Nguyen Le Hoai Phuc | - | -  | - |  | - | - | - |
| 15.4 | Husband: Nguyen Hoang Anh   | - | -  | - |  | - | - | - |
| 15.5 | Child: Nguyen Hoang Anh     | - | -  | - |  | - | - | - |



|      |                                |   |  |   |  |     |           |   |
|------|--------------------------------|---|--|---|--|-----|-----------|---|
|      | Thu                            |   |  |   |  |     |           |   |
| 15.6 | Child: Nguyen Hoang Anh Phuong | - | -  | - |  | -   | -         | - |
| 16.  | Ms. Chieu Nha Thy              |   | Person in charge of Corporate Governance cum Company Secretary |   |  | -   | -         | - |
| 16.1 | Father: Chieu Duc Nghia        | - | -  |   |  | -   | -         | - |
| 16.2 | Mother: Luong Ngoc Mai         | - | -  |   |  | -   | -         | - |
| 16.3 | Brother: Chieu Duc Tam         | - | -  |   |  | -   | -         | - |
| 16.4 | Sister: Chieu Boi Thy          | - | -  |   |  | -   | -         | - |
| 17   | Ms. Nguyen                     |   | Supervisor of  |   |  | 107 | 0.000071% |   |

|            |   |   |  |  |  |   |   |   |
|------------|---|---|--|--|--|---|---|---|
|            | <b>Thi Thu Anh</b>                      |   | <b>Risk<br/>Managemnt<br/>Division</b> |  |  |   |   |   |
| 17.1       | Father:<br>Nguyen Ngoc<br>Dung          |   | -                                      |  |  | - | - | - |
| 17.2       | Mother: Ho<br>Thi Thu Van               |   | -                                      |  |  | - | - | - |
| 17.3       | Brother:<br>Nguyen Ngoc<br>Anh          |   | -                                      |  |  | - | - | - |
| 17.4       | Brother:<br>Nguyen Tuan<br>Anh          |   | -                                      |  |  | - | - | - |
| <b>18.</b> | <b>Ms. Bach<br/>Thi Phuong<br/>Thao</b> |   | <b>Chief of<br/>Internal Audit</b>     |  |  | - | - | - |
| 18.1       | Father: Bach<br>Quang Vinh              | - | -                                      |  |  | - | - | - |
| 18.2       | Mother: Dinh<br>Thi Ngoc<br>Hanh        | - | -                                      |  |  | - | - | - |

|      |                                 |   |   |  |  |   |   |   |
|------|---------------------------------|---|---|--|--|---|---|---|
|      |                                 |   |   |  |  |   |   |   |
| 18.3 | Farther in law: Nguyen Van Tinh | - | - |  |  | - | - | - |
| 18.4 | Mother in law: Nguyen Thi Phuc  | - | - |  |  | - | - | - |
| 18.5 | Husband: Nguyen Van Thuan       | - | - |  |  | - | - | - |
| 18.6 | Younger bother: Bach Chi Cuong  | - | - |  |  | - | - | - |
| 18.7 | Younger bother: Lam Ngoc Tuong  | - | - |  |  | - | - | - |

|      |                         |   |                                     |   |  |   |   |   |
|------|-------------------------|---|-------------------------------------|---|--|---|---|---|
|      | Van                     |   |                                     |   |  |   |   |   |
| 18.8 | Son: Nguyen Phuc Hoang  | - | -                                   | - |  | - | - | - |
| 19.  | Mr. Huang Kai Sheng     |   | Deputy Director of Finance Division |   |  | - | - | - |
| 19.1 | Father: Huang, Jeng-Her | - | -                                   |   |  | - | - | - |
| 19.2 | Mother: Wu, Chen-Chen   | - | -                                   |   |  | - | - | - |
| 19.3 | Wife: Chiang, Chu-Yun   | - | -                                   |   |  | - | - | - |



|      |                        |   |   |  |  |   |   |   |
|------|------------------------|---|---|--|--|---|---|---|
| 19.4 | Son: Huang, Ping-Chieh | - | - |  |  | - | - | - |
|------|------------------------|---|---|--|--|---|---|---|

**2. Transactions of internal persons and affiliated persons with shares of the company.**

| No. | Transaction executor | Relationship with internal persons | Number of shares owned at the beginning of the period |            | Number of shares owned at the end of the period |            | Reasons for increasing, decreasing (buying, selling, converting, rewarding, etc.) |
|-----|----------------------|------------------------------------|---|------------|---|------------|---|
|     |                      |                                    | Number of shares                                      | Percentage | Number of shares                                | Percentage |   |
| -   | -                    | -                                  | -   | -          | -   | -          | -   |

**IX. Other significant issues:** None

**Recipients:**

- As above;
- Archived: Company Secretariat.

**CHAIRMAN OF THE BOARD OF DIRECTORS**

(Sign, full name and seal)



**ALBERT KWANG – CHIN TING**

No.: 04./2023/TTr-HĐQT

Ho Chi Minh City, 20 April 2023

**SUBMISSION FOR APPROVAL**  
**Report on updating charter capital in Charter**

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

- Pursuant to the Law on Enterprises No. 59/2020/QH14 dated 17 June 2020;
- Pursuant to the Law on Securities No. 54/2019/QH14 dated 26 November 2019;
- Pursuant to the Decree No. 155/2020/NĐ-CP dated 31 December 2020 of the Government providing guidance on Law on Securities;
- Pursuant to the current Charter of Phu Hung Securities Corporation.

Board of Directors of Phu Hung Securities Corporation (the "**Company**") hereby submits to the Annual General Meeting of Shareholders to pass the Report on updating charter capital in Charter of the Company, as follows:

1. According to Resolution of Annual General Meeting of Shareholders No. 01/2022/NQ-DHĐCĐ dated 31 March 2022, in which passed the plan on profit distribution in 2021 and authorization of the Board of Directors for performing the share offering to pay dividends in shares (Resolution 7), after executing the above Resolution, the Company registered the updated charter capital with the State Securities Commission and Department of Planning and Investment of Ho Chi Minh City. The Company has been issued the following license:

License on amendment No. 79/GPĐC-UBCK dated 29 August 2022 and Enterprise Registration Certificate, 14<sup>th</sup> amendment on 22 November 2022: recording charter capital of the Company being VND1,500,098,190,000 (*in words: one thousand five hundred billion ninety eight million one hundred and ninety thousand Vietnamese Dong only*).

2. Legal Affairs Division of the Company updated the information stated in Item 1 above into the Charter signed by the Chairman of the Board of Directors on 24 October 2022 according to Article 72.2(b) of Charter dated 31 March 2022.
3. The Board of Directors of the Company hereby reports and suggests General Meeting of Shareholders to approve the updated content aforementioned in Charter of the Company dated 24 October 2022.

Please kindly consider and approve.

**ON BEHALF OF BOARD OF DIRECTORS  
CHAIRMAN**

  
**ALBERT KWANG-CHIN TING**



**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 29<sup>th</sup>, 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 4<sup>th</sup>, 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 15<sup>th</sup>, 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%.

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.

### **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 16<sup>th</sup>, 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 29<sup>th</sup>, 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 30<sup>th</sup> 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 7<sup>th</sup> 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.

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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)          |
|--|------------------------|------------------------|------------------------|
| <b>1. Operating income</b>   | <b>493,564,173,717</b> | <b>535,457,964,977</b> | <b>787,487,936,359</b> |
| 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          |
| <b>2. Operating expenses</b>   | <b>214,677,255,800</b> | <b>212,502,952,533</b> | <b>328,057,767,588</b> |
| Inside: Write-off expenses/<br>Provision for bad debt                      | (2,870,836,145)        | 5,871,071,038          | 10,041,895,475         |
| <b>3. Financial Income</b>   | <b>15,803,463,964</b>  | <b>6,586,622,556</b>   | <b>616,802,484</b>     |
| <b>4. Financial expenses</b>   | <b>46,541,321,977</b>  | <b>157,163,418,672</b> | <b>197,036,970,046</b> |
| <b>5. General and administration expenses</b>                              | <b>71,782,028,606</b>  | <b>96,244,567,336</b>  | <b>117,713,329,290</b> |
| <b>6. Profit/(loss) from operating</b>                                     | <b>176,367,031,298</b> | <b>76,133,648,992</b>  | <b>145,296,671,919</b> |
| <b>7. Other operating profit / (loss)</b>                                  | <b>59,909,896</b>      | <b>794,572,437</b>     | <b>-</b>               |
| <b>8. Net profit/ (loss) before tax</b>                                    | <b>176,426,941,194</b> | <b>76,928,221,429</b>  | <b>145,296,671,919</b> |
| <b>9. Corporate income Tax</b>   | <b>35,491,834,267</b>  | <b>15,628,924,244</b>  | <b>29,735,679,189</b>  |
| <b>10. Net profit/ (loss) after tax</b>                                    | <b>140,935,106,927</b> | <b>61,299,297,185</b>  | <b>115,560,992,730</b> |



**SUBMISSION FOR APPROVAL**  
**Financial Budget plan for year 2023**

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

In view of the estimation of economy outlook and position of the Company on the local securities market, the Board of Directors of Phu Hung Securities Corporation hereby submits to the Annual General Meeting of Shareholders to pass **the Financial Budget plan in 2023** as follows:

Currency: VND

| <b>Index</b>                    | <b>Plan for 2023</b> |
|---------------------------------|----------------------|
| Total revenue                   | 788,104,738,843      |
| Total expenses                  | 642,808,066,924      |
| Accounting Profit before tax    | 145,296,671,919      |
| Accounting Profit After tax     | 115,560,992,730      |
| Remuneration for the BOD and IC | 1,920,000,000        |

In 2022, the remuneration of key management members spent VND 5,750,407,454.

Please kindly consider and approve.

Respectfully,

**ON BEHALF OF BOARD OF DIRECTORS**  
**CHAIRMAN**



**ALBERT KWANG-CHIN TING**

**SUBMISSION FOR APPROVAL**  
**On selection of Auditor for the 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 Inspection Committee of Phu Hung Securities Corporation hereby submits to the Annual General Meeting of Shareholders for approval on **the Selection of Auditor for the year 2023** as follows:

1. Auditor: **KPMG Viet Nam Co., Ltd**  
Address: 10/F, Sun Wah Tower, 115 Nguyen Hue, District 1, Ho Chi Minh City.  
Telephone: 028 3821 9266  
Fax: 028 3821 9267

In case KPMG Vietnam Co., Ltd is unable to provide audit services for the company, the independent audit unit in 2023 will be replaced as Deloitte Vietnam Audit Co., Ltd.

2. Authorization to the General Director to perform related works with the Selected Independent Auditor company.

Please kindly consider and approve.

Respectfully,

**ON BEHALF OF INSPECTION COMMITTEE  
HEAD OF INSPECTION COMMITTEE**



**LIEW SEP SIANG**

No.: .../2023/TTr-HĐQT

Ho Chi Minh City, 20 April 2023

**SUBMISSION FOR APPROVAL**

**The plan on handing the operational risk and financial reserve**

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

- Pursuant to Circular No. 146/2014/TT-BTC dated 6 October 2014;
- Pursuant to Circular No. 114/2021/TT-BTC dated 17 December 2021;
- According to the Audited financial statements of 2022, the balance of Provision fund for financial and professional risks is VND 12,064,998,139.

The Board of Directors of Phu Hung Securities Corporation submits to The Annual General Meeting of Shareholders to pass the refund of Provision fund for financial and professional risks is VND 12,064,998,139 to undistributed profit of the Company and the authorization to BOD to perform related works.

Please kindly consider and approve.

**ON BEHALF OF BOARD OF DIRECTORS  
CHAIRMAN**



**ALBERT KWANG-CHIN TING**



No.: ...28/2023/TT-HĐQT

Ho Chi Minh City, 20 April 2023

**SUBMISSION FOR APPROVAL**  
**Profit Distribution Plan for 2022**

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

- Pursuant to the Law on Enterprise No. 59/2020/QH14 dated 17 June 2020;
- Pursuant to the Law on Securities No. 54/2019/QH14 dated 26 November 2019;
- Pursuant to the Circular No. 114/2021/TT-BTC dated 17 December 2021;
- Pursuant to the Current Charter of Phu Hung Securities Corporation;
- Pursuant to the Financial Statements of the year 2022 audited by KPMG VN Co., Ltd.

The Board of Directors of Phu Hung Securities Corporation hereby submits to pass the **Profit Distribution Plan for 2022** as follows:

|  |                    |
|--|--------------------|
| Profit after tax in 2022   | VND 59,979,201,559 |
| Undistributed profit in 31/12/2022   | VND 73,216,617,931 |
| The Operational risk and financial reserve funds in 31/12/2022   | VND 12,064,998,139 |
| Refund Operational risk and financial reserve funds to undistributed profits                               | VND 12,064,998,139 |
| Undistributed profit included Refund operational risk and financial reserve funds to undistributed profits | VND 85,281,616,070 |
| Dividend 2022 pay cash: 2% par value (excluding treasury shares)   | VND 30,001,865,800 |

Submit to Annual General Meeting of Shareholders to pass the authorization to Board of Directors to choose the suitable time and proceed the procedure to pay dividend according to legal regulation.

Please kindly consider and approve.

Respectfully,

**ON BEHALF OF BOARD OF DIRECTORS**  
**CHAIRMAN**

  
**ALBERT KWANG-CHIN TING**

No.: ...09/2023/TT-HDQT

Ho Chi Minh City, 20 April 2023

**SUBMISSION FOR APPROVAL**  
**Amendment of the Charter**

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

- Pursuant to the Law on Enterprises No. 59/2020/QH14 dated 17 June 2020;
- Pursuant to the Law on Securities No. 54/2019/QH14 dated 26 November 2019;
- Pursuant to the Decree No. 155/2020/NĐ-CP dated 31 December 2020 of the Government providing guidance on Law on Securities;
- Pursuant to the Circular no. 114/2021/TT-BTC annulment of circular no. 146/2014/TT-BTC dated October 06, 2014 of the Minister Of Finance On Finance regulations for securities companies, asset management companies;
- Pursuant to the current Charter of Phu Hung Securities Corporation.

The Board of Directors of Phu Hung Securities Corporation (the "**Company**") submits to the Annual General Meeting of Shareholders ("**AGMS**") to approve the amendment of the Company's Charter on a number of contents as follows:

1. Updating Article 1.1.r. *(please see the underlined content)* to supplement the definition of "Voting at the Meeting" in accordance with Article 144.3(c) of the Law on Enterprises 2020 as follows:

*"r. "Voting at the Meeting" means a shareholder:*

- Directly vote at the General Meeting of Shareholders;*
- Authorize another individual/organization to vote at the meeting;*
- Votes online or through other electronic methods;*
- Send the votes to the meeting by post, fax, email or by other means."*

2. Updating Article 34.4.h. *(please see the underlined content)* to amend the reference to refer to the correct corresponding Article of the Law on Enterprises 2020 as follows:

*"h. Approve Purchase; Selling; Loan; Credit Contract and other transactions and contracts that value from 35% of the total assets stated in the latest financial report of the Company; except for contracts, transactions under the power of the General Meeting of Shareholders stipulated in Article 138 clause 2 point d, Article 167 clause 1 and clause 3 of the Law on Enterprises;"*

3. Updating Article 59 (*please see the underlined content*) to remove the requirement of reserve fund to supplement charter capital pursuant to Circular 114/2021/TT-BTC as follows:

***"Article 59: Reserve fund to supplement charter capital***

*Every year the Company shall not deduct any amount from its after-tax profit for transferring it into a reserve fund to supplement charter capital, unless the General Meeting of Shareholders decides otherwise. In case of deducting after-tax profit for reserve fund to supplement charter capital, the General Meeting of Shareholders decides the specific deduction rate."*

Please refer to the attached Comparison Table for details of the update.

Please kindly consider and approve.

ON BEHALF OF BOARD OF DIRECTORS  
CHAIRMAN



ALBERT KWANG-CHIN TING



**COMPARISION TABLE**  
**BETWEEN CURRENT CHARTER OF PHU HUNG SECURITIES CORPORATION (DATED 24/10/2022)**  
**AND**  
**AMENDED, SUPPLEMENTED CHARTER OF PHU HUNG SECURITIES CORPORATION**

| No. | CONTENT                | CURRENT CHARTER  | AMENDED, SUPPLEMENTED CHARTER   | LEGAL GROUND/CAUSES  |
|-----|------------------------|--|---|--|
| 1.  | <b>Article 1.1.r.</b>  | r. “Voting at the Meeting” means a shareholder:<br>- Directly vote at the General Meeting of Shareholders;<br>- Authorize another individual/organization to vote at the meeting;<br>- Send the votes to the meeting by post, fax, email or by other means.  | r. “Voting at the Meeting” means a shareholder:<br>- Directly vote at the General Meeting of Shareholders;<br>- Authorize another individual/organization to vote at the meeting;<br><b><u>- Votes online or through other electronic methods;</u></b><br>- Send the votes to the meeting by post, fax, email or by other means.  | Supplementing according to Article 144.3(c) of the Law on Enterprises 2020.                          |
| 2.  | <b>Article 34.4.h.</b> | h. Approve Purchase; Selling; Loan; Credit Contract and other transactions and contracts that value from 35% of the total assets stated in the latest financial report of the Company; except for contracts, transactions under the power of the General Meeting of Shareholders stipulated in <u>Article 128</u> clause 2 point d, Article 167 clause 1 and clause 3 of the Law on Enterprises; | h. Approve Purchase; Selling; Loan; Credit Contract and other transactions and contracts that value from 35% of the total assets stated in the latest financial report of the Company; except for contracts, transactions under the power of the General Meeting of Shareholders stipulated in <b><u>Article 138</u></b> clause 2 point d, Article 167 clause 1 and clause 3 of the Law on Enterprises; | Amending the reference to refer to the correct corresponding Article of the Law on Enterprises 2020. |

**Notes:**

**Bold and underlined:** Provisions amended, supplemented or replaced in amended, supplemented Charter

**Underlined:** Provisions revoked or replaced in current Charter



|    |                   |   |   |   |
|----|-------------------|---|---|---|
| 3. | <b>Article 59</b> | <p>Each year the Company <u>shall take an amount from its after-tax profit and transfer it into a reserve fund to supplement charter capital in accordance with law. Such amount shall not exceed 05% of the after-tax profit of the Company and shall be taken until the reserve fund is equivalent to 100% of the charter capital of the Company.</u></p> | <p>Every year the Company <b><u>shall not deduct any amount from its after-tax profit for transferring it into a reserve fund to supplement charter capital, unless the General Meeting of Shareholders decides otherwise. In case of deducting after-tax profit for reserve fund to supplement charter capital, the General Meeting of Shareholders decides the specific deduction rate.</u></b></p> | <p>Securities companies are no longer required to set up a reserve fund to supplement charter capital from the effective date of Circular 114/2021/TT-BTC (i.e. 01 February 2022).</p> <p>This Article is amended to remove this requirement and open for the GMS to decide flexibly according to the company's need.</p> |
|----|-------------------|---|---|---|

**Notes:**

**Bold and underlined:** Provisions amended, supplemented or replaced in amended, supplemented Charter

**Underlined:** Provisions revoked or replaced in current Charter

**PHU HUNG SECURITIES CORPORATION**  
**OO★★OO**



# **CHARTER**

**PHU HUNG SECURITIES CORPORATION**

**Ho Chi Minh City, 20 April 2023**

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## **PREAMBLE**

This Charter was adopted by Phu Hung Securities Corporation in accordance with a valid resolution of the General Meeting of Shareholders officially held on .....2023.

## **LEGAL BASIS**

- The Law on Enterprises No. 59/2020/QH14 passed by the Socialist Republic of Vietnam National Assembly on 17 June 2020 (“**Law on Enterprise**”);
- The Law on Securities No. 54/2019/QH14 passed by the Socialist Republic of Vietnam National Assembly on 26 November 2019 (“**Law on Securities**”);
- Decree No. 155/2020/ND-CP of the Government dated 31 December 2020 detailing and guiding the implementation of a number of articles of the Law on Securities;
- Circular No. 116/2020/TT-BTC dated 31 December 2020 of the Minister of Finance guiding a number of articles on public Company governance as prescribed in the Government’s Decree No. 155/2020/ND-CP dated 31 December 2020, on detailing and guiding the implementation of a number of articles of the Law on Securities;
- Circular No. 121/2020/TT-BTC dated 31 December 2020 of the Minister of Finance stipulating securities Company operations.

## **CHAPTER I. DEFINITION OF TERMS IN THE CHARTER**

### **Article 1: Definitions**

1. In this Charter, the following terms shall be construed as follows:
  - a. “Company” means Phu Hung Securities Corporation.
  - b. “Charter capital” means the total aggregate par value of issued shares that shareholders fully paid and regulated in Article 6 of this Charter.
  - c. “Voting capital” means the share capital that endows the holder the right to vote on the issues within the jurisdiction of the General Meeting of Shareholders.
  - d. “Article” means an article of this Charter.
  - e. “Law” means all the legal documents stipulated in Article 4, the Law on Promulgation of Legal Documents passed by the Socialist Republic of Vietnam National Assembly on 22 June 2015 and its amendment(s) (if any).
  - f. “Date of establishment” means the date on which the Company is first granted the License of Establishment and Operation.
  - g. “Manager Team” means the General Director, Deputy General Director, Chief Accountant and any other managers in the Company approved by the Board of Directors.

- h. “Executive of a Company” means the owner of a Company, including Chairman or member of the Board of Directors, Director (General Director), or holder of another managerial position approved by the Board of Directors.
  - i. “Related person” means any individual or organization stipulated in Article 23.4 Law on Securities and Article 46.4 Law on Enterprises.
  - j. “Major shareholder” means a shareholder who owns 05% or more of the voting shares of the Company.
  - k. “Duration of operation” means the operation duration of the Company stated in Article 2 of this Charter and extension of operation duration (if any) as approved by the General Meeting of Shareholders with a resolution.
  - l. “Legal documents of an individual” include the ID card (old or new format), passport and other legal personal identification documents.
  - m. “Legal documents of an enterprise” include the Establishment Decision, Certificate of Enterprise Registration and equivalent documents.
  - n. “Vietnam” means the Socialist Republic of Vietnam.
  - o. “SSC” means the State Securities Committee.
  - p. “Stock Exchange” means the Stock Exchange of Vietnam and subsidiary companies.
  - q. “VSD” means Vietnam Securities Depository.
  - r. “Voting at the Meeting” means a shareholder:
    - Directly vote at the General Meeting of Shareholders;
    - Authorize another individual/organization to vote at the meeting;
    - Votes online or through other electronic methods;
    - Send the votes to the meeting by post, fax, email or by other means.
  - s. “E-voting” means the Shareholder, the Shareholder’s authorized representative vote under electric form via E-voting system of Vietnam Securities Depository.
2. In this Charter, any references to one or more other provisions or documents shall include amendments to or documents replacing such provisions or documents.
3. Headings (chapters and articles of this Charter) are for convenience purpose only and shall not affect the contents of this Charter.
4. Any word or term defined in the Law on Enterprise or the Law on Securities shall have the same meaning in this Charter (if such word or term is not contrary to the subject or context).

## **CHAPTER II. NAME, HEAD OFFICE, BRANCHES, BUSINESS LOCATION, OPERATIONAL DURATION AND LEGAL REPRESENTATIVE OF THE COMPANY**

**Article 2: Name, head office, branches, business location and operational duration of the Company**

1. Name of the Company:
  - a. Vietnamese name: Công ty Cổ phần Chứng khoán Phú Hưng
  - b. English name: Phu Hung Securities Corporation
  - c. Name for transaction: Chứng khoán Phú Hưng
  - d. Abbreviation: PHS
2. Legal Form: The Company is a shareholding Company of which legal status is in accordance with all applicable laws of Vietnam.
3. Registered Head Office of the Company:
  - a. Head Office address: 21<sup>st</sup> Floor, Phu My Hung Tower, 08 Hoang Van Thai, Tan Phu Ward, District 7, Ho Chi Minh City
  - b. Telephone: (+84 28) 5413 5479
  - c. Fax: (+84 28) 5413 5472
  - d. Website: www.phs.vn
4. The legal representative of the Company means individuals representing the Company to exercise the rights and perform the obligations arising out of transactions of the Company, and representing the Company to act as plaintiff, defendant or person with related interests and obligations in arbitration proceedings or courts and to exercise other rights and perform other obligations in accordance with law.

The legal representatives of the Company include:

- a. The first legal representative: Mr. Albert Kwang-Chin Ting

The title: Chairman of the Board of Directors.

The first legal representative has rights under this Charter and provisions of prevailing laws. The first legal representative is entitled to represent the Company in all transactions and is entitled to sign on all documents on behalf of the Company and other documents under power of Chairman of Board of Directors.

The first legal representative has obligations arising from transactions of the Company, representing the Company to act as plaintiff, defendant, person with related interests and obligations in arbitration proceedings, courts and other obligations under obligations of Chairman of Board of Directors in accordance with the Charter and laws.

- b. The second legal representative: General Director.



The second legal representative has rights under this Charter and provisions of prevailing laws. The second legal representative is entitled to represent the Company in all transactions and is entitled to sign on all documents on behalf of the Company and other documents under power of General Director, not including the following rights:

- i. Sign on the Charter of the Company.
- ii. Sign on the shareholder certificate books or share certificates corresponding to the number of shares and the class of owned shares.
- iii. Sign on documents on behalf of bank account owner of the Company (except when the bank account owner approves by means of writing).

The second legal representative has obligations arising from transactions of the Company, representing the Company to act as plaintiff, defendant, person with related interests and obligations in arbitration proceedings, courts and other obligations under obligations of General Director in accordance with the Charter and laws.

- c. The legal representative is registered to be responsible for providing documents and working with SSC and competent State Agencies being General Director. Chairman of Board of Director reserves to have rights of providing documents and working with SSC and competent State Agencies in case General Director is absent from Vietnam.
- d. The binding relationship between the legal representatives:

The legal representatives of the Company are responsible for maintaining the close relationship and cooperation together in operating and managing all assignments, transactions and projects of the Company.

- e. Structure of transfer rights and obligations between the legal representatives in case the legal representative resigns, is dismissed, escaped from residence, detained, imprisoned, lost or limited capacity to act or deprived of the right to practice:
  - i. In case the first legal representative is Chairman of Board of Director falling in the above cases, General Director will perform rights and obligations of Chairman of Board of Director.
  - ii. In case the second legal representative is General Director falling in the above cases, Chairman of Board of Director will perform rights and obligations of General Director.

- 5. The Company may establish or close its branches, transaction and representative offices in the locality in which the Company conducts its business in order to carry out its objectives in accordance with the resolutions of the Board of Directors and as permitted by law.
- 6. Unless it is terminated before the expiry as specified in Articles 66 hereto, the operation duration of the Company shall be indefinite commencing from the Date of establishment.

### **CHAPTER III. OBJECTIVES AND SCOPE OF BUSINESS AND OPERATION OF THE COMPANY**

### **Article 3: The Company's operation objectives**

The Company's operation objectives are to constantly look for business development opportunities to maximize the profits of the Company's shareholders; improve working conditions and increase income of the employees; perform all of its obligations to the state budget; and build up a prosperous and sustainable Company.

### **Article 4: Scope of business and operation**

1. Business line, sector of the Company are:
  - a. Securities brokerage;
  - b. Dealing;
  - c. Securities investment consultancy, financial consultancy and other financial services;
  - d. Securities underwriting;
  - e. Derivative securities trading including derivative securities dealing, brokerage and investment consultancy;
  - f. Supply of derivative securities clearing, settlement services.
2. The Company shall be permitted to make plans and carry out all business activities in accordance with its License of Establishment and Operation, this Charter and the applicable laws. The Company shall also be permitted to apply appropriate measures to achieve its objectives.
3. In addition to the securities trading professionals specified in Clause 1 of this Article, the Company may provide the services of securities depository, financial consultancy, management of securities trading accounts in trust for investors and other financial services in accordance with regulations of the Ministry of Finance. The Company may conduct its business activities in other fields as permitted by law and approved by the General Meeting of Shareholders.

### **Article 5: The offering of covered warrants**

1. Subject to applicable laws and approval of SSC, the Company shall offer covered warrants and carry out relevant business activities in respect of it.
2. Covered warrants is securities guaranteed by assets issued by the Company, allowing owners to purchase (purchasing covered warrants) or sell (selling covered warrants) the underlying securities to the Company at a price determined before, at or before a defined time, or allowing owners to receive the difference between the undertaking price and the price of underlying securities at the time of execution.
3. A holder of a warrant is a creditor of the debt partially covered by the Company (except for untraded warrants). Besides, a holder of a warrant has other rights and obligations under the laws, the prospectus for offering warrant, including but not limited to the right to receive cash payment or underlying securities, transfer, give, bequeath, mortgage, or pledge, etc.

## **CHAPTER IV. CHARTER CAPITAL, SHARES, FOUNDING SHAREHOLDERS**

### **Article 6: Charter capital, shares and founding shareholders**

1. Charter capital of the Company is VND1,500,098,190,000 (in words: one thousand five hundred billion ninety eight million one hundred and ninety thousand Vietnamese Dong only).  
  
The Company's Charter capital shall be divided into 150,009,819 (in words: one hundred fifty million nine thousand eight hundred and nineteen) shares, each having a par value of VND10,000 (in words: ten thousand Vietnamese Dong).
2. The Company may increase its Charter capital upon approval of the General Meeting of Shareholders and in accordance with the laws.
3. The Company's shares as at the date of approval of this Charter comprise ordinary shares only. The rights and obligations of the ordinary shareholders are stipulated in Article 20 and Article 21 hereto.
4. The Company may issue other classes of preference shares upon obtaining the approval of the General Meeting of Shareholders and in compliance with applicable laws.
5. Existing shareholders shall be given priority to be offered with ordinary shares for sale in the ratio corresponding to their ownership percentage of ordinary shares in the Company, except where otherwise stipulated by the General Meeting of Shareholders. The Company must provide a notice of the offer for sale of shares which specifies the number of shares to be offered for sale and an appropriate period for subscription (at least twenty business days) so that shareholders may subscribe for purchase. The shares for which shareholders may not subscribe to purchase shall be decided by the Board of Directors of the Company. The Board of Directors may allocate such shares to entities in accordance with the conditions and the manner which the Board of Directors thinks appropriate, but shall not be permitted to sell such shares on conditions more favourable than those conditions offered to the existing shareholders, except where otherwise agreed by the General Meeting of Shareholder or where shares are sold via the Stock Exchanges.
6. The Company shall be permitted to purchase the shares it has issued (including redeemable preference shares) in the manner stipulated in this Charter and the applicable laws. Ordinary shares redeemed by the Company shall be treasury shares which may be offered for sale by the Board of Directors in a manner complying with this Charter and, the Law on Securities and relevant guidelines.
7. The Company may issue other classes of securities after the General Meeting of Shareholders provides unanimous approval in writing in accordance with the laws on securities and the securities market.

### **Article 7: Share certificates**

1. Shareholders of the Company shall be granted with share certificates corresponding to the number of shares and the class of shares owned by them, except where stipulated in clause 7 of this Article. Share certificate could be issued under the form of book entry or electronic data.
2. Share certificates must bear the seal of the Company and signature of the legal representative of the Company in accordance with the Law on Enterprise. A share certificate must specify

the number and class of shares held by the shareholder, the full name of the shareholder (in the case of a named share certificate) and other information in accordance with the Law on Enterprise. Each named share certificate shall represent only one class of shares.

3. A shareholder shall be issued with a share certificate within 30 days from the date of lodging a complete application for share assignment in accordance with the regulations of the Company or within a period of two months (or a longer period in accordance with the terms of the issue) from the date of full payment for the purchasing shares as stipulated in the Shares Issuing Plan of the Company. A shareholder shall not be obliged to pay the cost of printing the share certificate or any other costs to the Company.
  - a) Where only a number of named shares in a named share certificate are transferred, the old share certificate shall be rescinded and a new share certificate recording the remaining shares shall be issued gratis.
  - b)
4. Where a named share certificate is damaged, erased, lost, stolen or destroyed, the shareholder may be granted with a new share certificate provided that he/she presents proof of his/her ownership of such shares and has paid all relevant costs to the Company.
5. Holders of bearer share certificates shall be responsible for managing their share certificates and the Company shall not be liable in case where such share certificates are stolen or used for fraudulent purposes.
6. The Company shall be permitted to issue named shares which do not take the form of certificates. The Board of Directors may issue documents allowing named shares (whether or not such shares take the form of certificates) to be assigned and a document on the assignment of such shares shall not necessarily be required. The Board of Directors may issue regulations on share certificates and transfer of shares in accordance with the Law on Enterprise, the laws on securities and the securities market and this Charter.

#### **Article 8: Other securities certificates**

Bond certificates or other securities certificates of the Company (excluding offer letters, temporary certificates and similar documents) shall be issued with the seal and specimen signature of the legal representative of the Company, except otherwise stipulated by the terms and conditions of the issue.

#### **Article 9: Assignment of shares**

1. All shares may be assigned freely except where this Charter and the Law on Enterprise, Law on Securities stipulate otherwise. Shares listed on the Stock Exchange shall be assigned in accordance with the laws on securities and the securities market.
2. Shares which have not yet been fully paid for shall neither be assigned nor be entitled to related benefits like the right to receive dividends, shares issued in order to increase the share capital from the owner's equity and the right to buy offered new shares.
3. Any foreign institution which satisfies the conditions prescribed in clause 2 Article 77 of the Law on Securities and related people who hold up to 100% of the Charter capital of the Company. Except for those who fail to satisfy the above-mentioned stipulations, foreign institution and related people are only allowed to hold up to 49% of the Charter capital of the Company.



4. Foreign investor being an individual or a related person is only permitted to own up to 49% Charter capital of Company.
5. Transactions change the right of owned share or contributed capital that comprises more than 10% of the Charter capital; transactions lead to the reduction or increase of the ownership percentage to 10%, 25%, 50%, 75% of the Charter capital of the Company must be approved by the SSC, except for cases where share of the Company being listed, registered for trading at Stock Exchanges, and being assigned under court's ruling.

**Article 10: Forfeiture of shares (for the registration to establish a Company)**

1. Where a shareholder fails to pay in full and on time the amount payable to purchase shares, the Board of Directors shall notify and have the right to request such shareholder to pay the unpaid amount together with any interest calculated thereon, plus costs arising from such failure to pay in full to the Company in accordance with regulations.
2. The above mentioned notice must specify the new time-limit for payment (at least seven days from the date on which the notice is sent) and place for payment, and state that on failure to make payment as required then the number of shares which have not yet been fully paid for shall be forfeited.
3. If the requirements stated in the above-mentioned notice are not satisfied, the Board of Directors shall have the right to forfeit the relevant number of shares before all amounts payable including interest and relevant costs are paid for in full. The Board of Directors may accept the return of the forfeited shares in accordance with clauses 4, 5 and 6 of this Article and in other cases as stipulated in this Charter.
4. Any forfeited shares shall be the assets of the Company. The Board of Directors may directly sell or authorize to sell or re-distribute such shares to, or resolve them in favour of, the individuals who owned such forfeited shares or to other entities, on the conditions and in the manner that the Board of Directors considers appropriate.
5. The shareholders holding forfeited shares shall be required to waive their capacity as shareholders with respect to such shares, but shall still be required to pay all relevant amounts plus proportional interest (not exceeding 18% per year) at the time of forfeiture as decided by the Board of Directors from the date of forfeiture up to the date of payment. The Board of Directors shall have full power to make a decision on enforcement of paying the amounts payable as at the time of forfeiture, or may make a decision on remission of part or all of such amounts.
6. A forfeiture notice shall be sent to the holders of the shares which are to be forfeited prior to the time of forfeiture. The forfeiture shall remain valid even if there is a mistake or carelessness during the course of sending the notice.

**CHAPTER V. SECURITIES BUSINESS**

**Article 11: Securities trading principles**

1. To comply with the Law on Securities and the securities market and other laws;
2. To comply with professional ethics;
3. To be honest and impartial in carrying out business activities;

4. To complete all obligations to clients in the best manner;
5. To ensure the human resources, capital and other material facilities necessary to carry out the securities trading activities and to issue in writing appropriate rules for conducting business operations;
6. Only to give appropriate advice to clients on the basis of best efforts to collect information about the clients;
7. To be required to provide clients with information necessary to make their investment decisions;
8. To be careful not to create conflicts of interests with clients. Where conflicts are unavoidable, the Company must notify the clients in advance and/or take necessary measures to ensure the equal treatment to the clients;
9. To separate on working offices, human resources, data system, reports between departments/divisions to guarantee not having any conflicts of interest between the Company and its customers, customers together. The Company has to announce in advance to customers about future conflicts of interest (if any) which may arise between the Company, professionals and customers.
10. To assign securities professionals appropriated with business operation profession. The securities professionals who practice securities dealing cannot practice the securities brokerage at the same time.
11. Price anticipation or trading recommendation involved in a specific securities on public communication means have to specify the analysis and information citation source.
12. To issue and apply internal professional rules in compliance with the Law on Securities and relevant laws.

#### **Article 12: Rights and obligations of the Company**

1. Rights of the Company:
  - a. To sign written contracts with clients in respect of securities transactions, securities registration and depository, securities underwriting, securities investment consultancy and financial consultancy;
  - b. To collect fees at the rates and charges stipulated by the Ministry of Finance;
  - c. To give priority to employing local labour, to protect the rights and interests of employees in accordance with the labour code and to respect the right to organize trade unions in accordance with the law;
  - d. Other rights as stipulated in the Charter and the law.
2. Obligations of the Company:
  - a. To set up internal control audit, risk management, and supervision and prevention of conflicts of interest within the Company and in transactions with related persons.

- b. To separate securities of each investor, and to separate securities and money of the investors from its own.
- c. To sign written contracts with clients when providing services; to provide complete and factual information to clients.
- d. To give priority to the orders of clients over the orders of the Company.
- e. To collect and analyse information of the clients' financial status, investment objectives risk appraise; to ensure that investment recommendations and advice given by the Company to clients is appropriate for such clients.
- f. To comply with the regulations on disposable capital of the Ministry of Finance.
- g. To purchase professional indemnity insurance for the securities trading activities of the Company or to set up an investor protection fund in order to pay compensation to investors in case of technical breakdowns or mistakes by the Company's staff.
- h. To file all documents and accounts reflecting in detail and accurately all transactions of clients and of the Company.
- i. To conduct the sale of, or to permit the client to sell securities which are not owned by such client and to lend securities to a clients for sale in accordance with regulations of the Ministry of Finance.
- j. To comply with the regulations of the Ministry of Finance on securities trading activities.
- k. To implement the regimes on accounting, auditing, statistics and financial obligations in accordance with the law.
- l. To comply with regulations on information disclosure procedure and reporting mechanism of the Ministry of Finance;
- m. To comply with the provisions on corporate governance in accordance with Article 41 of the Law on Securities.
- n. To make contributions to the settlement assistance fund in accordance with the Regulations on securities registration, depository, clearance and payment.
- o. To provide credits to clients to purchase securities in accordance with the regulations of the Ministry of Finance.
- p. To clarify the duties among the General Meeting of Shareholders, the Board of Directors, Chairman of Board of Directors, Inspection Committee so that its corporate governance is in compliance with the law.
- q. To set up the correspondence system with its shareholders in order to provide them with sufficient information and to provide them with fair treatment, and to ensure their legal rights and benefits.
- r. Not to do the following behaviours:

- i. Guarantee on income, profits for shareholders (except for shareholders with fixed dividend preference shares);
  - ii. To illegally hold all benefits, income deriving from shares of its shareholders;
  - iii. To directly or indirectly provide fund or guarantee to its shareholders; to provide loan by any ways to its major shareholders; member of Inspection Committee; member of Board of Directors; member of Management Team; Chief Accountant; other management positions appointed by the Board of Directors and their related persons;
  - iv. To generate income for shareholders by buying shares through inappropriate transaction which is not in accordance with the law;
  - v. To violate its shareholders' rights including owning right, choosing right, and fair trading right, right to be provided with information, other legal rights and benefits.
- s. Register of shareholders:
  - i. The Company must establish and maintain a register of shareholders from the date of issuance of the license on establishment and operating.
  - ii. Register of shareholders must have primary contents under Law on Enterprise.
  - iii. The register of shareholders may be in the form of a written document and an electronic file.
  - iv. The register of shareholders shall be retained at the Head Office of the Company.
  - v. The Chairman of the Board of Directors is responsible for confirming the registration of share made by shareholders timely and thoroughly; archiving and ascertaining the accuracy of the register of shareholders; preventing shareholder or a third party from damage caused by breaching of these mentioned responsibilities.

### **Article 13: Restrictions**

- 1. Restrictions applicable to the Company:
  - a. Not to undertake or guarantee its clients on income or profits deriving from their investments, and not to guarantee that clients of loss free investments except for fixed income investments;
  - b. Not to disclose information about clients without client's prior approval or pursuant to a request by competent authority;
  - c. Not to take any acts which could result in misunderstanding by clients and investors on prices of securities.



- d. Not to make agreement or offer specific interest rate or profits/losses sharing to customers to entice customers to participate in the transaction;
  - e. Not to directly or indirectly set up other trading locations to sign contracts, to receive orders, execute securities transactions or settle securities transactions with customers except for the transaction locations which are registered with the SSC;
  - f. Not to receive orders, conduct payment transactions for those who are not the account holder without written authorization from such account holder;
  - g. Not to use client's name or account to register and trade securities;
  - h. Not to take on account for securities, cash or securities custody of the customer in the form of the name of the Company;
  - i. Contract of opening securities trading account shall not have any provisions to indemnify legal obligations of the Company; limit scope of Company's compensation or transfer risk from Company to the customer; force customer to implement the compensation obligation in an unfair way and detrimental agreements unfair to customers.
2. Restrictions applicable to securities practitioners of the Company:
- a. Not to work with any Company with an ownership relationship with the Securities Company where such individual is currently working;
  - b. Not to work concurrently for another securities Company or fund management Company;
  - c. Not to act concurrently as Director or General Director of a listed Company or a public Company;
  - d. Only can open his/ her securities trading account at his/her Company;
  - e. When process the above transaction activities on customers account, the securities practitioner is the representative of the Company and act on behalf of the Company. Not allowed to use money or securities in client accounts without Company written authority under such client's power of attorney.
3. Regulations for the Board of Directors, Head of the Inspection Committee, member of the Management Team of the Company:
- a. Members of the Board of Directors of the Company cannot concurrently be member of the Board of Directors, General Director of other securities Company;
  - b. Head of the Inspection Committee cannot concurrently be a member of the Inspection Committee or a manager of other securities companies;
  - c. General Director, Deputy General Director are not allowed to work for other securities companies, fund management companies, or any company. General Director is not allowed to be a member of the Board of Directors, members' council of other securities Company.

#### **Article 14: Provisions on internal control**

1. Rules on internal control must be made in writing and published within the Company.
2. All employees of the Company must comply with the provisions on internal control.
3. The Company shall check and complete the internal control on periodical basis.
4. The department of internal control shall be responsible to ensure the compliance of internal control system and shall make a periodical report to the Board of Directors or to the General Director of the Company in order to complete the measures for internal control.

#### **Article 15: Provisions on information confidentiality**

1. The Company shall be responsible to maintain confidentiality of information relating to ownership of securities and money of its clients; the Company must reject the an inspection or freezing of assets of a client, to grant a lien over such assets, to set aside a number of such assets, or to hand over the assets of the client unless it is agreed by such client.
2. The provisions in clause 1 of this article shall not apply in the following circumstances:
  - a. an auditor conducting audit activities of the financial statements of the Company;
  - b. a client of the Company wishes to get the information in relation to their own securities and money;
  - c. at the request of a competent authority as regulated by laws.

#### **Article 16: Principles of profession ethics**

1. The principles of professional ethics issued in writing by the Securities Business Association must be publicly published in the Company. The Company must formulate internal rules of the Company and provide more specific details of the contents of such principles of professional ethics.
2. All employees of the Company must strictly comply with such principles.
3. The internal control department shall be responsible to supervise compliance of the principles of professional ethics by leaders and employees of the Company.

#### **Article 17: Method of increasing or reducing the Charter capital**

1. An increase or decrease of the Charter capital of the Company must be implemented in accordance with law.
2. The Company may increase its Charter capital by a decision of the General Meeting of Shareholders and in compliance with the regulations of the State Securities Commission when:
  - a. The Company wishes to extend its business operation; or

- b. The current capital for securities business of the Company is reduced and the Company fails to raise funds from external sources.
- 3. The Charter capital of the Company shall be increased in the following cases:
  - a. Issuing new shares to raise additional capital in accordance with law;
  - b. Converting issued bonds into shares;
  - c. Paying dividends by shares;
  - d. The carrying forward of retained earnings in order to supplement to the Charter capital;
  - e. Converting debt into contributed capital upon an agreement between the Company and the creditor.
- 4. Reducing Charter capital of the Company shall be decided by the General Meeting of Shareholders, provided that such reduction shall not violate the conditions on legal capital in accordance with current regulations.

**Article 18: Offer of shares**

- 1. The Company shall be permitted to make a public offer of shares upon satisfaction of the conditions for a public offering as stipulated in the Law on Securities;
- 2. The Company shall be required to register with the State Securities Commission in order to carry out the share public offering;
- 3. Methods and procedures for a public offer of shares shall be carried out in accordance with the regulations on public offers of securities stated in the Law on Securities.

**CHAPTER VI. STRUCTURE OF ORGANIZATION, GOVERNANCE  
AND CONTROL**

**Article 19: Structure of organization, governance and control**

The structure of management, governance and control of the Company shall comprise:

- 1. General Meeting of Shareholders;
- 2. Board of Directors;
- 3. Management Team;
- 4. Inspection Committee;
- 5. Internal Audit under the control of Board of Directors.

**CHAPTER VII.  
SHAREHOLDERS AND GENERAL MEETING OF SHAREHOLDERS**

**Article 20: Rights of shareholders**

1. Shareholders are the owners of the Company and shall have the rights and obligations corresponding to the number and classes of shares owned by them. Shareholders shall only be liable for debts and other property obligations of the Company within their capital contribution to the Company.
2. Ordinary shareholders shall have the following rights:
  - a. To attend and give the opinion at the General Meeting of Shareholders and to exercise the right to vote directly or via an authorized representative or by other means stipulated in Article 24. Shareholders can authorize a member of the Board of Directors to be his/her representative at the General Meeting of Shareholders.
  - b. To receive dividends as decided by the General Meeting of Shareholder;
  - c. To freely assign, in accordance with this Charter and current law, their fully paid up shares, except for cases stipulated in Article 120 Clause 3, Article 127 Clause 1 of the Law on Enterprises and other relevant regulations
  - d. To have the right of first refusal for new shares issued by the Company in proportion to the number of ordinary shares each shareholder holds in the Company;
  - e. To peruse, look up, make an extract or copy, inspect information relating to the shareholders included in the list of shareholders who are qualified to vote the General Meeting of Shareholders, and to request amendment of incorrect information of themselves;
  - f. To peruse, look up, make an extract or copy of the Company's Charter, Minutes of meeting and Resolution of the General Meeting of Shareholders;
  - g. To receive the remainder of the assets of the Company in proportion to the shares contributed the capital of the Company after the Company have settled the debt (comprising the obligation towards the government, tax and fee) and the payment for shareholders owning other type of share, upon its dissolution or bankruptcy.
  - h. To request the Company to redeem shares as stipulated in Article 132 of the Law on Enterprises;
  - i. Other rights stipulated in the Charter and the laws.
3. A shareholder or a group of shareholders holding more than 10% of the total ordinary shares shall have the right to nominate candidates to the Board of Directors and the Inspection Committee in accordance with Article 33.2 and Article 52.2 respectively.

A shareholder or a group of shareholders holding more than 10% to less than 20% of the total number of shares with voting rights can nominate one (01) candidate; from 20% to less than 30% shall be entitled to nominate up to two (02) candidates; from 30% to less than 40% shall be entitled to appoint up to three (03) candidates; from 40% to less than 50% shall be entitled to appoint up to four (04) candidates; from 50% to less than 60% shall be entitled to appoint up to five (05) candidates; from 60% to less than 70% shall be entitled to appoint up to six (06) candidates; from 70% to less than 80% shall be entitled to appoint up to seven (07) candidates and from 80% to less than 90% shall be entitled to appoint up to eight (08) candidates.



4. A shareholder or a group of shareholders holding more than 05% of the total ordinary shares shall have the following rights:
- a. To request for the convening of a General Meeting of Shareholders when:
    - i. The Board of Directors severely violates the right of shareholders, the liability of manager or making decision over its extent of authority;
    - ii. The term of the Board of Directors exceeds six (06) months meanwhile new Board of Directors has not yet been re-elected.

The request must be made in writing and must contain the full name, address, nationality, legal document code in respect of a shareholder being an individual; name, enterprise identification number or organization legal document code, head office address in respect of a shareholder being an organization; number of shares and date of registration of shares of each shareholder, total number of shares of the group of shareholders and the percentage of ownership in the total number of shares of the Company; and grounds and reasons for the request to convene a meeting of the General Meeting of Shareholders. The request must be attached with documents and evidence of the breaches of the Board of Directors and the seriousness of such breaches, or on the decision that falls outside its authority.

- b. To peruse, look up and excerpt minutes of the meeting and the resolutions of the Board of Directors, the interim financial statements and annual reports of the Inspection Committee and request the Inspection Committee to examine each specific issue related to the management and operation control of the Company when deemed necessary (except for documents related to commercial and business confidentiality of the Company).
- c. To request the Inspection Committee to inspect each particular issue relating to the management and administration of the operation of the Company when necessary. This request must be in writing, must contain the full name, permanent address, nationality, number of people's identity card, passport or other lawful personal identification of a shareholder being an individual; or the name, permanent address, nationality, number of the decision on establishment or number of business registration, license of establishment and operation of a shareholder being an organization; the number of shares and time of registration of shares of each shareholder, total number of shares of the group of shareholders and the percentage of ownership of the total number of shares of the Company; and issues to be inspected and purpose of the Inspection Committee;
- d. To be treated evenly. Every share of the same type will provide a shareholder with the same rights, responsibilities and benefits. In case the Company has preference shares, the rights and responsibilities for the preference shares shall be approved by the General Meeting of Shareholders and fully published towards the shareholders;
- e. To be entitled to access periodic and extraordinary General Meeting of Shareholders information published by the Company pursuant to the law;
- f. To have their rights and lawful benefits protected; request to suspend, abandon resolution, decision of the General Meeting of Shareholders, the Board of Directors pursuant to the Law on Enterprises;

- g. Other rights stipulated in the Charter.
5. Rights to file lawsuits against the Board of Directors, General Director of a shareholder or a group of shareholder holding at least 01% of the total ordinary shares:
- a. A shareholder or group of shareholders that holds at least 01% of the total ordinary shares may, in their own names or in the Company's name, file lawsuit against a member of the Board of Members or the Director/General Director if the member or Director/General Director to claim the interest or damages:
    - i. Fails to fulfill the executive's duties prescribed in Article 165 of the Law on Enterprises;
    - ii. Fails to comply with or fully and punctually perform their rights and obligations as prescribed by law, the Company's Charter, resolution or decision of the Board of Directors;
    - iii. Abuses his/her power and position or uses the enterprise's information, secrets, business opportunities and assets for personal gain or serve any other organization's or individual's interests;
    - iv. Other cases prescribed by law and the Company's Charter.
  - b. Lawsuits shall be filed in accordance with civil proceedings laws. Proceedings costs in case the lawsuit is filed on behalf of the Company shall be recorded as the Company's expense unless the lawsuit is rejected.
  - c. The shareholder or group of shareholders mentioned in this Article is entitled to access and extract necessary information under decision of the court or arbitral tribunal before or during the proceedings.

#### **Article 21: Obligations of Shareholders**

- 1. To comply with the Charter and internal statutes on management the Company; to observe resolutions of the General Meeting of Shareholders and the Board of Directors;
- 2. To pay in full and in time for their registered shares; be liable for the debts and other property obligations of the Company to the extent of the amount of capital contributed to the Company. Not to withdraw the ordinary share capital contributed from the Company in any form, except where shares are redeemed by the Company or other persons under law. Where a shareholder withdraws a part or all of the share capital contributed not in accordance with this clause, such shareholder and any person with related interests in the Company must be jointly liable for debts and other property obligations of the Company to the extent of the value of shares withdrawn and any loss occurring.
- 3. To provide the correct address to the Company for their shares subscription;
- 4. To perform other obligations in accordance with current law;
- 5. To be personally liable when he or she performs one of the following acts in any form in the name of the Company:
  - a. Breach the law;

- b. Conduct business and transactions for his/her personal benefit or for the benefit of other institutions or individuals;
  - c. Pay undue debts prior to a time when the Company has to deal with a potential or possible financial risk.
6. Protect the confidentiality of information provided by the Company in accordance with the Company's Charter and the law; only use the provided information to perform and protect their lawful rights and interests; do not spread or share information provided by the Company to any other organization or individual.

## **Article 22: General Meeting of Shareholders**

1. The General Meeting of Shareholders is the highest competent authority of the Company. The Annual General Meeting of Shareholders must hold once a year within a time-limit of four (04) months from the end of a fiscal year. In case that the meeting cannot be hold on the above mentioned time, Company shall report to the State Securities Committee and organize a General Meeting of Shareholders within the next two (02) months. An Extraordinary General Meeting of Shareholders may be hold as provided in Charter and Law on Enterprise. The meeting location is where the meeting chairman attends the meeting and shall be within the territory of Vietnam.

2. The Board of Directors shall convene the annual General Meeting of Shareholders and shall choose an appropriate place. The annual General Meeting of Shareholders shall make decisions on issues in accordance with law and the Charter, and in particular shall approve the audited annual financial statements and the financial budget for the next fiscal year.

The members of the Board of Directors and members of the Inspection Committee have to attend the Annual General Meeting of Shareholders to answer the questions of shareholders participating in the meeting (if any); in force majeure situations, members of the Board of Directors and members of the Inspection Committee have to report to the Board of Directors and the Inspection Committee in writing.

In case the audited annual financial statements of the Company consist of important exceptions, adverse opinions or rejections, the Company have to invite representative of audit organization approved to audit Company's financial statements to the Annual General Meeting of Shareholders, and the above-mentioned representative is obliged to attend the Annual General Meeting of Shareholders to explain relevant contents.

3. The Board of Directors shall convene an extraordinary General Meeting of Shareholders in the following cases:
- a. The meeting is necessary for the interests of the Company;
  - b. When the number of members of the Board of Directors, independent members of the Board of Directors, members of the Inspection Committee is less than the number required by law or the number of members of Board of Directors decreased by more than one-third (1/3) the number of members specified in this Charter;
  - c. A shareholder or a group of shareholders as stipulated in Article 20.4 of this Charter may request to convene a General Meeting of Shareholders in writing. The written request must clearly states full name, address, nationality, legal documents code for individual shareholders; name, enterprise identification number or legal documents

code of organizations, head office address for organization shareholders; number of shares and time of share registration of each shareholder, total shares of all shareholders group and the ownership percentage in the total shares of the Company, the reason and purpose of the meeting and the evidence for such reason and purpose. The written request must be signed by the relevant shareholders (the written request may be made in multiple copies in order to facilitate the signatures of all relevant shareholders);

- d. Other cases as stipulated by law and the Charter.

#### 4. Convening an extraordinary General Meeting of Shareholders :

- a. The Board of Directors must convene a General Meeting of Shareholders within a time limit of thirty (30) days from the date when the remaining members of the Board of Directors, independent members of the Board of Directors is smaller than the number stated at Article 33.1, members of the Inspection Committee are as stipulated in Article 52.4 or from the date of receipt of the request stated in point c Article 22.3.
- b. If the Board of Directors fails to convene a meeting of the General Meeting of Shareholders as stipulated in point a Article 22.4, then within the following thirty (30) days the Inspection Committee shall replace the Board of Directors in convening the General Meeting of Shareholders in accordance with clause 3 Article 140 of the Law on Enterprises.
- c. If the Inspection Committee fails to convene a meeting of the General Meeting of Shareholders in accordance with point b Article 22.4, then within the following thirty (30) days the requesting shareholder or group of shareholders stipulated in point c Article 22.3 shall have the right to replace the Board of Directors and the Inspection Committee in convening the General Meeting of Shareholders in accordance with clause 4 Article 140 of the Law on Enterprises.

In such case, the shareholder or the group of shareholders that convenes the General Meeting of Shareholders may request the business registration authority to supervise the process, procedures to convene, conduct the meeting if necessary.

- d. All expenses for convening and conducting a General Meeting of Shareholders shall be reimbursed by the Company. Such expenses shall not include costs, including travel and accommodation costs, incurred by the shareholders when they attend the General Meeting of Shareholders.

#### **Article 23: Rights and duties of the General Meeting of Shareholders**

- 1. The annual General Meeting of Shareholders shall have the right to discuss and approve the following documents:
  - a. Annual audited financial statements;
  - b. Reports of the Inspection Committee on business activities of the Company, results of the activities of the Board of Directors, General Directors;



- c. Reports of the Inspection Committee on the result of self-evaluation;
  - d. Reports of the Board of Directors and results of activities of the Board of Directors and each members of the Board;
  - e. Annual business plans of the Company.
  - f. The rate of annual dividend for each type of shares in accordance with the Law on Enterprises and rights related to each type of shares. This rate is not higher than the rate proposed by the Board of Directors after consulting shareholders' opinions at the General Meeting of Shareholders.
  - g. All contents stipulated in Article 23.2.
2. The extraordinary General Meeting of Shareholders General Meeting of Shareholders have the right to discuss and approve the following issues:
- a. Decide which Audit Company is approved to inspect the Company's operations when necessary.  
  
Duration for Audit Company to inspect: starts when approved by the Annual General Meeting of Shareholders of the present fiscal year, ends at the opening of the Annual General Meeting of Shareholders of the subsequent fiscal year.
  - b. Appointment, dismissal and replacement of members of the Board of Directors and members of the Inspection Committee;
  - c. Total remuneration of the members of the Board of Directors, the members of the Inspection Committee and reports on remuneration of the Board of Directors, Inspection Committee;
  - d. Amendment and supplement to the Charter;
  - e. Classes of shares and number of new shares to be issued for each class of shares and the assignment of shares by founding members within the first three years of the date of establishment;
  - f. Division, separation, merger, consolidation or conversion of the Company;
  - g. Re-organization and dissolution (liquidation) of the Company and appointment of a liquidator;
  - h. To consider and deal with breaches by the Board of Management or the Inspection Committee which cause damage to the company and its shareholders;
  - i. Decisions relating to investment/the sale of assets of the Company or its branches or the purchase of assets valued at thirty five (35) per cent or more of the total value of assets of the Company and its branches recorded in the most recent financial statements;
  - j. Redemption by the Company of 10% or more of any one class of issued shares;

- k. The Company or its branches entering into contracts with parties stipulated in Article 167 of the Law on Enterprises valued at 35% or more of the total value of assets of the Company and its branches recorded in the most recent financial statements;
  - l. Approve transactions stipulated in Article 293 clause 4 Decree No. 155/2020/ND-CP dated 31 December 2020 of the Government detailing and guiding some articles of the Law on Securities;
  - m. Approve the Statutes on Corporate Governance, the Statutes on Board of Directors' operating and the Statutes on Inspection Committee's operating;
  - n. Other issues as stipulated in the Charter and other rules of the Company.
3. A shareholder shall not be permitted to vote in the following cases:
- a. Contracts stipulated in Point i clause 2 Article 23 of the Charter to which such shareholder or a related person of such shareholder is a party;
  - b. Remove, diminish obligations of those shareholders to Company; to take initiative or cancel a lawsuit to that shareholder.
  - c. Redeem shares of such shareholder or affiliated person of such shareholders, unless the share redeem is performed equivalent to the share ownership ratio of all shareholders or the redeem is performed via matching orders on Stock Exchanges or performed via tender offer in accordance with laws.
4. All resolutions and issues included in the agenda must be conferred and voted at the General Meeting of Shareholders.

**Article 24: Authorizing to join the General Meeting of Shareholders**

- 1. Shareholders have the right to attend the General Meeting of Shareholders follow one of these following formations:
  - a. Directly attend and vote at the General Meeting of Shareholders;
  - b. Authorize another person to attend and vote at the General Meeting of Shareholders;
  - c. Attend and vote through online conference, E-voting and other means of E-voting;
  - d. Send the Voting paper to the General meeting of Shareholders via letter, fax, email or other means.
- 2. In case there are more than one authorized representatives, the number of shares and votes of each representative should be specifically determined.
- 3. The authorization for a representative to attend the General Meeting of Shareholders shall be made in writing based on the form of the Company or pursuant to the civil regulations, thus clearly provides (i) name of authorizing shareholder (ii) name of authorized individual/organization (iii) number of authorized shares (iv) authorization contents (v) scope of authorization (vi) duration of authorization (vii) signature of authorized parties and authorizing parties.  
Regulations for the signature on the power of attorney are as follows:

- a. In case individual shareholder is the authorizer, there shall be signature of that shareholder and the individual, legal representative of organization authorized to attend the meeting;
  - b. In case organization shareholder is the authorizer, the power of attorney shall include the signature of the authorized representative, legal representative of organization shareholder and individual, legal representative of organization authorized to attend the meeting;
  - c. Other cases require the signature of legal representative of the shareholder and the authorized person.
4. The person authorized to attend the General Meeting of Shareholders shall provide a power of attorney before the registration date. In case of re-authorization, the attendee shall provide the original power of attorney of the shareholder/authorized representative of organization shareholder (if have yet to register with the Company).
  5. The voting paper of the authorized attendee in the scope of authorization remains effective in the following cases:
    - a. The authorizer is dead, has limited legal capacity or lost the capacity for civil acts;
    - b. The authorizer cancels the authorization;
    - c. The authorizer has rescinded the authority of the particular person carrying out the authorization.

This clause shall not apply in a case where the Company receives a notice of one of the above cases prior to the time of opening of the General Meeting of Shareholders or prior to the time the meeting is reconvened.

## **Article 25: Change of rights**

1. The change or cancellation of any of the special right related to preferred shares shall come into effect when such change or cancellation is approved by shareholders holding at least 65% of ordinary shares attending the General Meeting of Shareholders.

In case voting is carried out in writing, the Resolution of the General Meeting of Shareholders about the negative change in rights and responsibilities of shareholders of preference shares can only be passed if the shareholders of the same preference shares who attend the meeting hold at least 75% voting rights of the above-mentioned preference shares approve the Resolution.

2. The organization of such a meeting shall be valid only when at least two (2) shareholders (or their authorized representatives) are present and each of them holds at least one-third (1/3) of the par value of the issued shares of such class. Where the number of attendees as required above is insufficient, the meeting shall be reconvened within a period of thirty (30) days thereafter and the holders of shares of such class (not depending on the number of holders and the number of shares) who are present personally or via their authorized representatives shall be considered as the sufficient number of attendees. At each separate meeting mentioned above, the holders of the shares of such class who are present personally or via their authorized representatives may request for a secret ballot and each holder or representative attending the secret ballot shall have one vote corresponding to each of his owned shares of such class.

3. The proceeding for conducting such separate meetings shall be implemented in accordance with Article 27 and Article 28 of this Charter.
4. Except where otherwise stipulated by the provisions on issue of shares, special rights attached to various classes of shares with preference rights in respect of some or all issues on distribution of profits or assets of the Company shall not be changed when the Company issues additional shares of the same class.

**Article 26: Convening the General Meeting of Shareholders, agenda and notice of the General Meeting of Shareholders**

1. The Board of Directors shall convene the General Meeting of Shareholders, or the General Meeting of Shareholders shall be convened in the cases stipulated in Article 22.3 or Article 22.4.
2. The convener of the General Meeting of Shareholders shall carry out the following duties:
  - a. To prepare a list of shareholders qualified to attend and vote at the General Meeting of Shareholders. This list shall be made no earlier than ten (10) days prior to the date on sending invitation for the General Meeting of Shareholders. The Company must make announcement about creating a list of shareholders entitled to attend the General Meeting of Shareholders at least twenty (20) days prior to the final registration date.
  - b. To prepare the agenda and the content of General Meeting of Shareholders;
  - c. To prepare documents for General Meeting of Shareholders;
  - d. To make the draft of Resolution for General Meeting of Shareholders in accordance with the contents of Meeting;
  - e. To determine time and venue of General Meeting of Shareholders;
  - f. To inform and send a notice of the meeting of the General Meeting of Shareholders to all shareholders entitled to attend the meeting;
  - g. Other assignments related to the Meeting.
3. The notice of the General Meeting of Shareholders may be sent to all shareholders and at the same time shall be announced on the information network of Stock Exchange/Securities Trading Centre, on the website of the Company. The notice of the General Meeting of Shareholders must be sent at least twenty one (21) days prior to the date of the meeting (such period calculated from the date the notice is validly sent or delivered, postage prepaid or dropped in a post-box). The agenda of the General Meeting of Shareholders and all documents relating to the issues to be voted at the meeting shall be sent to shareholders or/and announced on the website of the Company. In case that no such document is attached with the notice of General Meeting of Shareholders, the notice must state clearly the website address to enable shareholders to access, including:
  - a. Agenda, documents using in the Meeting;
  - b. List and curriculum vitae of candidates in case of voting to choose member(s) of the Board of Directors, member(s) of Inspection Committee;



- c. Voting paper;
  - d. Draft of Resolution for each item of the Agenda.
4. Proposal of shareholders or group of shareholders about the agenda of the General Meeting of Shareholders:
- a. A shareholder or a group of shareholders referred to in Article 20.3 of this Charter shall have the right to propose issues to be included in the agenda of the General Meeting of Shareholders. The proposal must be made in writing and must be sent to the Company at least three (03) business days prior to the time of opening of the General Meeting of Shareholders. The proposal must contain full names of the shareholders, residential address, nationality, ID card or passport number, or any of other legitimate document applicable to individual shareholders; name, enterprise identification number or number of establishment decision, official address of head office applicable to shareholders being organization; the number and class of shares held by them, and the items proposed to be included in the agenda.
  - b. If The convener of the General Meeting of Shareholders rejects any proposal mentioned in point a of this Article, then the convener must response in writing and clearly state the reason no later than two (02) working days before the inaugural day of the General Meeting of Shareholders. The convener of the General Meeting of Shareholders shall have the right to reject this proposal in the following cases:
    - i. The proposal is not sent on time, has insufficient details, or contains irrelevant matters;
    - ii. At the time of the proposal, the shareholder or group of shareholders does not hold from 05% of the ordinary in accordance with Article 20.3 of this Charter;
    - iii. The items proposed do not fall within the authority of the General Meeting of Shareholders for discussion and approval;
    - iv. Other circumstances under regulation of this Charter in accordance with current law.
  - c. The convener of the General Meeting of Shareholders must approve and add the proposal stated in point a of this Article to the estimated agenda and content of the meeting, except for the cases in point b of the Article; the proposal is officially added to the agenda and the content of the meeting if approved by the General Meeting of Shareholders.
5. In a case where all shareholders representing 100% of the voting shares attend the General Meeting of Shareholders in person or via their authorized representatives, the resolutions which are unanimously approved by the General Meeting of Shareholders shall be deemed as effective even if the General Meeting of Shareholders is not conducted in accordance with the proceeding, or the items voted on are not included in the agenda.

**Article 27: Conditions for conducting the General Meeting of Shareholders**

- 1. The General Meeting of Shareholders shall be conducted when the number of attending shareholders represents for more than fifty (50) per cent of the voting shares.

2. Where the number of attendees required is not satisfied within thirty (30) minutes from the time set to open the meeting, the meeting may be convened for a second time within thirty (30) days from the date of intended opening of the first General Meeting of Shareholders. Such General Meeting of Shareholders which is convened for a second time shall be conducted only when the numbers of attending shareholders or their authorized representatives represent at least thirty three (33) per cent of the voting shares.
3. Where the meeting of the General Meeting of Shareholders convened for a second time cannot take place because the number of attendees required is not satisfied within thirty (30) minutes from the time set to open the meeting, it may be convened for a third time within twenty (20) days from the date of intended opening of the second General Meeting of Shareholders. In such a case, the General Meeting of Shareholders shall be conducted irrespective of the number of attending shareholders or their authorized representatives, and shall be deemed valid and shall have the right to make decisions on such issues as may have been approved at the first General Meeting of Shareholders.

**Article 28: Procedures for conducting and voting at the General Meeting of shareholders**

1. On the date when the General Meeting of Shareholders is held, the Company must carry out the procedures to register its shareholders and such registration shall continue until all shareholders entitled to attend the meeting who are present at the meeting have been fully registered according to this procedure:
  - a. When a shareholder is registered, the Company shall provide such shareholder or his/her authorized representative with voting rights a voting card which states the registration number, full name of the shareholder, full name of the authorized representative and the number of votes of such shareholder. The voting is conducted on the basis that those votes in favour of the resolution shall be collected first, then those against the resolution shall be collected, and finally the total number of those votes in favour of, against the resolution and abstentions shall be counted respectively for a final decision. The results of vote counting shall be announced by the meeting chairman immediately prior to the closing of the meeting. The General Meeting of Shareholders shall elect those persons in charge of vote counting or vote supervision on the proposal of the meeting chairman. The number of members of a scrutiny committee shall be decided by General Meeting of Shareholders under the proposal of the meeting chairman.
  - b. Shareholders or authorized person who come to the General Meeting of Shareholders late shall be entitled to be immediately registered and shall have the right to immediately attend and vote at the General Meeting of Shareholders. The meeting chairman shall not delay the meeting so that late attendees may register, and the effectiveness of any voting which has been conducted prior to attendance of late shareholders shall not be affected.
2. The election of meeting chairman, secretary and security team:
  - a. The Chairman of the Board of Directors shall be chairman of the General Meeting of Shareholders or authorize another member of the Board of Directors to be the meeting chairman. In a case Chairman of the Board of Directors is chairman of the General Meeting of Shareholders but he/she is absent or losses of ability to work temporarily, the remaining members of the Board shall elect one of them to be the meeting chairman under the majority basis. When none of such persons is able to preside over

the meeting, the Head of the Inspection Committee shall organize a meeting to elect a new meeting chairman among the attendees and the person with the highest vote shall be appointed as the meeting chairman;

- b. Except for the case in point a of this clause, the person who signs to convene the General Meeting of Shareholders shall monitor the Meeting to elect a meeting chairman and appoint the person with the highest vote as the meeting chairman;
  - c. The meeting chairman shall appoint one or more than one person as the meeting secretary;
  - d. The General Meeting of Shareholders shall appoint one or more than one person to be members of the voting committee according to the proposal of the meeting chairman.
3. Agenda and content of the Meeting must be approved by the General Meeting of Shareholders in the opening session. The agenda must clarify the time for each item in the agenda.
  4. Any decision of the meeting chairman on the order and proceeding or on events arising outside the agenda of the General Meeting of Shareholders shall be the final decision.
  5. The Chairman of the General Meeting of Shareholders may adjourn a meeting, even if the number attendees as required is satisfied, to such other time and at such other location as may be decided by the meeting chairman without obtaining opinions of the General Meeting of Shareholders if the meeting chairman considers that (a) the location of the General Meeting of Shareholders does not provide convenient seating for all attendees, (b) there is an attendee who disrupts or is likely to disrupt order at the meeting, or (c) such an adjournment is necessary for the items of the General Meeting of Shareholders to be validly carried out. In addition, the Chairman of the General Meeting of Shareholders may adjourn a meeting upon unanimous agreement or at request by the General Meeting of Shareholders at which sufficient attendees as required are present. The maximum time for any adjournment of a meeting shall be three (03) days as from the date of the proposed opening of the meeting. The General Meeting of Shareholders which is reconvened shall only review those items which should have been validly resolved at the adjourned meeting.
  6. Where the chairman adjourns or postpones a General Meeting of Shareholders contrary to the provisions in clause 5 of this Article, the General Meeting of Shareholders shall elect another person from the attendees to replace the meeting chairman in conducting the meeting until its completion, and the effectiveness of voting conducted at such meeting shall not be affected.
  7. The chairman General Meeting of Shareholders may conduct such activities as he/she thinks fit in order to direct the General Meeting of Shareholders in a valid and orderly manner, in accordance with the approved Agenda and so that it reflects the wishes of the majority of attendees.
  8. The convenor the General Meeting of Shareholders may require shareholders or their authorized representatives attending the General Meeting of Shareholders to be checked or subject to other lawful and justified security measures. Where a shareholder or his/her authorized representative does not comply with the rules on checking or the security measures as mentioned above, the Board of Directors, after careful consideration, may reject or expel such shareholder or authorized representative from the General Meeting of Shareholders.
  9. The convenor of the General Meeting of Shareholder, after careful consideration, may take such measures as it finds appropriate in order to:

- a. Arrange the seat(s) at the official location of the General Meeting of Shareholders;
- b. Ensure safety for the attendees who are present at that location;
- c. Create favourable conditions for shareholders to attend (or continue to attend) the General Meeting of Shareholders.

The convenor shall have full power to change the above measures and take all of such measures as it is considered to be necessary. The measures taken may include the issue of entry permits or use of other forms of selection.

- 10. In a case where the General Meeting of Shareholders takes the above measures, the Board of Directors, when determining the location of the meeting, may:
  - a. Announce that the General Meeting of Shareholders shall be conducted at the location as stated in the notice of the meeting where the meeting chairman shall be present (“the Official Location of the Meeting”);
  - b. Make arrangements so that shareholders or their authorized representatives who fail to attend the meeting in accordance with this Article or those who wish to attend the meeting but at a location different from the Official Location of the Meeting may still attend the General Meeting of Shareholders.

In a notice on holding the General Meeting of Shareholders, it is not required for the detailed measures taken in accordance with this Article to be stated.

- 11. In this Charter (unless the context requires otherwise), each shareholder shall be deemed as attending the Meeting at the Official Location of the Meeting.

#### **Article 29: Passing resolution of the General Meeting of Shareholders**

- 1. The following issues shall be passed by means of voting at the General Meeting of Shareholders:
  - a. Adjustment and update on the contents of the Charter;
  - b. Development plans;
  - c. Types of shares and total shares of each types;
  - d. The election, removal, discharge of member of the Board of Directors, the member of the Inspection Committee;
  - e. The resolution to invest or to sale 35% or more of the total value of assets recorded in the most recent financial statement of the Company, except that the Company’s Charter has stipulated another value or percentage of assets;
  - f. The passing of the annual financial statement;
  - g. Restructure and dissolution of the Company.



2. Except for cases stated in clause 4, clause 5 and clause 6 of this Article, the resolution of the General Meeting of Shareholders about the following issues will be passed if more than 50% of the total votes of the shareholders are votes of approval:
  - a. The passing of the annual financial statement;
  - b. Short-term and long-term development plans of the Company;
  - c. The removal, discharge and replacement of the members of the Board of Directors, members of the Inspection Committee and report of the Board of Directors on appointment of Director and/or General Director.
3. Resolution of the General Meeting of Shareholders about the following issues will be passed if more than 65% of the total votes of shareholders are votes of approval:
  - a. Change in the business line, sector and field;
  - b. Adjustment and update on the Company's Charter;
  - c. Types of stock and the number of stock offering;
  - d. The merging, restructuring and disbandment of a Company;
  - e. The project of investing, selling assets with the value worth of more than 35% recorded in the newest financial statement.
4. The voting to elect Members of the Board of Directors and members of the Inspection Committee must be implemented by the method of cumulative voting, whereby each shareholder shall have as his total number of votes the total number of shares he/she owns multiplied by the number of members to be elected to the Board of Directors or the Inspection Committee, and each shareholder shall have the right to accumulate all his votes for one or more candidates. The ones elected to be members of the Board of Directors or members of the Inspection Committee are determined upon the largest number of votes to the smallest number of votes, starting with the leading candidate until the number of members meets the requirement in the Company's Charter. In case two (02) or more candidates for the final position in the Board of Directors or the Inspection Committee have the same number of votes, the voting session shall start over among the above-mentioned candidates or the candidates will be chosen according to the criteria in the voting policy or the Company's Charter.
5. In case the resolution is passed by means of writing, then the resolution of the General Meeting of Shareholders will be passed if approved by the number of shareholders owning more than 50% of the total votes.
6. The resolution of the General Meeting of Shareholders that negatively change the rights and obligations of the shareholders who own preference shares will only be passed if approved by the same type of preference shareholders who attend the meeting and own 75% or more of the total preference shares or approved by the same type of preference shareholders who own 75% and more of the total preference shares in case the passing of resolutions is conducted in writing.
7. Resolution of the General Meeting of Shareholders take effect from the date of its adoption or the effective date is specified in the resolution. In case a resolution passed by the General Meeting of Shareholders is abandoned according to Article 151 of the Law on Enterprises by

the members of the Board of Directors, members of the Inspection Committee, General Director, shareholders, groups of shareholder under Article 20.3, then the resolution remains enforceable until the Court or Arbitrator has other decisions, except for any injunctive relief to be applied in accordance with the decision of competent agency.

8. Any resolution of the General Meeting of Shareholders which is passed by 100% of the total voting shares shall be lawful and effective even when the sequence and procedures for passing such resolution are not implemented correctly in accordance with regulations.
9. Resolutions of the General Meeting of Shareholders must be published on the website of the Company within fifteen (15) calendar days from the date of approval thereof.
10. All resolutions of the General Meeting of Shareholders can be passed by the following methods:
  - a. Voting at the meeting;
  - b. Collecting opinions by means of writing (except for the method mentioned in Article 29.1).
  - c. Voting through online conference, E-voting or other means of E-voting (except for the method mentioned in Article 29.1).

**Article 30: Procedure, order of the General Meeting of Shareholders to pass the resolution**

**A. Voting at the meeting.**

Processing in accordance with the procedure, order stipulated in Article 26, 27, 28 of this Charter.

**B. Collecting written opinions.**

1. The Board of Directors shall have the right to collect written opinions of shareholders in order to pass a resolution of the General Meeting of Shareholders at any time if considered necessary in the interests of the Company.
2. Collecting written opinions via traditional way:
  - a. The Board of Directors must prepare written opinion forms, a draft of the resolution of the General Meeting of Shareholders and other documents explaining the draft resolution. The written opinion form together with the draft resolution and documents explaining it must be sent by a means, which is guaranteed to reach the permanent address of each shareholder. The Board of Directors must guarantee to send, announce documents to all shareholders within a reasonable time for consideration and vote, and must send them at least ten (10) days prior to the expiry of collection of the written opinion forms. Request and method of sending the written opinion forms and the attachment shall be performed under the Article 26.3 of this Charter.
  - b. The written opinion form must contain the following basic particulars:
    - i. Name, Head Office address, enterprise identification number;
    - ii. Purpose of collecting written opinions;

- iii. Full name, address, nationality, legal document code (individual shareholder, individual representative of organization shareholder); name, enterprise identification number or legal document code, head office address (organization shareholder); number of shares of each class and number of votes of the shareholder;
  - iv. Issue on which it is necessary to obtain opinions in order to pass a resolution;
  - v. Voting options comprising agreement, non-agreement, or abstention for every single item of the discussion;
  - vi. Time limit within which the completed written opinion form must be returned to the Company;
  - vii. Full name and signature of the Chairman of the Board and of the legal representative of the Company.
- c. Any completed written opinion form must bear the signature of a shareholder being an individual, or of the authorized representative of shareholders being an organization or individual, of the legal representative of a shareholder being an organization.
- d. Written opinion forms could be returned to the Company via postal mail: The written opinion forms which are returned to the Company must be in a sealed envelope and no one is permitted to open the envelope prior to counting of votes. Any completed written form which is returned to the Company after the expiry of the time-limit stipulated in the written opinion form, or any form which has been opened, shall be invalid. Any of the written opinion forms not being returned to the Company shall be considered that theirs (its) owners refuse(s) to attend the vote.
- e. The Board of Directors shall conduct counting of votes and shall prepare minutes of vote counting in the presence of the Inspection Committee or of any shareholder who is a non-executive officer of the Company. The minutes of vote counting shall contain the following basic particulars:
- i. Name, head office address, enterprise identification number;
  - ii. Purpose of collection of written opinions and issues on which it is necessary to obtain written opinions in order to pass a resolution;
  - iii. Number of shareholders with total numbers of votes who have participated in the voting, classifying the votes into valid and invalid, method of sending the written opinion forms, and including an appendix being a list of the shareholders who participated in the voting;
  - iv. Total number of votes for, against and abstentions on each matter voted upon;
  - v. Resolutions which have been passed;
  - vi. Full name and signature of the Chairman of the Board, of the legal representative of the Company, of the scrutineer(s) and of the person who supervised the vote counting.

The Members of the Board, the scrutineer(s) and the person who supervised the vote counting shall be jointly liable for the truthfulness and accuracy of the minutes of vote counting, and shall be jointly liable for any loss arising from a resolution which is passed due to an untruthful or inaccurate vote counting.

- f. Minutes of vote counting must be announced on the Company website within twenty-four (24) hours or sent to the shareholders within a time limit of fifteen (15) days as from the date the vote counting ended.
- g. Written opinion forms which were returned, the minutes of vote counting, the full text of the resolution which was passed and related documents sent with all of the written opinion forms must be archived at the Head Office of the Company.
- h. A resolution which is passed by way of collecting written opinions of shareholders must be approved by shareholders representing more than 50% of the total shares with voting rights and shall have the same validity as a resolution passed by the General Meeting of Shareholders.

C. Online conference.

Processing in accordance with the procedure, order stipulated in the Statutes on holding online conference built up and issued by the Board of Directors.

D. E-voting.

Collecting written opinions via E-voting: processing in accordance with the Regulation on E-voting guide of the Company.

**Article 31: Minutes of the General Meeting of Shareholders**

- 1. Minutes of the General Meeting of Shareholders shall either be recorded or stored by other electronic methods. The minutes shall be written in Vietnamese, and can also be written in other languages and shall consist of the following contents:
  - a. Name, head office address, enterprise identification number;
  - b. Time and location of the General Meeting of Shareholders;
  - c. Agenda and content of the meeting;
  - d. Full name of the meeting chairman and secretary;
  - e. Summary of the meeting and opinions at the General Meeting of Shareholders on each issue in the content of the meeting agenda;
  - f. The number of shareholder and total votes of shareholders participating, appendix of list of shareholder registration, shareholder representatives with the equivalent number of shares and votes;
  - g. Total votes for each issue, clearly stating voting methods, number of appropriate and inappropriate votes, approval and disapproval votes and non-commenting vote; equivalent percentage on total number of votes of shareholders participating;



- h. Approved issues and the percentage of equivalent passed votes;
- i. Full name and signature of the meeting chairman and secretary.

In case the meeting chairman and secretary refuse to sign in the minutes, then this minutes shall be effective if all other members of the Board of Directors participating sign and provide all contents mentioned in this clause. The minutes of the meeting clearly states that the meeting chairman and secretary refuse to sign.

- 2. The minutes of the General Meeting of Shareholders shall be finished and passed before the end of the meeting. The meeting chairman and secretary shall bear all responsibilities related to the honesty and accuracy of the content of minutes.
- 3. The minutes of the General Meeting of Shareholders shall be considered a bona fide record of the whole proceeding of the General Meeting of Shareholders unless an opinion against the contents of the minutes is made in accordance with the stipulated procedures within a time-limit of ten (10) days from the date the minutes were sent.
- 4. The minutes must be prepared in Vietnamese and English, and have the same legal effect. In case the content of the Vietnamese minutes is different from the English one, the content in the Vietnamese version shall be applicable.
- 5. The meeting minutes of General Meeting of Shareholders, list of shareholders attending the meeting with the signatures of the shareholders, the power of attorney on authorization of attending the meeting and the relevant documents must be archived at the head office of the Company.

#### **Article 32: Request for cancellation of resolutions of the General Meeting of Shareholders**

Members of Board of Directors, members of the Inspection Committee, General Director, shareholder(s) prescribed in Article 20.3 of this Charter shall have the right to require a court or an arbitrator to consider and cancel a resolution of the General Meeting of Shareholders within ninety (90) days from the date of receipt of minutes of the General Meeting of Shareholders or minutes of the results of counting of votes being published on the website of the Company, in the following cases:

- 1. The order and procedures for convening a meeting or collecting written opinions of shareholders to pass the resolution of the General Meeting of Shareholders do not comply with Law on Enterprises and this Charter, except for the circumstance prescribed in Article 29.6 of this Charter;
- 2. The content of the resolution breach the laws or this Charter.

Where the resolution of the General Meeting of Shareholders is cancelled by decision of the court or arbitrator, the convener of the meeting the General Meeting of Shareholders subject to such cancellation may consider and re-organize the General Meeting of Shareholders within thirty (30) days in accordance with the order, procedures stipulated in the Enterprise Law and this Charter.

### **CHAPTER VIII. BOARD OF DIRECTORS**

#### **Article 33: Composition and term of office of members of the Board**

- 1. The Board of Directors shall have five (05) members. The term of office of the Board of

Directors shall not be more than three (03) years. The term of a member of the Board shall not exceed three (03) years and may be re-elected for an unlimited number of terms.

The total number of members of the Board who are non-operational must be at least one-third of the total number of the members of the Board. Minimum number of non-operational members of the Board is determined by the method of rounding down.

The total number of independent members of the Board: 01 person working no more than two (02) terms.

The total number of members of the Board of Directors who are residents in Vietnam must be at least: 01 person.

2. A shareholder or a group of shareholders holding from 10% of the total ordinary shares have the right to nominate candidates to the Board of Directors as stated at Article 20.3. The specific number of the candidates is shown in Article 20.3. The nominating process is as follows:
  - a. Shareholders forming into groups for the purpose of nominating must inform shareholders who attend the meeting about the group meeting before the opening of the General Meeting of Shareholders.
  - b. In case the number of nominated candidates is smaller than the number of candidates that they are entitled to nominate pursuant to the resolution of the General Meeting of Shareholders, the rest of the candidates shall be nominated by the Board of Directors, the Inspection Committee and other shareholders.
3. In case the candidates are identified, the information of candidates for the member of the Board of Directors must be illustrated in documents for the meeting and disclosed on the Company's website at least ten (10) days before convening the General Meeting of Shareholders for the shareholders to study before the voting. The candidates for members of Board of Directors must have commitment in writing about the honesty, accuracy and justification of the information which they informed and must commit to honestly perform the duty of member of Board of Directors if they are elected. Information disclosure of the candidates comprises should at least comprise the following contents:
  - a. Full name, date of birth;
  - b. Education;
  - c. Qualification;
  - d. Work Experience;
  - e. Name of the Company on which the candidate(s) is (are) member of the Board of Directors or an executive officer;
  - f. Assessment on contribution to other Company where the candidate is member of Board of Directors (if any);
  - g. The interest related to the Company (if any);
  - h. Name of shareholder(s) nominating such candidate;

- i. Other information (if any).
4. Employee(s) of an audit Company that have been auditing the Company within three (03) years must not be nominated to the Board of Directors.
5. Where the number of candidates is still insufficient after candidates have been nominated by the Board of Directors, the incumbent Board of Directors may nominate additional candidates or hold a nomination in accordance with rules stipulated by the Company. The rules for nomination or the manner used by the incumbent Board of Directors to nominate candidates to the Board of Directors must be clearly announced and must obtain an approval from the General Meeting of Shareholders before the nomination is held.
6. The term of office of member elected to replace a member who lost the membership, being discharged or removed, is to the end of the term of office of the other members.
7. A member of the Board shall lose his/her membership capability in the following cases:
  - a. Such member is no longer qualified to be a member of the Board under Article 36 of this Charter;
  - b. Such member sends a written application for resignation to the Head Office of the Company;
  - c. Such member is absent from meetings of the Board of Directors for a consecutive period of six (6) months , except for event of force majeure;
  - d. Under the resolution of the General Meeting of Shareholders.
  - e. Such member has psychiatric disorder and other member of the Board of Directors has the evidence to prove his/her lack of capability;
  - f. Such member had provided incorrect personal information for the Company when he/she was a candidate for member of the Board of Directors;
  - g. Other circumstances under the regulation of laws and this Charter.
8. The Board of Directors may appoint a new member to the Board in order to fill the vacancy arising, and the new member must obtain an approval at the next meeting of the General Meeting of Shareholders. Upon such approval, the appointment of the new member shall be deemed effective on the date of appointment by the Board of Directors. The term of the new member of the Board is calculated from the effective date of such appointment to the end of the term of office of the Board of Directors. In case a new member is not approved by the General Meeting of Shareholders, all decisions made by the Board of Directors before the meeting of the General Meeting of Shareholders with participation in voting by such alternative member of the Board remain deemed valid.
9. The appointment of members of the Board must be announced in accordance with the laws on securities and securities market.
10. Members of the Board need not necessarily be shareholders of the Company.
11. When a term of the Board of Directors is over and the General Meeting of Shareholders has still not elected a new Board of Directors, the Board of Directors of the very last term

continues to be in charge until the new Board of Directors is elected and takes over the management.

#### **Article 34: Powers and duties of the Board of Directors**

1. The Board of Directors is the managing body of the Company, with full power to act on behalf of the Company to determine the rights and obligations of the Company which are not under the authority of the General Meeting of Shareholders. For avoidance of doubt, any matters not specifically reserved for the exclusive decision making power of the General Meeting of Shareholders shall be reserved for the Board of Directors. The Board of Directors shall take legal responsibility towards shareholders about the operation of the Company to comply with the laws, this Charter and internal regulations of the Company, equal treatment for all shareholders and respect for the interests of persons who have interests related to the Company.
2. The Board of Directors might authorize the Chairman of the Board of Directors to exercise its partial authority and function within the time the General Meeting of Shareholders not be convened. The scope of authorization must be clearly defined. The Chairman of the Board of Directors shall not be authorized to handle matters concerning the crucial interest the Company.
3. The rights and obligations of the Board of Directors shall be as stipulated by laws, the Charter, the internal rules of the Company. Specifically, the Board of Directors shall have the following powers and duties:
  - a. To make decisions on strategies, medium term development plans, business plans and the annual budget;
  - b. To determine the operational objectives on the basis of the strategic objectives approved by the General Meeting of Shareholders;
  - c. To appoint, dismiss and remove Chairman; appoint and discharge, sign and terminate labour contract with managers of the Company upon request of the General Director; and to make decisions on their salaries and other benefits;
  - d. To appoint, dismiss or remove, the General Director, managerial positions or the representative of the Company where the Board of Directors believes that such action is taken in the best interests of the Company. Such removal shall not be contrary to the contractual rights (if any) of the person subject to such removal;
  - e. To make decisions on the organization structure of the Company, the establishment/dissolution of subsidiary, of branch, of representative office; and the purchase of contribution or shares of other enterprises;
  - f. To deal with complaints made by the Company against managers and to make decisions on selection of a representative of the Company to deal with legal procedural issues against such managers;
  - g. To inspect and monitor the General Director and other managers in managing business operations of the Company;
  - h. To propose classes of shares which may be issued and the total number of shares of each class to be issued;



- i. To make decision of all matters in relation to bond issuance, bonds convertible into shares and securities rights which allow its owner to be entitled to purchase shares at a pre-determined price;
  - j. To determine prices at which bonds, shares will be offered for sale in case of being authorized by General Meeting of Shareholders;
  - k. To propose annual dividend rates and to fix temporary dividend rates; to organize payment of dividends;
  - l. To propose the restructuring or dissolution, request for liquidation of the Company;
  - m. To pass on programs, documents content for the General Meeting of Shareholders, to convene a General Meeting of Shareholders or collect opinions and comments in order that the General Meeting of Shareholders can pass a resolution;
  - n. To develop and propose the promulgation the Statue on Corporate Governance, Statues on Board of Directors' operating to the General Meeting of Shareholders for approval and make sure these regulations are published on the website of the Company;
  - o. To develop and promulgate the Regulations on information disclosure, Regulations on E-voting, Regulations on holding online conference;
  - p. To submit the annual audited financial statement, the report on activities of the Board of Directors, report on Corporate Governance to General Meeting of Shareholders. The report on activities of the Board of Directors has to be in compliance with the stipulations in Decree 155/2020/ND-CP;
  - q. To report to General Meeting of Shareholders on the appointment of General Director by the Board of Directors;
  - r. Appoint the Corporate manager;
  - s. Monitor to organize and provide training courses on corporate governance and essential skills for members of the Board of Directors, General Director and other managers of the Company.
4. The following issues must be approved by the Board of Directors:
- a. Establishment of branches or representative offices of the Company;
  - b. Establishment of subsidiaries of the Company;
  - c. The Board of Directors may from time to time make decisions on the performance, amendment or rescission of major contracts of the Company (including contracts for purchase, sale, merger and takeover of companies and joint venture contracts) to the extent of Article 153.2 of the Law on Enterprise, except for the cases stipulated in Article 167.3 of the Law on Enterprise which must be approved by the General Meeting of Shareholders;
  - d. Appointment and removal of any person authorized by the Company to act as a commercial representative or lawyer of the Company;

- e. Borrowings and provision of mortgages, warranties, guarantees and payment of compensation by the Company;
  - f. Investments exceeding 10% of the value in the annual business plan and annual business budget;
  - g. Decide on re-purchase from 10% of total sold shares; decide on purchase strategy, dividing treasury stock in accordance with provision of law;
  - h. Approve Purchase; Selling; Loan; Credit Contract and other transactions and contracts that value from 35% of the total assets stated in the latest financial report of the Company; except for contracts, transactions under the power of the General Meeting of Shareholders stipulated in Article 138 clause 2 point d, Article 167 clause 1 and clause 3 of the Law on Enterprises;
  - i. Purchase or sale of shares of other companies established in Vietnam or overseas;
  - j. Valuation of non-monetary assets contributed to the Company relating to the issuance of shares or bonds by the Company, including gold, land use rights, intellectual property rights, technology and technological know-how;
  - k. Purchase or recovery by the Company of no more than ten (10) per cent of shares of each class being offered within twelve (12) months;
  - l. Business issues or transactions which the Board of Directors decides to be subject to its approval within the scope of its powers and responsibilities;
  - m. Decision on buying or recovery price of shares of the Company;
  - n. Initially approve the appointment, dismissal of positions in the Company according to the current regulation and the Charter.
5. The Board of Directors must report to the General Meeting of Shareholders its activities, notably on its supervision over the General Director and other managers in a fiscal year. If the Board of Directors fails to submit such report to the General Meeting of Shareholders, the annual financial statements of the Company shall be deemed invalid and not to have been approved by the Board of Directors.
  6. In case the approved resolution of the Board of Directors against the law and the Charter, shareholders who consecutively own the Company's shares at least one (01) year have right to request the Board of Directors to suspend the execution of such resolution.
  7. The Board of Directors shall exercise its right and obligation in accordance with the law, the Charter, and the decision of General Meeting of Shareholders.
  8. Except where the law and the Charter stipulate otherwise, the Board of Directors may authorize its inferior staff or a manager to process its work on behalf of the Company. Content of the authorization must be made clear and specific.
  9. Members of the Board (excluding authorized representatives as alternates) may be entitled to remuneration for their works in their capacity as members of the Board. The total remuneration amount for the Board of Directors shall be determined by the General Meeting

of Shareholders. The amount shall be distributed to members of the Board as agreed by the Board or equally if no such agreement is reached.

10. Any member of the Board who holds an executive position (including positions as Chairman or Vice Chairman) or who works on a sub-committee of the Board of Directors or who performs other works which is, in the opinion of the Board, beyond the scope of the normal duties of a member of the Board may be paid extra remuneration in the forms of lump sum payment each time, or salary, commission, profit percentage or otherwise as decided by the Board of Directors.
11. Members of the Board of Directors shall be entitled to reimbursement for all expenses for travel, accommodation, meals and other reasonable expenses they have to pay when performing their tasks as a member of the Board, including all expenses relating from their travel for a participation of meetings of the Board of Directors or its sub-committees, or of the General Meeting of Shareholders.
12. Duties of members of the Board of Directors:
  - a. To perform the tasks as assigned and powers as conferred in accordance with the provisions of the Law on Enterprise, the Law on Securities, the relevant laws, the Charter and decisions of the General Meeting of Shareholders;
  - b. To perform the tasks as assigned and powers as conferred in an honest and diligent manner to ensure maximum legal interests of the Company and its shareholders;
  - c. To be loyal to the interests of the Company and its shareholders; not to use information, know-how, business opportunities of the Company, not to abuse their positions and the Company's assets for personal benefits or for the benefit interests of other organizations and individuals;
  - d. To fully attend meetings of the Board of Directors and have clear opinions on issues discussed at meetings;
  - e. To report to the Board of Directors at the latest meeting about the transactions between the Company, subsidiary Company, Company controlled by public Company which takes over more than 50% Charter capital and the members of the Board of Directors and related people; transactions between companies in which a member of the Board of Directors is the founding member or enterprise manager within three (03) years prior to the transaction time. Such notice is displayed at the Head Office and branches of the Company;
  - f. To report promptly, fully to the Board of Directors about the salaries received from subsidiary Company, associated Company and other organizations;
  - g. To publish information about stock exchange of the Company pursuant to the law;
  - h. Members of the Board of Directors may not receive any increase of salary, any bonus when the Company fails to fully pay its debts when due;
  - i. Members of the independent Board of Directors shall create a report on the activities of the Board of the Directors;
  - j. Conduct responsibilities of the Corporate manager pursuant to Article 165 of the Law on Enterprises;

- k. Other duties as prescribed by law and this Charter.

### **Article 35: Chairman of the Board of Directors**

- 1. The Board of Directors must elect among its members a Chairman.

The Board of Directors may elect among remaining members to appoint a Vice Chairman to assist Chairman.

- 2. In case the Chairman of the Board of Directors is not present or not able to perform his tasks, he/she shall authorize another member in writing to perform the rights and obligations of the Chairman of the Board of Directors in accordance with the Company's Charter. In case no member is authorized or the Chairman is dead, missing, detained, serving an imprisonment sentence, serving an administrative penalty in a correctional institution or rehabilitation center, making a getaway; has limited legal capacity or is incapacitated, has difficulty controlling his/her behaviour, is prohibited by the court from holding certain positions or doing certain works, one of the Board of Directors shall convene a meeting with the remaining members to elect one of them as the interim Chairman under the majority rule until a new decision is issued by the Board of Directors.
- 3. The Chairman of the Board must ensure that the Board of Directors sends annual financial statements, reports on the operation of the Company, audit reports and the Inspection Committee reports of the Board of Directors to shareholders at the General Meeting of Shareholders.
- 4. Where both the Chairman and Vice Chairman of the Board of Directors resign or are removed, the Board of Directors must elect persons to replace them within a period of ten (10) days.
- 5. The Chairman of the Board has the following powers and duties:
  - a. To prepare working plans and programs of the Board;
  - b. To prepare, or organize the preparation of agenda, content and documents for meetings of the Board; convene and preside over meetings of the Board;
  - c. To organize for resolutions of the Board to be passed;
  - d. To monitor the implementation of resolutions of the Board;
  - e. To chair meetings of the General Meetings of Shareholders, to sign on behalf of the General Meeting of Shareholders in resolutions as approved by the General Meeting of Shareholders;
  - f. To lead and ensure the effective operation of the Board;
  - g. To develop, implement and review procedures that govern the operation of the Board;
  - h. To schedule meetings of the Board of Directors and departments under the Board of Directors;
  - i. To prepare agendas for meetings of the Board of Directors;



- j. To meet regularly with the General Manager and act as liaison between the Board of Directors and the Management Team;
- k. To ensure sufficient, prompt, accurate and specific information to be communicated between members of the Board and the Chairman of the Board;
- l. To ensure effective communication and liaison with shareholders;
- m. To organize the periodical evaluation of the work of the Board, departments under the Board of Directors and each member of the Board;
- n. To create favourable conditions for non-executive, independent members of the Board to work effectively, and to establish constructive relationships between executive and non-executive members of the Board;
- o. To exercise other duties and perform other responsibilities as required by the General Meeting of Shareholders and the Board of Directors according to actual needs and circumstances;
- p. To sign the decision on appointment of position which is under the power of Board of Directors in accordance with laws and Charter.
- q. To sign on the Charter of the Company.
- r. To sign on the shareholder certificate books or share certificates corresponding to the number of shares and the class of owned shares.
- s. To sign on documents on behalf of bank account owner of the Company.

**Article 36: Criteria and conditions to be members of the Board of Directors**

- 1. To have full capacity for civil acts and not to be prohibited from establishment and management of enterprises pursuant to Article 17 Clause 2 of the Law on Enterprises.
- 2. To be individual shareholders owning at least 05% of the total number of ordinary shares, or to be persons having expertise and experience in business management or experience in the fields of securities, finance and banking.
- 3. Not to be the General Director, members of the Board, members of the members' councils of other securities companies; not to be concurrently members of the Board of Directors in more than five (05) other companies (in respect of listed companies).
- 4. Not to have been members of the Board of Directors or the legal representative of a Company which goes bankrupt or is prohibited from operation due to serious violations of the laws.
- 5. Not to nominate to the Board of Directors any employee of an independent auditor this makes audits over the Company in the past three (03) years.
- 6. Members of the Board are required to have the following qualities and capabilities:
  - a. To be trusted by shareholders (evidenced by affirmative voting of shareholders), other members of the Board, managers and employees of the Company;
  - b. To be capable of balancing interests of all related parties and to make proper decisions;

- c. To have professional experience and necessary education to run efficiently the Company;
- d. To have experience in international business, knowledge of local issues, and understanding of the market, products and competitors;
- e. To be able to turn knowledge and experience into practical solutions.

At the beginning of the term, all members of the Board must meet all conditions required by law, administrative regulations, the Charter and internal regulations of the Company. During the term, if there is any change, members must notify to the Chairman of the Board of the same. Criteria and conditions specified in this Article shall also apply to members of the Board to be additionally or alternatively elected.

#### **Article 37: Alternate members of the Board**

1. A member of the Board (other than a person authorized to replace such member) may appoint another member of the Board, or a person who is approved by the Board of Directors and willing to perform such duty, as his/her alternate, and shall have the right to discharge such person.
2. The alternate member of the Board shall be entitled to receive notices of any meeting of the Board of Directors and of any sub-committee of the Board of Directors to which his/her designator is a member; shall be entitled to attend and vote at meetings where the member of the Board appointing him/her is absent; and shall be authorized to perform all functions of his/her designator as a member of the Board in the case of absence of the designator. Such alternate member shall not be entitled to receive any remuneration from the Company for his/her work as an alternate member of the Board. However, the Company shall not be obliged to send notices of the above-mentioned meetings to alternate members of the Board who are not present in Vietnam.
3. The alternate member shall be required to waive his/her membership of the Board of Directors where the membership of his/her designator is terminated. If the term of office of a member of the Board expires but such member is re-appointed or deemed to have been re-appointed at the same General Meeting of Shareholders where such member ceases his/her membership due to expired term, then any appointment of an alternate member made by such member immediately prior to expiry of his/her term of office shall continue to be effective after such member is re-appointed.
4. Appointment or discharge of the alternate member must be made in writing, signed and sent by the member of the Board making such appointment or discharge, to the Company or otherwise as agreed by the Board of Directors.
5. In addition to the other provisions in this Charter, the alternate member shall be deemed as a member of the Board in all respects and must be personally liable for his/her acts and errors but not be deemed to be a representative implementing the authorization of the member of the Board who has appointed him/her.

#### **Article 38: Removal, discharge and addition of members of the Board**

1. Cases of discharge and removal of members of the Board:

- a. Members of the Board no longer meet the criteria and conditions stipulated in Article 36 of this Charter;
  - b. Members of the Board do not participate in any activities of the Board of Directors within six (06) consecutive months, except in cases of force majeure;
  - c. A resignation letter is lodged;
  - d. There is evidence proving that the member of the Board loses his/her capacity for civil acts;
  - e. In accordance with decisions of the General Meeting of Shareholders;
2. In the case of members of the Board to be added: if a member loses his/her membership in accordance with the laws and the Charter of the Company, is demoted or removed or cannot continue to act as member of the Board for any reason, the Board of Directors may appoint another person to be the temporary member of the Board. The election of the new member of the Board as alternative must be made at the nearest General Meeting of Shareholders. When the number of members of the Board is reduced by more than one-third (1/3) of that as stipulated in the Charter of the Company, the Board of Directors must convene a meeting of the General Meeting of Shareholders for a period not exceeding sixty (60) days to elect additional members to the Board of Directors.

**Article 39: Independent members of the Board of Directors**

1. Independent members of the Board of Directors are members of Board of Directors who satisfied criteria and conditions as prescribed under Statutes on corporate governance for listed Company in Stock Exchanges.
2. Independent members of the Board of Directors shall notify to Board of Directors in case such members are not qualified for conditions of Clause 1 of this Article and automatically no longer be the independent member of the Board of Directors from the unqualified date. In case any independent member of the Board of Directors no longer qualifies for the provided conditions, the Board of Directors must notify to the next General Meeting of Shareholder or convene the General Meeting of Shareholder to elect additionally or replace those independent members within six (06) months from the receiving date of written notice of the independent members.
3. Independent members have the same duties and powers as those of other members of the Board of Directors, with additional powers as follows:
  - a. To propose to the Board of Directors to convene an extraordinary General Meeting of Shareholders or propose to the Inspection Committee to convene an extraordinary General Meeting of Shareholders in the event the Board of Directors rejects such proposal;
  - b. To hire audit or consulting organizations to carry out their duties;
  - c. To provide independent opinions on issues related to the bonus plan, remunerations paid to members of the Board of Directors and managers of the Company;
  - d. To provide independent opinions on related major transactions and report the same to management agencies when necessary.

#### **Article 40: Meetings of the Board of Directors and minutes of meeting**

1. In case where the Board of Directors is to elect the Chairman, then the initial meeting of the term of the Board of Directors in order to elect the Chairman and to pass other resolutions within its authority must be conducted within a time-limit of seven (07) working days from the date of completion of the election of the Board for that term. This meeting shall be convened by the member who gains the highest number of votes. If more than one member gains the same highest number of votes, such elected members shall elect a person amongst them to convene the meeting of the Board of Directors by a majority vote.
2. Regular meetings: The Chairman of the Board shall convene a regular meeting of the Board of Directors, prepare the agenda of the meeting and determine the time and location of the meeting within a period of at least three (03) days before the proposed date of the meeting. The Chairman may convene regular meetings at any time where considered necessary, but there must be at least one meeting every quarter.
3. Extraordinary meetings: The Chairman must convene a meeting of the Board of Directors, which shall not be delayed without a legitimate reason, where any of the following make a written request specifying the objective and issues which need to be discussed:
  - a. The General Director or at least five (05) managers;
  - b. At least two (02) members of the Board;
  - c. The Chairman of the Board of Director;
  - d. The Inspection Committee or Independent member of the Board of Directors.

The request stated in clause 3 of this Article shall be written, in which clearly states the purpose, issues that need discussing and resolution under the power of the Board of Directors.

4. A meeting of the Board of Directors as stipulated in clause 3 of this Article must be conducted within a time-limit of seven (07) working days after the request for such meeting is made. If the Chairman of the Board does not agree to convene such a meeting upon the request, then the Chairman shall be liable for losses caused to the Company; any person who makes the request for the meeting as referred to in clause 3 of this Article may himself/herself convene a meeting of the Board of Directors.
5. Where an independent auditor makes a request, the Chairman of the Board must convene a meeting of the Board of Directors in order to discuss the audit report and the standing of the Company.
6. Venue of the meeting: Meetings of the Board of Directors shall take place at the registered address of the Company or at another address in Vietnam or abroad as decided by the Chairman of the Board and agreed by the Board of Directors.
7. Notice and agenda of a meeting of the Board of Directors: The notice of a meeting of the Board of Directors must be sent to members of the Board and the members of Inspection Committee at least three (03) calendar days prior to the date on which the meeting is to be held; members of the Board may refuse in writing the notice of meeting and such refusal could be changed or cancelled in writing of such member. The notice of the meeting of the Board of Directors could be made in writing and in Vietnamese or English; it must provide sufficient



information on the agenda, the time and location of the meeting; and it must be accompanied with necessary documents on the issues to be discussed and voted on at the meeting of the Board of Directors and include voting slips for members of the Board who will be unable to attend the meeting.

A notice of meeting may be sent by post, fax, and electronic mail or by other means, but must ensure arrival at the address of each member of the Board and member of Inspection Committee as registered with the Company.

In case of the extraordinary meeting of Board of Directors at Article 40.3, a notice of the meeting could be sent within 24 hours before the meeting time via fax, e-mail or others electronics means, but the notice must be assured to be delivered to the registered address of each member of Board of Directors and Inspection Committee.

8. Minimum number of attending members:

A meeting of the Board of Directors shall be conducted and resolutions shall be passed if at least three-quarters of the members of the Board are present in person or via their representatives (authorized person) if such representation or authorization is accepted by other members of the Board. In case insufficient number of members attends the meeting in accordance with the regulations, the meeting must be convened for a second time within seven (07) days of the intended date of the first meeting. The adjourned meeting shall be conducted if there is more than one half (1/2) of the members of the Board attending the meeting.

9. Voting:

- a. Except for the provisions in clause 9(b) of this Article, each member of the Board or his/her authorized person being present in person at a meeting of the Board shall have one vote. Members not directly attending the meeting shall have right to vote by sending a written vote. Written vote shall be enclosed in a sealed envelope and delivered to the chairman of the Board of Directors at least 01 hour prior to opening of the meeting. Written votes shall only be opened in the presence of all the persons attending the meeting;
- b. A member of the Board may not be permitted to vote on contracts, transactions or proposals in which such member or his/her related person has an interest contrary to or possibly contrary to the interests of the Company. A member of the Board shall not be included in the minimum number of attendees required to be present in order to hold a meeting of the Board regarding resolutions on which such member does not have the right to vote;
- c. When an issue arises at a meeting of the Board pursuant to point d of this Article regarding the level of interest of a member of the Board or relating to the voting right of a member, which is not resolved by such member of the Board voluntarily waiving his/her voting right, such issue shall be referred to the chairman of the meeting whose decision in relation to other members of the Board shall be final, except where the nature or scope of the interest of the relevant members of the Board has not been properly announced;
- d. Any member of the Board who benefits from one of the contracts stipulated at Clause 4, Article 49 of this Charter shall be considered to have a significant interest in such contract;

- e. The member of Inspection Committee reserves the right to attend the Board of Directors' Meeting and the right to discuss, but is not allow to vote.

10. Disclosure of interest:

Any member of the Board of Directors who directly or indirectly benefits from a contract or transaction which has been signed or is intended to be signed with the Company, and where such member is aware that he/she has an interest, shall be required to disclose the nature and content of such interest at the meeting where the Board of Directors considers the signing of such contract or transaction for the first time; or such member may disclose the interest at the first meeting of the Board held after such member becomes aware that he/she has or will have an interest in the relevant contract or transaction.

11. Voting by the majority:

The Board of Directors shall pass resolutions and make decisions in compliance with the assent of the majority of attending Board members (more than fifty (50) per cent). In case the number of assent votes is equal to the number of dissent votes, the vote of Chairman shall be decisive.

12. Telephone or collecting written opinions or other forms of meeting:

A meeting of the Board of Directors may be conducted by way of a conference call between members of the Board where all or a number of members are at different places, provided that each attending member is able to:

- a. Listen to other members of the Board expressing their opinions in the meeting;
- b. Express his/her opinions at the same time as other attending members if he/she wishes to do so.

Members may communicate directly via the telephone or by other means of communication or by a combination of such means.

From time to time, the meeting of the Board of Directors may be held by collecting written opinions.

Members of the Board who attend the meeting via telephone conference or sending opinions in written within deadline which is set by the Board of Directors shall be deemed present at the meeting of Board of Directors pursuant to the Charter. The location of the meeting to be held in accordance with this provision shall be the location where the largest number of members of the Board gathers, or if there is no such group of the largest number of members of the Board then the meeting shall be held at the location where the chairman of the meeting is present.

Resolutions which are passed at a meeting duly held and conducted by telephone or collecting written opinions shall take effect immediately after the end of the meeting or receiving opinions of the members of Board within the deadline, but must be confirmed by the signatures of all attending members of the Board in minutes of such meeting.

13. Written resolutions:

Resolution in the form of collecting written opinions is adopted on the basis of the approval of the majority of members of the Board of Directors with voting rights. This resolution is valid and

valuable as the resolution adopted at the meeting. Resolution can be signed by Chairman of the Board of Directors.

14. Minutes of the meetings of Board of Directors:

The Minutes of the meetings of Board of Directors must be in writing and may be in sound recording, or recorded and archived in other electrical form at the Company's Head Office. The Chairman of the Board of Directors shall be responsible to deliver minutes of Board meetings to Board members, and such minutes shall be deemed a bona fide record at such meeting unless an opinion against the content of the minutes is provided within a time-limit of ten (10) days from the date of delivery of such minutes. The minutes of the Board of Directors must be prepared in Vietnamese and English, and must bear full names and the signatures of all the attending Board members; the person writing the minutes and the chairman. The person writing the minutes and the chairman of a meeting are jointly responsible for the accuracy and truthfulness of the minutes of the meeting of the Board of Directors. Where the Board resolution was passed in accordance with the law, but there is a member refuses to sign on the minutes of the meeting then his/her signature certifying that he/she attends at the meeting shall be considered his/her signature in the minutes of the meeting.

15. Sub-committees of the Board of Directors:

The Board of Directors may establish sub-committees and authorize them to act pursuant to the authority of the Board. Membership of a sub-committee may consist of one or more members of the Board of Directors and one or more non-board members pursuant to a decision of the Board. During the course of performance of authorized powers, the sub-committees must comply with the rules stipulated by the Board. Such rules may regulate or permit the admission of additional persons being non-board members to the sub-committees and may permit such persons to vote in their capacity as members of the sub-committees, but (a) the number of non-board members must be less than half the total number of members of the sub-committee, and (b) resolutions of the sub-committee shall only take effect when the majority of members attending and voting at a meeting of the sub-committee are members of the Board.

16. Legal effect of actions:

Actions taken to implement resolutions of the Board of Directors, of sub-committees under the Board of Directors, or of a person with membership on a sub-committee under the Board of Directors shall be deemed to be legally effective even when there may have been an error in the election and appointment of a member to the sub-committee or to the Board of Directors.

17. The execution of decision of Board of Directors, or Sub-committees of the Board of Directors, or member of Sub-committees of the Board must comply with the prevailing laws and the regulations of the Company's Charter.

**Article 41: Internal Audit Department and Risk Management Department of the Board of Directors**

1. Internal Audit department performs their functions on the principles of independence, honesty, objectivity and confidentiality. The functions and specific tasks of the Internal Audit department are as follows:

- a. To make an independent assessment of the suitability and compliance with regulations and the laws, the Charter, the resolutions of the General Meeting of Shareholders and the Board of Directors;
  - b. To inspect, review and assess the adequacy, efficiency and effectiveness of the internal control system under the Management Team in order to improve this system;
  - c. To assess the compliance of business operations with internal policies and procedures;
  - d. To advise on drafting internal policies and procedures;
  - e. To assess on compliance with the laws, to control measures to ensure the safety of property;
  - f. To assess internal controls via financial information and business operations;
  - g. To assess the process of determination, assessment and management of business risks;
  - h. To assess the effectiveness of activities;
  - i. To assess compliance with contractual commitments;
  - j. To control information technology system;
  - k. To investigate Company's internal violations;
  - l. To perform Internal Control of the Company;
2. Functions and principles of operation of the Risk Management Department:
  - a. To regulate on policies, risk management strategy; risk assessment standards; overall risk exposure of the Company and each department in the Company;
  - b. To assess independently on the suitability and compliance with policies and risks procedures established in the Company;
  - c. To inspect, review and assess the adequacy, efficiency and effectiveness of the risk management system under the Management Team in order to improve this system;
3. Requirements applicable to the personnel of the Internal Audit Department:
  - a. Not ever been sanctioned fines or more for violations in the field of securities, banking or insurance within the latest five (05) years from their appointment;
  - b. Head of Internal Audit Department must have expertise in law, accounting and auditing; having enough experience, reputation, authority to effectively perform their assigned tasks;
  - c. Not being related to head of departments, professionals, General Director, Deputy General Director, Branch Managers of the Company;
  - d. Having certificate on fundamental issues on securities and securities markets and certificate on securities and securities markets or securities practicing certificate;



- e. Not concurrently hold any other jobs in the Company.

## **CHAPTER IX. MANAGEMENT TEAM, GENERAL DIRECTOR, MANAGERS AND SECRETARY OF THE COMPANY**

### **Article 42: Organization structure**

The Company shall create a management system which is held responsible to the Board of Directors and under the leadership of the Board of Directors. The Company shall have a General Director, a (or a number of) deputy General Director(s) and a chief accountant appointed by the Board of Directors. The appointment and dismissal of these positions must be done via a duly approved resolution of the Board of Directors.

### **Article 43: Composition, duties and powers of the Management Team**

1. Composition of the Management Team of the Company include: General Director and Deputy General Directors.
2. Members of the Management Team are appointed or hired by the Board of Directors. The term of members of the Management Team is three (03) years. Number of members of the Management Team simultaneously being a member of the Board of Directors must be less than  $\frac{2}{3}$  of the total number of seats in the Board of Directors.
3. The Management Team shall establish and maintain a system of risk management, including procedures, apparatus and personnel to ensure the prevention of the risks that may affect the interests of the Company and its customers; establish and maintain a system of internal control, including organizational structure, independent and specialized personnel, procedures, internal regulations apply to all locations, units, departments and operation of the Company to ensure compliance with the law.
4. Management Team must regulate regulations for the Board of Directors' approval; working regulations must at least include the following basic contents:
  - a. Responsibilities and specific tasks of members of the Management Team;
  - b. Sequences and procedures for organizing and participating in meetings;
  - c. Responsibilities of report of the Management Team to the Board of Directors, the Inspection Committee.
5. During the implementation of their duties, the members of the Management Team shall have the following obligations and rights:
  - a. Obligations of members of the Management Team:
    - i. Implementing the powers and duties assigned in accordance with the provisions of Law on Enterprise, Law on Securities, related laws, the Charter, Decision of the General Meeting of Shareholders and the Board of Directors;
    - ii. Implementing the powers and duties assigned honestly and carefully to ensure utmost legal interests of the Company and its shareholders;

- iii. Being loyal to the interests of the Company and its shareholders; not using information, business knowhow, business opportunities of the Company, to abuse their position and assets of the Company for personal benefit or for the benefit of other organizations and individuals;
  - iv. Reporting timely, completely and exactly to the Company on the business that the members of the Management Team and their related persons owned or have shares, shares of voting right. This announcement shall be listed at the Head Office and branches of the Company;
  - v. Disclosing interest and related persons in accordance with law;
  - vi. Members of the Management Team shall not be entitled to pay-rise, bonus when the Company does not full payment of due debts;
  - vii. Other duties as prescribed by law and this Charter.
- b. Rights of members of the Management Team:

Members of the Management Team are entitled to remuneration, salary, bonuses in accordance with business results and effectiveness. Salary of members of the Management Team shall be decided by the Board of Directors.

#### **Article 44: Managers (other managers)**

1. Upon the proposal of the General Director and with the approval of the Board of Directors, the Company shall be entitled to employ a number of and types of managers needed or in compliance with the management structure and practice of the Company as proposed by the Board of Directors from time to time. Managers must be diligent as required in order for the Company to achieve the stated objectives of its operation and organization.
2. Salary, remuneration, benefits and other terms stated in the labour contract signed with the General Director shall be decided by the Board of Directors. Labour contracts signed with managers shall be decided by the Board of Directors after consulting with the General Director.
3. Apart from the specific work in the labour contract and/or according to the resolution of the Board of Directors, managers conduct the responsibilities stipulated in Article 165 of the Law on Enterprises.

#### **Article 45: Appointment, removal, duties and powers of the General Director**

1. Appointment: The Board of Directors shall appoint a member of the Board or shall hire another person to be the General Director and shall enter into a contract stipulating the salary, remuneration, benefits and other terms relating to the employment.
2. Term of office:

The term of office of a General Director shall be three (3) years except otherwise stipulated by the Board, and he/she may be re-appointed. The appointment may cease its affect void pursuant to terms in the labour contract. General Director may not be a person prohibited by law from holding such position such as a minor, a person lacking capacity for civil acts, a person sentenced to imprisonment or serving a prison sentence, an officer of the armed forces,

a State official or a person against whom a verdict states that he/she has caused the Company he/she managed go bankrupt.

3. Powers and duties of General Director:

- a. To implement resolutions of the Board of Directors and of the General Meeting of Shareholders, and the business plan and investment plan of the Company approved by the Board of Directors and the General Meeting of Shareholders;
- b. To make decisions on all issues which do not require a resolution of the Board of Directors including the signing of financial and commercial contracts on behalf of the Company, and on the organization and management of day-to-day business and production activities of the Company in accordance with best management practices;
- c. To recommend Board of Directors on the organization structure, regulation on internal management of the Company;
- d. To appoint, remove and discharge managerial positions in the Company, except for those under the scope of authority of the Board of Directors;
- e. To recruit employees;
- f. To make recommendations on the number and category of managers the Company needs to employ in order for the Board of Directors to appoint or dismiss when necessary for the purpose of effectively implementing activities and effectively apply the managerial structure proposed by the Board; and to provide advice to the Board so that it may decide the salary, remuneration, benefits and other terms for managers in their labour contracts;
- g. To consult with the Board in order to make decision on the number of employees, on their salary, allowances, benefits, appointment and dismissal and other terms relating to their labour contracts;
- h. Before 31<sup>st</sup> December each year, the General Director must submit a detailed business plan for the next fiscal year to the Board of Directors for its approval on the basis of satisfying the appropriate requirements of the budget;
- i. To implement the annual business plan approved by the General Meeting of Shareholders and the Board of Directors;
- j. To propose measures to improve the operation and management of the Company;
- k. To prepare long term, annual and monthly estimates of the Company (hereinafter referred to as an estimate) for the long term, annual and monthly management activities of the Company in accordance with the business plan. The annual estimated budget (including the forecast balance sheet, report on business and production activities and cash flow report) for each fiscal year must be submitted to the Board of Directors for its approval and must comprise information as stipulated in the regulations of the Company;

- l. To carry out other activities in accordance with the Charter, the regulations of the Company, the resolutions of the Board of Directors, the labour contract of the General Director, and the law;
- m. To sign the decision on appointment, dismissal of positions according to the initial approval of the Board of Directors;
- n. Approve, issue regulations, procedures, guidelines that do not belong to the approval and issuance scope of the General Meeting of Shareholders or the Board of Directors.
- o. The General Director has the right to authorize other individual to approve, issue the above-mentioned documents, the authorization shall be created in writing;
- p. Reporting to the Board of Directors and shareholders:  
  
The General Director shall be held responsible before the Board of Directors and the General Meeting of Shareholders for implementation of his/her assigned duties and powers, and must report on such implementation to such authorities upon their request.
- q. Conduct the responsibilities of the Corporate manager pursuant to Article 165 of the Law on Enterprises;
- r. Other rights and responsibilities pursuant to law, Company's Charter and resolutions, decisions of the Board of Directors.

4. Removal:

The Board of Directors may remove the General Director under the following circumstances:

- a. When two-thirds or more of the members of the Board vote to agree on such removal (not counting the vote of such General Director) and may appoint a new General Director for replacement. The removed General Director shall have the right to object to such removal at the next General Meeting of Shareholders.
- b. The General Director no longer meets the requirement of position of the General Director under the law.
- c. Submit a letter of resignation and being accepted.

**Article 46: Secretary of the Company and person in charge of corporate governance**

1. Secretary of the Company:

The Board of Directors shall appoint one (or more) person(s) as secretary of the Company if necessary. The rights and responsibilities of the secretary of the Company shall comprise:

- a. Organizing meetings of the Board of Directors, the General Meeting of Shareholders; write minutes of the meetings;
- b. Support members of the Board of Directors in implementing given rights and obligations;
- c. Support the Board of Directors in applying and operating the corporate governance;



- d. Support the Company in building relationship with shareholders and protecting the rights, lawful benefits of shareholders; the performance of responsibilities of providing information, publicizing information and administrative procedure;
  - e. Other rights and obligations pursuant to the Company's Charter;
  - f. Secretary of the Company is responsible for information confidentiality in accordance with the law and Charter of the Company.
2. Person in charge of corporate governance:
- a. Board of Directors assigns at least one (01) person to be in charge of corporate governance to support efficiently corporate governance activity of the Company. The person in charge of corporate governance can hold the position of Secretary pursuant to Article 46.1.
  - b. Person in charge of corporate governance must qualify these following criteria:
    - i. Having legal knowledge;
    - ii. Not working, at the same time, for the independent auditor Company auditing the financial statements of the Company;
    - iii. Other criteria under the regulation of laws, this Charter and Board of Directors' decision.
  - c. The Board of Directors can discharge the person in charge of corporate governance if necessary but not against the prevailing laws on labour. The Board could appoint assistant for person in charge of corporate governance as per time.
  - d. Person in charge of corporate governance's rights and responsibility:
    - i. To advise the Board of Directors on organization of General Meeting of Shareholders in accordance with regulations and the assignment between the Company and Shareholders;
    - ii. To prepare the meeting of Board of Directors, Inspection Committee and General Meeting of Shareholders as per request of the Board of Directors or Inspection Committee;
    - iii. To advise on the procedure of meetings;
    - iv. To attend the meetings;
    - v. To advise on the procedure of making resolution of the Board of Directors in accordance with regulations of laws;
    - vi. To provide the financial information, the copies of meeting minutes of the Board and other information for the Board's member(s) and members of the Inspection Committee;
    - vii. To observe and report to the Board of Directors on disclosing information activities of the Company;

- viii. To guarantee the confidentiality of information in accordance with the laws and this Charter;
- ix. To be the contact point between related parties;
- x. Other rights and responsibilities under the regulations of laws and this Charter.

**Article 47: Internal Control Department and Risk Management Department under the Management Team**

1. Internal control is responsible for control the compliance with the following contents:
  - a. To inspect, monitor the compliance with legal regulations, the Charter, decision of the General Meeting of Shareholders, decision of the Board, regulations, business procedures, risk management procedures of the Company, of the relevant departments and of persons practicing securities in the Company;
  - b. To monitor the implementation of internal regulations, the potential conflict of interest internally, especially for the business activities of the Company and the transactions of employees of the Company; to monitor the performance of the responsibility of the employees in the Company, performance of the responsibility of partner with regard to authorized activities.
  - c. To check the contents and monitor the implementation of the rules of professional ethics;
  - d. To monitor the calculation and compliance with regulations on financial security;
  - e. Separation of customer assets;
  - f. Preservation and storage of customer assets;
  - g. Control the compliance with provisions of law on the prevention of money laundering;
  - h. Other contents assigned by General Director.
2. Requirements for personnel of Internal Control Department:
  - a. Head of internal control must have expertise on law, accounting and auditing; having enough experience, reputation, authority to effectively execute their assigned tasks;
  - b. Not being a person related to the heads of professional departments, persons performing professional works, General Director, Deputy General Director, Branch's Director in securities Company;
  - c. Having certificate on fundamental issues on securities and securities markets and certificate on securities and securities markets or securities practicing certificate;
  - d. Not concurrently hold other position in the Company;
3. Duties of the risk management system:

- a. Determination of policy implementation and the level of risk acceptance of the Company;
- b. Determination of the risks of the Company;
- c. Measurement of risks;
- d. Monitoring, prevention, detection and treatment of risks.

## **CHAPTER X. DUTIES OF MEMBERS OF THE BOARD OF DIRECTORS, MEMBERS OF INSPECTION COMMITTEE COMMITTEE, GENERAL DIRECTOR AND MANAGERS**

### **Article 48: Prudence duty of members of the Board of Directors, members of Board of Committee, the General Director and managers**

Member of the Board of Directors, members of Inspection Committee, the General Director and the authorized managers shall be responsible to perform his/her duties, including duties in the capacity of a member of a sub-committee of the Board in a truthful manner, a manner which he/she believes to be in the best interests of the Company, and with the degree of prudence which a prudent person usually possesses in order to perform a similar position in similar circumstances.

### **Article 49: Integrity duty and avoidance of conflict of interests**

1. Members of the Board of Directors, members of Inspection Committee, the General Director and managers shall declare their relevant interests under Article 159 of Law on Enterprise and other relevant laws.
2. Members of the Board of Directors, members of Inspection Committee, the General Director and managers shall not be permitted to use business opportunities profitable to the Company for personal purposes; and shall not be permitted to use information obtained by virtue of their position for their personal benefit or for the benefit of other individuals or institutions.
3. Members of the Board of Directors, members of the Inspection Committee, the General Director and other managers are obliged to notify the Board of Directors, the Inspection Committee of the transaction between them or their related people and the Company, subsidiary Company, other companies controlled by the Company with more than 50% of Charter capital under law. Within 24 hours, the Company must disclose the resolutions of the General Meeting of Shareholders or the Board of Directors that approve the mentioned transaction on its website and reports to SSC.
4. Members of the Board of Directors are prohibited from voting on transaction in which they or their related persons involved, including transactions in which their benefit is undefined. Those transactions must be included in the Company's Annual Report.
5. Members of the Board of Directors, members of Inspection Committee, the General Director and managers are prohibited from using undisclosed information of the Company or disclosing to others to conduct any relevant transaction.
6. Members of the Board of Directors and the General Director must, if performing any form of work within the scope of business operations of the Company on behalf of himself or herself or on behalf of others, report the nature and content of that work to the Board of Directors, Inspection Committee. They shall only be permitted to perform this work if the majority of the remaining members of the Board of Directors approve; if the work is performed without

reporting or without the approval from the Board of Directors all income arising from such activity shall belong to the Company.

7. Members of the Board of Directors, members of Inspection Committee, the General Director and managers shall be obliged to notify the Board of Directors of any interests which may conflict with the interests of the Company and which they may be entitled to via other legal entity or transactions or persons. The above-mentioned persons shall only be permitted to use such opportunities when the members of the Board of Directors who do not have related interests have decided not to investigate such issue.
8. Unless otherwise decided by the General Meeting of Shareholders, the Company shall not be permitted to provide loans, guarantees to members of the Board of Directors, members of the Inspection Committee, the General Director, to managers and affiliated persons of members above, or to legal entities in which the above-mentioned persons have a financial interest, unless the Company and affiliated organization of such member(s) both belong to an group or are operated as a group of companies which comprises parent Company and subsidiary companies, economic group and other different regulations of the specialized law..
9. A contract or transaction between the Company and one or more members of the Board of Directors, members of the Inspection Committee, the General Director, a manager and individual, organization related to the above-mentioned people shall not be void due in the following circumstances:
  - a. With respect to a contract valued at 20% or less of the total value of assets recorded in the most recent financial statements, the important factors regarding the contract or transaction and the relationship and interests of the manager or member of the Board were reported to the Board or to the relevant sub-committee; and at the same time, the Board or such sub-committee honestly permitted the contract or transaction to be executed on the basis of the majority of votes of members of the Board without any related interest; or
  - b. With respect to a contract valued from 20% or more of the total value of assets recorded in the most recent financial statements, the important factors regarding the contract or transaction and the relationship and interests of the manager or member of the Board were reported to the shareholders without any related interests and with the right to vote on such issue, and such shareholders voted in favour of such contract or transaction;
  - c. An independent consultancy organization finds such contract or transaction fair and reasonable in all respects involving the shareholders of the Company at the time when such contract or transaction is permitted to be executed, or is passed or approved by the Board, a sub-committee under the Board, or the shareholders.
10. Members of the Board of Directors, members of Inspection Committee, the General Director, and any manager or his/her related person shall not be permitted to purchase, sell or transact shares of the Company or its subsidiary in any form at the time they obtain certain information that the price of such shares will be affected, and when other shareholders are unaware of such information.
11. The Company needs to apply necessary measures to prevent shareholder or related person from conducting transaction which causes the loss of capital, assets or other resources of the Company. The Company is prohibited from releasing loan or guarantying loan for shareholder or related person.



**Article 50: Approving contracts, transaction between the Company and related person**

1. The General Meeting of Shareholders or Board of Directors shall approve contracts and transactions between the Company and the following related persons:
  - a. Shareholders and authorized representatives of shareholders that are organizations holding more than 10% of the Company's total ordinary shares and their related persons;
  - b. Members of the Board of Directors, the General Director and their related persons;
  - c. Enterprises that must be declared by members of the Board of Directors, member of the Inspection Committee, General Director and other executives as prescribed in Clause 2 Article 164 of Law on Enterprise.
2. The Board of Directors shall approve the contracts and transactions that are mentioned in Clause 1 of this Article and are worth less than 35% of the Company's total assets according to the latest financial statement. In this case, the person that signs the contract or conducts the transaction on behalf of the Company shall send a notification to the members of the Board of Directors and member of the Inspection Committee of the related persons together with the draft contract or transaction summary. The Board of Directors shall decide whether to approve the contract or transaction within fifteen (15) days from the day on which the notification is received unless a different deadline is specified in the Company's Charter. Members of the Board of Directors that are related to the parties to the contract or transaction must not vote.
3. The GMS shall approve the following contracts and transactions:
  - a. Contracts and transactions other than those specified in Clause 2 of this Article;
  - b. Contracts and transactions that involve borrowing, lending, selling assets that are worth more than 10% of the Company's total assets according to the latest financial statement between the Company and shareholders that hold from 50% or more of the total voting shares or their related persons.
4. If a contract or transaction specified in Clause 3 of this Article is approved, the person who concludes the contract or conducts the transaction on behalf of the Company shall send a notification to the Board of Directors and member of the Inspection Committee of the entities related to such contract or transaction together with the draft contract or summary of the transaction. The Board of Directors shall submit the draft contract or explain the contract or transaction at the GMS or carry out a questionnaire survey. In this case, shareholders that are related to the parties to the contract or transaction must not vote. The contract or transaction shall be approved in accordance with Article 29.3. of the Charter.
5. A contract or transaction shall be invalidated under a court decision and handled as prescribed by law when it is concluded or carried out against regulations of this Article. The person who concludes the contract or carries out the transaction, the related shareholders, members of the Board of Directors, Director or General Director shall pay compensation for any damage caused and return the benefits generated by such contract or transaction to the Company.
6. The Company shall disclose related contracts and transactions in accordance with relevant laws.

## **Article 51: Liability for loss and compensation**

1. Liability for loss: Any member of the Board of Directors, members of Inspection Committee, the General Director or any manager who breaches the obligation to act honestly or who fails to fulfil his/her obligations carefully, diligently and professionally shall be liable for any loss caused by such breach.
2. Compensation: The Company shall pay compensation to a person who has been, is or is likely to become a party involved in a claim, suit or legal proceeding which has been, is or is likely to be conducted, whether or not it is a civil or administrative case, (but excluding a lawsuit conducted by the Company or initiated by the Company within its powers) where such person was or is a member of the Board of Directors, a manager, an employee or a representative authorized by the Company (or its subsidiary), or such person was or is doing things at the request of the Company (or its subsidiary) in the capacity as a member of the Board of Directors, a manager, an employee or as an authorized representative of another Company, partner, joint venture, trust or legal entity. Costs to be paid as compensation shall comprise all costs arising (including costs to hire a lawyer), costs of the judgment, penalties, amounts payable and actually arising or amounts deemed reasonable during the resolution of the case within the framework permitted by law, provided that such person has acted honestly, carefully, diligently and professionally in a manner which such person believed was in the interests or not contrary to the best interests of the Company, and on the basis of compliance with law and on condition that there is no discovery or confirmation that such person breached his/her obligations. The Company shall be entitled to purchase insurance for the above-mentioned persons in order to avoid having to pay such compensation itself.

## **CHAPTER XI. INSPECTION COMMITTEE**

### **Article 52: Members of the Inspection Committee**

1. The Inspection Committee shall have three (03) members. The term of a member of the Inspection Committee shall not exceed three (03) years and shall be re-elected without term limit.

At least one member of the Inspection Committee must be an accounting-financial expert. Such member must not be staff in the accounting-finance department of the Company and must not be a member or staff of the independent auditor which is auditing the financial statements of the Company or have audited the Company's financial statements of three (03) consecutive years ago.

More than half of the members of the Inspection Committee must reside permanently in Vietnam.

2. A shareholder or a group of shareholders holding from 10% of the total ordinary shares have the right to nominate candidates to the Inspection Committee as stated at Article 20.3. The specific number of the candidates is shown in Article 20.3. The nominating process is as follows:
  - a. Shareholders forming into groups for the purpose of nominating must inform shareholders who attend the meeting about the group meeting before the opening of the General Meeting of Shareholders.
  - b. In case the number of nominated candidates is smaller than the number of candidates that they are entitled to nominate pursuant to the resolution of the General Meeting of

Shareholders, the rest of the candidates shall be nominated by the Board of Directors, the Inspection Committee and other shareholders.

3. In case the term of office of member of Inspection Committee expires and new member of Inspection Committee have not been elected, the expired member of Inspection Committee shall retain its rights and obligations until member of Inspection Committee of the new term of office are elected and take over the duties.
4. In case the number of members of Inspection Committee reduced more than 1/3 (one third) under the Company Charter or fail to meet the minimum number of members under law, for a period not exceeded sixty (60) days from the date of insufficient quantity as prescribed, Inspection Committee may appoint one person temporarily as members of Inspection Committee. This appointment must be approved at the latest General Meeting of Shareholders.

#### **Article 53: The Inspection Committee**

1. The Inspection Committee has the powers and responsibilities stipulated in Article 170 of the Law on Enterprises, which shall be mainly the following powers and responsibilities:
  - a. To suggest, propose to the General Meeting of Shareholders to pass the list of accounting organizations approved to audit the Company's Financial statement; to decide whether or not the accounting organizations are approved to audit the Company's activities, to remove the approved auditor if necessary;
  - b. To take legal responsibility with the shareholders about their inspecting activities;
  - c. To inspect the financial state of the Company, the compliance with laws in the activities of the members of the Board of Directors, Director (General Director), other managers;
  - d. To ensure to co-operate with the Board of Directors, Director (General Director) and shareholders;
  - e. Upon discovery of a member of the Board of Directors or Director (General Director) or other managers of the enterprise who is in breach of law, to give immediate written notice to the Board of Directors within forty eight (48) hours, request the person in breach to cease the breach and take measures to remedy any consequences.
  - f. To build up the Statues on Inspection Committee's operating and submit to the General Meeting of Shareholders for approval;
  - g. To make a report at the General Meeting of Shareholders pursuant to Article 129 Decree No. 155/2020/ND-CP dated 31 December 2020 of the Governance detailing and guiding some articles of the Law on Securities;
  - h. To have the right to access the Company's files and documents stored at the head office, branches and other places; to have the right to arrive at the work place of the manager and employees of the Company during working hours;
  - i. To have the right to request the Board of Directors, members of the Board, Director (General Director) and other managers to fully, precisely and promptly provide the information and documents about the Company's managing, monitoring activities and business activities;

- j. Other rights and responsibilities pursuant to the law.
2. The head of the Inspection Committee:
- a. The member of Inspection Committee must appoint (01) member as the head of the Inspection Committee in majority basis. The head of the Inspection committee must be auditor or specialized accountant and must be working at the Company.
  - b. The head of the Inspection Committee shall have the following rights and responsibilities:
    - i. To convene meetings of the Inspection Committee and to act as the head of the Inspection Committee;
    - ii. To request the Board of Directors, General Director and other executive officers of the Company to provide relevant information in order to report to members of the Inspection Committee;
    - iii. To prepare and sign reports of the Inspection Committee after consulting the Board of Directors, and to submit the same to the General Meeting of Shareholders.
3. The meeting of the Inspection Committee:
- a. The Inspection Committee should hold a meeting at least two (02) times a year, the number of members participating should be at least 2/3 of the members of the Inspection Committee. Minutes of the meeting should be created clearly and in detail. The person who makes the minutes of the meeting of the Inspection Committee should sign their name in the minutes. The minutes of the meeting should be stored to determine the responsibility of each member of the Inspection Committee.
  - b. The Inspection Committee has the right to request the members of the Board of Directors, General Director and representative of the approved accounting organization to attend the meeting and answer the questions that need clarifying.
  - c. Notice and agenda of the meeting:
    - i. The meeting of Inspection Committee will be hold after 03 (three) calendar days from the date of sending the notice to the members of the Inspection Committee. Notices of the meeting could be made in Vietnamese or English, which clearly state: agenda, meeting time, location and must be attached with necessary documents on issues will be discussed and voted at the meeting of the Inspection Committee. Members who cannot attend the meeting, will send ballots to the Inspection Committee prior to the meeting.
    - ii. A notice of meeting may be sent by post, fax, and electronic mail or by other electronic means, but must ensure arrival at the address of each member of Inspection Committee as registered with the Company.
    - iii. In case of the extraordinary meeting, a notice of the meeting could be sent

within 24 hours before the meeting time via fax, e-mail or others electronics means, but the notice must be assured to be delivered to the registered address of each member of Inspection Committee.

**Article 54: Standards and conditions of members of the Inspection Committee**

1. Being 21 years of age and older, having enough civil capacity and not belong to the entities whom are prohibited from establishing and managing enterprises in accordance with Article 17 clause 2 of the Law on Enterprises.
2. Not hold management positions in the Company, not being the spouse, natural father, adoptive father, natural mother, adoptive mother, child, adopted child, sibling of any member of the Board of Directors, the General Director or other managers.
3. Head of the Inspection Committee is not simultaneously a member of the Inspection Committee, the manager of other securities companies. The head of the Inspection Committee must be a professional accountant or auditor and must work full-time except in case the Charter of the Company provides for any other higher standards.
4. Have professional qualifications on securities and securities markets; have professional qualifications or experience in accounting, auditing or professional qualifications, and experience in the finance, banking sector.
5. Not belong to the following cases:
  - a. Working for the accounting, financial department of the Company;
  - b. Being a member or a staff of the independent auditor which has audited the Company's financial statements of three (03) consecutive years ago;
6. A member of the Inspection Committee shall be dismissed in the following cases:
  - a. Not fully satisfy the standards and requirements specified in clause 2 of this Article;
  - b. Hands in a resignation and is accepted.
7. A member of the Inspection Committee shall be removed in the following cases:
  - a. Fails to perform his/her duties;
  - b. Fails to perform his/her rights and obligations for six (06) consecutive months, except in force majeure events;
  - c. Commits multiple, serious violations of Controller's duties prescribed by the Law on Enterprises;
  - d. Other cases specified in resolutions of the GMS.

**CHAPTER XII. RIGHT TO INVESTIGATE BOOKS AND RECORDS  
OF THE COMPANY**

**Article 55: Right to investigate books and records**

1. Ordinary shareholders shall have the right to investigate books and records, specifically:



- a. Ordinary shareholders have the right to investigate, look up and excerpt information related to the name and address in the list of shareholders who are entitled to vote; request to adjust inaccurate information about themselves; peruse, look up, make an extract or copy the Company's Charter, minutes of the General Meeting of Shareholders and the resolution of the General Meeting of Shareholders;
  - b. A shareholder or a group of shareholders holding at least 05% of the total shares have the right to investigate, look up, make an extract of minutes book and resolution, decision of the General Meeting of Shareholders, mid-year and annual financial statement, report of the Inspection Committee, contract, transaction that need to be approved by the Board of Directors and other documents, except for documents related to commercial confidentiality, business confidentiality of the Company.
2. In case the authorized representative of a shareholder or a group of shareholders requests to peruse books and documents, he/she needs to enclose the power of attorney of the shareholder or group of shareholders that he/she represents or a notarized copy of this power of attorney.
3. Members of the Board of Directors, members of the Inspection Committee, General Director and other managers may have a look at the registration book of shareholders of the Company, the list of shareholders, other books and documents only for the purpose in relation to their positions in the Company provided that such information is kept confidential.
4. The Company shall be required to archive the Charter, amendments of and additions to the Charter, the License of Establishment & Operation, any rules, documents proving ownership of assets, minutes of meetings of the General Meeting of Shareholders and of the Board of Directors, reports of the Inspection Committee, annual financial statements, accounting books and any other documents in accordance with law at the Head Office or other location, provided that the shareholders and the business registration institutions have been notified of the location where such documents are kept.
5. The Company's Charter must be announced on the website of the Company.

### **CHAPTER XIII. STAFF AND THE TRADE UNION**

#### **Article 56: Staff and the Trade Union**

The General Director must prepare a plan in order for the Board of Directors to approve issues relating to recruitment, labour, compulsory termination of employment, salary, social insurance, welfare, rewards and discipline applicable to managers and employees as well as regarding the relationship between the Company with accredited trade unions in accordance with the best management standards, the practices and policies stipulated in the Charter, the regulations of the Company, and the applicable laws.

### **CHAPTER XIV. DISTRIBUTION OF PROFIT**

#### **Article 57: Dividends**

1. In accordance with a decision of the General Meeting of Shareholders and the laws, dividends shall be announced and paid from profit retained by the Company but shall not exceed the level proposed by the Board of Directors after having consulted shareholders at the General Meeting of Shareholders.
2. The Board of Directors may decide, in accordance with the Law on Enterprise, a mid-term

payment of dividends when such payment is considered to conform to the profitability of the Company.

3. The Company shall not pay interest on dividends or on [other] sums paid on any class of shares.
4. The Board of Directors may request the General Meeting of Shareholders to approve payment of all or part of dividends by specific assets (such as fully paid shares or bonds issued by other companies), and the Board of Directors shall be the body implementing such resolution.
5. When payment of dividends or other sums paid on any class of shares is made in cash, the Company must make payment in Vietnamese dong and may make payment by check or money order posted to the registered address of any beneficiary shareholder; if any risk arises (out of the registered address of a shareholder) then such shareholder shall be responsible for such risk. In addition, the amount used to pay dividends or other sums paid on any class of shares may be paid by bank transfer if the Company has bank details so as to directly transfer payment to such shareholder's bank account. If the Company makes a bank transfer based on the exact banking details provided by a shareholder but such shareholder does not receive the money, the Company shall not be liable for the amount which it so transferred to the shareholder. Payment of dividends on shares listed on the Stock Exchange/Securities Trading Centre may be made via a securities Company or Depository Centre.
6. The Board of Directors may decide and announce that owners of ordinary shares shall be entitled to receive dividends by ordinary shares instead of cash dividends, if the General Meeting of Shareholders so approves. Additional shares used to pay such dividends shall be recorded as shares the purchase price of which has been fully paid, on the basis that the value of shares received in lieu of dividends corresponds to the cash amount for payment of dividends.
7. The Board of Directors may approve a resolution which stipulates a specific date as the closing date of the business operational register of the Company, based on the Law on Enterprise, Law on Securities. On such date, any person who has registered as a shareholder or owner of other securities shall be entitled to receipt of dividends, interest, distribution of profit, and receipt of share certificates, notices or other documents.
8. Company may only distribute profits to the ordinary shareholders when the Company has profit and has fulfilled payment of tax obligations and other financial obligations in accordance with the law, at the same time ensuring payment of due debts and other asset obligations after distribution of profits.
9. Other issues relating to distribution of profit shall be implemented in accordance with the laws.

## **CHAPTER XV. BANK ACCOUNTS, FISCAL YEAR AND ACCOUNTING SYSTEM**

### **Article 58: Bank accounts**

1. The Company shall open a bank account at a Vietnamese bank or foreign bank authorized to operate in Vietnam.
2. The Company may, where necessary and with prior approval of the competent body, open a bank account in a foreign country in accordance with the laws.

3. The Company shall conduct payment and accounting transactions via its Vietnamese dong account or foreign currency account at the bank where it opens such account.

#### **Article 59: Reserve fund to supplement charter capital**

Every year the Company shall not deduct any amount from its after-tax profit for transferring it into a reserve fund to supplement charter capital, unless the General Meeting of Shareholders decides otherwise. In case of deducting after-tax profit for reserve fund to supplement charter capital, the General Meeting of Shareholders decides the specific deduction rate.

#### **Article 60: Fiscal year**

1. The fiscal year of the Company shall commence from the 1<sup>st</sup> January each year and shall end on the 31<sup>st</sup> December in the same calendar year.
2. The first fiscal year of the Company shall commence from the date of establishment and end on the 31<sup>st</sup> December of the same year. If the first fiscal year of the Company is less than four (04) months, the financial statement thereof shall be conjointly audited with the financial statement of the subsequent year.

#### **Article 61: Accounting system**

1. The accounting system used by the Company shall be Vietnamese Accounting System (VAS) or another accounting system approved by the Ministry of Finance.
2. The Company shall prepare accounting books in Vietnamese and English. The Company shall archive the accounting records in accordance with the form of business activities conducted by the Company. Such records must be accurate, updated, systematic and sufficient to prove and explain the transactions of the Company.
3. The Company shall use Vietnamese dong as the currency in accounting.

### **CHAPTER XVI. ANNUAL STATEMENTS, RESPONSIBILITIES FOR DISCLOSURE OF INFORMATION AND PUBLIC ANNOUNCEMENT**

#### **Article 62: Annual, semi-annual and quarterly statements**

1. The Company shall prepare annual financial statements in accordance with the laws and the regulations of the State Securities Commission, and such statements must be audited in accordance with Article 63 of the Charter. Within a time-limit of ninety (90) days from the end of each fiscal year, the annual financial statements must be submitted to the authorized tax authority, the State Securities Commission, the Stock Exchange and the business registration body.
2. Annual financial statement, report of liquid capital ratio at 31<sup>st</sup> December, half-year financial statement, report of liquid capital ratio at 30<sup>th</sup> June of the Company must be audited by an independence audit organization under regulation.
3. Independence audit organization and its employees must be approved by the SSC before auditing. The annual General Meeting of Shareholders appoints an independence audit Company or passes a list of independence audit Company, and authorizes the Board of Directors to choose a Company on the list thereof to audit the Company in the fiscal year of the corresponding annual meeting. In the same fiscal year, the Company is not allowed to

change the approved audit organization, except where mother Company changes the audit organization that have been approved or accredited audit organization is suspended or removed its accreditation for auditing.

4. Annual financial statements must contain a report on the results of business and production activities which reflects in a truthful and objective manner the profit and loss of the Company in the fiscal year, a balance sheet which reflects truthfully and objectively the activities of the Company as at the time of preparation of the statement, a cash flow report and explanatory notes to the financial statements. If the Company is a parent Company, a consolidated balance sheet on the operation of the Company and its subsidiaries as at the end of each fiscal year must also be included in addition to the annual financial statements.
5. The total amount of remuneration, salary paid to Members of the Board of Directors, General Director and other managers shall be included in the Company's operating cost in accordance with regulations of law on corporate income tax, be recorded as a separate item in the Company's financial statement and be reported at the Annual general meeting of shareholders.
6. The Company must formulate semi-annual and quarterly statements in accordance with regulations of the State Securities Commission and submit them to the State Securities Commission and the Stock Exchange.
7. A summary of the contents of the audited annual financial statements must be sent to all shareholders and announced in one (01) issue being published nationwide. If the Company has its own website, the audited financial statements and the semi-annual and quarterly statements of the Company must be announced on such website.
8. Interested organizations and individuals shall be entitled to inspect or copy the audited annual financial statements and the semi-annual and quarterly statements during business hours of the Company at its Head Office, and shall be required to pay reasonable copying expense.
9. The Company must disclose the Annual Report under the regulations of laws on securities and securities market.

#### **Article 63: Disclosure of information and public announcement**

Annual financial statements and other supporting documents must be disclosed to the public in accordance with regulations of the State Securities Commission, Ministry of Finance and must be submitted to the relevant tax authority and the business registration body in accordance with the Law on Enterprise.

### **CHAPTER XVII. COMPANY AUDITING**

#### **Article 64: Auditing**

1. At the annual General Meeting of Shareholders, an independent auditor which legally operates in Vietnam and which is permitted by the State Securities Commission to audit listed companies shall be appointed to carry out the auditing of the Company for the next fiscal year in compliance with the terms and conditions agreed by the Board of Directors.
2. The Company shall be required to prepare and send the annual financial statements to the independent auditor after the end of a fiscal year.
3. A copy of the audit report must be enclosed to the annual financial statements of the Company.

4. The auditor who audits the Company shall be permitted to attend all General Meetings of Shareholders and shall be entitled to receive other notices and information which the shareholders are entitled to receive and relating to the General Meeting of Shareholders, and shall be entitled to express his/her opinions about issues relating to auditing.

## **CHAPTER XVIII. SEAL**

### **Article 65: Seal**

1. Seal includes the one made at the seal factory or the seal in the form of an USB token pursuant to the law on electronic trading.
2. The Board of Directors shall determine the type, number, appearance and content of the seal of the Company, branches, representative office (if any).
3. The Board of Directors, General Director shall use and manage the seal in accordance with the applicable law.

## **CHAPTER XIX. TERMINATION OF OPERATION**

### **Article 66: Dissolution of the Company**

1. The Company may be dissolved in the following cases:
  - a. The operation duration of the Company expires, including after any extension;
  - b. A court declares the Company bankrupt in accordance with the applicable law;
  - c. The enterprise registration certificate is revoked;
  - d. The General Meeting of Shareholders makes a decision on early dissolution;
  - e. Other cases as stipulated by law.
2. The early dissolution of the Company shall be decided by the General Meeting of Shareholders and shall be implemented by the Board of Directors. The decision on dissolution must be reported to, or must be approved by (if so required by law) the competent body in accordance with regulations.

### **Article 67: Extend the operational duration**

1. The Board of Directors convenes the General Meeting of Shareholders at least seven (07) months before the expiration of the operational duration so that the shareholders can vote to extend the operational duration of the Company according to the proposal of the Board of Directors.
2. The operational duration is extended when shareholders who represent at least 65% of the total votes of all shareholders participating the General Meeting of Shareholders approve the proposal.



## **Article 68: Liquidation**

1. The Board of Directors must establish a liquidation committee consisting of three (03) members, no less than six (06) months before expiry of the operation duration of the Company or after a decision on dissolution of the Company is made. The General Meeting of Shareholders shall appoint two (02) members to the committee and the Board of Directors shall appoint one (01) member from an independent auditor. The liquidation committee shall formulate its operational rules. Members of the liquidation committee may be selected from the employees of the Company or they may be independent experts. All expenses relating to liquidation shall be paid by the Company in priority to other debts of the Company.
2. The liquidation committee shall be responsible to report its date of establishment and date of commencement of operation to the business registration body. From such point of time, the liquidation committee shall represent the Company in all work relating to the liquidation before a court and administrative bodies.
3. Proceeds from the liquidation shall be disbursed in the following order:
  - a. Expenses of liquidation;
  - b. Wages, retrenchment allowances, and social insurance in accordance with law and other benefits of employees pursuant to signed collective labor agreement and labor contracts;
  - c. Taxes and other payments of a tax nature which the Company must pay to the State;
  - d. Loans (if any);
  - e. Other debts of the Company;
  - f. After all the debts in items (a) to (e) above have been paid; the balance shall be distributed to shareholders. Preference shares shall be paid in priority.

## **Article 69: Bankruptcy**

The bankruptcy of the Company shall comply with the provisions of the law on bankruptcy of enterprises operate in the finance and banking sector.

## **CHAPTER XX. INTERNAL DISPUTE RESOLUTION**

### **Article 70: Internal dispute resolution**

1. Where a dispute or a complaint relating to the operation of the Company or to the rights of shareholders arising out of the Charter or out of any rights or obligations stipulated in the Law on Enterprise, in other laws or administrative regulations between:
  - a. A shareholder with the Company; or
  - b. A shareholder with the Board of Directors, the Inspection Committee, the General Director or a senior manager; or
  - c. Customer or other relevant partners of the Company.

The relevant parties shall attempt to resolve such dispute by way of negotiation and conciliation. Except where such dispute involves the Board of Directors or the Chairman of the Board of Directors, the Chairman of the Board of Directors shall preside over resolution of the dispute and shall require each party to present the real issues in the dispute within a period of five (5) working days from the date the dispute arises. If the dispute involves the Board of Directors or the Chairman of the Board of Directors, either party may request the Chairman to appoint an independent expert who shall act as arbitrator during the course of resolution of the dispute.

2. If a decision on reconciliation is not made within a time-limit of six (6) weeks from the beginning of the reconciliation process or if the decision of the reconciling medium is not accepted by the parties, then any party may take such dispute to the economic arbitration or to the competent court in Viet Nam.
3. The parties shall bear all costs relating to the procedures for negotiation and conciliation. The court shall decide which party is to bear the costs of the court.

## **CHAPTER XXI. SUPPLEMENT AND AMENDMENT TO THE CHARTER**

### **Article 71: Supplement and amendment to the Charter**

1. Any supplement and amendment to the Charter must be considered and approved by the General Meeting of Shareholders.
2. Where any regulations of law relating to the operation of the Company have not been mentioned in the Charter or where new regulations of law are different from the content of the Charter, such regulations of law shall automatically prevail, and shall regulate the operation of the Company.

## **CHAPTER XXII. EFFECTIVE DATE**

### **Article 72: Effective date**

1. This Charter comprises twenty two (22) chapters with seventy two (72) articles and approved by the General Meeting of Shareholders of Phu Hung Securities Corporation dated 20 April 2023 and its full contents shall take effect from the signing date.
2. The validity of the Charter:
  - a. This Charter takes effect from the signing date;
  - b. From the effective date of the Charter, if (i) the Head Office of the Company (stipulated in Article 2.3), (ii) Business line and sector of the Company (stipulated in Article 4.1), (iii) Charter capital of the Company (stipulated in Article 6.1) arising in reality, then these new contents will be automatically updated into the Charter to replace the equivalent contents. The Charter updated new contents (if any) shall be signed by Chairman and shall be effective from the signing date.

The updated contents (if any) need to be added to the Company's Charter in the subsequent fiscal year to propose to the General Meeting of Shareholders of the following year for approval.

- c. In case regulations related to the operation of the Company have not been mentioned

in this Charter or in case new regulations are different from the articles and clauses in this Charter, then those regulations shall be apply and adjust the operation of the Company.

3. This Charter is made in five (05) originals in Vietnamese and two (02) originals in English with same validity.
4. This is the sole and official Charter of the Company.
5. Copies or extracts of the Charter shall be valid when they bear signature of Chairman of the Board of Directors or signatures of at least half of the total number of Board members or General Director.

Signed on 20 April 2023.

**SIGNATURE OF THE LEGAL REPRESENTATIVE  
OF THE COMPANY**

**Mr. ALBERT KWANG-CHIN TING**