

**PHU HUNG SECURITIES  
CORPORATION**

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

No: 80/2023/PHS-PL

Ref.: *Disclosing Annual Report of 2022*

*Ho Chi Minh City, 28 March 2023*

**INFORMATION DISCLOSURE ON WEBSITE OF STATE SECURITIES  
COMMISSION AND THE STOCK EXCHANGES**

- To:**
- **STATE SECURITIES COMMISSION;**
  - **VIETNAM EXCHANGE;**
  - **HA NOI 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 disclosure of information: 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 on securities market, PHS sincerely discloses Annual Report of 2022 (for further information, please find the attached).

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 genuine and takes entire responsibility to the law for information of disclosed content.

**Attachments:**  
*Annual Report in 2022*

**Recipient:**  
- *As above;*  
- *Archived at Company Secretariat.*

**PERSON TO IMPLEMENT  
DISCLOSURE OF INFORMATION**



**Mr. CHEN CHIA KEN**



**ANNUAL**  
REPORT 2022

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## MESSAGE FROM CHAIRMAN OF THE BOARD



Dear valued shareholders,

As we reflect on the past year, both the world at large and Vietnam in particular have experienced a range of emotions, from positivity to gloom. While 2022 was meant to be a year of recovery from the Covid-19 pandemic, it also brought about wars, natural disasters, energy and food security crises, financial and currency risks, all of which posed a constant threat to the global economy. Despite these challenges, Vietnam has emerged as a beacon of strength and solidarity, making a spectacular breakthrough and shining brightly on the global economic stage. At Phu Hung Securities (PHS), we remain committed to controlling risks and supporting our shareholders, investors, and customers, guided always by our business philosophy of "bringing success to you" and "your success is also our success".

Despite fluctuations, Vietnam's GDP increased by 8.02% in 2022, marking the highest growth rate in the 2011 to 2022 period. Other indicators, such as FDI and CPI, also increased significantly by 13.5% and 3.15% compared to the previous year, demonstrating the power of Vietnam's economy and the potential for growth in the securities industry. We at PHS are excited to enter a new phase of acceleration and sustainable development, with a strong focus on digitizing our products & services and prioritizing the investor experience. This approach has helped us rank among the Top 9 companies with the highest derivatives brokerage market share in 2022.

Looking ahead, we anticipate that 2023 will be a challenging year for the Vietnamese economy, but we are confident in our government's ability to provide timely solutions to protect and stabilize our economy. We are also committed to sustainable socio-economic development and environmental protection, in line with the United Nations' goals to reduce greenhouse gas emissions and achieve environmental balance. As a business focused on sustainable development, we are proud to join hands with our community in this important mission.

Our vision for 2023 is to continue digitalizing our products and services, improving our transaction system and human resources in all aspects, with the aim of maintaining our position among the Top 10 companies with the highest derivatives brokerage market share and market share of underlying stocks. We are dedicated to transforming our technology, products, services, and customer care methods to strengthen our position in the Vietnamese market and provide our shareholders and investors with peace of mind when executing transactions with us.

We would like to express our gratitude to our shareholders for their unwavering support and trust in PHS, as well as to our Board of Directors, Board of Management, and staff for their commitment and hard work. We promise to continue striving to learn and improve ourselves, as we work towards our goal of "Sustaining Prosperity, Going Global" with everyone.

Sincerely,  
BOARD OF DIRECTORS,  
Chairman

ALBERT KWANG-CHIN TING



# SUSTAINING PROSPERITY GOING GLOBAL



## 2022 HIGHLIGHTS

Unit: VND million, unless otherwise noted	2020	Changes 2020/2019	2021	Changes 2021/2020	2022	Changes 2022/2021
<b>BUSINESS RESULTS</b>						
Revenue	216,281	7.2%	509,597	135.6%	594,656	16.7%
Brokerage	65,884	31.2%	225,207	241.8%	188,307	-16.4%
Investments	3,976	161.0%	9,985	151.1%	1,934	-80.6%
Advisory	241	-74.2%	461	91.3%	558	21.1%
Other	146,180	-2.0%	273,943	87.4%	403,856	47.4%
Expenses	150,566	4.6%	333,170	121.3%	520,973	56.4%
Profit before tax	65,715	13.7%	176,427	168.5%	73,683	-58.2%
Profit after tax	52,843	11.2%	140,935	166.7%	59,979	-57.4%
ROE	0.06	-	0.12	0.06	0.04	(0.08)
ROA	0.03	-	0.04	0.01	0.01	(0.03)
<b>ASSETS</b>						
Total assets	2,135,100	27.3%	4,766,911	123.3%	3,676,224	-22.9%
Charter capital	900,000	28.6%	1,400,000	55.6%	1,500,098	7.1%
Equity	993,429	29.0%	1,604,664	61.5%	1,597,444	-0.4%
Gross leverage ratio	2.15		2.97		2.30	
Debt / Equity ratio	1.15		1.97		1.30	
Liquid capital ratio	863%		613%		449%	
<b>PER SHARE METRICS</b>						
Basic earnings per share (VND)	603	-11.19%	1,229	104%	400	-67%
Weighted average number of ordinary shares	87,704,428	25.29%	114,635,185	31%	150,009,329	31%
Dividend/share (VND)	-330					



# GENERAL INFORMATION



# OVERVIEW

❖ **Trading name: PHU HUNG SECURITIES CORPORATION (“PHS”)**

❖ **Certificate of business registration No:**

Establishment and Operational License No. 122/GP-UBCK issued by State Securities Commission dated January 20<sup>th</sup>, 2016.

Amendment of Establishment and Operational License No. 48/GPĐC-UBCK dated June 24<sup>th</sup>, 2021 on change in headquarter location at 21<sup>st</sup> Floor, Phu My Hung Tower, 08 Hoang Van Thai street, Tan Phu Ward, District 7, Ho Chi Minh City.

❖ **Charter capital** VND 1,500,098,190,000

❖ **Owner's capital** VND 1,597,443,619,209

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

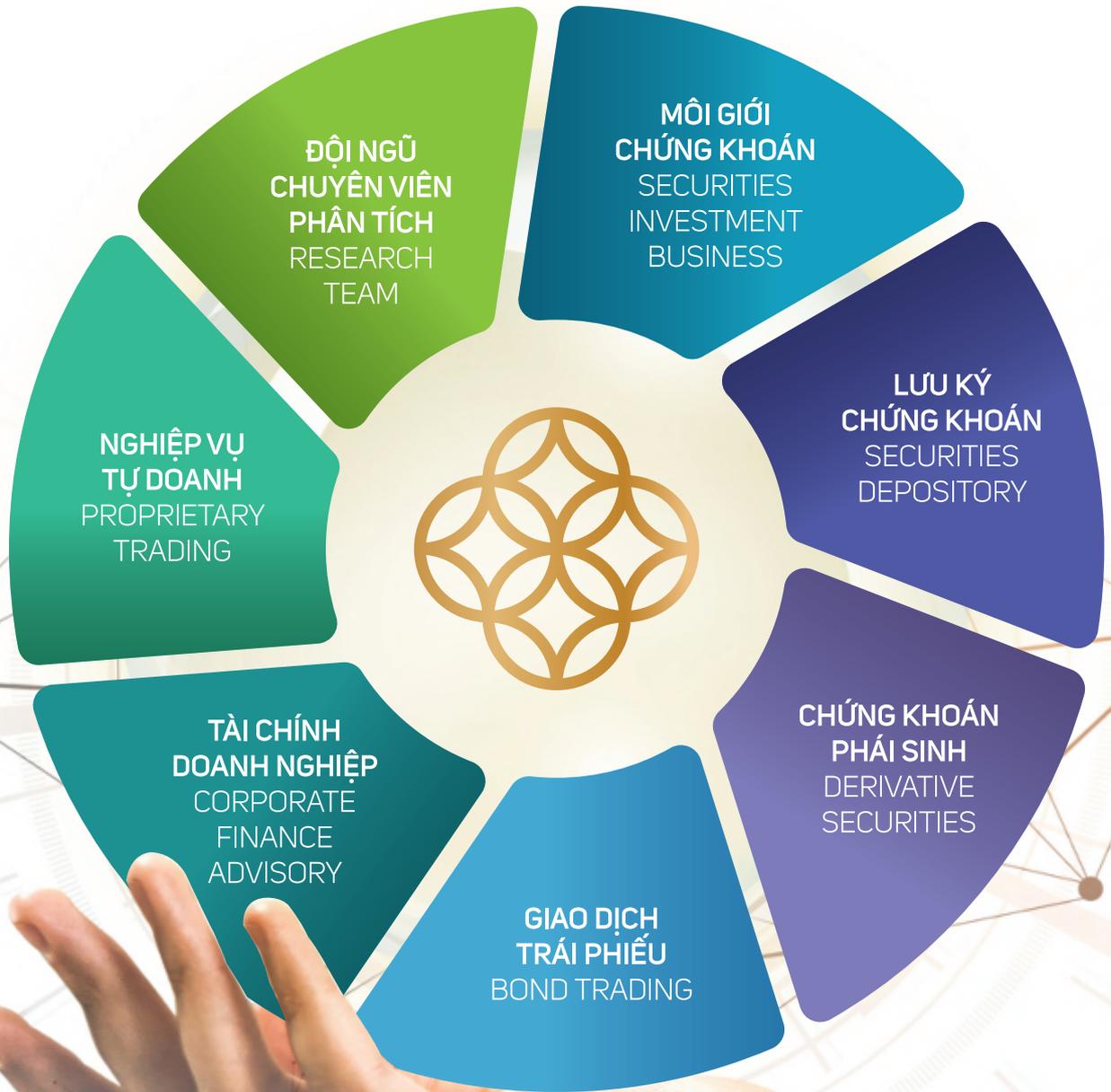
❖ **Telephone** (84 28) 5413 5479

❖ **Fax** (84 28) 5413 5472

❖ **Website** [www.phs.vn](http://www.phs.vn)

**Email** [support@phs.vn](mailto:support@phs.vn)

**Securities code** PHS



# FOUNDATION AND DEVELOPMENT PROCESS

**November 15<sup>th</sup>, 2006:** Au Lac Securities Joint Stock Company (“Au Lac”) was established with Business License No. 4103005552 from the Department of Planning and Investment of Ho Chi Minh City with an initial charter capital of VND 22,680,000,000.

**December 1<sup>st</sup>, 2006:** Au Lac was licensed by the State Securities Commission to conduct securities business activities with the following business lines: Securities Brokerage, Dealing, Financial Advisory, Securities Investment and Securities Depository.

**December 14<sup>th</sup>, 2006:** Au Lac became an official member of the Ho Chi Minh Stock Exchange.

**December 18<sup>th</sup>, 2006:** Au Lac became an official member of the Ha Noi Stock Exchange.

**December 29<sup>th</sup>, 2006:** Au Lac received license updating the charter capital increase of VND 50,000,000,000.

**September 5<sup>th</sup>, 2008:** Au Lac received a license updating charter capital increase of VND 100,000,000,000.

**November 10<sup>th</sup>, 2008:** Head Office of Au Lac was moved to the Lawrence S. Ting Building, 801 Nguyen Van Linh Street, Tan Phu Ward, District 7, Ho Chi Minh City.

**January 23<sup>rd</sup>, 2009:** Au Lac officially changed its name from Au Lac Securities Joint Stock Company to Phu Hung Securities Corporation.

**April 28<sup>th</sup>, 2009:** PHS increased the charter capital to VND 135,000,000,000.

**January 12<sup>th</sup>, 2010:** PHS increased its charter capital to VND 300,000,000,000.

**November 13<sup>th</sup>, 2012:** PHS increased its charter capital to VND 347,450,000,000.

**March 18<sup>th</sup>, 2014:** PHS became a bond member of Hanoi Stock Exchange.

**November 19<sup>th</sup>, 2015:** PHS received the approval on decision for the consolidation between Phu Hung Securities Corporation and An Thanh Securities Corporation.

**January 20<sup>th</sup>, 2016:** PHS received Establishment and Operational License No. 122/GP-UBCK with the charter capital VND 202,585,070,000 after the consolidation.

**June 29<sup>th</sup>, 2016:** PHS' Head Office relocated to the 3<sup>rd</sup> Floor, CR3-03A, 109 Ton Dat Tien, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam.

**July 25<sup>th</sup>, 2016:** PHS increased its charter capital up to VND 320,000,000,000.

**January 23<sup>rd</sup>, 2017:** PHS was approved by the State Securities Commission to operate securities underwriting service.

**January 11<sup>th</sup>, 2018:** PHS received Amendment of Establishment and Operational License No. 03/GPĐC-UBCK dated January 11<sup>th</sup>, 2018, recording charter capital of VND 500,000,000,000.

**April 27<sup>th</sup>, 2018:** PHS was officially approved the eligibility of trading member of government bonds by the Hanoi Stock Exchange.

**December 26<sup>th</sup>, 2018:** PHS received Amendment of Establishment & Operational License No.107/GPĐC-UBCK dated December 26<sup>th</sup>, 2018, recording charter capital of VND 700,000,000,000.

**July 31<sup>st</sup>, 2019:** PHS' shares begin trading on UPCOM.

**March 04<sup>th</sup>, 2020:** PHS received Amendment of Establishment and Operational License No. 12/GPĐC-UBCK dated March 4<sup>th</sup>, 2020, recording charter capital of VND 900,000,000,000.

**June 16<sup>th</sup>, 2020:** PHS was approved by the State Securities Commission to operate derivative securities trading.

**June 24<sup>th</sup>, 2021:** PHS' Head Office relocate to the 21<sup>st</sup> Floor, Phu My Hung Tower, 08 Hoang Van Thai, Tan Phu Ward, District 7, Ho Chi Minh City.

**September 28<sup>th</sup>, 2021:** PHS received Amendment of Establishment and Operational License No. 82/GPĐC-UBCK dated September 28<sup>th</sup>, 2021, recording charter capital of VND 1,400,000,000,000.

**December 31<sup>st</sup>, 2021:** PHS received certificate of registration of public fund certificate distribution agent no. 57/GCN-UBCK dated December 31<sup>st</sup>, 2021.

**April 13<sup>th</sup>, 2022:** PHS received certificate of enterprise registration for the 13<sup>th</sup> amendment.

**April 29<sup>th</sup>, 2022 :** PHS became an official member of Vietnam Exchange.

**August 29<sup>th</sup>, 2022:** PHS received Amendment of Establishment and Operation License No. 79/GPĐC-UBCK dated August 29<sup>th</sup>, 2022, recording charter capital of VND 1,500,098,190,000.

**November 22<sup>nd</sup>, 2022:** PHS received certificate of enterprise registration for the 14<sup>th</sup> amendment

*Other events:*

**December 16<sup>th</sup>, 2016:** PHS was awarded the Certificate of 10-year Achievement by the State Securities Commission for collectives and individuals of the company.

**December 2016:** PHS was awarded the traditional flag, certificate and Letter of Appreciation for the 10-year contribution of PHS from the State Agencies.

# LINES & LOCATIONS OF THE BUSINESS

## LINE OF THE BUSINESS





## LOCATIONS OF THE BUSINESS

### 🏠 Locations in Ho Chi Minh City:

#### **Phu My Hung Trading Office**

Ground Floor, CR2-08, 107 Ton Dat Tien Street, Tan Phu Ward, District 7, Ho Chi Minh City

Phone: (84 28) 5413 5478 Fax: (84 28) 5413 5473

#### **District 1 Branch**

Room 1003A, 10<sup>th</sup> Floor, 81-83-83B-85 Ham Nghi Street, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City

Phone: (84 28) 3535 6060 Fax: (84 28) 3535 2912

#### **District 3 Branch**

Phuong Nam Building, 2<sup>nd</sup> Floor, 157 Vo Thi Sau Street, Ward 6, District 3, Ho Chi Minh City

Phone: (84 28) 3820 8068 Fax: (84 28) 3820 8206

#### **Tan Binh Branch**

Park Legend Buidling, 251 Hoang Van Thu, Ward 2, Tan Binh District, Ho Chi Minh City

Phone: (84 28) 3813 2401 Fax: (84 28) 3813 2415

### 🏠 Locations in other cities/provinces:

#### **Ha Noi Branch**

5<sup>th</sup> Floor, Vinafor Building, 127 Lo Duc, Dong Mac Ward, Hai Ba Trung District, Hanoi

Phone: (84 24) 3933 4566 Fax: (84 24) 3933 4820

#### **Hai Phong Branch**

Eliteco Building, 2<sup>nd</sup> Floor, 18 Tran Hung Dao Street, Hong Bang District, Hai Phong

Phone: (84 225) 384 1810 Fax: (84 225) 384 1801

#### **Thanh Xuan Branch**

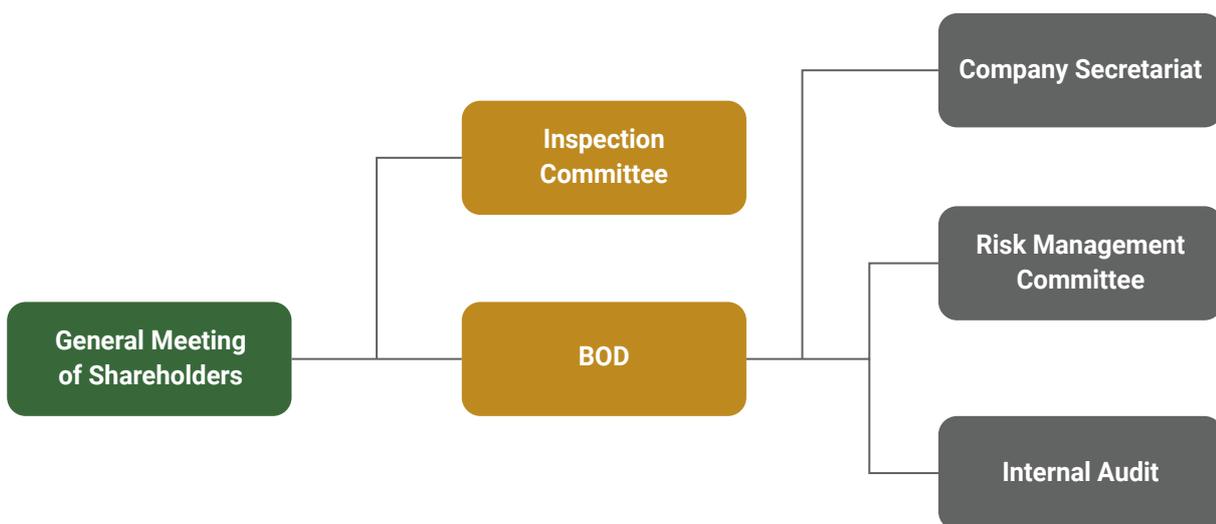
5<sup>th</sup> Floor, UDIC Complex Building, N04 Hoang Dao Thuy Street, Trung Hoa Ward, Cau Giay District, Ha Noi

Phone: (84 24) 6250 9999 Fax: (84 24) 6250 6666

# GOVERNANCE MODEL, BUSINESS ORGANIZATION & MANAGERIAL APPARATUS

## GOVERNANCE MODEL

The General Meeting of Shareholders is the highest authority of the Company. The General Meeting of Shareholders elects the Inspection Committee and BOD to help shareholders manage the Company. The Inspection Committee helps supervise the management and operation of the BOD and the BOM. BOD decides to all matters relating to the Company's activities, except for matters which belongs to the authority of General Meeting of Shareholders. Internal Audit and Risk Management Committee are the directly subordinate agencies of BOD, Company Secretariat is in charge of administrative works in support to BOD.



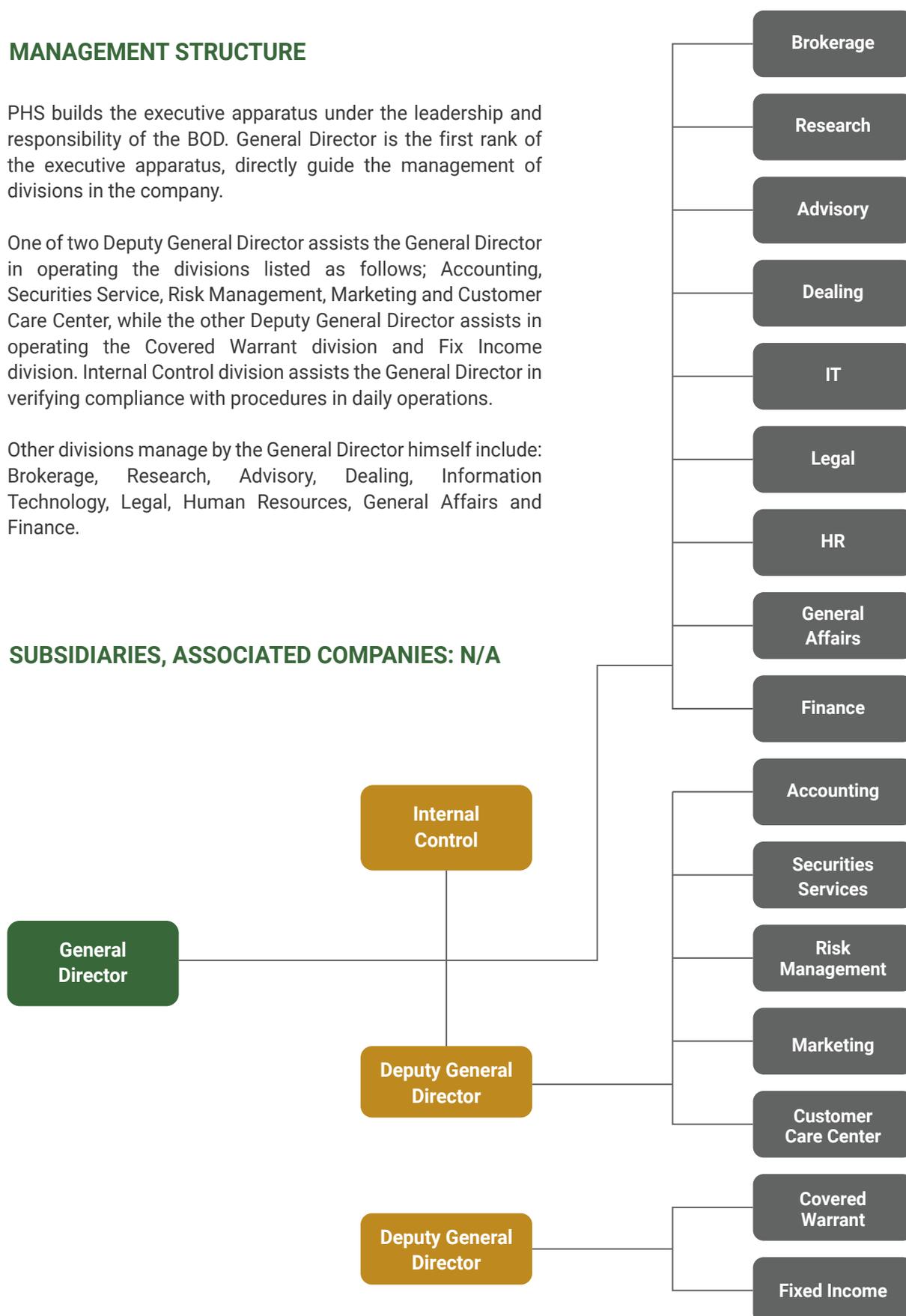
## MANAGEMENT STRUCTURE

PHS builds the executive apparatus under the leadership and responsibility of the BOD. General Director is the first rank of the executive apparatus, directly guide the management of divisions in the company.

One of two Deputy General Director assists the General Director in operating the divisions listed as follows; Accounting, Securities Service, Risk Management, Marketing and Customer Care Center, while the other Deputy General Director assists in operating the Covered Warrant division and Fix Income division. Internal Control division assists the General Director in verifying compliance with procedures in daily operations.

Other divisions manage by the General Director himself include: Brokerage, Research, Advisory, Dealing, Information Technology, Legal, Human Resources, General Affairs and Finance.

## SUBSIDIARIES, ASSOCIATED COMPANIES: N/A



# DEVELOPMENT ORIENTATIONS

## OBJECTIVE 2023

PHS' objective as a leading financial institution in Vietnam market, based on our customer-centricity principles, protect customers from losses. PHS' persistent target yet flexible approach, in addition to business acumen, not only support PHS to remain resilient against the turbulence in Vietnam's stock market, but also justify its position. Development strategy accompanied by an action plan has reinforced PHS to gain its notable milestones. Sustainable development strategy is drawn upon three successful factors, including human resources qualification, product and service quality, and technology system development.

## DEVELOPMENT STRATEGY

Along with positive macroeconomic forecasts, Vietnam's stock market in 2023 is expected to see a solid recovery while continue to attract foreign investment. Given opportunities and challenges, PHS has identified solutions for each business activities based on its medium and long-term strategic goals, with focuses given to sustainable development factors. Sustainable growth is always PHS' choice to survive and confidently accompany the market development.

PHS focus investment on grading its infrastructure to enhance the capacity of online systems, improve features for convenient trading, and renovate service delivery processes. Adding new products and services to enhance customer experience, while improving internal processes to increase employee performance.

Concurrently, in order to meet the rapid growth in the number of investors and demanding standards of service quality, PHS plans to continue further recruitment of new employees. The candidates must go through strict selection process and participate in orientation training to equip with sufficient knowledge, expertise and work skills, thereby offering highquality customer care and consultancy services. Succession training at all levels is a focus of training and human resources programs.

# RISKS

- ❖ **Market risks** defines the negative impacts through changing the assets value under PHS's ownership;
- ❖ **Payment risks** if PHS's counterparties unable to make payment or transfer assets as undertaken on time;
- ❖ **Liquidity risks** if PHS unable to make payment for its financial liabilities;
- ❖ **Operational risks** due to technical errors, system errors, human errors, capital insufficiency for business operations arising from costs, investment losses or other objective reasons;
- ❖ **Legal risks** arise from the non-compliance towards legal provisions relating to business activities and cancellation of contract due to illegal, or falls beyond authorization, or lacked terms, or does not qualify the standards, or due to other reasons.

The company risk management policy aim to detect and analyze the potential risks if encountered, providing the limit and risk control measures accordingly, observe the risks and comply with the limit. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's operations. The company through standards, management and training process aimed to develop a disciplined, constructive and controlled environment in which all employees recognize their roles and responsibilities.





# YEARLY OPERATIONS



# SITUATION OF PRODUCTION & BUSINESS OPERATIONS

After a very successful year of 2021 Vietnam stock market, many unforeseen things happened in 2022. VN-Index hit a peak on July 4<sup>th</sup>, 2022 when market closed at 1,524.7 and since then started 7 months correction and lowest point is when market closed at 911.9 on November 15<sup>th</sup>, 2022 meaning 40% lower than the peak. Until end of 2022, total market trading value was 26% 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 previous one. This decrease of index point and

market liquidity are due to both global instability problems together with Vietnam domestic economic and political issues. In the short term, it has made a significant impact on the investment performance as well as the psychology and confidence of the majority of investors in the stock market. However, with Vietnam's current solid economic foundation, after Vietnam's internal problems are clarified in early 2023, investor confidence will quickly recover, the stock market of Vietnam will return to the growth phase in a favorable manner.

## BUSINESS RESULT

During the pass years, operating profits of the company changed in a concrete direction. Operating profit in 2022 reached around VND 73.7 billion, where the profit after tax achieved positive results of around VND 59.9 billion, slight decrease compared to 2021 under the market turbulence.



## MAIN BUSINESS ACTIVITIES

### a) Brokerage

In 2022, under the average market liquidity dropping by 26%, PHS' stock trading value only reduced around 21% compared to previous year, so it supported PHS' stock market share increase 5% higher than those at the end of 2021. Company has witnessed a certain improvement when accumulated brokerage revenue reach around VND 188 billion and margin interest income reach around VND 289 billion; 157% and 188% compared with the plan of 2022.

### b) Dealing

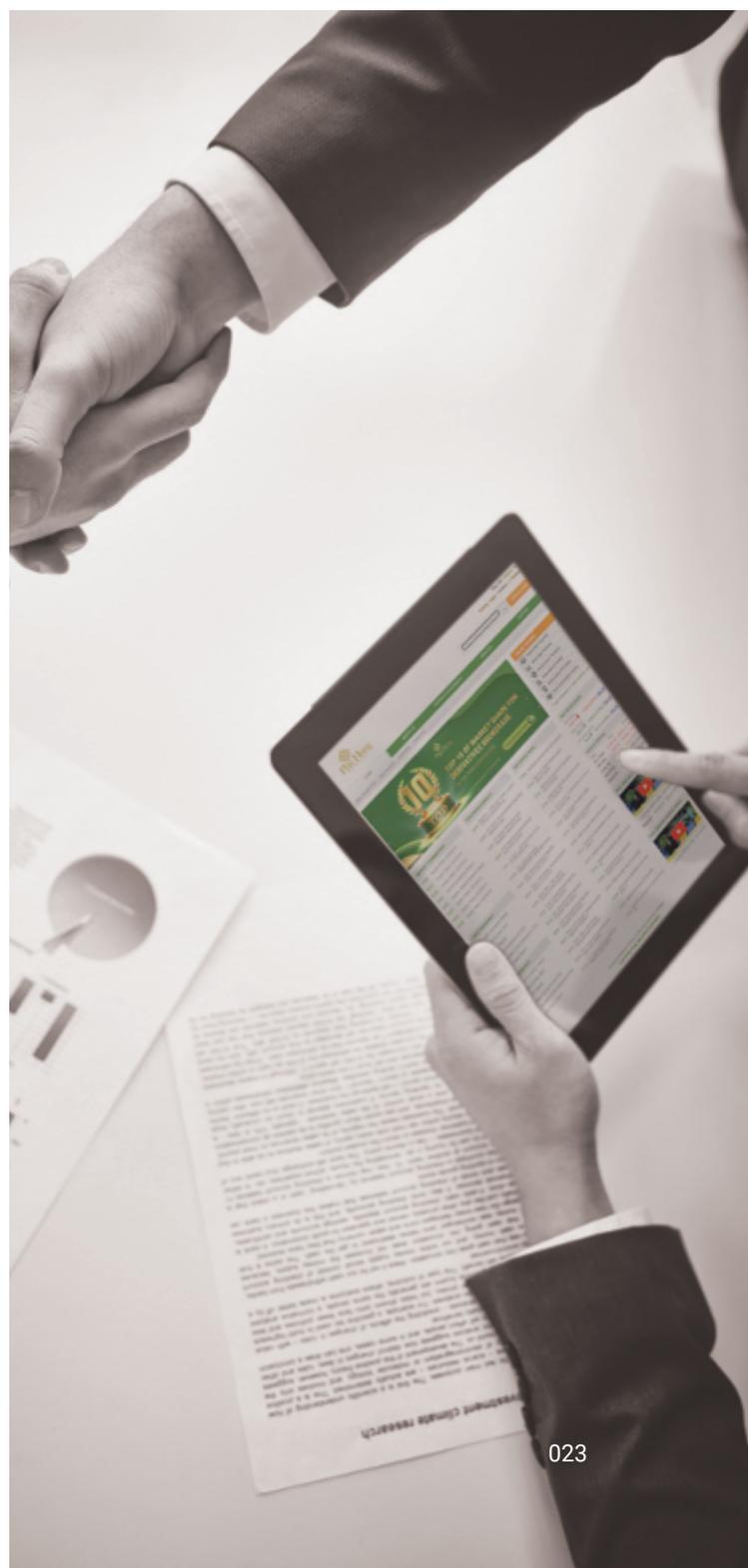
Though Vietnam stock market has experienced a difficult time in 2022, the efficiency of market movement tracking and well-designed risk control procedure helped Dealing division narrowed the losses. A total loss of 12.8% over the average investment, while VN-Index decreased by 32.8%.

### c) Advisory and Research

In order to contribute to Vietnam and foreign countries on securities exchange, and to assist foreign investors to understand the Vietnamese securities market, PHS provides the network platform, advisory services and all kinds of research reports; including daily, weekly, monthly, individual stocks research, industry and general economic analysis reports in 3 languages: Chinese, English and Vietnamese. Foreign investors will no longer be restricted by language barriers and will have the opportunity to participate in the development of Vietnam. Moreover, advisory services related to listing, issuance, equitization, M&A and underwriting could meet various demand of institutional customers.

## OPERATION IN BRANCHES

The number of branches in 2022 did not change, maintaining a total of 7 branches and trading offices, but improved quality of the employees through better recruitment and training. Effective operation results of the branches gradually affirming the sustainable development.





# ORGANIZATION & HUMAN RESOURCES

## LIST OF THE MANAGEMENT TEAM

**Mr. Chen Chia Ken**

Position: General Director

Year of birth: 1971

Qualification: Master's degree

Number of shares own: 0 share

**Mr. Li Hsin Hsien**

Position: Deputy General Director

Year of birth: 1972

Qualification: Master's degree

Number of shares own: 0 share

**Mrs. Pham Thi Thu Nhan**

Position: Deputy General Director

Year of birth: 1984

Qualification: Master's degree

Number of shares own: 0 share

**Mrs. Do Thi Ai Vy**

Position: Chief Accountant

Year of birth: 1986

Qualification: Bachelor's degree

Number of shares own: 0 share

## NUMBER OF STAFFS, SUMMARY & CHANGES OF THE EMPLOYEE POLICIES

- ❖ Number of staffs updated to December 31<sup>st</sup>, 2022: 356 staffs.
- ❖ Total salary expense for employee: Approximately VND 99,247,814,667 (ninety nine billion two hundred forty seven million eight hundred fourteen thousand six hundred and sixty seven Vietnam dong).
- ❖ Average income: Approximately VND 22,551,196 (twenty two million five hundred fifty one thousand one hundred ninety six Vietnam dong)/ person/ month.

PHS fully implement the policies of the State Agencies and the regulations and policies of the company for the employees. Policies such as: salary, bonus, reward, discipline, labor rules, vacation regimes, holidays, social insurance, sickness, maternity, health care, labor safety and hygiene, appointment and recruitment and training. Use the reward and welfare fund to encourage and enhance employees' job performance and sticking to business.



# INVESTMENT ACTIVITIES, PROJECT IMPLEMENTATION

MAJOR INVESTMENTS: N/A

SUBSIDIARIES, ASSOCIATED COMPANIES: N/A

## FINANCIAL SITUATION

### FINANCIAL SITUATION

Unit: VND

Financial Figure	Year 2021	Year 2022	% change
Total asset	4,766,910,736,417	3,676,223,540,195	(22.9%)
Net Revenue	509,367,637,681	593,848,771,820	16.6%
Profit from business activities	176,367,031,298	72,936,565,655	(58.6%)
Other profits	59,909,896	746,308,144	1,145.7%
Before tax profit	176,426,941,194	73,682,873,799	(58.2%)
After tax profit	140,935,106,927	59,979,201,559	(57.4%)
Payout ratio	N/A	N/A	N/A

## MAJOR FINANCIAL BENCHMARKS

Unit: VND

Benchmarks	Year 2021	Year 2022	Note
<b>1. Solvency ratio</b>			
- Current ratio:			
Short term Asset/Short term debt	1.49	1.73	
- Quick ratio:			
Short term Asset - Inventories	1.48	1.73	
Short term Debt			
<b>2. Capital structure Ratio</b>			
- Debt/Total assets ratio	0.66	0.57	
- Debt/Owners' Equity ratio	1.97	1.30	
<b>3. Operation capability Ratio</b>			
- Inventory turnover:			
Cost of goods sold/Average inventory			
- Total asset turnover:			
Net revenue/ Total Assets	0.15	0.14	
<b>4. Target on Profitability</b>			
- Profit after tax/ Net revenue Ratio	0.28	0.10	
- Profit after tax/ Total capital Ratio	0.09	0.04	
- Profit after tax/ Total assets Ratio	0.03	0.02	
- Profit from business activities/ Net revenue Ratio	0.35	0.12	

## FOR CREDIT INSTITUTIONS AND NON-BANK FINANCIAL INSTITUTIONS

Unit: VND

Figures	Year 2021	Year 2022	Note
<b>1. Capital scale</b>			
- Charter Capital	1,400,000,000,000	1,500,098,190,000	
- Total assets	4,766,910,736,417	3,676,223,540,195	
- Capital adequacy ratio	613%	449%	
<b>2. Operating results</b>			
- Cash deposits			
- Lending	67,981,666,870,662	53,319,143,845,883	
- Debt collection	65,969,688,989,194	54,865,600,091,258	
- Overdue debts	19,156,035,608	66,021,711,273	
- Bad debt	6,837,025,917	20,614,534,412	
- Incremental Capital Output Ratio	2.5	2.7	
- Overdue outstanding underwritten debt/ Total outstanding debt Ratio			
- Overdue debts/ Total debt Ratio	0.01	0.03	
- Bad debt/Total debt Ratio	0.002	0.01	
<b>3. Solvency</b>			
- Short term solvency (Short term Asset/Short term debt)	1.49	1.73	
- General solvency (Short term Asset/ Total debt)	1.48	1.73	

# SHAREHOLDERS STRUCTURE, CHANGE IN THE OWNER'S EQUITY

## SHARES

Specify total number on December 31<sup>st</sup>, 2022 is 150,009,819 shares.

Number of freely transferable shares is 101,059,819 shares.

Number of restrictedly transferable share is 48,950,000 shares.

PHS does not have securities trading abroad.

## SHAREHOLDERS STRUCTURES

Major shareholders (owning 5% or more) are 3 shareholders.

Minor shareholders (owning less than 5%) are 359 shareholders.

Institutional shareholders are 13 shareholders.

Individual shareholders are 349 shareholders.

Domestic shareholders are 336 shareholders.

Foreign shareholders are 26 shareholders.

There is no any PHS share owning by the government.

Other shareholder is PHS (treasury stocks).

## SPECIFY EQUITY INCREASES FOR THE YEAR

On May 09<sup>th</sup>, 2022, PHS finalized list of shareholders to pay cash dividend with the ratio of 4.8% per share.

On June 23<sup>rd</sup>, 2022, PHS paid stock dividends to existing shareholders, increasing charter capital to VND 1,500,098,190,000.

## TRANSACTION OF TREASURY STOCKS

Treasury stocks are 490 shares. In 2022, PHS did not make any treasury stocks transaction.

## OTHER SECURITIES

In 2022, PHS did not make any other securities issuance.

# REPORT RELATED IMPACT OF THE COMPANY ON THE ENVIRONMENT AND SOCIETY

**MANAGEMENT OF RAW MATERIALS: N/A**

**ENERGY CONSUMPTION: N/A**

**WATER CONSUMPTION: N/A**

**COMPLIANCE WITH THE LAW ON ENVIRONMENTAL PROTECTION: N/A**

**POLICIES RELATED TO EMPLOYEES**

## **Number of employees, average wages of workers**

Number of staff updated to December 31<sup>st</sup>, 2022: 356 staffs.

Total salary expense for employees: approximately VND 99,247,814,667 (ninety nine billion two hundred forty seven million eight hundred fourteen thousand six hundred and sixty seven Vietnam dong).

Average income: approximately VND 22,551,196 (twenty two million five hundred fifty one thousand one hundred ninety six Vietnam dong)/ person/ month.

## **Labor policies to ensure health, safety and welfare of workers**

Periodic health check for employees in 2022: VND 357,288,920 (three hundred fifty seven million two hundred eighty eight thousand and nine hundred twenty dong).

Extra health insurance fees for supervisor level up and all employees with contribution from 1 years above in 2022: VND 624,611,303 (six hundred twenty-four million six hundred eleven thousand three hundred and three Vietnam dong).

24/24 accident insurance for employees in 2022: VND 18,049,500 (eighteen million fourty nine thousand and five hundred Vietnam dong).

Annual trip for employees in 2022: approximately VND 4,500,000 (four million five hundred Vietnam dong)/ person.

## **Training employees**

In 2022, PHS officially launched the CLS online training system with roles that assist the employees to learn anytime, anywhere; record and orient courses for employee base on working progress and minimize costs for centralized training.

PHS trains not only professional knowledge of product, market analysis skills and securities operations, the company also has reinforced the soft skills development programs to support consulting work, which is suitable for each customer's style. Some training programs which are held in 2022:

- Covered Warrant Product Training Program
- Securities Professional Training Program
- Public Speaking Program
- Presentation Skills Program
- Understanding Personal Style - DICS Program
- Securities Practicing Certificate Training Programs
- Online Professional Training Program

**REPORT ON RESPONSIBILITY  
FOR LOCAL COMMUNITY:**

The community investments and other community development activities, including financial assistance to community service.

The company sponsored staff to represent and participated in the Lawrence S.Ting charity walk program held annually by Phu My Hung Development Limited Company in coordination with the People's Committee of District 7, District 8, Binh Chanh District, Nha Be District organized annually since 2006, with the purpose of raising funds to support the poor every spring.

In addition to participating in local volunteer activities, the company always tries to create a dynamic and youthful working environment to help students experience, practice and work in real life at enterprises, as well as learn more about the financial and securities markets, while still at school to contribute to the community's responsibility in nurturing talented young successors.

**GREEN CAPITAL MARKET ACTIVITIES  
UNDER THE GUIDANCE OF THE SSC: N/A**



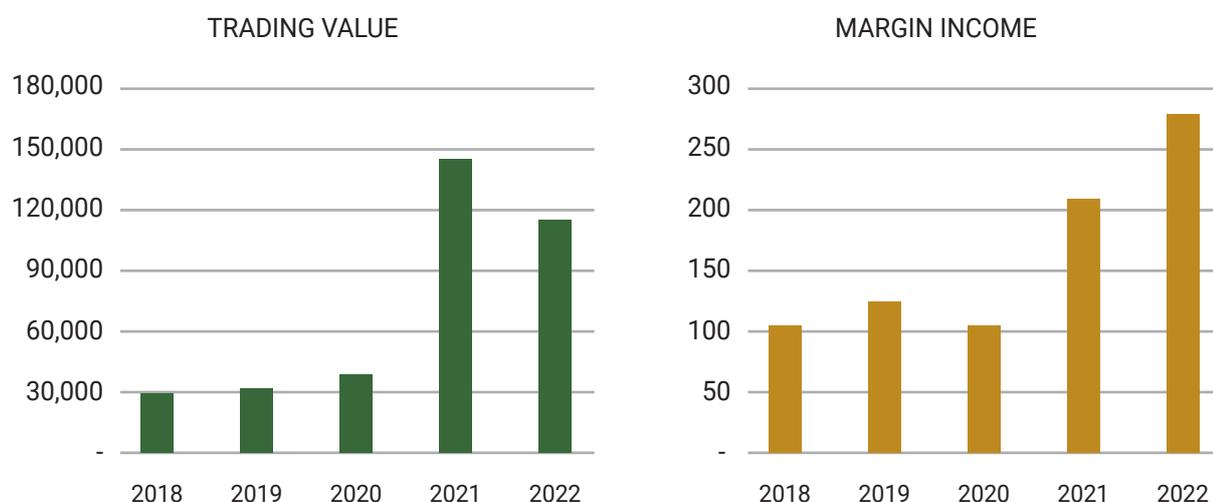


# REPORT AND ASSESSMENT OF THE MANAGEMENT TEAM



# ASSESSMENT OF OPERATING RESULTS

## BROKERAGE



Unit: VND billion

With the average market liquidity dropping by 26% from about VND 26.6 trillion per day in 2021 to about VND 19.8 trillion per day in 2022, PHS' stock trading value has reduced only around 21% compared to last year, so it supported PHS' stock market share increase 5% higher than those at the end of 2021. Company has witnessed a certain improvement when accumulated brokerage revenue reached around 188 billion Vietnam dong and margin interest revenue reached around 289 billion Vietnam dong, reached 157% and 188% compared with the plan of 2022. In comparison to 2021, brokerage revenue decreased by 16% and margin interest increased by 26%. In second half of 2023, when facing with the appreciating USD and

increasing interest rate, company has encounter considerable exchange rate loss and increasing capital cost, it will cause certain impact on PHS' business performance this year.

2022 is a significant year in term of PHS derivatives brokerage business. It was launched in 2021, initial market share and income were still quite small, with only 0.31% market share and VND 1.4 billion income. However, until end of 2022, the result increased 4 and 6 times respectively, to 1.73% market share and VND 11.4 billion income, thus supports PHS to achieved Top 9 of securities companies with the largest derivatives brokerage market share of HNX.

## DEALING

The Vietnam stock market not only faced external pressures like interest rates raising, or the surging U.S. dollar, but also faced some internal impacts. Though the regulators' action on the transparency of the market in long term will help the Vietnam capital market to have sustainable development, in short term the measures dampened market sentiment. Many of stocks have faced forced selling pressure, causing the stock price to drop dramatically. As of Dec 30, VN-Index closed at 1,007 points (-32.8%), while HNX-Index closed at 205.3 points (-56.7%).

Realizing that the external pressures continued to harm the Vietnam's 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 had reduced the positions in our portfolio to a safe level for risk control. As a result, PHS' portfolio decline was significantly lower than VN-Index. As of 30 December 2022, a loss of 12.8% over total average investment.

## FINANCIAL AND INVESTMENT ADVISORY

Vietnam's stock market was also strongly affected by the instability of international political-economic and sensitive modifications in domestic macro-management policies, leading to a sharp decline in the market. Corporate finance advisory activities of Advisory division last year was also affected. Important services, such as share issuance as well as listing consulting are now more strictly control than before. The outcome of revenue target for 2022 not been achieved as previously expected. Still, PHS has strengthened connections with PHS' brokerage divisions, joint stock companies, public companies and listed companies in order to source more potential customers for 2023.

In 2023, the Advisory division will continue serve the existing customers with the priority to complete the contracts that are already signed in 2022. Securities issuance, IPO and listing advisory services will still remain as the main consulting services to be provided to our customers. The Advisory division also focus on improving consulting capacity, aiming to providing full package of advisory services for customers, especially for foreign investors who have demand to invest in Vietnam.

Moreover, the Advisory division will strengthen cooperation with the Institutional Brokerage department and the Dealing division and other financial institutions in order to expand domestic and international relationships, create new business opportunities. Fostering advisory experience and improving services quality are the factors enables PHS to move forward and raise customers satisfaction in the future. PHS have strong belief that our professionalism and experience will aid more customers to reach their business targets and continue to accumulate prestigious brand name in the industry.

# FINANCIAL SITUATION

## ASSETS

End of 2022, total assets were VND 3,676,223,540,195 decreased VND 1,090,687,196,222 (22.9 %) compared with the beginning of the year, Total the short-term assets are VND 3,594,952,135,875 accounted for 97.8% of total assets (the figure of beginning of the year is 98.5%), long-term assets are VND 81,271,404,320 accounted for 2.2% of total assets (the figure at the beginning of the year is 1.5%), The proportion of short-term and long-term assets at the end of 2021 compared to the beginning of the year did not change much but the total assets decreased due to decreasing loans activities of the company, The asset utilization rate is 0.14.

Bad debts at the end of 2022 is VND 20,614,634,412 accounted for 0.56% of total assets.

## LIABILITIES

End of 2022, liabilities of the company were VND 2,078,779,920,986 and there is not overdue debt, Therein, liabilities to foreign organizations were VND 1,733,020,000,000 accounted for 83.4% of total liabilities so will affect to the exchange rate difference of liabilities and interest expenses.

## KEY FINANCIAL METRICS

Items	Unit	2017	2018	2019	2020	2021	2022
Solvency ratio							
Current ratio = Short term Asset/Short term debt	Times	1.77	1.95	1.82	1.82	1.49	1.73
Capital structure Ratio							
Debt/Total assets ratio	%	56%	51%	54%	53%	66%	57%
Debt/Owners' Equity ratio	%	127%	103%	118%	115%	197%	130%
Net revenue/ Total Assets	%	11%	12%	12%	10%	15%	14%
Target on Profitability							
Profit after tax/ Net revenue Ratio	%	13%	21%	24%	24%	28%	10%
Profit after tax/ total average capital Ratio (ROE)	%	4%	6%	6%	5%	12%	4%
Profit after tax/ Total assets Ratio (ROA)	%	2%	3%	3%	2%	3%	2%
Basic earnings per share	VND	537	729	679	603	1,229	400

Solvency ratio: PHS's current solvency ratios over the years are greater than 1, showing that the level of safety in meeting the demand for payment of short-term debts of the company is relatively good.

Capital structure Ratio: Debt/Owners' Equity ratio has not changed much over the years and is lower than the 500% limit applied to securities companies.

Profitability ratios: Profitability ratios of the Company such as profit after tax / Net revenue increased steadily over the years, showing a significant improvement in the business performance of the Company PHS.

As of December 31, 2021, the balance of short-term and long-term loans was as follows: Unit: VND million

	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2021
Loans	<b>708,217</b>	<b>1,175,168</b>	<b>1,152,506</b>	<b>1,526,116</b>	<b>3,538,094</b>	<b>3,538,094</b>
Short-term loans	708,217	1,175,168	1,152,506	1,526,116	3,538,094	3,538,094
Long-term loans	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	-	-
<b>Total</b>	<b>708,217</b>	<b>1,175,168</b>	<b>1,152,506</b>	<b>1,526,116</b>	<b>3,538,094</b>	<b>3,538,094</b>

The company strictly fulfills its obligations in accordance with current regulations.  
The balance of tax payables to the State as of December 31, 2020 is as follows:

	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
Value added tax	2	5	3	3	4	20
Corporate income tax	-	-	3,249	4,084	5,986	3,876
Personal income tax	1,368	1,275	1,608	3,694	12,483	10,232
Foreign contractor withholding tax	0	-	16	28	28	1,126
<b>Total</b>	<b>1,371</b>	<b>1,280</b>	<b>4,876</b>	<b>7,809</b>	<b>18,501</b>	<b>15,255</b>

## RECEIVABLES

	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
Interest receivables from financial assets	15,979	32,398	20,294	21,522	46,758	57,343
Prepayments to suppliers	434	1,151	906	1,147	1,701	1,700
Receivables from services rendered	25,888	15,727	14,855	1,586	160,061	9,824
Other receivables	12,802	12,936	12,909	12,927	13,103	13,006
Other receivables provision	(9,470)	(9,290)	(9,326)	(9,186)	(6,315)	(7,453)
<b>Total</b>	<b>45,633</b>	<b>52,922</b>	<b>39,637</b>	<b>27,996</b>	<b>215,308</b>	<b>74,420</b>

## PAYABLES

	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
Short-term payables	644,152,3483	766,188	906,211	1,140,360	3,160,455	2,076,800
Long-term payables	340,4375	365	337	1,312	1,792	1,980
<b>Total</b>	<b>644,493</b>	<b>766,552</b>	<b>906,548</b>	<b>1,141,671</b>	<b>3,162,247</b>	<b>2,078,780</b>

## Financial safety ratios report 2017, 2018 and 2019, 2020

	Risk / Liquid capital					
Items	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
Total market risk value	510	275	405	13,886	1,968	722
Total settlement risk value	28,474	34,389	28,599	45,990	69,484	160,683
Total operational risk value	60,000	60,000	60,000	50,000	180,000	180,000
Total risk values	88,985	94,664	89,004	109,876	251,452	341,405
Liquid capital	504,606	740,875	758,447	948,638	1,540,387	1,532,038
Liquid capital ratio	567%	783%	852%	863%	613%	449%

Per Circular No. 91/2020/TT-BTC of the Ministry of Finance dated Nov 13, 2020, securities companies must maintain a Liquid capital ratio (LCR) of at least 180%. PHS always maintains a very high LCR, ensuring the financial safety of the company



## IMPROVEMENTS IN ORGANIZATIONAL STRUCTURE, POLICIES, MANAGEMENT

- ❖ The BOM has assigned a clear division of responsibility, each profession is assigned to directly responsible leaders so that the management and administration of business is fulfilled rhythmically and synchronized, which brings high efficiency. The company re-arranged labor, strengthen the management system aim to continuously improve labor productivity, continuously improve the efficiency of using labor. The apparatus was streamlined, functions and responsibilities of the departments were integrated into high specialization to avoid duplication. The company has built a professional and wholeheartedly workforce for the development of company.
- ❖ For technology, products and services, the company always concentrates to upgrade the system, innovate products and improve services that meet the needs of investors and users.
- ❖ For policy, keep the changes to ensure compliance with the provisions of the State Agencies.

# DEVELOPMENT PLANS IN THE FUTURE

## BROKERAGE

Following the successful restructure of HR division in general and making more investment in recruitment and training sector in particular, by 2022 end, PHS have recruited 108 brokerage staffs with the survival rate around 53.2%. 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 more efficiently. It is forecast that the stock market in 2023 will still maintain challenging, thus making the relationship between the brokerage staff and the firm hard to maintain. Conversely, it's also a good opportunity for PHS to approach and screen for potential candidates.

## DEALING

In 2023, Vietnam's economy will maintain its recovery momentum with the growth target of 6.5% set by National Assembly, demonstrating Vietnam still a bright spot in the global economy this year. Especially while the Vietnam regulators are trying regain the investor confidence by seeking solutions in financial markets. Therefore, the Vietnam stock market after a big decline in 2022 will show sign of recovery 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. PHS maintain its portfolios at a reasonable, and will consider to raise equity weight again when the market recovers.

Thus, Dealing team will keep track of market movement and be more aggressive in searching investment opportunities in the stock market, by closely cooperating with Research division, using fundamental and technical analysis.

Finally, PHS believe that Dealing division will be able to seek out more valuable investment opportunities, become more professional in chasing potential capital gain with well-analyzed reasonable risk exposure and to report a better performance in 2023.

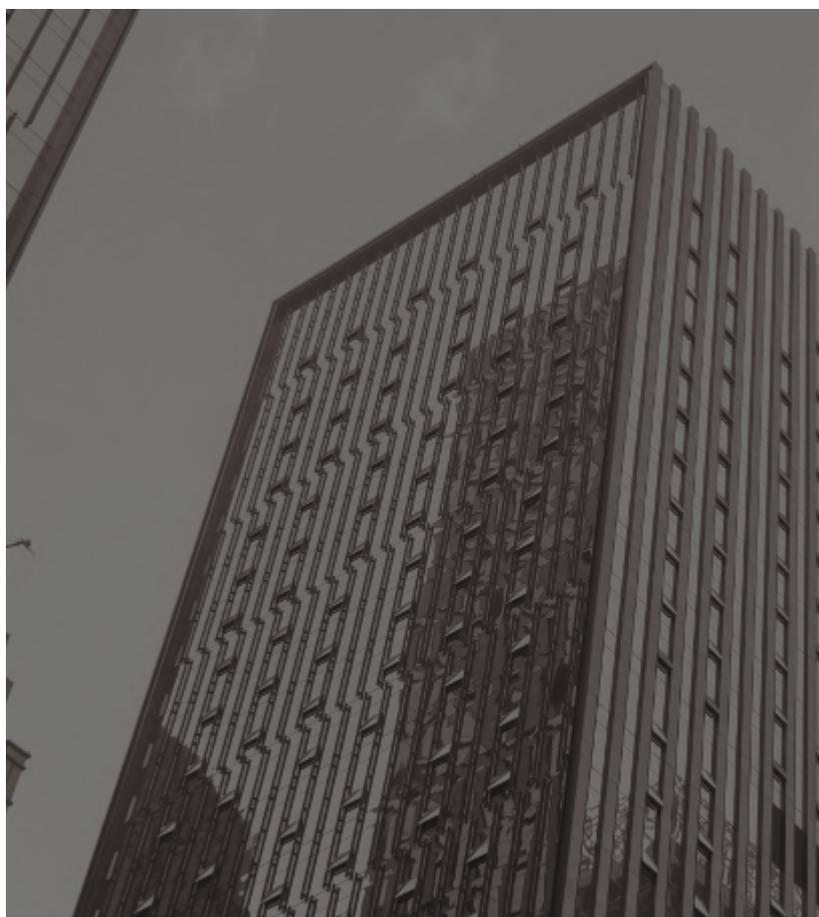
## COVERED WARRANT

In 2022, calculated until December 31<sup>st</sup> 2022, there have been new 228 Covered Warrants issued and listed on HOSE, with a total volume of more than 1.4 billion Covered Warrant units and a total value of more than VND 2,500 billion. In addition, the trading volume of the Covered Warrant market has also constantly grown. In particular, the trading volume peaked at more than 85 million Covered Warrant units on December 5<sup>th</sup> 2022, and the average trading volume reached 32 million Covered Warrant units a day in 2022.

Throughout the development of Covered Warrant 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, Covered Warrant is also a highly leveraged product and a relatively complex product. Another feature that makes Covered Warrant 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 Covered Warrant, 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 Covered Warrant 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, Covered Warrant can be a useful tool for investors to implement portfolio diversification.

With expectations about the benefits contributed, through the development of Covered Warrant products, PHS hopes to join and become the leading Covered Warrant issuer in the market in near future. PHS aims to issue Covered Warrants based on stocks of different industry groups in the VN30 index basket with flexible conversion ratios & maturities, meeting the diverse needs of investors



for choosing CWs. In 2023, PHS sets that the target of Covered Warrant'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 Covered Warrant.

## MARKETING

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, in 2023, PHS is expected to optimize the power of internal communication channels with the following:

- 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.



## 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.

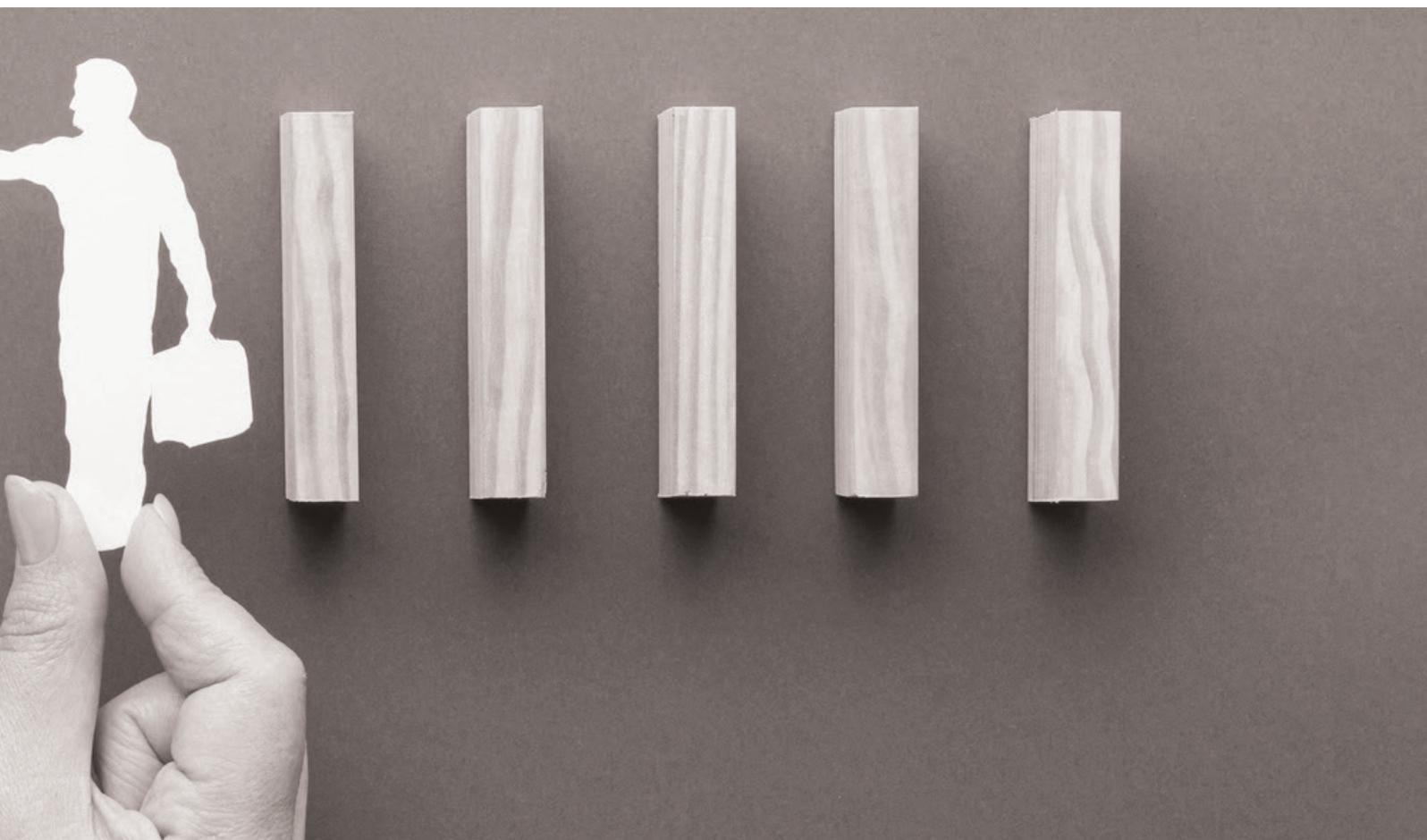
In 2022, the recovery and growth of Vietnam economy still affected by the Covid. The Vietnam stock market also suffered several major turbulances over the last months of 2022.

Where although PHS has flexible risk management strategies from time to time, such as changing force selling ratios to support business as well as hedging risks during the volatile market period, the risk management strategy has to be changed. During Covid, the control on the max loan price and loan ratio in accordance with the legal provisions and the market situation, in which margin outstanding structure is mainly allocated on large-cap, fundamental stocks and strong background customers, was more carefully monitored; margin trading service in particular, was highly effective. Based on the result of bad debt assessment from margin trading services; no new bad debt in the past year.

Risk Management division has well-cooperated with Research division to have advanced analyses of listed companies, which is eligible for margin trading and many amendments in risk management strategy demonstrate adaptivity and flexibility with the market changes.

Simultaneously using some data analysis tools developed by the software department of the Information Technology division and launching stock pricing models, strongly support Risk Management division in collecting data quickly, accurately and effectively to submit to the Risk Management Committee.

With the market volatile in Dec 2022, it is likely that in 2023 the market will enter a more 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 and focus more on good fundamental stocks to increase its proportion 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 PHS. PHS has officially launched derivatives securities trading for 02 year, so the customers number has more opportunities to grow in 2023. Derivative product is increasingly expanding, therefore the development of risk management strategies for this product requires to be proactive and improved 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.

Minimizing risks and support business operations are the most important strategies in risk management operation. In order to ensure these strategies can be executed, Risk Management division will cooperate with Research division to advance analyses of the listed companies, which are eligible for margin trading, and continue to use data analysis tools developed by the Information Technology division, to assist Risk Management division in collecting data more quickly, accurately and efficiently, in order to submit to the Risk Management Committee. Then continue to apply more diversified margin list with different loan ratio to support safe and efficient business operations and increase market competitiveness.

Above all, Risk Management policies in 2023 must ensure independence, flexibility, uniformity, efficiency and sustainability of business growth.

## HUMAN RESOURCES

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 SSC; 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 and 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 the 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 trying to build a attractive 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 seeking 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. Meanwhile 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 company is building up, some essential goals are identified as follows:

- Developing a salary, bonus and welfare policy 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.

# EXPLANATION OF THE BOD FOR AUDITOR'S OPINIONS

Auditor's opinions are absolutely approved.

## ASSESSMENT REPORT ON ENVIRONMENTAL & SOCIAL RESPONSIBILITY OF COMPANY

### REVIEW CONCERNING THE ENVIRONMENTAL INDICATORS

PHS is operating in securities field.

### REVIEW CONCERNING THE WORKERS

Periodic health check for employees in 2022: VND 357,288,920 (three hundred fifty seven million two hundred eighty eight thousand and nine hundred twenty dong).

Extra health insurance fees for supervisor level up and all employees with contribution from 1 years above in 2022: VND 624,611,303 (six hundred twenty-four million six hundred eleven thousand three hundred and three Vietnam dong).

24/24 accident insurance for employees in 2022: VND 18,049,500 (eighteen million forty nine thousand and five hundred Vietnam dong).

Annual trip for employees in 2022: approximately VND 4,500,000 (four million five hundred Vietnam dong)/ person.

### REVIEW CONCERNING CORPORATE RESPONSIBILITY TOWARDS THE LOCAL COMMUNITY

The company sponsored and all employees participated in the Lawrence S. Ting charity walk program held annually by Phu My Hung Development Limited Company in coordination with the People's Committee of District 7, District 8, Binh Chanh and Nha Be District organized annually since 2006, with the purpose of raising funds to support the poor persons every spring.

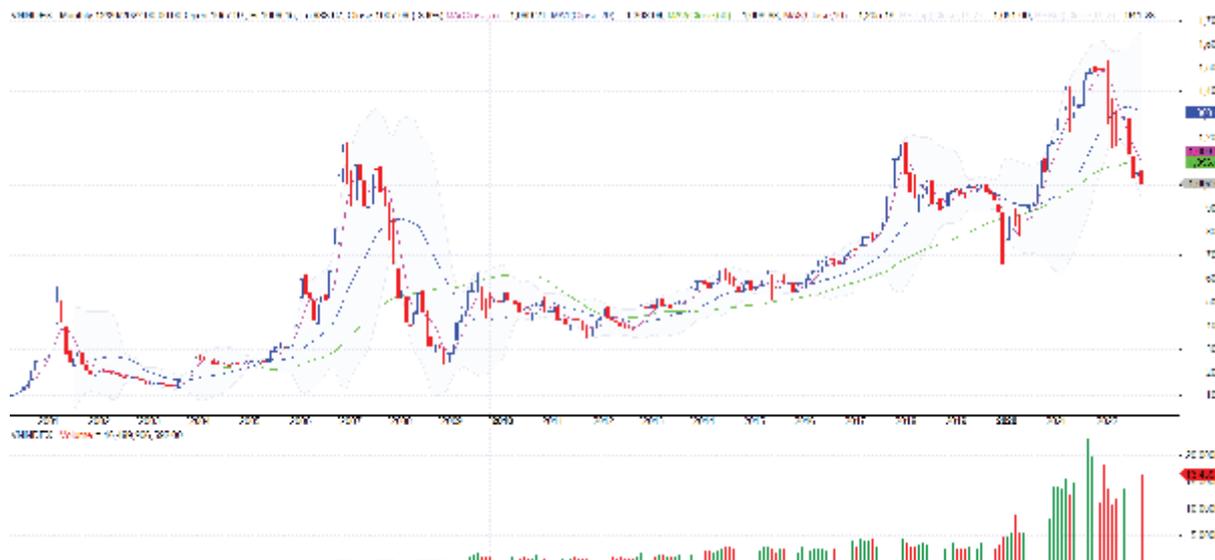
In addition to participating in local volunteer activities, the company always tries to create a dynamic and youthful working environment to help University students experience, practice, and work in real life at enterprises as well as learn more about the financial and securities markets while still at school to contribute to the community's responsibility in nurturing talented young successors.



# ASSESSMENTS OF THE BOD ON THE COMPANY'S OPERATION

# ASSESSMENTS OF THE BOM ON THE COMPANY'S OPERATION

## VIETNAM ECONOMY IN 2022



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. This tumble was driven by many headwinds from the unfavorable condition of the global geopolitical and both domestic and global economic situation.

The ongoing war between Russia and Ukraine war with the zero Covid policy in China caused a severe global supply chain disruption and result in a rampant inflation situation. Aiming to combat the mounting inflation risk, central banks have to tighten the monetary policy and hike the interest rates. In Vietnam, despite slight inflation pressure, SBV also increased the key rates to stabilize the exchange rate, thus ending the cheap money period.

In addition, the strict controlled over the bond and real estate market have some negative impact on the market sentiment.

As a result, trading liquidity dropped sharply 21.2% YoY compared to the average level of 2021, or declined to VND 17,004 billion per trading session, and the number of new securities accounts opened was also lower.

In contrast with the gloomy situation of the stock market, Vietnam's macroeconomic in 2022 was relatively flourishing. The high vaccination rate helped the Government confidently open up the economy soon. GDP growth in 2022 reached 8.02% YoY - the highest annual GDP growth in over a decade and beating the Government's target.

The profit of the listed companies in 2022 continued to grow by 6.5% YoY, driven by the banking sector (contributing more than 40% of the total profit of the whole market). Thanks to the stable earnings of listed companies and the sharp correction, the valuation of the stock market have become more attractive for the long-term investor.

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 low valuation should boost the bottom-fishing cash flow to enter, typically foreign investors buy back since November 2022 after a long time for selling.

We believe that, in the long term, the dynamic growth of Vietnam economic and investment needs of the young population will continue to fuel the stock market booming.

**BUSINESS RESULT IN 2022**

2022 is a relatively volatile year for the Vietnamese stock market, but PHS had a difficult year of business. After tax profit of PHS was VND 59.9 billion, which represented 37% of the Fiscal year 2022 plan approved by shareholders at last year’s Annual General Meeting of Shareholders (“AGMS”).



## STRATEGIC TRANSFORMATION IN 2023

The business result in 2022 is reflect all the efforts of the BOM, all officers and employees. BOD expects that the company will become more successful the next years. The company growth some directions for 2023 set by the BOD of the company include:

- Promoting digitalization and digital transformation for innovation of business models, creating new opportunities and revenue with greater value and efficiency;
- Investing in upgrade projects for IT systems, trading software, network security systems and information security, launching online trading tools for customers;
- Completing the procedures, human resources and capital available to quickly launch the new product of Derivative, Covered Warrant, etc.

## ENVIRONMENT & SOCIAL RESPONSIBILITIES

### Contribution for market information

As one of the leading foreign securities companies in Vietnam, PHS takes on going responsibilities to contribute and develop the capital markets, especially in promoting transparency, integrity and innovation. The Company has proactively participated in market and industry activities, PHS frequently connects Taiwanese financial enterprises and experts with the State Securities Commission of Vietnam and the Stock Exchanges for mutual exchange of information and experience in deploying the new financial products for Vietnam market.

We believe that the purpose of business is not simply about profit. By contributing and developing the market, we always act as the pioneer in orienting Vietnam securities market.

### Raising the young generation

We realize that our responsibility is actively contribute to the environment's protection and society's development. Our development strategies are designed to enhance the expertise and experience of our staffs, Human resource is considered as our greatest asset with people management, which being a key factor in our sustainable development.

One of the social responsibility activities of PHS is frequently hold the trainings for college, university students to help them in career orientation in financial-securities field as well as supporting the younger in improving their skills, creating opportunities for them to participate in the business environment, and promoting a healthy and stimulating environment in which they can thrive.

## ASSESSMENT OF BOD ON MANAGEMENT'S PERFORMANCE

In accordance with PHS' company Charter and internal procedures & policies, the BOD delegates BOM 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, BOD evaluates that BOM have executed their duties in compliance with prevailing laws, the company charter and the resolutions of General Shareholders Meetings, net revenue increased by 16.6% and profit before tax decreased by 58.2% compared to 2021. PHS tried its best to achieve the targets approved at General Shareholders Meetings.

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

## PLANS, ORIENTATIONS OF THE BOD

To achieve 2023 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.



# CORPORATE GOVERNANCE



# BOARD OF DIRECTOR

## MEMBERS AND STRUCTURE OF THE BOD

No.	Members of Board of Directors	Position at PHS	Position at other companies	Ratio of share owning at PHS
1.	Mr. Albert Kwang-Chin Ting	Chairman of the Board		0%
2.	Mr. Nguyen Doan Hung	Member	BOD Member at Masan Group Corporation	0%
3.	Mr. Wu, Jin-Jeng	Member	BOD Member of Phu Hung Fund Management Joint Stock Company	0%
4.	Mr. Chen Chia Ken	Member		0%
5.	Ms. Liu, Hsiu-Mei	Independent Member		0%

## THE COMMITTEES OF THE BOD: N/A

## ACTIVITIES OF THE BOD

In 2022, the BOD completed the assignments from the General Meeting of Shareholders, thereby, partially contributed to the improvement of business results of PHS and increases PHS's brokerage market share in stock market.

On 27<sup>th</sup> January 2022, the BOD passed the amendment of Risk Management Policy.

On 07<sup>th</sup> March 2022, the BOD passed revised Charter, the Introduction of Nomination on Members of BOD and Members of Inspection Committee of Company during period from 2022-2025, the Re-appoint of Mr. Chen Chia Ken to be General Director of the Company during period from 2022-2025, the Adjustment PHS organization chart and renaming Trading Service division, the

Registration as a Covered Warrant issuer, to submit to the Annual General Meeting of Shareholders dated 30<sup>th</sup> March 2022 for approval and implementation.

The prescribed documents updated the latest regulations, created the sustainable legal frame, a firm foundation for PHS to operate effectively and promptly in accordance with the laws.

PHS also established the Risk Management Committee and Internal Control to support the BOD to control the compliance with regulations of laws and internal regulations. With members who had several years of specialist experience in securities market, the Risk Management Committee and Internal Audit helped the BOD control well the risk in daily business activities of the Company.

In 2022, the BOD organized 10 meetings, passed 10 Resolutions with the noticeable contents, as follows:

No.	Date	Code No. of Resolution	Content
1.	January 27 <sup>th</sup> 2022	01/65_0122/NQ-HĐQT	<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>
2.	February 10 <sup>th</sup> 2022	01/66_0222/NQ-HĐQT	<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>
3.	March 07 <sup>th</sup> 2022	01/67_0322/NQ-HĐQT	<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 BOD on the Business performance in 2021;</li> <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 BOD 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 BOD 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> <li>15. To pass the Registration as a Covered Warrant issuer;</li> <li>16. To pass the Listing of stock PHS on Ho Chi Minh Stock Exchange (HOSE);</li> <li>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</li> </ol>

No.	Date	Code No. of Resolution	Content
			<p>AGMS dated March 31st, 2022;</p> <p>18. To pass the Audited Financial Safety Ratio Report on December 31st, 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.	April 08 <sup>th</sup> 2022	01/68_0422/NQ-HDQT	<p>1. To pass the Election on Mr. Albert Kwang – Chin Ting to be Chairman of BOD 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 pay shares dividend in 2021.</p>
5.	May 13 <sup>th</sup> 2022	01/69_0522/NQ-HDQT	<p>1. To pass the Provision for Margin debt on March 31<sup>st</sup>, 2022;</p> <p>2. To pass the Provision for SIC debt on March 31<sup>st</sup>, 2022;</p> <p>3. To pass the Remuneration of each member of BOD and Inspection Committee in year 2022;</p> <p>4. To pass the Renewing Overdraft limit with Vietnam Joint Stock Commercial Bank for Industry and Trade – Branch 4 HCMC;</p> <p>5. To pass the Applying a credit limit with Orient Commercial Joint Stock Bank – HCMC Branch;</p> <p>6. To pass the Applying New credit limit with Bank of Panhsin;</p> <p>7. To pass the Renewing credit line with Shanghai Commercial and Savings Bank – Hong Kong Branch (SHHK);</p> <p>8. To pass the Changing the Head of Risk Management Division of Company.</p>
6.	June 20 <sup>th</sup> 2022	01/70_0622/NQ-HDQT	<p>1. To pass the Renewing credit line with Taipei Fubon Commercial Bank Co., Ltd – OBU;</p> <p>2. To pass the Renewing credit line with Cathay United Bank – OBU;</p> <p>3. To pass the Renewing and increasing credit line with Mega International Commercial Bank – OBU;</p> <p>4. To pass the Renewing credit line with Shanghai Commercial &amp; Savings Bank, Ltd – Dong Nai Branch;</p> <p>5. To pass the Renewing credit line with Cathay United Bank – Ho Chi Minh City Branch;</p> <p>6. To pass the Renewing credit line with E.Sun Commercial Bank – Dong Nai Branch;</p> <p>7. To pass the Renewing credit line with Hua Nan Commercial Bank – Ho Chi Minh City Branch;</p>

No.	Date	Code No. of Resolution	Content
			<p>8. To pass the Renewing credit line with Taipei Fubon Commercial Bank Co., Ltd – HCMC Branch;</p> <p>9. To pass the Renewing credit line with Mega International Commercial Bank Co., Ltd, – Ho Chi Minh City Branch;</p> <p>10. To pass the Renewing credit line with Saigon Bank For Industry and Trade – Head Office.</p>
7.	July 15 <sup>th</sup> 2022	01/71_0722/NQ-HĐQT	<p>1. To pass the Provision for Margin debt on June 30<sup>th</sup>, 2022;</p> <p>2. To pass the Provision for SIC debt on June 30<sup>th</sup>, 2022</p> <p>3. To pass the Appointment of Chief of Internal Audit, Head of Finance Division;</p> <p>4. To pass the Consulting Contract with Phu Hung Fund Management Joint Stock Company;</p> <p>5. To pass the Applying new credit line with Taiwan Cooperative Bank;</p> <p>6. To pass the Renewing credit line with First Commercial Bank – OBU;</p> <p>7. To pass the Renewing credit line with Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh City Branch;</p> <p>8. To pass the Renewing credit line with First Commercial Bank – Ho Chi Minh City Branch.</p>
8.	September 09 <sup>th</sup> 2022	01/72_0822/NQ-HĐQT	<p>1. To pass the Renewing credit line with Union Bank of Taiwan (UBOT);</p> <p>2. To pass the Renewing credit line with Entie Commercial Bank;</p> <p>3. To pass the Application for private offering in 2022 of PHS;</p> <p>4. To pass the Application for listing PHS shares on Ho Chi Minh Stock Exchange (HOSE) in 2022.</p>
9.	November 07 <sup>th</sup> 2022	01/73_0922/NQ-HĐQT	<p>1. To pass the Provision for Margin debt on September 30<sup>th</sup>, 2022;</p> <p>2. To pass the Provision for Advances to customers for securities trading activities on September 30<sup>th</sup>, 2022;</p> <p>3. To pass the Budget of Company in 2023;</p> <p>4. To pass the ERC amendment dossier at Department of Planning and Investment of Ho Chi Minh City;</p> <p>5. To pass the Dossier on offering condition of Covered Warrant;</p> <p>6. To pass the Renewing and increasing credit line with Cathay United Bank – Ho Chi Minh City Branch;</p> <p>7. To pass the Renewing credit line with Taiwan Shin Kong Commercial Bank.</p>
10.	December 30 <sup>th</sup> 2022	01/74_1022/NQ-HĐQT	<p>1. To pass the Updated Budget of Company in 2023;</p> <p>2. To pass the Business Plan 2023;</p> <p>3. To pass the Change the title of BOD's Secretary;</p> <p>4. To pass the Offering condition of Covered Warrant;</p> <p>5. To pass the Renewing overdraft facility with Bank for Investment and Development of Vietnam - Nam Ky Khoi Nghia Branch (BIDV);</p> <p>6. To pass the Increasing Credit line with KGI Bank.</p>

## ACTIVITIES OF INDEPENDENT MEMBERS OF THE BOD

In 2022, independent member of BOD completed the assigned tasks. Together with Inspection Committee, independent member of BOD inspected and observed the activities of BOD and BOM of PHS in daily business operation of Company.

## LIST OF MEMBERS OF THE BOD POSSESSING CERTIFICATES ON CORPORATE GOVERNANCE

No.	Members of BOD	Position at PHS	Certificate on corporate governance	Attendance on corporate governance program in 2022
1.	Mr. Albert Kwang-Chin Ting	Chairman of the Board	Yes	Yes
2.	Mr. Nguyen Doan Hung	Member	Yes	Yes
3.	Mr. Wu, Jin-Jeng	Member	No	Yes
4.	Mr. Chen Chia Ken	Member	Yes	Yes
5.	Ms. Liu, Hsiu-Mei	Independent Member	No	Yes

# INSPECTION COMMITTEE

## MEMBERS AND STRUCTURE OF THE INSPECTION COMMITTEE

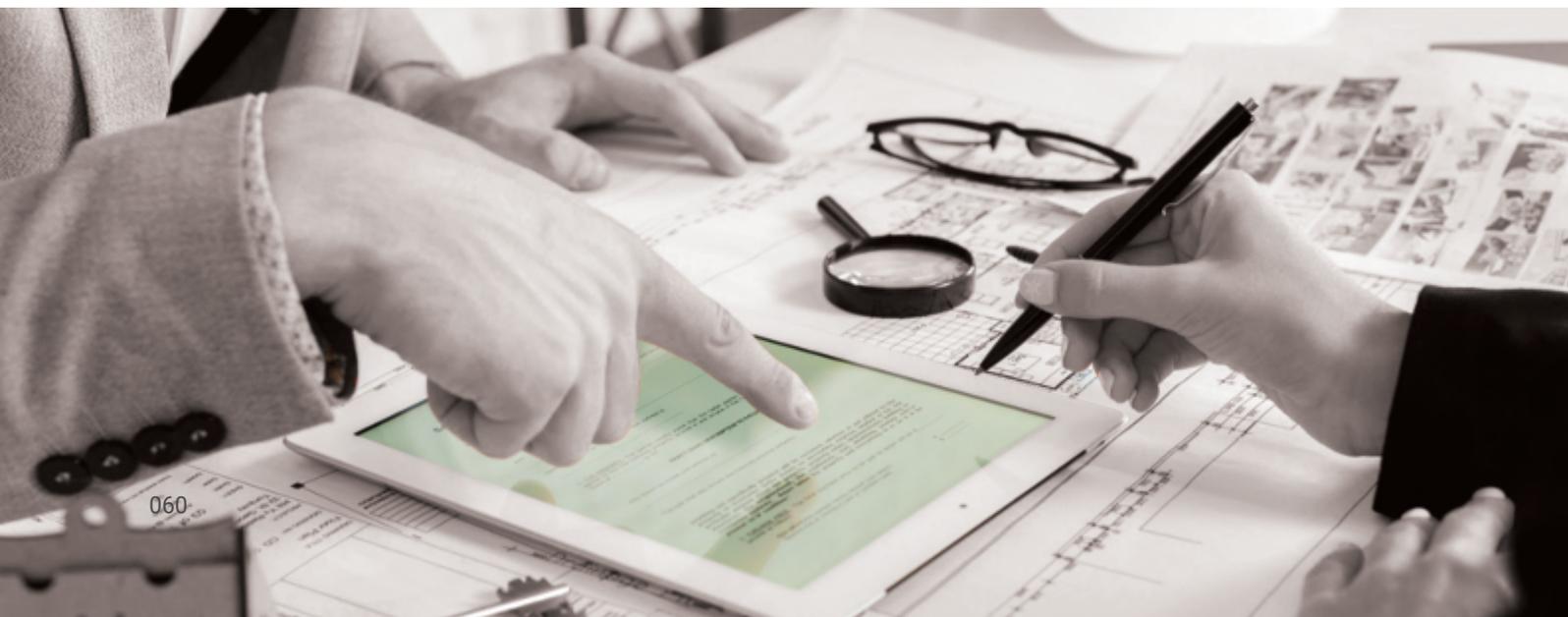
No.	Member of Inspection Committee	Position at PHS	Position at other companies	Ratio of share owning at PHS
1.	Mr. Liew Sep Siang	Head of Inspection Committee	Deputy General Director of Phu Hung Assurance Corporation	0%
2.	Mr. Lii, San-Rong	Member (Until March 31 <sup>st</sup> , 2022)		0%
3.	Mr. Chiu, Hsien-Chih	Member	Special Assistant to Chairman of CX Technology (VN) Corp.	0%
4.	Ms. Kuo, Ping-Min	Member (From March 31 <sup>st</sup> , 2022)	Deputy General Director of Phu Hung Fund Management Joint Stock Company	0%

## ACTIVITIES OF THE INSPECTION COMMITTEE

In 2022, Inspection Committee conducted the appointed assignment in the spirit of objectivity, independence, in accordance with the regulations of laws and internal regulations of PHS, including: inspecting, observing and assessing the management of BOD, BOM, as well as the operation of division in the Company.

In 2022, the Inspection Committee conducted the meetings as prescribed in the following meeting minutes:

No.	Date	No. of Meeting Minutes	Content
1.	March 29 <sup>th</sup> 2022	01/16_0122/BB-BKS	<ol style="list-style-type: none"> <li>To pass the Report of Inspection Committee on business performance in 2021 to the Annual General Meeting of Shareholders in 2022;</li> <li>To pass the Submission for approval on Selection for Auditor in 2022 to the Annual General Meeting of Shareholders in 2022.</li> </ol>
2.	April 08 <sup>th</sup> 2022	01/17_0222/BB-BKS	<ol style="list-style-type: none"> <li>To pass the Election on Mr. Liew Sep Siang to be Head of PHS's Inspection Committee of Company (Term 2022-2025).</li> </ol>
3.	December 30 <sup>th</sup> 2022	01/18_0322/BB-BKS	<ol style="list-style-type: none"> <li>Report the Interim Financial Statements for the six-month period ended June 30<sup>th</sup>, 2022;</li> <li>Report the Interim Financial Statements for the quarter ended September 30<sup>th</sup>, 2022;</li> <li>Report the Financial Statements review in November 2022;</li> <li>Report the Business Performance review in November 2022;</li> <li>Report the Business Plan 2023</li> </ol>



# TRANSACTIONS, REMUNERATIONS & INTERESTS OF THE BOD, BOM & INSPECTION COMMITTEE

## SALARY, REWARDS, REMUNERATION AND BENEFITS

Members of BOD and Inspection Committee receive remuneration in accordance with the Company's policy, The total remuneration for members of BOD and Inspection Committee is VND 1,920,000,000.

Members of BOM including General Director and Deputy General Director receive salary and bonus as Company's policy.

## TRANSACTIONS OF INTERNAL SHAREHOLDERS: N/A

## CONTRACTS OR TRANSACTIONS WITH INTERNAL SHAREHOLDERS: N/A

## IMPLEMENTATION OF REGULATIONS ON CORPORATE GOVERNANCE

In 2022, in compliance to the regulation on corporate governance of public company as provided in Decree 155/2020/NĐ-CP on guidance of corporate governance applicable to public company ("Decree 155/2020/NĐ-CP"), PHS amended and revised the Charter, and the Regulation on Corporate Governance and submitted to the Annual General Meeting of Shareholders dated 13<sup>th</sup> April 2021.

At the same time, PHS made the legal update on new regulations for the divisions' information, disseminate on the new Securities Law No. 54/2019/QH14 effective January 1<sup>st</sup>, 2021 and further action.





# FINANCIAL STATEMENTS



**Phu Hung Securities Corporation**  
**Corporate Information**

**Establishment and**

**Operation Licence No.**

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

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

**Enterprise Registration**  
**Certificate No.**

0313642887	20 January 2016
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The Enterprise Registration Certificate has been amended several times, the most recent of which is by Enterprise Registration Certificate No. 0313642887 dated 22 November 2022. The initial Enterprise Registration Certificate and its updates were issued by the Department of Planning and Investment of Ho Chi Minh City.

**Board of Directors**

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

**Inspection Committee**

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

**Board of Management**

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

**Phu Hung Securities Corporation  
Corporate Information (continued)**

**Registered offices**

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

## **Phu Hung Securities Corporation Statement of the Board of Management**

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

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

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

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



*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  
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## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders Phu Hung Securities Corporation

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

### Management's Responsibility

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

### Auditor's Responsibility

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

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

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



## **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

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

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

	Code	Note	31/12/2022 VND	31/12/2021 VND
<b>ASSETS</b>				
<b>A</b>	<b>CURRENT ASSETS (100 = 110 + 130)</b>		<b>3,594,952,135,875</b>	<b>4,694,128,159,696</b>
<b>I</b>	<b>Financial assets</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</b>	<b>Other current assets</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</b>	<b>LONG-TERM ASSETS (200 = 220 + 240 + 250)</b>		<b>81,271,404,320</b>	<b>72,782,576,721</b>
<b>II</b>	<b>Fixed assets</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</b>	<b>Construction in progress</b>		<b>1,633,369,056</b>	<b>3,461,452,486</b>
<b>V</b>	<b>Other long-term assets</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 (270 = 100 + 200)</b>	<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 VND	31/12/2021 VND
<b>C</b>	<b>LIABILITIES</b>			
	<b>(300 = 310 + 340)</b>		<b>2,078,779,920,986</b>	<b>3,162,246,553,967</b>
<b>I</b>	<b>Current liabilities</b>		<b>2,076,799,906,542</b>	<b>3,160,454,543,133</b>
1	Short-term borrowings and finance lease liabilities	311	1,833,020,000,000	2,255,000,000,000
1.1	<i>Short-term borrowings</i>	312 20	1,833,020,000,000	2,255,000,000,000
6	Accounts payable for securities trading activities	318 21	199,342,817,216	848,064,294,306
8	Accounts payable to suppliers	320	431,709,828	2,418,827,205
10	Taxes payable to State Treasury	322 22	15,255,012,141	18,501,026,789
11	Payables to employees	323	6,146,000	6,146,000
12	Employees' benefits payable	324	370,446,773	374,662,823
13	Accrued expenses	325 23	18,899,320,991	29,275,186,647
15	Unearned revenue	327	-	3,333,330
17	Other payables	329 24	9,474,453,593	6,811,066,033
<b>II</b>	<b>Long-term liabilities</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</b>	<b>EQUITY (400 = 410)</b>		<b>1,597,443,619,209</b>	<b>1,604,664,182,450</b>
<b>I</b>	<b>Owners' equity</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	<i>Share capital</i>	411.1 25(a)	1,500,098,190,000	1,400,000,000,000
1.5	<i>Treasury shares</i>	411.5	(1,185,000)	(1,185,000)
4	Reserve to supplement share capital	414	12,064,998,139	12,064,998,139
5	Financial reserve	415	12,064,998,139	12,064,998,139
7	Retained profits	417 25(b)	73,216,617,931	180,535,371,172
7.1	<i>Realised profits</i>	417.1	24,115,514,543	169,653,012,807
7.2	<i>Unrealised profits</i>	417.2	49,101,103,388	10,882,358,365
	<b>TOTAL LIABILITIES AND 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**

	Code	31/12/2022 VND	31/12/2021 VND	
<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</i>	<i>Freely traded financial assets</i>	<i>021.1</i>	<i>6,168,361,102,000</i>	<i>5,709,378,146,000</i>
<i>b</i>	<i>Financial assets restricted on transfer</i>	<i>021.2</i>	<i>109,765,880,000</i>	<i>38,204,410,000</i>
<i>c</i>	<i>Pledged financial assets</i>	<i>021.3</i>	<i>203,667,990,000</i>	<i>180,639,500,000</i>
<i>d</i>	<i>Blocked financial assets</i>	<i>021.4</i>	<i>308,993,160,000</i>	<i>70,000</i>
<i>e</i>	<i>Financial assets awaiting settlement</i>	<i>021.5</i>	<i>64,751,630,000</i>	<i>234,822,535,000</i>
2	Investors’/customers’ financial assets custodied at VSD but not yet traded	022	606,584,450,000	596,740,910,000
<i>a</i>	<i>Freely traded financial assets custodied at VSD but not yet traded</i>	<i>022.1</i>	<i>96,265,250,000</i>	<i>89,740,910,000</i>
<i>b</i>	<i>Custodied financial assets at VSD but not yet traded and restricted on transfer</i>	<i>022.2</i>	<i>510,319,200,000</i>	<i>507,000,000,000</i>
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)*

	<b>Code</b>	<b>31/12/2022 VND</b>	<b>31/12/2021 VND</b>
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*Mr. Chen Chia Ken  
*General Director**The accompanying notes are an integral part of these financial statements*



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

**Form B02 – CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC  
dated 27 December 2016 of the Ministry of Finance)*

	Code	Note	2022 VND	2021 VND
<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
			<hr/>	<hr/>
<b>Total financial income</b>	<b>50</b>		<b>58,233,925,239</b>	<b>15,803,463,964</b>
			<hr/>	<hr/>
<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
			<hr/>	<hr/>
<b>Total financial expenses</b>	<b>60</b>		<b>213,976,716,652</b>	<b>46,541,321,977</b>
			<hr/>	<hr/>
<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>
			<hr/>	<hr/>
<b>VII</b>				
<b>RESULTS FROM OPERATING ACTIVITIES</b>				
<b>(70 = 20 + 50 – 40 – 60 – 62)</b>	<b>70</b>		<b>72,936,565,655</b>	<b>176,367,031,298</b>
			<hr/>	<hr/>
<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
			<hr/>	<hr/>
<b>Results from other activities (80 = 71 – 72)</b>	<b>80</b>		<b>746,308,144</b>	<b>59,909,896</b>
			<hr/>	<hr/>
<b>IX</b>				
<b>ACCOUNTING PROFIT BEFORE TAX (90 = 70 + 80)</b>	<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**

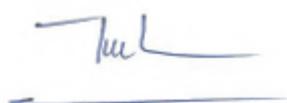
**Statement of income for the year ended 31 December 2022 (continued)**

**Form B02 – CTCK**

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

				<b>2022</b>	<b>2021</b>
				<b>VND</b>	<b>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 (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 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

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

**Form B03 – CTCK**

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

	Code	2022 VND	2021 VND
<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)*

	Code	2022 VND	2021 VND
<b>II CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for additions to fixed assets and other long-term assets	61	(10,323,714,256)	(6,809,335,019)
<b>Net cash flows from investing 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 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 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 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**

	Code	2022 VND	2021 VND
<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>			
Cash in banks at the beginning of the year	31	298,101,713,984	204,242,106,418
▪ <i>Cash deposits for securities transactions of customers managed by the Company</i>	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
▪ <i>Cash deposits for securities transactions of customers managed by the Company</i>	42	486,676,329,967	298,101,713,984
<i>In which: Investors' margin deposits at VSD</i>		267,202,079,409	87,892,338,018

2 March 2023

Prepared by:



Ms. Nguyen Phuong Trinh  
Accounting Staff

Reviewed by:



Ms. Do Thi Ai Vy  
Chief Accountant

Approved by:



Mr. Chen Chia Ken  
General Director

*The accompanying notes are an integral part of these financial statements*

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

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

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

**Total** 993,428,913,823 1,604,664,182,450 655,028,617,619 (43,793,348,992) 160,077,391,559 (167,297,954,800) 1,604,664,182,450 1,597,443,619,209

2 March 2023

Prepared by:

Reviewed 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**  
**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’ 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).

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

**Form B09 – CTCK**

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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.

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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.

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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.

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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.

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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

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**(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.

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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:

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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

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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.

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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.

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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.

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**(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:

	<b>31/12/2022</b>	<b>31/12/2021</b>
	<b>VND</b>	<b>VND</b>
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/>	<hr/>
	3,628,504,649,612	4,704,975,694,728
	<hr/>	<hr/>

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**(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:

	<b>31/12/2022</b>	<b>31/12/2021</b>
	<b>VND</b>	<b>VND</b>
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/>	<hr/>
	64,519,624,870	18,142,850,004
	<hr/> <hr/>	<hr/> <hr/>

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

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

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

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An aging analysis of financial assets that were past due but not impaired is as follows:

	<b>31/12/2022</b>	<b>31/12/2021</b>
	<b>VND</b>	<b>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 amount</b>	<b>Contractual cash flows</b>	<b>Within 1 year</b>
	<b>VND</b>	<b>VND</b>	<b>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
	2,050,453,857,687	2,092,166,225,863	2,092,166,225,863

<b>As at 31 December 2021</b>	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>Within 1 year</b>
	<b>VND</b>	<b>VND</b>	<b>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
	3,122,870,559,571	3,131,426,048,129	3,131,426,048,129

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

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**(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.

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**(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:

	<b>Carrying amount</b>	
	<b>31/12/2022</b>	<b>31/12/2021</b>
	<b>VND</b>	<b>VND</b>
<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)

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**(iii) Other market risk**

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

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

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

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**(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:

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

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	31/12/2022		31/12/2021	
	Carrying amount	Fair value	Carrying amount	Fair value
	VND	VND	VND	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.

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**5. Cash and cash equivalents**

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

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 transactions</b>	<b>Value of transactions VND</b>	<b>Volume of transactions</b>	<b>Value of transactions 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
	<hr/>	<hr/>	<hr/>	<hr/>
	4,238,259,931	118,475,628,025,116	5,562,951,662	146,606,111,230,820
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**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 VND</b>	<b>Fair value VND</b>	<b>Cost VND</b>	<b>Fair value 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
	<hr/>	<hr/>	<hr/>	<hr/>
	7,429,005,677	6,715,109,065	17,794,341,772	19,421,700,137
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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Movements of fair values of financial assets at FVTPL during the year were as follows:

	Quantity	31/12/2022		Revaluation difference as at 31 December 2022		
		Cost VND (1)	Fair value VND (2)	Revaluation gain VND (3) = (2) – (1)	Revaluation loss VND (4) = (1) – (2)	Revaluation value VND (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		Revaluation difference as at 31 December 2022			
		Cost VND (1)	Fair value VND (2)	Revaluation gain VND (3) = (2) – (1)	Revaluation loss VND (4) = (1) – (2)	Revaluation value VND (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		Revaluation difference as at 31 December 2021		
		Cost VND (1)	Fair value VND (2)	Revaluation gain VND (3) = (2) – (1)	Revaluation loss VND (4) = (1) – (2)	Revaluation value VND (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)**

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

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

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

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

**(c) Loans receivable**

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

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

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

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

**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**

	<b>31/12/2022</b>	<b>31/12/2021</b>
	<b>VND</b>	<b>VND</b>
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/>	<hr/>
	57,343,194,800	46,758,401,725
	<hr/> <hr/>	<hr/> <hr/>

**9. Receivables from services rendered**

	<b>31/12/2022</b>	<b>31/12/2021</b>
	<b>VND</b>	<b>VND</b>
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/>	<hr/>
	9,823,664,112	160,061,219,299
	<hr/> <hr/>	<hr/> <hr/>

**10. Other receivables**

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

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

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

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

	<b>As at 31/12/2022</b>			<b>As at 31/12/2021</b>		
	<b>Cost VND</b>	<b>Recoverable amount VND</b>	<b>Allowance VND</b>	<b>Cost VND</b>	<b>Recoverable amount VND</b>	<b>Allowance VND</b>
Margin loans	53,078,223,064	39,916,827,578	13,161,395,486	6,837,025,917	6,837,025,917	6,324,369,569
<b>2021</b>						
Margin loans	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)**

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

**(b) Allowance for doubtful debts**

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

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**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
	3,049,236,812	2,946,088,711
	3,049,236,812	2,946,088,711

**(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
	16,785,221,733	13,006,695,427
	16,785,221,733	13,006,695,427

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)
	16,785,221,733	13,006,695,427
Closing balance	16,785,221,733	13,006,695,427

**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>2022</b>	<b>Leasehold improvements VND</b>	<b>Office equipment VND</b>	<b>Motor vehicles VND</b>	<b>Fixtures and fittings VND</b>	<b>Total 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 construction in progress	-	-	-	126,117,200	126,117,200
Additions	-	5,852,395,200	-	-	5,852,395,200
Write-off	(746,169,459)	(2,779,635,445)	-	-	(3,525,804,904)
Closing balance	601,182,219	42,761,030,634	2,265,440,000	453,522,969	46,081,175,822
<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 VND</b>	<b>Office equipment VND</b>	<b>Motor vehicles VND</b>	<b>Fixtures and fittings VND</b>	<b>Total 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)**

**Form B09 – CTCK**  
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**14. Intangible fixed assets**

	<b>2022</b>	<b>2021</b>
	<b>Software</b>	<b>Software</b>
	<b>VND</b>	<b>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
	<hr/>	<hr/>
Closing balance	25,271,616,400	22,433,666,400
	<hr/>	<hr/>
<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
	<hr/>	<hr/>
Closing balance	13,087,003,384	10,021,807,340
	<hr/>	<hr/>
<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
	<hr/>	<hr/>

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</b>	<b>31/12/2021</b>
	<b>VND</b>	<b>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)
	<hr/>	<hr/>
Closing balance	1,633,369,056	3,461,452,486
	<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)***16. Long-term deposits**

	<b>31/12/2022</b>	<b>31/12/2021</b>
	<b>VND</b>	<b>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</b>	<b>31/12/2021</b>
		<b>VND</b>	<b>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</b> <b>VND</b>	<b>2021</b> <b>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
	<hr/>	<hr/>
Closing balance	14,464,116,068	11,964,116,068
	<hr/> <hr/>	<hr/> <hr/>

**19. Other long-term assets**

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

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</b> <b>VND</b>	<b>2021</b> <b>VND</b>
Opening balance	10,000,000,000	10,000,000,000
Interest received during the year	39,238,233	-
	<hr/>	<hr/>
Closing balance	10,039,238,233	10,000,000,000
	<hr/> <hr/>	<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. 33/2016/TT-BTC*  
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**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***(Issued under Circular No. 334/2016/TT-BTC  
dated 27 December 2016 of the Ministry of Finance)***21. Accounts payable for securities trading activities**

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

**22. Taxes payable to State Treasury**

	<b>Opening balance</b>		<b>Net-off/paid</b>	<b>Closing balance</b>
	<b>as at 1/1/2022</b>	<b>Incurred</b>	<b>VND</b>	<b>as at 31/12/2022</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>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
	<hr/>	<hr/>	<hr/>	<hr/>
	18,501,026,789	130,029,941,777	(133,275,956,425)	15,255,012,141
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>Opening balance</b>		<b>Net-off/paid</b>	<b>Closing balance</b>
	<b>as at 1/1/2021</b>	<b>Incurred</b>	<b>VND</b>	<b>as at 31/12/2021</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>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
	<hr/>	<hr/>	<hr/>	<hr/>
	7,809,489,765	128,480,750,779	(117,789,213,755)	18,501,026,789
	<hr/>	<hr/>	<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  
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**23. Accrued expenses**

	<b>31/12/2022</b>	<b>31/12/2021</b>
	<b>VND</b>	<b>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
	<hr/>	<hr/>

**24. Other payables**

	<b>31/12/2022</b>	<b>31/12/2021</b>
	<b>VND</b>	<b>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
	<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)***25. Share capital****(a) Share capital**

The Company's authorised and issued share capital are:

	<b>31/12/2022</b>		<b>31/12/2021</b>	
	<b>Number of shares</b>	<b>VND</b>	<b>Number of shares</b>	<b>VND</b>
<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:

	<b>2022</b>		<b>2021</b>	
	<b>Number of shares</b>	<b>VND</b>	<b>Number of shares</b>	<b>VND</b>
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</b> <b>VND</b>	<b>2021</b> <b>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)
	<hr/>	<hr/>
Closing balance	73,216,617,931	180,535,371,172

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

**Phu Hung Securities Corporation**

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

**Form B09 – CTCK**

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

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

2022	Quantity	Average selling price VND	Total selling amount VND	Total cost VND	Gains/(losses) from sales of securities VND
<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)**

**Form B09 – CTCK**  
(Issued under Circular No. 33/2016/TT-BTC  
dated 27 December 2016 of the Ministry of Finance)

2021	Quantity	Average selling price VND	Total selling amount VND	Total cost VND	Gains/(losses) from sales of securities VND
<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
<b>Listed bonds</b>					
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 VND</b>	<b>2021 VND</b>
Interest income from term deposits	49,989,155,905	23,153,191,363
Interest income from corporate bonds	-	854,794,524
	<hr/> 49,989,155,905	<hr/> 24,007,985,887

**28. Income from loans and receivables**

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

**29. Expenses for securities brokerage**

	<b>2022 VND</b>	<b>2021 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
	<hr/> 188,884,670,152	<hr/> 206,633,909,774

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

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

**31. General and administration expenses**

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

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

	<b>2022 VND</b>	<b>2021 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
	17,129,325,656	35,456,565,983
<b>Deferred tax benefit</b>		
(Reversal)/origination of temporary differences	(3,425,653,416)	35,268,284
	13,703,672,240	35,491,834,267
	13,703,672,240	35,491,834,267

**Phu Hung Securities Corporation**  
**Notes to the financial statements for the year ended 31 December 2022 (continued)**

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**(b) Reconciliation of effective tax rate**

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

**(c) Applicable tax rates**

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

**33. Basic earnings per share**

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

**(i) Net profit attributable to ordinary shareholders**

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

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**(ii) Weighted average number of ordinary shares**

	<b>2022 VND</b>	<b>2021 VND (Restated)</b>	<b>2021 VND (Previously 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 VND</b>	<b>2021 VND (Restated)</b>	<b>2021 VND (Previously 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  
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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
<hr/>		
	<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 Think 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
<hr/>		
<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	-
<hr/>		

**Phu Hung Securities Corporation**  
**Notes to the financial statements for the year ended 31 December 2022 (continued)**

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**35. Segment reporting**

**(i) Business segments**

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

<b>2022</b>	<b>Code</b>	<b>Securities brokerage VND</b>	<b>Securities trading VND</b>	<b>Treasury activities VND</b>	<b>Others VND</b>	<b>Total VND</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> <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

**Phu Hung Securities Corporation**  
**Notes to the financial statements for the year ended 31 December 2022 (continued)**

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**35. Segment reporting (continued)**

**(i) Business segments (continued)**

	<b>Code</b>	<b>Securities brokerage VND</b>	<b>Securities trading VND</b>	<b>Treasury activities VND</b>	<b>Others VND</b>	<b>Total VND</b>
<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>	<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>

**As at 31 December 2021**

Segment assets	190,379,071,622	19,500,529,534	4,556,154,738,723	876,396,538	4,766,910,736,417
Segment liabilities	869,112,222,115	1,528,620,921	2,290,422,862,605	1,182,848,326	3,162,246,553,967

**(ii) Geographical segment**

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

**Phu Hung Securities Corporation**  
**Notes to the financial statements for the year ended 31 December 2022 (continued)**

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**36. Commitments**

**Leases**

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

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

**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.

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*







## **BÁO CÁO THƯỜNG NIÊN 2022**

### **CÔNG TY CỔ PHẦN CHỨNG KHOÁN PHÚ HƯNG**

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