

**PHU HUNG SECURITIES
CORPORATION**

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

No: 49/2024/PHS-BTKCT

*Re: Information disclosure on Audited
Financial Statement 2023 and Financial Safety
Ratio Report as of 31st December 2023*

Ho Chi Minh City, March 13, 2024

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

To:

- **STATE SECURITIES COMMISSION**
- **HA NOI STOCK EXCHANGE**
- **HO CHI MINH STOCK EXCHANGE**
- **NATIONAL FINANCIAL SUPERVISORY COMMISSION**

1. Name: **PHU HUNG SECURITIES CORPORATION (PHS)**
2. Headquarters: 21st Floor, Phu My Hung Tower, 08 Hoang Van Thai, Tan Phu Ward, District 7, Ho Chi Minh City.
3. Phone: (+84 28) 5413 5479 Fax: (+84 28) 5413 5472
4. Person to implement disclosure of information: Mr. Chen Chia Ken
5. Type of information disclosure: ☐ 24 hours ☐ 72 hours ☐ Unusual ☒ Periodic
6. **Information of disclosed content:**

6.1 Financial Statements for the year ended December 31st, 2023 of Phu Hung Securities Corporation ("PHS") was audited, includes:

- a. Statement of financial position as at 31st December 2023;
- b. Statement of income for the year ended 31st December 2023;
- c. Statement of cash flows for the year ended 31st December 2023;
- d. Statement of changes in equity for the year ended 31st December 2023;
- e. Notes to the financial statements for the year ended 31st December 2023.

6.2 Explanation: The profit after enterprise income tax as mentioned in the income statement of the report period changed by 10% or more compared with the same period of last year.

The business result in 2023 had profit after tax VND 44.55 billion (decreased VND 15.43 billion ~ 25.7%) in comparison with the same period of last year.
The reason are:

Total revenue increased VND 5.61 billion (~ 0.9%), in which, operating revenue increased VND 23.43 billion, revenue from financial operating decreased VND 17.47 billion and other income decreased VND 0.34 billion.

Total expenses increased VND 21.04 billion (~ 3.9%), in which, operating expenses decreased VND 4.49 billion, general and administration expenses increased VND 7.01 billion, financial expenses increased VND 20.01 billion, other expenses increased VND 0.57 billion and corporate income tax expense decreased VND 2.06 billion.

6.3 Audited Financial Safety Ratio Report as of 31st December 2023.

7. **Link for the entire the Audited Financial Statements for the year ended 31st December 2023 and Audited Financial Safety Ratio Report as of 31st December 2023:** <https://www.phs.vn> (Section About PHS/Shareholder Relation).

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

Attachments:

1. *Audited Financial Statements 2023;*
2. *Audited Financial Safety Ratio Report as of 31 December 2023.*

Recipient:

- *As above;*
- *Archive at Company Secretariat*

PERSON TO IMPLEMENT
DISCLOSURE OF INFORMATION



Mr. CHEN CHIA KEN



Phu Hung Securities Corporation

Financial statements
for the year ended 31 December 2023



Phu Hung Securities Corporation Corporate Information

Establishment and

Operation Licence No.

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

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

Enterprise Registration Certificate No.

0313642887 20 January 2016

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

Board of Directors

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

Inspection Committee

Mr. Liew Sep Siang	Head of Inspection Committee
Mr. Chiu, Hsien-Chih	Member
Ms. Kuo, Ping-Min	Member

Board of Management

Mr. Chen Chia Ken	General Director
Ms. Pham Thi Thu Nhan	Deputy General Director
Mr. Li, Hsin-Hsien	Deputy General Director (until 25 October 2023)

Phu Hung Securities Corporation
Corporate Information (continued)

Registered offices

Head Office	21 st Floor, Phu My Hung Tower 8 Hoang Van Thai Street Tan Phu Ward, District 7 Ho Chi Minh City, Vietnam
Phu My Hung Transaction Office	Ground Floor, CR2-08 107 Ton Dat Tien Street Tan Phu Ward, District 7 Ho Chi Minh City, Vietnam
District 3 Branch	4 th & 5 th Floor 458 Nguyen Thi Minh Khai Street Ward 2, District 3 Ho Chi Minh City, Vietnam
Tan Binh Branch	Park Legend Buildings 251 Hoang Van Thu Street Ward 2, Tan Binh District Ho Chi Minh City, Vietnam
Hanoi Branch	5 th Floor, Vinafor Building 127 Lo Duc Street Dong Mac Ward, Hai Ba Trung District Hanoi, Vietnam
Thanh Xuan Branch	5 th Floor, Udic Complex Building N04 Hoang Dao Thuy Street Trung Hoa Ward, Cau Giay District Hanoi, Vietnam
Hai Phong Branch	2 nd Floor, Eliteco Building 18 Tran Hung Dao Street Hoang Van Thu Ward, Hong Bang District Hai Phong City, Vietnam
District 1 Branch	Room 1003A, 10 th Floor 81-83-83B-85 Ham Nghi Street Nguyen Thai Binh Ward, District 1 Ho Chi Minh City, Vietnam
Auditor	KPMG Limited Vietnam

Phu Hung Securities Corporation

Statement of the Board of Management

The Board of Management of Phu Hung Securities Corporation (“the Company”) presents this statement and the accompanying financial statements of the Company for the year ended 31 December 2023.

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 65 give a true and fair view of the financial position of the Company as at 31 December 2023, 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

Hochi Minh City, 4 March 2024



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 2023, 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 4 March 2024, as set out on pages 6 to 65.

Management's Responsibility

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

Auditor's Responsibility

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

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

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



Auditor's Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of Phu Hung Securities Corporation as at 31 December 2023 and of its results of operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises, Circular No. 210/2014/TT-BTC dated 30 December 2014 issued by the Ministry of Finance on the promulgation of accounting guidance for securities companies and Circular No. 334/2016/TT-BTC dated 27 December 2016 issued by the Ministry of Finance amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and the relevant statutory requirements applicable to financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Audit Report No.: 23-01-00343-24-1



Chang Hung Chun
Practicing Auditor Registration
Certificate No. 0863-2023-007-1
Deputy General Director

Ho Chi Minh City, 4 March 2024

Pham Huy Cuong
Practicing Auditor Registration
Certificate No. 2675-2024-007-1

Phu Hung Securities Corporation
Statement of financial position as at 31 December 2023 (continued)

Form B01 – CTCK

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

	Code	Note	31/12/2023 VND	31/12/2022 VND
ASSETS				
A CURRENT ASSETS (100 = 110 + 130)	100		3,959,452,700,074	3,594,952,135,875
I Financial assets	110		3,954,792,801,205	3,591,804,899,063
1 Cash and cash equivalents	111	5	196,824,308,864	763,880,564,438
1.1 Cash	111.1		91,373,936,013	55,080,564,438
1.2 Cash equivalents	111.2		105,450,372,851	708,800,000,000
2 Financial assets at fair value through profit or loss (“FVTPL”)	112	7(a)	90,634,482,673	6,715,109,065
3 Held-to-maturity investments	113	7(b)	654,213,238,356	768,313,246,576
4 Loans receivable	114	7(c)	2,951,919,275,244	1,991,637,329,285
6 Allowance for diminution in value of financial assets	116	11(a)	(30,551,507,140)	(13,161,395,486)
7 Receivables	117	8	74,788,081,049	57,343,194,800
7.2 Dividend and interest receivables from financial assets	117.2		74,788,081,049	57,343,194,800
8 Prepayments to suppliers	118		7,108,023,307	1,699,892,844
9 Receivables from services rendered	119	9	3,964,076,031	9,823,664,112
12 Other receivables	122	10	12,786,514,140	13,006,432,355
13 Allowance for doubtful debts	129	11(b)	(6,893,691,319)	(7,453,138,926)
II Other current assets	130		4,659,898,869	3,147,236,812
1 Advances	131		162,595,400	98,000,000
3 Short-term prepaid expenses	133	12(a)	4,497,303,469	3,049,236,812
B LONG-TERM ASSETS (200 = 220 + 240 + 250)	200		81,285,669,824	81,271,404,320
II Fixed assets	220		23,745,314,509	30,020,996,970
1 Tangible fixed assets	221	13	13,805,025,065	17,836,383,954
Cost	222		47,229,401,364	46,081,175,822
Accumulated depreciation	223a		(33,424,376,299)	(28,244,791,868)
3 Intangible fixed assets	227	14	9,940,289,444	12,184,613,016
Cost	228		26,091,616,400	25,271,616,400
Accumulated amortisation	229a		(16,151,326,956)	(13,087,003,384)
IV Construction in progress	240	15	-	1,633,369,056
V Other long-term assets	250		57,540,355,315	49,617,038,294
1 Long-term deposits	251	16	5,637,869,733	4,624,178,350
2 Long-term prepaid expenses	252	12(b)	18,287,789,360	16,785,221,733
3 Deferred tax assets	253	17	6,591,125,211	3,704,283,910
4 Deposits at Payment Support Fund	254	18	16,964,116,068	14,464,116,068
5 Other long-term assets	255	19	10,059,454,943	10,039,238,233
TOTAL ASSETS (270 = 100+200)	270		4,040,738,369,898	3,676,223,540,195

The accompanying notes are an integral part of these financial statements

Phu Hung Securities Corporation
Statement of financial position as at 31 December 2023 (continued)

Form B01 – CTCK

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

	Code	Note	31/12/2023 VND	31/12/2022 VND
C	LIABILITIES			
	(300 = 310 + 340)	300	2,428,745,823,487	2,078,779,920,986
I	Current liabilities	310	2,426,614,761,125	2,076,799,906,542
1	Short-term borrowings and finance lease liabilities	311	1,990,040,000,000	1,833,020,000,000
1.1	Short-term borrowings	312 20	1,990,040,000,000	1,833,020,000,000
6	Accounts payable for securities trading activities	318 21	389,121,316,960	199,342,817,216
8	Accounts payable to suppliers	320	66,259,697	431,709,828
10	Taxes payable to State Treasury	322 22	11,982,298,962	15,255,012,141
11	Payables to employees	323	-	6,146,000
12	Employees' benefits payable	324	372,753,773	370,446,773
13	Accrued expenses	325 23	23,311,796,104	18,899,320,991
17	Other payables	329 24	11,720,335,629	9,474,453,593
II	Long-term liabilities	340	2,131,062,362	1,980,014,444
12	Provisions – long-term	354	2,131,062,362	1,980,014,444
D	EQUITY (400 = 410)	400	1,611,992,546,411	1,597,443,619,209
I	Owners' equity	410	1,611,992,546,411	1,597,443,619,209
1	Share capital	411 25	1,500,097,005,000	1,500,097,005,000
1.1	Share capital	411.1	1,500,098,190,000	1,500,098,190,000
1.5	Treasury shares	411.5	(1,185,000)	(1,185,000)
4	Reserve to supplement share capital	414	12,064,998,139	12,064,998,139
5	Financial reserve	415	-	12,064,998,139
7	Retained profits	417	99,830,543,272	73,216,617,931
7.1	Realised profits	417.1	105,003,116,298	24,115,514,543
7.2	Unrealised (losses)/profits	417.2	(5,172,573,026)	49,101,103,388
TOTAL LIABILITIES AND EQUITY (440 = 300 + 400)			4,040,738,369,898	3,676,223,540,195

The accompanying notes are an integral part of these financial statements

Phu Hung Securities Corporation
Statement of financial position as at 31 December 2023 (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	31/12/2023 VND	31/12/2022 VND
A. THE COMPANY'S ASSETS AND LIABILITIES			
6 Shares in circulation (quantity of securities)	006	150,009,329	150,009,329
7 Treasury shares (quantity of securities)	007	490	490
8 Listed/registered financial assets at Vietnam Securities Depository ("VSD") of the Company	008	13,602,690,000	1,313,540,000
9 The Company's financial assets custodied at VSD but not yet traded	009	2,420,000	2,500,000
10 The Company's financial assets in transit	010	218,600,000	57,000,000
13 The Company's right to receive financial assets	013	149,200,000	6,710,000
14 Cover Warrant (quantity)	014	1,065,800	-
B. ASSETS AND LIABILITIES RELATING TO ASSETS MANAGED BY THE COMPANY			
1 Investors'/customers' listed/registered financial assets at VSD	021	8,178,036,075,000	6,855,539,762,000
a Freely traded financial assets	021.1	7,489,234,325,000	6,168,361,102,000
b Financial assets restricted on transfer	021.2	27,916,510,000	109,765,880,000
c Pledged financial assets	021.3	218,667,990,000	203,667,990,000
d Blocked financial assets	021.4	312,000,690,000	308,993,160,000
e Financial assets awaiting settlement	021.5	130,216,560,000	64,751,630,000
2 Investors'/customers' financial assets custodied at VSD but not yet traded	022	371,080,410,000	606,584,450,000
a Freely traded financial assets custodied at VSD but not yet traded	022.1	75,800,070,000	96,265,250,000
b Custodied financial assets at VSD but not yet traded and restricted on transfer	022.2	295,280,340,000	510,319,200,000
3 Investors'/customers' financial assets in transit	023	164,619,850,000	97,802,768,000
6 Investors'/customers' rights to receive financial assets	025	8,242,480,000	6,480,280,000
7 Customers' deposits	026	763,571,527,689	486,676,329,967
7.1 Customers' cash deposits managed by the Company for securities transactions	027	425,156,275,773	219,474,250,558
7.2 Customers' margin deposits at VSD	027.1	338,415,251,916	267,202,079,409

The accompanying notes are an integral part of these financial statements

Phu Hung Securities Corporation
Statement of financial position as at 31 December 2023 (continued)

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

	Code	31/12/2023 VND	31/12/2022 VND
8 Payables to customers for cash deposits managed by the Company for securities transactions	031	425,156,275,773	219,474,250,558
8.1 Payables to domestic customers for cash deposits managed by the Company for securities transactions	031.1	420,204,181,753	201,859,275,797
8.2 Payables to foreign customers for cash deposits managed by the Company for securities transactions	031.2	4,952,094,020	17,614,974,761

4 March 2024

Prepared by:



Ms. Nguyen Phuong Trinh
Accounting Staff

Reviewed by:



Ms. Do Thi Ai Vy
Chief Accountant

Approved by:



Mr. Chen Chia Ken
General Director

Phu Hung Securities Corporation
Statement of income for the year ended 31 December 2023

Form B02 – CTCK

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

	Code	Note	2023 VND	2022 VND
I OPERATING INCOME				
1.1 Gains from financial assets at fair value through profit or loss (“FVTPL”)	01		14,328,354,651	1,933,611,365
<i>a Gains from sales of financial assets at FVTPL</i>	01.1	26	11,017,029,327	3,419,602,661
<i>b Unrealised gains from revaluation of financial assets at FVTPL</i>	01.2		2,988,633,744	(1,827,492,604)
<i>c Dividend and interest income from financial assets at FVTPL</i>	01.3		322,691,580	341,501,308
1.2 Interest income from held-to-maturity investments	02	27	73,112,766,792	49,989,155,905
1.3 Income from loans and receivables	03	28	314,274,638,330	289,890,811,142
1.6 Revenue from securities brokerage	06		150,678,112,953	188,307,352,556
1.9 Revenue from securities custody	09		5,800,985,994	3,978,382,004
1.10 Revenue from advisory services	10		-	558,343,434
1.11 Other operating income	11		845,048,647	957,190,175
Total operating income	20		559,039,907,367	535,614,846,581
II OPERATING EXPENSES				
2.1 Losses from financial assets at FVTPL	21		9,872,981,763	5,777,217,205
<i>a Losses from sales of financial assets at FVTPL</i>	21.1	26	9,775,671,605	5,263,454,832
<i>b Unrealised losses from revaluation of financial assets at FVTPL</i>	21.2		(91,958,053)	513,762,373
<i>d Loss from revaluation of outstanding warrants payables</i>	21.4		189,268,211	-
2.4 Allowance for loans and receivables	24	11(a)	17,390,111,654	6,324,369,569
2.6 Expenses for securities trading and investments	26		3,174,982,903	2,279,450,833
2.7 Expenses for securities brokerage	27	29	168,864,542,818	188,884,670,152
2.10 Expenses for securities custody	30		6,388,857,906	4,514,699,277
2.11 Expenses for advisory services	31		1,155,892,164	1,858,604,566
2.12 Other operating expenses	32	11(b)	(559,447,607)	1,137,651,844
Total operating expenses	40		206,287,921,601	210,776,663,446

The accompanying notes are an integral part of these financial statements

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

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Phu Hung Securities Corporation
Statement of income for the year ended 31 December 2023 (continued)

Form B02 – CTCK

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

		Code	Note	2023 VND	2022 VND
X	INCOME TAX EXPENSE	100		11,648,447,958	13,703,672,240
10.1	Income tax expense - current	100.1	32	14,535,289,259	17,129,325,656
10.2	Income tax benefit - deferred	100.2	32	(2,886,841,301)	(3,425,653,416)
XI	NET PROFIT AFTER TAX (200 = 90 - 100)	200		44,550,793,002	59,979,201,559
XII	OTHER COMPREHENSIVE INCOME	300		-	-
XIII	EARNINGS PER SHARE	500			
13.1	Basic earnings per share	501	33	297	400

4 March 2024

Prepared by:

Reviewed by:

Approved by:



Ms. Nguyen Phuong Trinh
Accounting Staff



Ms. Do Thi Ai Vy
Chief Accountant



Mr. Chen Chia Ken
General Director

The accompanying notes are an integral part of these financial statements

Phu Hung Securities Corporation
Statement of cash flows for the year ended 31 December 2023
(Indirect method)

Form B03 – CTCK

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

	Code	2023 VND	2022 VND
I CASH FLOWS FROM OPERATING ACTIVITIES			
1 Profit before tax	01	56,199,240,960	73,682,873,799
2 Adjustments for	02	214,689,026,513	52,377,239,979
Depreciation and amortisation of fixed assets	03	8,862,034,251	8,487,858,178
Allowances and provisions	04	16,981,711,965	7,650,025,023
Unrealised foreign exchange losses/(gains)	05	57,165,000,000	(40,560,000,000)
Interest expense	06	149,125,757,455	87,384,149,853
Gains from disposals of fixed assets	07	(590,909)	-
Accrued interest income	08	(17,444,886,249)	(10,584,793,075)
3 Change in non-monetary expenses	10	97,310,158	513,762,373
Increase in revaluation losses from financial assets at FVTPL	11	97,310,158	513,762,373
4 Change in non-monetary income	18	(2,988,633,744)	1,827,492,604
(Increase)/decrease in revaluation gains from financial assets at FVTPL	19	(2,988,633,744)	1,827,492,604
5 Operating profit before changes in working capital (30 = 01 + 02 + 10 + 18)	30	267,996,943,887	128,401,368,755
(Increase)/decrease in financial assets at FVTPL	31	(80,838,781,811)	10,365,336,095
Decrease/(increase) in held-to-maturity	32	114,100,008,220	(168,090,246,576)
(Increase)/decrease in loans receivable	33	(960,281,945,959)	1,546,456,245,375
Decrease in receivables from services rendered	37	5,859,588,081	150,237,555,187
Decrease in other receivables	39	219,918,215	96,497,669
Increase in other assets	40	(3,598,503,493)	(2,684,677,085)
Increase/(decrease) in accrued expenses	41	1,657,810,127	(11,099,522,031)
Decrease/(increase) in prepaid expenses	42	3,499,290,900	(546,339,121)
Corporate income tax paid	43	(14,534,752,098)	(19,239,475,429)
Interest paid	44	(146,371,092,469)	(86,660,493,478)
Decrease in accounts payable	45	(5,773,580,594)	(1,986,291,289)
Increase/(decrease) in employees' benefits payables	46	2,307,000	(4,216,050)
Decrease in taxes payable to State Treasury	47	(3,273,250,340)	(1,135,864,875)
Decrease in payables to employees	48	(6,146,000)	-
Increase/(decrease) in other payables	50	199,425,944,169	(649,012,692,420)
Net cash flows from operating activities	60	(621,916,242,165)	895,097,184,727

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 2023
(Indirect method – continued)

Form B03 – CTCK

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

	Code	2023 VND	2022 VND
II CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	61	(7,402,907,918)	(10,323,714,256)
Receipts from disposals of fixed assets	62	590,909	-
Net cash flows from investing activities	70	(7,402,317,009)	(10,323,714,256)
III CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowing	73	9,392,294,124,101	11,877,850,193,200
Payments to settle borrowing principals	74	(9,292,439,124,101)	(12,259,270,193,200)
Dividends paid to the shareholders	76	(37,592,696,400)	(64,248,495,240)
Net cash flows from financing activities	80	62,262,303,600	(445,668,495,240)
Net cash flows during the year	90	(567,056,255,574)	439,104,975,231
Cash and cash equivalents at the beginning of the year	101	763,880,564,438	324,775,589,207
Cash and cash equivalents at the end of the year (Note 5)	103	196,824,308,864	763,880,564,438
▪ Cash	103.1	91,373,936,013	55,080,564,438
▪ Cash equivalents	103.2	105,450,372,851	708,800,000,000

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 2023
(Indirect method – continued)

Form B03 – CTCK
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CASH FLOWS OF CUSTOMERS FOR BROKERAGE AND ENTRUSTMENT ACTIVITIES

	Code	2023 VND	2022 VND
Cash flows of customers for brokerage and entrustment activities			
Proceeds from sales of securities brokered by the Company	01	38,749,240,984,544	55,278,898,044,103
Payments for purchases of securities brokered by the Company	02	(39,824,401,812,944)	(53,472,664,033,750)
Deposits received to settle securities transactions of customers	07	55,500,518,225,396	68,602,863,817,464
Investors' margin deposits at VSD	07.1	71,213,172,507	179,309,741,391
Payments to settle securities transactions of customers	08	(54,217,612,309,741)	(70,398,012,296,993)
Payments for custody fee of customers' securities	11	(2,063,062,040)	(1,820,656,232)
Net cash flows during the year	20	276,895,197,722	188,574,615,983
Cash and cash equivalents of customers at the beginning of the year			
Cash in banks at the beginning of the year	31	486,676,329,967	298,101,713,984
▪ Cash deposits for securities transactions of customers managed by the Company	32	486,676,329,967	298,101,713,984
Cash and cash equivalents of customers at the end of the year (40 = 20 + 30)	40	763,571,527,689	486,676,329,967
Cash in banks at the end of the year	41	763,571,527,689	486,676,329,967
▪ Cash deposits for securities transactions of customers managed by the Company	42	763,571,527,689	486,676,329,967
In which: Investors' margin deposits at VSD		338,415,251,916	267,202,079,409

Prepared by:



Ms. Nguyen Phuong Trinh
Accounting Staff

4 March 2024

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 2023

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	
	1/1/2022	1/1/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023
	VND	VND	Increase VND	(Decrease) VND	Increase VND	(Decrease) VND	VND	VND
Share capital	1,400,000,000,000	1,500,098,190,000	100,098,190,000	-	-	-	1,500,098,190,000	1,500,098,190,000
Treasury shares	(1,185,000)	(1,185,000)	-	-	-	-	(1,185,000)	(1,185,000)
Reserve to supplement share capital	12,064,998,139	12,064,998,139	-	-	-	-	12,064,998,139	12,064,998,139
Financial reserve	12,064,998,139	12,064,998,139	-	-	-	(12,064,998,139)	12,064,998,139	-
Retained profits	180,535,371,172	73,216,617,931	59,979,201,559	(167,297,954,800)	110,889,467,555	(84,275,542,214)	73,216,617,931	99,830,543,272
<i>In which:</i>								
Realised profits	169,653,012,807	24,115,514,543	21,760,456,536	(167,297,954,800)	98,824,469,416	(30,001,865,800)	24,115,514,543	92,938,118,159
Transfer from financial reserve	-	-	-	-	12,064,998,139	-	-	12,064,998,139
Unrealised (losses)/ profits	10,882,358,365	49,101,103,388	38,218,745,023	-	-	(54,273,676,414)	49,101,103,388	(5,172,573,026)
Total	1,604,664,182,450	1,597,443,619,209	160,077,391,559	(167,297,954,800)	110,889,467,555	(96,340,540,353)	1,597,443,619,209	1,611,992,546,411

4 March 2024

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
Notes to the financial statements for the year ended 31 December 2023

Form B09 – CTCK
*(Issued under Circular No. 334/2016/TT-BTC
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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/QĐ-SGDHN issued by Ha Noi Stock Exchange on 19 July 2019.

(b) The Company’ charter capital

As at 31 December 2023, the Company’s charter capital was VND 1,500,098,190,000 (31/12/2022: VND1,500,098,190,000).

(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 2023, the Company had 382 employees (31/12/2022: 356 employees).

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2023 (continued)

Form B09 – CTCK

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

(a) Statement of compliance

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

(b) Basis of measurement

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

(c) Annual accounting period

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

(d) Accounting and presentation currency

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

3. Summary of significant accounting policies

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

(a) Foreign currency transactions

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

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

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

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2023 (continued)

Form B09 – CTCK

*(Issued under Circular No. 334/2016/TT-BTC
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(b) Cash and cash equivalents

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

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

(c) Financial assets and financial liabilities

(i) Recognition

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

(ii) Classification and measurement

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

Except for covered warrant payables measured at FVTPL as described in Note 3(h), the Company classifies all of its financial liabilities as financial liabilities at amortised cost.

(iii) Derecognition

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

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

(iv) Offsetting

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

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2023 (continued)

Form B09 – CTCK

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

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

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

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

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

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

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

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

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

(e) Held-to-maturity investments

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

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

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

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2023 (continued)

Form B09 – CTCK

*(Issued under Circular No. 334/2016/TT-BTC
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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. Loans receivable are stated at cost less allowance for doubtful debts. Allowance for doubtful debts is determined based on the difference between market price or fair value of the collateral and gross carrying amount of the loan receivable 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) Covered warrants

Covered warrants gives its holder the right to buy (call warrant) or sell (put warrant) underlying securities to issuing organisations at a predetermined price, on or before a predetermined date, or to receive the difference between the exercise price and the underlying securities price at the exercise date.

The Company accounts for covered warrants in accordance with the guidance of Circular No. 23/2018/TT-BTC issued by the Ministry of Finance on 12 March 2018, details as follows:

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2023 (continued)

Form B09 – CTCK

*(Issued under Circular No. 334/2016/TT-BTC
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When issuing covered warrants to investors, the Company recognises an increase in covered warrants payables. The number of warrants allowed to issue are monitored off the balance sheet.

Covered warrants are initially recognised at cost and subsequently measured at fair value.

Cost of issuance of covered warrants are recognised as expense when incurred.

(i) 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.

(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

(j) 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.

Phu Hung Securities Corporation
Notes to the financial statements for the year ended 31 December 2023 (continued)

Form B09 – CTCK

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(k) 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.

(l) Trade and other payables

Trade and other payables are stated at their cost.

(m) 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.

(n) 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.

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2023 (continued)

Form B09 – CTCK

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

(o) 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.

(p) Statutory reserves

On 17 December 2021, the Ministry of Finance issued Circular No. 114/2021/TT-BTC (“Circular 114”) to abolish 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. Circular 114 is effective from 1 February 2022. Consequently, the Company has ceased to allocate realised profit to statutory reserves since 2022. According to Circular 114:

- The balance of reserve to supplement share capital that has been provided for under Circular 146 would be used to supplement share capital as promulgated under Securities Law No. 54/2019/QH14 and other legal regulations.
- The balance of financial reserve that has been provided for could be used to supplement share capital or distributed in accordance with the shareholders’ decision as promulgated under Securities Law No. 54/2019/QH14 and other legal regulations.

On 20 April 2023, the Company’s General Meeting of Shareholders approved to transfer the outstanding balance of financial reserve to retained profits. As of the date of issuance of these financial statements, the Company has not yet made any decision regarding the outstanding balance of reserve to supplement share capital.

Phu Hung Securities Corporation
Notes to the financial statements for the year ended 31 December 2023 (continued)

Form B09 – CTCK

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

(iii) *Revenue from securities brokerage activities*

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 activities*

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 activities*

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.

(r) Interest expense

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

(s) 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.

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2023 (continued)

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(t) 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.

(u) 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.

(v) 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.

(w) 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.

(x) 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.

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2023 (continued)

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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.

(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.

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
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Concentrations of credit risk that arise from groups of counterparties when they have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The major concentrations of credit risk arise from type of customer in relation to the Company's advances to customers for proceeds from selling securities and margin loans.

Collaterals

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

Exposure to credit risk

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

	31/12/2023 VND	31/12/2022 VND
Cash in banks and cash equivalents (i)	196,820,272,609	763,877,428,183
Held-to-maturity investments (i)	654,213,238,356	768,313,246,576
Loans receivable – gross (ii)	2,951,919,275,244	1,991,637,329,285
Receivables (ii)	74,788,081,049	57,343,194,800
Receivables from services rendered (ii)	3,964,076,031	9,823,664,112
Other receivables (ii)	12,786,514,140	13,006,432,355
Deposits at Payment Support Fund	16,964,116,068	14,464,116,068
Long-term deposits	5,637,869,733	4,624,178,350
Other long-term assets	10,059,454,943	10,039,238,233
	<hr/> 3,927,152,898,173	<hr/> 3,633,128,827,962 <hr/>

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***(i) Cash in banks, cash equivalents and held-to-maturity investments**

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

(ii) Loans receivable and other receivables

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

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

An aging analysis of impaired financial assets is as follows:

	31/12/2023 VND	31/12/2022 VND
Advances to customers for securities trading activities		
being overdue of more than 3 years	11,174,224,109	11,441,401,806
Margin loans being overdue of more than 3 years	4,443,207,793	3,924,199,169
Margin loans being overdue of from 2 to 3 years	-	862,826,748
Margin loans being overdue from 1 to 2 years	48,291,197,147	-
Margin loans being overdue of under 1 year	-	48,291,197,147
	<hr/> 63,908,629,049	<hr/> 64,519,624,870

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

	31/12/2023 VND	31/12/2022 VND
Listed or registered securities on	4,280,532,790	3,988,262,880
▪ The Ho Chi Minh City Stock Exchange	966,990	5,253,080
▪ UPCOM	4,279,565,800	3,983,009,800
Blocked financial assets	22,182,897,800	39,916,827,578
	<hr/> 26,463,430,590	<hr/> 43,905,090,458

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
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An aging analysis of financial assets that were past due but not impaired is as follows:

	31/12/2023 VND	31/12/2022 VND
Advances to customers for securities trading activities being overdue of more than 3 years	921,228,900	732,072,435
Margin loans being overdue of under 1 year	-	770,013,968
Margin loans being overdue from 1 to 2 years	770,013,968	-

(c) Liquidity risk

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

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

As at 31 December 2023	Carrying amount VND	Contractual cash flows VND	Within 1 year VND
Short-term borrowings	1,990,040,000,000	2,046,606,490,335	2,046,606,490,335
Accounts payable for securities trading activities	389,121,316,960	389,121,316,960	389,121,316,960
Accounts payable to suppliers	66,259,697	66,259,697	66,259,697
Accrued expenses	12,125,926,733	12,125,926,733	12,125,926,733
Other payables	11,720,335,629	11,720,335,629	11,720,335,629
	2,403,073,839,019	2,459,640,329,354	2,459,640,329,354
As at 31 December 2022	Carrying amount VND	Contractual cash flows VND	Within 1 year VND
Short-term borrowings	1,833,020,000,000	1,874,732,368,176	1,874,732,368,176
Accounts payable for securities trading activities	199,342,817,216	199,342,817,216	199,342,817,216
Accounts payable to suppliers	431,709,828	431,709,828	431,709,828
Accrued expenses	8,184,877,050	8,184,877,050	8,184,877,050
Other payables	9,474,453,593	9,474,453,593	9,474,453,593
	2,050,453,857,687	2,092,166,225,863	2,092,166,225,863

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

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***(d) Market risk**

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

(i) Currency risk

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

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

Exposure to currency risk

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

	31/12/2023		31/12/2022	
	USD	VND equivalent	USD	VND equivalent
Short-term borrowings	66,000,000	1,613,040,000,000	73,000,000	1,733,020,000,000

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

	Exchange rate as at	
	31/12/2023	31/12/2022
USD/VND	24,440	23,740

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 accounting period. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Effect to net profit after tax VND
As at 31 December 2023	
USD (3% strengthening against VND) – decrease in net profit	38,712,960,000
As at 31 December 2022	
USD (4% strengthening against VND) – decrease in net profit	55,456,640,000

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

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***(ii) Interest rate risk**

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

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

	Carrying amount	
	31/12/2023 VND	31/12/2022 VND
Interest-bearing instruments		
Cash in banks and cash equivalents	196,820,272,609	763,877,428,183
Held-to-maturity investments	654,213,238,356	768,313,246,576
Loans receivable – net	2,921,367,768,104	1,978,475,933,799
Deposits at Payment Support Fund	16,964,116,068	14,464,116,068
Other long-term assets	10,059,454,943	10,039,238,233
Short-term borrowings	(1,990,040,000,000)	(1,833,020,000,000)

(iii) Other market risk

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

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

As at 31 December 2023 and 31 December 2022, 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 for the trading purpose.

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2023 (continued)

Form B09 – CTCK

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

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

	31/12/2023		31/12/2022	
	Carrying amount VND	Fair value VND	Carrying amount VND	Fair value VND
<i>Categorised as financial assets at fair value through profit or loss:</i>				
▪ Financial assets at fair value through profit or loss				
• <i>Listed shares</i>	39,528,199,108	39,528,199,108	6,304,703,558	6,304,703,558
• <i>Shares registered for trading on UPCOM</i>	27,689,899	27,689,899	395,505,500	395,505,500
• <i>Unlisted shares</i>	15,046,527	15,046,527	14,900,007	14,900,007
▪ Fund certificates	51,063,547,139	51,063,547,139	-	-
<i>Categorised as held-to-maturity investments:</i>				
▪ Term deposits at banks	654,213,238,356	654,213,238,356	768,313,246,576	768,313,246,576
<i>Categorised as loans and receivables:</i>				
▪ Cash and cash equivalents	196,824,308,864	196,824,308,864	763,880,564,438	763,880,564,438
▪ Loans receivable - net	2,921,367,768,104	(*)	1,978,475,933,799	(*)
▪ Receivables	74,788,081,049	(*)	57,343,194,800	(*)
▪ Receivables from services rendered	3,964,076,031	(*)	9,823,664,112	(*)
▪ Other receivables - net	5,892,822,821	(*)	5,553,293,429	(*)
▪ Deposits at Payment Support Fund	16,964,116,068	(*)	14,464,116,068	(*)
▪ Other long-term assets	10,059,454,943	(*)	10,039,238,233	(*)

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2023 (continued)

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*(Issued under Circular No. 334/2016/TT-BTC
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	31/12/2023		31/12/2022	
	Carrying amount VND	Fair value VND	Carrying amount VND	Fair value VND
Financial liabilities				
<i>Categorised as financial liabilities at fair value through profit or loss:</i>				
Covered warrant payables	(6,479,570,000)	(6,479,570,000)	-	-
Financial liabilities				
<i>Categorised as financial liabilities measured at amortised cost:</i>				
▪ Short-term borrowings	(1,990,040,000,000)	(*)	(1,833,020,000,000)	(*)
▪ Accounts payable for securities trading activities	(389,121,316,960)	(*)	(199,342,817,216)	(*)
▪ Accounts payable to suppliers	(66,259,697)	(*)	(431,709,828)	(*)
▪ Accrued expenses	(12,125,926,733)	(*)	(8,184,877,050)	(*)
▪ Other payables	(11,720,335,629)	(*)	(9,474,453,593)	(*)

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

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***5. Cash and cash equivalents**

	31/12/2023	31/12/2022
	VND	VND
Cash on hand	4,036,255	3,136,255
Cash in banks	91,369,899,758	55,077,428,183
Cash equivalents (i)	105,450,372,851	708,800,000,000
	<hr/>	<hr/>
	196,824,308,864	763,880,564,438
	<hr/>	<hr/>

- (i) As at 31 December 2023, cash and cash equivalents represented term deposits with original terms to maturity of not exceeding 3 months and earned interest at rates ranging from 1.8% to 3.8% (31/12/2022: from 5.0% to 6.0%) per annum.

As at 31 December 2023, cash and cash equivalents of VND105,450,372,851 were pledged with banks as security for loans granted to the Company (31/12/2022: VND91,000,000,000) (Note 20).

6. Volume and value of securities transactions during the year

	2023		2022	
	Volume of transactions	Value of transactions VND	Volume of transactions	Value of transactions VND
a) The Company				
Shares	11,318,382	331,662,575,670	2,753,544	142,311,582,746
Bonds	-	-	11,382,564	1,154,627,879,404
Other securities	36,467,249	141,520,479,530	-	-
b) Investors/customers				
Shares	4,283,789,996	83,402,646,328,420	4,180,501,483	115,920,499,518,256
Bonds	16,030,756	1,717,217,393,028	11,840,000	1,208,643,990,000
Other securities	47,787,498	83,383,341,310	31,782,340	49,545,054,710
	<hr/>	<hr/>	<hr/>	<hr/>
	4,395,393,881	85,676,430,117,958	4,238,259,931	118,475,628,025,116
	<hr/>	<hr/>	<hr/>	<hr/>

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***7. Financial assets****(a) Financial assets at fair value through profit or loss**

	31/12/2023		31/12/2022	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Listed shares	38,225,051,062	39,528,199,108	7,002,606,666	6,304,703,558
Shares registered for trading on UPCOM	27,689,899	27,689,899	411,499,004	395,505,500
Unlisted shares	15,046,527	15,046,527	14,900,007	14,900,007
Fund certificates	50,000,000,000	51,063,547,139	-	-
	88,267,787,488	90,634,482,673	7,429,005,677	6,715,109,065



Phu Hung Securities Corporation
Notes to the financial statements for the year ended 31 December 2023 (continued)

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Fair values of financial assets at FVTPL at reporting date were as follows:

	Quantity	31 December 2023 Cost VND (1)	Fair value VND (2)	Revaluation difference as at 31 December 2023 Revaluation gain VND (3) = (2) – (1)	Revaluation loss VND (4) = (1) – (2)	Revaluation value VND (5) = (1) + (3) – (4)
Listed shares						
HPG	921,000	24,596,477,091	25,741,950,000	1,145,472,909	-	25,741,950,000
DHG	17,600	1,913,697,686	1,830,400,000	3,935,692	87,233,378	1,830,400,000
VNM	25,020	1,792,863,244	1,691,352,000	-	101,511,244	1,691,352,000
Others	256,813	9,922,013,041	10,264,497,108	832,376,712	489,892,645	10,264,497,108
	1,220,433	38,225,051,062	39,528,199,108	1,981,785,313	678,637,267	39,528,199,108
UPCOM						
Others	728	27,689,899	27,689,899	-	-	27,689,899
Unlisted shares						
Others	1,086	15,046,527	15,046,527	-	-	15,046,527
Fund certificate						
PHVSF	4,821,109	50,000,000,000	51,063,547,139	1,063,547,139	-	51,063,547,139
	6,043,356	88,267,787,488	90,634,482,673	3,045,332,452	678,637,267	90,634,482,673

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2023 (continued)

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*(Issued under Circular No. 334/2016/TT-BTC
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	Quantity	31 December 2022	Fair value VND (2)	Revaluation difference as at 31 December 2022		
		Cost VND (1)		Revaluation gain VND (3) = (2) – (1)	Revaluation loss VND (4) = (1) – (2)	Revaluation value VND (5) = (1) + (3) – (4)
Listed shares						
BVH	22,753	1,165,751,609	1,060,289,800	-	105,461,809	1,060,289,800
FPT	13,453	1,042,382,403	1,034,535,700	345,241	8,191,944	1,034,535,700
SAB	4,320	757,425,917	721,008,000	-	36,417,917	721,008,000
VNM	9,288	700,618,373	706,816,800	6,563,759	365,332	706,816,800
GAS	5,240	558,255,913	531,860,000	127,138	26,523,051	531,860,000
BMP	6,612	395,393,294	396,720,000	1,326,706	-	396,720,000
PNJ	3,472	373,050,384	312,132,800	745,049	61,662,633	312,132,800
DHG	3,755	322,563,150	318,799,500	450,000	4,213,650	318,799,500
VJC	1,415	169,918,774	154,942,500	-	14,976,274	154,942,500
SSI	5,051	167,466,279	89,402,700	-	78,063,579	89,402,700
SHB	3,782	72,149,310	37,630,900	-	34,518,410	37,630,900
MSB	4,141	67,396,518	51,762,500	-	15,634,018	51,762,500
Others	47,309	1,210,234,742	888,802,358	46,653,039	368,085,423	888,802,358
	130,591	7,002,606,666	6,304,703,558	56,210,932	754,114,040	6,304,703,558
UPCOM						
ACV	4,600	397,386,094	389,160,000	-	8,226,094	389,160,000
Others	755	14,112,910	6,345,500	487,776	8,255,186	6,345,500
	5,355	411,499,004	395,505,500	487,776	16,481,280	395,505,500

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2023 (continued)

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

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

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)***7. Financial assets (continued)****(b) Held-to-maturity investments**

	31/12/2023		31/12/2022	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Term deposits at banks with original terms to maturity of more than 3 months to 1 year (i)	654,213,238,356	(*)	768,313,246,576	(*)

- (i) As at 31 December 2023, term deposits at banks amounting to VND564,213,238,356 were pledged with banks as security for loans granted to the Company (31/12/2022: VND718,313,246,576) (Note 20).

As at 31 December 2023, the term deposits earned interest at rates ranging from 2.5% to 8.7% (31/12/2022: from 4.0% to 10.5%) per annum.

(c) Loans receivable

	31/12/2023		31/12/2022	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Margin loans (i)	2,890,043,967,369	(*)	1,961,759,634,420	(*)
Advances to customers for the proceeds from selling securities (ii)	61,875,307,875	(*)	29,877,694,865	(*)
	2,951,919,275,244		1,991,637,329,285	

- (i) As at 31 December 2023, margin loans had original terms to maturity of 90 days and earned annual interest at rates ranging from 10.0% to 13.5% (31/12/2022: from 10.5% to 14.5%) per annum. The initial margin is ranging from 50% to 90% (31/12/2022: from 50% to 90%) and maintenance margin for the margin trade is ranging from 30% to 70% (31/12/2022: from 30% to 70%).

- (ii) As at 31 December 2023, advances to customers for the proceeds from selling securities earned interest at rates ranging from 10.5% to 13.5% (31/12/2022: from 11.5% to 14.5%) per annum.

- (*) 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 2023 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***8. Receivables**

	31/12/2023	31/12/2022
	VND	VND
Interest receivable from margin loans	50,865,657,812	38,674,541,319
Interest receivable from term deposits at banks	22,028,335,567	18,610,954,851
Interest receivable from certificates of deposit	1,894,087,670	57,698,630
	<hr/>	<hr/>
	74,788,081,049	57,343,194,800

9. Receivables from services rendered

	31/12/2023	31/12/2022
	VND	VND
Receivables from clearing and settlement of securities transactions	1,461,969,950	7,818,970,000
Receivables from securities custody activities	1,770,230,617	1,195,186,990
Receivables from securities brokerage activities	491,051,396	188,065,523
Other receivables	240,824,068	621,441,599
	<hr/>	<hr/>
	3,964,076,031	9,823,664,112

10. Other receivables

	31/12/2023	31/12/2022
	VND	VND
Advances to customers for securities trading activities	12,095,453,009	12,173,474,241
Others	691,061,131	832,958,114
	<hr/>	<hr/>
	12,786,514,140	13,006,432,355

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2023 (continued)

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

2023

	As at 31/12/2023			Allowance as at 31/12/2022 VND	Allowance made during the year VND
	Cost VND	Recoverable amount VND	Allowance VND		
Margin loans	52,734,404,940	22,182,897,800	30,551,507,140	13,161,395,486	17,390,111,654

2022

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

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2023 (continued)

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

(b) Allowance for doubtful debts

2023

	As at 31/12/2023			Allowance as at 31/12/2022 VND	Allowance reversed during the year VND
	Cost VND	Recoverable amount VND	Allowance VND		
Advances to customers for securities trading activities	11,174,224,109	4,280,532,790	6,893,691,319	7,453,138,926	(559,447,607)

2022

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

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***12. Prepaid expenses****(a) Short-term prepaid expenses**

	31/12/2023	31/12/2022
	VND	VND
Maintenance expense	725,350,312	520,069,553
Rental fees	519,961,414	397,739,634
Others	3,251,991,743	2,131,427,625
	<hr/>	<hr/>
	4,497,303,469	3,049,236,812
	<hr/>	<hr/>

(b) Long-term prepaid expenses

	31/12/2023	31/12/2022
	VND	VND
Tools and instruments	5,382,643,332	5,107,800,698
Software	2,657,600,356	3,084,781,893
IT equipment	1,304,324,849	1,241,152,015
Office renovation	8,593,137,409	6,771,407,807
Others	350,083,414	580,079,320
	<hr/>	<hr/>
	18,287,789,360	16,785,221,733
	<hr/>	<hr/>

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

	2023	2022
	VND	VND
Opening balance	16,785,221,733	13,006,695,427
Additions during the year	7,886,872,588	6,614,398,564
Transfers from construction in progress	5,118,797,232	6,547,406,933
Amortisation during the year	(11,503,102,193)	(9,383,279,191)
	<hr/>	<hr/>
Closing balance	18,287,789,360	16,785,221,733
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Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2023 (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**

2023	Leasehold improvements VND	Office equipment VND	Motor vehicles VND	Fixtures and fittings VND	Total VND
Cost					
Opening balance	601,182,219	42,761,030,634	2,265,440,000	453,522,969	46,081,175,822
Additions	-	1,323,886,190	-	51,805,440	1,375,691,630
Transfers from construction in progress	-	-	-	390,660,160	390,660,160
Disposals	-	(618,126,248)	-	-	(618,126,248)
Closing balance	601,182,219	43,466,790,576	2,265,440,000	895,988,569	47,229,401,364
Accumulated depreciation					
Opening balance	601,182,219	25,517,197,597	1,985,556,935	140,855,117	28,244,791,868
Charge for the year	-	5,365,539,264	279,883,065	152,288,350	5,797,710,679
Disposals	-	(618,126,248)	-	-	(618,126,248)
Closing balance	601,182,219	30,264,610,613	2,265,440,000	293,143,467	33,424,376,299
Net book value					
Opening balance	-	17,243,833,037	279,883,065	312,667,852	17,836,383,954
Closing balance	-	13,202,179,963	-	602,845,102	13,805,025,065

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2023 (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)**

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

Included in tangible fixed assets were assets costing VND16,813,082,725 which were fully depreciated as at 31 December 2023, but which are still in use (31/12/2022: VND15,389,708,973).

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)***14. Intangible fixed assets**

	2023 Software VND	2022 Software VND
Cost		
Opening balance	25,271,616,400	22,433,666,400
Transfers from construction in progress	480,000,000	-
Additions	340,000,000	2,837,950,000
Closing balance	26,091,616,400	25,271,616,400
Accumulated amortisation		
Opening balance	13,087,003,384	10,021,807,340
Charge for the year	3,064,323,572	3,065,196,044
Closing balance	16,151,326,956	13,087,003,384
Net book value		
Opening balance	12,184,613,016	12,411,859,060
Closing balance	9,940,289,444	12,184,613,016

Included in intangible fixed assets were assets costing VND8,596,466,400 which were fully depreciated as at 31 December 2023, but which are still in use (31/12/2022: VND8,161,659,400).

15. Construction in progress

	31/12/2023 VND	31/12/2022 VND
Opening balance	1,633,369,056	3,461,452,486
Additions during the year	5,687,216,288	5,097,789,503
Transfers to tangible fixed assets	(390,660,160)	(126,117,200)
Transfers to long-term prepaid expenses	(5,118,797,232)	(6,547,406,933)
Transfers to short-term prepaid expenses	(1,331,127,952)	(252,348,800)
Transfers to intangible fixed assets	(480,000,000)	-
Closing balance	-	1,633,369,056

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)***16. Long-term deposits**

	31/12/2023 VND	31/12/2022 VND
Security deposits for office, house and car rentals	5,637,869,733	4,624,178,350

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

	Tax rate	31/12/2023 VND	31/12/2022 VND
Deferred tax assets:			
Accrued expenses	20%	426,212,472	396,002,889
Allowance for diminution in value of financial assets	20%	6,600,398,133	3,165,501,699
Losses from revaluation of financial assets at FVTPL	20%	37,853,642	142,779,322
		7,064,464,247	3,704,283,910
Deferred tax liabilities:			
Gains from revaluation of financial assets at FVTPL	20%	(473,339,036)	-
Deferred tax assets - net		6,591,125,211	3,704,283,910

18. Deposits at Payment Support Fund

According to Decision No. 45/QĐ-VSD dated 22 May 2014 issued by the Vietnam Securities Depository and Clearing Corporation, the Company is required to deposit an initial amount of VND120 million to the Payment Support Fund at the Vietnam Securities Depository and Clearing Corporation and make an annual contribution equal to 0.01% trading value of brokerage activities for securities listed and registered for trading in the Stock Exchanges, of the most recent year, of which the maximum amount of annual contribution is VND2.5 billion.

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2023 (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:

	2023 VND	2022 VND
Opening balance	14,464,116,068	11,964,116,068
Deposits made during the year	1,884,661,158	1,809,659,347
Interest income	615,338,842	690,340,653
Closing balance	16,964,116,068	14,464,116,068

19. Other long-term assets

	31/12/2023 VND	31/12/2022 VND
Deposit at Clearing Fund for derivatives trading activities	10,059,454,943	10,039,238,233

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 required to contribute to the Clearing Fund for derivatives trading activities ("Clearing Fund") in cash or securities. The initial minimum contribution is VND10 billion for direct clearing members and 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 since 16 June 2020.

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

	2023 VND	2022 VND
Opening balance	10,039,238,233	10,000,000,000
Interest income	20,216,710	39,238,233
Closing balance	10,059,454,943	10,039,238,233

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2023 (continued)

Form B09 – CTCK

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

20. Short-term borrowings

Description	Original currency	Annual interest rate %	Opening balance as at 1/1/2023 VND	Additions VND	Repayments VND	Foreign exchange revaluation differences VND	Closing balance as at 31/12/2023 VND
Short-term borrowings from							
▪ Domestic banks	VND	2.8% - 10.0%	100,000,000,000	6,471,754,124,101	(6,194,754,124,101)	-	377,000,000,000
▪ Foreign banks	USD	5.5% - 7.7%	1,733,020,000,000	2,920,540,000,000	(3,097,685,000,000)	57,165,000,000	1,613,040,000,000
			1,833,020,000,000	9,392,294,124,101	(9,292,439,124,101)	57,165,000,000	1,990,040,000,000

- (i) As at 31 December 2023, these borrowings are secured by cash and cash equivalents with carrying amount of VND105,450,372,851 (31/12/2022: VND91,000,000,000) (Note 5) and term deposits at banks with carrying amount of VND564,213,238,356 (31/12/2022: VND718,313,246,576) (Note 7(b)).

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***21. Accounts payable for securities trading activities**

	31/12/2023 VND	31/12/2022 VND
Payables related to securities trading activities	294,490,534,600	115,820,407,530
Payables related to clearing and settlement of securities transactions	78,743,108,360	83,522,322,140
Covered warrants payables (*)	6,479,570,000	-
Others	9,408,104,000	87,546
	389,121,316,960	199,342,817,216

(*) As at 31 December 2023 and 31 December 2022, the details of covered warrants issued by the Company were as follows:

	31/12/2023		31/12/2022	
	Authorised Unit	Circulated Unit	Authorised Unit	Circulated Unit
CHPG2314	3,000,000	1,934,200	-	-

22. Taxes payable to State Treasury

	Opening balance as at 1/1/2023 VND	Incurred VND	Net-off/paid VND	Closing balance as at 31/12/2023 VND
Corporate income tax	3,875,701,514	14,535,289,259	(14,534,752,098)	3,876,238,675
Personal income tax	10,232,466,822	97,203,493,389	(100,313,734,387)	7,122,225,824
Value added tax	20,445,759	112,809,097	(117,426,323)	15,828,533
Foreign contractor withholding tax	1,126,398,046	12,485,057,726	(12,643,449,842)	968,005,930
	15,255,012,141	124,007,245,731	(127,279,958,910)	11,982,298,962

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)*

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

23. Accrued expenses

	31/12/2023 VND	31/12/2022 VND
Employee costs	11,185,869,371	10,714,443,941
Securities transaction fees	3,240,189,252	3,685,244,296
Interest expense	5,820,169,366	3,065,504,380
Consulting fees	92,803,065	143,548,420
Others	2,972,765,050	1,290,579,954
	23,311,796,104	18,899,320,991

24. Other payables

	31/12/2023 VND	31/12/2022 VND
Dividend payables	1,823,928,393	9,414,758,993
Payables to customers	9,884,000,000	21,174,000
Other payables	12,407,236	38,520,600
	11,720,335,629	9,474,453,593

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***25. Share capital**

The Company's authorised and issued share capital are:

	31/12/2023		31/12/2022	
	Number of shares	VND	Number of shares	VND
Authorised share capital	150,009,819	1,500,098,190,000	150,009,819	1,500,098,190,000
Issued share capital				
Ordinary shares	150,009,819	1,500,098,190,000	150,009,819	1,500,098,190,000
Treasury shares				
Ordinary shares	(490)	(1,185,000)	(490)	(1,185,000)
Shares in circulation				
Ordinary shares	150,009,329	1,500,097,005,000	150,009,329	1,500,097,005,000

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

	2023		2022	
	Number of shares	VND	Number of shares	VND
Opening balance	150,009,819	1,500,098,190,000	140,000,000	1,400,000,000,000
Shares issued during the year	-	-	10,009,819	100,098,190,000
Closing balance	150,009,819	1,500,098,190,000	150,009,819	1,500,098,190,000

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2023 (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 and financial liabilities at FVTPL

2023	Quantity	Average selling price VND	Proceeds VND	Costs VND	Gains/(losses) from sales of securities VND
Financial assets at FVTPL					
<i>Listed shares and shares registered for trading on UPCOM</i>					
STB	2,474,626	28,355	70,168,706,700	73,361,309,866	(3,192,603,166)
HPG	1,841,327	26,461	48,723,664,300	48,213,453,160	510,211,140
SAB	38,920	97,973	3,813,120,000	4,352,695,917	(539,575,917)
FPT	34,653	82,812	2,869,696,800	2,719,242,403	150,454,397
GAS	24,040	102,373	2,461,045,100	2,415,555,913	45,489,187
MBB	105,673	19,631	2,074,443,650	1,937,748,694	136,694,956
BVH	46,953	41,717	1,958,736,500	2,310,531,609	(351,795,109)
HCM	55,545	29,866	1,658,905,400	1,509,753,851	149,151,549
KDH	50,789	31,492	1,599,422,400	1,600,247,965	(825,565)
VCG	57,600	24,860	1,431,955,000	1,196,833,681	235,121,319
Other	406,196	29,737	12,078,963,350	12,370,400,130	(291,436,780)
	5,136,322	28,978	148,838,659,200	151,987,773,189	(3,149,113,989)
Covered warrants					
CHPG2303	1,781,200	2,524	4,495,860,000	4,867,811,000	(371,951,000)
CHPG2314	7,592,600	3,546	26,922,017,211	26,779,793,000	142,224,211
CSTB2311	6,466,600	2,158	13,954,862,000	9,334,663,500	4,620,198,500
	15,840,400	2,864	45,372,739,211	40,982,267,500	4,390,471,711
	20,976,722	9,258	194,211,398,411	192,970,040,689	1,241,357,722

Phu Hung Securities Corporation

Notes to the financial statements for the year ended 31 December 2023 (continued)

Form B09 – CTCK

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

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

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2023 (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**

	2023 VND	2022 VND
Interest income from term deposits	73,112,766,792	49,989,155,905

28. Income from loans and receivables

	2023 VND	2022 VND
Interest income from margin loans	302,772,368,474	276,486,591,233
Interest from advances to customers for proceeds from selling securities	11,502,269,856	13,404,219,909
	314,274,638,330	289,890,811,142

29. Expenses for securities brokerage

	2023 VND	2022 VND
Employee costs	51,644,510,393	49,761,741,333
Brokerage commission	54,464,670,720	77,192,408,667
Securities brokerage fees	30,942,476,059	37,677,570,703
Rental expenses	14,228,900,027	10,942,236,853
Tools and supplies	3,752,495,471	1,987,945,676
Depreciation and amortisation	428,675,381	193,922,085
Outside services	10,937,337,266	8,813,883,467
Other expenses	2,465,477,501	2,314,961,368
	168,864,542,818	188,884,670,152

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***30. Interest expense**

	2023 VND	2022 VND
Interest expense on borrowings and other related expense	148,176,944,209	86,764,840,628
Interest expense on customers' deposits for securities trading activities	948,813,246	619,309,225
	<hr/>	<hr/>
	149,125,757,455	87,384,149,853

31. General and administration expenses

	2023 VND	2023 VND
Employee costs	43,867,319,220	38,622,220,009
Depreciation and amortisation	8,433,358,870	8,293,524,391
Rental expenses	7,524,266,211	7,039,940,071
Tools and supplies	7,473,503,813	6,021,887,461
Outside services	31,516,121,263	31,007,353,723
Other expenses	4,352,192,396	5,173,900,412
	<hr/>	<hr/>
	103,166,761,773	96,158,826,067

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)***32. Income tax****(a) Recognised in the statement of income**

	2023 VND	2022 VND
Current tax expense		
Current year	14,468,237,096	17,129,325,656
Under provision in prior years	67,052,163	-
	<hr/> 14,535,289,259	<hr/> 17,129,325,656
Deferred tax benefit	(2,886,841,301)	(3,425,653,416)
	<hr/> 11,648,447,958	<hr/> 13,703,672,240

(b) Reconciliation of effective tax rate

	2023 VND	2022 VND
Accounting profit before tax	56,199,240,960	73,682,873,799
Tax at the Company's tax rate	11,239,848,192	14,736,574,760
Non-deductible expenses	406,085,919	298,495,158
Non-taxable income	(64,538,316)	(68,300,262)
Under provision in prior years	67,052,163	-
Deferred tax assets not recognised	-	(1,263,097,416)
	<hr/> 11,648,447,958	<hr/> 13,703,672,240

(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.

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***33. Basic earnings per share****(i) Net profit attributable to ordinary shareholders**

	2023 VND	2022 VND
Net profit for the year	44,550,793,002	59,979,201,559

(ii) Weighted average number of ordinary shares

	2023 VND	2022 VND
Issued ordinary shares at the beginning of the year	150,009,329	140,000,000
Effect of treasury shares held	-	(490)
Effect of shares dividend issued during the year	-	10,009,819
Weighted average number of ordinary shares for the year	150,009,329	150,009,329

(iii) Basic earnings per share

	2023 VND	2022 VND
Basic earnings per share	297	400

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 2023 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***34. Significant balances and transactions with related parties**

The Company had the following significant transactions and balances with related parties during the year:

	Transaction value	
	2023	2022
	VND	VND
Shareholders		
Phu Hung Far East Holding Corporation		
Cash dividend	13,800,920,000	30,912,000,000
Share dividend	-	46,046,000,000
New Beam International Inc		
Cash dividend	5,235,349,000	11,726,400,000
Share dividend	-	17,467,450,000
Income from securities custody services	85,755,017	82,516,551
An Thinh Development Limited		
Cash dividend	11,305,394,400	5,373,441,150
Share dividend	-	11,642,450,000
Other related parties		
Vu Thai Investment Consulting Co., Ltd		
Cash dividend	1,494,683,000	3,347,867,040
Share dividend	-	4,986,920,000
Income from securities custody services	24,482,909	23,558,333
Phu Hung Assurance Corporation		
Cash dividend	627,369,400	1,405,213,920
Share dividend	-	1,342,430,000
Insurance expense	84,466,880	107,003,951
Management fee of shareholder books	27,272,727	27,272,727
Income from securities custody services	10,329,580	5,172,045
Freshfields Capital Corporation		
Cash dividend	258,097,200	3,265,920,000
Share dividend	-	4,864,860,000
Income from securities custody services	4,227,632	18,364,686
Transaction fee	-	180,000,000
Phu Hung Fund Management Joint Stock Company		
Service fee	3,581,516,129	5,728,064,516
Transaction fee	303,379	3,079,980
Phu Hung Life Assurance Corporation		
Income from securities custody services	4,297,858	4,419,355
Revenue from shareholders register book management service	45,454,545	45,454,545

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***34. Significant balances and transactions with related parties (continued)**

	Balance outstanding as at	
	31/12/2023	31/12/2022
	VND	VND
Shareholders		
An Thinh Development Limited		
Dividend payable	-	7,815,914,400
Receivable from securities custody services	3,087,017	3,087,017
New Beam International Inc		
Receivable from securities custody services	10,178,971	-
Other related parties		
Vu Thai Investment Consulting Co., Ltd		
Payable for security trading deposits	52,336,500	81,942,054
Phu Hung Assurance Corporation		
Receivable from securities custody services	822,961	1,889,199
Phu Hung Life Assurance Corporation		
Receivable from securities custody activities	151,573	-
Payable for security trading deposit	6,567,365	8,030,362
Phu Hung Fund Management Joint Stock Company		
Receivable from securities brokerage activities	1,250	-
Freshfields Capital Corporation		
Receivable from securities custody services	336,817	816,659

Phu Hung Securities Corporation**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***34. Significant balances and transactions with related parties (continued)****Key management personnel compensation**

	2023 VND	2022 VND
General Director		
Salaries, bonus and other benefits	1,851,993,356	1,748,486,687
Other members of Board of Management		
Salaries, bonus and other benefits	2,555,327,684	2,081,920,767
Members of Inspection Committee		
Salaries, bonus and other benefits	720,000,000	720,000,000
Board of Directors remuneration		
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	240,000,000
Mr. Chen Chia Ken – Member	240,000,000	240,000,000
Ms. Liu, Hsiu-Mei – Member	240,000,000	240,000,000

Phu Hung Securities Corporation
Notes to the financial statements for the year ended 31 December 2023 (continued)

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

35. Segment reporting

(i) Business segments

The Company's business segments comprised securities brokerage, securities trading, treasury activities and other activities.

	Code	Securities brokerage VND	Securities trading VND	Treasury activities VND	Others VND	Total VND
2023						
1. Revenue from operating activities	01	151,313,807,371	14,328,354,651	428,179,369,166	5,977,980,992	599,799,512,180
2. Direct expenses	02	168,435,867,437	12,901,825,970	328,718,872,358	7,544,995,590	517,601,561,355
3. Depreciation and amortisation expenses	03	428,675,381	-	8,433,358,870	-	8,862,034,251
4. Allowance for diminution in value of investments	04	-	145,893,176	-	-	145,893,176
5. Allowance for doubtful debts	05	-	-	16,830,664,047	-	16,830,664,047
6. Other income	06	-	-	-	468,124,194	468,124,194
7. Other expense	07	-	-	-	628,242,585	628,242,585
Profit/(loss) before tax (08 = 01 + 06 – 02 – 03 – 04 – 05 – 07)	08	(17,550,735,447)	1,280,635,505	74,196,473,891	(1,727,132,989)	56,199,240,960
As at 31 December 2023						
Segment assets		55,628,313,088	90,734,283,749	3,892,105,544,586	2,270,228,475	4,040,738,369,898
Segment liabilities		383,915,984,686	325,900,048	2,026,951,537,636	17,552,401,117	2,428,745,823,487

Phu Hung Securities Corporation
Notes to the financial statements for the year ended 31 December 2023 (continued)

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

35. Segment reporting (continued)

(i) Business segments (continued)

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

(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 2023 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***36. Lease commitments**

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

	31/12/2023 VND	31/12/2022 VND
Within one year	26,763,954,317	19,341,504,234
Within two to five years	38,159,173,523	39,914,574,630
	<u>64,923,127,840</u>	<u>59,256,078,864</u>

4 March 2024

Prepared by:

Ms. Nguyen Phuong Trinh
Accounting Staff

Reviewed by:

Ms. Do Thi Ai Vy
Chief Accountant

Approved by:

Mr. Chen Chia Ken
General Director



Phu Hung Securities Corporation

**Financial Safety Ratio Report
as of 31 December 2023**



Phu Hung Securities Corporation

Corporate Information

Establishment and

Operation Licence No.

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

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

Enterprise Registration Certificate No.

0313642887

20 January 2016

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

Board of Directors

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

Inspection Committee

Mr. Liew Sep Siang	Head of Inspection committee
Mr. Chiu, Hsien-Chih	Member
Ms. Kuo, Ping-Min	Member

Board of Management

Mr. Chen Chia Ken	General Director
Ms. Pham Thi Thu Nhan	Deputy General Director
Mr. Li, Hsin-Hsien	Deputy General Director (until 25 October 2023)

Phu Hung Securities Corporation
Corporate Information (continued)

Registered offices

Head Office

21st Floor, Phu My Hung Tower
8 Hoang Van Thai Street
Tan Phu Ward, District 7
Ho Chi Minh City, Vietnam

**Phu My Hung
Transaction Office**

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

District 3 Branch

04th & 05th Floor
458 Nguyen Thi Minh Khai Street
Ward 2, District 3
Ho Chi Minh City, Vietnam

Tan Binh Branch

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

Hanoi Branch

5th Floor, Vinafor Building
127 Lo Duc Street
Dong Mac Ward, Hai Ba Trung District
Hanoi, Vietnam

Thanh Xuan Branch

5th Floor, Udic Complex Building
N04 Hoang Dao Thuy Street
Trung Hoa Ward, Cau Giay District
Hanoi, Vietnam

Hai Phong Branch

2nd Floor, Eliteco Building
18 Tran Hung Dao Street
Hoang Van Thu Ward, Hong Bang District
Hai Phong City, Vietnam

District 1 Branch

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

Auditor

KPMG Limited
Vietnam

Phu Hung Securities Corporation
Re: Financial Safety Ratio Report

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

To: The State Securities Commission of Vietnam

FINANCIAL SAFETY RATIO REPORT

As of 31 December 2023

We undertake as follows:

- (1) This report has been prepared based on up-to-date data as at the reporting date and in accordance with the requirements of Circular No. 91/2020/TT-BTC dated 13 November 2020 issued by the Ministry of Finance regulating financial safety ratios and measures for non-compliance applicable to securities business organisations;
- (2) The issues having impact on the Company's financial position that may arise after the reporting date will be updated in the next reporting period;
- (3) We fully accept legal responsibilities for the accuracy and fairness of the contents of this report.

4 March 2024

Prepared by:


Ms. Do Thi Ai Vy
Chief Accountant


Mr. Nguyen Hoang Thanh Sang
Head of Internal Control Division



Approved by:


Mr. Chen Chia Ken
General Director



KPMG Limited Branch
10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward
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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL SAFETY RATIO REPORT

To the Board of Directors Phu Hung Securities Corporation

We have audited the Financial Safety Ratio Report of Phu Hung Securities Corporation ("the Company") as of 31 December 2023 including the explanatory notes thereto, which was authorised for issue by the Company's Board of Management on 4 March 2024, as set out on pages 6 to 32.

Management's Responsibility

The Company's Board of Management is responsible for the preparation and presentation of the Financial Safety Ratio Report in accordance with the requirements of Circular No. 91/2020/TT-BTC dated 13 November 2020 ("Circular 91") issued by the Ministry of Finance regulating financial safety ratios and measures for non-compliance applicable to securities business organisations, and for such internal control as the Board of Management determines is necessary to enable the preparation of the Financial Safety Ratio Report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Safety Ratio Report 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 Safety Ratio Report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Safety Ratio Report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Safety Ratio Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the Financial Safety Ratio Report 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 Safety Ratio Report.

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



Auditor's Opinion

In our opinion, the Financial Safety Ratio Report of Phu Hung Securities Corporation as of 31 December 2023 has been prepared, in all material respects, in accordance with the requirements of Circular No. 91/2020/TT-BTC dated 13 November 2020 issued by the Ministry of Finance regulating financial safety ratios and measures for non-compliance applicable to securities business organisations.

Basis of Preparation and Restriction on Use

We draw attention to Note 2 to the Financial Safety Ratio Report, which describes the basis of preparation. The Financial Safety Ratio Report has been prepared to enable the Company to comply with the requirements of Circular 91. As a result, the Financial Safety Ratio Report may not be suitable for another purpose. Our report is intended solely for the Company's submission to the State Securities Commission of Vietnam and disclosure of information as required by Circular 91 and should not be used for any other purposes.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Audit Report No.: 23-01-00343-24-2



Chang Hung Chun
Practicing Auditor Registration
Certificate No. 0863-2023-007-1
Deputy General Director

Pham Huy Cuong
Practicing Auditor Registration
Certificate No. 2675-2024-007-1

Ho Chi Minh City, 4 March 2024

Phu Hung Securities Corporation
Financial Safety Ratio Report as of 31 December 2023

No.	Items	Note	Risk value/Liquid capital at of 31/12/2023
1	Total market risk value (VND)	4	6,531,983,797
2	Total settlement risk value (VND)	5	111,463,823,066
3	Total operational risk value (VND)	6	180,000,000,000
4	Total risk values (4=1+2+3) (VND)		297,995,806,863
5	Liquid capital (VND)	7	1,543,747,219,501
6	Liquid capital ratio (6=5/4) (%)		518%

4 March 2024

Prepared by:


 Ms. Do Thi Ai Vy
 Chief Accountant


 Mr. Nguyen Hoang Thanh Sang
 Head of Internal Control Division



Approved by:

 Mr. Chen Chia Ken
 General Director

The accompanying notes are an integral part of this Financial Safety Ratio Report

Phu Hung Securities Corporation

Notes to the Financial Safety Ratio Report as of 31 December 2023

These notes form an integral part of and should be read in conjunction with the accompanying Financial Safety Ratio Report.

1. Reporting entity

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 multiple 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 the 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.

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

As at 31 December 2023, the Company had 382 employees (31/12/2022: 356 employees).

2. Basis of preparation

(a) Statement of compliance

The Financial Safety Ratio Report has been prepared to enable the Company to comply with the requirements of Circular No. 91/2020/TT-BTC dated 13 November 2020 (“Circular 91”) issued by the Ministry of Finance regulating financial safety ratios and measures for non-compliance applicable to securities organisations. Accordingly, the Financial Safety Ratio Report and its utilisation are not designed for those who are not known about the principles and requirements of Circular 91 on preparation and presentation of Financial Safety Ratio Report applicable to securities organisations in Vietnam. As a result, the Financial Safety Ratio Report may not be suitable for another purpose.

(b) Underlying financial data

The Financial Safety Ratio Report was prepared based on the Company’s financial data as of 31 December 2023 and for the year then ended. This Financial Safety Ratio Report should be read in conjunction with the Company’s financial statements for the year ended 31 December 2023.

(c) Accounting and presentation currency

The Company's accounting currency is Vietnam Dong ("VND"), which is also the currency used for Financial Safety Ratio Report presentation purpose.

3. Summary of significant policies adopted in the preparation of the Financial Safety Ratio Report

The following significant policies have been adopted by the Company in the preparation of this Financial Safety Ratio Report.

(a) Liquid capital ratio

The Company's liquid capital ratio is calculated in accordance with the requirements of Circular 91 as follows:

$$\text{Liquid capital ratio} = \frac{\text{Liquid capital}}{\text{Total risk value}} * 100\%$$

in which, total risk value is the aggregate of market risk value (Note 3(c)), settlement risk value (Note 3(d)) and operational risk value (Note 3(e)).

(b) Liquid capital

Liquid capital is the capital which can be converted into cash within 90 days, in which allowances and provisions provided in accordance with the prevailing regulations at the reporting date, are added back to the retained profits.

Liquid capital is determined in accordance with the requirements of Circular 91 as described in Note 7.

Additions to the Company's liquid capital include the following items:

- 50% value of upward revaluations of fixed assets in accordance with the prevailing regulations;
- All increases in the values of investments, financial assets stated at book value, excluding the securities issued by a related organisation of the Company and the securities with the remaining restricted trading period exceeding 90 days at the reporting date;
- Convertible bonds and preference shares issued by the Company with the original terms to maturity of at least five (5) years and registered with the State Securities Commission of Vietnam to supplement the liquid capital; and
- Other debt instruments issued by the Company with the original terms to maturity of more than ten (10) years and registered with the State Securities Commission of Vietnam to supplement the liquid capital.

Total value of convertible debts used to supplement the liquid capital is capped at 50% of the Company's equity. For convertible debts to equity and registered with the State Securities Commission of Vietnam to supplement the liquid capital, the Company deducts 20% of original value each year during the last five (5) years before maturity/conversion into ordinary shares and deducts 25% of the remaining value for each quarter in the last four (4) quarters before maturity/conversion into ordinary shares.

Phu Hung Securities Corporation

Notes to the Financial Safety Ratio Report as of 31 December 2023 (continued)

Deductions from the Company's liquid capital include the following items:

- Margin deposit value;
- Redeemable preference shares and treasury shares (if any);
- Total value of the downward revaluations of fixed assets in accordance with the prevailing regulations;
- All decreases in the values of investments, financial assets stated at book value, excluding the securities issued by a related organisation of the Company and the securities with the remaining restricted trading period exceeding 90 days at the reporting date;
- Long-term assets and current assets with remaining term to maturity of more than 90 days; and
- Items subject to qualifications in the audited financial statements (if any).

When determining the deductions from liquid capital, the Company deducts from the liquid capital an amount equal to the minimum value of the market value of the assets, the book value and the residual value of the obligations (for the assets used as collaterals for the obligations of the Company and third parties) and the minimum value of (the market value of the collaterals and the book value) (for the assets secured by customers' assets).

(c) Market risk value

Market risk value is the value corresponding to the level of loss which may occur if the market value of assets and assets expected to be owned according to underwriting commitment changes unfavourably. Market risk value is determined in accordance with the requirements of Circular 91 as follows:

$$\text{Market risk value} = \text{Net position} * \text{Asset value} * \text{Market risk coefficient}$$

In which, net position of any securities at a point of time is the quantity of securities currently held by the Company, after deducting the number of securities lent out, the number of securities is hedged by put warrants or futures contracts and adding the number of securities borrowed in accordance with the prevailing regulations.

The market risk value is not determined for following securities and assets:

- Treasury shares;
- Securities issued by a related organisation of the Company;
- Securities with the remaining restricted trading period exceeding 90 days at the reporting date;
- Matured bonds, debt instruments and money market valuable papers; and
- Securities being hedged by put warrants or futures contracts; put warrants and put options contracts are used to hedge the underlying securities.

Phu Hung Securities Corporation
Notes to the Financial Safety Ratio Report as of 31 December 2023 (continued)

(i) Asset value

Asset value is determined in accordance with principles for determining market value in Circular 91 as follows:

No.	Type of asset	Principles for determining market value
Cash and cash equivalents, money market instruments		
1	Cash in VND	Account balance at the reporting date
2	Foreign currencies	Value converted into VND at the exchange rate of credit institutions authorised for trading foreign currencies at the reporting date
3	Term deposits	Deposit amount plus accrued interest at the reporting date
4	Treasury bills, bankdrafts, commercial papers, transferable certificates of deposits, bonds and other discounted money market instruments	Purchase price plus accrued interest at the reporting date
Bonds		
5	Listed bonds	<p>➤ Average quoted price from the Stock Exchange at the latest trading date plus accrued interest (if the quoted price is the clean price)</p> <p>➤ If there was no trading in the two (02) weeks until the reporting date, then market value is the highest value of the followings:</p> <ul style="list-style-type: none"> - Purchase price plus accrued interest; - Par value plus accrued interest; and - Value determined in accordance with the Company's internal methodology, including accrued interest. <p><i>In other words:</i> Max (Purchase price plus accrued interest; Par value plus accrued interest; Value determined in accordance with the Company's internal methodology, including accrued interest).</p>
6	Unlisted bonds	<p>The highest value of the followings:</p> <ul style="list-style-type: none"> - Quoted price (if any) from the quoting system selected by the Company plus accrued interest; - Purchase price plus accrued interest; - Par value plus accrued interest; and - Value determined in accordance with the Company's internal methodology, including accrued interest. <p><i>In other words:</i> Max (Quoted price (if any); Purchase price plus accrued interest; Par value plus accrued interest; Value determined in accordance with the Company's internal methodology, including accrued interest).</p>

Phu Hung Securities Corporation

Notes to the Financial Safety Ratio Report as of 31 December 2023 (continued)

No.	Type of asset	Principles for determining market value
Shares		
7	Shares listed on the Ho Chi Minh City Stock Exchange	<p>➤ Closing price at the latest trading date until the reporting date</p> <p>➤ If there was no trading in the two (02) weeks prior to the reporting date, then the market value is the highest value of the followings:</p> <ul style="list-style-type: none"> - Book value; - Purchase price; and - Value determined in accordance with the Company's internal methodology. <p><i>In other words:</i> Max (Book value; Purchase price; Value determined in accordance with the Company's internal methodology).</p>
8	Shares listed on the Hanoi Stock Exchange	<p>➤ Closing price at the latest trading date until the reporting date</p> <p>➤ If there was no trading in the two (02) weeks prior to the reporting date, then the market value is the highest value of the followings:</p> <ul style="list-style-type: none"> - Book value; - Purchase price; and - Value determined in accordance with the Company's internal methodology. <p><i>In other words:</i> Max (Book value; Purchase price; Value determined in accordance with the Company's internal methodology).</p>
9	Shares of public companies registered for UPCOM trading	<p>➤ Closing price at the latest trading date until the reporting date</p> <p>➤ If there was no trading in the two (02) weeks until the reporting date, then the market value is the highest value of the followings:</p> <ul style="list-style-type: none"> - Book value; - Purchase price; and - Value determined in accordance with the Company's internal methodology. <p><i>In other words:</i> Max (Book value; Purchase price; Value determined in accordance with the Company's internal methodology).</p>

Phu Hung Securities Corporation

Notes to the Financial Safety Ratio Report as of 31 December 2023 (continued)

No.	Type of asset	Principles for determining market value
10	Shares already custodied but not yet listed and not yet registered for trading	<p>➤ Average price from the quoted prices from at least three (03) securities companies which are not related party of the Company at the latest trading date until the reporting date</p> <p>➤ If there were not sufficient quoted prices from three (03) securities companies, then the market value is the highest value of the followings:</p> <ul style="list-style-type: none"> - Quoted prices from securities companies; - Price of the latest period; - Book value; - Purchase price; and - Value determined in accordance with the Company's internal methodology. <p><i>In other words:</i> Max (Quoted prices from securities companies; Price of the latest period; Book value; Purchase price; Value determined in accordance with the Company's internal methodology).</p>
11	Shares for which trading has been suspended or delisted shares or shares with trading cancellation	<p>The highest of the followings:</p> <ul style="list-style-type: none"> - Book value; - Par value; and - Value determined in accordance with the Company's internal methodology. <p><i>In other words:</i> Max (Book value; Par value; Value determined in accordance with the Company's internal methodology).</p>
12	Shares of organisations which are currently being dissolved or bankrupt	<p>80% of the liquidation value of such shares at the latest balance sheet date, or value determined in accordance with the Company's internal methodology.</p>
13	Other shares and capital contribution	<p>The highest of the followings:</p> <ul style="list-style-type: none"> - Book value; - Purchase price/capital contribution amount; and - Value determined in accordance with the Company's internal methodology. <p><i>In other words:</i> Max (Book value; Purchase price/capital contribution amount; Value determined in accordance with the Company's internal methodology).</p>

Phu Hung Securities Corporation
Notes to the Financial Safety Ratio Report as of 31 December 2023 (continued)

No.	Type of asset	Principles for determining market value
Funds/shares of securities investment companies		
14	Closed-end public funds/ETF Fund	<ul style="list-style-type: none"> ➤ Closing price at the latest trading date until the reporting date ➤ If there was no trading in the two weeks until the reporting date, then the latest NAV/fund unit prior to the reporting date
15	Member funds/open-ended funds/shares issued in private placement of securities investment companies	Latest Net asset value per one capital contribution unit/fund certificate/share prior to the reporting date
16	Other cases	Value determined in accordance with the Company's internal valuation methodology
Fixed assets		
17	Land use rights	Value determined by an independent valuation organisation selected by the Company
18	Buildings and structures, including construction in progress	Value determined by an independent valuation organisation selected by the Company/ Accumulated costs of construction in progress
19	Machineries, equipments and motor vehicles etc	Net book value of the asset
20	Other fixed assets	Value determined by an independent valuation organisation selected by the Company
Other securities		
21	Covered warrants issued by other securities business organisations	<ul style="list-style-type: none"> ➤ Closing price at the latest trading date until the reporting date ➤ Purchase price (for unlisted covered warrants)
22	Shares listed on overseas markets	<ul style="list-style-type: none"> ➤ Price (in foreign currency) * exchange rate at the reporting date ➤ Closing price at the latest trading date until the reporting date ➤ If there was no trading in the two (02) weeks until the reporting date, then the market value is the highest value of the followings: <ul style="list-style-type: none"> - Book value; - Purchase price; and - Value determined in accordance with the Company's internal methodology. <p><i>In other words:</i> Max (Book value; Purchase price; Value determined in accordance with the Company's internal methodology).</p>

Phu Hung Securities Corporation

Notes to the Financial Safety Ratio Report as of 31 December 2023 (continued)

(ii) Market risk coefficient

Market risk coefficient is determined for each type of asset in accordance with the requirements of Circular 91 as disclosed in Note 4.

(iii) Increase in market risk value

The market risk values of assets will be increased if the Company significantly invests in such assets, except for secured underwriting securities, government bonds and bonds guaranteed by the government. Market risk value is increased in accordance with the following principles:

- Increase by 10% if the value of investments in shares and bonds of an organisation accounts for from more than 10% to 15% of the Company's equity;
- Increase by 20% if the value of investments in shares and bonds of an organisation accounts for from more than 15% to 25% of the Company's equity; and
- Increase by 30% if the value of investments in shares and bonds of an organisation accounts for more than 25% of the Company's equity.

Dividends, coupons, value of privileged rights of securities (if any) or interest receivables from cash and cash equivalents, transferrable instruments and valuable papers are added to the asset values when determining the market risk value.

(iv) Market risk value of covered warrants in circulation issued by the Company in case of gain:

$$\text{Exposures to market risk} = \text{Max}\{[(P_0 * Q_0/k - P_1 * Q_1) * r - MD], 0\}$$

In which:

P_0 : average closing price of underlying securities in five trading days before the reporting date;

Q_0 : quantity of outstanding covered warrants issued by the Company;

k : conversion ratio;

P_1 : price of underlying securities in accordance with Circular 91 as described in Note 3(c)(i);

Q_1 : quantity of underlying securities used to hedge for the covered warrants issued by the Company;

r : market risk coefficient of covered warrants in accordance with Circular 91 as described in Note 3(c)(i); and

MD : margin deposit value when the Company issued the covered warrants.

Phu Hung Securities Corporation

Notes to the Financial Safety Ratio Report as of 31 December 2023 (continued)

The underlying securities in the above formula shall satisfy the following conditions: being included in the issuance plan or registered with the State Securities Commission of Vietnam on the use of these securities to hedge against the risks of covered warrants; and being the underlying securities of the covered warrants.

In case of loss from covered warrants issued by the Company, the Company shall calculate exposures to market risk of underlying securities from the hedging activities instead of calculate exposures to market risk of the issued covered warrants.

The Company shall calculate the exposure to market risk of positive differences from the value underlying securities of the covered warrants issued by the Company and the required value underlying securities of the covered warrants. The amount required to hedge covered warrants must be correspondence to hedging amount.

(d) Settlement risk value

Settlement risk value is the value corresponding to the level of loss which may occur if a counterparty is unable to settle obligations or transfer assets on time as committed. Settlement risk value is determined at the end of transaction date or contract date as follows:

- Settlement risk value before the due date for payment/transfer of securities is determined in accordance with following principle:

Settlement risk before due date:

$$= \text{Value of the asset with settlement risk} * \text{Settlement risk coefficient by counterparty}$$

The above principle to determine settlement risk value before due date is applicable for following contracts:

- Term deposits at credit institutions, certificates of deposit issued by credit institutions;
 - Securities lending contracts and securities borrowing contracts in compliance with laws;
 - Repurchase agreements in compliance with laws;
 - Reverse repurchase agreements in compliance with laws;
 - Margin loan contracts in compliance with laws;
 - Underwriting contracts signed with other organisations in an underwriting syndicate in the form of a firm undertaking in which the Company is the lead underwriter; and
 - Receivables before due date from customers relating to securities trading activities.
- For underwriting contracts signed with other organisations in an underwriting syndicate in the form of a firm undertaking in which the Company is the lead underwriter, the settlement risk value shall be 30% of the residual value of an underwriting contract for which payment has not been made.

Phu Hung Securities Corporation

Notes to the Financial Safety Ratio Report as of 31 December 2023 (continued)

- Overdue settlement risk value for overdue receivables and securities which are not transferred on time, including securities and cash not yet received from contracts, transactions is determined in accordance with the following principle:

Overdue settlement risk value:

Overdue settlement risk

$$= \text{Value of the asset with settlement risk} * \text{Settlement risk coefficient by overdue status}$$

The above principle to determine overdue settlement risk value is applicable for following contracts, transactions:

- Term deposits at credit institutions, certificates of deposit issued by credit institutions;
 - Securities lending contracts and securities borrowing contracts in compliance with laws;
 - Repurchase agreements in compliance with laws;
 - Reverse repurchase agreements in compliance with laws;
 - Margin loan contracts in compliance with laws;
 - Receivables from customers relating to securities trading activities;
 - Overdue accounts receivable, including matured bonds, valuable papers, debt instruments not yet settled on maturity date; and
 - Assets that are late transferred, including securities in trading activities of the Company and securities of customers in securities brokerage activities.
- For advances with remaining term under 90 days is determined in accordance with the following principle:

Settlement risk

$$= \text{Value of the asset with settlement risk} * \text{Settlement risk coefficient}$$

The value of assets with settlement risk is the total value of advances. The settlement coefficient risk is 8% when the total value of advances accounted for 0% to 5% of equity, and 100% when accounted for over 5% of equity at the reporting date.



Phu Hung Securities Corporation**Notes to the Financial Safety Ratio Report as of 31 December 2023 (continued)****(i) Settlement risk coefficient**

In accordance with the requirements of Circular 91, settlement risk coefficient by counterparty is as follows:

No.	Counterparty	Settlement risk coefficient
1	The Government, issuing organisations guaranteed by the Government and Central banks of countries in OECD, People's committee of provinces and cities under Central authority	0%
2	The Stock Exchanges, Vietnam Securities Depository and Clearing Corporation	0.8%
3	Credit institutions, financial institutions, and securities trading organisations established in countries in OECD and with a credit rating satisfying the internal rules of the Company	3.2%
4	Credit institutions, financial institutions, and securities trading organisations established in countries outside OECD; or established in countries in OECD but with a credit rating not satisfying the internal regulations of the Company	4.8%
5	Credit institutions, financial institutions, securities trading organisations, investment funds, securities companies established and operating in Vietnam	6%
6	Other organisations, individuals and objects	8%

In accordance with the requirements of Circular 91, settlement risk coefficient by overdue status is as follows:

No.	Overdue status	Settlement risk coefficient
1	0 - 15 days after the due date for payment/transfer of securities	16%
2	16 - 30 days after the due date for payment/transfer of securities	32%
3	31 - 60 days after the due date for payment/transfer of securities	48%
4	Above 60 days after the due date for payment/transfer of securities	100%

Time for payment/transfer of securities is in accordance with regulations on derivative securities (for derivative securities), T+2 (for listed securities), T+1 (for listed bonds), or T+n (for transactions agreed outside the trading system).

Phu Hung Securities Corporation**Notes to the Financial Safety Ratio Report as of 31 December 2023 (continued)****(ii) Value of assets with settlement risk**

- *Value of assets with settlement risk in securities borrowing activities, securities lending activities, margin trading activities, and repurchase/reverse repurchase agreements:*

No.	Type of transaction	Value of assets with settlement risk
1	Term deposits, deposit certificates and unsecured loans	Total value of the deposits, deposit certificates and loans
2	Securities lending	Max {(Market value of the contract – Value of collateral assets (if any)), 0}
3	Securities borrowings	Max {(Value of collateral assets – Market value of the contract), 0}
4	Reverse repurchase agreements	Max {(Contract value calculated in accordance with purchase price – Market value of the contract * (1 – Market risk coefficient)), 0}
5	Repurchase agreements	Max {(Market value of the contract * (1 – Market risk coefficient) – Contract value based on the selling price), 0}
6	Margin loans (lending to customers to purchase securities)/Other arrangements with similar nature	Max {(Outstanding loan balance – Value of collateral assets), 0}

Outstanding balance comprises the principal, interest and related fees.

Value of collateral assets is based on the market value. When the market values of collateral assets are not available, market values are determined in accordance with the Company's internal methodology.

- *Value of assets with settlement risk in securities trading activities:*

No.	Time	Value of assets with settlement risk
A. For the sale of securities transactions (seller is the Company or the Company's customers in brokerage activities)		
1	Before the due date for payment	Nil
2	After the due date for payment	Market value of the contract (if the market value is lower than the transaction price)
		Nil (if the market value is higher than the transaction price)
B. For the purchase of securities transactions (buyer is the Company or the Company's customers in brokerage activities)		
1	Before the due date for securities transfer	Nil
2	After the due date for securities transfer	Market value of the contract (if the market value is higher than the transaction price)
		Nil (if the market value is lower than the transaction price)

- *Settlement risk values of overdue accounts receivable, matured bonds and debt instruments are the underlying amounts including par value plus accrued interest and fees, less actual cash previously received, if any.*

Phu Hung Securities Corporation

Notes to the Financial Safety Ratio Report as of 31 December 2023 (continued)

(iii) Deductions from the values of assets with settlement risk

The Company deducts the values of collateral assets received from counterparties or customers from the values of assets with settlement risk when determining the values of assets with settlement risk if the contracts and transactions meet the following criteria:

- The counterparties or customers have collateral assets to secure for their obligations including cash, cash equivalents, valuable papers, transferable money market instruments, listed securities on the Vietnam Stock Exchange and its subsidiary (hereinafter referred to as “VNX”), government bonds, or bonds underwritten by the Ministry of Finance;
- The Company has the right to control, manage, use or transfer the collateral assets if the counterparties or customers fail to settle the obligations according to the contractual schedules.

Value of collateral assets deducted from the value of assets with settlement risk is calculated as follows:

$$\text{Value of collateral assets} = \text{Asset quantity} * \text{Asset value per unit} * (1 - \text{Market risk coefficient})$$

Asset value is determined in accordance with the requirements of Circular 91 as described in Note 3(c)(i).

Market risk coefficient is determined in accordance with the requirements of Circular 91 as described in Note 4.

(iv) Settlement risk value increase

Settlement risk values are increased in the following cases:

- Increase by 10% if the value of term deposits, certificates of deposit, loans, undue receivables, reserve repurchase agreements, repurchase agreements to any organisation or individual and group of related organisations and individuals (if any) accounts for from 10% to 15% of the Company's equity;
- Increase by 20% if the value of term deposits, certificates of deposit, loans, undue receivables, reserve repurchase agreements, repurchase agreements to any organisation or individual and group of related organisations and individuals (if any), accounts for from more than 15% to 25% of the Company's equity; and
- Increase by 30% if the value of term deposits, certificates of deposit, loans, undue receivables, reserve repurchase agreements, repurchase agreements to any organisation or individual and group of related organisations and individuals (if any), or to any individuals and entities related to such individuals (if any), accounts for more than 25% of the Company's equity.

Phu Hung Securities Corporation

Notes to the Financial Safety Ratio Report as of 31 December 2023 (continued)

(v) *Netting off values of assets with settlement risk*

The values of assets with settlement risk are netted off when fully meeting the following conditions:

- The settlement risk is related to the same counterparty;
- The settlement risk arises from the same type of transactions; and
- The netting off is agreed by the parties in writing.

(e) **Operational risk value**

Operational risk value is the value corresponding to the level of loss which may occur due to a technical or system error, human error during the operations, shortage of capital arising from expenses, losses from investment activities, or other reasons.

The operational risk value of the Company is calculated at the higher of 25% of the operating expenses in the latest twelve-month period and 20% of its minimum charter capital for business operations of the Company in accordance with prevailing regulations.

Operating expenses include all costs incurred during the twelve-month period after deducting:

- Depreciation and amortisation expenses;
- Addition/(reversal) of allowance for diminution in the value of short-term financial assets and collaterals;
- Addition/(reversal) of allowance for diminution in the value of long-term financial assets;
- Addition/(reversal) of allowance for doubtful debts;
- Addition/(reversal) of allowance for diminution in value of other short-term assets;
- Expenses from revaluation loss of financial assets at fair value through profit or loss; and
- Interest expenses.

Phu Hung Securities Corporation
Notes to the Financial Safety Ratio Report as of 31 December 2023 (continued)

4. Market risk value

Investment portfolio as of 31 December 2023		Risk coefficient	Risk exposure VND	Risk value VND
		(1)	(2)	(3)=(1)*(2)
I.	Cash and cash equivalents, money market instruments			
1	Cash (VND)	0%	4,036,255	-
2	Cash equivalents	0%	197,012,858,165	-
3	Valuable papers and transferable money market instruments, certificate of deposits	0%	665,143,547,268	-
II.	Government bonds			
4	Zero-coupon Government bonds	0%	-	-
5	Government coupon bonds		-	-
5.1	Government coupon bonds (including public bonds and previously issued and construction bonds), government bonds issued by governments of countries in OECD countries or bonds guaranteed by the government or central bank of countries in OECD countries, and bonds issued by IBRD, ADB, IADB, AFDB, EIB and EBRD, local government bonds	3%	-	-
III.	Credit institutions bonds			
6	Credit institutions bonds with remaining terms to maturity of less than 1 year, including convertible bonds	3%	-	-
	Credit institutions bonds with remaining terms to maturity of 1 year up to 3 years, including convertible bonds	8%	-	-
	Credit institutions bonds with remaining terms to maturity of 3 years up to 5 years, including convertible bonds	10%	-	-
	Credit institutions bonds with remaining terms to maturity of more than 5 years, including convertible bonds	15%	-	-
IV.	Corporate bonds			
7	Listed corporate bonds			
	Listed bonds with remaining terms to maturity of less than 1 year, including convertible bonds	8%	-	-
	Listed bonds with remaining terms to maturity of 1 year up to 3 years, including convertible bonds	10%	-	-
	Listed bonds with remaining terms to maturity of 3 years up to 5 years, including convertible bonds	15%	-	-
	Listed bonds with remaining terms to maturity of more than 5 years, including convertible bonds	20%	-	-

Phu Hung Securities Corporation
Notes to the Financial Safety Ratio Report as of 31 December 2023 (continued)

Investment portfolio as of 31 December 2023		Risk coefficient	Risk exposure VND	Risk value VND
		(1)	(2)	(3)=(1)*(2)
8	Unlisted corporate bonds			
	Unlisted bonds issued by listed companies with remaining term to maturity of less than 1 year, including convertible bonds	15%	-	-
	Unlisted bonds issued by listed companies with remaining terms to maturity of 1 year up to 3 years, including convertible bonds	20%	-	-
	Unlisted bonds issued by listed companies with remaining terms to maturity of 3 years up to 5 years, including convertible bonds	25%	-	-
	Unlisted bonds issued by listed companies with remaining terms to maturity of more than 5 years, including convertible bonds	30%	-	-
	Unlisted bonds issued by other companies with remaining term to maturity of less than 1 year, including convertible bonds	25%	-	-
	Unlisted bonds issued by other companies with remaining terms to maturity of 1 year up to 3 years, including convertible bonds	30%	-	-
	Unlisted bonds issued by other companies with remaining terms to maturity of 3 years up to 5 years, including convertible bonds	35%	-	-
	Unlisted bonds issued by other companies with remaining terms to maturity of more than 5 years, including convertible bonds	40%	-	-
IV.	Shares			
9	Ordinary shares and preference shares of companies listed on the Ho Chi Minh City Stock Exchange; fund certificates of open-ended funds	10%	13,197,669,708	1,319,766,971
10	Ordinary shares and preference shares of companies listed on the Hanoi Stock Exchange	15%	588,579,400	88,286,910
11	Ordinary shares and preference shares of unlisted public companies registered for UPCOM trading	20%	27,689,899	5,537,980
12	Ordinary shares and preference shares of public companies which have been registered for depository, but have not been listed or not yet registered for trading; shares of Initial Public Offerings (IPO)	30%	-	-
13	Shares of other public companies	50%	-	-

Phu Hung Securities Corporation
Notes to the Financial Safety Ratio Report as of 31 December 2023 (continued)

Investment portfolio as of 31 December 2023		Risk coefficient	Risk exposure VND	Risk value VND
		(1)	(2)	(3)=(1)*(2)
V.	Securities investment fund certificates			
14	Public Funds, including public investment companies	10%	51,063,547,139	5,106,354,714
15	Member Funds, separate investment companies	30%	-	-
VI.	Securities restricted for trading			
16	Unlisted securities of public companies are warned due to the delay in disclosing information on audited financial statements according to regulations	30%	-	-
17	Warning listed securities	20%	-	-
18	Under control listed securities	25%	-	-
19	Temporary stop-trading securities	40%	-	-
20	Securities with delisting or trading cancellation	80%	15,046,527	12,037,222
VII.	Derivative securities			
21	Futures contracts on stock index	8%	-	-
	Calculation method: Risk value = Max {((Settlement value of closing day - value of purchased securities to secure settlement obligation of future contracts) * market risk coefficient of future contracts - Margin deposit value (contribution to clearing fund for open positions of securities companies)), 0}. Settlement value of closing day = Closing settlement price * open volume.			
22	Futures contracts on government bonds	3%	-	-
VIII.	Other securities			
23	Shares listed in foreign markets are belong to standard index	25%	-	-
24	Shares listed in foreign markets are not belong to standard index	100%	-	-
25	Covered warrants listed on the Ho Chi Minh City Stock Exchange	8%	-	-
26	Covered warrants listed on the Hanoi Stock Exchange	10%	-	-
27	Securities and bonds of non-public companies that do not have the latest audited financial statements or have audited financial statements with qualified, adverse or disclaimer audit opinion	100%	-	-
28	Shares, capital contributions and other securities	80%	-	-

Phu Hung Securities Corporation

Notes to the Financial Safety Ratio Report as of 31 December 2023 (continued)

Investment portfolio as of 31 December 2023		Risk coefficient	Risk exposure VND	Risk value VND
		(1)	(2)	(3)=(1)*(2)
29	Covered warrants issued by securities companies		-	-
	Calculation method: Exposures to market risk = $\text{Max} \{[(P0 * Q0 / k - P1 * Q1) * r - MD], 0\}$			
30	Securities formed from risk hedging activities for covered warrants issued by securities companies (in case of covered warrants are not at gains)	10%	-	-
31	The positive difference between the value of underlying securities used for hedging risks and the value of underlying securities necessary to hedge risks for covered warrants	10%	-	-
IX.	Increased risks (if any)			-
TOTAL MARKET RISK (I+II+III+IV+V+VI+VII+VIII+IX)				6,531,983,797

Phu Hung Securities Corporation
Notes to the Financial Safety Ratio Report as of 31 December 2023 (continued)

5. Settlement risk value

I. Settlement risk before due date as of 31 December 2023

No.	Type of transaction	Risk coefficient (%)	Risk value (VND)						Total risk value (VND)
			0%	0.8%	3.2%	4.8%	6.0%	8.0%	
			(1)	(2)	(3)	(4)	(5)	(6)	
1	Term deposits, certificates of deposit and unsecured loans, and receivables from the securities trading and securities services and other items bore settlement risk (i)		-	16,633,224	-	-	46,247,190,341	206,078,736	46,469,902,301
2	Financial asset loans/other economic contracts of a similar nature		-	-	-	-	-	-	-
3	Financial asset borrowings/other economic contracts of a similar nature		-	-	-	-	-	-	-
4	Reverse repurchase agreements/other economic contracts of a similar nature		-	-	-	-	-	-	-
5	Repurchase agreements/other economic contracts of a similar nature		-	-	-	-	-	-	-
	Total settlement risk before due date								46,469,902,301

II. Overdue settlement risk as of 31 December 2023

No.	Overdue status	Risk coefficient (%)	Risk exposure (VND)	Risk value (VND)
1	0 - 15 days after the due date for payment/transfer of securities	16%	-	-
2	16 - 30 days after the due date for payment/transfer of securities	32%	-	-
3	31 - 60 days after the due date for payment/transfer of securities	48%	-	-
4	Above 60 days after the due date for payment/transfer of securities	100%	61,292,217,188	61,292,217,188
	Total overdue settlement risk			61,292,217,188

Phu Hung Securities Corporation

Notes to the Financial Safety Ratio Report as of 31 December 2023 (continued)

III. Settlement risk from advances, other contract and transactions as of 31 December 2023

No.	Description	Risk coefficient (%)	Risk exposure (VND)	Risk value (VND)
1	Other contracts and transactions	100%	-	-
2	Advances with the remaining repayment period of less than 90 days account for more than 5% of equity	100%	-	-
3	Advances with the remaining repayment period of less than 90 days account for 0% to 5% of equity	8%	162,595,400	13,007,632
	Total settlement risk from advances, other contract and transactions			13,007,632

IV. Other increased risks (if any) as of 31 December 2023

No.	Other increased risks	Increased amount (%)	Risk Coefficient (%)	Risk exposure VND	Risk value VND
1	Orient Commercial Joint Stock Bank	20%	6%	307,391,328,767	3,688,695,945
	Total increased risks				3,688,695,945
TOTAL SETTLEMENT RISK (I+II+III+IV)					111,463,823,066

- (1) Settlement risk value applicable to the Government, issuing organisations guaranteed by the Government or the Ministry of Finance, the State Bank of Vietnam, governments and central banks of OECD countries, people's committees of provinces and cities under central authority;
- (2) Settlement risk value applicable to the Stock Exchanges, Vietnam Securities Depository and Clearing Corporation;
- (3) Settlement risk value applicable to credit institutions, financial institutions, and securities companies established in OECD countries have a credit rating that satisfy internal regulation of the Company;
- (4) Settlement risk value applicable to credit institutions, financial institutions, and securities trading organisations established outside OECD; or established in countries in OECD but with a credit rating not satisfying the internal regulations of the Company;
- (5) Settlement risk value applicable to credit institutions, financial institutions, investment funds and securities companies established and operating in Vietnam;
- (6) Settlement risk value applicable to other organisations, individuals and objects.

Phu Hung Securities Corporation
Notes to the Financial Safety Ratio Report as of 31 December 2023 (continued)

- (i) Term deposits, certificate of deposits and unsecured loans, and receivables from the securities trading and securities services includes the followings:

	Risk exposure VND	Settlement risk coefficient %	Risk value VND
Term deposits at banks	747,663,611,207	6%	44,859,816,672
Interest receivables from term deposits at banks	23,122,894,468	6%	1,387,373,669
Interest receivables from deposits at Payment Support Fund	615,338,844	0.8%	4,922,711
Other receivables from interest receivables from settlement deposits	1,844,162	0.8%	14,753
Receivables from securities transaction	1,461,969,950	0.8%	11,695,760
Receivables from securities brokerage	491,051,396	8%	39,284,112
Receivables from securities custody	1,770,230,617	8%	141,618,449
Other receivables	314,702,193	8%	25,176,175
			46,469,902,301

6. Operational risk value

No.	Items	2023 VND
I.	Total operating expenses for twelve-month period ended 31 December 2023	543,440,152,829
II.	Deductions from total operating expenses	174,915,765,911
	1. Depreciation and amortisation expenses	8,862,034,251
	2. Expenses of allowance for diminution in the value of short-term financial assets and collaterals	17,390,111,654
	3. Expenses of allowance for doubtful debts	(559,447,607)
	4. Gains from revaluation of financial assets at fair value through profit or loss	97,310,158
	5. Interest expenses	149,125,757,455
III.	Total expenses after deductions (III = I – II)	368,524,386,918
IV.	25 % of total expenses after deductions (IV = 25 % III)	92,131,096,730
V.	20% of minimum charter capital of business operations of the Company	180,000,000,000
	TOTAL OPERATIONAL RISK (=Max {IV, V})	180,000,000,000

Phu Hung Securities Corporation
Notes to the Financial Safety Ratio Report as of 31 December 2023 (continued)

7. Liquid capital

No.	Items	Liquid capital as of 31 December 2023		
		Liquid capital VND	Deductions VND	Additions VND
A.	Equity			
1	Share capital, excluding redeemable preference shares (if any)	1,500,098,190,000		
2	Capital surplus, excluding redeemable preference shares (if any)	-		
3	Treasury shares	(1,185,000)		
4	Convertible bonds options - Capital component	-		
5	Other capital	-		
6	Differences on revaluation of assets at fair value	-		
7	Reserve to supplement charter capital	12,064,998,139		
8	Financial reserve and operational risk fund	-		
9	Other equity funds	-		
10	Retained profits after tax (i)	97,653,116,298		
11	Allowance for diminution in value of financial assets	37,445,198,459		
12	Differences on revaluation of fixed assets	-		
13	Foreign exchange differences	-		
14	Convertible debts			-
15	Total reductions or increases in securities included in financial investments (ii)	-	867,905,478	3,045,332,452
16	Other capital (if any)	-		
1A	Sub-total			1,649,437,744,870
I	Financial assets			
1	Cash and cash equivalents			
2	Financial assets at fair value through profit or loss (FVTPL)			
	- Securities with potential market risks			
	- Securities deducted from liquid capital			-

Phu Hung Securities Corporation

Notes to the Financial Safety Ratio Report as of 31 December 2023 (continued)

No.	Items	Liquid capital as of 31 December 2023		
		Liquid capital VND	Deductions VND	Additions VND
3	Held-to-maturity investments (HTM)			
	- Securities with potential market risks			
	- Securities deducted from liquid capital		-	
4	Loans			
5	Available-for-sale financial assets (AFS)			
	- Securities with potential market risks			
	- Securities deducted from liquid capital		-	
6	Allowance for diminution in value of financial assets			
7	Receivables (from sale of financial assets, receivables and dividends and interest receivables from financial assets)			
	- Receivables with remaining term to maturity of 90 days or less			
	- Receivables with remaining term to maturity of more than 90 days		-	
8	Undistributed covered warrants			
9	Underlying security for hedging purpose when issue of covered warrants			
10	Receivables from services rendered			
	- Receivables with remaining term to maturity of 90 days or less			
	- Receivables with remaining term to maturity of more than 90 days		-	
11	Internal receivables			
	- Internal receivables with remaining term to maturity of 90 days or less			
	- Internal receivables with remaining term to maturity of more than 90 days		-	
12	Receivables from securities trading errors			
	- Receivables with remaining term to maturity of 90 days or less			
	- Receivables with remaining term to maturity of more than 90 days		-	

Phu Hung Securities Corporation
Notes to the Financial Safety Ratio Report as of 31 December 2023 (continued)

No.	Items	Liquid capital as of 31 December 2023		
		Liquid capital VND	Deductions VND	Additions VND
13	Other receivables			
	- Other receivables with remaining term to maturity of 90 days or less			
	- Other receivables remaining term to maturity of more than 90 days		-	
14	Allowance for diminution in value of receivables			
II	Other short-term assets			
1	Advances			
	- Advances with remaining term to maturity of 90 days or less			
	- Advances remaining term to maturity of more than 90 days		-	
2	Office tools and supplies		-	
3	Short-term prepaid expenses		4,497,303,469	
4	Short-term mortgage, collaterals and deposits		-	
5	Deductible VAT		-	
6	Taxes and other receivables from the State		-	
7	Other short-term assets		7,108,023,307	
8	Allowances for diminution in value of other short-term assets			
1B	Sub-total			11,605,326,776
I	Long-term financial assets			
1	Long-term receivables		-	
2	Investments		-	
2.1	Held-to-maturity investments (HTM)			
	- Securities with potential market risks			
	- Securities deducted from liquid capital		-	
2.2	Investments in subsidiaries		-	
2.3	Other long-term investments		-	
II	Fixed assets		23,745,314,509	
III	Investment properties		-	
IV	Construction in progress		-	
V	Other long-term assets			
1	Long-term mortgage, collaterals and deposits		5,637,869,733	
2	Long-term prepaid expenses		18,287,789,360	

Phu Hung Securities Corporation
Notes to the Financial Safety Ratio Report as of 31 December 2023 (continued)

No.	Items	Liquid capital as of 31 December 2023		
		Liquid capital VND	Deductions VND	Additions VND
3	Deferred tax assets		6,591,125,211	
4	Deposits at Payment Support Fund		16,964,116,068	
5	Other long-term assets		10,059,454,943	
VI	Allowances for diminution in value of long-term assets			
	Asset items subject to qualification, adverse opinion or disclaimer in audited/reviewed financial statements but not yet calculated as deductions pursuant to Article 5		-	
1C	Sub-total			81,285,669,824
1	Deposit amount			
1.1	Contribution value to Payment Support Fund of the Vietnam Securities Depository and Clearing Corporation		-	
1.2	Contribution value to Clearing Fund of the central payment partner for the open position of the clearing members		-	
1.3	Cash deposit and bank's payment guarantee when issue of covered warrants		12,799,528,769	
2	The value of the collateral for liabilities has remaining term of more than 90 days		-	
1D	Sub-total			12,799,528,769
LIQUID CAPITAL = 1A-1B-1C-1D				1,543,747,219,501

- (i) **Retained profits after tax excluding allowances and provisions in accordance with the prevailing regulations:**

	31/12/2023 VND
Retained profits	99,830,543,272
Adjust for:	
1. Revaluation losses of financial assets at FVTPL	867,905,478
2. Revaluation gains of financial assets at FVTPL	(3,045,332,452)
	97,653,116,298

Phu Hung Securities Corporation
Notes to the Financial Safety Ratio Report as of 31 December 2023 (continued)

(ii) Additions and deductions relating to financial investments

Details of deductions and additions relating to financial investments which were adjusted from the liquid capital as of 31 December 2023 are as follows:

	Cost VND	Market value VND	Difference VND
Additions			
Financial assets at FVTPL			
<i>Listed shares</i>	28,792,748,247	30,774,533,560	1,981,785,313
<i>Fund certificate</i>	50,000,000,000	51,063,547,139	1,063,547,139
<i>Unlisted shares</i>	15,046,527	15,046,527	-
	78,807,794,774	81,853,127,226	3,045,332,452
Deductions			
Financial assets at FVTPL			
<i>Listed shares</i>	9,432,302,815	8,753,665,548	(678,637,267)
Financial liabilities at FVTPL			
<i>Covered warrant</i>	9,597,372,211	9,408,104,000	(189,268,211)
	19,029,675,026	18,161,769,548	(867,905,478)

4 March 2024

Prepared by:



Ms. Do Thi Ai Vy
Chief Accountant



Mr. Nguyen Hoang Thanh Sang
Head of Internal Control Division



Approved by:



Mr. Chen Chia Ken
General Director



