

**PHU HUNG SECURITIES  
CORPORATION**

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

No: 216/2023/PHS-PL

*Re: Disclosure of information on Reviewed Semi-  
Annual Financial Statement for 2023 and  
Financial Safety Ratio Report as of June 30<sup>th</sup>,  
2023*

*Ho Chi Minh City, 31 July 2023*

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

**To:**

- **STATE SECURITIES COMMISSION;**
- **VIETNAM EXCHANGE;**
- **HA NOI STOCK EXCHANGE;**
- **NATIONAL FINANCIAL SUPERVISORY COMMISSION.**

1. Name: **PHU HUNG SECURITIES CORPORATION (PHS)**
2. Headquarters: 21<sup>st</sup> 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:**

According to Circular 96/2020/TT-BTC on guidance for information disclosure on securities market, PHS sincerely discloses information on Reviewed the Interim Financial Statement for six-month period ended June 30<sup>th</sup>, 2023 (“Semi-Annual Financial Statement for 2023”) and Financial Safety Ratio Report as of June 30<sup>th</sup>, 2023, as follows:

- 6.1 Semi-Annual Financial Statement for 2023 of Phu Hung Securities Corporation is reviewed on July 28<sup>th</sup>, 2023, including:
  - a. Statement of financial position as at June 30<sup>th</sup>, 2023;
  - b. Statement of income for six-month period ended June 30<sup>th</sup>, 2023;
  - c. Statement of cash flows (Indirect method) for six-month period ended June 30<sup>th</sup>, 2023;

d. Statement of changes in owner's equity for six-month period ended June 30<sup>th</sup>, 2023;

e. Notes to the financial statements for six-month period ended June 30<sup>th</sup>, 2023.

6.2 Explanation: The profit after corporate income tax as mentioned in the income statement of disclosed period change from 10% or more compared with the same period of last year.

According to statement of income, Semi-Annual Financial Statement for 2023 profit after corporate income tax is VND 37 billion (decreased 18%) in comparison with Semi-Annual Financial Statement for 2022. The reasons are:

- a. Total revenue decreased VND 16.5 billion (5.6%), in which operating revenue decreased VND 41.3 billion, revenue from financial operating increased VND 24.9 billion and other income decreased VND 0.1 billion.
- b. Total expenses decreased VND 8.5 billion (3.4%), in which operating expenses decreased VND 32.2 billion, general and administration expenses increased VND 3 billion, financial expenses increased VND 22 billion, other expenses increased VND 0.6 billion and corporate income tax expense decreased VND 1.9 billion.

6.3 Reviewed Financial Safety Ratio Report as of June 30<sup>th</sup>, 2023.

7. **Link for the entire Reviewed Semi-Annual Financial Statement for 2023 and Financial Safety Ratio Report as of June 30<sup>th</sup>, 2023:** <https://www.phs.vn> (Section of About PHS/Shareholder relation).

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

**Attachments:**

1. The reviewed Semi-Annual Financial Statement for 2023;
2. The reviewed Financial Safety Ratio Report as of June 30<sup>th</sup>, 2023.

**Recipient:**

- As above;
- Archive at Legal Division.

PERSON TO IMPLEMENT  
DISCLOSURE OF INFORMATION <sup>nh</sup>



MR. CHEN CHIA KEN



**Phu Hung Securities Corporation**

Interim financial statements  
for the six-month period ended 30 June 2023

**Phu Hung Securities Corporation  
Corporate Information**

<b>Establishment and Operation Licence No.</b>	122/GP-UBCK	20 January 2016
	18/GPDC-UBCK	22 June 2016
	23/GPDC-UBCK	25 July 2016
	03/GPDC-UBCK	23 January 2017
	03/GPDC-UBCK	11 January 2018
	100/GPDC-UBCK	29 November 2018
	107/GPDC-UBCK	26 December 2018
	47/GPDC-UBCK	21 August 2019
	12/GPDC-UBCK	4 March 2020
	03/GCN-UBCK	16 June 2020
	04/GCN-UBCK	16 June 2020
	48/GPDC-UBCK	24 June 2021
	82/GPDC-UBCK	28 September 2021
	57/GCN-UBCK	31 December 2021
	79/GPDC-UBCK	29 August 2022
	110/GPDC-UBCK	10 November 2022

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

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

<b>Board of Directors</b>	Mr. Albert Kwang-Chin Ting	Chairman
	Mr. Nguyen Doan Hung	Member
	Mr. Wu, Jin-Jeng	Member
	Mr. Chen Chia Ken	Member
	Ms. Liu, Hsiu-Mei	Independent Member

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

<b>Board of Management</b>	Mr. Chen Chia Ken	General Director
	Ms. Pham Thi Thu Nhan	Deputy General Director
	Mr. Li, Hsin-Hsien	Deputy General Director

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

**Registered offices**

<b>Head Office</b>	21 <sup>st</sup> Floor, Phu My Hung Tower 8 Hoang Van Thai Street Tan Phu Ward, District 7 Ho Chi Minh City, Vietnam
<b>Phu My Hung Transaction Office</b>	Ground Floor, CR2-08 107 Ton Dat Tien Street Tan Phu Ward, District 7 Ho Chi Minh City, Vietnam
<b>District 3 Branch</b>	04 <sup>th</sup> & 05 <sup>th</sup> Floor 458 Nguyen Thi Minh Khai Street Ward 2, District 3 Ho Chi Minh City, Vietnam
<b>Tan Binh Branch</b>	Park Legend Buildings 251 Hoang Van Thu Street Ward 2, Tan Binh District Ho Chi Minh City, Vietnam
<b>Hanoi Branch</b>	5 <sup>th</sup> Floor, Vinafor Building 127 Lo Duc Street Dong Mac Ward, Hai Ba Trung District Hanoi, Vietnam
<b>Thanh Xuan Branch</b>	5 <sup>th</sup> Floor, Udic Complex Building N04 Hoang Dao Thuy Street Trung Hoa Ward, Cau Giay District Hanoi, Vietnam
<b>Hai Phong Branch</b>	2 <sup>nd</sup> Floor, Eliteco Building 18 Tran Hung Dao Street Hoang Van Thu Ward, Hong Bang District Hai Phong City, Vietnam
<b>District 1 Branch</b>	Room 1003A, 10 <sup>th</sup> Floor 81-83-83B-85 Ham Nghi Street Nguyen Thai Binh Ward, District 1 Ho Chi Minh City, Vietnam
<b>Auditor</b>	KPMG Limited Vietnam

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

The Board of Management of Phu Hung Securities Corporation (“the Company”) presents this statement and the accompanying interim financial statements of the Company for the six-month period ended 30 June 2023.

The Company’s Board of Management is responsible for the preparation and fair presentation of the interim 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 interim financial reporting. In the opinion of the Board of Management:

- (a) the interim financial statements set out on pages 6 to 64 give a true and fair view of the financial position of the Company as at 30 June 2023, and of its results of operations and its cash flows for the six-month period 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 interim 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 interim financial statements for issue.



On behalf of the Board of Management

Mr. Chen Chia Ken  
*General Director*

Ho Chi Minh City, 28 July 2023



KPMG Limited Branch  
10th Floor, Sun Wah Tower  
115 Nguyen Hue Street, Ben Nghe Ward  
District 1, Ho Chi Minh City, Vietnam  
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## INTERIM FINANCIAL STATEMENTS REVIEW REPORT

### To the Shareholders Phu Hung Securities Corporation

We have reviewed the accompanying interim financial statements of Phu Hung Securities Corporation ("the Company"), which comprise the statement of financial position as at 30 June 2023, the statements of income, cash flows and changes in equity for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management on 28 July 2023, as set out on pages 6 to 64.

### Management's Responsibility

The Company's Board of Management is responsible for the preparation and fair presentation of these interim 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 interim financial reporting, and for such internal control as the Board of Management determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on these interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review engagements No. 2410 – *Review of interim financial information performed by the independent auditor of the entity*.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



## Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view, in all material respects, of the financial position of Phu Hung Securities Corporation as at 30 June 2023 and of its results of operations and its cash flows for the six-month period 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 interim financial reporting.

### KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Review Report No.: 23-01-00343-23-1



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

Ho Chi Minh City, 28 July 2023



Pham Huy Cuong  
Practicing Auditor Registration  
Certificate No. 2675-2019-007-1



**Phu Hung Securities Corporation**  
**Statement of financial position as at 30 June 2023**

**Form B01a – CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC*  
*dated 27 December 2016 of the Ministry of Finance)*

	Code	Note	30/6/2023 VND	31/12/2022 VND	
<b>ASSETS</b>					
<b>A</b>	<b>CURRENT ASSETS</b> (100 = 110 + 130)	<b>100</b>	<b>3,927,735,808,959</b>	<b>3,594,952,135,875</b>	
<b>I</b>	<b>Financial assets</b>	<b>110</b>	<b>3,922,636,872,235</b>	<b>3,591,804,899,063</b>	
1	Cash and cash equivalents	111	5	106,231,644,810	763,880,564,438
1.1	<i>Cash</i>	111.1		64,798,494,125	55,080,564,438
1.2	<i>Cash equivalents</i>	111.2		41,433,150,685	708,800,000,000
2	Financial assets at fair value through profit or loss (“FVTPL”)	112	7(a)	24,669,135,457	6,715,109,065
3	Held-to-maturity investments	113	7(b)	844,223,000,000	768,313,246,576
4	Loans receivable	114	7(c)	2,815,925,340,571	1,991,637,329,285
6	Allowance for diminution in value of financial assets	116	11(a)	(17,386,163,573)	(13,161,395,486)
7	Receivables	117	8	81,029,777,041	57,343,194,800
7.2	<i>Dividends and interest receivables from financial assets</i>	117.2		81,029,777,041	57,343,194,800
8	Prepayments to suppliers	118		759,930,255	1,699,892,844
9	Receivables from services rendered	119	9	61,517,544,463	9,823,664,112
12	Other receivables	122	10	13,440,510,080	13,006,432,355
13	Allowance for doubtful debts	129	11(b)	(7,773,846,869)	(7,453,138,926)
<b>II</b>	<b>Other current assets</b>	<b>130</b>		<b>5,098,936,724</b>	<b>3,147,236,812</b>
1	Advances	131		254,264,600	98,000,000
3	Short-term prepaid expenses	133	12(a)	4,844,672,124	3,049,236,812
<b>B</b>	<b>LONG-TERM ASSETS</b> (200 = 220 + 240 + 250)	<b>200</b>		<b>85,148,194,919</b>	<b>81,271,404,320</b>
<b>II</b>	<b>Fixed assets</b>	<b>220</b>		<b>26,753,300,705</b>	<b>30,020,996,970</b>
1	Tangible fixed assets	221	13	15,592,747,682	17,836,383,954
	<i>Cost</i>	222		46,354,429,592	46,081,175,822
	<i>Accumulated depreciation</i>	223a		(30,761,681,910)	(28,244,791,868)
3	Intangible fixed assets	227	14	11,160,553,023	12,184,613,016
	<i>Cost</i>	228		25,751,616,400	25,271,616,400
	<i>Accumulated amortisation</i>	229a		(14,591,063,377)	(13,087,003,384)
<b>IV</b>	<b>Construction in progress</b>	<b>240</b>	<b>15</b>	<b>3,014,972,163</b>	<b>1,633,369,056</b>
<b>V</b>	<b>Other long-term assets</b>	<b>250</b>		<b>55,379,922,051</b>	<b>49,617,038,294</b>
1	Long-term deposits	251	16	5,247,973,150	4,624,178,350
2	Long-term prepaid expenses	252	12(b)	18,467,775,469	16,785,221,733
3	Deferred tax assets	253	17	4,650,864,080	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	10,049,193,284	10,039,238,233
	<b>TOTAL ASSETS</b> (270 = 100 + 200)	<b>270</b>		<b>4,012,884,003,878</b>	<b>3,676,223,540,195</b>

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

**Phu Hung Securities Corporation**  
**Statement of financial position as at 30 June 2023 (continued)**

**Form B01a – CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC  
dated 27 December 2016 of the Ministry of Finance)*

	Code	Note	30/6/2023 VND	31/12/2022 VND
<b>C</b>	<b>LIABILITIES</b>			
	<b>(300 = 310 + 340)</b>	<b>300</b>	<b>2,378,370,941,710</b>	<b>2,078,779,920,986</b>
<b>I</b>	<b>Current liabilities</b>	<b>310</b>	<b>2,376,322,963,305</b>	<b>2,076,799,906,542</b>
1	Short-term borrowings and finance lease liabilities	311	1,997,270,000,000	1,833,020,000,000
1.1	Short-term borrowings	312	20	1,997,270,000,000
6	Accounts payable for securities trading activities	318	21	334,263,252,362
8	Accounts payable to suppliers	320		66,250,082
10	Taxes payable to State Treasury	322	22	13,414,517,664
11	Payables to employees	323		6,146,000
12	Employees' benefits payable	324		375,833,773
13	Accrued expenses	325	23	21,373,056,844
15	Unearned revenue	327		36,363,637
17	Other payables	329	24	9,517,542,943
				9,474,453,593
<b>II</b>	<b>Long-term liabilities</b>	<b>340</b>	<b>2,047,978,405</b>	<b>1,980,014,444</b>
12	Provisions – long-term	354		2,047,978,405
				1,980,014,444
<b>D</b>	<b>EQUITY (400 = 410)</b>	<b>400</b>	<b>1,634,513,062,168</b>	<b>1,597,443,619,209</b>
<b>I</b>	<b>Owners' equity</b>	<b>410</b>	<b>1,634,513,062,168</b>	<b>1,597,443,619,209</b>
1	Share capital	411	25	1,500,097,005,000
1.1	Share capital	411.1		1,500,098,190,000
1.5	Treasury shares	411.5		(1,185,000)
4	Reserve to supplement share capital	414		12,064,998,139
5	Financial reserve	415		-
7	Retained profits	417		122,351,059,029
7.1	Realised profits	417.1		101,434,116,040
7.2	Unrealised profits	417.2		20,916,942,989
				73,216,617,931
				24,115,514,543
				49,101,103,388
	<b>TOTAL LIABILITIES AND EQUITY (440 = 300 + 400)</b>	<b>440</b>	<b>4,012,884,003,878</b>	<b>3,676,223,540,195</b>

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

**Phu Hung Securities Corporation**  
**Statement of financial position as at 30 June 2023 (continued)**

**Form B01a – CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC*  
*dated 27 December 2016 of the Ministry of Finance)*

**OFF-BALANCE SHEET ITEMS**

	Code	30/6/2023 VND	31/12/2022 VND
<b>A. THE COMPANY'S ASSETS</b>			
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	14,292,680,000	1,313,540,000
9 The Company's financial assets custodied at VSD but not yet traded	009	2,500,000	2,500,000
10 The Company's financial assets in transit	010	852,200,000	57,000,000
13 The Company's right to receive financial assets	013	41,080,000	6,710,000
14. Covered warrants (quantity)	014	8,731,300	-
<b>B. ASSETS AND LIABILITIES RELATING TO ASSETS MANAGED BY THE COMPANY</b>			
1 Investors'/customers' listed/registered financial assets at VSD	021	8,033,089,820,000	6,855,539,762,000
<i>a Freely traded financial assets</i>	<i>021.1</i>	<i>7,191,961,830,000</i>	<i>6,168,361,102,000</i>
<i>b Financial assets restricted on transfer</i>	<i>021.2</i>	<i>133,926,570,000</i>	<i>109,765,880,000</i>
<i>c Pledged financial assets</i>	<i>021.3</i>	<i>228,667,990,000</i>	<i>203,667,990,000</i>
<i>d Blocked financial assets</i>	<i>021.4</i>	<i>308,993,160,000</i>	<i>308,993,160,000</i>
<i>e Financial assets awaiting settlement</i>	<i>021.5</i>	<i>169,540,270,000</i>	<i>64,751,630,000</i>
2 Investors'/customers' financial assets custodied at VSD but not yet traded	022	607,365,180,000	606,584,450,000
<i>a Freely traded financial assets custodied at VSD but not yet traded</i>	<i>022.1</i>	<i>116,065,180,000</i>	<i>96,265,250,000</i>
<i>b Custodied financial assets at VSD but not yet traded and restricted on transfer</i>	<i>022.2</i>	<i>491,300,000,000</i>	<i>510,319,200,000</i>
3 Investors'/customers' financial assets in transit	023	148,529,810,000	97,802,768,000
6 Investors'/customers' rights to receive financial assets	025	88,465,870,000	6,480,280,000
7 Customers' deposits	026	583,058,688,823	486,676,329,967
7.1 Customers' cash deposits managed by the Company for securities transactions	027	271,622,372,166	219,474,250,558
7.2 Customers' margin deposits at VSD	027.1	311,436,316,657	267,202,079,409

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

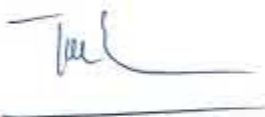
**Phu Hung Securities Corporation**  
**Statement of financial position as at 30 June 2023 (continued)**

**Form B01a – CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)*

	Code	30/6/2023 VND	31/12/2022 VND
8 Payables to customers for cash deposits managed by the Company for securities transactions	031	271,622,372,166	219,474,250,558
8.1 Payables to domestic customers for cash deposits managed by the Company for securities transactions	031.1	265,053,661,130	201,859,275,797
8.2 Payables to foreign customers for cash deposits managed by the Company for securities transactions	031.2	6,568,711,036	17,614,974,761

28 July 2023

Prepared by:



Ms. Nguyen Phuong Trinh  
Accountant

Reviewed by:



Ms. Do Thi Ai Vy  
Chief Accountant



Mr. Chen Chia Ken  
General Director

**Phu Hung Securities Corporation**  
**Statement of income for the six-month period ended 30 June 2023**

**Form B02a – CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC*  
*dated 27 December 2016 of the Ministry of Finance)*

				<b>Six-month period ended</b>	
		<b>Code</b>	<b>Note</b>	<b>30/6/2023</b>	<b>30/6/2022</b>
				<b>VND</b>	<b>VND</b>
<b>I</b>	<b>OPERATING INCOME</b>				
1.1	Gains from financial assets at fair value through profit or loss (“FVTPL”)	01		1,690,134,578	1,109,243,508
<i>a</i>	<i>Gains from sales of financial assets at FVTPL</i>	<i>01.1</i>	<i>26</i>	<i>644,201,745</i>	<i>2,487,661,438</i>
<i>b</i>	<i>Unrealised gains/(losses) from revaluation of financial assets at FVTPL</i>	<i>01.2</i>		<i>915,699,953</i>	<i>(1,499,200,715)</i>
<i>c</i>	<i>Dividends and interest income from financial assets at FVTPL</i>	<i>01.3</i>		<i>130,232,880</i>	<i>120,782,785</i>
1.2	Interest income from held-to-maturity investments	02	27	42,433,566,506	19,730,021,723
1.3	Interest income from loans and receivables	03	28	140,760,903,063	156,244,424,237
1.6	Revenue from securities brokerage	06		60,086,773,280	109,594,631,820
1.9	Revenue from securities custody	09		2,555,331,264	1,706,252,266
1.10	Revenue from advisory services	10		-	390,161,616
1.11	Other operating income	11		425,098,558	486,738,291
	<b>Total operating income</b>	<b>20</b>		<b>247,951,807,249</b>	<b>289,261,473,461</b>
<b>II</b>	<b>OPERATING EXPENSES</b>				
2.1	Losses from financial assets at FVTPL	21		376,991,206	4,745,707,631
<i>a</i>	<i>Losses from sales of financial assets at FVTPL</i>	<i>21.1</i>	<i>26</i>	<i>332,130,854</i>	<i>3,048,704,022</i>
<i>b</i>	<i>Unrealised (gains)/losses from revaluation of financial assets at FVTPL</i>	<i>21.2</i>		<i>(2,945,411)</i>	<i>1,697,003,609</i>
<i>d</i>	<i>Losses from revaluation outstanding amount of covered warrants payables</i>	<i>21.4</i>		<i>47,805,763</i>	<i>-</i>
2.4	Allowance made/(reversed) for loans receivable	24	11(a)	4,224,768,087	(500,000,000)
2.6	Expenses for securities trading and investments	26		1,434,559,266	1,344,389,188
2.7	Expenses for securities brokerage	27	29	72,532,543,247	106,000,832,211
2.10	Expenses for securities custody	30		2,795,652,124	1,991,244,386
2.11	Expenses for advisory services	31		606,931,064	941,330,886
2.12	Other operating expenses/(income)	32	11(b)	320,707,943	(64,873,237)
	<b>Total operating expenses</b>	<b>40</b>		<b>82,292,152,937</b>	<b>114,458,631,065</b>

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



**Phu Hung Securities Corporation**

**Statement of income for the six-month period ended 30 June 2023 (continued)**


**Form B02a – CTCK**

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

	Code	Note	Six-month period ended	
			30/6/2023 VND	30/6/2022 VND
<b>X INCOME TAX EXPENSE</b>	<b>100</b>		<b>9,712,470,414</b>	<b>11,581,427,984</b>
10.1 Income tax expense – current	100.1	32	10,659,050,584	12,489,149,869
10.2 Income tax benefit – deferred	100.2	32	(946,580,170)	(907,721,885)
<b>XI NET PROFIT AFTER TAX (200 = 90 – 100)</b>	<b>200</b>		<b>37,069,442,959</b>	<b>45,114,769,141</b>
<b>XII OTHER COMPREHENSIVE INCOME</b>	<b>300</b>		-	-
<b>XIII EARNINGS PER SHARE</b>	<b>500</b>			
13.1 Basic earnings per share	501	33	247	301

28 July 2023

Prepared by:



Ms. Nguyen Phuong Trinh  
Accountant

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 interim financial statements*

**Phu Hung Securities Corporation**  
**Statement of cash flows for the six-month period ended 30 June 2023**  
**(Indirect method)**

**Form B03b – CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC*  
*dated 27 December 2016 of the Ministry of Finance)*

	Code	Six-month period ended	
		30/6/2023 VND	30/6/2022 VND
<b>I CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>1 Profit before tax</b>	<b>01</b>	<b>46,781,913,373</b>	<b>56,696,197,125</b>
<b>2 Adjustments for</b>	<b>02</b>	<b>81,750,590,120</b>	<b>57,810,258,391</b>
Depreciation and amortisation of fixed assets	03	4,475,245,615	4,164,005,901
Allowances and provisions	04	4,613,439,991	(375,363,779)
Unrealised foreign exchange losses	05	29,055,000,000	39,410,000,000
Interest expense	06	67,293,486,755	30,511,957,901
Accrued interest income	08	(23,686,582,241)	(15,900,341,632)
<b>3 Changes in non-monetary expenses</b>	<b>10</b>	<b>44,860,352</b>	<b>1,697,003,609</b>
Increase due to revaluation loss from financial assets at FVTPL	11	44,860,352	1,697,003,609
<b>4 Change in non-monetary income</b>	<b>18</b>	<b>(915,699,953)</b>	<b>1,499,200,715</b>
(Increase)/decrease due to revaluation gain from financial assets at FVTPL	19	(915,699,953)	1,499,200,715
<b>5 Operating profit before changes in working capital (30 = 01 + 02 + 10 + 18)</b>	<b>30</b>	<b>127,661,663,892</b>	<b>117,702,659,840</b>
(Increase)/decrease in financial assets at FVTPL	31	(17,035,381,028)	87,826,661
Increase in held-to-maturity investments	32	(75,909,753,424)	(146,500,000,000)
(Increase)/decrease in loans receivable	33	(824,288,011,286)	817,672,653,242
(Increase)/decrease in receivables from services rendered	37	(51,693,880,351)	156,600,117,438
(Increase)/decrease in other receivables	39	(434,077,725)	335,492,611
Increase in other assets	40	(3,290,014,451)	(2,456,146,701)
Decrease in accrued expenses	41	(716,585,327)	(10,061,238,670)
Increase in prepaid expenses	42	(524,308,027)	(4,292,145,781)
Corporate income tax paid	43	(9,520,191,473)	(17,845,764,451)
Interest paid	44	(64,103,165,575)	(28,798,052,319)
Increase/(decrease) in accounts payable	45	574,502,843	(1,548,539,201)
Increase/(decrease) in employees' benefits payables	46	5,387,000	(11,819,000)
Decrease in taxes payable to State Treasury	47	(2,979,353,588)	(4,512,681,311)
Increase/(decrease) in other payables	50	134,959,674,770	(372,196,637,652)
<b>Net cash flows from operating activities</b>	<b>60</b>	<b>(787,293,493,750)</b>	<b>504,175,724,706</b>

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



**Phu Hung Securities Corporation**  
**Statement of cash flows for the six-month period ended 30 June 2023**  
**(Indirect method – continued)**

**Form B03b – CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)*

	Code	Six-month period ended	
		30/6/2023 VND	30/6/2022 VND
<b>II CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for additions to fixed assets	61	(5,542,833,478)	(3,175,667,000)
<b>Net cash flows from investing activities</b>	<b>70</b>	<b>(5,542,833,478)</b>	<b>(3,175,667,000)</b>
<b>III CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from short-term borrowings	73	3,653,071,124,101	7,176,208,843,754
Payments to settle borrowing principals	74	(3,517,876,124,101)	(7,294,003,843,754)
Dividends paid to shareholders	76	(7,592,400)	(32,806,948,620)
<b>Net cash flows from financing activities</b>	<b>80</b>	<b>135,187,407,600</b>	<b>(150,601,948,620)</b>
<b>Net cash flows during the period</b>	<b>90</b>	<b>(657,648,919,628)</b>	<b>350,398,109,086</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>101</b>	<b>763,880,564,438</b>	<b>324,775,589,207</b>
<b>Cash and cash equivalents at the end of the period (Note 5)</b>	<b>103</b>	<b>106,231,644,810</b>	<b>675,173,698,293</b>
▪ <i>Cash</i>	103.1	64,798,494,125	211,050,631,505
▪ <i>Cash equivalents</i>	103.2	41,433,150,685	464,123,066,788

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

**Phu Hung Securities Corporation**  
**Statement of cash flows for the six-month period ended 30 June 2023**  
**(Indirect method – continued)**

**Form B03b – CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)*

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

	Code	Six-month period ended	
		30/6/2023 VND	30/6/2022 VND
<b>Cash flows of customers for brokerage and entrustment activities</b>			
Proceeds from sales of securities brokered by the Company	01	14,516,632,582,660	34,065,922,576,583
Payments for purchases of securities brokered by the Company	02	(15,484,653,794,554)	(32,025,229,863,300)
Deposits received to settle securities transactions of customers	07	21,736,975,182,930	40,016,427,000,424
Investors' margin deposits at VSD	07.1	44,234,237,248	77,040,851,106
Payments to settle securities transactions of customers	08	(20,715,952,611,224)	(41,974,771,690,687)
Payments for custody fee of customers' securities	11	(853,238,204)	(803,371,246)
<b>Net cash flows during the period</b>	<b>20</b>	<b>96,382,358,856</b>	<b>158,585,502,880</b>
<b>Cash and cash equivalents of customers at the beginning of the period</b>			
Cash in banks at the end of the period	30	<b>486,676,329,967</b>	<b>298,101,713,984</b>
▪ Cash deposits for securities transactions of customers managed by the Company	31	486,676,329,967	298,101,713,984
In which: Investors' margin deposits at VSD	32	267,202,079,409	87,892,338,018
<b>Cash and cash equivalents of customers at the end of the period (40 = 20 + 30)</b>	<b>40</b>	<b>583,058,688,823</b>	<b>456,687,216,864</b>
Cash in banks at the end of the period	41	583,058,688,823	456,687,216,864
▪ Cash deposits for securities transactions of customers managed by the Company	42	311,436,316,657	164,933,189,124
In which: Investors' margin deposits at VSD			

Prepared by:



Ms. Nguyen Phuong Trinh  
Accountant

28 July 2023

Reviewed by:



Ms. Do Thi Ai Vy  
Chief Accountant



Approved by:

Mr. Chen Chia Ken  
General Director

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

**Phu Hung Securities Corporation**  
**Statement of changes in equity for the six-month period ended 30 June 2023**

**Form B04a – 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 six-month period ended				Closing balance as at	
	1/1/2022	1/1/2023	30/6/2022		30/6/2023		30/6/2022	30/6/2023
	VND	VND	Increase VND	(Decrease) VND	Increase VND	(Decrease) VND	VND	VND
Share capital	1,400,000,000,000	1,500,098,190,000	-	-	-	-	1,400,000,000,000	1,500,098,190,000
Other capital	-	-	100,098,190,000	-	-	-	100,098,190,000	-
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	87,720,973,465	(209,904,159,124)	77,318,601,497	(28,184,160,399)	58,352,185,513	122,351,059,029
<i>In which:</i>								
<i>Realised profits</i>	<i>169,653,012,807</i>	<i>24,115,514,543</i>	<i>87,720,973,465</i>	<i>-</i>	<i>65,253,603,358</i>	<i>-</i>	<i>257,373,986,272</i>	<i>89,369,117,901</i>
<i>Reversal of financial reserve</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>12,064,998,139</i>	<i>-</i>	<i>-</i>	<i>12,064,998,139</i>
<i>Dividend distribution</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(167,297,954,800)</i>	<i>-</i>	<i>-</i>	<i>(167,297,954,800)</i>	<i>-</i>
<i>Unrealised (losses)/profits</i>	<i>10,882,358,365</i>	<i>49,101,103,388</i>	<i>-</i>	<i>(42,606,204,324)</i>	<i>-</i>	<i>(28,184,160,399)</i>	<i>(31,723,845,959)</i>	<i>20,916,942,989</i>
<b>Total</b>	<b>1,604,664,182,450</b>	<b>1,597,443,619,209</b>	<b>187,819,163,465</b>	<b>(209,904,159,124)</b>	<b>77,318,601,497</b>	<b>(40,249,158,538)</b>	<b>1,582,579,186,791</b>	<b>1,634,513,062,168</b>

Prepared by:



Ms. Nguyen Phuong Trinh  
Accountant

28 July 2023

Reviewed by:



Ms. Do Thi Ai Vy  
Chief Accountant



Mr. Chen Chia Ken  
General Director

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

## **Phu Hung Securities Corporation**

### **Notes to the interim financial statements for the six-month period ended 30 June 2023**

**Form B09a – CTCK**

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

These notes form an integral part of and should be read in conjunction with the accompanying interim 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 Hanoi Stock Exchange on 19 July 2019.

### **(b) The Company’s charter capital**

As at 30 June 2023 and 31 December 2022, the Company’s charter capital was 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 30 June 2023, the Company had 363 employees (31/12/2022: 356 employees).

**Phu Hung Securities Corporation**

**Notes to the interim financial statements for the six-month period ended 30 June 2023  
(continued)**

**Form B09a – CTCK**

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

**2. Basis of preparation**

**(a) Statement of compliance**

The interim 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 interim financial reporting.

**(b) Basis of measurement**

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

**(c) Annual accounting period**

The annual accounting period of the Company is from 1 January to 31 December. These interim financial statements are for the six-month period ended 30 June 2023.

**(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 interim financial statements.

The accounting policies that have been adopted by the Company in the preparation of these interim financial statements are consistent with those adopted in the preparation of the latest annual financial statements.

**(a) Foreign currency transactions**

Transactions in currencies other than VND during the period 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 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 interim financial statements for the six-month period ended 30 June 2023  
(continued)**

**Form B09a – CTCK**

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

**(b) Cash and cash equivalents**

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

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

**(c) Financial assets and financial liabilities**

**(i) Recognition**

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

**(ii) Classification and measurement**

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

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

**(iii) Derecognition**

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

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

**(iv) Offsetting**

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

**Phu Hung Securities Corporation**

**Notes to the interim financial statements for the six-month period ended 30 June 2023  
(continued)**

**Form B09a – CTCK**

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

**(d) Financial assets at FVTPL**

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

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

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

For listed securities, the market prices are the closing prices of securities from the Ho Chi Minh City Stock Exchange and the Hanoi Stock Exchange at the latest trading date prior to the end of 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 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 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 interim financial statements for the six-month period ended 30 June 2023  
(continued)**

**Form B09a – CTCK**

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

**(f) Loans receivable**

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

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

**(g) Accounts receivable**

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

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

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

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

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

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

**(h) Tangible fixed assets**

**(i) Cost**

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



**Phu Hung Securities Corporation**

**Notes to the interim financial statements for the six-month period ended 30 June 2023  
(continued)**

**Form B09a – CTCK**

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

**(ii) Depreciation**

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

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

**(i) Intangible fixed assets**

***Software***

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

**(j) Long-term prepaid expenses**

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

**(k) Trade and other payables**

Trade and other payables are stated at their cost.

**(l) Provisions**

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

***Severance allowance***

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

**Phu Hung Securities Corporation**

**Notes to the interim financial statements for the six-month period ended 30 June 2023  
(continued)**

**Form B09a – CTCK**

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

**(m) Taxation**

Income tax on the profit or loss for the period 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 period, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous periods.

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

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

**(n) Share capital**

**(i) Ordinary shares**

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

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

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

**(o) Statutory reserves**

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 existing balances can be used as follows:

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- The reserve to supplement share capital that was already made under Circular 146 will be used to supplement share capital as promulgated under Securities Law No. 54/2019/QH14 and other legal regulations.
- The financial reserve can be used to supplement to share capital or distributed in accordance with the shareholders' decision at the Company's General Meeting of Shareholders 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 revert the outstanding balance of financial reserve to retained profits. As of the date of issuance of these interim financial statements, the Company has not yet made any decision regarding the outstanding balance of reserve to supplement share capital.

**(p) Revenue**

**(i) Gains from sales of financial assets**

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

**(ii) Dividend and interest income from financial assets**

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

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

**(iii) Revenue from securities brokerage**

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

**(iv) Revenue from securities custody**

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

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**(v) Revenue from securities investment advisory and financial advisory**

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

**(q) Interest expense**

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

**(r) Operating lease payments**

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

**(s) Earnings per share**

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

**(t) Segment reporting**

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

**(u) Related parties**

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

**(v) Nil balances**

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

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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.

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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 reporting period was as follows:

	<b>30/6/2023</b>	<b>31/12/2022</b>
	<b>VND</b>	<b>VND</b>
Cash in banks and cash equivalents (i)	106,227,608,555	763,877,428,183
Held-to-maturity investments (i)	844,223,000,000	768,313,246,576
Loans receivable – gross (ii)	2,815,925,340,571	1,991,637,329,285
Receivables (ii)	81,029,777,041	57,343,194,800
Receivables from services rendered (ii)	61,517,544,463	9,823,664,112
Other receivables (ii)	13,440,510,080	13,006,432,355
Deposits at Payment Support Fund	16,964,116,068	14,464,116,068
Long-term deposits	5,247,973,150	4,624,178,350
Other long-term assets	10,049,193,284	10,039,238,233
	<hr/>	<hr/>
	3,954,625,063,212	3,633,128,827,962
	<hr/>	<hr/>

***(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.

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

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

An aging analysis of impaired financial assets is as follows:

	30/6/2023 VND	31/12/2022 VND
Advances to customers for securities trading activities being overdue of more than 3 years	11,732,011,240	11,441,401,806
Margin loans being overdue of more than 3 years	4,570,766,326	3,924,199,169
Margin loans being overdue of from 2 to 3 years	-	862,826,748
Margin loans being overdue of from 1 to 2 years	48,291,197,147	-
Margin loans being overdue of under 1 year	-	48,291,197,147
	64,593,974,713	64,519,624,870

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

	30/6/2023 VND	31/12/2022 VND
Cash deposited at the Company	21,294,561	-
Listed or registered securities on	3,936,869,810	3,988,262,880
▪ <i>The Ho Chi Minh City Stock Exchange</i>	6,092,510	5,253,080
▪ <i>UPCOM</i>	3,930,777,300	3,983,009,800
Blocked financial assets	35,475,799,900	39,916,827,578
	39,433,964,271	43,905,090,458

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**Notes to the interim financial statements for the six-month period ended 30 June 2023**  
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An aging analysis of financial assets that were past due but not impaired is as follows:

	<b>30/6/2023</b> <b>VND</b>	<b>31/12/2022</b> <b>VND</b>
Advances to customers for securities trading activities and margin loans being overdue of more than 3 years	433,958,946	732,072,435
Margin loans being overdue of from 1 to 2 years	770,013,968	-
Margin loans being overdue of under 1 year	-	770,013,968
	1,203,972,914	1,502,086,403

**(c) Liquidity risk**

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

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

<b>As at 30 June 2023</b>	<b>Carrying amount</b> <b>VND</b>	<b>Contractual cash flows</b> <b>VND</b>	<b>Within 1 year</b> <b>VND</b>
Short-term borrowings	1,997,270,000,000	2,046,688,306,441	2,046,688,306,441
Accounts payable for securities trading activities	334,263,252,362	334,263,252,362	334,263,252,362
Accounts payable to suppliers	66,250,082	66,250,082	66,250,082
Accrued expenses	14,628,782,444	14,628,782,444	14,628,782,444
Other payables	9,517,542,943	9,517,542,943	9,517,542,943
	2,355,745,827,831	2,405,164,134,272	2,405,164,134,272
<b>As at 31 December 2022</b>	<b>Carrying amount</b> <b>VND</b>	<b>Contractual cash flows</b> <b>VND</b>	<b>Within 1 year</b> <b>VND</b>
Short-term borrowings	1,833,020,000,000	1,874,732,368,176	1,874,732,368,176
Accounts payable for securities trading activities	199,342,817,216	199,342,817,216	199,342,817,216
Accounts payable to suppliers	431,709,828	431,709,828	431,709,828
Accrued expenses	8,184,877,050	8,184,877,050	8,184,877,050
Other payables	9,474,453,593	9,474,453,593	9,474,453,593
	2,050,453,857,687	2,092,166,225,863	2,092,166,225,863

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



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**(d) Market risk**

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

**(i) Currency risk**

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

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

*Exposure to currency risk*

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

	30/6/2023		31/12/2022	
	USD	VND equivalent	USD	VND equivalent
Short-term borrowings	69,000,000	1,638,270,000,000	73,000,000	1,733,020,000,000

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

	Exchange rate as at	
	30/6/2023	31/12/2022
USD/VND	23,745	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 reporting period. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Effect to net profit after tax VND
<b>As at 30 June 2023</b>	
USD (0.02% strengthening against VND) – decrease in net profit	262,089,600
<b>As at 31 December 2022</b>	
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.

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

	Carrying amount	
	30/6/2023	31/12/2022
	VND	VND
<b>Interest-bearing instruments</b>		
Cash in banks and cash equivalents	106,227,608,555	763,877,428,183
Held-to-maturity investments	844,223,000,000	768,313,246,576
Loans receivable – net	2,798,539,176,998	1,978,475,933,799
Deposits at Payment Support Fund	16,964,116,068	14,464,116,068
Other long-term assets	10,049,193,284	10,039,238,233
Short-term borrowings	(1,997,270,000,000)	(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 30 June 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.

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**Notes to the interim financial statements for the six-month period ended 30 June 2023 (continued)**

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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:

	30/6/2023		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				
• Listed shares	24,307,376,538	24,307,376,538	6,304,703,558	6,304,703,558
• Shares registered for trading on UPCOM	346,762,792	346,762,792	395,505,500	395,505,500
• Unlisted shares	14,996,127	14,996,127	14,900,007	14,900,007
<i>Categorised as held-to-maturity investments:</i>				
▪ Term deposits at banks	844,223,000,000	844,223,000,000	768,313,246,576	768,313,246,576
<i>Categorised as loans and receivables:</i>				
▪ Cash and cash equivalents	106,231,644,810	106,231,644,810	763,880,564,438	763,880,564,438
▪ Loans receivable - net	2,798,539,176,998	(*)	1,978,475,933,799	(*)
▪ Receivables	81,029,777,041	(*)	57,343,194,800	(*)
▪ Receivables from services rendered	61,517,544,463	(*)	9,823,664,112	(*)
▪ Other receivables - net	5,666,663,211	(*)	5,553,293,429	(*)
▪ Deposits at Payment Support Fund	16,964,116,068	(*)	14,464,116,068	(*)
▪ Long-term deposits	5,247,973,150	(*)	4,624,178,350	(*)
▪ Other long-term assets	10,049,193,284	(*)	10,039,238,233	(*)

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	30/6/2023		31/12/2022	
	Carrying amount VND	Fair value VND	Carrying amount VND	Fair value VND
<b>Financial liabilities</b>				
<i>Categorised as liabilities at amortised cost:</i>				
▪ Short-term borrowings	(1,997,270,000,000)	(*)	(1,833,020,000,000)	(*)
▪ Accounts payable for securities trading activities	(334,263,252,362)	(*)	(199,342,817,216)	(*)
▪ Accounts payable to suppliers	(66,250,082)	(*)	(431,709,828)	(*)
▪ Accrued expenses	(14,628,782,444)	(*)	(8,184,877,050)	(*)
▪ Other payables	(9,517,542,943)	(*)	(9,474,453,593)	(*)

- (\*) The Company has not determined fair values of these financial instruments for disclosure in the interim 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 interim financial statements for the six-month period ended 30 June 2023  
(continued)****Form B09a – CTCK***(Issued under Circular No. 334/2016/TT-BTC  
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	<b>30/6/2023</b>	<b>31/12/2022</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	4,036,255	3,136,255
Cash in banks	64,794,457,870	55,077,428,183
Cash equivalents	41,433,150,685	708,800,000,000
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	106,231,644,810	763,880,564,438
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As at 30 June 2023, cash and cash equivalents of VND41,433,150,685 were pledged with banks as security for loans granted to the Company (31/12/2022: VND91,000,000,000) (Note 20).

As at 30 June 2023, interest rate for cash equivalents is from 2.5% to 5.5% per annum (31/12/2022: from 5.0% to 6.0% per annum).

**6. Volume and value of transactions during the period**

	<b>Six-month period ended 30/6/2023</b>		<b>Six-month period ended 30/6/2022</b>	
	<b>Volume of transactions</b>	<b>Value of transactions VND</b>	<b>Volume of transactions</b>	<b>Value of transactions VND</b>
<b>a) The Company</b>				
Shares	1,522,954	47,352,432,570	1,579,647	82,793,400,993
Bonds	-	-	1,450,000	149,422,300,000
Other securities	2,001,640	4,148,988,530	8,382,564	850,995,379,404
<b>b) Investors/customers</b>				
Shares	1,900,801,213	32,377,734,378,920	2,159,798,748	69,498,334,168,013
Bonds	30,754	3,848,190,024	9,740,000	995,293,890,000
Other securities	14,824,580	42,578,804,050	9,134,300	24,848,951,000
	<hr/>	<hr/>	<hr/>	<hr/>
	1,919,181,141	32,475,662,794,094	2,190,085,259	71,601,688,089,410
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**Notes to the interim financial statements for the six-month period ended 30 June 2023**  
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**7. Financial assets**

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

	30/6/2023		31/12/2022	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Listed shares	24,045,554,864	24,307,376,538	7,002,606,666	6,304,703,558
Shares registered for trading on UPCOM	403,835,714	346,762,792	411,499,004	395,505,500
Unlisted shares	14,996,127	14,996,127	14,900,007	14,900,007
	24,464,386,705	24,669,135,457	7,429,005,677	6,715,109,065

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

	Quantity	30/6/2023		Revaluation difference as at 30/6/2023		
		Cost VND (1)	Fair value VND (2)	Revaluation gain VND (3) = (2) – (1)	Revaluation loss VND (4) = (1) – (2)	Revaluation value VND (5) = (1) + (3) – (4)
<b>Listed shares</b>						
HPG	263,400	6,595,040,344	6,887,910,000	292,869,656	-	6,887,910,000
BID	36,000	1,604,850,000	1,560,600,000	-	44,250,000	1,560,600,000
CTG	52,061	1,501,562,407	1,535,799,500	34,237,093	-	1,535,799,500
GAS	15,000	1,458,196,013	1,395,000,000	-	63,196,013	1,395,000,000
HCM	53,545	1,453,253,851	1,507,291,750	55,370,000	1,332,101	1,507,291,750
POW	100,000	1,372,250,000	1,340,000,000	-	32,250,000	1,340,000,000
PLX	32,000	1,214,910,000	1,195,200,000	-	19,710,000	1,195,200,000
PNJ	12,003	921,865,342	900,225,000	-	21,640,342	900,225,000
BVH	18,000	910,692,587	793,800,000	-	116,892,587	793,800,000
SAB	4,900	909,172,099	752,640,000	-	156,532,099	752,640,000
VCG	36,623	736,179,596	763,589,550	27,500,000	90,046	763,589,550
VNM	9,220	699,783,244	654,620,000	-	45,163,244	654,620,000
Others	110,652	4,667,799,381	5,020,700,738	562,421,912	209,520,555	5,020,700,738
	743,404	24,045,554,864	24,307,376,538	972,398,661	710,576,987	24,307,376,538
<b>UPCOM</b>						
ACV	4,700	400,963,231	345,450,000	-	55,513,231	345,450,000
Others	509	2,872,483	1,312,792	-	1,559,691	1,312,792
	5,209	403,835,714	346,762,792	-	57,072,922	346,762,792



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

	Quantity	30/6/2023 Cost VND (1)	Fair value VND (2)	Revaluation difference as at 30/6/2023		
				Revaluation gain VND (3) = (2) – (1)	Revaluation loss VND (4) = (1) – (2)	Revaluation value VND (5) = (1) + (3) – (4)
<b>Unlisted shares</b>						
TAC	137	6,403,885	6,403,885	-	-	6,403,885
Others	944	8,592,242	8,592,242	-	-	8,592,242
	1,081	14,996,127	14,996,127	-	-	14,996,127
	<b>749,694</b>	<b>24,464,386,705</b>	<b>24,669,135,457</b>	<b>972,398,661</b>	<b>767,649,909</b>	<b>24,669,135,457</b>



**Phu Hung Securities Corporation**

Notes to the interim financial statements for the six-month period ended 30 June 2023 (continued)

**Form B09a – CTCK**

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

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

**Phu Hung Securities Corporation**

**Notes to the interim financial statements for the six-month period ended 30 June 2023 (continued)**

**Form B09a – CTCK**

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

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

**Phu Hung Securities Corporation****Notes to the interim financial statements for the six-month period ended 30 June 2023  
(continued)****Form B09a – CTCK***(Issued under Circular No. 334/2016/TT-BTC  
dated 27 December 2016 of the Ministry of Finance)***(b) Held-to-maturity investments**

	30/6/2023		31/12/2022	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Term deposits at banks with original term to maturity of more than 3 months to 1 year (i)	844,223,000,000	(*)	768,313,246,576	(*)

- (i) As at 30 June 2023, term deposits at banks amounting to VND734,223,000,000 were pledged with banks as security for loans granted to the Company (31/12/2022: VND718,313,246,576) (Note 20).

As at 30 June 2023, interest rate range of term deposits at banks is from 2.5% to 9.5% per annum (31/12/2022: from 4.0% to 10.5%).

**(c) Loans receivable**

	30/6/2023		31/12/2022	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Margin loans (i)	2,775,699,570,718	(*)	1,961,759,634,420	(*)
Advances to customers for the proceeds from selling securities (ii)	40,225,769,853	(*)	29,877,694,865	(*)
	2,815,925,340,571	(*)	1,991,637,329,285	(*)

- (i) The margin loans were granted to customers for margin trade. As at 30 June 2023, these loans had original term to maturity of 90 days and earned annual interest rates ranging from 10.5% to 14.5% (31/12/2022: from 10.5% to 14.5%). The initial minimum margin is 50% - 90% (31/12/2022: 50% - 90%) and minimum maintenance margin for the margin trade is 30% - 70% (31/12/2022: 30% - 70%).

- (ii) As at 30 June 2023, advances to customers for the proceeds from selling securities earned annual interest rates ranging from 10.5% to 14.0% (31/12/2022: from 11.5% to 14.5%) and had original term to maturity ranging from 1 day to 2 days.

- (\*) The Company has not determined fair values of these financial instruments for disclosure in the interim 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 interim financial statements for the six-month period ended 30 June 2023  
(continued)****Form B09a – CTCK***(Issued under Circular No. 334/2016/TT-BTC  
dated 27 December 2016 of the Ministry of Finance)***8. Receivables**

	<b>30/6/2023</b>	<b>31/12/2022</b>
	<b>VND</b>	<b>VND</b>
Interest receivables from margin loans	49,106,154,303	38,674,541,319
Interest receivables from certificates of deposit	741,928,766	57,698,630
Interest receivables from term deposits at banks	31,181,693,972	18,610,954,851
	<hr/>	<hr/>
	81,029,777,041	57,343,194,800
	<hr/>	<hr/>

**9. Receivables from services rendered**

	<b>30/6/2023</b>	<b>31/12/2022</b>
	<b>VND</b>	<b>VND</b>
Receivable from clearing and settlement of securities transaction	59,121,703,310	7,818,970,000
Receivables from brokerage activities	563,640,877	188,065,523
Receivables from custody services	1,620,520,581	1,195,186,990
Other receivables	211,679,695	621,441,599
	<hr/>	<hr/>
	61,517,544,463	9,823,664,112
	<hr/>	<hr/>

**10. Other receivables**

	<b>30/6/2023</b>	<b>31/12/2022</b>
	<b>VND</b>	<b>VND</b>
Advances to customers for securities trading activities (i)	12,165,970,186	12,173,474,241
Others	1,274,539,894	832,958,114
	<hr/>	<hr/>
	13,440,510,080	13,006,432,355
	<hr/>	<hr/>

(i) Allowance for these advances were made and presented in Note 11(b).

**Phu Hung Securities Corporation**  
**Notes to the interim financial statements for the six-month period ended 30 June 2023 (continued)**

**Form B09a – CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC  
dated 27 December 2016 of the Ministry of Finance)*

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

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

Six-month period ended 30 June 2023	As at 30/6/2023			Allowance as at 31/12/2022 VND	Allowance made during the period VND
	Cost VND	Recoverable amount VND	Allowance VND		
Margin loans and accrued interest	52,861,963,473	35,475,799,900	17,386,163,573	13,161,395,486	4,224,768,087
<hr/>					
Six-month period ended 30 June 2022	As at 30/6/2022			Allowance as at 31/12/2021 VND	Allowance reversed during the period VND
	Cost VND	Recoverable amount VND	Allowance VND		
Margin loans and accrued interest	6,337,025,917	-	6,337,025,917	6,837,025,917	(500,000,000)

**Phu Hung Securities Corporation**

Notes to the interim financial statements for the six-month period ended 30 June 2023 (continued)

**Form B09a – CTCK**

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

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

**(b) Allowance for doubtful debts**

Six-month period ended 30 June 2023

	As at 30/6/2023			Allowance as at 31/12/2022 VND	Allowance made during the period VND
	Cost VND	Recoverable amount VND	Allowance VND		
Advances to customers for securities trading activities	11,732,011,240	3,958,164,371	7,773,846,869	7,453,138,926	320,707,943

Six-month period ended 30 June 2022

	As at 30/6/2022			Allowance as at 31/12/2021 VND	Allowance reversed during the period VND
	Cost VND	Recoverable amount VND	Allowance VND		
Advances to customers for securities trading activities	11,214,406,153	4,963,792,308	6,250,613,845	6,315,487,082	(64,873,237)

**Phu Hung Securities Corporation****Notes to the interim financial statements for the six-month period ended 30 June 2023  
(continued)****Form B09a – CTCK***(Issued under Circular No. 334/2016/TT-BTC  
dated 27 December 2016 of the Ministry of Finance)***12. Prepaid expenses****(a) Short-term prepaid expenses**

	<b>30/6/2023</b>	<b>31/12/2022</b>
	<b>VND</b>	<b>VND</b>
Maintenance expense	1,895,291,166	520,069,553
Prepaid rental fees	78,383,871	397,739,634
Others	2,870,997,087	2,131,427,625
	<hr/>	<hr/>
	<b>4,844,672,124</b>	<b>3,049,236,812</b>
	<hr/>	<hr/>

**(b) Long-term prepaid expenses**

	<b>30/6/2023</b>	<b>31/12/2022</b>
	<b>VND</b>	<b>VND</b>
Tools and instruments	5,663,361,989	5,107,800,698
Software	3,165,037,239	3,084,781,893
Information technology equipment installation	1,689,098,029	1,241,152,015
Office renovation	7,255,483,612	6,771,407,807
Others	694,794,600	580,079,320
	<hr/>	<hr/>
	<b>18,467,775,469</b>	<b>16,785,221,733</b>
	<hr/>	<hr/>

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

	<b>Six-month period ended</b>	
	<b>30/6/2023</b>	<b>30/6/2022</b>
	<b>VND</b>	<b>VND</b>
Opening balance	16,785,221,733	13,006,695,427
Additions during the period	4,884,699,139	5,108,998,554
Transfer from construction in progress (Note 15)	2,255,379,021	6,547,406,933
Amortisation during the period	(5,457,524,424)	(4,606,973,769)
	<hr/>	<hr/>
Closing balance	<b>18,467,775,469</b>	<b>20,056,127,145</b>
	<hr/>	<hr/>

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**Phu Hung Securities Corporation****Notes to the interim financial statements for the six-month period ended 30 June 2023  
(continued)****Form B09a – CTCK***(Issued under Circular No. 334/2016/TT-BTC  
dated 27 December 2016 of the Ministry of Finance)***13. Tangible fixed assets****Six-month period ended 30/6/2023**

	<b>Leasehold improvements VND</b>	<b>Office equipment VND</b>	<b>Motor vehicles VND</b>	<b>Fixtures and fittings VND</b>	<b>Total VND</b>
<b>Cost</b>					
Opening balance	601,182,219	42,761,030,634	2,265,440,000	453,522,969	46,081,175,822
Additions	-	529,609,190	-	-	529,609,190
Transfer from construction in progress (Note 15)	-	-	-	197,940,160	197,940,160
Disposals	-	(454,295,580)	-	-	(454,295,580)
<b>Closing balance</b>	<b>601,182,219</b>	<b>42,836,344,244</b>	<b>2,265,440,000</b>	<b>651,463,129</b>	<b>46,354,429,592</b>
<b>Accumulated depreciation</b>					
Opening balance	601,182,219	25,517,197,597	1,985,556,935	140,855,117	28,244,791,868
Charge for the period	-	2,653,616,185	255,187,500	62,381,937	2,971,185,622
Disposals	-	(454,295,580)	-	-	(454,295,580)
<b>Closing balance</b>	<b>601,182,219</b>	<b>27,716,518,202</b>	<b>2,240,744,435</b>	<b>203,237,054</b>	<b>30,761,681,910</b>
<b>Net book value</b>					
Opening balance	-	17,243,833,037	279,883,065	312,667,852	17,836,383,954
Closing balance	-	15,119,826,042	24,695,565	448,226,075	15,592,747,682



**Phu Hung Securities Corporation****Notes to the interim financial statements for the six-month period ended 30 June 2023  
(continued)****Form B09a – CTCK***(Issued under Circular No. 334/2016/TT-BTC  
dated 27 December 2016 of the Ministry of Finance)***13. Tangible fixed assets (continued)****Six-month period ended 30/6/2022**

	<b>Leasehold improvements VND</b>	<b>Office equipment VND</b>	<b>Motor vehicles VND</b>	<b>Fixtures and fittings VND</b>	<b>Total VND</b>
<b>Cost</b>					
Opening balance	1,347,351,678	39,688,270,879	2,265,440,000	327,405,769	43,628,468,326
Additions	-	3,712,095,200	-	-	3,712,095,200
Transfer from construction in progress (Note 15)	-	-	-	126,117,200	126,117,200
Written-off	(746,169,459)	(176,000,000)	-	-	(922,169,459)
<b>Closing balance</b>	<b>601,182,219</b>	<b>43,224,366,079</b>	<b>2,265,440,000</b>	<b>453,522,969</b>	<b>46,544,511,267</b>
<b>Accumulated depreciation</b>					
Opening balance	1,347,351,678	23,508,117,474	1,439,310,078	53,155,408	26,347,934,638
Charge for the period	-	2,218,129,473	291,059,357	42,347,407	2,551,536,237
Written-off	(746,169,459)	(176,000,000)	-	-	(922,169,459)
<b>Closing balance</b>	<b>601,182,219</b>	<b>25,550,246,947</b>	<b>1,730,369,435</b>	<b>95,502,815</b>	<b>27,977,301,416</b>
<b>Net book value</b>					
Opening balance	-	16,180,153,405	826,129,922	274,250,361	17,280,533,688
Closing balance	-	17,674,119,132	535,070,565	358,020,154	18,567,209,851

Included in tangible fixed assets were assets costing VND14,935,413,393 which were fully depreciated as at 30 June 2023, but which are still in use (31/12/2022: VND15,389,708,973).

**Phu Hung Securities Corporation****Notes to the interim financial statements for the six-month period ended 30 June 2023  
(continued)****Form B09a – CTCK***(Issued under Circular No. 334/2016/TT-BTC  
dated 27 December 2016 of the Ministry of Finance)***14. Intangible fixed assets**

	<b>Six-month period ended</b>	
	<b>30/6/2023</b>	<b>30/6/2022</b>
	<b>Software VND</b>	<b>Software VND</b>
<b>Cost</b>		
Opening balance	25,271,616,400	22,433,666,400
Transfer from construction in progress (Note 15)	480,000,000	-
	<hr/>	<hr/>
Closing balance	25,751,616,400	22,433,666,400
	<hr/>	<hr/>
<b>Accumulated amortisation</b>		
Opening balance	13,087,003,384	10,021,807,340
Charge for the period	1,504,059,993	1,612,469,664
	<hr/>	<hr/>
Closing balance	14,591,063,377	11,634,277,004
	<hr/>	<hr/>
<b>Net book value</b>		
Opening balance	12,184,613,016	12,411,859,060
Closing balance	11,160,553,023	10,799,389,396
	<hr/>	<hr/>

Included in intangible fixed assets were assets costing VND8,161,659,400 which were fully depreciated as at 30 June 2023, but which are still in use (31/12/2022: VND8,161,659,400).

**15. Construction in progress**

	<b>Six-month period ended</b>	
	<b>30/6/2023</b>	<b>30/6/2022</b>
	<b>VND</b>	<b>VND</b>
Opening balance	1,633,369,056	3,461,452,486
Additions during the period	5,013,224,288	3,464,420,447
Transfer to tangible fixed assets (Note 13)	(197,940,160)	(126,117,200)
Transfer to intangible fixed assets (Note 14)	(480,000,000)	-
Transfer to long-term prepaid expenses (Note 12)	(2,255,379,021)	(6,547,406,933)
Transfer to short-term prepaid expenses	(698,302,000)	(252,348,800)
	<hr/>	<hr/>
Closing balance	3,014,972,163	-
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The construction in progress balance represents the cost of office furniture installation and construction fee (31/12/2022: the cost of office furniture installation, construction fee and website design).

**Phu Hung Securities Corporation****Notes to the interim financial statements for the six-month period ended 30 June 2023  
(continued)****Form B09a – CTCK***(Issued under Circular No. 334/2016/TT-BTC  
dated 27 December 2016 of the Ministry of Finance)***16. Long-term deposits**

	30/6/2023 VND	31/12/2022 VND
Security deposits for office, house and car rentals	5,247,973,150	4,624,178,350

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

	Tax rate	30/6/2023 VND	31/12/2022 VND
Deferred tax assets:			
Accrued expenses	20%	564,403,854	396,002,889
Allowance for diminution in value of financial assets	20%	4,117,848,823	3,165,501,699
Losses from revaluation of financial assets at FVTPL	20%	9,561,153	142,779,322
		<u>4,691,813,830</u>	<u>3,704,283,910</u>
Deferred tax liabilities:			
Gains from revaluation of financial assets at FVTPL	20%	(40,949,750)	-
Deferred tax assets - net		<u>4,650,864,080</u>	<u>3,704,283,910</u>

**18. Deposits at Payment Support Fund**

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

**Phu Hung Securities Corporation****Notes to the interim financial statements for the six-month period ended 30 June 2023  
(continued)****Form B09a – 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 period were as follows:

	<b>Six-month period ended</b>	
	<b>30/6/2023</b>	<b>30/6/2022</b>
	<b>VND</b>	<b>VND</b>
Opening balance	14,464,116,068	11,964,116,068
Deposits made during the period	1,884,661,158	1,809,659,347
Interest received during the period	615,338,842	690,340,653
	<hr/>	<hr/>
Closing balance	16,964,116,068	14,464,116,068

**19. Other long-term assets**

	<b>30/6/2023</b>	<b>31/12/2022</b>
	<b>VND</b>	<b>VND</b>
Clearing Fund for derivatives trading activities	10,049,193,284	10,039,238,233
	<hr/>	<hr/>

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

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

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

	<b>Six-month period ended</b>	
	<b>30/6/2023</b>	<b>30/6/2022</b>
	<b>VND</b>	<b>VND</b>
Opening balance	10,039,238,233	10,000,000,000
Interest income during the period	9,955,051	29,121,981
	<hr/>	<hr/>
Closing balance	10,049,193,284	10,029,121,981

**Phu Hung Securities Corporation**

Notes to the interim financial statements for the six-month period ended 30 June 2023 (continued)

**Form B09a – 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 %	1/1/2023 VND	Receipts VND	(Payments) VND	Foreign exchange differences VND	30/6/2023 VND
<b>Short-term borrowings from</b>							
▪ Domestic banks	VND	4.6% - 10.0%	100,000,000,000	2,562,601,124,101	(2,303,601,124,101)	-	359,000,000,000
▪ Foreign banks	USD	5.5% - 7.3%	1,733,020,000,000	1,090,470,000,000	(1,214,275,000,000)	29,055,000,000	1,638,270,000,000
			<u>1,833,020,000,000</u>	<u>3,653,071,124,101</u>	<u>(3,517,876,124,101)</u>	<u>29,055,000,000</u>	<u>1,997,270,000,000</u>

As at 30 June 2023, these borrowings are secured by cash and cash equivalents of VND41,433,150,685 (31/12/2022: VND91,000,000,000) (Note 5) and term deposits at banks of VND734,223,000,000 (31/12/2022: VND718,313,246,576) (Note 7(b)).

**Phu Hung Securities Corporation**

**Notes to the interim financial statements for the six-month period ended 30 June 2023  
(continued)**

**Form B09a – CTCK**

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

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

	<b>30/6/2023</b>	<b>31/12/2022</b>
	<b>VND</b>	<b>VND</b>
Settlements of securities transactions by customers	326,637,968,310	115,820,407,530
Clearing and settlement of securities transactions	6,918,443,000	83,522,322,140
Covered warrants payables	706,681,000	-
Others	160,052	87,546
	<hr/>	<hr/>
	334,263,252,362	199,342,817,216
	<hr/>	<hr/>

**22. Taxes payable to State Treasury**

	<b>Opening balance as at 1/1/2023</b>	<b>Incurred</b>	<b>(Paid)</b>	<b>Closing balance as at 30/6/2023</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Corporate income tax	3,875,701,514	10,659,050,584	(9,520,191,473)	5,014,560,625
Personal income tax	10,232,466,822	41,008,688,868	(43,873,339,745)	7,367,815,945
Value added tax	20,445,759	60,129,813	(77,566,889)	3,008,683
Foreign contractor withholding tax	1,126,398,046	5,657,375,437	(5,754,641,072)	1,029,132,411
	<hr/>	<hr/>	<hr/>	<hr/>
	15,255,012,141	57,385,244,702	(59,225,739,179)	13,414,517,664
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>Opening balance as at 1/1/2022</b>	<b>Incurred</b>	<b>(Paid)</b>	<b>Closing balance as at 30/6/2022</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Corporate income tax	5,985,851,287	12,489,149,869	(17,845,764,451)	629,236,705
Personal income tax	12,483,094,449	54,765,973,063	(59,263,950,158)	7,985,117,354
Value added tax	3,727,273	138,217,679	(126,747,903)	15,197,049
Foreign contractor withholding tax	28,353,780	1,891,516,814	(1,917,690,806)	2,179,788
	<hr/>	<hr/>	<hr/>	<hr/>
	18,501,026,789	69,284,857,425	(79,154,153,318)	8,631,730,896
	<hr/>	<hr/>	<hr/>	<hr/>

**Phu Hung Securities Corporation**

**Notes to the interim financial statements for the six-month period ended 30 June 2023  
(continued)**

**Form B09 – CTCK**

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

**23. Accrued expenses**

	<b>30/6/2023 VND</b>	<b>31/12/2022 VND</b>
Employee costs	6,744,274,400	10,714,443,941
Securities transaction fees	3,602,123,495	3,685,244,296
Interest expense	6,255,825,560	3,065,504,380
Consulting fees	20,495,853	143,548,420
Others	4,750,337,536	1,290,579,954
	<hr/>	<hr/>
	21,373,056,844	18,899,320,991

**24. Other payables**

	<b>30/6/2023 VND</b>	<b>31/12/2022 VND</b>
Dividend payables	9,407,166,593	9,414,758,993
Payables to customers	9,134,000	21,174,000
Other payables	101,242,350	38,520,600
	<hr/>	<hr/>
	9,517,542,943	9,474,453,593

**Phu Hung Securities Corporation****Notes to the interim financial statements for the six-month period ended 30 June 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 and other capital**

The Company's authorised and issued share capital are as follows:

	30/6/2023		31/12/2022	
	Number of shares	VND	Number of shares	VND
<b>Authorised share capital</b>	150,009,819	1,500,098,190,000	150,009,819	1,500,098,190,000
<b>Issued share capital</b>				
Ordinary shares	150,009,819	1,500,098,190,000	150,009,819	1,500,098,190,000
<b>Treasury shares</b>				
Ordinary shares	(490)	(1,185,000)	(490)	(1,185,000)
<b>Shares in circulation</b>				
Ordinary shares	150,009,329	1,500,097,005,000	150,009,329	1,500,097,005,000



Phu Hung Securities Corporation

Notes to the interim financial statements for the six-month period ended 30 June 2023 (continued)

Form B09a – CTCK

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

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

Six-month period ended 30/6/2023	Quantity	Average selling price VND	Total selling amount VND	Total cost VND	Gains/(losses) from sales of securities VND
<b>Financial assets at FVTPL</b>					
<i>Listed shares and shares registered for trading on UPCOM</i>					
HPG	181,927	22,005	4,003,339,300	3,951,449,907	51,889,393
FPT	34,653	82,812	2,869,696,800	2,719,242,403	150,454,397
MBB	105,673	19,631	2,074,443,650	1,937,748,694	136,694,956
SAB	11,220	184,543	2,070,570,000	2,017,253,818	53,316,182
GAS	9,040	106,046	958,655,100	957,359,900	1,295,200
BVH	10,953	49,720	544,581,500	557,389,022	(12,807,522)
BWE	9,000	42,738	384,640,000	386,490,000	(1,850,000)
VNM	2,568	76,909	197,502,700	195,105,129	2,397,571
PNJ	2,326	83,336	193,838,800	204,935,042	(11,096,242)
TNG	10,500	17,773	186,620,000	190,030,000	(3,410,000)
Others	78,334	23,156	1,813,868,250	1,904,930,057	(91,061,807)
	456,194	33,533	15,297,756,100	15,021,933,972	275,822,128
<i>Covered warrants</i>					
CHPG2303	866,400	2,034	1,761,861,763	1,725,613,000	36,248,763
	1,322,594	12,899	17,059,617,863	16,747,546,972	312,070,891

**Phu Hung Securities Corporation**

Notes to the interim financial statements for the six-month period ended 30 June 2023 (continued)

**Form B09a – CTCK**

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

Six-month period ended 30/6/2022	Quantity	Average selling price VND	Total selling amount VND	Total cost VND	Gains/(losses) from sales of securities VND
<b>Financial assets at FVTPL</b>					
<i>Listed shares and shares registered for trading on UPCOM</i>					
MBB	102,500	28,120	2,882,325,000	3,001,862,829	(119,537,829)
GAS	24,000	112,207	2,692,960,000	2,556,272,279	136,687,721
HPG	53,900	40,603	2,188,510,000	2,519,832,807	(331,322,807)
PNJ	21,400	110,021	2,354,450,000	2,167,313,143	187,136,857
DGC	12,700	171,124	2,173,270,000	2,100,800,212	72,469,788
VHM	22,000	80,000	1,760,010,000	1,824,300,000	(64,290,000)
SSI	47,000	34,701	1,630,950,000	1,816,000,000	(185,050,000)
PLX	31,000	53,305	1,652,450,000	1,784,500,000	(132,050,000)
KDH	32,200	44,736	1,440,515,000	1,727,533,333	(287,018,333)
FPT	16,500	104,630	1,726,390,000	1,468,332,004	258,057,996
Others	473,900	42,573	20,175,425,000	20,641,159,177	(465,734,177)
	837,100	48,593	40,677,255,000	41,607,905,784	(930,650,784)
<i>Listed bonds</i>					
VHM121024	2,741,282	100,742	276,161,743,802	275,890,585,602	271,158,200
MSN12001	500,000	101,679	50,839,500,000	50,789,500,000	50,000,000
MSN12003	950,000	103,875	98,681,250,000	98,632,800,000	48,450,000
	4,191,282	101,564	425,682,493,802	425,312,885,602	369,608,200
	5,028,382	92,745	466,359,748,802	466,920,791,386	(561,042,584)

**Phu Hung Securities Corporation****Notes to the interim financial statements for the six-month period ended 30 June 2023  
(continued)****Form B09a – 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**

	Six-month period ended	
	30/6/2023	30/6/2022
	VND	VND
Interest income from term deposits and certificate of deposits	42,433,566,506	19,730,021,723

**28. Income from loans and receivables**

	Six-month period ended	
	30/6/2023	30/6/2022
	VND	VND
Interest income from margin loans	136,237,365,219	147,873,790,384
Fees from advances to customers for the proceeds from selling securities	4,523,537,844	8,370,633,853
	140,760,903,063	156,244,424,237

**29. Expenses for securities brokerage**

	Six-month period ended	
	30/6/2023	30/6/2022
	VND	VND
Employee costs	24,519,005,974	26,014,149,265
Brokerage commissions	19,940,035,620	46,648,905,673
Securities brokerage fees	12,640,540,035	20,691,322,477
Rental expenses	6,773,162,798	5,078,472,884
External services	5,168,902,785	5,008,117,014
Tools and supplies	1,611,780,815	925,173,870
Depreciation and amortisation of fixed assets	182,816,848	67,993,549
Other expenses	1,696,298,372	1,566,697,479
	72,532,543,247	106,000,832,211

**Phu Hung Securities Corporation**  
**Notes to the interim financial statements for the six-month period ended 30 June 2023**  
**(continued)**

**Form B09a – CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC*  
*dated 27 December 2016 of the Ministry of Finance)*

**30. Interest expense**

	<b>Six-month period ended</b>	
	<b>30/6/2023</b>	<b>30/6/2022</b>
	<b>VND</b>	<b>VND</b>
Interest expense on borrowings	66,885,575,798	30,213,375,769
Interest expense on customers' deposits for securities trading activities	407,910,957	298,582,132
	<hr/>	<hr/>
	67,293,486,755	30,511,957,901
	<hr/>	<hr/>

**31. General and administration expenses**

	<b>Six-month period ended</b>	
	<b>30/6/2023</b>	<b>30/6/2022</b>
	<b>VND</b>	<b>VND</b>
Employee costs	22,125,214,821	19,329,464,207
External services	15,942,699,141	15,971,016,208
Rental expenses	3,594,948,758	3,477,912,409
Depreciation and amortisation of fixed assets	4,292,428,767	4,095,600,650
Tools and supplies	3,668,224,027	2,872,874,013
Other expenses	2,385,616,673	3,243,030,730
	<hr/>	<hr/>
	52,009,132,187	48,989,898,217
	<hr/>	<hr/>

**Phu Hung Securities Corporation**  
**Notes to the interim financial statements for the six-month period ended 30 June 2023**  
**(continued)**

**Form B09a – 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**

	<b>Six-month period ended</b>	
	<b>30/6/2023</b>	<b>30/6/2022</b>
	<b>VND</b>	<b>VND</b>
<b>Current tax expense</b>		
Current period	10,591,998,421	12,489,149,869
Under provision in prior periods	67,052,163	-
	10,659,050,584	12,489,149,869
<b>Deferred tax (benefit)/expense</b>		
Reversals of temporary differences	(946,580,170)	(907,721,885)
	9,712,470,414	11,581,427,984

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

	<b>Six-month period ended</b>	
	<b>30/6/2023</b>	<b>30/6/2022</b>
	<b>VND</b>	<b>VND</b>
Accounting profit before tax	46,781,913,373	56,696,197,125
Tax at the Company's tax rate	9,356,382,675	11,339,239,425
Non-deductible expenses	315,082,152	266,345,116
Non-taxable income	(26,046,576)	(24,156,557)
Under provision in prior periods	67,052,163	-
	9,712,470,414	11,581,427,984

**(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 interim financial statements for the six-month period ended 30 June 2023  
(continued)**

**Form B09a – CTCK**

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

**33. Basic earnings per share**

The calculation of basic earnings per share for the six-month period ended 30 June 2023 was based on the profit attributable to ordinary shareholders of VND37,069,442,959 (six-month period ended 30 June 2022: profit attributable to ordinary shareholders of VND45,114,769,141) and a weighted average number of ordinary shares outstanding of 150,009,329 shares (six-month period ended 30 June 2022: 150,009,329 shares), calculated as follows:

*(i) Net profit attributable to ordinary shareholders*

	Six-month period ended	
	30/6/2023	30/6/2022
	VND	VND
Net profit for the period	37,069,442,959	45,114,769,141

*(ii) Weighted average number of ordinary shares*

	Six-month period ended	
	30/6/2023	30/6/2022
	VND	VND
Issued ordinary shares at the beginning of the period	150,009,819	140,000,000
Effect of treasury shares held	(490)	(490)
Effect of shares dividend issued during the period	-	10,009,819
Weighted average number of ordinary shares for the period	150,009,329	150,009,329

*(iii) Basic earnings per share*

	Six-month period ended	
	30/6/2023	30/6/2022
	VND	VND
Basic earnings per share	247	301

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

**Phu Hung Securities Corporation**  
**Notes to the interim financial statements for the six-month period ended 30 June 2023**  
**(continued)**

**Form B09a – CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC*  
*dated 27 December 2016 of the Ministry of Finance)*

**34. Significant transactions with related parties**

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

	<b>Transaction value</b>	
	<b>Six-month period ended</b>	<b>Six-month period ended</b>
	<b>30/6/2023</b>	<b>30/6/2022</b>
	<b>VND</b>	<b>VND</b>
<b>New Beam International Inc – major shareholder</b>		
Cash dividend	-	11,726,400,000
Securities custody fee	42,877,509	39,796,470
<b>An Thinh Development Limited – major shareholder</b>		
Cash dividend	-	5,373,441,150
<b>Vu Thai Investment Consulting Co., Ltd – related company</b>		
Cash dividend	-	3,347,867,040
Securities custody fee	12,241,455	11,361,824
<b>Phu Hung Assurance Corporation – related company</b>		
Cash dividend	-	901,213,920
Insurance fee payment	72,577,594	20,944,295
Fee for maintaining shareholder register	13,636,362	13,636,362
Securities custody fee	5,164,790	3,084,983
<b>Phu Hung Fund Management Joint Stock Company – other related party</b>		
Service fee paid	2,346,000,000	3,300,000,000
<b>Freshfields Capital Corporation – related company</b>		
Cash dividend	-	3,265,920,000
Securities custody fee	2,113,815	11,083,716
<b>Phu Hung Life Insurance Corporation – related company</b>		
Fee for maintaining shareholder register	22,727,273	22,727,273
Securities custody fee	2,184,947	2,111,244
<b>Key management personnel compensation</b>		
<b>General Director</b>		
Salaries, bonus and other benefits	909,562,979	856,909,452
<b>Other key management personnel</b>		
Salaries, bonus and other benefits	1,434,633,809	885,375,307





**Phu Hung Securities Corporation**

Notes to the interim financial statements for the six-month period ended 30 June 2023 (continued)

**Form B09a – CTCK**

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

**35. Segment reporting**

(i) *Business segments*

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

	<b>Code</b>	<b>Securities brokerage VND</b>	<b>Securities trading VND</b>	<b>Treasury activities VND</b>	<b>Others VND</b>	<b>Total VND</b>
<b>Six-month period ended 30 June 2023</b>						
Revenue from operating activities	01	60,403,848,667	1,690,134,578	214,158,407,758	2,655,850,802	278,908,241,805
Direct expenses	02	72,349,726,399	1,766,444,600	145,072,289,112	3,402,828,708	222,591,288,819
Depreciation and amortisation expenses	03	182,816,848	-	4,292,428,767	-	4,475,245,615
Allowance for diminution of investments	04	-	44,860,352	-	-	44,860,352
Allowance for doubtful debts	05	-	-	4,545,476,030	-	4,545,476,030
Other income	06	-	-	-	94,242,586	94,242,586
Other expense	07	-	-	-	563,700,202	563,700,202
<b>Profit/(loss) before tax</b> <b>(08 = 01 – 02 – 03 – 04 – 05 + 06 – 07)</b>	<b>08</b>	<b>(12,128,694,580)</b>	<b>(121,170,374)</b>	<b>60,248,213,849</b>	<b>(1,216,435,522)</b>	<b>46,781,913,373</b>
<b>As at 30 June 2023</b>						
Segment assets		107,003,579,164	24,737,192,868	3,878,941,507,350	2,201,724,496	4,012,884,003,878
Segment liabilities		342,427,224,882	239,920,796	2,033,662,473,353	2,041,322,679	2,378,370,941,710

**35. Segment reporting (continued)***(i) Business segments (continued)*

	Code	Securities brokerage VND	Securities trading VND	Treasury activities VND	Others VND	Total VND
<b>Six-month period ended 30 June 2022</b>						
Revenue from operating activities	01	109,897,442,891	1,109,243,508	182,097,110,434	2,165,203,892	295,269,000,725
Direct expenses	02	94,911,914,565	6,156,555,059	128,334,173,141	5,821,188,185	235,223,830,950
Depreciation and amortisation expenses	03	61,701,553	411,702	4,101,892,646	-	4,164,005,901
Allowance for doubtful debts	05	-	-	(564,873,237)	-	(564,873,237)
Net other income	06	-	-	-	250,160,014	250,160,014
<b>Profit/(loss) before tax</b> <b>(07 = 01 + 06 – 02 – 03 – 05)</b>	<b>07</b>	<b>14,923,826,773</b>	<b>(5,047,723,253)</b>	<b>50,225,917,884</b>	<b>(3,405,824,279)</b>	<b>56,696,197,125</b>
<b>As at 31 December 2022</b>						
Segment assets		42,832,382,223	7,214,990,990	3,624,740,543,554	1,435,623,428	3,676,223,540,195
Segment liabilities		217,676,777,763	436,878,653	1,859,850,287,261	815,977,309	2,078,779,920,986

*(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 interim financial statements for the six-month period ended 30 June 2023  
(continued)**

**Form B09a – CTCK**

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

**36. Commitments**

*Leases*

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

	30/6/2023 VND	31/12/2022 VND
Within one year	24,107,395,160	19,341,504,234
Within two to five years	40,146,655,510	39,914,574,630
	64,254,050,670	59,256,078,864

**37. Seasonality or cyclical factors**

The Company's result of operations is not affected by seasonality or cyclical factors.

**38. Changes in the Company's structure**

There were no significant changes in the Company's structure for the six-month period ended 30 June 2023 compared to the latest annual financial statements.

**39. Post balance sheet event**

Pursuant to the Resolution of the Company's General Meeting of Shareholders dated 20 April 2023, on 31 May 2023, the Board of Directors resolved to distribute cash dividend in respect of the year 2022. The list of shareholders was finalised on 3 July 2023 and the cash dividend of VND30.001.865.800 will be settled on 31 July 2023.

Prepared by:



Ms. Nguyen Phuong Trinh  
*Accountant*

28 July 2023

Reviewed by:



Ms. Do Thi Ai Vy  
*Chief Accountant*



Approved by:



Mr. Chen Chia Ken  
*General Director*

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**Phu Hung Securities Corporation**

Financial Safety Ratio Report  
as of 30 June 2023

**Phu Hung Securities Corporation  
Corporate Information**

<b>Establishment and Operation Licence No.</b>	122/GP-UBCK	20 January 2016
	18/GPDC-UBCK	22 June 2016
	23/GPDC-UBCK	25 July 2016
	03/GPDC-UBCK	23 January 2017
	03/GPDC-UBCK	11 January 2018
	100/GPDC-UBCK	29 November 2018
	107/GPDC-UBCK	26 December 2018
	47/GPDC-UBCK	21 August 2019
	12/GPDC-UBCK	4 March 2020
	03/GCN-UBCK	16 June 2020
	04/GCN-UBCK	16 June 2020
	48/GPDC-UBCK	24 June 2021
	82/GPDC-UBCK	28 September 2021
	57/GCN-UBCK	31 December 2021
	79/GPDC-UBCK	29 August 2022
110/GPDC-UBCK	10 November 2022	

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

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

<b>Board of Directors</b>	Mr. Albert Kwang-Chin Ting	Chairman
	Mr. Nguyen Doan Hung	Member
	Mr. Wu, Jin-Jeng	Member
	Mr. Chen Chia Ken	Member
	Ms. Liu, Hsiu-Mei	Independent Member
<b>Inspection Committee</b>	Mr. Liew Sep Siang	Head of Inspection committee
	Mr. Chiu, Hsien-Chih	Member
	Ms. Kuo, Ping-Min	Member
<b>Board of Management</b>	Mr. Chen Chia Ken	General Director
	Ms. Pham Thi Thu Nhan	Deputy General Director
	Mr. Li, Hsin-Hsien	Deputy General Director

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

**Registered offices**

**Head Office**

21<sup>st</sup> 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**

04<sup>th</sup> & 05<sup>th</sup> 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**

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

**Thanh Xuan Branch**

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

**Hai Phong Branch**

2<sup>nd</sup> 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<sup>th</sup> Floor  
81-83-83B-85 Ham Nghi Street  
Nguyen Thai Binh Ward, District 1  
Ho Chi Minh City, Vietnam

**Auditor**

KPMG Limited  
Vietnam

**To: The State Securities Commission of Vietnam**

**FINANCIAL SAFETY RATIO REPORT**  
**As of 30 June 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.

28 July 2023

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





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115 Nguyen Hue Street, Ben Nghe Ward  
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## REVIEW REPORT ON FINANCIAL SAFETY RATIO REPORT

### To the Board of Directors Phu Hung Securities Corporation

We have reviewed the Financial Safety Ratio Report of Phu Hung Securities Corporation (“the Company”) as of 30 June 2023 including the explanatory notes thereto, which was authorised for issue by the Company’s Board of Management on 28 July 2023, as set out on pages 6 to 31.

### 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 a conclusion on the Financial Safety Ratio Report based on our review. We conducted our review in accordance with Vietnamese Standard on Review engagements No. 2410 – *Review of interim financial information performed by the independent auditor of the entity*.

A review of the Financial Safety Ratio Report consists of making inquiries, primarily of persons responsible for matters relevant to the Financial Safety Ratio Report, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.





## Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Financial Safety Ratio Report of Phu Hung Securities Corporation as of 30 June 2023 has not 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 trading 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 review 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

Review Report No.: 23-01-00343-23-2



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

Ho Chi Minh City, 28 July 2023



Pham Huy Cuong  
Practicing Auditor Registration  
Certificate No. 2675-2019-007-1

**Phu Hung Securities Corporation**  
**Financial Safety Ratio Report as of 30 June 2023**

No.	Items	Note	Risk value/Liquid capital at of 30/6/2023
1	Total market risk value (VND)	4	1,823,297,584
2	Total settlement risk value (VND)	5	122,534,282,418
3	Total operational risk value (VND)	6	180,000,000,000
4	<b>Total risk values (4=1+2+3) (VND)</b>		<b>304,357,580,002</b>
5	<b>Liquid capital (VND)</b>	7	<b>1,558,523,587,926</b>
6	<b>Liquid capital ratio (6=5/4) (%)</b>		<b>512%</b>

28 July 2023

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

**Phu Hung Securities Corporation**  
**Notes to the Financial Safety Ratio Report as of 30 June 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 30 June 2023, the Company had 363 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 30 June 2023 and for the twelve-month period then ended. This Financial Safety Ratio Report should be read in conjunction with the Company’s interim financial statements for the six-month period ended 30 June 2023.

## Phu Hung Securities Corporation

### Notes to the Financial Safety Ratio Report as of 30 June 2023 (continued)

#### (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 30 June 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/reviewed 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 30 June 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
<b>Cash and cash equivalents, money market instruments</b>		
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
<b>Bonds</b>		
5	Listed bonds	<ul style="list-style-type: none"> <li>➢ Average quoted price from the Stock Exchange at the latest trading date plus accrued interest (if the quoted price is the clean price)</li> <li>➢ If there was no trading in the two (02) weeks until the reporting date, then market value is the highest value of the followings: <ul style="list-style-type: none"> <li>- Purchase price plus accrued interest;</li> <li>- Par value plus accrued interest; and</li> <li>- Value determined in accordance with the Company's internal methodology, including accrued interest.</li> </ul> </li> </ul> <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"> <li>- Quoted price (if any) from the quoting system selected by the Company plus accrued interest;</li> <li>- Purchase price plus accrued interest;</li> <li>- Par value plus accrued interest; and</li> <li>- Value determined in accordance with the Company's internal methodology, including accrued interest.</li> </ul> <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 30 June 2023 (continued)**

No.	Type of asset	Principles for determining market value
<b>Shares</b>		
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"> <li>- Book value;</li> <li>- Purchase price; and</li> <li>- Value determined in accordance with the Company's internal methodology.</li> </ul> <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"> <li>- Book value;</li> <li>- Purchase price; and</li> <li>- Value determined in accordance with the Company's internal methodology.</li> </ul> <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"> <li>- Book value;</li> <li>- Purchase price; and</li> <li>- Value determined in accordance with the Company's internal methodology.</li> </ul> <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 30 June 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"> <li>- Quoted prices from securities companies;</li> <li>- Price of the latest period;</li> <li>- Book value;</li> <li>- Purchase price; and</li> <li>- Value determined in accordance with the Company's internal methodology.</li> </ul> <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"> <li>- Book value;</li> <li>- Par value; and</li> <li>- Value determined in accordance with the Company's internal methodology.</li> </ul> <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	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.
13	Other shares and capital contribution	<p>The highest of the followings:</p> <ul style="list-style-type: none"> <li>- Book value;</li> <li>- Purchase price/capital contribution amount; and</li> <li>- Value determined in accordance with the Company's internal methodology.</li> </ul> <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 30 June 2023 (continued)**

No.	Type of asset	Principles for determining market value
<b>Funds/shares of securities investment companies</b>		
14	Closed-end public funds/ETF Fund	<ul style="list-style-type: none"> <li>➤ Closing price at the latest trading date until the reporting date</li> <li>➤ If there was no trading in the two weeks until the reporting date, then the latest NAV/fund unit prior to the reporting date</li> </ul>
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
<b>Fixed assets</b>		
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
<b>Other securities</b>		
21	Covered warrants issued by other securities business organisations	<ul style="list-style-type: none"> <li>➤ Closing price at the latest trading date until the reporting date</li> <li>➤ Purchase price (for unlisted covered warrants)</li> </ul>
22	Shares listed on overseas markets	<ul style="list-style-type: none"> <li>➤ Price (in foreign currency) * exchange rate at the reporting date</li> <li>➤ Closing price at the latest trading date until the reporting date</li> <li>➤ 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"> <li>- Book value;</li> <li>- Purchase price; and</li> <li>- Value determined in accordance with the Company's internal methodology.</li> </ul> </li> </ul> <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 30 June 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% up 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% up 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 30 June 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.
  - 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*

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

**Phu Hung Securities Corporation**  
**Notes to the Financial Safety Ratio Report as of 30 June 2023 (continued)**

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 from 0% up to 5% of equity, and 100% when accounted for over 5% of equity at the reporting date.

**(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%

**Phu Hung Securities Corporation**  
**Notes to the Financial Safety Ratio Report as of 30 June 2023 (continued)**

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).

**(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.

**Phu Hung Securities Corporation**  
**Notes to the Financial Safety Ratio Report as of 30 June 2023 (continued)**

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

No.	Time	Value of assets with settlement risk
<b>A. For the sale of securities transactions (seller is the Company or the Company's customers in brokerage activities)</b>		
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>B. For the purchase of securities transactions (buyer is the Company or the Company's customers in brokerage activities)</b>		
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.*

**(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.

**Phu Hung Securities Corporation**  
**Notes to the Financial Safety Ratio Report as of 30 June 2023 (continued)**

**(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% up 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% up 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.

**(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 30 June 2023 (continued)

4. Market risk value

Investment portfolio as of 30 June 2023		Risk coefficient	Risk exposure VND	Risk value VND
		(1)	(2)	(3)=(1)*(2)
<b>I.</b>	<b>Cash and cash equivalents, money market instruments</b>			
1.	Cash (VND)	0%	4,036,255	-
2.	Cash equivalents	0%	106,467,245,509	-
3.	Valuable papers and transferable money market instruments, certificate of deposits	0%	865,462,492,635	-
<b>II.</b>	<b>Government bonds</b>			
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%	-	-
<b>III.</b>	<b>Credit institutions bonds</b>			
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%	-	-
<b>IV.</b>	<b>Corporate bonds</b>			
7.	<b>Listed corporate bonds</b>			
	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 30 June 2023 (continued)**

Investment portfolio as of 30 June 2023		Risk coefficient	Risk exposure VND	Risk value VND
		(1)	(2)	(3)=(1)*(2)
8.	<b>Unlisted corporate bonds</b>			
	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%	-	-
<b>IV.</b>	<b>Shares</b>			
9.	Ordinary shares and preference shares of companies listed on the Ho Chi Minh City Stock Exchange; fund certificates of open-ended funds	10%	17,419,437,138	1,741,943,714
10.	Ordinary shares and preference shares of companies listed on the Hanoi Stock Exchange	15%	29,400	4,410
11.	Ordinary shares and preference shares of unlisted public companies registered for UPCOM trading	20%	346,762,792	69,352,558
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 30 June 2023 (continued)**

Investment portfolio as of 30 June 2023		Risk coefficient	Risk exposure VND	Risk value VND
		(1)	(2)	(3)=(1)*(2)
<b>V.</b>	<b>Securities investment fund certificates</b>			
14.	Public Funds, including public investment companies	10%	-	-
15.	Member Funds, separate investment companies	30%	-	-
<b>VI.</b>	<b>Securities restricted for trading</b>			
16.	Unlisted securities of public companies are warned due to the delay in disclosing information on audited/reviewed 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%	14,996,127	11,996,902
<b>VII.</b>	<b>Derivative securities</b>			
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%	-	-
<b>VIII.</b>	<b>Other securities</b>			
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/review conclusion	100%	-	-
28.	Shares, capital contributions and other securities	80%	-	-

**Phu Hung Securities Corporation**

**Notes to the Financial Safety Ratio Report as of 30 June 2023 (continued)**

Investment portfolio as of 30 June 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 = 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%	-	-
<b>IX.</b>	<b>Increased risks (if any)</b>			
<b>TOTAL MARKET RISK</b> <b>(I+II+III+IV+V+VI+VII+VIII+IX)</b>				<b>1,823,297,584</b>

## 5. Settlement risk value

## I. Settlement risk before due date as of 30 June 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)		-	475,444,231	-	-	54,428,116,816	268,924,432	55,172,485,479
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		-	-	-	-	-	-	-
<b>Total settlement risk before due date</b>									<b>55,172,485,479</b>

## II. Overdue settlement risk as of 30 June 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%	62,192,589,021	62,192,589,021
<b>Total overdue settlement risk</b>				<b>62,192,589,021</b>

**Phu Hung Securities Corporation**  
**Notes to the Financial Safety Ratio Report as of 30 June 2023 (continued)**

**III. Settlement risk from advances, other contract and transactions as of 30 June 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%	254,264,600	20,341,168
	<b>Total settlement risk from advances, other contract and transactions</b>			<b>20,341,168</b>

**IV. Other increased risks (if any) as of 30 June 2023**

No.	Other increased risks	Increased amount (%)	Risk Coefficient (%)	Risk exposure VND	Risk value VND
1.	Vietnam Joint Stock Commercial Bank for Industry and Trade	10%	6%	244,469,937,842	1,466,819,627
2.	Orient Commercial Joint Stock Bank	20%	6%	306,837,260,276	3,682,047,123
	<b>Total increased risks</b>				<b>5,148,866,750</b>
<b>TOTAL SETTLEMENT RISK (I+II+III+IV)</b>					<b>122,534,282,418</b>

- (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 30 June 2023 (continued)**

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

	<b>Risk exposure VND</b>	<b>Settlement risk coefficient %</b>	<b>Risk value VND</b>
Term deposits at banks	875,656,150,685	6%	52,539,369,041
Interest receivables from term deposits at banks	31,479,129,589	6%	1,888,747,775
Interest receivables from deposits at Payment Support Fund	307,669,422	0.8%	2,461,355
Other receivables from interest receivables from settlement deposits	1,156,212	0.8%	9,250
Receivables from securities transaction	59,121,703,310	0.8%	472,973,626
Receivables from securities brokerage	563,640,877	8%	45,091,270
Receivables from securities custody	1,620,520,581	8%	129,641,646
Other receivables	1,177,393,955	8%	94,191,516
			<b>55,172,485,479</b>

**6. Operational risk value**

<b>No.</b>	<b>Items</b>	<b>30/6/2023 VND</b>
<b>I.</b>	<b>Total operating expenses for twelve-month period ended 30 June 2023</b>	<b>524,101,113,367</b>
<b>II.</b>	<b>Deductions from total operating expenses</b>	<b>144,398,766,395</b>
	1. Depreciation and amortisation expenses	8,799,097,892
	2. Expenses of allowance for diminution in the value of short-term financial assets and collaterals	11,049,137,656
	3. Expenses of allowance for doubtful debts	1,523,233,024
	4. Gains from revaluation of financial assets at fair value through profit or loss	(1,138,380,884)
	5. Interest expenses	124,165,678,707
<b>III.</b>	<b>Total expenses after deductions (III = I – II)</b>	<b>379,702,346,972</b>
<b>IV.</b>	<b>25% of total expenses after deductions (IV = 25% III)</b>	<b>94,925,586,743</b>
<b>V.</b>	<b>20% of minimum charter capital of business operations of the Company</b>	<b>180,000,000,000</b>
	<b>TOTAL OPERATIONAL RISK (=Max {IV, V})</b>	<b>180,000,000,000</b>

**Phu Hung Securities Corporation**  
**Notes to the Financial Safety Ratio Report as of 30 June 2023 (continued)**

**7. Liquid capital**

No.	Items	Liquid capital as of 30 June 2023		
		Liquid capital VND	Deductions VND	Additions VND
<b>A.</b>	<b>Equity</b>			
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)	122,194,116,040		
11	Allowance for diminution in value of financial assets	25,160,010,442		
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)		767,649,909	972,398,661
16	Other capital (if any)	-		
<b>1A</b>	<b>Sub-total</b>			<b>1,659,720,878,373</b>
<b>I</b>	<b>Financial assets</b>			
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 30 June 2023 (continued)**

No.	Items	Liquid capital as of 30 June 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 30 June 2023 (continued)**

No.	Items	Liquid capital as of 30 June 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			
<b>II</b>	<b>Other short-term assets</b>			
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		4,844,672,124	
4	Short-term mortgage, collaterals and deposits			-
5	Deductible VAT			-
6	Taxes and other receivables from the State			-
7	Other short-term assets		759,930,255	
8	Allowances for diminution in value of other short-term assets			
<b>IB</b>	<b>Sub-total</b>			<b>5,604,602,379</b>
<b>I</b>	<b>Long-term financial assets</b>			
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			-
<b>II</b>	<b>Fixed assets</b>		26,753,300,705	
<b>III</b>	<b>Investment properties</b>			-
<b>IV</b>	<b>Construction in progress</b>		3,014,972,163	
<b>V</b>	<b>Other long-term assets</b>			
1	Long-term mortgage, collaterals and deposits		5,247,973,150	
2	Long-term prepaid expenses		18,467,775,469	

**Phu Hung Securities Corporation**  
**Notes to the Financial Safety Ratio Report as of 30 June 2023 (continued)**

No.	Items	Liquid capital as of 30 June 2023		
		Liquid capital VND	Deductions VND	Additions VND
3	Deferred tax assets		4,650,864,080	
4	Deposits at Payment Support Fund		16,964,116,068	
5	Other long-term assets		10,049,193,284	
<b>VI</b>	<b>Allowances for diminution in value of long-term assets</b>			
	Asset items subject to qualification, adverse opinion or disclaimer in audited/reviewed financial statements but not yet calculated as deductions pursuant to Article 5			-
<b>1C</b>	<b>Sub-total</b>			<b>85,148,194,919</b>
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		10,444,493,149	
2	The value of the collateral for liabilities has remaining term of more than 90 days			-
<b>ID</b>	<b>Sub-total</b>			<b>10,444,493,149</b>
	<b>LIQUID CAPITAL = 1A-1B-1C-1D</b>			<b>1,558,523,587,926</b>

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

	30/6/2023 VND
<b>Retained profits</b>	<b>122,351,059,029</b>
<b>Adjust for:</b>	
1. Revaluation losses of financial assets at FVTPL	815,455,672
2. Revaluation gains of financial assets at FVTPL	(972,398,661)
	<hr/> <b>122,194,116,040</b> <hr/>

**Phu Hung Securities Corporation**  
**Notes to the Financial Safety Ratio Report as of 30 June 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 30 June 2023 are as follows:

	Cost VND	Market value VND	Difference VND
<b>Additions</b>			
Financial assets at FVTPL			
<i>Listed shares</i>	12,989,613,679	13,962,012,340	972,398,661
<i>Unlisted shares</i>	14,996,127	14,996,127	-
	13,004,609,806	13,977,008,467	972,398,661
	<b>Cost VND</b>	<b>Market value VND</b>	<b>Difference VND</b>
<b>Deductions</b>			
Financial assets at FVTPL			
<i>Listed shares</i>	11,459,776,899	10,692,126,990	(767,649,909)

28 July 2023

Prepared by:

  
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