

**PHU HUNG SECURITIES  
CORPORATION**

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

No: 68/2024/PHS-PL

Ref.: *Disclosing Annual Report of 2023*

*Ho Chi Minh City, 28 March 2024*

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

- To:**
- **STATE SECURITIES COMMISSION;**
  - **VIETNAM EXCHANGE;**
  - **HA NOI STOCK EXCHANGE.**

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

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

Phone: (+84 28) 5413 5479

Fax: (+84 28) 5413 5472

Person to implement disclosure of information: Mr. Chen Chia Ken

Type of information disclosure:             24 hours     72 hours     Unusual     Periodic

**Information of disclosed content:**

According to Circular 96/2020/TT-BTC on guidance for information disclosure on securities market, PHS sincerely discloses Annual Report of 2023 (for further information, please find the attached).

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

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

*Attachments:*  
*Annual Report in 2023*

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



**Mr. CHEN CHIA KEN**



DIGITAL TRANSFORMATION  
**VALUE  
ENHANCEMENT**



ANNUAL  
REPORT  
**2023**

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# MESSAGE FROM CHAIRMAN OF THE BOARD

Dear valued shareholders,

The relatively tough year 2023 has closed behind the door, and I firmly believe that the world economy in general, and the Vietnamese economy in particular, have undergone many challenges as well as profound lessons, paving the way forward for a more promising year in 2024. The global economic recession, accompanied by geopolitical tensions arising from conflicts such as Russia - Ukraine and the Israel - Hamas war, has added a solemn tone to the world's financial, commodity, food, and energy situations. Additionally, the banking crisis in the US, the global debt crisis (with global debt compared to GDP has reached 336%), the stagnation of the European economy, and the slow recovery of the world's second- largest economy, China, have caused optimism about economic recovery to dwindle compared to the beginning of 2023.



However, amidst these hardships and challenges, bright spots and opportunities emerge in places with "sustainable core value". For instance, the US economy has shown surprising resilient throughout the tumultuous year of 2023, and artificial intelligence technology, specifically generative AI, has gained global coverage. Everyone is becoming familiar with AI and starting to leverage this technology into their daily activities. The same applies to the Vietnamese economy, which, despite facing difficulties, has resiliently overcome obstacles and maintained its position as a bright spot in the global economy. GDP is estimated to reach 5.05% compared to 2023, thanks

to the outstanding efforts and contributions of the service and construction sectors. Vietnam has also become an ideal destination for FDI capital flows (implemented FDI capital in Vietnam reached 23.2 billion USD, marking an 3.5% increase compared to the previous year, and reaching the highest scale of implemented FDI capital ever). Based on this, Vietnam's economy has demonstrated to the world that stability stems from the government's correct policies in promoting the economy, controlling inflation, focusing on transport infrastructure development activities, and expanding regional and inter-regional connections, allowing the economy to operate without distance.

At Phu Hung Securities (PHS), we refuse to remain passive in the face of storms, viewing them as opportunities to undergo transformation activities, improve the quality of customer care, and enhance the service experience and technological innovation. We understand that every customer who engage with us deserves to experience even higher quality transaction facilities. This approach serves as the driving force for all business, service, and support departments of PHS to continuously improve and work towards a common goal. As a result of these efforts, PHS entered the Top 6 of Derivative Brokerage market shares for the first time in 2023 - a proud achievement and testament to PHS's advancement in both derivatives' brokerage and stock brokerage market share in 2024.

Looking ahead to the future, we predict that 2024 will be a year full of hope for the Vietnamese economy, as we have overcome challenges with a "sustainable core value". Alongside optimism about the economy and confidence in new market system improvements, PHS's vision until the end of 2024 is to continue digitizing products and services, improving transaction systems, and launching several of PHS's characteristic technology products, enabling investors to experience new and modern technologies. Simultaneously, this strengthens PHS's position in the Vietnamese market and provides peace of mind to shareholders and investors when trading with PHS.

Finally, we would like to express our gratitude to our shareholders for their unwavering support and trust in PHS, as well as to our Board of Directors, Board of Management, and staff for their commitment and hard work. We pledge to continue striving for learning and self-improvement, as we work towards our goal of "Sustaining Prosperity, Going Global" together with everyone.

Sincerely,  
BOARD OF DIRECTORS,  
Chairman



ÔNG ALBERT KWANG-CHIN TING





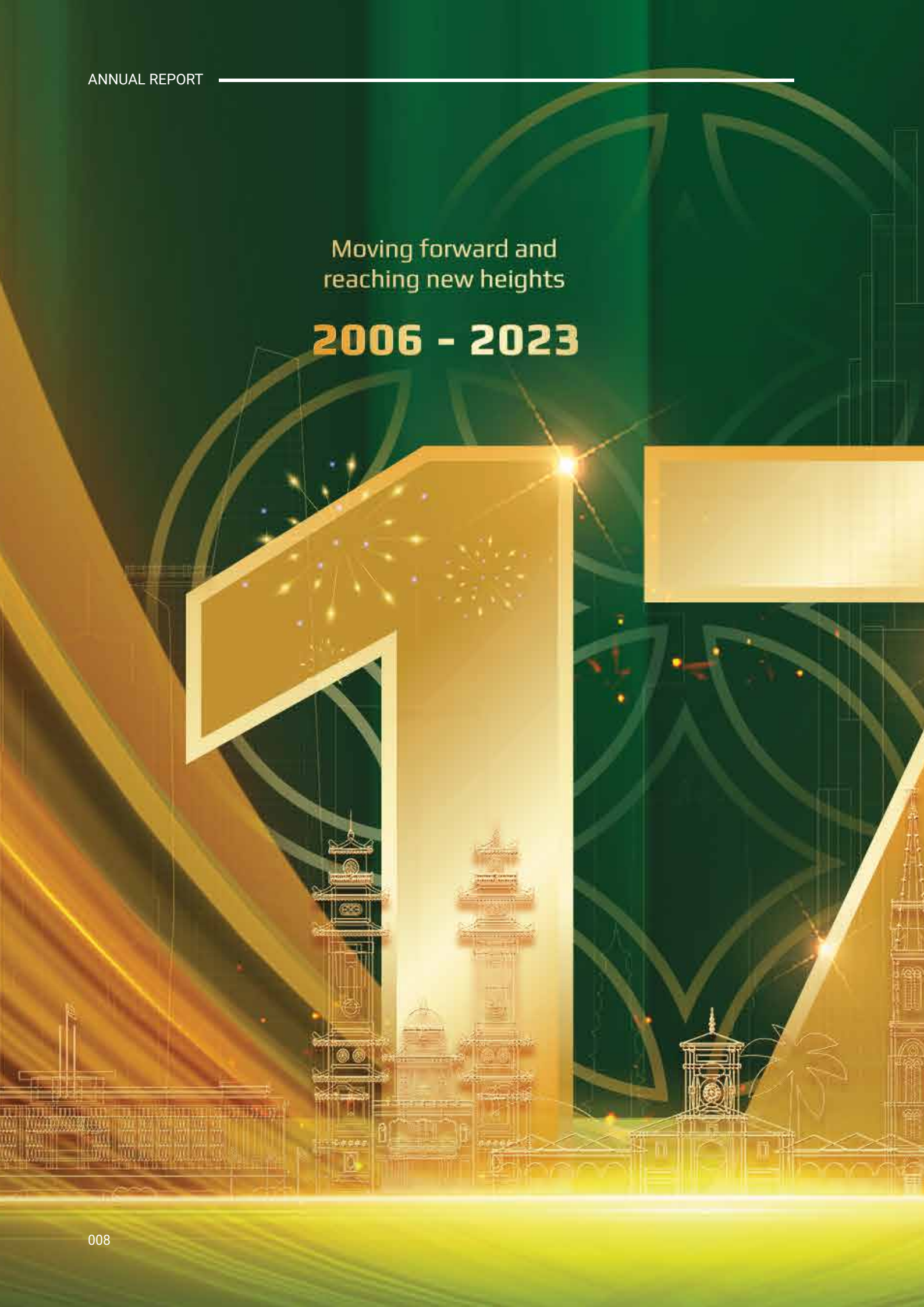
## 2023 HIGHLIGHTS

Unit: VND million, unless otherwise noted	2022	Changes 2022/2021	2023	Changes 2023/2022
<b>BUSINESS RESULTS</b>				
Revenue	594,656	16.7%	600,268	0.9%
Brokerage	188,307	-16.4%	150,678	-20.0%
Investments	1,934	-80.6%	14,328	641.0%
Advisory	558	21.1%	-	-100.0%
Other	403,856	47.4%	435,261	7.8%
Expenses	520,973	56.4%	544,068	4.4%
Profit before tax	73,683	-58.2%	56,199	-23.7%
Profit after tax	59,979	-57.4%	44,551	-25.7%
ROE	0.04	(0.08)	0.03	(0.01)
ROA	0.01	(0.03)	0.01	-
<b>ASSETS</b>				
Total assets	3,676,224	-22.9%	4,040,738	9.9%
Charter capital	1,500,098	7.1%	1,500,098	0.0%
Equity	1,597,444	-0.4%	1,611,993	0.9%
Gross leverage ratio	2.30		2.51	
Debt / Equity ratio	1.30		1.51	
Liquid capital ratio	449%			
<b>PER SHARE METRICS</b>				
Basic earnings per share (VND)	400	-67%	297	-26%
Weighted average number of ordinary shares	150,009,329	31%	150,009,329	0%
Dividend/share (VND)	-		-	



Moving forward and  
reaching new heights

**2006 - 2023**



# GENERAL INFORMATION

# OVERVIEW

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

❖ **Certificate of business registration No:**

Establishment and Operational License No. 122/GP-UBCK issued by State Securities Commission (“SSC”) dated January 20th, 2016.

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

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

❖ **Owner's capital** VND 1,611,992,546,411

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

❖ **Telephone** (84 28) 5413 5479

❖ **Fax** (84 28) 5413 5472

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

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

❖ **Securities code** PHS





# FOUNDATION AND DEVELOPMENT PROCESS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**August 29<sup>th</sup>, 2022:** PHS received amendment of establishment and operation license No. 79/GPĐC-UBCK dated August 29<sup>th</sup>, 2022, recording charter capital of VND 1,500,098,190,000.

**November 22<sup>nd</sup>, 2022:** PHS received certificate of enterprise registration.

**February 27<sup>th</sup>, 2023:** PHS has listed its first covered warrant on the HOSE.

**December 05<sup>th</sup>, 2023:** PHS became a private corporate bond trading member of Vietnam Exchange.

*Other events:*

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

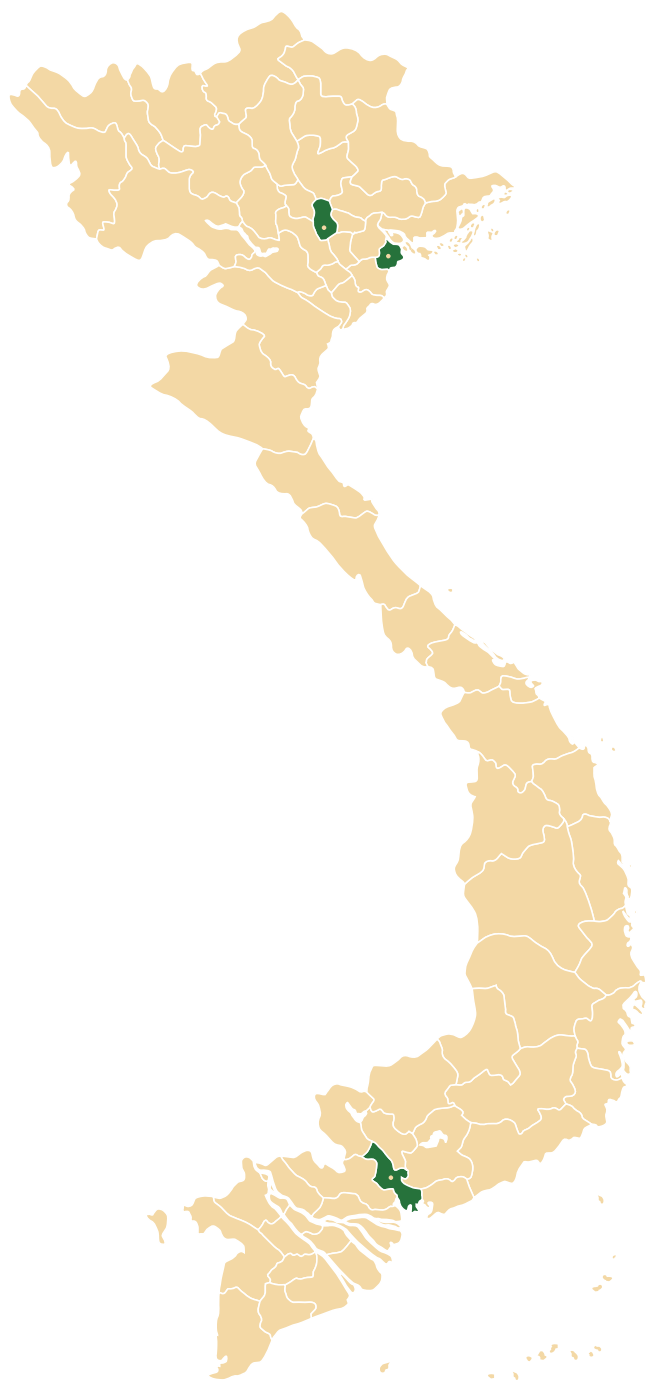
**December 2016:** PHS was awarded the traditional flag, certificate and Letter of Appreciation for the 10-year contribution of PHS from the State Agencies.



# LINES & LOCATIONS OF THE BUSINESS

## LINE OF THE BUSINESS





## LOCATIONS OF THE BUSINESS

### 🏠 Locations in Ho Chi Minh City:

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

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

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

#### **District 1 Branch**

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

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

#### **District 3 Branch**

Floor 4 & 5, 458 Nguyen Thi Minh Khai, Ward 2, District 3, Ho Chi Minh City

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

#### **Tan Binh Branch**

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

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

### 🏠 Locations in other cities/provinces:

#### **Ha Noi Branch**

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

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

#### **Thanh Xuan Branch**

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

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

#### **Hai Phong Branch**

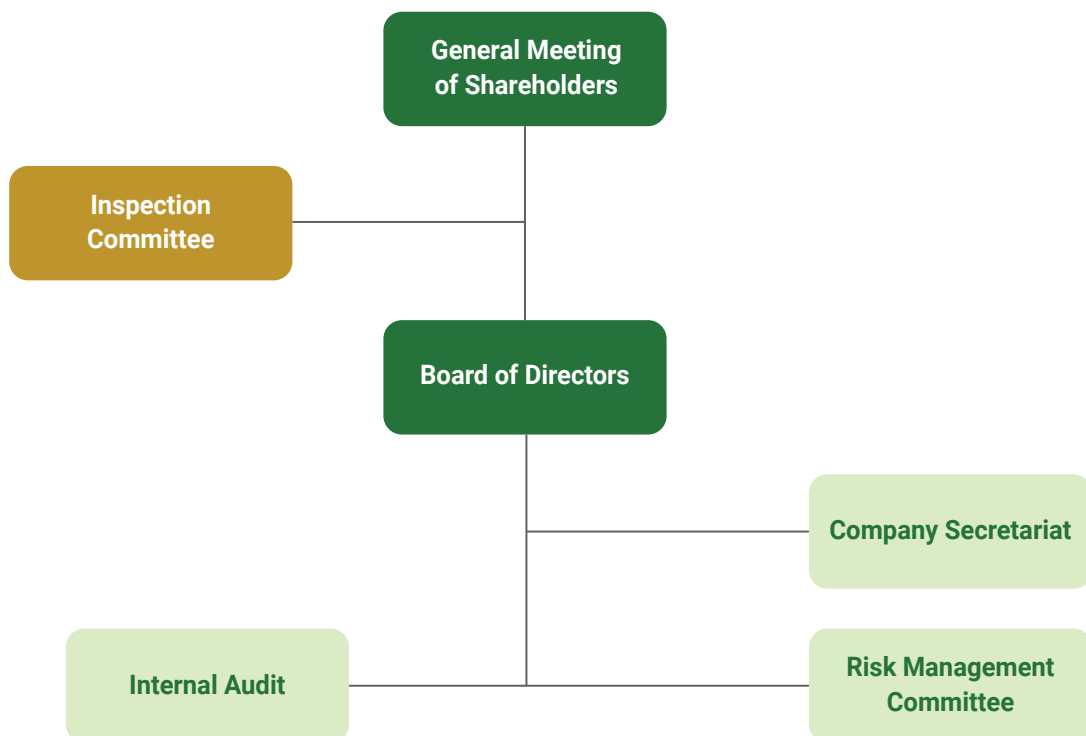
Eliteco Building, 2<sup>nd</sup> Floor, 18 Tran Hung Dao Street, Hong Bang District, Hai Phong

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

# GOVERNANCE MODEL, BUSINESS ORGANIZATION & MANAGERIAL APPARATUS

## GOVERNANCE MODEL

The General Meeting of Shareholders is the highest authority of the company. It elects the Inspection Committee and the Board of Directors ("BOD"). The BOD assists shareholders in managing the company, while the Inspection Committee supervises the management and operation of both the BOD and the Board of Management ("BOM"). The BOD makes decisions on all matters relating to the company's activities, except for those within the authority of the General Meeting of Shareholders. The Internal Audit and Risk Management Committee directly report to the BOD, while the Company Secretariat is responsible for administrative support to the BOD.



## MANAGEMENT STRUCTURE

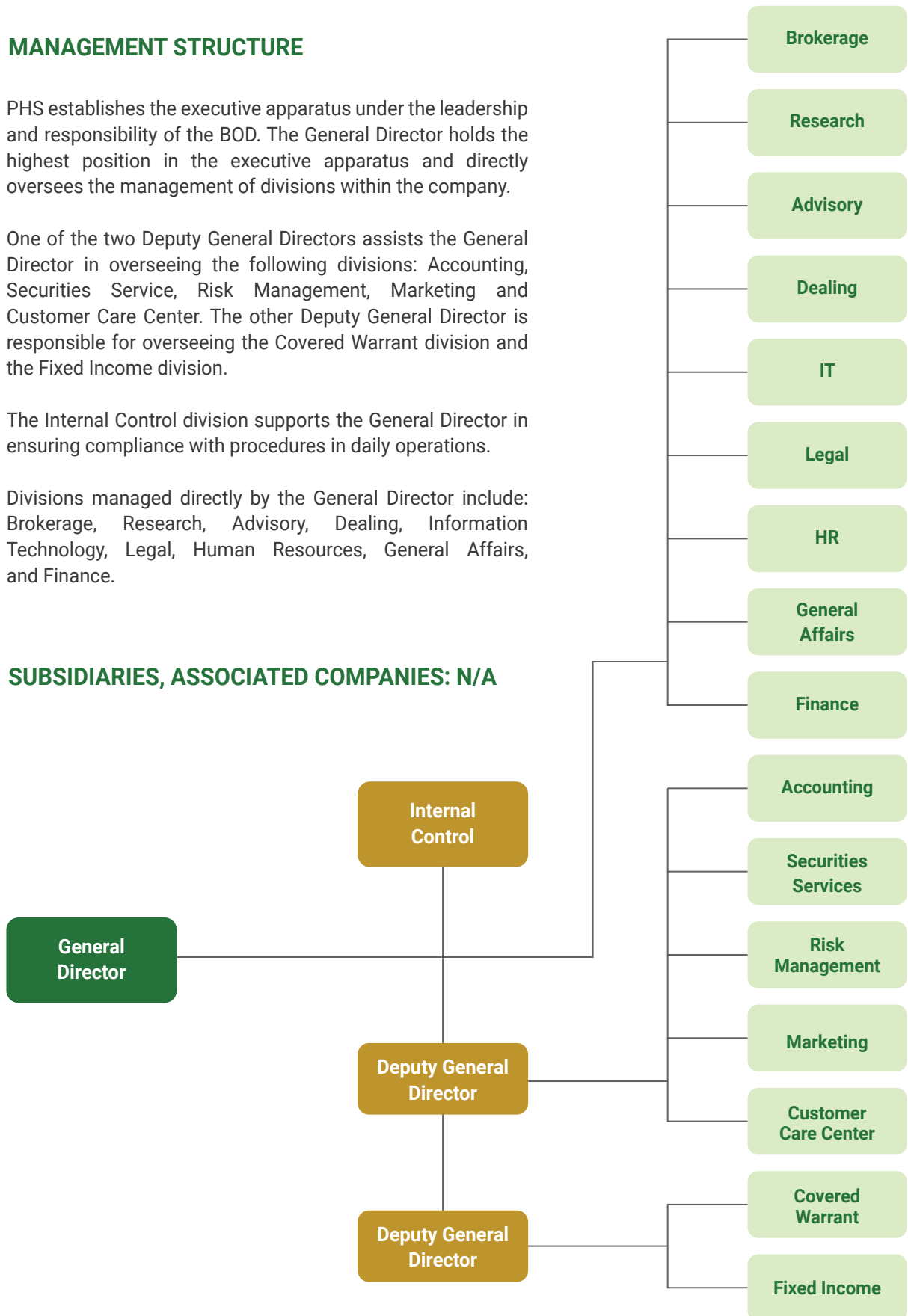
PHS establishes the executive apparatus under the leadership and responsibility of the BOD. The General Director holds the highest position in the executive apparatus and directly oversees the management of divisions within the company.

One of the two Deputy General Directors assists the General Director in overseeing the following divisions: Accounting, Securities Service, Risk Management, Marketing and Customer Care Center. The other Deputy General Director is responsible for overseeing the Covered Warrant division and the Fixed Income division.

The Internal Control division supports the General Director in ensuring compliance with procedures in daily operations.

Divisions managed directly by the General Director include: Brokerage, Research, Advisory, Dealing, Information Technology, Legal, Human Resources, General Affairs, and Finance.

## SUBSIDIARIES, ASSOCIATED COMPANIES: N/A



# DEVELOPMENT ORIENTATIONS

## OBJECTIVE 2024

PHS' objective as a leading financial institution in the Vietnamese market is based on our customer-centric principles, aimed at protecting customers from losses. Our persistent yet flexible approach, coupled with business acumen, not only helps PHS remain resilient against turbulence in Vietnam's stock market but also solidifies its position. Our development strategy, accompanied by an action plan, has enabled PHS to achieve notable milestones. Sustainable development is underpinned by three key success factors: service quality, innovation and product development.

## DEVELOPMENT STRATEGY

The Board of Directors (BOD) of PHS has developed a strategic plan aligned with positive macroeconomic forecasts for Vietnam's stock market in 2024, which is expected to experience a solid recovery and continue attracting foreign investment. In response to the opportunities and challenges presented, PHS has identified solutions for each business activity based on its medium and long-term strategic goals, with a focus on sustainable development factors. Sustainable growth remains PHS' preferred approach to survival and confident market participation.


PHS's adaptability, innovation, and sustainable growth is evident in its strategic initiatives. By strategically investing in infrastructure, enhancing service delivery, introducing new products, and fostering innovation, PHS aims to position itself for success and contribute positively to market development.

Investing in infrastructure enables PHS to enhance its technological capabilities, ensuring efficient and reliable operations. Improving service delivery enhances the overall customer experience, fostering loyalty and attracting new clients. The introduction of new products and innovative solutions allows PHS to remain competitive and responsive to evolving market demands.

Furthermore, PHS's emphasis on sustainability underscores its commitment to environmental and social responsibility. By integrating sustainable practices into its operations, PHS not only mitigates risks but also strengthens its reputation as a socially responsible organization.

# RISKS

- ❖ **Market risks** entail negative impacts resulting from fluctuations in asset values under PHS's ownership;
- ❖ **Payment risks** arise if PHS's counterparties are unable to make payments or transfer assets as agreed upon and in a timely manner;
- ❖ **Liquidity risks** emerge if PHS is unable to fulfill its financial obligations;
- ❖ **Operational risks** stem from technical errors, system failures, human errors, or insufficient capital for business operations, leading to costs, investment losses, or other objective factors;
- ❖ **Legal risks** occur due to non-compliance with legal provisions related to business activities, contract cancellations resulting from illegality, lack of authorization, deficient terms, failure to meet standards, or other reasons;
- ❖ **Environmental risks** and natural disasters encompass risks associated with environmental changes such as major floods, storms, and earthquakes, which may cause material losses and halt operations for PHS and the companies it invests in or supports;
- ❖ **The risk of pandemics**, such as COVID-19, can result in significant economic and financial impacts, affecting the revenue and profitability of the company.

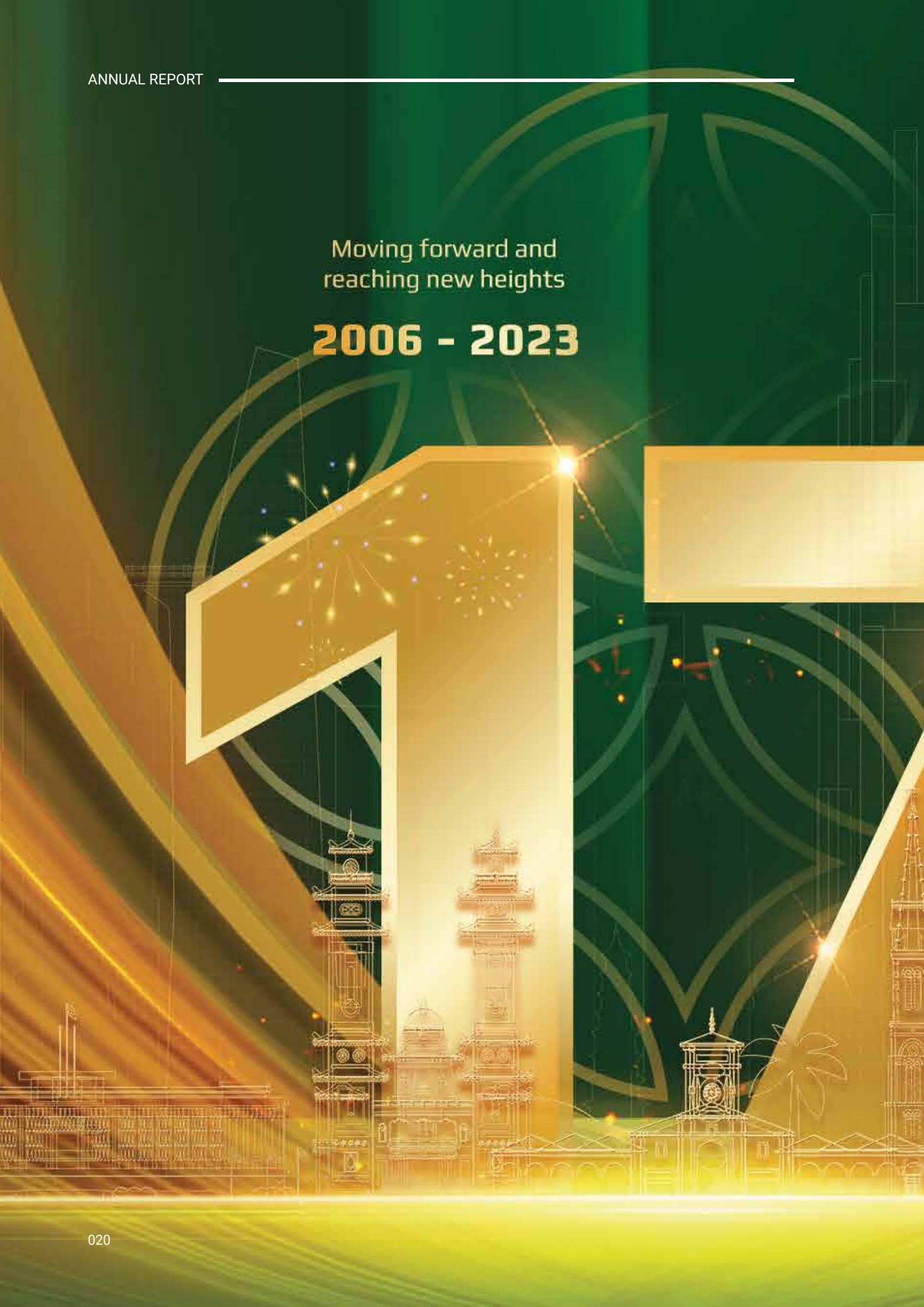


The Company's risk management policy is designed to detect and analyze risks faced by the Company, establish appropriate limits and risk control measures, monitor risks, and ensure compliance with established limits. Our risk management policies and systems undergo regular review to reflect changes in market conditions and Company operations. Through standards, management practices, and training processes, we aim to cultivate a disciplined, constructive, and controlled environment where all employees understand their roles and responsibilities.



Moving forward and  
reaching new heights

**2006 - 2023**



# YEARLY OPERATIONS



# SITUATION OF PRODUCTION & BUSINESS OPERATIONS

In 2023, Vietnam's stock market underwent significant fluctuations, creating an emotionally charged journey for investors. Despite challenges in the last quarter of 2022, investor sentiment appeared more stable, although lingering doubts about future prospects persisted in the early months of 2023. During the initial phase of the year, the VN-Index maintained a range between 1,043 and 1,111 points, with average daily liquidity decreasing to just over VND 11 trillion, representing a 20% decline from the last quarter of 2022. However, from June 2023 onwards, the Vietnamese stock market began to witness a positive recovery.

Optimistic outlooks from global issues and the government's proactive policies supporting businesses, along with the State Bank's monetary

policies, propelled the Vietnamese stock market into a short-term growth phase. The VN-Index surged and reached its highest point of the year at 1,245.5 points on September 6, 2023, marking an increase of approximately 23.6% compared to the end of 2022. The clear improvement extended not only to the VN-Index but also to market liquidity. The average daily liquidity for the entire market increased to over VND 23 trillion, doubling from the earlier months of 2023. This reflects investors' renewed confidence and the positive return of capital to the market. In 2023, the government also took several proactive actions to promote the upgrading of the Vietnamese stock market, coupled with positive signals from the global economy, heightening positive expectations for the Vietnamese stock market in 2024.

## BUSINESS RESULT

Over the past years, the company's operating profits have exhibited a consistent trend. In 2023, the operating profit reached approximately VND 56.2 billion, with the profit after tax yielding positive results of around VND 44.6 billion. This represented a slight decrease compared to 2021, attributed to market turbulence.



## MAIN BUSINESS ACTIVITIES

### a) Brokerage

In 2023, the company faced significant challenges amid the general difficulties of the Vietnamese stock market. Total market liquidity decreased by approximately 15% compared to the entire year of 2022, impacting the Company's transaction value. Securities brokerage revenue also declined compared to the same period last year, totaling just over VND 150.6 billion. Nevertheless, the company implemented effective cost management measures, reducing brokerage costs by 10.6%. Besides, the futures securities brokerage business has become a standout for PHS in 2023, as PHS secured the 6th position in the futures brokerage market share on the HNX with 2.66%, witness a growth of over 52% compared to the end of 2022.

Despite the decline in brokerage revenue, the margin lending business maintained stable performance, reaching VND 314.2 billion, similar to the previous year. This stability is a positive indicator, showcasing the company's strength in financial support services, which helps safeguard revenue and sustain profits. Through flexible customer development policies, the company secured a position among the top 8 market shares of government bond brokerage in the third quarter of 2023. This achievement not only highlights the company's dedication to maintaining and expanding its customer network but also underscores its ability to adapt and capitalize on opportunities in a dynamic market.

### b) Dealing

Following the recovery of the Vietnam stock market, our portfolios achieved a gain of 6.1% in 2023. Through close collaboration with the Research division, the Dealing division anticipates receiving enhanced professional support in 2024. We believe that with more comprehensive and instant monitoring of both fundamental and technical aspects, the Dealing division will be better equipped to identify valuable investment opportunities and report improved performance in the future.

### c) Advisory and Research

To facilitate participation in Vietnam's securities exchange and assist foreign investors in comprehending the Vietnamese securities market, PHS offers a network platform, advisory services, and various research reports. These include daily, weekly, and monthly reports, as well as individual stock research, industry analysis, and general economic analysis reports available in three languages: Chinese, English, and Vietnamese. By breaking down language barriers, foreign investors can engage in Vietnam's development freely. Additionally, our advisory services cover listing, issuance, equitization, mergers and acquisitions, and underwriting, catering to the diverse needs of institutional customers.

## OPERATION IN BRANCHES

In 2023, the number of branches remained unchanged, maintaining a total of 7 branches and trading offices. However, there was an improvement in the quality of employees achieved through enhanced recruitment and training efforts. The effective operational results of the branches are gradually affirming sustainable development.

# ORGANIZATION & HUMAN RESOURCES

## LIST OF THE MANAGEMENT TEAM

**Mr. Chen Chia Ken**

Position: General Director

Year of birth: 1971

Qualification: Master's degree

Number of shares own: 0 share

**Mrs. Pham Thi Thu Nhan**

Position: Deputy General Director

Year of birth: 1984

Qualification: Master's degree

Number of shares own: 0 share

**Mrs. Do Thi Ai Vy**

Position: Chief Accountant

Year of birth: 1986

Qualification: Bachelor's degree

Number of shares own: 0 share



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

Number of staffs updated to December 31<sup>st</sup>, 2023

**382** Staffs

Total salary expense for employee

**117,165,276,358** VND

*(one hundred seventeen billion one hundred sixty five million two hundred seventy six thousand three hundred and fifty eight Vietnam dong)*

Average income

**25,559,615** VND/ person/ month

*(twenty five million five hundred fifty nine thousand six hundred fifteen Vietnam dong)*

PHS fully implements the policies of State Agencies, as well as the regulations and policies of the company, for its employees. These policies encompass various aspects including salary, bonuses, rewards, disciplinary measures, labor rules, vacation regulations, holidays, social insurance, sickness and maternity benefits, healthcare provisions, labor safety and hygiene standards, as well as appointment, recruitment, and training procedures. Additionally, PHS utilizes the reward and welfare fund to incentivize and enhance employee job performance while fostering commitment to the business.





# INVESTMENT ACTIVITIES, PROJECT IMPLEMENTATION

MAJOR INVESTMENTS: N/A

SUBSIDIARIES, ASSOCIATED COMPANIES: N/A

## FINANCIAL SITUATION

### FINANCIAL SITUATION

Unit: VND

Financial Figure	Year 2022	Year 2023	% change
Total asset	3,676,223,540,195	4,040,738,369,898	9.9%
Net revenue	593,848,771,820	599,799,512,180	1.0%
Profit from business activities	72,936,565,655	56,359,359,351	(22.7%)
Other profits	746,308,144	(160,118,391)	(121.5%)
Before tax profit	73,682,873,799	56,199,240,960	(23.7%)
After tax profit	59,979,201,559	44,550,793,002	(25.7%)
Payout ratio	N/A	N/A	N/A

## MAJOR FINANCIAL BENCHMARKS

Unit: VND

Benchmarks	Year 2022	Year 2023	Note
<b>1. Solvency ratio</b>			
- Current ratio:			
Short term Asset/Short term debt	1.73	1.63	
- Quick ratio:			
Short term Asset - Inventories	1.73	1.63	
Short term Debt			
<b>2. Capital structure Ratio</b>			
- Debt/Total assets ratio	0.57	0.60	
- Debt/Owners' Equity ratio	1.30	1.51	
<b>3. Operation capability Ratio</b>			
- Inventory turnover:			
Cost of goods sold/Average inventory			
- Total asset turnover:			
Net revenue/ Total Assets	0.14	0.16	
<b>4. Target on Profitability</b>			
- Profit after tax/ Net revenue Ratio	0.10	0.07	
- Profit after tax/ Total capital Ratio	0.04	0.03	
- Profit after tax/ Total assets Ratio	0.02	0.01	
- Profit from business activities/ Net revenue Ratio	0.12	0.09	

## FOR CREDIT INSTITUTIONS AND NON-BANK FINANCIAL INSTITUTIONS

Unit: VND

Figures	Year 2022	Year 2023	Note
<b>1. Capital scale</b>			
- Charter Capital	1,500,098,190,000	1,500,098,190,000	
- Total assets	3,676,223,540,195	4,040,738,369,898	
- Capital adequacy ratio	449%	518%	
<b>2. Operating results</b>			
- Cash deposits			
- Lending	53,319,143,845,883	41,663,374,019,454	
- Debt collection	54,865,600,091,258	40,703,092,073,495	
- Overdue debts	66,021,711,273	65,599,871,917	
- Bad debt	20,614,534,412	37,445,198,459	
- Incremental Capital Output Ratio	2.7	2.7	
- Overdue outstanding underwritten debt/ Total outstanding debt Ratio			
- Overdue debts/ Total debt Ratio	0.03	0.02	
- Bad debt/Total debt Ratio	0.01	0.01	
<b>3. Solvency</b>			
- Short term solvency (Short term Asset/Short term debt)	1.73	1.63	
- General solvency (Short term Asset/ Total debt)	1.73	1.63	

# SHAREHOLDERS STRUCTURE, CHANGE IN THE OWNER'S EQUITY

## SHARES

Specify total number on December 31<sup>st</sup>, 2023, is 150,009,819 shares.

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

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

PHS does not have securities trading abroad.

## SHAREHOLDERS STRUCTURES

Number of major shareholders (owning 5% or more) are 3 shareholders.

Number of minor shareholders (owning less than 5%) are 361 shareholders.

Number of institutional shareholders are 14 shareholders.

Number of individual shareholders are 350 shareholders.

Number of domestic shareholders are 338 shareholders.

Number of foreign shareholders are 26 shareholders.

There is no any PHS share owning by the government.

Other shareholder is PHS (treasury stocks).

## SPECIFY EQUITY INCREASES FOR THE YEAR

On July 03<sup>rd</sup>, 2023, PHS finalized the list of shareholders to pay cash dividend with the ratio of 2% per share.

## TRANSACTION OF TREASURY STOCKS

Number of treasury stocks are 490 shares. In 2023, PHS did not make any treasury stocks transaction.

## OTHER SECURITIES

In 2023, PHS did not make any other securities issuance.

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

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

**ENERGY CONSUMPTION: N/A**

**WATER CONSUMPTION: N/A**

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

**POLICIES RELATED TO EMPLOYEES**

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

Number of staff updated to December 31<sup>st</sup>, 2023: 382 staffs.

Total salary expense for employees: approximately VND 117,165,276,358 (one hundred seventeen billion one hundred sixty five million two hundred seventy six thousand three hundred and fifty eight Vietnam dong)

Average income: approximately VND 25,559,615 (twenty five million five hundred fifty nine thousand six hundred fifteen Vietnam dong)/person/month.

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

Periodic health check for employees in 2023: VND 498,080,560 (four hundred ninety eight million zero hundred eighty thousand and five hundred sixty dong).

Extra health insurance fees for supervisor level up and all employees with contribution from 1 years above in 2023: VND 593,145,244 (five hundred ninety three million one hundred forty five thousand and two hundred forty four Vietnam dong).

24/24 accident insurance for employees in 2023: VND 7,843,500 (seven million eight hundred forty three thousand and five hundred Vietnam dong).

Annual trip for employees in 2023: approximately VND 3,000,000 (three million Vietnam dong)/ person.

## Training employees

In 2023, PHS sent employees to the Asia School of Business, established by Bank Negara Malaysia and MIT Sloan School of Management, to obtain MBA degrees, aiming to improve capacity and innovate management methods.

PHS also cooperates with Fulbright University Vietnam to send employees to attend their training program, focusing on improving work handling skills and personal management development.

Continuing to promote employee development, PHS utilizes the CLS e-learning system. Improvements and applications of the CLS system implemented in 2023 include:

- Defining courses according to departmental functions and distributing them following each stage.
- Establishing an e-learning library of courses to help employees supplement knowledge in any situation.
- Generating reports of training courses, including post-training tests and surveys.
- Developing video courses available on the e-learning platform.

In addition to professional qualifications, PHS prioritizes the cultivation of essential soft skills for effective consulting work. Throughout 2023, the company offers a variety of training programs designed to refine these skills, including:

- Continuing the securities practice license training program.
- Implementing a document control training program.
- Conducting a leadership situation program.

Soft skills training programs under the career development project for employees include:

- Communication skills program
- Negotiation skills program
- Goal setting program
- Customer focus program
- Talent development program
- Team connection program
- Time management skills program

In addition, we also deliver the virtual training programs to supplement the professional knowledge of brokerage staff, trained by experienced experts affiliated with the operational division.

## REPORT ON RESPONSIBILITY FOR LOCAL COMMUNITY:

The company is committed to community investments and other community development activities, including providing financial assistance to community services.

One notable initiative is the sponsorship of staff to represent and participate in the Lawrence S. Ting charity walk program. This event is held annually by Phu My Hung Development Limited Company in coordination with the People's Committees of District 7, District 8, Binh Chanh District, and Nha Be District since 2006. The purpose of this program is

to raise funds to support the underprivileged members of the community every spring.

In addition to engaging in local volunteer activities, the company strives to create a dynamic and youthful working environment. This environment enables students to gain practical experience and real-life work exposure in enterprises. They also learn more about the financial and securities markets while still in school, contributing to the community's responsibility in nurturing talented young successors.

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



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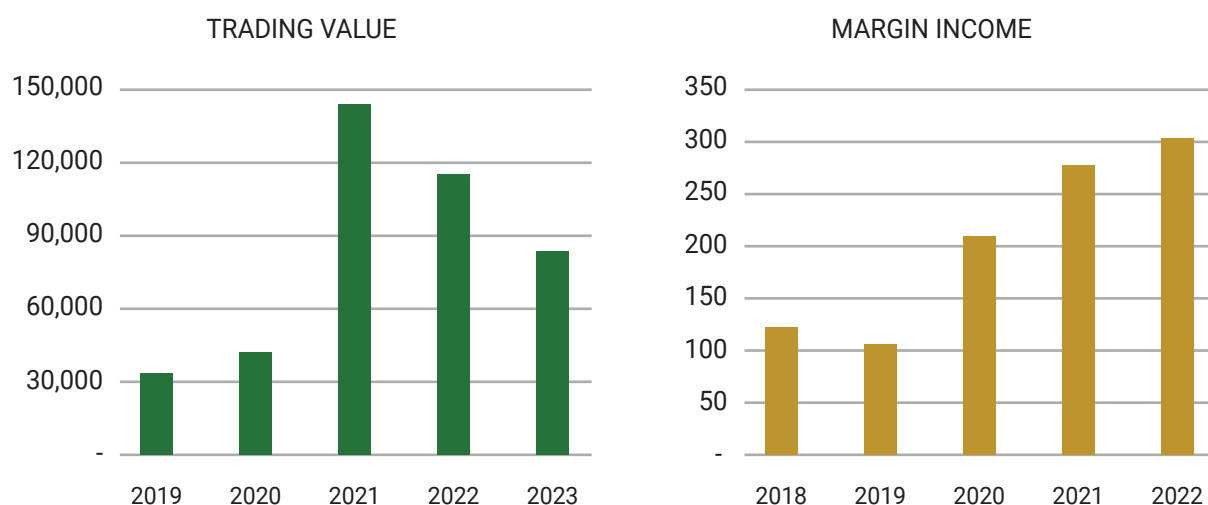


# REPORT AND ASSESSMENT OF THE MANAGEMENT TEAM



# ASSESSMENT OF OPERATING RESULTS

## BROKERAGE



Unit: VND billion

In addition to the financial figures, it's important to explore the strategies and initiatives that contributed to PHS's performance amid a challenging market landscape. Throughout 2023, the company's leadership demonstrated agility and foresight in navigating volatile market conditions. They implemented measures to optimize operational efficiency and mitigate risks, resulting in a total operating revenue of approximately VND 559 billion, a 4.4% increase compared to the previous year.

PHS remains committed to maintaining a balanced interest rate environment, which played a significant role in driving growth in margin lending activities. By carefully calibrating interest rates in line with market dynamics, PHS attracted borrowers while also managing lending risks. The margin lending business

reached VND 314.2 billion, reflecting approximately 8.4% growth compared to 2022.

Moreover, the company's focus on cost management deserves recognition. With brokerage expenses in 2023 totaling 168.8 billion VND, a substantial reduction of 10.6% compared to the previous year underscores PHS's dedication to streamlining operations without compromising service quality.

Furthermore, the overall decrease in total operating expenses by 2.1%, down to VND 206.2 billion, reflects PHS's disciplined approach to resource allocation and prudent financial management. By identifying areas for optimization and efficiency gains, the company has demonstrated its commitment to maximizing shareholder value and ensuring financial sustainability.

## DEALING

In 2023, with the recovery of the Vietnam stock market, the Dealing Division focused on identifying investment opportunities in leading stocks across mainstream industries and specific targets relevant to their business operations and prospects. However, an overall price readjustment in the stock market occurred from the middle of September onwards. Despite this, by the end of December 2023, our portfolios saw a gain of 6.1%.



## FINANCIAL AND INVESTMENT ADVISORY

In 2023, both the world economy and Vietnam faced more risks and challenges than opportunities. The global economy experienced slow growth, with inflation cooling down but still at elevated levels. Monetary policy tightening further weakened aggregate demand, while climate change and geopolitical tensions became more severe. Domestically, Vietnam encountered pressures from massive frauds in real estate, banking, and corporate bonds.

Despite these challenges, Vietnam maintained a stable macroeconomic environment with controlled inflation, flourishing foreign direct investment (FDI) attraction, and record disbursement of capital. Numerous policies were introduced to address bottlenecks in land, construction, real estate, and bonds. Economic growth reached 5.05% for the year, with the average consumer price index increasing by 3.3% over the same period.

The VN Index exhibited an upward recovery trend with increased liquidity, making the market more dynamic. By the end of 2023, the VN Index had increased by 12.2%, reaching 1129.93 points. However, Vietnam's stock market still encountered obstacles such as declining corporate profits, slow absorption rates of supportive policies in the corporate bond market and credit growth, and less positive sentiment from foreign investors, who engaged in strong net selling activities throughout the year.

In the face of the challenging market context and ongoing division restructuring efforts, the revenue target for 2023 was not achieved as expected. However, with the completion of the division's restructuring plan regarding employees, products, and services, the company aims to focus on developing the customer network and promoting advisory activities in 2024.



# FINANCIAL SITUATION

## ASSETS

End of 2023, total assets were VND 4,040,738,369,898 increased VND 364,514,829,703 (9.9%) compared with the beginning of the year. Total the short-term assets are VND 3,959,452,700,074 accounted for 97.9% of total assets (the figure of beginning of the year is 97.8%), long-term assets are VND 81,285,669,824 accounted for 2.1% of total assets (the figure at the beginning of the year is 2.2%). The proportion of short-term and long-term assets at the end of 2023 compared to the beginning of the year did not change much. The asset utilization rate is 0.16.

Bad debts at the end of 2023 is VND 37,445,198,459 accounted for 0.93% of total assets.

## LIABILITIES

End of 2023, liabilities of the company were VND 2,428,745,823,487 and there is not overdue debt. Therein, liabilities to foreign organizations were VND 1,605,690,000,000 accounted for 66.1% of total liabilities so will affect to the exchange rate difference of liabilities and interest expenses.

## KEY FINANCIAL METRICS

Items	Unit	2017	2018	2019	2020	2021	2022	2023
<b>Solvency ratio</b>								
Current ratio = Short term Asset/Short term debt	Times	1.77	1.95	1.82	1.82	1.49	1.73	1.63
<b>Capital structure Ratio</b>								
Debt/Total assets ratio	%	56%	51%	54%	53%	66%	57%	60%
Debt/Owners' Equity ratio	%	127%	103%	118%	115%	197%	130%	151%
Net revenue/ Total Assets	%	11%	12%	12%	10%	15%	14%	16%
<b>Target on Profitability</b>								
Profit after tax/ Net revenue Ratio	%	13%	21%	24%	24%	28%	10%	7%
Profit after tax/ total average capital Ratio (ROE)	%	4%	6%	6%	5%	12%	4%	3%
Profit after tax/ Total assets Ratio (ROA)	%	2%	3%	3%	2%	3%	2%	1%
Basic earnings per share	VND	537	729	679	603	1,229	400	297

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

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

As of December 31, 2023, the balance of short-term and long-term loans was as follows: Unit: VND million

	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
<b>Loans</b>	<b>708,217</b>	<b>1,175,168</b>	<b>1,152,506</b>	<b>1,526,116</b>	<b>3,538,094</b>	<b>1,991,637</b>	<b>2,951,919</b>
Short-term loans	708,217	1,175,168	1,152,506	1,526,116	3,538,094	1,991,637	2,951,919
Long-term loans	0	0	0	0	-	-	-
<b>Total</b>	<b>708,217</b>	<b>1,175,168</b>	<b>1,152,506</b>	<b>1,526,116</b>	<b>3,538,094</b>	<b>1,991,637</b>	<b>2,951,919</b>

The company strictly fulfills its obligations in accordance with current regulations. The balance of tax payables to the State as of December 31, 2023 is as follows:

	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
Value added tax	2	5	3	3	4	20	16
Corporate income tax	-	-	3,249	4,084	5,986	3,876	3,876
Personal income tax	1,368	1,275	1,608	3,694	12,483	10,232	7,122
Foreign contractor withholding tax	0	-	16	28	28	1,126	968
<b>Total</b>	<b>1,371</b>	<b>1,280</b>	<b>4,876</b>	<b>7,809</b>	<b>18,501</b>	<b>15,255</b>	<b>11,982</b>

## RECEIVABLES

	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
Interest receivables from financial assets	15,979	32,398	20,294	21,522	46,758	57,343	74,788
Prepayments to suppliers	434	1,151	906	1,147	1,701	1,700	7,108
Receivables from services rendered	25,888	15,727	14,855	1,586	160,061	9,824	3,964
Other receivables	12,802	12,936	12,909	12,927	13,103	13,006	12,787
Other receivables provision	(9,470)	(9,290)	(9,326)	(9,186)	(6,315)	(7,453)	(6,894)
<b>Total</b>	<b>45,633</b>	<b>52,922</b>	<b>39,637</b>	<b>27,996</b>	<b>215,308</b>	<b>74,420</b>	<b>91,753</b>

## PAYABLES

	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
Short-term payables	644,152,348.3	766,188	906,211	1,140,360	3,160,455	2,076,800	2,426,615
Long-term payables	340,437.5	365	337	1,312	1,792	1,980	2,131
<b>Total</b>	<b>644,493</b>	<b>766,552</b>	<b>906,548</b>	<b>1,141,671</b>	<b>3,162,247</b>	<b>2,078,780</b>	<b>2,428,746</b>

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

	Risk/Liquid capital 12/31/2017	Risk/Liquid capital 12/31/2018	Risk/Liquid capital 12/31/2019	Risk/Liquid capital 12/31/2020	Risk/Liquid capital 12/31/2021	Risk/Liquid capital 12/31/2022	Risk/Liquid capital 12/31/2022
<b>Items</b>							
Total market risk value	510	275	405	13,886	1,968	722	6,532
Total settlement risk value	28,474	34,389	28,599	45,990	69,484	160,683	111,464
Total operational risk value	60,000	60,000	60,000	50,000	180,000	180,000	180,000
Total risk values	88,985	94,664	89,004	109,876	251,452	341,405	297,996
Liquid capital	504,606	740,875	758,447	948,638	1,540,387	1,532,038	1,543,936
Liquid capital ratio	567%	783%	852%	863%	613%	449%	518%

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



## IMPROVEMENTS IN ORGANIZATIONAL STRUCTURE, POLICIES, MANAGEMENT

- ❏ The BOM has implemented a clear division of responsibilities, assigning each profession to directly responsible leaders. This approach ensures that business management and administration are executed rhythmically and synchronized, resulting in high efficiency. The company has restructured its workforce, strengthened the management system, and aimed to continuously improve labor productivity while enhancing the efficiency of labor utilization. The organizational structure has been streamlined, with departmental functions and responsibilities integrated to achieve high specialization and avoid duplication. The company has invested in building a professional and dedicated workforce to drive company development.
- ❏ In terms of technology, products, and services, the company consistently focuses on upgrading systems, innovating products, and enhancing services to meet the needs of investors and users.
- ❏ Regarding policies, the company remains vigilant about changes to ensure compliance with the provisions of State Agencies. This commitment to staying abreast of regulatory changes helps maintain the company's adherence to legal requirements and fosters a culture of compliance and accountability.

# DEVELOPMENT PLANS IN THE FUTURE

## BROKERAGE

In 2024, PHS will concentrate strongly on developing and offering new services to meet the growing demands of individual investors in the stock market. Recognizing the significance of this customer segment, PHS has established specific targets to optimize business operations and enhance its market share in securities brokerage.

With these endeavors, PHS aims to achieve a market share of 1.32% in securities brokerage by 2024. This target is not merely a numerical goal but also a testament to the company's commitment to delivering real value to customers and the stock market. It underscores PHS's resolve to evolve and

grow sustainably amidst volatility and intense competition in the financial market.

The futures securities brokerage business emerged as a standout for PHS in 2023, particularly as the company secured the 6th position in futures brokerage market share on the Hanoi Stock Exchange (HNX) with 2.66%. Remarkably, revenue from futures brokerage fees also experienced significant growth, doubling compared to the same period in 2022. Setting a target of a 2.85% market share in futures brokerage in 2024 reflects the company's confidence and determination in development and shaping the future.

## DEALING

The stock market remains an attractive investment channel, thanks to policy support measures aimed at boosting the economy next year. Furthermore, the Vietnam stock market is taking steps to upgrade its status from frontier to emerging. Recently, regulators and securities officials have been working closely to introduce a new trading system to the market. Therefore, there is confidence that the Vietnam stock market still holds promise and exhibits upside potential in 2024.

Our portfolio have been strategically reallocated to take advantage when the stock market rallies next year. Continually seeking opportunities to diversify and enhance our investment portfolio, with more comprehensive and instant monitoring in both fundamental and technical aspects, thus believe that the Dealing Division will be able to filter out more valuable investment opportunities and report better performance in 2024.

Currently, the watch-list for investable stocks is closely reviewed and adjusted based on observations of signals revealed from fundamental and technical indicators. The results of investment positions are regularly reviewed, and the stock tracking procedure will be recorded as a guideline for any investment decision-making in the future.

Overall, we are committed to closely monitoring the movements of the market and be more aggressive in searching for investment opportunities. With close cooperation with the Research Division, using a significant amount of fundamental and technical analysis, the Dealing Division has become more professional in chasing potential capital gains with well-analyzed reasonable risk exposure.



## COVERED WARRANT

Vietnam's covered warrant market has grown continuously. 317 new covered warrants were issued and listed on HOSE, and the number of outstanding covered warrants reached a new high of 241. In addition, the daily average trading value of the covered warrant market has also substantially increased from VND 20.8 billion to VND 28.01 billion (YoY 34.66%) compared with 2022. The maximum trading volume and value reached a new high at 81.14 million shares and VND 100.26 billion on 22 September 2023. The trading value of the covered warrant market is highly correlated with VN-Index and its volatility.

PHS had three covered warrant issuances listed in HOSE in 2023, which are CHPG2304, CHPG2314, and CSTB2311. The average daily trading value of these covered warrants is 483 million. PHS remains optimistic about the future development of the covered warrants market. We expect the market depth of the covered warrant market will continuously increase with Vietnam's overall stock market in the coming years. In 2024, the Covered warrant division will keep participating in the covered warrant market and aggressively expand the market share with multiple self-developed advanced automated trading tools.



## MARKETING

In 2024, the company's marketing communication and promotion activities will aim at achieving the following goals:

- Promote PHS's digital products and services to target investors. Build on 2023's activities with a set of carefully planned initiatives, PHS's 2024 promotional campaigns will emphasize explosiveness, uniqueness, and extensive coverage to attract and engage a significant number of interested customers.
- Establish strong relationships with media agencies as a foundation for risk management in the context of volatile markets. This proactive engagement ensures that information about PHS is presented accurately, preventing misleading narratives, and providing investors with a reliable source of useful information from the press.
- Measure and manage marketing data to enhance customer care. Digital marketing communications offer the advantage of capturing customer behavioral data, providing insights for evaluating the effectiveness of activities. Therefore, in 2024, marketing data will be meticulously processed to serve as valuable input for internal improvement activities within the company.





## RISK MANAGEMENT

With the anticipated launch of the KRX operational plan, expected to introduce new trading and settlement solutions, PHS aims to upgrade the stock market, attract investors, and boost liquidity. Based on the market situation in 2023, the Risk Management Division will develop policies suitable for the general market in 2024. The focus will be on good fundamental stocks to increase their proportion in the portfolio of securities allowed for margin trading. Additionally, policies will concentrate on enhancing the process of evaluating margin-traded securities to minimize risks for PHS and its customers, while supporting the overall business objectives of PHS.

Since PHS launched derivatives securities trading three years ago, the number of customers has had many opportunities to grow in 2024. With the continuous expansion of derivative products, the development of risk management strategies for this product needs to be proactive and improved to minimize negative impacts. The main identified risks include market risk, capital leverage, margin requirements, legal, liquidity, and system risk. As a response, the Risk Management Division will submit criteria to control risks in real-time, tailored to the market conditions, aiming to minimize risks in business activities in the Derivative Market. This proactive approach will help ensure the stability and



security of operations while facilitating the growth and participation of customers in the Derivative Market.

In 2024, minimizing risks and supporting business operations are the paramount strategies in risk management operations. To uphold these strategies, the Risk Management Division will actively collaborate with the Research Division to conduct advanced analyses of listing companies eligible for margin trading. Additionally, the division will continue to utilize data analysis tools developed by the IT Division. This collaboration aims to assist the Risk Management Division in swiftly, accurately,

and efficiently collecting data for submission to the Risk Management Committee.

Furthermore, the division plans to apply more diversified margin lists with different loan ratios to support safe and efficient business operations, enhancing competitiveness in the market. Above all, the risk management policies for 2024 must ensure independence, flexibility, uniformity, efficiency, and sustainability to foster business growth. This approach underscores the commitment to a robust risk management framework that contributes to the overall success and stability of PHS.



## HUMAN RESOURCES

In 2024, HR plans to improve the bonding activities based on the feedbacks and contributions from PHS members through quality program surveys. These improvements are aimed to make activities employee-friendly, fostering a sense of importance and belonging as part of the company, while enhancing PHS's image on social media. Honest sharing about work experiences and participation in engagement events will help potential candidates better understand the company and build trust before making any decisions on job applications. Each employee becomes a quality communication channel for the PHS brand.

Building on the success of the training roadmap implemented in 2023, HR in 2024 remains committed to enhancing not only professional knowledge but also refining and developing procedures, and professional sales skills tailored to each job position. This involves integrating technological advancements and providing personalized learning experiences through the E-learning system. Through this strategic approach, our goal is not only to meet but to exceed industry standards, creating a workforce that is not only skilled but visionary, thus contributing to the sustained success of the company.

In recent years, PHS has been making efforts to maintain and adjust attractive compensation and benefit policies to ensure the attraction of a skilled workforce and encourage long-term employee contributions at the company organization and society at large.





# EXPLANATION OF THE BOD FOR AUDITOR'S OPINIONS

Auditor's opinions are absolutely approved.

## ASSESSMENT REPORT ON ENVIRONMENTAL & SOCIAL RESPONSIBILITY OF COMPANY

### REVIEW CONCERNING THE ENVIRONMENTAL INDICATORS

PHS is operating in securities field.

### REVIEW CONCERNING THE WORKERS

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

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

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

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

### REVIEW CONCERNING CORPORATE RESPONSIBILITY TOWARDS THE LOCAL COMMUNITY

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

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

Moving forward and  
reaching new heights

**2006 - 2023**





# ASSESSMENTS OF THE BOARD OF DIRECTORS ON THE COMPANY'S OPERATION

# ASSESSMENTS OF THE BOM ON THE COMPANY'S OPERATION

## VIETNAM ECONOMY IN 2022



After a difficult 2022, Vietnam's stock market has rebounded in 2023. VN-Index ends 2023 with an increase of 12% (compared to a decrease of 33% in 2022).

The world economy continued to face many difficulties in 2023 as geopolitical tensions became more intense, the Russia-Ukraine conflict became complicated, and clashes in the Middle East continued to occur. This affected the world's economic recovery process after the Covid-19 pandemic. Inflation has cooled down but still remained high, many large economies had to maintain tight monetary policies, high interest rates, which caused global trade, consumption and investment to continue to decline.

The difficulties of the global economy also reflected on the economy of Vietnam in 2023. GDP growth in 2023 only increased by 5.05% compared to the

previous year and lower than the government's target. However, unlike other countries when facing the situation of soaring commodity prices, inflation in Vietnam was tightly controlled when it only increased by 3.3% in 2023 along with the FX exchange rate maintaining stability, creating conditions for the SBV and the Government to implement a series of measures to support and stimulate economic growth.

SBV has cut the policy rates four times in just three months (from March to June), adding up to 150-200 basis points (bps), bringing the policy interest rate level around 3 - 4.5%.

In addition, in 2023, the Government also issued a series of new circulars and decrees to remove difficulties for the real estate sector and the corporate bond market.

Despite the significant decrease in average liquidity on the HOSE (15,100 billion VND / session compared to 17,500 billion VND / session in 2022), the cash flow from domestic individual investors participating again created a considerable motivation for the increase of the indices. The evidence is the number of new individual investors (F0) increased significantly in the second half of 2023. By the end of 2023, the number of securities trading accounts of domestic individual investors was equivalent to about 7.2% of the population, and the ability to complete the Government target of 8% of the population by 2030 soon.

The profit of listed companies in 2023 is estimated to decrease by 4%YoY due to the difficult economic situation, affecting the business results of groups such as retail, real estate, steel, aviation. However, there are still sectors that record positive growth, typically such as securities, insurance, health. In addition, in the fourth quarter of 2023 alone, the profit of listed companies is estimated to have regained positive growth rate (+32%), after 4 consecutive quarters of negative growth before. This is seen as an encouraging result showing that

the economy is in the process of recovery. Thereby, the P/E of VN-Index as of the end of 2023 is at 13.6 times.

Entering 2024, Vietnamese stock market is expected to maintain an upward trend with the motivation from strong recovery of the economy in the context that SBV will continue to keep rates at low level. In addition, the global economy will also improve when the world major central banks start to cut interest rates.

According to PHS's estimate, the profit of listed companies could increase by 17% yoy with the P/E of the market expected to be at around 12 – 13.x, quite attractive compared to the 5-year average of about 15.x.

In the long term, the Vietnamese stock market is expected to enter a sustainable growth cycle thanks to the main driver from the market upgrade. The government has and is making efforts to implement solutions to reform the stock market, thereby meeting the criteria to be upgraded to the emerging market of FTSE and MSCI.

## BUSINESS RESULT IN 2023

In 2023, the Vietnamese stock market experienced relative volatility, and PHS encountered challenges in its business operations. The after-tax profit of PHS amounted to VND 44.6 billion, representing 38.6% of the fiscal year 2022 plan approved by shareholders at the previous year's Annual General Meeting of Shareholders ("AGMS").



## STRATEGIC TRANSFORMATION IN 2024

The business result in 2023 is reflect all the efforts of the BOM, all officers and employees. BOD aims to stay competitive, adapt to changing market dynamics, and continue its growth trajectory in 2024. The company growth some directions for set by the BOD of the company include:

- Prioritize improving the quality and efficiency of customer service and support. This might involve streamlining processes, investing in training and development for customer-facing staff, or implementing new technologies to enhance the customer experience.
- Focus on developing new products or enhancing existing ones to meet evolving customer needs and preferences. This could involve market research, customer feedback, and collaboration across departments to identify areas for improvement or innovation.
- Encouraging and fostering innovation across all aspects of the business, including products, services, processes, and technology. This might involve investing in research and development, exploring new market opportunities, or leveraging emerging technologies to stay ahead of the competition.

## ENVIRONMENT & SOCIAL RESPONSIBILITIES

### Contribution for market information

As one of the leading foreign securities companies in Vietnam, PHS assumes ongoing responsibilities to contribute to and develop the capital markets, especially by promoting transparency, integrity, and innovation. The company proactively participates in market and industry activities, frequently connecting Taiwanese financial enterprises and experts with the SSC and the Stock Exchanges for the mutual exchange of information and experience in deploying new financial products for the Vietnamese market.

We believe that the purpose of business is not simply about profit. By contributing to and developing the market, PHS always acts as a pioneer in guiding the Vietnamese securities market.

### Raising the young generation

We recognize our responsibility to actively contribute to environmental protection and societal development. Our development strategies aim to enhance the expertise and experience of our staff. Human resources are considered our greatest asset, with effective people management being a key factor in our sustainable development.

One of PHS's social responsibility activities is to frequently hold training sessions for college and university students, helping them orient themselves in the financial-securities field. We also support younger individuals in improving their skills, creating opportunities for them to participate in the business environment, and promoting a healthy and stimulating environment in which they can thrive.

## ASSESSMENT OF BOD ON BOM'S PERFORMANCE

In accordance with PHS' company Charter, internal procedures, and policies, the Board of Directors (BOD) delegates authority to the Board of Management (BOM) to oversee the company's daily operational activities and implement strategic decisions aligned with our business plans.

Through quarterly reports on business performance, daily operational reports, and ad-hoc management reports, the BOD evaluates the BOM's execution of their duties in compliance with

prevailing laws, the company charter, and resolutions of General Shareholders Meetings. Despite a 1% increase in net revenue, profit before tax decreased by 23.7% compared to 2022. PHS endeavored to achieve the targets approved at General Shareholders Meetings.

Additionally, the BOD has diligently performed its duties with care, professionalism, and integrity, safeguarding the legal rights and benefits of the company and its shareholders

## PLANS, ORIENTATIONS OF THE BOD

To achieve 2024 goals, the solution for each business segment have been planned based on the long-term strategic and focusing on the factors that create sustainable development for PHS: service quality, innovation and product development. Customers are always the focus in all activities. Specifically:

- ❖ **IMPROVING SERVICE QUALITY** – PHS consistently improves the competence of its human resources through training programs, ensuring the provision of reliable services, prioritizing safety, and building a sustainable reputation with customers. Continue to emphasize and enhance our customer support, promptly addressing issues faced by customers through the Customer Care Center, and implementing the CRM system. In future, plans to apply the SLA model to further improve service quality and the company's commitment to each customer. Furthermore, the company is enhancing market research efforts to offer a range of diverse products tailored to customer needs. Simultaneously, PHS will strengthen its promotional activities, product introductions and overall image by organizing periodic customer seminars, ensuring that internal information aligns with customer requirements.
- ❖ **NEW MOBILE APP** – Understanding that technology's role in this industry is no longer just a supplementary role, but an essential factor towards key success, involving not only meeting regular demands for normal technology adaptation to stabilize the environment and improve performance, but also focusing shortening the trading time. The online trading platforms are being revamped to best fit the requirements for traders, ranging from casual to professional. Looking forward to 2024, PHS will deploy online services on the new mobile app to adapt future changes, catering to the specific needs of the target customers, particularly Gen Z.
- ❖ **UPGRADE CURRENT AND DEVELOP NEW PRODUCTS** – PHS consistently conducts research, development and offers top-tier products and services. Expanding various support utilities and communication tools within the existing translation framework. Consistently meet the requirements for both personnel and infrastructure preparation to upgrade the system and related services, adhering to KRX system connection requirements and ensuring the best possible customer experience.

Moving forward and  
reaching new heights

**2006 - 2023**





# CORPORATE GOVERNANCE

# BOARD OF DIRECTOR

## MEMBERS AND STRUCTURE OF THE BOD

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

## THE COMMITTEES OF THE BOD: N/A

## ACTIVITIES OF THE BOD

In 2023, the BOD completed the assignments from the General Meeting of Shareholders, thereby, partially contributed to the improvement of business results of PHS and increases PHS's brokerage market share in stock market.

On 13<sup>rd</sup> January 2023, the BOD passed the amendment of Risk Management Policy.

On 27<sup>th</sup> March 2023, the BOD passed revised Charter to submit to the Annual General Meeting of Shareholders dated 20<sup>th</sup> April 2022 for approval and implementation.

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

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



In 2023, the BOD organized 08 meetings, passed 08 Resolutions with the noticeable contents, as follows:

No.	Date	Code No. of Resolution	Content
1.	January 17 <sup>th</sup> 2023	01/75_0123/NQ-HĐQT	<ol style="list-style-type: none"> <li>1. To pass the Provision for Margin debt on Dec 31<sup>st</sup>, 2022;</li> <li>2. To pass the Provision for Advances to customers for securities trading activities on Dec 31<sup>st</sup>, 2022;</li> <li>3. To pass the Risk Management Policy 2023;</li> <li>4. To pass the Renewing credit line with Bank SinoPac – HCMC branch;</li> <li>5. To pass the Renewing credit line with Indovina Bank Limited – Business Center.</li> </ol>
2.	March 02 <sup>nd</sup> 2023	01/76_0223/NQ-HĐQT	<ol style="list-style-type: none"> <li>1. To pass the Record Date, the Meeting Date of the Annual General Meeting of Shareholders;</li> <li>2. To pass the Moving Office of District 3 Branch and changing its registered address with State Securities Commission;</li> <li>3. To pass the Renewing Credit line with Bank SinoPac – OBU;</li> <li>4. To pass the Renewing Credit Line with Taishin International Bank Co., Ltd;</li> <li>5. To pass the Renewing Overdraft facility with Bank for Investment and Development of Vietnam – Nam Ky Khoi Nghia Branch.</li> </ol>
3.	March 27 <sup>th</sup> 2023	01/77_0323/NQ-HĐQT	<ol style="list-style-type: none"> <li>1. To pass the Agenda And Documents Using In The 2023 Annual General Meeting Of Shareholders (AGMS) Dated April 20<sup>th</sup>, 2023;</li> <li>2. To pass the Audited Financial Statement Of 2022;</li> <li>3. To pass the Report Of The Board Of Directors On The Business Performance In 2022;</li> <li>4. To pass the Report On Corporate Governance Of PHS In 2022;</li> <li>5. To pass the Report On Updating Charter Capital Into The Company's Charter Dated October 24<sup>th</sup>, 2022;</li> <li>6. To pass the Development And Business Plan In 2023;</li> <li>7. To pass the Updated Budget 2023;</li> <li>8. To pass the Handling The Balances Of The Operational Risk And Financial Reserve Fund;</li> <li>9. To pass the Profit Distribution Plan in 2022;</li> <li>10. To pass the Amendment Of The Company's Charter;</li> <li>11. To pass the Power Of Attorney For Mr. Chen Chia Ken – BOD Member Cum General Director To Be The Meeting Chairman And Sign The Documents Of The AGMS Dated April 20<sup>th</sup>, 2023;</li> <li>12. To pass the Audited Financial Safety Ratio Report On December 31<sup>st</sup>, 2022;</li> <li>13. To pass the Renewing Credit Line With E.SUN Commercial Bank.</li> </ol>

No.	Date	Code No. of Resolution	Content
4.	May 31 <sup>st</sup> 2023	01/78_0423/NQ-HĐQT	<ol style="list-style-type: none"> <li>1. To pass the Remuneration of each member of Board of Directors and Inspection Committee in year 2023;</li> <li>2. To pass the Transfer operational risk and financial reserve fund to undistributed profit;</li> <li>3. To pass the Date to finalize the list of shareholders to pay cash dividend in 2022;</li> <li>4. To pass the Third offering condition of covered warrant;</li> <li>5. To pass the Renewing credit line with Chang Hwa Bank, Hsi-Sung Branch ("Changhwa");</li> <li>6. To pass the Renewing credit line with KGI Bank;</li> <li>7. To pass the Renewing credit line with Orient Commercial Joint Stock Bank – Ho Chi Minh City Branch ("OCB");</li> <li>8. To pass the Renewing overdraft limit with Vietnam Joint Stock Commercial Bank For Industry And Trade – Branch 4 Ho Chi Minh City ("Vietinbank");</li> <li>9. To pass the Renewing and increasing credit line with Cathay United Bank - Ho Chi Minh City Branch ("Cathay").</li> </ol>
5.	June 26 <sup>th</sup> 2023	01/79_0523/NQ-HĐQT	<ol style="list-style-type: none"> <li>1. To pass the fourth offering condition of covered warrant;</li> <li>2. To pass the renewing credit line with Bank of Panhsin;</li> <li>3. To pass the renewing credit line with Cathay United Bank – OBU;</li> <li>4. To pass the renewing credit line with Shanghai Commercial and Savings Bank – Hong Kong branch;</li> <li>5. To pass the credit line with CTBC Bank Co., Ltd – Ho Chi Minh City branch;</li> <li>6. To pass the renewing credit line with Taipei Fubon Commercial Bank Co., Ltd – Ho Chi Minh City branch;</li> <li>7. To pass the renewing and increasing credit line with Hua Nan Commercial Bank – Ho Chi Minh City branch;</li> <li>8. To pass the renewing credit line with Shanghai Commercial &amp; Savings Bank, Ltd – Dong Nai branch.</li> </ol>
6.	August 30 <sup>th</sup> 2023	01/80_0623/NQ-HĐQT	<ol style="list-style-type: none"> <li>1. To pass the provision for Margin debt on June 30<sup>th</sup>, 2023;</li> <li>2. To pass the provision for Advances to customers for securities trading activities on June 30<sup>th</sup>, 2023;</li> <li>3. To pass the amending of the BOD resolution No.04/78_0423/NQ-HĐQT dated on May 31<sup>st</sup>, 2023;</li> <li>4. To pass the consulting contract with Phu Hung Fund Management Joint Stock Company;</li> <li>5. To pass the credit line with CTBC Bank Co., Ltd;</li> <li>6. To pass the renewing credit line with E.Sun Commercial Bank – Dong Nai branch;</li> <li>7. To pass the renewing credit line with First Commercial Bank – Ho Chi Minh City branch;</li> <li>8. To pass the renewing credit line with First Commercial Bank – Offshore Banking Unit;</li> </ol>

No.	Date	Code No. of Resolution	Content
			<p>9. To pass the renewing credit line with Taipei Fubon Commercial Bank Co., Ltd – Offshore Banking branch;</p> <p>10. To pass the renewing credit line with Mega International Commercial Bank Co., Ltd – Ho Chi Minh City branch;</p> <p>11. To pass the renewing credit line with Mega International Commercial Bank – OBU;</p> <p>12. To pass the renewing and increasing credit line with Saigon Bank Industry and Trade - Head Office;</p> <p>13. To pass the credit line with Joint Stock Commercial Bank For Foreign Trade Of Vietnam – Saigon South branch;</p> <p>14. To pass the credit line with Vietnam Prosperity Joint Stock Commercial Bank.</p>
7.	October 26 <sup>th</sup> 2023	01/81_0723/NQ-HĐQT	<p>1. To pass the provision for Margin debt on September 30<sup>th</sup>, 2023;</p> <p>2. To pass the provision for Advances to customers for securities trading activities on September 30<sup>th</sup>, 2023;</p> <p>3. To pass the demission of Mr. Li Hsin Hsien – Deputy General Director;</p> <p>4. To pass the investment in fund certificate;</p> <p>5. To pass the new pre-settlement risk line with Cathay United Bank – Ho Chi Minh City branch;</p> <p>6. To pass the renewing credit line with EnTie Commercial Bank - Offshore Banking Unit;</p> <p>7. To pass the renewing credit line with Union Bank of Taiwan;</p> <p>8. To pass the renewing credit line with Taiwan Cooperative Bank - Offshore Banking Unit.</p>
8.	December 27 <sup>th</sup> 2023	01/82_0823/NQ-HĐQT	<p>1. To pass the Budget of Company in 2024;</p> <p>2. To pass the Business Plan 2024;</p> <p>3. To pass the amending of the BOD resolution No.02/80_0623/NQ-HĐQT dated on August 30<sup>th</sup>, 2023;</p> <p>4. To pass the renewing overdraft facility with Bank for Investment and Development of Vietnam - Nam Ky Khoi Nghia branch;</p> <p>5. To pass the renewing credit line with Bank SinoPac - Ho Chi Minh City branch;</p> <p>6. To pass the renewing credit line with Bank SinoPac – OBU;</p> <p>7. To pass the renewing credit line with Yuanta Commercial Bank Co., Ltd - Offshore Banking branch;</p> <p>8. To pass the increasing pre-settlement risk line with Cathay United Bank - Ho Chi Minh City branch.</p>

## ACTIVITIES OF INDEPENDENT MEMBERS OF THE BOD

In 2023, independent member of BOD completed the assigned tasks. Together with Inspection Committee, independent member of BOD inspected and observed the activities of BOD and BOM of PHS in daily business operation of company.

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

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

# INSPECTION COMMITTEE

## MEMBERS AND STRUCTURE OF THE INSPECTION COMMITTEE

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



## ACTIVITIES OF THE INSPECTION COMMITTEE

In 2023, Inspection Committee conducted the appointed assignment in the spirit of objectivity, independence, in accordance with the regulations of laws and internal regulations of PHS, including: inspecting, observing and assessing the management of BOD, BOM, as well as the operation of division in the company.

In 2023, the Inspection Committee conducted the meetings as prescribed in the following meeting minutes:

No.	Date	No. of Meeting Minutes	Content
1.	March 27 <sup>th</sup> 2023	01/19_0123/BB-BKS	<ol style="list-style-type: none"> <li>1. To pass the submission for approval on report of Inspection Committee on business performance in 2022 to the Annual General Meeting of Shareholders in 2023;</li> <li>2. To pass the submission for approval on selection for auditor in 2023 to the Annual General Meeting of Shareholders in 2023.</li> </ol>
2.	December 28 <sup>th</sup> 2023	01/20-0223/BB-BKS	<ol style="list-style-type: none"> <li>1. Report the interim financial statements for the six-month period ended June 30<sup>th</sup>, 2023;</li> <li>2. Report the interim financial statements for the quarter ended September 30<sup>th</sup>, 2023;</li> <li>3. Report the audited financial safety ratio report on June 30<sup>th</sup>, 2023;</li> <li>4. Report the business plan 2024.</li> </ol>



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

## SALARY, REWARDS, REMUNERATION AND BENEFITS

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

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

## TRANSACTIONS OF INTERNAL SHAREHOLDERS: N/A

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

## IMPLEMENTATION OF REGULATIONS ON CORPORATE GOVERNANCE

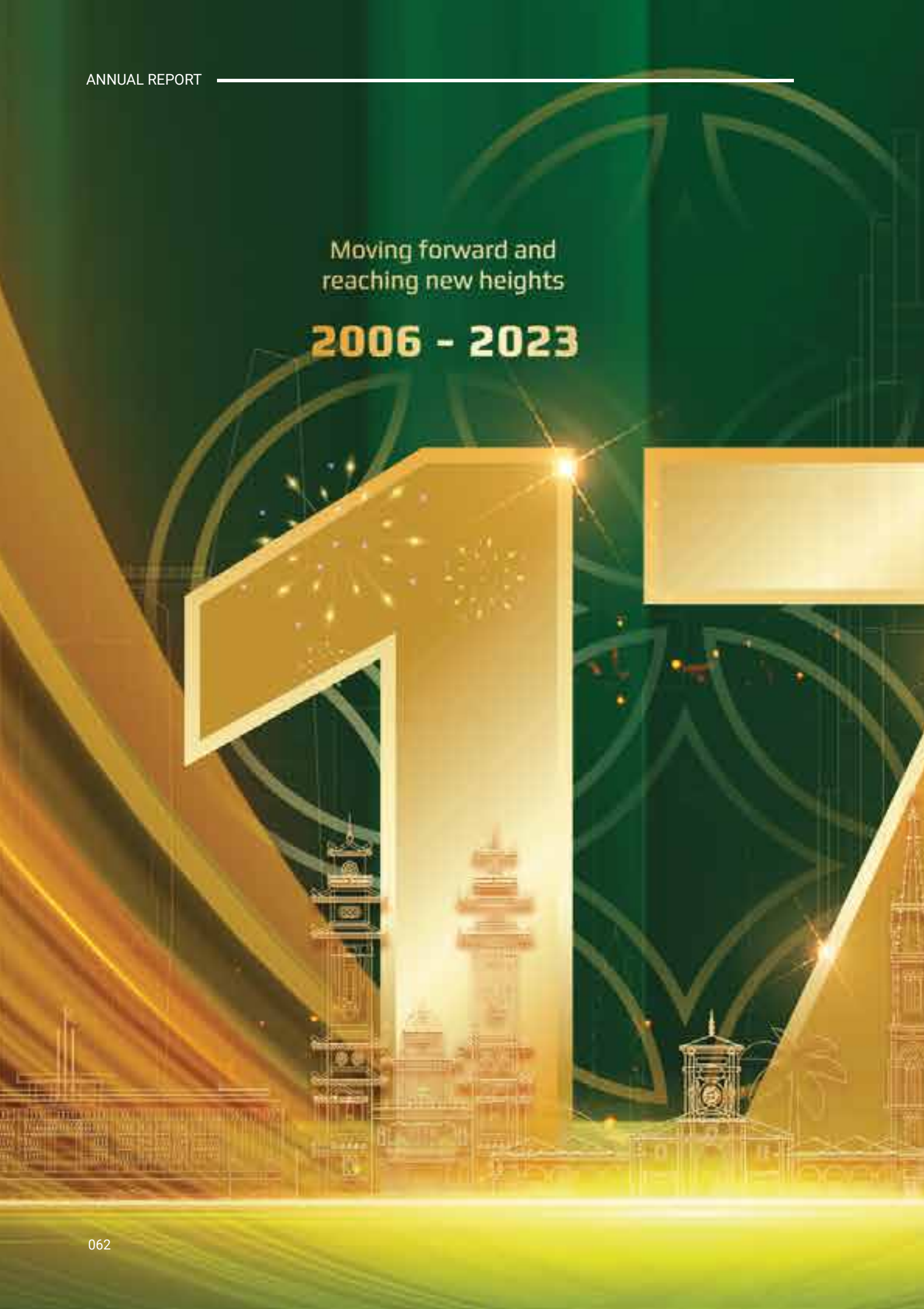


In 2023, in compliance with the regulations on corporate governance of public companies outlined in Decree 155/2020/NĐ-CP, PHS amended and revised its Charter. The updated Charter was submitted to the Annual General Meeting of Shareholders held on 20<sup>th</sup> April 2023.

Additionally, PHS ensured legal compliance by updating its divisions on new regulations, particularly regarding the new Securities Law No. 54/2019/QH14, which became effective on January 1<sup>st</sup>, 2021. These actions demonstrate PHS's commitment to adhering to legal requirements and maintaining transparency and compliance within its operations.

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# FINANCIAL STATEMENTS



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

**Establishment and**

<b>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.

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

0313642887 20 January 2016

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

**Board of Directors**

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

**Inspection Committee**

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

**Board of Management**

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

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

**Registered offices**

<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>	4 <sup>th</sup> & 5 <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 financial statements of the Company for the year ended 31 December 2023.

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

- (a) the financial statements set out on pages 6 to 65 give a true and fair view of the financial position of the Company as at 31 December 2023, and of its results of operations and the cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular 210, Circular 334 and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

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

On behalf of the Board of Management



Mr. Chen Chia Ken  
*General Director*

Ho Chi Minh City, 4 March 2024

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Shareholders Phu Hung Securities Corporation**

We have audited the accompanying financial statements of Phu Hung Securities Corporation (“the Company”), which comprise the statement of financial position as at 31 December 2023, the statements of income, cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company’s Board of Management on 4 March 2024, as set out on pages 6 to 65.

### **Management’s Responsibility**

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

### **Auditor’s Responsibility**

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

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

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



## Auditor's Opinion

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

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

Vietnam

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



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

Ho Chi Minh City, 4 March 2024

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

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

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

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

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

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

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

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

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

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

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

**OFF-BALANCE SHEET ITEMS**

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

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



**Phu Hung Securities Corporation****Statement of financial position as at 31 December 2023 (continued)****Form B01 – CTCK***(Issued under Circular No. 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)*

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

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Prepared by:

Ms. Nguyen Phuong Trinh  
Accounting Staff

4 March 2024

Reviewed by:

Ms. Do Thi Ai Vy  
Chief Accountant

Approved by:

Mr. Chen Chia Ken  
General Director*The accompanying notes are an integral part of these financial statements*

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

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

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

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

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

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

	Code	Note	2023 VND	2022 VND
<b>III</b>		<b>FINANCIAL INCOME</b>		
3.1		Realised and unrealised foreign exchange gains		
	41		39,327,917,136	57,236,901,439
3.2		Interest income from bank deposits		
	42		1,431,687,677	997,023,800
		<b>Total financial income</b>	<b>40,759,604,813</b>	<b>58,233,925,239</b>
<b>IV</b>		<b>FINANCIAL EXPENSES</b>		
4.1		Realised and unrealised foreign exchange losses		
	51		84,859,712,000	126,592,566,799
4.2		Interest expense		
	52	30	149,125,757,455	87,384,149,853
		<b>Total financial expenses</b>	<b>233,985,469,455</b>	<b>213,976,716,652</b>
<b>VI</b>		<b>GENERAL AND ADMINISTRATION EXPENSES</b>		
	62	31	<b>103,166,761,773</b>	<b>96,158,826,067</b>
<b>VII</b>		<b>RESULTS FROM OPERATING ACTIVITIES</b> (70 = 20 + 50 – 40 – 60 – 62)	<b>56,359,359,351</b>	<b>72,936,565,655</b>
	70			
<b>VIII</b>		<b>OTHER INCOME AND OTHER EXPENSES</b>		
8.1		Other income		
	71		468,124,194	806,933,548
8.2		Other expenses		
	72		628,242,585	60,625,404
		<b>Results from other activities</b> (80 = 71 – 72)	<b>(160,118,391)</b>	<b>746,308,144</b>
	80			
<b>IX</b>		<b>ACCOUNTING PROFIT BEFORE TAX</b> (90 = 70 + 80)	<b>56,199,240,960</b>	<b>73,682,873,799</b>
	90			
9.1		Realised profit before tax		
	91		110,472,917,374	35,464,128,776
9.2		Unrealised (loss)/profit before tax		
	92		(54,273,676,414)	38,218,745,023

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

**Phu Hung Securities Corporation**

**Statement of income for the year ended 31 December 2023 (continued)**

**Form B02 – CTCK**

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

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

4 March 2024

Prepared by:



Ms. Nguyen Phuong Trinh  
Accounting Staff

Reviewed by:



Ms. Do Thi Ai Vy  
Chief Accountant

Approved by:



Mr. Chen Chia Ken  
General Director

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

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

**Form B03 – CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC*  
*dated 27 December 2016 of the Ministry of Finance)*

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

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



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

**Form B03 – CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC  
dated 27 December 2016 of the Ministry of Finance)*

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

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

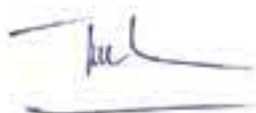
**Phu Hung Securities Corporation**  
**Statement of cash flows for the year ended 31 December 2023**  
**(Indirect method – continued)**

**Form B03 – CTCK**  
*(Issued under Circular No. 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)*

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

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

Prepared by:



**Ms. Nguyen Phuong Trinh**  
Accounting Staff

4 March 2024

Reviewed by:



**Ms. Do Thi Ai Vy**  
Chief Accountant



**Mr. Chen Chia Ken**  
General Director

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

**Phu Hung Securities Corporation**  
**Statement of changes in equity for the year ended 31 December 2023**

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

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

**Total**

1,604,664,182,450 1,597,443,619,209 160,077,391,559 (167,297,954,800) 110,889,467,555 (96,340,540,353) 1,597,443,619,209 1,611,992,546,411

4 March 2024

Prepared by:



Ms. Nguyen Phuong Trinh  
Accounting Staff

Reviewed by:



Ms. Do Thi Ai Vy  
Chief Accountant



Mr. Chen Chia Ken  
General Director

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

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

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

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

**1. Reporting entity**

**(a) Establishment**

Phu Hung Securities Corporation (“the Company”) is a joint stock company established in Vietnam under Establishment and Operation Licence No. 122/GP-UBCK dated 20 January 2016 issued by the State Securities Commission of Vietnam. Establishment and Operation Licence was revised many times, and the latest update was Establishment and Operation Licence No. 110/GPDC-UBCK dated 10 November 2022 issued by the State Securities Commission of Vietnam.

The Company was established on the basis of combining Phu Hung Securities Corporation (“PHS”) – established under Establishment and Operation Licence No. 23/UBCK-GPHDKD dated 1 December 2006 and An Thanh Securities Joint Stock Company (“ATS”). Accordingly, the Company took over all of the assets, liabilities, rights and obligations of PHS and ATS as at 19 January 2016 and PHS and ATS ceased their operations from 20 January 2016. Assets and liabilities of PHS and ATS as at 19 January 2016 were transferred to the Company at book value and the net asset (total assets – total liabilities) of PHS and ATS as at 30 September 2015 formed the share capital of the Company at that date.

The Company’s shares are registered for trading on the Unlisted Public Company Market (“UPCOM”) with the code PHS in accordance with Decision No. 475/QĐ-SGDHN issued by Ha Noi Stock Exchange on 19 July 2019.

**(b) The Company’ charter capital**

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

**(c) Principal activities**

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

**(d) Normal operating cycle**

The normal operating cycle of the Company is generally within 12 months.

**(e) Number of employees**

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

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## **2. Basis of preparation**

### **(a) Statement of compliance**

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

### **(b) Basis of measurement**

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

### **(c) Annual accounting period**

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

### **(d) Accounting and presentation currency**

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

## **3. Summary of significant accounting policies**

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

### **(a) Foreign currency transactions**

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

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

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



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**(b) Cash and cash equivalents**

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

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

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

**(i) Recognition**

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

**(ii) Classification and measurement**

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

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

**(iii) Derecognition**

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

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

**(iv) Offsetting**

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

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**(d) Financial assets at FVTPL**

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

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

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

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

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

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

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

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

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

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

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

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

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**(f) Loans receivable**

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

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

**(g) Accounts receivable**

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

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

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

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

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

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

**(h) Covered warrants**

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

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

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When issuing covered warrants to investors, the Company recognises an increase in covered warrants payables. The number of warrants allowed to issue are monitored off the balance sheet.

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

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

**(i) Tangible fixed assets**

**(i) Cost**

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

**(ii) Depreciation**

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

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

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**(j) Intangible fixed assets**

**Software**

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

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

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

**(l) Trade and other payables**

Trade and other payables are stated at their cost.

**(m) Provisions**

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

***Severance allowance***

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

**(n) Taxation**

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised as expense/income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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



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

**(o) Share capital**

**(i) Ordinary shares**

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

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

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

**(p) Statutory reserves**

On 17 December 2021, the Ministry of Finance issued Circular No. 114/2021/TT-BTC (“Circular 114”) to abolish Circular No. 146/2014/TT-BTC (“Circular 146”) dated 6 October 2014 issued by the Ministry of Finance to provide guidance on the financial regime for securities companies, fund management companies. Circular 114 is effective from 1 February 2022. Consequently, the Company has ceased to allocate realised profit to statutory reserves since 2022. According to Circular 114:

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

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

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**(q) Revenue**

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

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

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

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

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

**(iii) *Revenue from securities brokerage activities***

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

**(iv) *Revenue from securities custody activities***

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

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

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

**(r) Interest expense**

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

**(s) Operating lease payments**

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

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**(t) Earnings per share**

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

**(u) Segment reporting**

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

**(v) Related parties**

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

**(w) Nil balances**

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

**(x) Comparative information**

Comparative information in these financial statements is presented as corresponding figures. Under this method, comparative information for the prior year is included as an integral part of the current year financial statements and are intended to be read only in relation to the amounts and other disclosures relating to the current year. Accordingly, the comparative information included in these financial statements is not intended to present the Company's financial position, results of operation or cash flows for the prior year.

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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 annual reporting period was as follows:

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

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

**(ii) Loans receivable and other receivables**

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

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

An aging analysis of impaired financial assets is as follows:

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

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

	<b>31/12/2023</b>	<b>31/12/2022</b>
	<b>VND</b>	<b>VND</b>
Listed or registered securities on	4,280,532,790	3,988,262,880
▪ <i>The Ho Chi Minh City Stock Exchange</i>	966,990	5,253,080
▪ <i>UPCOM</i>	4,279,565,800	3,983,009,800
Blocked financial assets	22,182,897,800	39,916,827,578
	<hr/>	<hr/>
	26,463,430,590	43,905,090,458
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An aging analysis of financial assets that were past due but not impaired is as follows:

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

**(c) Liquidity risk**

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

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

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

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

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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:

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

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

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

Below is an analysis of the possible impact on the net profit of the Company, after taking into account the current level of exchange rates and the historical volatility as well as market expectations at the end of annual accounting period. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Effect to net profit after tax VND
<b>As at 31 December 2023</b>	
USD (3% strengthening against VND) – decrease in net profit	38,712,960,000
<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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**(ii) Interest rate risk**

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

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

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

**(iii) Other market risk**

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

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

As at 31 December 2023 and 31 December 2022, the Company's exposure to equity price risk is minimal because the Company held insignificant portfolio of financial assets at fair value through profit or loss for the trading purpose.

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**(e) Fair value**

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

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



**Phu Hung Securities Corporation**  
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	31/12/2023	31/12/2022
	Carrying amount VND	Carrying amount VND
	Fair value VND	Fair value VND
<b>Financial liabilities</b>		
<i>Categorised as financial liabilities at fair value through profit or loss:</i>		
Covered warrant payables	(6,479,570,000)	-
<b>Financial liabilities</b>		
<i>Categorised as financial liabilities measured at amortised cost:</i>		
▪ Short-term borrowings	(1,990,040,000,000)	(1,833,020,000,000)
▪ Accounts payable for securities trading activities	(389,121,316,960)	(199,342,817,216)
▪ Accounts payable to suppliers	(66,259,697)	(431,709,828)
▪ Accrued expenses	(12,125,926,733)	(8,184,877,050)
▪ Other payables	(11,720,335,629)	(9,474,453,593)

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

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

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

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

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

**6. Volume and value of securities transactions during the year**

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

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

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

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

Quantity	31 December 2023		Revaluation difference as at 31 December 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	24,596,477,091	25,741,950,000	1,145,472,909	-	25,741,950,000
DHG	1,913,697,686	1,830,400,000	3,935,692	87,233,378	1,830,400,000
VNM	1,792,863,244	1,691,352,000	-	101,511,244	1,691,352,000
Others	9,922,013,041	10,264,497,108	832,376,712	489,892,645	10,264,497,108
	1,220,433	39,528,199,108	1,981,785,313	678,637,267	39,528,199,108
<b>UPCOM</b>					
Others	27,689,899	27,689,899	-	-	27,689,899
<b>Unlisted shares</b>					
Others	15,046,527	15,046,527	-	-	15,046,527
<b>Fund certificate</b>					
PHVSF	50,000,000,000	51,063,547,139	1,063,547,139	-	51,063,547,139
	<b>6,043,356</b>	<b>90,634,482,673</b>	<b>3,045,332,452</b>	<b>678,637,267</b>	<b>90,634,482,673</b>

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



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	Quantity	31 December 2022		Revaluation difference as at 31 December 2022		Revaluation difference as at 31 December 2022	
		Cost VND (1)	Fair value VND (2)	Revaluation gain VND (3) = (2) – (1)	Revaluation loss VND (4) = (1) – (2)	Revaluation value VND (5) = (1) + (3) – (4)	Revaluation value VND
<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>	<b>6,715,109,065</b>

**Phu Hung Securities Corporation**  
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**7. Financial assets (continued)**

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

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

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

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

**(c) Loans receivable**

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

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

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

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

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**8. Receivables**

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

**9. Receivables from services rendered**

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

**10. Other receivables**

	<b>31/12/2023</b>	<b>31/12/2022</b>
	<b>VND</b>	<b>VND</b>
Advances to customers for securities trading activities	12,095,453,009	12,173,474,241
Others	691,061,131	832,958,114
	<hr/>	<hr/>
	12,786,514,140	13,006,432,355
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**Notes to the financial statements for the year ended 31 December 2023 (continued)**

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

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

	<b>As at 31/12/2023</b>			
	<b>Cost VND</b>	<b>Recoverable amount VND</b>	<b>Allowance as at 31/12/2022 VND</b>	<b>Allowance made during the year VND</b>
Margin loans	52,734,404,940	22,182,897,800	30,551,507,140	13,161,395,486
				17,390,111,654
	<b>As at 31/12/2022</b>			
	<b>Cost VND</b>	<b>Recoverable amount VND</b>	<b>Allowance as at 31/12/2021 VND</b>	<b>Allowance made during the year VND</b>
Margin loans	53,078,223,064	39,916,827,578	13,161,395,486	6,837,025,917
				6,324,369,569

**Phu Hung Securities Corporation**

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

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

**(b) Allowance for doubtful debts**

	As at 31/12/2023			Allowance as at 31/12/2022 VND	Allowance reversed during the year VND
	Cost VND	Recoverable amount VND	Allowance VND		
Advances to customers for securities trading activities	11,174,224,109	4,280,532,790	6,893,691,319	7,453,138,926	(559,447,607)
<b>2022</b>					
	Cost VND	Recoverable amount VND	Allowance VND	Allowance as at 31/12/2021 VND	Allowance made during the year VND
Advances to customers for securities trading activities	11,441,401,806	3,988,262,880	7,453,138,926	6,315,487,082	1,137,651,844



**Phu Hung Securities Corporation**  
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**12. Prepaid expenses**

**(a) Short-term prepaid expenses**

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

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

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

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

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

**Phu Hung Securities Corporation****Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)***13. Tangible fixed assets**

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

**Phu Hung Securities Corporation****Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B09 – CTCK***(Issued under Circular No. 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)***13. Tangible fixed assets (continued)**

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

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

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

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

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

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

**15. Construction in progress**

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

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

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

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

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

**18. Deposits at Payment Support Fund**

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



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

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

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

**19. Other long-term assets**

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

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

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

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

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

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

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

**20. Short-term borrowings**

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

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

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

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

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

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

**22. Taxes payable to State Treasury**

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

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

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

**23. Accrued expenses**

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

**24. Other payables**

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

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

The Company's authorised and issued share capital are:

	31/12/2023		31/12/2022	
	Number of shares	VND	Number of shares	VND
<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

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

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



**Phu Hung Securities Corporation**

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

**Form B09 – CTCK**

*(Issued under Circular No. 334/2016/TT-BTC  
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**26. Gains/(losses) from sales of financial assets and financial liabilities at FVTPL**

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

**Phu Hung Securities Corporation**

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

**Form B09 – CTCK**  
(Issued under Circular No. 33/2016/TT-BTC  
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2022	Quantity	Average selling price VND	Proceeds VND	Costs VND	Gains/(losses) from sales of securities VND
<b>Financial assets at FVTPL</b>					
<i>Listed shares and shares registered for trading on UPCOM</i>					
GAS	55,800	110,645	6,173,990,000	6,023,568,487	150,421,513
PNJ	47,900	110,279	5,282,380,000	5,127,181,638	155,198,362
BVH	90,600	56,374	5,107,465,000	5,056,712,731	50,752,269
FPT	58,000	87,727	5,088,160,000	4,856,955,764	231,204,236
SAB	25,800	178,060	4,593,950,000	4,362,126,983	231,823,017
MBB	133,500	25,644	3,423,525,000	3,688,576,566	(265,051,566)
HPG	98,200	31,434	3,086,865,000	3,763,413,663	(676,548,663)
PLX	56,500	45,940	2,595,625,000	2,844,492,400	(248,867,400)
SSI	81,300	29,769	2,420,250,000	2,673,571,892	(253,321,892)
VHM	29,492	75,316	2,221,207,600	2,352,901,318	(131,693,718)
Others	845,046	41,299	34,899,278,200	36,488,154,729	(1,588,876,529)
	1,522,138	49,202	74,892,695,800	77,237,656,171	(2,344,960,371)
<i>Listed bonds</i>					
VHM121024	2,741,282	100,742	276,161,743,802	275,890,585,602	271,158,200
MSN12003	1,450,000	103,451	150,003,250,000	149,928,300,000	74,950,000
MML121021	1,000,000	100,560	100,560,000,000	100,455,000,000	105,000,000
MSN12001	500,000	101,679	50,839,500,000	50,789,500,000	50,000,000
	5,691,282	101,482	577,564,493,802	577,063,385,602	501,108,200
	7,213,420	90,450	652,457,189,602	654,301,041,773	(1,843,852,171)

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

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

**28. Income from loans and receivables**

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

**29. Expenses for securities brokerage**

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

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

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

**31. General and administration expenses**

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

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

**Form B09 – CTCK**  
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**32. Income tax**

**(a) Recognised in the statement of income**

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

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

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

**(c) Applicable tax rates**

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

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

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

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

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

**(iii) Basic earnings per share**

	<b>2023</b> <b>VND</b>	<b>2022</b> <b>VND</b>
Basic earnings per share	297	400

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



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

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

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

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

**Form B09 – CTCK**  
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**34. Significant balances and transactions with related parties (continued)**

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

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

	<b>2023</b>	<b>2022</b>
	<b>VND</b>	<b>VND</b>
<b>General Director</b>		
Salaries, bonus and other benefits	1,851,993,356	1,748,486,687
<b>Other members of Board of Management</b>		
Salaries, bonus and other benefits	2,555,327,684	2,081,920,767
<b>Members of Inspection Committee</b>		
Salaries, bonus and other benefits	720,000,000	720,000,000
<b>Board of Directors remuneration</b>		
Mr. Albert Kwang-Chin Ting – Chairman	-	240,000,000
Mr. Nguyen Doan Hung – Member	240,000,000	240,000,000
Mr. Wu, Jin-Jeng – Member	240,000,000	240,000,000
Mr. Chen Chia Ken – Member	240,000,000	240,000,000
Ms. Liu, Hsiu-Mei – Member	240,000,000	240,000,000

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

**Form B09 – CTCK**  
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### 35. Segment reporting

**(i) Business segments**

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

<b>2023</b>	<b>Code</b>	<b>Securities brokerage VND</b>	<b>Securities trading VND</b>	<b>Treasury activities VND</b>	<b>Others VND</b>	<b>Total VND</b>
1. Revenue from operating activities	01	151,313,807,371	14,328,354,651	428,179,369,166	5,977,980,992	599,799,512,180
2. Direct expenses	02	168,435,867,437	12,901,825,970	328,718,872,358	7,544,995,590	517,601,561,355
3. Depreciation and amortisation expenses	03	428,675,381	-	8,433,358,870	-	8,862,034,251
4. Allowance for diminution in value of investments	04	-	145,893,176	-	-	145,893,176
5. Allowance for doubtful debts	05	-	-	16,830,664,047	-	16,830,664,047
6. Other income	06	-	-	-	468,124,194	468,124,194
7. Other expense	07	-	-	-	628,242,585	628,242,585
<b>Profit/(loss) before tax</b> <b>(08 = 01 + 06 – 02 – 03 – 04 – 05 – 07)</b>	<b>08</b>	<b>(17,550,735,447)</b>	<b>1,280,635,505</b>	<b>74,196,473,891</b>	<b>(1,727,132,989)</b>	<b>56,199,240,960</b>

**As at 31 December 2023**

Segment assets	55,628,313,088	90,734,283,749	3,892,105,544,586	2,270,228,475	4,040,738,369,898
Segment liabilities	383,915,984,686	325,900,048	2,026,951,537,636	17,552,401,117	2,428,745,823,487

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

**Form B09 – CTCK**  
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**35. Segment reporting (continued)**

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

	Code	Securities brokerage VND	Securities trading VND	Treasury activities VND	Others VND	Total VND
<b>2022</b>						
1. Revenue from operating activities	01	188,890,505,249	1,933,611,365	398,346,924,131	4,677,731,075	593,848,771,820
2. Direct expenses	02	173,739,456,698	8,154,635,975	310,684,808,617	12,444,050,688	505,022,951,978
3. Depreciation and amortisation expenses	03	170,776,417	411,702	8,316,670,059	-	8,487,858,178
4. Allowance for doubtful debts	04	-	-	7,462,021,413	-	7,462,021,413
5. Other income	05	-	-	-	806,933,548	806,933,548
<b>Profit/(loss) before tax</b>	<b>06</b>	<b>14,980,272,134</b>	<b>(6,221,436,312)</b>	<b>71,883,424,042</b>	<b>(6,959,386,065)</b>	<b>73,682,873,799</b>
<b>(06 = 01 + 05 – 02 – 03 – 04)</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 financial statements for the year ended 31 December 2023 (continued)**

**Form B09 – CTCK**

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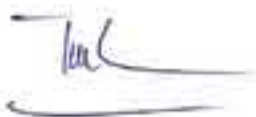
**36. Lease commitments**

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

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

4 March 2024

Prepared by:



**Ms. Nguyen Phuong Trinh**  
*Accounting Staff*

Reviewed by:



**Ms. Do Thi Ai Vy**  
*Chief Accountant*

Approved by:



**Mr. Chen Chia Ken**  
*General Director*








# ANNUAL REPORT 2023



## PHU HUNG SECURITIES CORPORATION

 21<sup>st</sup> Floor, Phu My Hung Tower, 08 Hoang Van Thai, Tan Phu Ward, District 7, HCMC

 [www.phs.vn](http://www.phs.vn)    (+84 28) 5413 5479    Fanpage: PhuHungSecuritiesCorporation