

Evaluating the nexus between financial reporting metrics and share prices in Vietnam

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Abstract: This study examines the value relevance of financial reporting metrics for the share prices of non-financial companies listed on the Ho Chi Minh City Stock Exchange. Drawing on a balanced panel of 356 non-financial firms over the 2020–2024 period, comprising 1,780 firm-year observations, the study estimates the impact of Earnings Per Share (EPS), Book Value Per Share (BVPS), book value of equity (BV), and Return on Equity (ROE) on share prices using Pooled OLS, Fixed Effects (FEM), and Random Effects (REM) estimators, with the FEM selected as the preferred specification. The results show that EPS exerts a positive impact on share prices that is statistically significant at the 1% level across all three models, whereas ROE, BVPS, and BV are weak or insignificant once firm-specific heterogeneity is controlled for. These findings indicate that earnings information dominates book-value measures in explaining equity prices, suggesting that Vietnamese investors price current profitability rather than historical accounting values. Accordingly, listed firms should enhance the quality and timeliness of earnings disclosures, investors can prioritize earnings-based indicators in equity valuation, and regulators should continue strengthening financial reporting transparency to support the informational efficiency of Vietnam's stock market.

Keywords: Accounting information, Financial statements, Stock market, Stock prices, Value relevance, Vietnam.

1. Introduction

Equity valuations are continuously shaped by a multitude of market forces, among which corporate financial disclosures stand out as a paramount determinant. The fundamental mandate of financial reporting is to supply critical economic data to both internal management and external market participants. Investors, in particular, routinely dissect these disclosed financial metrics to calibrate their trading strategies, specifically when deciding whether to acquire, retain, or divest equity positions. As a direct consequence of this behavioral reliance, the structural interconnectedness between accounting transparency and share price dynamics has emerged as a focal point of rigorous academic inquiry. Within mature capital markets, a substantial body of literature has dedicated itself to unpacking how market prices interact with fundamental accounting indicators, such as net income, Earnings Per Share (EPS), and Book Value Per Share (BVPS). Ball and Brown [1] initiated this empirical trajectory through their seminal investigation on the New York Stock Exchange, establishing definitive proof that accounting earnings communicated via financial statements exert a profound influence on equity values. Their groundbreaking work cemented the role of bottom-line earnings as an indispensable benchmark for asset valuation. Extending this line of inquiry, Collins et al. [2] tracked the historical shifts in the value relevance of both earnings and equity book values in the United States over a four-decade horizon. Utilizing net income frameworks, they constructed a regression architecture mapping stock prices against book values and earnings, ultimately demonstrating that financial statement metrics framed within the Ohlson model accounted for 54% of the variance in American stock prices. Furthering this cross-border discourse, King and Langli [3] deployed a joint regression framework of earnings and

book value on equity prices across European markets; their models yielded explanatory powers (R^2) of 70% for the UK, 60% for Norway, and 40% for Germany. These comparative findings underscore that the nexus between accounting disclosure and stock valuation is highly sensitive to both temporal shifts and institutional jurisdictions.

In the specific context of Vietnam's emerging market, this empirical relationship has likewise drawn the attention of domestic scholars. Nguyen [4] operationalized the Ohlson [5] valuation model using market data from the 2003–2007 window, reporting an explanatory power (R^2) of 40%. Subsequently, Nguyen [6] leveraged the same Ohlson regression framework to scrutinize a broader cross-section of 430 enterprises listed simultaneously on the HOSE and HNX platforms for the year 2009, capturing an R^2 of 43%. Broadening the analytical scope, Nguyen [7] directed focus toward HOSE-listed entities from 2008 to 2013, concluding that corporate market value is heavily conditioned by dividends per share, net profit after tax, and Return on Equity (ROE).

In short, while the existing literature offers foundational insights, empirical investigations regarding the influence of financial statements on stock prices in Vietnam remain relatively scarce in volume. Consequently, executing additional inquiries is vital to generate robust empirical reference points concerning the interplay between financial reporting and equity pricing on the Ho Chi Minh City Stock Exchange (HOSE). Moreover, while domestic studies broadly validate this accounting-market link, they are predominantly confined to conventional metrics like EPS, BVPS, DPS, ROE, and P/E. To bridge these literature gaps, the current study not only re-evaluates the baseline impact of accounting disclosures on equity values but also introduces advanced explanatory dimensions, specifically corporate growth value and firm size. Distinctively, this research elevates methodological rigor by executing a comparative econometric strategy across four distinct diagnostic frameworks: Ordinary Least Squares (OLS), Fixed Effects Model (FEM), Random Effects Model (REM), and Generalized Least Squares (GLS). Motivated by these academic imperatives, the topic “Evaluating the Nexus Between Financial Reporting Metrics and Share Prices in Vietnam” is formally undertaken as the core thesis of this paper.

2. Literature Review

2.1. Theoretical Framework in Research on Market Valuation and Accounting Disclosures

The structural link between corporate disclosure and capital market behavior can be comprehensively understood through the lens of Stakeholder Theory, pioneered by Freeman [8]. This paradigm shifts the corporate mandate away from exclusive shareholder-wealth maximization toward a broader obligation: fulfilling the informational demands of diverse constituent groups, including creditors, regulators, investors, and the public. Within modern financial ecosystems, comprehensive financial reporting functions as a vital conduit to satisfy these expectations, enabling external parties to evaluate organizational health and execute calculated economic choices. From an empirical standpoint, the qualitative caliber and transparency of these accounting disclosures directly reshape investor sentiment, thereby driving stock-price adjustments [9, 10]. Furthermore, Donaldson and Preston [11] argue that an organization's motivation to deliver exhaustive and punctual financial data stems from its need to sustain market-wide confidence, which ultimately immunizes equity valuations against sudden volatility. By applying this framework, researchers can transcend traditional financial metrics, positioning corporate reporting as a mechanism of accountability and interest-balancing that fundamentally governs market-pricing dynamics.

Equity valuations on modern stock exchanges reflect more than just accounting profits; they measure how well an enterprise aligns with broader societal expectations. This dynamic forms the core of Legitimacy Theory, as conceptualized by Suchman [12], which posits that corporate survival depends on establishing and preserving social acceptance by adhering to institutional norms and values. In the capital market, robust financial statements serve as a primary verification tool, allowing listed firms to demonstrate operational legality and ethical transparency to the investment community. Prior literature confirms that utilizing financial reporting to mitigate information asymmetry and suppress agency friction yields a highly favorable impact on share prices [13, 14]. As highlighted by Brown and

Deegan [14], this communication strategy becomes explicitly critical during periods of macroeconomic distress or heightened regulatory oversight, where financial disclosures are deployed to restore tarnished public trust. Ultimately, Legitimacy Theory offers a powerful framework for equity analysis by illustrating that market value captures both intrinsic operational efficiency and the firm's compliance with societal demands for corporate accountability.

The deep sensitivity of stock market prices to accounting disclosures is fundamentally rooted in the governance mechanics of Agency Theory. Grounded in the foundational framework of Jensen and Meckling [15], this theory addresses the structural frictions and divergent incentives that arise between corporate managers (agents) and equity owners (principals), a conflict heavily exacerbated by information asymmetry. Financial statements act as a critical countermeasure to this informational imbalance, offering a standardized benchmark for shareholders to evaluate managerial stewardship and forecast future cash flows. As established by seminal accounting literature, the interpretive quality of these financial disclosures dictates asset-valuation accuracy and triggers subsequent market reactions [1, 9]. Moreover, the strategic deployment of transparent reporting serves to curb managerial opportunism and mitigate agency costs, which directly reinforces investor optimism and drives equity prices upward [16]. Agency Theory, therefore, provides an essential economic rationale for why financial-reporting quality remains inextricably linked to a firm's aggregate market value.

2.2. Research Hypotheses

In a study exploring market valuation in the United Kingdom, Green et al. [17] applied a regression model based on an extended version of the Ohlson model. Their findings revealed that when there is a discrepancy between stock prices and the book value of equity, this gap can be treated as a dependent variable reflecting current earnings, thereby becoming a significant explanatory variable. Numerous other studies have also incorporated current-cost factors into the model, regarding them as a second significant variable in explaining market value. These factors are typically considered part of "other information" variables linked to theoretical value-measurement models. Accordingly, scholars have concluded that adjustment variables, such as current advertising expenses, market share, capital structure, and the variance of net income (as a measure of risk), can be regarded as supplementary explanatory variables for valuation models. However, many studies also reaffirm that the net income variable consistently demonstrates the highest explanatory power for stock value, significantly outperforming other adjustment variables.

Rees [18] conducted an empirical study on a sample of large industrial and commercial companies in the United Kingdom to examine the impact of dividends on market value. The results indicated that distributed earnings and dividends significantly influence stock value, providing evidence that dividend distribution theories are persuasive in explaining stock price fluctuations. However, the study also affirmed that current capital costs do not always provide clear evidence of their impact on stock value.

In parallel, studies based on Ohlson [5] frequently utilize the book value of equity and earnings information to explain stock prices. Hand and Landsman [19] further incorporated dividends and net capital contributions to verify the relevance of various financial forecasts. Empirical results demonstrated that book value and earnings have a stable impact on stock-price volatility, particularly in industrial sectors, where they account for approximately 80% of price variations.

Based on the synthesis of theoretical frameworks and prior literature, several scientific hypotheses are proposed to test the relationship between accounting information and stock prices on the Ho Chi Minh City Stock Exchange (HOSE) through five specific hypotheses.

Hypothesis 1 (H1): Earnings Per Share (EPS) has a significant positive impact on the stock prices of non-financial companies listed on the Ho Chi Minh City Stock Exchange (HOSE).

Earnings Per Share is a metric reflecting the profitability allocated to each unit of common stock; thus, it is considered one of the most influential variables affecting stock prices. According to Ohlson [5] residual income valuation model, the market value of a stock significantly depends on current earnings and future earnings expectations, with EPS playing a central role. Classical empirical studies,

such as Ball and Brown [1], have demonstrated that accounting earnings information possesses substantial value relevance and is reflected in stock prices. Therefore, the expectation of a positive relationship between EPS and the stock prices of listed non-financial firms on HOSE is grounded in robust theoretical and empirical foundations.

Hypothesis 2 (H2): Book Value Per Share (BVPS) has a significant positive impact on the stock prices of non-financial companies listed on the Ho Chi Minh City Stock Exchange (HOSE).

Book Value Per Share reflects the accounting-recorded value of equity divided by the total number of outstanding shares. In a valuation context, BVPS is regarded as a fundamental indicator representing the net asset value backing the stock, particularly in cases where earnings are highly volatile or unsustainable. Ohlson [5] emphasized the pivotal role of BVPS alongside EPS in explaining stock prices. Subsequent research, such as Barth et al. [20], confirmed that BVPS has a significant influence on stock prices, and this impact may increase as earnings reliability decreases. This suggests a positive relationship between BVPS and the stock prices of non-financial firms listed on HOSE.

Hypothesis 3 (H3): Book value of equity per share (BV) has a significant positive impact on the stock prices of non-financial companies listed on the Ho Chi Minh City Stock Exchange (HOSE).

The book value of equity reflects the total net asset value attributable to shareholders after all liabilities have been deducted. Theoretically, BV serves as a minimum valuation floor for stock prices, particularly in instances where earnings are volatile or cyclical. Research by Barth et al. [20] demonstrates that BV possesses significant explanatory power regarding stock price fluctuations, providing information that complements earnings data. Consequently, BV is expected to have a positive impact on the stock prices of listed non-financial firms in Vietnam, aligning with international evidence on the dual role of earnings and book value within valuation models.

Hypothesis 4 (H4): Return on Equity (ROE) has a significant positive impact on the stock prices of non-financial companies listed on the Ho Chi Minh City Stock Exchange (HOSE).

Return on Equity measures a firm's ability to generate profits from the shareholders' invested capital. Theoretically, ROE serves as an indicator of capital efficiency, reflecting the capacity to create added value for shareholders. Consequently, a higher ROE is generally expected to be associated with higher stock valuations in the market. Empirical evidence has demonstrated that ROE is a critical factor in explaining price fluctuations and P/E ratios, although the magnitude of this impact may be influenced by capital structure and financial leverage [20]. Thus, there is a solid basis to expect a positive relationship between ROE and the stock prices of listed non-financial firms on HOSE.

The relationship between stock prices and accounting information has been extensively investigated by global accounting scholars, yielding diverse conclusions; however, a consensus exists that a fundamental link between accounting data and stock prices prevails. Based on the comprehensive synthesis of the theoretical frameworks discussed above, the relationship between stock prices and accounting information in this study is defined as follows:

$$P_{i,t} = \beta_0 + \beta_1 EPS_{i,t} + \beta_2 BV_{i,t} + \beta_3 BVPS_{i,t} + \beta_4 ROE_{i,t} + \varepsilon_{i,t}$$

P: The market value per share at the end of the fiscal year.

EPS: The amount of net income allocated to each outstanding share of common stock.

BVPS: The ratio of total common equity to the number of shares outstanding.

BV: The total net asset value attributable to shareholders (scaled per share)

ROE: The ratio of net income to total shareholders' equity, measuring capital efficiency.

3. Methodology

Empirical data for this investigation were compiled utilizing secondary extraction techniques from accredited, open-access repositories. Corporate financial metrics were systematically harvested from the official portal of the Ho Chi Minh City Stock Exchange (www.hsx.vn), the regulatory disclosure platform of the State Securities Commission (www.ssc.gov.vn), and audited annual reports hosted directly by the respective enterprises. The data compilation workflow advanced through several distinct phases: vetting corporations against predefined sampling benchmarks, retrieving annual financial

disclosures spanning the 2020–2024 timeframe, isolating core financial parameters (such as EPS, ROA, ROE, debt leverage, and operational cash flows), and performing cross-source reconciliation to guarantee data integrity. Concurrently, market-based indicators comprising annual average adjusted closing prices, mean trading volumes, and annualized stock returns were extracted from the Vietnam Financial Information Service (FiinTrade), proprietary platforms of prominent domestic brokerages (including VCBS, SSI, and HSC), alongside premier international terminals like Bloomberg and Refinitiv Eikon. Country-level macroeconomic statistics were obtained from the State Bank of Vietnam, the General Statistics Office, and the Ministry of Finance.

To construct a statistically robust and highly representative analytical sample, a stringent multi-stage purposive sampling approach was implemented based on the following explicit criteria: (1) target enterprises maintained uninterrupted listing status on the Ho Chi Minh City Stock Exchange (HOSE) across the entire 2020–2024 horizon; (2) the corporate sample excludes financial institutions, focusing strictly on non-financial industries as categorized under HOSE frameworks; (3) corporations possessed fully audited financial reports for each consecutive year under review; (4) firms were free from regulatory penalties, such as being placed under warning, trading supervision, or special surveillance by HOSE; and (5) the operational and market data for each enterprise were entirely complete, leaving no missing values for the chosen financial or stock variables during the designated survey window.

4. Research Results

The research sample comprises data from 356 companies listed on the Ho Chi Minh City Stock Exchange (HOSE) over the 2020–2024 period, resulting in a total of 1,780 observations ($356 \text{ firms} \times 5 \text{ years}$). Descriptive statistics for the firm-year identifier indicate 356 observations per year, consistently matching the number of firms in the sample. Both the mean and median values of 178.5 reflect a balanced panel data structure, in which every enterprise maintains continuous data throughout the five-year study period. Ensuring a stable number of observations across years guarantees consistency and reliability for the panel-data regression models, while simultaneously eliminating the potential bias from missing observations or heterogeneous fluctuations over time.

Descriptive statistics by stock exchange confirm that all sampled firms are listed on HOSE, with 1,780 observations and stable mean and median values of 178.5. This indicates a high level of homogeneity in listing characteristics, strictly excluding firms from the HNX or the UPCOM market, thereby aligning with the research scope.

The descriptive results reveal significant fluctuations in Return on Equity (ROE) and Earnings Per Share (EPS) among HOSE-listed firms during the 2020–2024 period. The mean ROE declined from 9.5% in 2020 to only 1.1% in 2024, reflecting a downward trend in profitability amidst post-pandemic economic volatility and a sluggish recovery phase. Notably, 2023 recorded a slightly negative mean ROE (−0.001), suggesting that many enterprises struggled to generate positive returns on equity. Although the median ROE remained relatively stable around 6–10%, the divergence between the mean and median highlights substantial disparities among firms, particularly the presence of low-profitability underperformers that dragged down the overall sample average.

The Earnings Per Share variable exhibits an even more pronounced downward trend, plummeting from an average of 2,413 VND per share in 2021 to a mere 598 VND by 2024. This drastic reduction reflects the weakened business performance and heightened earnings pressure faced by enterprises in the recent period. Notably, the median EPS followed a similar trajectory, dropping from 1,645 VND in 2021 to 250 VND in 2024. This synchronization between mean and median values suggests that the downturn is a widespread market phenomenon rather than the result of specific outliers. Overall, both ROE and EPS indicators portray a consistent picture of declining operational efficiency and profitability among HOSE-listed firms during the 2020–2024 span. These descriptive findings serve as a critical foundation for examining the impact of financial variables on stock prices in the panel data regression models presented in the subsequent sections.

The results of the Pearson correlation matrix analysis between variables P, ROE, BVPS, BV, and EPS reveal significant disparities in the magnitude and direction of the relationships among the financial indicators in the sample. Notably, variable P (Stock Price) exhibits the strongest positive correlation with EPS, with a correlation coefficient of 0.5898 (p -value = 0.000). This reflects a highly statistically significant positive relationship between earnings per share and the market price of stocks, aligning perfectly with the P/E-based valuation theory, which posits that stock prices are primarily shaped by investor expectations of future earnings.

In contrast, other accounting variables such as ROE and BVPS show weak or statistically insignificant correlations with stock prices. Specifically, ROE yields a correlation coefficient of 0.0923 (p = 0.0001), while BVPS stands at only 0.0216 (p = 0.3631), suggesting that while profitability on equity has some link to stock prices, the degree of influence is minimal. Regarding BV, a slight negative correlation coefficient (-0.0778, p = 0.001) was observed. This inverse relationship may reflect specific characteristics within the research sample, where market value is driven more by profitability expectations than by accounting asset values.

The multicollinearity test results among the independent variables in the regression model indicate that the Variance Inflation Factor (VIF) values for all variables are well below the threshold of 10. Specifically, the VIF values for EPS (1.08), ROE (1.07), BV (1.03), and BVPS (1.00), with a mean VIF of 1.05, represent exceptionally low levels compared to the conventional warning thresholds in quantitative research ($VIF < 5$ or the more stringent $VIF < 2$). These findings lead to the conclusion that multicollinearity does not exist among the independent variables. Consequently, there is no strong linear relationship between the predictors that would bias the regression estimates, ensuring the reliability of the model's coefficients.

The panel regression results presented in Table 1 indicate that Earnings Per Share (EPS) was the primary factor influencing the stock prices of listed companies during the 2020–2024 period. In all three models, Pooled OLS, Random Effects (REM), and Fixed Effects (FEM), EPS consistently maintained a positive coefficient with high statistical significance ($p < 0.01$). The standardized Beta coefficient of approximately 0.603 further confirms that EPS exerts the most robust and stable impact compared to other variables. This finding suggests that stock prices rise in tandem with earnings per share, aligning with fundamental financial theories that posit investors focus directly on the profitability of each share.

In contrast, ROE only showed statistical significance in the OLS model but lost its significance in the FEM and REM panel models, with a very small standardized Beta coefficient (-0.056). This result implies that the impact of ROE on stock prices is weak and inconsistent over time within individual firms. Similarly, BVPS and BV showed almost no statistical significance across any of the models, with negligible standardized coefficients. This reflects that these traditional accounting indicators either fail to capture market expectations fully or are overshadowed by other nonfinancial factors.

Table 1.
Regression Results for Stock Price

	VIF	FEM	REM	OLS
EPS	1.08	1.725***	2.705***	5.837***
ROE	1.07	-330.417	-627.373	-2151.837**
BVPS	1.00	0.0000104	0.0000353	0.0001442
BV	1.03	7195.062	-170.878	-45.078
_cons		22,689.06***	24,338.48***	18,765.17***
N		1780	1780	1780
R-sq		0.0689	0.3505	0.3509
F/Wald		F(4,1420) = 26.28	Wald chi2(4) = 260.37	F(4,1775) = 239.90

Source: Data processed by the author using Stata 14.

Note: The symbols ***, ** and * denote statistical significance at the 1%, 5% and 10% levels, respectively.

As reported in Table 1, the coefficient of EPS is positive and statistically significant at the 1% level across all three specifications (1.725 in the FEM, 2.705 in the REM, and 5.837 in the Pooled OLS), indicating that each additional VND of earnings per share is associated with an increase of approximately VND 1.7 in the share price after controlling for firm-specific effects. In contrast, ROE carries a negative coefficient that is significant at the 5% level only in the Pooled OLS model (−2,151.837) and becomes statistically insignificant once unobserved firm heterogeneity is controlled for in the FEM and REM specifications, implying that its apparent effect under OLS largely reflects cross-firm differences rather than a genuine within-firm relationship. Neither BVPS nor BV attains statistical significance in any specification. The F-statistics and the Wald chi-square test confirm the overall significance of all three models at the 1% level, while the R-squared values (0.3509 for OLS, 0.3505 for REM, and a within R-squared of 0.0689 for FEM) indicate a level of explanatory power consistent with prior value-relevance studies in emerging markets.

Based on the aforementioned rationales, the Fixed Effects Model (FEM) was selected as the most appropriate framework for this study. The FEM provides consistent and reliable estimates by effectively controlling for firm-specific unobserved heterogeneity. Furthermore, it accurately reflects the robust and stable influence of EPS on stock prices, whereas other variables, such as ROE, BVPS, and BV, exhibit minimal or inconsistent impact over time.

The Fixed Effects Model regression equation is formulated as follows:

$$P_{i,t} = \beta_0 + 1.725EPS_{i,t} + 7.195.06BV_{i,t} + 0.0000104BVPS_{i,t} - 330.417ROE_{i,t} + \varepsilon_{i,t}$$

The research findings emphasize that EPS is the most critical financial indicator for predicting stock prices, whereas traditional indicators such as ROE, BVPS, and BV exhibit negligible impact. The utilization of the FEM framework ensures that the intrinsic characteristics of individual companies are fully controlled, thereby allowing for a precise and reliable analysis of the impact of financial factors.

5. Conclusion and Discussion

The empirical outputs derived from the Fixed Effects Model demonstrate that Earnings Per Share exerts a highly pronounced and positive influence on the equity valuations of the sampled listed enterprises. This relationship is quantified by a regression coefficient of 1.725, which exhibits a robust level of statistical significance at the 1% threshold ($p < 0.01$). Mechanically, this directional impact dictates that any upward trajectory in a corporation's EPS is systematically paired with a corresponding appreciation in its market share price. Such an upward movement in equity value serves as a direct market manifestation of the heightened profitability expectations that financial participants project onto the organization's future horizons. Beyond merely reaffirming the foundational role of EPS, these discoveries resonate closely with a substantial body of classic international literature, including the seminal inquiries by Fama and French [21] and Lintner [22]. These foundational scholarship pieces have long established that EPS operates as a critical benchmark reflecting both an enterprise's internal operational efficiency and its aggregate market value, thereby directly shaping the asset allocation and decision-making processes of international investors.

When contextualized within the specific boundaries of Vietnam's emerging capital market, previous literature by Nguyen et al. [23] similarly verified that EPS functions as a dominant determinant governing the stock-pricing dynamics of firms listed on the HOSE. This alignment strongly reinforces the temporal and structural stability of the EPS–stock price nexus within the unique institutional environment of Vietnam, where market actors demonstrate a clear tendency to prioritize immediate corporate profitability over broader, long-term financial indicators. Vietnamese market participants exhibit a distinct behavioral penchant for focusing heavily on current earnings streams, utilizing EPS as a highly dependable and transparent proxy that captures an enterprise's contemporary financial robustness and net income-generating capability during portfolio adjustments. This empirical observation implies that a firm's demonstrated capacity to sustain strong bottom-line earnings acts as a

powerful mechanism to bolster investor sentiment, which subsequently drives up equilibrium share prices on the trading floor.

Conversely, the econometric estimation yields a regression coefficient for Return on Equity (ROE) of -330.417 within the identical FEM architecture; nonetheless, this specific parameter remains statistically superficial and insignificant ($p=0.490$). This outcome provides clear evidence that ROE fails to exert a meaningful or substantial impact on stock prices once unobserved, firm-specific fixed effects are rigorously controlled for. Interestingly, this finding stands in stark contrast to the baseline Pooled OLS estimations, where ROE initially surfaced as a significant explanatory metric. Such a statistical divergence suggests that, under specific market conditions, particularly within highly volatile and sentiment-driven exchanges, investors routinely downplay equity-efficiency ratios during valuation procedures. Cross-border literature has frequently noted this phenomenon, pointing out that ROE often fails to adequately capture the immediate, short-term earnings expectations of active traders, an anomaly thoroughly dissected by Barth et al. [20]. Parallel to these international insights, Tran et al. [24] documented a similarly negligible connection between ROE and equity valuations in Vietnam, further validating the hypothesis that HOSE participants rely far more heavily on absolute EPS signals and instant earnings releases than on comprehensive internal efficiency ratios.

Furthermore, the explanatory variables of Book Value Per Share (BVPS) and Book Value (BV) display a total absence of statistical significance inside the contemporary FEM configuration, generating p -values of 0.948 and 0.107, respectively. These diagnostic outcomes imply that accounting book values possess virtually zero explanatory capacity regarding the intra-firm fluctuations of stock prices over time. This specific empirical pattern is consistent with the international disclosures of Barth et al. [20], who postulated that balance-sheet book value metrics are fundamentally less agile and effective at mirroring evolving investor sentiments than current, dynamic income-statement disclosures. Within the domestic landscape, the research outputs of Nguyen et al. [23] alongside Tran et al. [24] provide further corroboration, collectively proving that neither BVPS nor BV commands a statistically meaningful grip over share prices. Ultimately, this comprehensive evidence re-establishes the overarching reality that investors on the Vietnamese stock market consistently choose to prioritize immediate EPS and near-term profit-generation metrics over historical accounting indicators.

Transparency:

The authors confirm that the manuscript is an honest, accurate, and transparent account of the study; that no vital features of the study have been omitted; and that any discrepancies from the study as planned have been explained. This study followed all ethical practices during writing.

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