



FINANCIAL SAFETY RATIO REPORT
PHU HUNG FUND MANAGEMENT JOINT STOCK COMPANY
AS ON DECEMBER 31, 2023

Audited by:

**SOUTHERN AUDITING AND ACCOUNTING FINANCIAL CONSULTING SERVICES COMPANY
LIMITED (AASCS)**

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REPORT OF BOARD OF MANAGEMENT

The Board of Management of **Phu Hung Fund Management Joint Stock Company** (hereinafter called the "Company") presents its statements and the Company's Financial Safety Ratio Report as on December 31, 2023.

COMPANY

Phu Hung Fund Management Joint Stock Company (previously known as Victoria Capital Management Joint Stock Company) was established and operated under the original license No. 24/UBCK-GP issued by the State Securities Commission dated on December 28, 2007, the latest adjustment license No. 98/GPDC - UBCK dated on November 02, 2021 issued by the State Securities Commission and the Business Registration Certificate No. 0102594384 for the first time on December 28, 2007, the thirteenth changing on March 25, 2022 was issued by the Department of Planning and Investment of Ho Chi Minh City.

Main business field of the Company is establishment and management of securities investment fund, securities investment companies; management of securities portfolio investment and securities investment consultancy.

The Company's head office is located at Unit No. 4, 21st Floor, Phu My Hung Tower, No. 8 Hoang Van Thai Street, Quarter 1, Tan Phu Ward, District 7, Ho Chi Minh city.

THE BOARD OF DIRECTORS, MANAGEMENT AND THE INSPECTION COMMITTEE

The Board of Directors:

Mr. Albert Kwang-Chin Ting	Chairman - Legal representative
Mr. Ho, Feng Tao	Member
Mr. Wu, Jin-Jeng	Member
Ms. Huang, Wan-Hui	Member

The Inspection Committee

Mr. Liew, Sep-Siang	Head of the Inspection Committee
Mr. Lii, San-Rong	Member
Mr. Lo, Nai-Wei	Member

The Board of Management:

Mr. Lu, Hui-Hung	General Director
Ms. Kuo, Ping-Min	Deputy General Director
Ms. Shiu, Jingshia	Deputy General Director

AUDITORS

Southern Auditing and Accounting Financial Consultancy Services Company Limited (AASCS)

STATEMENT OF THE BOARD OF DIRECTORS'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL SAFETY RATIO REPORT

The Board of Management is responsible for preparation the Financial Safety Ratio Report as on December 31, 2023, which give a true and fair view of the state the statue of the Company's affair and of its Financial Safety Ratio Report results as on December 31, 2023. In preparing the Financial Safety Ratio Report, the Board of Management commits to comply with the following requirements:

- ❖ Select suitable accounting policies and then apply them consistently;
- ❖ Made judgments and estimates that are reasonable and prudent;
- ❖ Compliance with applicable Vietnamese accounting standards;
- ❖ Prepare and present Financial Safety Ratio Report on the basis of compliance with accounting standards and regimes accounting and relevant regulations in force;
- ❖ Prepare the Financial Safety Ratio Report on the going concern basis.

The Board of Management is responsible for ensuring that proper accounting records are kept to disclose the financial position of the Company, with reasonable accuracy at any time, and ensuring that the accounting Financial Safety Ratio Report as on December 31, 2023 comply with State's currently regulations. The Board of Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of any frauds and other irregularities.

PHU HUNG FUND MANAGEMENT JOINT STOCK COMPANY

Unit No. 4, 21st Floor, Phu My Hung Tower, No. 8 Hoang Van Thai Street, Quarter 1, Tan Phu Ward, District 7, HCMC

The Board of Management confirm that the Financial Safety Ratio Report as on December 31, 2023 prepared by us, give a true and fair view of the financial position of Company on December 31, 2023 accordance with Vietnamese Accounting System and comply with relevant statutory requirements.

Other commitment

The Board of Management commits that the Company does not violate the obligation to disclose information in accordance with the provisions of Circular No. 96/2020/TT-BTC dated on November 16, 2020 issued by the Ministry of Finance on guiding the disclosure of information on the stock market.

Approval of Financial Safety Ratio Report as on December 31, 2023

We, the Board of Management of **Phu Hung Fund Management Joint Stock Company**, on the date of this statement, has approved to release Financial Safety Ratio Report as on December 31, 2023.

Approved, March...26...,2024

On behalf of the Board of Directors
Chairman



Albert Kwang-Chin Ting

Ho Chi Minh City, March...26...,2024

On behalf of the Board of Management
General Director

Lu, Hui-Hung

INDEPENDENT AUDITOR'S REPORT

*On the Financial Safety Ratio Report for the year ended on December 31, 2023
of Phu Hung Fund Management Joint Stock Company*

To:

- The Shareholders of Phu Hung Fund Management Joint Stock Company
- The Board of Directors of Phu Hung Fund Management Joint Stock Company
- The Board of Management of Phu Hung Fund Management Joint Stock Company

We have audited the Financial Safety Ratio Report for the year ended on December 31, 2023 of Phu Hung Fund Management Joint Stock Company, which were prepared on March. 26, 2024 and presented from page 05 to page 14.

The Board of Management's Responsibility

The Company's Board of Management is responsible for the preparation and fair presentation of the Financial Safety Ratio Report as on December 31, 2023 of the company in accordance with the requirements of Circular No. 91/2020/TT- BTC dated on November 13, 2020 issued by the Ministry of Finance regulating financial safety ratios and measures for non-compliance applicable to securities business organisations. Simultaneously, the Company's Board of Management is responsible for such internal control as the Board of Management determines is necessary to ensure the preparation and presentation of the Financial Safety Ratio Report are free of material misstatement due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the Financial Safety Ratio Report based on our audit. We conducted our audit in accordance with Vietnamese Standard on Auditing. Those standards require that we comply with code of ethic, planning and performance of audit to obtain reasonable assurance whether the Financial Safety Ratio Report is free of material misstatement.

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

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

Auditor's Opinion

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

Ho Chi Minh City, March...²⁶..., 2024

**Southern Accounting and Auditing Financial
Consultancy Services Company Limited (AASCS)**



Deputy General Manager

Đo Khắc Thanh

Audit Practicing Registration Certificate

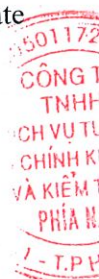
No. 0064-2023-142-1

Auditor

Duong Nguyen Thuy Mai

Audit Practicing Registration Certificate

No. 0848-2023-142-1



PHU HUNG FUND MANAGEMENT JOINT STOCK COMPANY

Unit No. 4, 21st Floor, Phu My Hung Tower, No. 8 Hoang Van Thai Street, Quarter 1, Tan Phu Ward, District 7, HCMC

Ho Chi Minh City, March...26..., 2024

FINANCIAL SAFETY RATIO REPORT

As on December 31, 2023

To: The State Securities Commission of Vietnam

We undertake as follows:

- (1) This report has been prepared based on up-to-date data at the reporting date and in accordance with the requirements of Circular No. 91/2020/TT-BTC dated on November 13, 2020 issued by the Ministry of Finance regulating Financial Safety Ratios and measures for non-compliance applicable to securities business organisations;
- (2) As for the issues that may bring impact on the Company's financial status after the report is announced, we will update in the next reporting period;
- (3) We fully accept legal responsibilities for the accuracy and fairness of the contents of this report.

Prepared by



Nguyen Thi Quynh Mai
Chief Accountant

Reviewed by



Nguyen Duy Long
Head of Internal Control

Approved by




Lu, Hui-Hung
General Director

FINANCIAL SAFETY RATIO REPORT

As on December 31, 2023

I. LIQUID CAPITAL

Unit: Vietnam Dong

NO	CONTENT	LIQUID CAPITAL		
		Liquid Capital	Deductions	Additions
		(1)	(2)	(3)
A	Owner's Equity			
1	Owner's Equity, excluding redeemable preference share (if any)	39,000,000,000		
2	Share premium, other capital excluding redeemable preference shares (if any)	-		
3	Treasury shares	-		
4	Reserve to supplement share capital (if any)	-		
5	Investment and development funds (if any)	-		
6	Financial reserve fund and professional risks	-		
7	Other equity funds	-		
8	Retained earnings	(18,255,993,253)		
9	Balance to provision for impairment of assets	-		
10	Differences upon asset revaluations	-		
11	Foreign exchange differences	-		
12	Convertible debts			-
13	The whole decrease or increase of securities at the financial investment target		-	-
14	Other capital (if any)	-		
1A	TOTAL			20,744,006,747
B	Short-term Asset			
I	Cash and cash equivalents			
II	Short-term financial investments			
	Short-term investments			
1	Securities with market risks as set out in Article 9 clause 2			
	Securities deducted from the liquid capital as set out in Article 6 clause 5		-	
2	Provision for devaluation of short-term investments			
III	Short-term receivables, including receivables from trust activities			
	Receivables from customers:			
1	Receivables from customers with remaining terms to maturity of 90 days or less			
	Receivables from customers with remaining terms to maturity of more than 90 days		-	
2	Prepayments to suppliers		-	
	Receivables from professional activities:			
3	Receivables from professional activities with remaining terms to maturity of 90 days or less			
	Receivables from professional activities with remaining terms to maturity of more than 90 days		-	
	Short-term intra-company receivables:			
4	Short-term intra-company receivables with remaining terms to maturity of 90 days or less			
	Short-term intra-company receivables with remaining terms to maturity of more than 90 days		-	
	Receivables from securities trading activities:			
5	Receivables from securities trading activities with remaining terms to maturity of 90 days or less			
	Receivables from securities trading activities with remaining terms to maturity of more than 90 days		-	
	Other receivables:			
6	Other receivables with remaining terms to maturity of 90 days or less			
	Other receivables with remaining terms to maturity of more than 90 days		92,000,000	
7	Provision for short-term bad debts			
IV	Inventory			-

FINANCIAL SAFETY RATIO REPORT (Continued)

As on December 31, 2023

I. LIQUID CAPITAL

Unit: Vietnam Dong

NO	CONTENT	LIQUID CAPITAL		
		Liquid Capital	Deductions	Additions
		(1)	(2)	(3)
V	Other current assets			
1	Short-term prepaid expenses		1,325,531,721	
2	Deductible value added tax			
3	Tax and receivables from State budget			
4	Other current assets			
	Advances			
4.1	Advances with remaining terms of 90 days or less			
	Advances with remaining terms of more than 90 days		-	
4.2	Other current assets		-	
1B	TOTAL			1,417,531,721
C	Long-term assets			
I	Long-term receivables, including receivables from trust activities			
	Long-term receivables from customers:			
1	Long-term receivables from customers with remaining terms to maturity of 90 days or less			
	Long-term receivables from customers with remaining terms to maturity of more than 90 days		-	
2	Capital in subsidiaries		-	
	Long-term intra-company receivables:			
3	Long-term intra-company receivables with remaining terms to maturity of 90 days or less			
	Long-term intra-company receivables with remaining terms to maturity of more than 90 days		-	
	Other receivables:			
4	Other receivables with remaining terms to maturity of 90 days or less			
	Other receivables with remaining terms to maturity of more than 90 days		729,199,391	
5	Provision for long-term bad debts			
II	Fixed assets		151,773,081	
III	Investment property		-	
IV	Long-term investments			
1	Investment in subsidiaries		-	
	Long-term securities investments			
2	Securities with market risks as set out in Article 9 clause 2			
	Securities deducted from the liquid capital as set out in Article 6 clause 5		-	
3	Long-term offshore investments		-	
4	Other long-term investments		-	
5	Provision for devaluation of long-term investments			
V	Other long-term assets			
1	Long-term prepaid expenses		4,281,476,517	
2	Deferred income tax assets		-	
3	Long-term deposits		-	
	Asset items are considered as exceptions, have opposing opinions or refuse to give an opinion in the audited, reviewed financial statements without being deducted according to the provisions of Article 6.			
1C	TOTAL			5,162,448,989
LIQUID CAPITAL = 1A - 1B - 1C				14,164,026,037

FINANCIAL SAFETY RATIO REPORT (Continued)

As on December 31, 2023

II. RISK VALUE

Unit: Vietnam Dong

A. MARKET RISK				
Investment portfolio		Risk coefficient (%)	Risk exposure	Risk value
		(1)	(2)	(3)=(1)*(2)
I. Cash and cash equivalents, money market instruments				
1	Cash (VND)	0%	2,755,333,522	★
2	Cash equivalents	0%	-	★
3	Valuable papers, transferable money market instruments	0%	-	★
II. Government bonds				
4	Zero-coupon Government bonds	0%	-	-
5	Government bonds paying coupon interest: Government bonds (including previously issued public bonds and construction bonds), Government bonds of OECD countries or guaranteed by the Government or the Bank Central governments of these block countries, bonds issued by international organizations IBRD, ADB, IADB, AFDB, EIB and EBRD	3%	-	-
III. Bonds of credit institutions				
6	Bonds of credit institutions with remaining terms to maturity of less than 1 year, including convertible bonds	3%	-	-
	Bonds of credit institutions with remaining terms to maturities of 1 year up to 3 years, including convertible bonds	8%	-	-
	Bonds of credit institutions with remaining terms maturities of 3 years up to 5 years, including convertible bonds	10%	-	-
	Bonds of credit institutions with remaining terms to maturity of more than 5 years, including convertible bonds	15%	-	-
IV. Corporate bonds				
7	Listed corporate bonds		-	-
	Listed bonds with remaining terms to maturity of less than 1 year, including convertible bonds	8%	-	-
	Listed bonds with remaining terms to maturities of 1 year up to 3 years, including convertible bonds	10%	-	-
	Listed bonds with remaining terms maturities of 3 years up to 5 years, including convertible bonds	15%	-	-
	Listed bonds with remaining terms to maturity of more than 5 years, including convertible bonds	20%	-	-
8	Unlisted corporate bonds		-	-
	Unlisted bonds issued by listed enterprises with remaining terms to maturity of less than 1 year, including convertible bonds	15%	-	-
	Unlisted bonds issued by listed enterprises with remaining terms to maturities of 1 year up to 3 years, including convertible bonds	20%	-	-
	Unlisted bonds issued by listed enterprises with remaining terms maturities of 3 years up to 5 years, including convertible bonds	25%	-	-
	Unlisted bonds issued by listed enterprises with remaining terms to maturity of more than 5 years, including convertible bonds	30%	-	-
	Unlisted bonds issued by other enterprises with remaining terms to maturity of less than 1 year, including convertible bonds	25%	-	-
	Unlisted bonds issued by other enterprises with remaining terms to maturities of 1 year up to 3 years, including convertible bonds	30%	-	-
	Unlisted bonds issued by other enterprises with remaining terms maturities of 3 years up to 5 years, including convertible bonds	35%	-	-
	Unlisted bonds issued by other enterprises with remaining terms to maturity of more than 5 years, including convertible bonds	40%	-	-

FINANCIAL SAFETY RATIO REPORT (Continued)

As on December 31, 2023

II. RISK VALUE

Unit: Vietnam Dong

Unit: Vietnam Dong

A. MARKET RISK								
Investment portfolio		Risk coefficient (%)	Risk exposure				Risk value	
		(1)	(2)				(3)=(1)*(2)	
V. Share								
9	Ordinary shares, preference shares of listed companies on Hochiminh Stock Exchange, shares of open-ended funds	10%	-				-	
10	Ordinary shares, preference shares of listed companies on Hanoi Stock Exchange	15%	-				-	
11	Ordinary shares, preference shares of unlisted public companies registered for UpCom trading	20%	-				-	
12	Ordinary shares, preference shares of public companies which have been registered for depositary, but have not been listed or not yet regitered for trading; shares of Initial Public Offerings (IPO)	30%	-				-	
13	Shares of other public companies	50%	-				-	
VI. Securities investment fund certificates								
14	Public funds, including public securities investment companies	10%	-				-	
15	Member funds, individual financial investment companies	30%	-				-	
VII. Restricted trading securities								
16	Securities of unlisted public companies are warned due to the delay in disclosing information on audited/reviewed financial statements according to regulations	30%	-				-	
17	Listed securities are warned	20%	-				-	
18	Listed securities are controlled	25%	-				-	
19	Temporary non-trading securities	40%	-				-	
20	Securities with delisting or trading cancellation	80%	-				-	
VIII. Other securities								
21	Shares and bonds of unlisted public companies which do not have the latest audited financial statements up to the time of reporting or have audited financial statements with adverse opinion or disclaimer of opinion or qualified opinion	100%	-				-	
22	Shares, capital contribution, and other securities	80%	-				-	
23	Other investment assets	80%	-				-	
IX. Increased risks (if any) is determined on the basis of equity which has fully made provisions								
	Details to each securities code	Risk coefficient (%)	Risk exposure				Risk value	
1	Increased risk because the total value of an organization's investments in stocks and bonds accounts for more than 25% of equity	30%	-				-	
A. TOTAL MARKET RISK VALUE (A= I+II+III+IV+V+VI+VII+VIII+IX)								
B. SETTLEMENT RISK								
Type of transaction		Risk value						Total risk value
		(1)	(2)	(3)	(4)	(5)	(6)	
I. Settlement risk before due date as on December 31, 2023								
1	Term deposits, certificates of deposit, unsecured loans, receivable from securities trading securities and other potentially risky items.	-	-	-	-	785,312,876	-	785,312,876
2	Securities lending/ Other arrangements with similar nature	-	-	-	-	-	-	-
3	Securities borrowings/ Other arrangements with similar nature	-	-	-	-	-	-	-
4	Reverse repurchase agreements/ Other arrangements with similar nature	-	-	-	-	-	-	-
5	Repurchase agreements/ Other arrangements with similar nature	-	-	-	-	-	-	-
6	Margin loans (lending to customers to purchase securities)/ Other arrangements with similar nature	-	-	-	-	-	-	-
Total settlement risk before due date		-	-	-	-	785,312,876	-	785,312,876

FINANCIAL SAFETY RATIO REPORT (Continued)

As on December 31, 2023

II. RISK VALUE

Unit: Vietnam Dong

II. Overdue settlement risk as on December 31, 2023				
	Overdue status	Risk coefficient (%)	Risk exposure	Risk value
1	0 - 15 days after the due date for payment, transfer securities	16%	-	-
2	16 - 30 days after the due date for payment, transfer securities	32%	-	-
3	31 - 60 days after the due date for payment, transfer securities	48%	-	-
4	From 60 days after the due date for payment, transfer securities	100%	-	-
	The contracts, transactions, payments other than those specified in Points a, b, c, d, e, g, Clause 1, Article 10 of Circular 91/2020/TT-BTC; Receivables from debt trading with trading partners other than Vietnam Asset Management Company (VAMC), Vietnam Debt Trading Company Limited (DATC) (details of each entity). Advances accounting for more than 5% of equity with the remaining due date of less than 90 days (detail for each side)	100%	-	-
Total overdue settlement risk			-	-
III. Increased risks (if any)				
	Details	Risk coefficient (%)	Risk exposure	Risk value
1	Value of term deposits at a credit institution, accounting for more than 25% of Equity	30%	785,312,876	235,593,863
Total increased risks				235,593,863
B. TOTAL SETTLEMENT RISK VALUE (B=I+II+III)				1,020,906,739
C. OPERATIONAL RISK		VALUE		
I	Total operating expenses in 12 months up to December 31, 2023	15,701,521,001		
II	Deductions from the total cost	42,355,284		
1	Depreciation	42,355,284		
2	Expense/ Reversal of provision for devaluation of short-term securities investment	-		
3	Expenses/ Return of provision for devaluation of long-term securities investment	-		
4	Expense/ Refund provision for doubtful receivables	-		
III	Total expenses after deduction (III= I - II)	15,659,165,717		
IV	25% of Total expenses after deduction (IV= III*25%)	3,914,791,429		
V	20% of the minimum charter capital for business operations of a securities business organization (25% of the minimum charter capital for business operations of a securities business organization with derivative securities operations)	5,000,000,000		
C. TOTAL OPERATIONAL RISK VALUE (C=Max {IV, V})		5,000,000,000		
D. TOTAL RISK VALUE (A+B+C)		6,020,906,739		

III. SUMMARY OF RISK INDICATORS AND LIQUID CAPITAL

As on December 31, 2023

Unit: Vietnam Dong

No.	Items	Risk value/ Liquid capital	Note (if any)
1	Total market risk value	-	
2	Total settlement risk value	1,020,906,739	
3	Total operational risk value	5,000,000,000	
4	Total risk value (4=1+2+3)	6,020,906,739	
5	Liquid capital	14,164,026,037	
6	Liquid capital ratio (6=5/4)	235.25%	

NOTES TO THE FINANCIAL SAFETY RATIO REPORT

As on December 31, 2023

I. REPORTING ENTITY

1. Form of ownership

Phu Hung Fund Management Joint Stock Company (previously known as Victoria Capital Management Joint Stock Company) was established and operated under the original license No. 24/UBCK-GP issued by the State Securities Commission dated on December 28, 2007, the latest adjustment license No. 98/GPĐC - UBCK dated on November 02, 2021 issued by the State Securities Commission and the Business Registration Certificate No. 0102594384 for the first time on December 28, 2007, the thirteenth changing on March 25, 2022 was issued by the Department of Planning and Investment of Ho Chi Minh City.

The Company's head office is located at Unit No. 4, 21st Floor, Phu My Hung Tower, No. 8 Hoang Van Thai Street, Quarter 1, Tan Phu Ward, District 7, Ho Chi Minh city.

2. Principal activities: Securities service.

3. Main business field: Establishment and management of securities investment fund, securities investment companies; management of securities portfolio investment; and securities investment consultancy in Vietnam.

4. Company's Charter Capital as on December 31, 2023 is VND 39,000,000,000, include the shareholders:

No	Name	Shareholders	Value	Ratio (%)
1	The Vu Development Company limited	Capital contribution	21,450,000,000	55.00%
2	Mr. Albert Kwang-Chin Ting	Capital contribution	8,775,000,000	22.50%
3	Mr. Ting, Kwang Hung	Capital contribution	8,775,000,000	22.50%
TOTAL			39,000,000,000	100%

5. Numbers of employees: As of December 31, 2023, the Company has 29 employees, including 12 employees with practice certificates (December 31, 2022, the Company has 25 employees, including 11 employees with practice certificates).

II. BASIS OF PREPARATION THE FINANCIAL SAFETY RATIO REPORT

1. The applicable regulations:

The Financial Safety Ratio Report has been prepared to assist the Company to comply with the requirements of Circular No. 91/2020/TT-BTC dated on November 13, 2020 issued by the Ministry of Finance regulating financial safety ratios and measures for non-compliance applicable to securities business organisations.

2. Basis of financial data:

The Financial Safety Ratio Report was prepared based on the Company's financial data as on December 31, 2023. This Financial Safety Ratio Report should be read in conjunction with the Company's Financial Statements ended on December 31, 2023.

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (Continued)

As on December 31, 2023

III. SIGNIFICANT POLICIES IN PREPARATION OF FINANCIAL SAFETY RATIO REPORT

1. Liquidity ratio:

Liquidity ratio of the Company is determined using the formula specified in Circular No.91/2020/TT-BTC as follows :

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

In which, total risk value is the aggregate of market risk value, settlement risk value and operational risk value.

2. Liquid capital:

Liquid capital is the capital which can be converted into cash within ninety (90) days.

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

- All increases in the values of investments, excluding the securities issued by a related organisation of the Company and the securities with the remaining restricted trading period exceeding 90 days at the calculating date;
- Convertible bonds and preference shares issued by the Company with the original terms to maturity of at least five (5) years and registered with the State Securities Commission to supplement the liquid capital; and
- Other debt instruments issued by the Company with the original terms to maturity of more than ten (10) years and registered with the State Securities Commission to supplement the liquid capital.

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

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

- Redeemable preference shares and treasury shares (if any);
- All decreases in the values of investments, excluding the securities issued by a related organisation of the Company and the securities with the remaining restricted trading period exceeding 90 days at the reporting date;
- Long-term assets and current assets with remaining term to maturity of more than 90 days; and asset items subject to qualifications in the audited financial statements (if any).

When determining the deduction from working capital, the Company reduces the deduction by an amount equal to the minimum of the market value of the assets, the book value and the carrying amount of the liabilities (for assets used as security for the Company's obligations or for third parties) and the minimum value of the market value of the collateral and the book value (for assets property is secured by the property of the customer).

3. Market risk value:

Market risk value is the value corresponding to the level of loss which may occur if the market value of assets changes unfavourably. Market risk value is determined in accordance with the requirements of Circular No.91/2020/TT-BTC as follows:

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

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (Continued)

As on December 31, 2023

a. Asset value

Asset prices are determined according to the valuation principles specified in Appendix II, Circular No. 91/2020/TT- BTC follows:

- Cash: Account balance at the calculating date.
- Foreign currency: The value converted into Vietnam Dong at the exchange rate at credit institutions authorized to do foreign exchange business calculated at the date of calculation.
- Deposits with original term not exceeding 3 months: Value of deposit plus accumulated interest up to the calculation date.
- Unlisted bonds: The maximum value of the following values:
 - + List prices (if any) on quotation systems selected by securities trading organizations, plus accumulated interest;
 - + Purchase price plus accumulated interest;
 - + Par value plus accumulated interest;
 - + Price according to internal regulations of the securities trading organization, including accumulated interest.

b. Market risk coefficient

Market risk coefficient is determined for each type of asset in accordance with the requirements of Appendix I, Circular 91/2020/TT-BTC as follows:

- Cash, cash equivalents: 0%
- Unlisted corporate bonds issued by other enterprises with remaining maturity of less than 1 year: 25%

c. Increase in market risk value

The market risk value of each asset determined in accordance with regulations will have to be adjusted further in case the Company invests too much in that asset, except for securities under underwriting in the form of firm commitment, Government bonds, Government-guaranteed bonds on the following principles:

- Increase by 30% in case the total value of investments in stocks and bonds of the company accounts for more than 25% of equity.

4. Settlement risk value:

Settlement risk value is the value corresponding to the level of loss which may occur if a counterparty is unable to settle obligations or transfer assets on time as committed. Settlement risk value is determined for term deposits at credit institutions as follows :

*Settlement risk before due date = Settlement risk coefficient by counterparty * Value of the asset with settlement risk*

a. Settlement risk coefficient by counterparty:

In accordance with the requirements of Circular 91/2020/TT-BTC, the Company applies a counterparty payment risk coefficient for the "Term deposit" at credit institutions established and operating in Vietnam as follows: 6%.

b. Value of assets with settlement risk:

Value of assets with settlement risk in the types of transactions "Term deposit" is the entire balance of the account plus deposit interest.

c. Settlement risk value increase:

Settlement risk values are increased in the following cases:

- Increase by 30% if the value of loans to any organisation or individual and group of related organisations and individuals (if any), or to any individuals and entities related to such individuals (if any), accounts for 25% or more of the Company's equity.

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (Continued)

As on December 31, 2023

5. Operational risk value:

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

The operational risk value of the Company is calculated at the higher of 25% of the operating expenses in the latest 12 month period and 20% of the minimum charter capital required by law, whichever is greater.

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

- Depreciation and amortisation expenses;
- Allowance for diminution in the value of short-term investments;
- Allowance for diminution in the value of long-term investments; and
- Allowance for doubtful debts.

Ho Chi Minh City, March...26, 2024

Prepared by



Nguyen Thi Quynh Mai
Chief Accountant

Reviewed by



Nguyen Duy Long
Head of Internal Control

Approved by




Lu Hui-Hung
General Director

(These notes are an integral part of and are read with the Financial safety ratio report)