VIETNAM INVESTMENT SECURITIES., JSC

AUDITED FINANCIAL SAFETY RATIO REPORT

As at 31/12/2020

HA NOI, FEB. - 2021

TABLE OF CONTENTS

CONTENTS	PAGE

BOARD OF GENERAL DIRECTORS' REPORT

Board of General Directors of Vietnam Investment Securities., JSC ("the Company") presents the Report of Board of General Directors together with the audited Financial Safety Ratio Report as at 31/12/2020.

Overview of the Company

Vietnam Investment Securities., JSC (hereinafter referred to as "the Company"), formerly VNS Securities., JSC which was established and operated under the Certificate of Securities Business Registration No.69/UBCK-GPHDKD dated 28/08/2007. The Company has been renamed into Vietnam Investment Securities., JSC under the amended License for Establishment and Operation for Securities company No. 54/GPDC-UBCK dated 27/09/2011 issued by Chairman of State Securities Commission. Currently, The Company operates under the amendment of the License for Establishment and Operation for Securities Company No. 45/GPDC-UBCK dated 20/12/2016, No. 06/GPDC-UBCK dated 17/01/2018, No.30/GPDC-UBCK dated 17/05/2019 and No.64/GPDC-UBCK dated 22/10/2019 issued by the Chairman of the State Securities Commission.

Under the amendment of the License for Establishment and Operation for Securities company No.64/GPDC-UBCK dated 22/10/2019 issued by the Chairman of the State Securities Commission, the Company's charter capital is **VND 693,500,000,000** *(Six hundred and ninety-three billion, five hundred million Vietnamese dongs).*

Board of Management, Board of General Directors and Board of Supervisors

Members of Board of Management and Board of General Directors and Board of Supervisors who held the Company during the fiscal year ended 31/12/2020 and to the Reporting date, include:

Board of Management

Mr. Li Guang Jie	Chairman
Mr. Lee Ming Chuan Eric	Member
Mr. Yim Fung	Member
Mr. Shao Yu Long	Member (dismissed on 29/06/2020)
Ms. Nguyen Thanh Tu	Member
Ms. Yang Yan Hua	Member (appointed on 29/06/2020)

Board of General Directors

Mr. Hoang Anh	General Director
Mr. Bui Quang Ky	Deputy General Director
Ms. Le Thi Lan Huong	Financial Director

Board of Supervisors

Mr. Vo The Vinh	Head of the Board of Supervisors
Ms. Dao Thi Tuong Vi	Member
Ms. Shen Jing	Member

BOARD OF GENERAL DIRECTORS' REPORT

(cont.,)

The Company's Head Office is located at

Room 9-10, Floor 1, Charmvit Tower building, No. 117 Tran Duy Hung street, Trung Hoa ward, Cau Giay District, Hanoi.

Proclaiming on the responsibilities of Board of General Directors for the Financial Safety Ratio Report

The Company's Board of General Directors is responsible for the preparation and presentation of the Financial Safety Ratio Report as at 31/12/2020 which have given a true and fair view of financial safety ratio situation as at 31/12/2020 and notices that there is no any unusual matter arising that could affect the ability of the Company's going concern.

During the process of preparing the Financial Safety Ratio Report, the Company's Board of General Directors commits to comply with Circular 87/2017/TT-BTC dated August 15, 2017 issued by the Ministry of Fiance on financial safety ratios and remedies applicable to securities company that fail to meet the stimulated financial safety ratios.

The Company's Board of General Directors confirms that Financial Safety Ratio Report have given true and fair view of financial safety ratio situation of the Company as at 31/12/2020.

For and on behalf of Board of General Directors,
VIETNAM INVESTMENT SECURITIES., JSC

S.G.P: 69 - C.T.C.P
CÔNG TY
CỔ PHẦN CHỨNG KHOÁN
ĐẦU TƯ
VIỆT NAM
Q. CẦU GIẤY - T.P HÀ NỘI

Hoang Anh
General Director
Ha Noi, Feb. 22th, 2021

AVA®

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Web: kiemtoanava.com.vn

Ref: 204 /BCTC/TC/NV8

Ha Noi, Feb........, 2021

INDEPENDENT AUDIT REPORT

on Prudential Ratio Statements as at 31/12/2020

To: Board of Management and Board of General Directors
Vietnam Investment Securities., JSC

We have audited the accompanying Prudential Ratio Statements of Vietnam Investment Securities., JSC (hereinafter referred to as "the Company") as at 31/12/2020, *prepared on Feb. 22th, 2021, from page 05 to page 14.*

Respective responsibilities of Board of General Directors

The Company's Board of General Directors is responsible for a true and fair preparation and presentation of the Company's Prudential Ratio Statements as at 31/12/2020 in accordance with the provisions of the Circular No. 87/2017/TT-BTC dated 15/08/2017 by Ministry of Finance regarding regulations on the prudential ratio and the handling measures for the securities institutions that fail to achieve the prudential ratio, and the Board of General Directors is also responsible for necessary internal controls to ensure that preparation and presentation of Prudential Ratio Statements as at 31/12/2020 are free from any material misstatements due to fraud or error.

Respective responsibilities of Auditor

Our responsibility is to express an opinion on the Prudential Ratio Statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with standards, professional and ethical requirements, plan and perform the audit to obtain reasonable assurance about whether the Prudential Ratio Statements of the Company are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the Prudential Ratio Statements. The procedures are selected depending on the Auditor's judgement, including the assessment on risk of material misstatements of the Prudential Ratio Statements, whether due to fraud or error.

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

Auditor's opinion

In our opinion, the Prudential Ratio Statements of the Company as at 31/12/2020, in all material respects, have been prepared and presented in compliance with the regulations in Circular No. 87/2017/TT-BTC dated 15/08/2017 by Ministry of Finance on the prudential ratio and the handling measures for the securities institutions that fail to achieve the prudential ratio.

M.S.D.N: 0102951874 - C.T.T.N.H.H
CÔNG TY TNHH KIỂM TOÁN VÀ THẨM ĐỊNH GIÁ VIỆT NAM
Q. NAM TỪ LIÊM - T.P HÀ NỘI

Nguyen Bao Trung	**Mai Quang Hiep**
Deputy General Director	Auditor
Certificate of audit practice registration	*Certificate of audit practice registration*
No. 0373-2018-126-1	*No. 1320-2018-126-1*
For and on behalf of	
VIETNAM AUDITING AND VALUATION CO., LTD	

VIETNAM INVESTMENT SECURITIES., JSC	SOCIALIST REPUBLIC OF VIETNAM
	<u>Independence - Freedom - Happiness</u>

Ref.: 35/IVS
On Financial safety Ratio Report

Ha Noi, 26.... 2...., 2021

To: State Securities Committee

FINANCIAL SAFETY RATIO REPORT

As at: Dec. 31st, 2020

We hereby confirm that:

(1) The Financial safety ratio report is prepared on the basis of updated data at the reporting date in accordance with Circular No. 87/2017/TT-BTC dated August 15th, 2017 issued by the Ministry of Finance on financial safety ratios and remedies applicable to securities companies that failed to meet the stipulated financial safety ratios;

(2) Subsequent events after the date of this report that can have effects on the financial positon of the Company will be updated in the next reporting period;

(3) We bear fully legal responsibility for the accuracy and truthfulness of the content of our report.

Chief Accountant	**Head of Internal Control Department**	**General Director**
		S.G.P: 69 - C.T.C.P CÔNG TY CỔ PHẦN CHỨNG KHOÁN ĐẦU TƯ VIỆT NAM Q. CẦU GIẤY - T.P HÀ NỘI
Nguyen Thi Hong	**Duong Thu Ha**	**Hoang Anh**

FINANCIAL SAFETY RATIO REPORT

As at 31/12/2020

Unit: VND

I. CALCULATION SHEET ON LIQUID CAPITAL

No.	CONTENTS	Liquid capital		
		Liquid capital	Deductions	Additions
		(1)	(2)	(3)
A	**Equity**			
1	Owners' equity, excluded redeemable preferred shares (if any)	693,500,000,000	-	-
2	Share premium excluded redeemable preferred shares (if any)	28,280,000,000	-	-
3	Treasury shares	-	-	-
4	The convertible bonds option - Capital	-	-	-
5	Other owners' equity	-	-	-
6	Gain/loss from revaluation of financial assets at fair value	-	-	-
7	Charter capital supplementary reserve	1,169,366,013	-	-
8	Operational risks and financial reserve	648,823,913	-	-
9	Other fund belong to the owners' equity	-	-	-
10	Retained earnings	(47,685,752,179)	-	-
11	Balance to provision for impairment of assets	71,379,206,829	-	-
12	Difference from revaluation of fixed assets	-	-	-
13	Foreign exchange rate differences	-	-	-
14	Convertible debts		-	-
15	Total increase or decrease in securities of financial invesment value	-	4,009,747	1,923,281
16	Other capital (if any)	-	-	-
1A	**Total**			**747,289,558,110**
B	**Current assets**			
I	***Financial assets***	-	-	-
1	Cash and cash equivalents	-	-	-
2	Financial assets at fair value through profit or loss (FVTPL)	-	-	-
	- Securities exposed to market risk	-	-	-
	- Securities are deducted from liquid capital	-	-	-
3	Held-to-maturity (HTM) investments	-	-	-
	- Securities exposed to market risk	-	-	-
	- Securities are deducted from liquid capital	-	-	-
4	Loans	-	-	-

FINANCIAL SAFETY RATIO REPORT

As at 31/12/2020

(cont.,)

Unit: VND

I. CALCULATION SHEET ON LIQUID CAPITAL *(cont.,)*

No.	CONTENTS	Liquid capital		
		Liquid capital	Deductions	Additions
		(1)	(2)	(3)
5	Available for sales (AFS) financial assets	-	-	-
	- Securities exposed to market risk	-	-	-
	- Securities are deducted from liquid capital	-	-	-
6	Provision for impairment of financial assets and mortgage assets	-	-	-
7	Receivables (Receivables from sales of financial assets; Receivables and estimated dividend receivables, interest from financial assets)	-	-	-
	Receivables with remaining maturity of 90 days or less	-	-	-
	Receivables with remaining maturity of more than 90 days	-	-	-
8	Covered warrants which have not fully issued	-	-	-
9	Underlying securities for risk hedging upon issuing covered warrants	-	-	-
10	Receivables from services rendered by securities company	-	-	-
	Receivables with remaining maturity of 90 days or less	-	-	-
	Receivables with remaining maturity of more than 90 days	-	-	-
11	Internal receivables	-	-	-
	- Internal receivables with remaining maturity of 90 days or less	-	-	-
	- Internal receivables with remaining maturity of more than 90 days	-	-	-
12	Receivables from securities transaction errors	-	-	-
	Receivables with remaining maturity of 90 days or less	-	-	-
	Receivables with remaining maturity of more than 90 days	-	-	-
13	Other receivables	-	-	-
	Receivables with remaining maturity of 90 days or less	-	-	-
	Receivables with remaining maturity of more than 90 days	-	38,780,264,889	-

FINANCIAL SAFETY RATIO REPORT

As at 31/12/2020

(cont.,)

Unit: VND

I. CALCULATION SHEET ON LIQUID CAPITAL *(cont.,)*

No.	CONTENTS	Liquid capital		
		Liquid capital	Deductions	Additions
		(1)	(2)	(3)
14	Provision for impairment of receivables	-	-	-
II	***Other current assets***	-	-	-
1	Advance	-	-	-
	- Advances with remaining repayment term of 90 days or less	-	-	-
	Advances with remaining repayment term of more than 90 days	-	-	-
2	Office supplies, tools and materials	-	-	-
3	Short-term prepaid expenses	-	883,277,782	-
4	Short-term deposits, collaterals and pledges	-	1,800,000	-
5	Deductible value added tax (VAT)	-	-	-
6	Taxes and other receivables from the State	-	-	-
7	Other current assets	-	730,047,360	-
8	Provision for impairment of other current assets	-	-	-
1B	**Total**			**40,395,390,031**
C	**Non-current assets**			
I	***Long-term financial assets***	-	-	-
1	Long-term receivables	-	-	-
2	Investments	-	-	-
2.1	Held-to-maturity investments	-	-	-
	- Securities exposed to market risk	-	-	-
	- Securities are deducted from liquid capital	-	-	-
2.2	Investment in subsidiaries	-	-	-
2.3	Investments in associates, joint ventures	-	17,000,000,000	-
2.4	Other long-term investments	-	-	-
II	***Fixed assets***	-	***12,703,944,316***	-
III	***Real-estate investment***	-	-	-
IV	***Construction in progress***	-	-	-
V	***Other long-term assets***	-	***8,095,265,409***	-
1	Long-term deposits, collaterals and pledges	-	750,406,100	-
2	Long-term prepaid expenses	-	398,108,019	-
3	Deferred income tax assets	-	-	-

FINANCIAL SAFETY RATIO REPORT

As at 31/12/2020

(cont.,)

Unit: VND

I. CALCULATION SHEET ON LIQUID CAPITAL *(cont.,)*

No.	CONTENTS	Liquid capital		
		Liquid capital	Deductions	Additions
		(1)	(2)	(3)
4	Payment for Settlement Assistance Fund	-	6,946,751,290	-
5	Other long-term assets	-	-	-
VI	***Provision for impairment of non-current***	-	-	-
	Assets qualified in audited, reviewed financial statements that are not deducted according to Article 5, Cirular 87/2017/TT-BTC	-	-	-
1C	**Total**			**37,799,209,725**
D	**Margin, collateral items**			
1	The value of margin	-	-	-
1.1	The value of contribution to Settlement Assistance Fund of Vietnam Securities Depository (for derivatives market)	-	-	-
1.2	The value of contribution to the clearing fund of the central settlement counterparty for the open position of the clearing member (for derivatives market)	-	-	-
1.3	The value of cash escrow and banks' guarantee for issuing covered warrants	-	-	-
2	The value of collaterals for obligations due in more than ninety (90) days	-	-	-
1D	**Total**			
LIQUID CAPITAL = 1A - 1B - 1C - 1D				**669,094,958,354**

FINANCIAL SAFETY RATIO REPORT

As at 31/12/2020

(cont.,)

Unit: VND

II. CALCULATION SHEET ON EXPOSURES TO RISK

A. EXPOSURES TO MARKET RISK

	Investment items	Risk coefficient (%)	Scale of risk	Exposures to risk
		(1)	(2)	(3) = (1) x (2)
I. Cash and cash equivalents, monetary market instruments				-
1	Cash on hand (VND)	0	12,160,364,335	-
2	Cash equivalents	0	-	-
3	Valuable papers, negotiable instruments in the money market, Certificate of deposit	0	-	-
II. Government bonds				-
4	Zero-coupon Government bonds	0	-	-
5	Coupon Government bonds		-	-
5.1	Government bonds (include treasury bond and construction bond issued), Government bonds of OECD countries or guranteed by the Government or the Central bank of the OECD countries, Bonds issued by international instutions such as IBRD, ADB, IADB, AFDB, EIB and EBRD	3	-	-
III. Corporate bonds				-
6	Listed bonds having remaining maturity of less than 1 year, including convertible bonds	8	-	-
	Listed bonds having remaining maturity of 1 year to under 3 years, including convertible bonds	10	-	-
	Listed bonds having remaining maturity of 3 years to under 5 years, including convertible bonds	15	-	-
	Listed bonds having remaining maturity of more than 5 years, including convertible bonds	20	-	-
7	Unlisted bonds having remaining maturity of less than 1 year, including convertible bonds	25	-	-
	Unlisted bonds having remaining maturity of 1 year to under 3 years, including convertible bonds	30	-	-
	Unlisted bonds having remaining maturity of 3 years to under 5 years, including convertible bonds	35	-	-
	Unlisted bonds having remaining maturity of more than 5 years, including convertible bonds	40	-	-

FINANCIAL SAFETY RATIO REPORT

As at 31/12/2020

(cont.,)

Unit: VND

II. CALCULATION SHEET ON EXPOSURES TO RISK *(cont.,)*

A. EXPOSURES TO MARKET RISK *(cont.,)*

	Investment items	Risk coefficient (%)	Scale of risk	Exposures to risk
		(1)	(2)	(3) = (1) x (2)
IV. Shares				**606,234**
8	Ordinary shares, preferred shares of entities listed in Ho Chi Minh Stock Exchange; Open-end fund certificates	10	5,767,540	576,754
9	Ordinary shares, preferred shares of entities listed in Hanoi Stock Exchange	15	-	-
10	Ordinary shares, preferred share of unlisted public entities registered for trading through UpCom system	20	147,400	29,480
11	Ordinary shares, preferred shares of public entities registered for depository, but not yet listed for registered for trading; shares under IPO	30	-	-
12	Shares of other public company	50	-	-
V. Certificates of investment securities fund				-
13	Public funds,including public securities investment companies	10	-	-
14	Private funds, including private securities investment companies	30	-	-
VI. Restricted securities trading				**40,500**
15	Securities temporarily suspended from trading	40	-	-
16	Delisted, cancelled securities	50	81,000	40,500
VII. Derivative securities				-
17	Shares index futures contracts	8	-	-
18	Government bonds futures contracts	3	-	-
VIII. Other securities				**17,060,320,000**
19	Shares, capital contribution and other shares	80	21,325,400,000	17,060,320,000
20	Shares listed in foreign markets included in the benchmark	25	-	-
21	Shares listed in foreign markets not included in the benchmark	100	-	-
22	Covered warrants listed on Ho Chi Minh Stock Exchange	8	-	-
23	Covered warrants listed on Hanoi Stock Exchange	10	-	-
24	Covered warrants listed issued by the Company		-	-

FINANCIAL SAFETY RATIO REPORT

As at 31/12/2020

(cont.,)

Unit: VND

II. CALCULATION SHEET ON EXPOSURES TO RISK *(cont.,)*

A. EXPOSURES TO MARKET RISK *(cont.,)*

Investment items		Risk coefficient (%)	Scale of risk	Exposures to risk
		(1)	(2)	(3) = (1) x (2)
25	Securities formed from hedging activities for the issued covered warrants *(in case of covered warrants without gain)*		-	-
26	The difference between the value of the underlying securities used by the Company to hedge against the risks of covered warrants and the value of the underlying securities necessary to hedge for covered		-	-
IX. Increases risk (if any)				-
A. TOTAL EXPOSURES TO MARKET RISK (A= I+II+III+IV+V+VI+VII+VIII+IX)				**17,060,966,734**

FINANCIAL SAFETY RATIO REPORT
As at 31/12/2020
(cont.,)

Unit: VND

II. CALCULATION SHEET ON EXPOSURES TO RISK *(cont.,)*

B. SETTLEMENT RISK

	Exposures to settlement risk
Risks of undue items *(Note 1)*	19,800,000,000
Risks of overdue items *(Note 2)*	37,408,527
Supplemental exposures to settlement risks *(Note 3)*	5,940,000,000
Total exposures to settlement risks	**25,777,408,527**

1. Risks of undue items

Type of transactions		Risk coefficient (%) — Exposures to settlement risk (VND) 0% (1)	0.8% (2)	3.2% (3)	4.8% (4)	6% (5)	8% (6)	Total exposures to settlement risk
1	Term deposits, loans without collaterals and receivables from transaction activities and securities trading operations and other items exposured to settlement risk	-	-	-	-	19,800,000,000	-	19,800,000,000
TOTAL EXPOSURES TO SETTLEMENT RISK OF UNDERDUE ITEMS								**19,800,000,000**

2. Risks of overdue items

	Overdue period	Settlement risk coefficient (%)	Scale of risk	Exposures to settlement risk
1	From 0 to 15 days after payment due date or date of transferring securities	16	-	-
2	From 16 to 30 days after payment due date or date of transferring securities	32	-	-
3	From 31 to 60 days after payment due date or date of transferring securities	48	-	-
4	From 60 days and above after payment due date or date of transferring securities	100	37,408,527	37,408,527
TOTAL EXPOSURES TO SETTLEMENT RISK OF OVERDUE PAYMENTS				**37,408,527**

3. Supplemental exposures to settlement risks

No.	Detail of each loan, each counterpart	Settlement risk coefficient	Scale of risk	Exposures to settlement risk
1	Term-bank deposits	30%	19,800,000,000	5,940,000,000
TOTAL SUPPLEMENTAL EXPOSURES TO SETTLEMENT RISK				**5,940,000,000**

C. CALCULATION SHEET ON EXPOSURES TO OPERATIONAL RISK (WITHIN 12 I

	Items	Amount
I	Total operating expenses incurring during the 12 months	47,988,642,637
II	Deductions from total expenses *(Note 1)*	15,322,568,800
III	Total expenses after deductions (III=I-II)	32,666,073,837
IV	25% of total expenses after deductions (IV=25%III)	8,166,518,459
V	20% of legal capital of the Company	17,000,000,000
TOTAL EXPOSURES TO OPERATIONAL RISK (Max{IV,V})		**17,000,000,000**

FINANCIAL SAFETY RATIO REPORT

As at 31/12/2020

(cont.,)

Unit: VND

II. CALCULATION SHEET ON EXPOSURES TO RISK *(cont.,)*

1. Deductions from total expenses

Unit: VND

	Amount
Depreciation expenses	1,426,452,670
Reversal of provision for the impairment of financial assets and mortgage assets	-
Provision/Reversal of provision for the impairment of long-term financial assets	13,896,116,130
Provision for impairment of receivables	-
	15,322,568,800

III. SYNTHESIZING TABLE ON EXPOSURES TO RISKS AND LIQUID CAPITAL

No.	Items	Exposures to risk/ liquid capital	Remark (if any)
1	Total exposures to market risk	17,060,966,734	
2	Total exposures to settlement risk	25,777,408,527	
3	Total exposures to operational risk	17,000,000,000	
4	**Total exposures to risks (4=1+2+3)**	**59,838,375,261**	
5	**Liquid capital**	**669,094,958,354**	
6	**Liquid capital ratio (6=5/4)**	**1118%**	

Ha Noi, Feb. 22th, 2021

VIETNAM INVESTMENT SECURITIES., JSC

Chief Accountant	Head of Internal Control Department	General Director
Nguyen Thi Hong	**Duong Thu Ha**	**Hoang Anh**

CÔNG TY CỔ PHẦN CHỨNG KHOÁN ĐẦU TƯ VIỆT NAM