



**Eastspring Investments Fund
Management Limited Liability Company**

Financial Safety Ratio Report
as of 31 December 2021



**Eastspring Investments Fund Management Limited Liability Company
Corporate Information**

| | | |
|--|---|--|
| Business Registration Licence No. | 4104000113 1 st amendment | 24 May 2005 23 January 2006 |
| Fund Management Establishment and Operation Licence No. | 03/UBCK-GPHDQLQ 17/UBCK-GP 27/UBCK-GPDC 67/UBCK-GPDC 25/GPDC-UBCK 51/GP-UBCK 08/GPDC-UBCK 29/GPDC-UBCK 63/GPDC-UBCK | 26 May 2005 23 July 2008 20 November 2008 15 April 2010 9 December 2011 23 March 2012 26 March 2013 12 September 2013 10 August 2018 |
| Business Licence No. | 51/GP-UBCK | 23 March 2012 |

The Business Registration Licence and Fund Management Establishment and Operation Licence were issued by the Ho Chi Minh City Department of Planning and Investment and the State Securities Commission, respectively. On 23 March 2012, the State Securities Commission issued Business Licence No. 51/GP-UBCK which allows the Company to provide portfolio management services. On 26 March 2013, the State Securities Commission issued Amendment Licence No. 08/GPDC-UBCK to supplement securities advisory services to the existing Company's licences.

The Company's operating period, as defined in the Company's Charter, is consistent with that of the parent company, Prudential Assurance Vietnam Private Limited. The parent company's investment licence is valid until 29 October 2049.

| | | |
|--------------------------|---|--|
| Members' Council | Wendy Lim Hwee Ching | Chairwoman (from 21 March 2022) |
| | Xavier Bernard Maurice Meyer | Chairman (from 1 July 2021 to 21 March 2022) |
| | Teo Thye Peng Bernard | Chairman (from 20 January 2021 to 1 July 2021) |
| | Buwalda Jeroen Jelle Bart | Chairman (until 20 January 2021) |
| | Ngo The Trieu | Member |
| | Phuong Tien Minh | Member |
| Management | Ngo The Trieu | Chief Executive Officer |
| Registered Office | Saigon Trade Center 37 Ton Duc Thang Street, District 1 Ho Chi Minh City Vietnam | |
| Auditor | KPMG Limited Vietnam | |

**Eastspring Investments Fund Management
Limited Liability Company**

**THE SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness**

Re: Financial Safety Ratio Report

**To: The State Securities Commission
FINANCIAL SAFETY RATIO REPORT**

As of 31 December 2021

We undertake the following:

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

22 March 2022

Prepared by:

Ms. Le Minh Thuy
Chief Accountant

Mr. Tran Vu Duy
Head of Internal Control
Department

Approved by:

Mr. Ngo The Trieu
Chief Executive Officer



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INDEPENDENT AUDITOR'S REPORT

To the Members' Council Eastspring Investments Fund Management Limited Liability Company

We have audited the accompanying Financial Safety Ratio Report of Eastspring Investments Fund Management Limited Liability Company ("the Company") as at 31 December 2021 including the explanatory notes thereto which was authorised for issue by the Company's Management on 22 March 2022 ("the Financial Safety Ratio Report"), as set out on pages 5 to 28.

Management's Responsibility

The Company's Management is responsible for the preparation and presentation of the Financial Safety Ratio Report in accordance with the requirements of Circular No. 91/2020/TT-BTC ("Circular 91") dated 13 November 2020 issued by the Ministry of Finance regulating financial safety ratios and measures for non-compliance applicable to securities business organisations, and for such internal control as the Management determines is necessary to enable the preparation of the Financial Safety Ratio Report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Safety Ratio Report 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 Safety Ratio Report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Safety Ratio Report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Safety Ratio Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation 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 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 Management, 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 Eastspring Investments Fund Management Limited Liability as at 31 December 2021 has been prepared, in all material respects, in accordance with the requirements of Circular No. 91/2020/TT-BTC dated 13 November 2020 issued by the Ministry of Finance regulating financial safety ratios and measures for non-compliance applicable to securities business organisations.

Basis of Preparation and Restriction on Use

We draw attention to Note 2(a) to the Financial Safety Ratio Report, which describes the basis of preparation. The Financial Safety Ratio Report has been prepared to enable the Company to comply with the requirements of Circular 91/2020/TT-BTC dated 13 November 2020 issued by the Ministry of Finance regulating financial safety ratios and measures for non-compliance applicable to securities business organisations. As a result, the Financial Safety Ratio Report may not be suitable for another purpose. Our audit report is intended solely for the Company's submission to the State Securities Commission and disclosure of information as required by Circular 91 and should not be used for any other purposes.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Audit Report No.: 21-01-00387-22-2



Chong Kwang Puay
Practicing Auditor Registration
Certificate No. 0864-2018-007-1
Deputy General Director



Tran Thi Le Hang
Practicing Auditor Registration
Certificate No. 3782-2022-007-1

Ho Chi Minh City, 22 March 2022

Eastspring Investments Fund Management Limited Liability Company
Financial Safety Ratio Report as of 31 December 2021

| No. | Items | Note | 31/12/2021 |
|-----|--|----------|--------------------|
| I | Total market risk value (VND'000) | 5 | - |
| II | Total settlement risk value (VND'000) | 6 | 20,432,986 |
| III | Total operational risk value (VND'000) | 7 | 25,843,584 |
| IV | Total risk values (IV=I+II+III) (VND'000) | | 46,276,570 |
| V | Liquid capital (VND'000) | 8 | 197,296,495 |
| VI | Liquid capital ratio (VI=V/IV) (%) | | 426% |

22 March 2022

Prepared by:



Ms. Le Minh Thuy
Chief Accountant



Mr. Tran Vu Duy
Head of Internal Control
Department

Approved by:



Mr. Ngo The Trieu
Chief Executive Officer

The accompanying notes are an integral part of this Financial Safety Ratio Report

Eastspring Investments Fund Management Limited Liability Company Notes to the Financial Safety Ratio Report as of 31 December 2021

These notes form an integral part of and should be read in conjunction with the accompanying Financial Safety Ratio Report.

1. Reporting entity

(a) Ownership structure

Eastspring Investment Fund Management Limited Liability Company (“the Company”) is a limited liability company licensed and incorporated in the Socialist Republic of Vietnam.

(b) Principal activities

The principal activities of the Company are to establish and manage securities investment funds, to provide portfolio management services and to provide financial consultancy and securities investment consultancy under the Fund Management Establishment and Operation Licence and its amendments.

The chartered capital of the Company as stipulated in the Fund Management Establishment and Operation Licence is VND25 billion.

As at 31 December 2021, the Company had 23 employees (31/12/2020: 21 employees) of which one (1) is management personnel. As at 31 December 2021, the Company had 8 employees (31/12/2020: 8 employees) who were qualified for fund and asset management.

2. Basis of preparation

(a) Statement of compliance

The Financial Safety Ratio Report has been prepared to enable the Company to comply with the requirements of Circular No. 91/2020/TT-BTC dated 13 November 2020 issued by the Ministry of Finance (“Circular 91”) regulating financial safety ratios and measures for non-compliance applicable to securities business organisations. Accordingly, the Financial Safety Ratio Report and its utilisation are not designed for those who are not informed about the principles and requirements of Circular 91 on preparation and presentation of Financial Safety Ratio Report applicable to securities business organisations in Vietnam. As a result, the Financial Safety Ratio Report may not be suitable for another purpose.

(b) Underlying financial data

The Financial Safety Ratio Report was prepared based on the Company’s financial data as of 31 December 2021 and for the year then ended. This Financial Safety Ratio Report should be read in conjunction with the Company’s financial statements for the year ended 31 December 2021.

Eastspring Investments Fund Management Limited Liability Company
Notes to the Financial Safety Ratio Report as of 31 December 2021 (continued)

(c) Accounting and presentation currency

The Company's accounting currency is Vietnam Dong ("VND"), which is also the currency used for Financial Safety Ratio Report presentation purpose, rounded to the nearest thousand ("VND'000").

3. Adoption of new regulation on Financial Safety Ratio Report

On 13 November 2020, the Ministry of Finance issued Circular 91/2020/TT-BTC regulating financial safety ratios and measures for non-compliance applicable to securities business organisations ("Circular 91"). Circular 91 took effect since 1 January 2021 except for Point d of Article 5.5, Point d of Article 6.3, Point k of Article 10.1, Article 10.10 and Item No 28 of Part VII of Appendix I on Market risk coefficient which will take effect from 1 January 2022.

Circular 91 replaces Circular 87/2017/TT-BTC dated 15 August 2017 issued by the Ministry of Finance regulating financial safety ratios and measures for non-compliance applicable to securities business organisations.

4. Summary of significant policies adopted in the preparation of the Financial Safety Ratio Report

The following significant policies have been adopted by the Company in the preparation of this Financial Safety Ratio Report.

(a) Liquid capital ratio

The Company's liquid capital ratio is calculated in accordance with the requirements of Circular 91 as follows:

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

in which, total risk value is the aggregate of market risk value (Note 4(c)), settlement risk value (Note 4(d)) and operational risk value (Note 4(e)).

(b) Liquid capital

Liquid capital is the capital which can be converted into cash within 90 days. Liquid capital comprises the following items:

- Investment capital of the owner, excluding redeemable share capital (if any);
- Share premium, excluding redeemable share capital (if any);
- Reserve to supplement charter capital;
- Investment and development reserves (if any);
- Financial and operational risk reserves;
- Other reserves under equity;
- Retained earnings before distribution;
- Allowance for impairment of assets;

Eastspring Investments Fund Management Limited Liability Company
Notes to the Financial Safety Ratio Report as of 31 December 2021 (continued)

- Fifty percent (50%) of the incremental value of fixed assets revalued in accordance with the law (in case of increased valuation), or deducted from the total value of the reduced value (in case of reduce in value);
- Foreign exchange differences; and
- Other capital (if any).

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

- All increases in the values of investments, financial assets at book value excluding the securities issued by a related organisation of the Company and the securities with the remaining restricted trading period exceeding 90 days at the reporting date;
- Convertible bonds and preference shares issued by the Company with the original terms to maturity of at least five (5) years, are not secured by assets of the Company, and can be repurchased by the Company before maturity date only at the holder's request or on the secondary market after notifying the State Securities Commission of Vietnam. The Company may stop paying interest and transferring the accumulated interests to the subsequent year in case the payment of interest causes business losses in the year, and the Company has registered with the State Securities Commission of Vietnam to supplement the liquid capital; and
- Other debt instruments issued by the Company with the original terms of at least ten (10) years and are not secured by assets of the Company. The Company may stop paying interest and transferring accumulated interest to the subsequent year in case the payment of interest causes business losses in the year, and the Company has registered with the State Securities Commission of Vietnam to supplement the liquid capital.

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. Value of items used to supplement the liquid capital is capped at 50% of the Company's equity.

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

- 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 from the reporting date;
- Long-term assets;
- Current assets, including securities issued by a related organisation of the Company and securities with the remaining restricted trading period exceeding 90 days from the reporting date; prepayments; receivables with the payback period or remaining maturity of over ninety (90) days; advances that must be returned within over ninety (90) days; other current assets; Items with a qualified, adverse or disclaimer opinion/conclusion in the audited, reviewed financial statements (if any).

Eastspring Investments Fund Management Limited Liability Company
Notes to the Financial Safety Ratio Report as of 31 December 2021 (continued)

When determining the deductions from liquid capital, the Company deducts from the liquid capital an amount equal to the minimum value of the market value of the assets, the book value and the residual value of the obligations (for the assets used as collaterals for the obligations of the Company and third parties) and the minimum value of the market value of the collaterals and the book value (for the assets secured by customers' assets).

(c) Market risk value

Market risk value is the value corresponding to the level of loss which may occur if the market value of owned assets and expected owned assets according to guarantee commitments changes unfavourably. Market risk value is determined in accordance with the requirements of Circular 91 as follows:

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

(i) Net position

Net position of any securities at a point of time is the quantity of securities currently held by the Company, after deducting the number of securities lent out and adding the number of securities borrowed in accordance with the prevailing regulations.

Market risk value is not determined for the following securities and assets:

- Treasury shares;
- Securities issued by a related organisation of the Company;
- Securities with the remaining restricted trading period exceeding 90 days at the reporting date;
- Matured bonds, debt instruments and money market valuable papers; and
- Securities which have already been hedged by sell options or futures contracts; and sell options and sell option contracts which have been used to hedge the underlying securities.

Eastspring Investments Fund Management Limited Liability Company
Notes to the Financial Safety Ratio Report as of 31 December 2021 (continued)

(ii) Asset value

Asset value is determined in accordance with principles for determining market value in Circular 91 as follows:

| No. | Type of asset | Principles for determining market value |
|--|--|--|
| Cash and cash equivalents, money market instruments | | |
| 1 | Cash in VND | Account balance at the reporting date |
| 2 | Foreign currencies | Value converted into VND at the exchange rate of credit institutions authorised for trading foreign currencies at the reporting date |
| 3 | Term deposits | Deposit amount plus accrued interest at the reporting date |
| 4 | Treasury bills, bank drafts, commercial papers, transferable certificates of deposits, bonds and other discounted money market instruments | Purchase price plus accrued interest at the reporting date |
| Bonds | | |
| 5 | Listed bonds | <ul style="list-style-type: none"> ➤ Average quoted price from the Stock Exchanges of normal transaction at the latest trading date plus accrued interest (if quoted price excluded accrued interest) ➤ If there was no trading in the two weeks prior to the reporting date, then market value is the highest value of the following: <ul style="list-style-type: none"> + Purchase price plus accrued interest; + Par value plus accrued interest; or + Value determined in accordance with the Company's internal methodology plus accrued interest. <p><i>In other words:</i> Max (Purchase price plus accrued interest; Par value plus accrued interest; Value determined in accordance with the Company's internal methodology plus accrued interest)</p> |
| 6 | Unlisted bonds | <p>The highest value of the following:</p> <ul style="list-style-type: none"> + Quoted price, (if any), from the quoting system selected by the Company plus accrued interest; + Purchase price plus accrued interest; + Par value plus accrued interest; or + Value determined in accordance with the Company's internal methodology plus accrued interest. <p><i>In other words:</i> Max (Quoted price (if any); Purchase price plus accrued interest; Par value plus accrued interest; Value determined in accordance with the Company's internal methodology plus accrued interest)</p> |

Eastspring Investments Fund Management Limited Liability Company
Notes to the Financial Safety Ratio Report as of 31 December 2021 (continued)

| No. | Type of asset | Principles for determining market value |
|---------------|---|---|
| Shares | | |
| 7 | Shares listed on the Ho Chi Minh City Stock Exchange | <ul style="list-style-type: none"> ➤ Closing price at the latest trading date prior to the reporting date ➤ If there was no trading in the two weeks prior to the reporting date, then market value is the highest value of the following: <ul style="list-style-type: none"> + Book value; + Purchase price; or + Value determined in accordance with the Company's internal methodology. <i>In other words:</i> Max (Book value; Purchase price; Value determined in accordance with the Company's internal methodology) |
| 8 | Shares listed on the Hanoi Stock Exchange | <ul style="list-style-type: none"> ➤ Closing price at the latest trading date prior to the reporting date ➤ If there was no trading in the two weeks prior to the reporting date, then market value is the highest value of the following: <ul style="list-style-type: none"> + Book value; + Purchase price; or + Value determined in accordance with the Company's internal methodology. <i>In other words:</i> Max (Book value; Purchase price; Value determined in accordance with the Company's internal methodology) |
| 9 | Shares of public companies registered for UpCom trading | <ul style="list-style-type: none"> ➤ Closing price at the latest trading date prior to the reporting date ➤ If there was no trading in the two weeks prior to the reporting date, then market value is the highest value of the following: <ul style="list-style-type: none"> + Book value; + Purchase price; or + Value determined in accordance with the Company's internal methodology. <i>In other words:</i> Max (Book value; Purchase price; Value determined in accordance with the Company's internal methodology) |

Eastspring Investments Fund Management Limited Liability Company
Notes to the Financial Safety Ratio Report as of 31 December 2021 (continued)

| No. | Type of asset | Principles for determining market value |
|-----|--|---|
| 10 | Shares already custodied but not yet listed and not yet registered for trading | <p>➤ Average price from the quoted prices from at least three securities companies which are not related to the Company at the latest trading date prior to the reporting date</p> <p>➤ If there was not sufficient quoted prices from three securities companies, then the market value is the highest value of the following: + Quoted prices from securities companies; + Price of the latest period; + Book value; + Purchase price; or + Value determined in accordance with the Company's internal methodology. <i>In other words:</i> Max (Quoted prices from securities companies; Price of the latest period; Book value; Purchase price; Value determined in accordance with the Company's internal methodology)</p> |
| 11 | Shares for which trading has been suspended or delisted shares or shares with trading cancellation | <p>The highest of the following: + Book value; + Par value; or + Value determined in accordance with the Company's internal methodology. <i>In other words:</i> Max (Book value; Par value; Value determined in accordance with the Company's internal methodology)</p> |
| 12 | Shares of organisations which are currently being dissolved or bankrupt | <p>80% of the liquidation value of such shares at the latest balance sheet date, or value determined in accordance with the Company's internal methodology</p> |
| 13 | Other shares and capital contribution | <p>The highest of the following: + Book value; + Purchase price/capital contribution amount; or + Value determined in accordance with the Company's internal methodology. <i>In other words:</i> Max (Book value; Purchase price/capital contribution amount; Value determined in accordance with the Company's internal methodology)</p> |

Eastspring Investments Fund Management Limited Liability Company
Notes to the Financial Safety Ratio Report as of 31 December 2021 (continued)

| No. | Type of asset | Principles for determining market value |
|--|---|--|
| Funds/Shares of securities investment companies | | |
| 14 | Closed-end public funds/ETF Fund | <ul style="list-style-type: none"> ➤ Closing price at the latest trading date prior to the reporting date ➤ If there was no trading in the two weeks prior to the reporting date, then the latest NAV/fund unit prior to the reporting date |
| 15 | Member funds/Open-ended funds/Shares issued in private placement of securities investment companies | Latest Net asset value per one capital contribution unit/fund certificate/share prior to the reporting date |
| 16 | Other cases | Value determined in accordance with the Company's internal methodology |
| Fixed assets | | |
| 17 | Land use rights etc | Value determined by an independent valuation organisation selected by the Company |
| 18 | Building and structures, including construction in progress | Value determined by an independent valuation organisation selected by the Company/ Accumulated costs of construction in progress |
| 19 | Machineries, equipments and motor vehicles etc | Net book value of the asset |
| 20 | Other fixed assets | Value determined by an independent valuation organisation selected by the Company |
| Other securities | | |
| 21 | Secured securities options issued by other securities business organisations | <ul style="list-style-type: none"> ➤ Closing price at the latest trading date prior to the reporting date ➤ Purchase price (for unlisted secured securities options) |
| 22 | Shares listed on overseas market | <ul style="list-style-type: none"> ➤ Price (in foreign currency) * exchange rate at the reporting date ➤ Closing price at the latest trading date prior to the reporting date ➤ If there was no trading in the two weeks prior to the reporting date, then the market value is the highest value of the following: <ul style="list-style-type: none"> + Book value; + Purchase price; and + Value determined in accordance with the Company's internal methodology. <p><i>In other words:</i> Max (Book value; Purchase price; Value determined in accordance with the Company's internal methodology)</p> |

Eastspring Investments Fund Management Limited Liability Company
Notes to the Financial Safety Ratio Report as of 31 December 2021 (continued)

(iii) Market risk coefficient

Market risk coefficient is determined for each type of asset in accordance with the requirements of Circular 91 as disclosed in Note 5.

(iv) Increase in market risk value

The market risk values of assets will be increased if the Company significantly invests in such assets, except for secured underwriting securities, Government bonds and bonds guaranteed by the Government. Market risk value is increased in accordance with the following principles:

- Increase by 10% if the value of any investment accounts for from over 10% to 15% of the Company's equity;
- Increase by 20% if the value of any investment accounts for from over 15% to 25% of the Company's equity; or
- Increase by 30% if the value of any investment accounts for more than 25% of the Company's equity.

Dividends, coupons, value of privileged rights of securities (if any) or interest receivables from cash and cash equivalents, transferrable instruments and valuable papers are added to the asset values when determining the market risk value.

(d) Settlement risk value

Settlement risk value is the value corresponding to the level of loss which may occur if a counterparty is unable to settle obligations or transfer assets on time as committed. Settlement risk value is determined at the end of transaction date or contract date as follows:

- Settlement risk value before the due date for payment/transfer of securities is determined in accordance with the following principle:

Settlement risk before due date:

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

The above principle to determine settlement risk value before due date is applicable for following contracts:

- Term deposits at credit institutions, certificates of deposits issued by credit institutions;
- Securities lending contracts and securities borrowing contracts in compliance with laws;
- Repurchase agreements in compliance with laws;
- Reverse repurchase agreements in compliance with laws;
- Margin loan contracts in compliance with laws; and
- Accounts receivable relating to securities activities.



Eastspring Investments Fund Management Limited Liability Company
Notes to the Financial Safety Ratio Report as of 31 December 2021 (continued)

- Overdue settlement risk value is determined in accordance with the following principle:

Overdue settlement risk:

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

The above principle to determine settlement risk value over the due date is applicable for:

- Overdue accounts receivable, including matured bonds, valuable papers, debt instruments not yet redeemed on maturity date;
- Assets beyond the time of transfer, including securities of the Company, securities of customers relating to securities brokerage activities; and
- Securities, cash not yet received from securities transaction, term contracts include term deposits at credit institutions, certificates of deposits issued by credit institutions; loans to other organisations and individuals; securities lending contracts and securities borrowing contracts in compliance with laws; repurchase agreements in compliance with laws; reverse repurchase agreements in compliance with laws; margin loan contracts in compliance with laws; and receivables from customers.

(i) Settlement risk coefficient

In accordance with the requirements of Circular 91, settlement risk coefficient by counterparty is as follows:

| No. | Counterparty | Settlement risk coefficient |
|-----|--|-----------------------------|
| 1 | The Government, issuing organisations guaranteed by the Government and Central banks of countries in the OECD, People's Committee of provinces and cities under Central authority | 0% |
| 2 | The Stock Exchanges, Vietnam Securities Depository and Clearing Corporation | 0.8% |
| 3 | Credit institutions, financial institutions, and securities companies established in countries in the OECD and with a credit rating satisfying the internal rules of the Company | 3.2% |
| 4 | Credit institutions, financial institutions, and securities companies established in countries outside the OECD; or established in countries in the OECD but with a credit rating not satisfying the internal rules of the Company | 4.8% |
| 5 | Credit institutions, financial institutions, securities companies, securities investment funds, securities investment companies established and operating in Vietnam | 6% |
| 6 | Other organisations, individuals and others | 8% |

Eastspring Investments Fund Management Limited Liability Company
Notes to the Financial Safety Ratio Report as of 31 December 2021 (continued)

In accordance with the requirements of Circular 91, settlement risk coefficient by overdue status is as follows:

| No. | Overdue status | Settlement risk coefficient |
|-----|--|-----------------------------|
| 1 | From 0 to 15 days after the due date for payment/transfer of securities | 16% |
| 2 | From 16 to 30 days after the due date for payment/transfer of securities | 32% |
| 3 | From 31 to 60 days after the due date for payment/transfer of securities | 48% |
| 4 | Above 60 days after the due date for payment/transfer of securities | 100% |

Time for payment/transfer of securities is in accordance with regulations on derivative securities (for derivative securities) T+2 (for listed securities), T+1 (for listed bonds), or T+n (for transactions agreed outside the trading system in n days according to agreement).

(ii) Value of assets with settlement risk

➤ *Value of assets with settlement risk in securities borrowing activities, securities lending activities, margin trading activities, repurchase/reverse repurchase and other activities:*

| No. | Type of transaction | Value of assets with settlement risks |
|-----|---|---|
| 1 | Term deposits, deposit certificates and unsecured loans | Total value of the deposit, deposits certificates, loans, contract value, trading value plus dividend, coupon, right value (applicable to securities) or accrued interest from deposits, loans, fees (applicable to loans). |
| 2 | Securities lending | Max {(Market value of the contract – Value of collateral assets (if any)), 0} |
| 3 | Securities borrowings | Max {(Value of collateral assets – Market value of the contract), 0} |
| 4 | Reverse repurchase agreements | Max {(Contract value calculated in accordance with purchase price – Market value of the contract * (1 – Market risk coefficient)), 0} |
| 5 | Repurchase agreements | Max {(Market value of the contract * (1 – Market risk coefficient) – Contract value based on the selling price), 0} |
| 6 | Margin loans (lending to customers to purchase securities)/Other arrangements with similar nature | Max {(Outstanding loan balance – Value of collateral assets), 0} |

Outstanding balance comprises the principal, interest and related fees.

Value of collateral assets is based on the market value. When the market values of collateral assets are not available, market values are determined in accordance with Company's internal methodology.

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

Eastspring Investments Fund Management Limited Liability Company
Notes to the Financial Safety Ratio Report as of 31 December 2021 (continued)

| No. | Time | Value of assets with settlement risks |
|---|---|--|
| A. For the sale of securities transactions (seller is the Company or the Company's customers in brokerage activities) | | |
| 1 | Before the due date for payment | Nil |
| 2 | After the due date for payment | Market value of the contract (if the market value is lower than the transaction price) |
| | | Nil (if the market value is higher than the transaction price) |
| B. For the purchase of securities transactions (buyer is the Company or the Company's customers in brokerage activities) | | |
| 1 | Before the due date for securities transfer | Nil |
| 2 | After the due date for securities transfer | Market value of the contract (if the market value is lower than the transaction price) |
| | | Nil (if the market value is higher than the transaction price) |

➤ *Settlement risk values of overdue accounts receivable, matured bonds and debt instruments are the underlying amounts including par value plus accrued interest and fees, less actual cash previously received, if any.*

(iii) Deductions from the value of assets with settlement risk

The Company deducts the value of collateral asset received from counterparties or customers from the value of assets with settlement risk when determining the value of assets with settlement risks if the contracts and transactions meet the following criteria:

- The counterparties or customers have collateral assets to secure for their obligations including cash, cash equivalents, valuable papers, transferable money market instruments, listed securities on the Vietnam Stock Exchanges and its subsidiaries (collectively Stock Exchange), Government bonds, or bonds underwritten by the Ministry of Finance; and
- The Company has the right to control, manage, use or transfer the collateral assets if the counterparties or customers fail to settle the obligations according to the contractual schedules.

Value of collateral assets deducted from the value of assets with settlement risk is calculated as follows:

$$\text{Value of collateral assets} = \text{Asset quantity} * \text{Asset value per unit} * (1 - \text{Market risk coefficient})$$

Asset value is determined in accordance with the requirements of Circular 91 as described in Note 4(c)(ii).

Market risk coefficient is determined in accordance with the requirements of Circular 91 as described in Note 5.

Eastspring Investments Fund Management Limited Liability Company
Notes to the Financial Safety Ratio Report as of 31 December 2021 (continued)

(iv) Increase in settlement risk value

Settlement risk values are increased in the following cases:

- Increase by 10% if the value of term deposits, deposit certificates, loans, undue receivables, reserve repurchase agreements, repurchase agreements to any organisation or individual and group of related organisations and individuals accounts for from over 10% to 15% of the Company's equity;
- Increase by 20% if the value of term deposits, deposit certificates, loans, undue receivables, reserve repurchase agreements, repurchase agreements to any organisation or individual and group of related organisations and individuals accounts for from over 15% to 25% of the Company's equity; or
- Increase by 30% if the value of term deposits, deposit certificates, loans, undue receivables, reserve repurchase agreements, repurchase agreements to any organisation or individuals and group of related organisations and individuals (if any), or to any individuals and entities related to such individuals (if any), accounts for from more than 25% of the Company's equity.

(v) Netting off value of assets with settlement risk

The value of assets with settlement risk is netted off if:

- The settlement risk is related to the same counter party;
- The settlement risk arises from the same type of transactions; and
- The netting off is agreed by the parties in writing.

(e) Operational risk value

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

The operational risk value of the Company is calculated at the higher of:

- 25% of the cost of maintaining the Company's operations for 12 consecutive months up to the time of calculation; and
- 20% of its minimum contributed capital applicable to operating activities of organization in compliance with laws.

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

- Depreciation and amortisation expenses;
- Additions to/(reversal of) allowance for diminution in the value of short-term financial assets;
- Additions to/(reversal of) allowance for diminution in the value of long-term financial assets; and
- Additions to/(reversal of) allowance for doubtful debts.

Eastspring Investments Fund Management Limited Liability Company
Notes to the Financial Safety Ratio Report as of 31 December 2021 (continued)

5. Market risk value

| Investment portfolio as of 31 December 2021 | | Risk coefficient | Risk exposure (VND'000) | Risk value (VND'000) |
|---|--|------------------|-------------------------|----------------------|
| | | (1) | (2) | (3)=(1)*(2) |
| I. | Cash and cash equivalents, money market instruments | | 198,005,767 | |
| 1. | Cash | 0% | 6,886,346 | - |
| 2. | Cash equivalents and term deposits | 0% | 191,119,421 | - |
| 3. | Valuable papers and transferable money market instruments, certificates of deposits | 0% | - | - |
| II. | Government bonds | | | |
| 4. | Zero-coupon Government bonds | 0% | - | - |
| 5. | Government coupon bonds: Government bonds, bonds issued by Governments of countries in the OECD or bonds guaranteed by the Government or Central bank of countries in the OECD, and bonds issued by IBRD, ADB, IADB, AFDB, EIB and EBRD, municipal bonds | 3% | - | - |
| III. | Credit Institution bonds | | | |
| 6. | Credit institution bonds with remaining terms to maturity of less than 1 year, including convertible bonds | 3% | - | - |
| | Credit institution bonds with remaining terms to maturity of 1 year to less than 3 years, including convertible bonds | 8% | - | - |
| | Credit institution bonds with remaining terms to maturity of 3 years to less than 5 years, including convertible bonds | 10% | - | - |
| | Credit institution bonds with remaining terms to maturity of 5 years or more, including convertible bonds | 15% | - | - |
| IV. | Corporate bonds | | | |
| | Listed corporate bonds | | | |
| 7. | Listed bonds with remaining terms to maturity of less than 1 year, including convertible bonds | 8% | - | - |
| | Listed bonds with remaining terms to maturity of 1 year to less than 3 years, including convertible bonds | 10% | - | - |
| | Listed bonds with remaining terms to maturity of 3 years to less than 5 years, including convertible bonds | 15% | - | - |

Eastspring Investments Fund Management Limited Liability Company
Notes to the Financial Safety Ratio Report as of 31 December 2021 (continued)

| Investment portfolio as of 31 December 2021 | | Risk coefficient | Risk exposure (VND'000) | Risk value (VND'000) |
|---|---|------------------|-------------------------|----------------------|
| | | (1) | (2) | (3)=(1)*(2) |
| | Listed bonds with remaining terms to maturity of 5 years and above, including convertible bonds | 20% | - | - |
| | Unlisted corporate bonds | | | |
| 8. | Unlisted bonds issued by listed companies with remaining term to maturity of less than 1 year, including convertible bonds | 15% | - | - |
| | Unlisted bonds issued by listed companies with remaining terms to maturity of 1 year to less than 3 years, including convertible bonds | 20% | - | - |
| | Unlisted bonds issued by listed companies with remaining terms to maturity of 3 years to less than 5 years, including convertible bonds | 25% | - | - |
| | Unlisted bonds issued by listed companies with remaining terms to maturity of 5 years and above, including convertible bonds | 30% | - | - |
| | Unlisted bonds issued by other companies with remaining term to maturity of less than 1 year, including convertible bonds | 25% | | |
| | Unlisted bonds issued by other companies with remaining terms to maturity of 1 year to less than 3 years, including convertible bonds | 30% | | |
| | Unlisted bonds issued by other companies with remaining terms to maturity of 3 years to less than 5 years, including convertible bonds | 35% | | |
| | Unlisted bonds issued by other companies with remaining terms to maturity of 5 years and above, including convertible bonds | 40% | | |
| V. | Shares | | | |
| 9. | Ordinary shares and preference shares of companies listed on the Ho Chi Minh City Stock Exchange; fund units of open-ended funds | 10% | - | - |
| 10. | Ordinary shares and preference shares of companies listed on the Hanoi Stock Exchange | 15% | - | - |
| 11. | Ordinary shares and preference shares of unlisted public companies registered for UpCom trading | 20% | - | - |

Eastspring Investments Fund Management Limited Liability Company
Notes to the Financial Safety Ratio Report as of 31 December 2021 (continued)

| Investment portfolio as of 31 December 2021 | | Risk coefficient | Risk exposure (VND'000) | Risk value (VND'000) |
|---|---|------------------|-------------------------|----------------------|
| | | (1) | (2) | (3)=(1)*(2) |
| 12. | Ordinary shares and preference shares of public companies which have been registered for depository, but have not been listed or not yet registered for trading; shares of Initial Public Offerings (IPO) | 30% | - | - |
| 13. | Shares of other public companies | 50% | - | - |
| VI. | Securities investment fund certificates | | | |
| 14. | Public funds including public investment companies | 10% | - | - |
| 15. | Member funds, separate investment companies | 30% | - | - |
| VII. | Securities restricted for trading | | | |
| 16. | Unlisted securities from listed company late for public audited/reviewed financial statements | 30% | - | - |
| 17. | Listed securities under warning | 20% | - | - |
| 18. | Listed securities under control | 25% | - | - |
| 19. | Temporary non-trading securities | 40% | - | - |
| 20. | Securities with delisting or trading cancellation | 80% | - | - |
| VIII. | Other assets | | | |
| 21. | Shares, bonds from listed company do not have latest audited financial statements close to reporting date or audited financial statements have a qualified, adverse or disclaimer opinion/conclusion | 100% | - | - |
| 22. | Shares, capital contribution and other securities | 80% | - | - |
| 23. | Other investment assets | 80% | - | - |
| IX. | Increased risks (if any) | | - | - |
| TOTAL MARKET RISK (I+II+III+IV+V+VI+VII+VIII+IX) | | | | - |

Eastspring Investments Fund Management Limited Liability Company
Notes to the Financial Safety Ratio Report as of 31 December 2021 (continued)

6. Settlement risk value

| | Settlement risk before due date as of 31 December 2021 | Risk value (VND'000) | | | | | | Total risk value (VND'000) |
|----|--|----------------------|------|------|------|-------------------|------------------|----------------------------|
| | | (1) | (2) | (3) | (4) | (5) | (6) | |
| | Type of transaction | | | | | | | |
| | Settlement risk coefficient | 0% | 0.8% | 3.2% | 4.8% | 6% | 8% | |
| 1. | Term deposits, deposit certificates, unsecured loans and receivables from securities services and potential settlement risk items. | - | - | - | - | 11,467,165 | 4,929,008 | 16,396,173 |
| 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 | - | - | - | - | - | - | - |
| | Sub-total | - | - | - | - | 11,467,165 | 4,929,008 | 16,396,173 |
| | Overdue settlement risk as of 31 December 2021 | | | | | | | |
| | Overdue status | | | | | | | |
| 1. | From 0 to 15 days after the due date for payment/transfer of securities | | | | | 16% | - | - |
| 2. | From 16 to 30 days after the due date for payment/transfer of securities | | | | | 32% | - | - |
| 3. | From 31 to 60 days after the due date for payment/transfer of securities | | | | | 48% | - | - |
| 4. | Above 60 days after the due date for payment/transfer of securities | | | | | 100% | - | - |
| | Sub-total | | | | | | - | - |

Eastspring Investments Fund Management Limited Liability Company
Notes to Financial Safety Ratio Report as of 31 December 2021 (continued)

| III. | Settlement risk of advances, contracts and other transactions | Risk coefficient (%) | Risk exposure (VND'000) | Risk value (VND'000) |
|--|---|-----------------------------|--------------------------------|-----------------------------|
| | Advances account for above 5% of Company's equity with remaining terms to maturity of less than 90 days | - | - | - |
| | Sub-total | - | - | - |
| IV. | Other increased risks (if any) as of 31 December 2021 | | | |
| 1. | Term deposits at banks account for above 25% of the Company's equity | 30% | 4,518,727 | 1,355,618 |
| 2. | Term deposits at banks accounts for from 15% to 25% of the Company's equity | 20% | 5,145,121 | 1,029,024 |
| 3. | Term deposits at banks accounts for from 10% to 15% of the Company's equity | 10% | 1,803,317 | 180,332 |
| 4. | Receivables account for above 25% of the Company's equity | 30% | 4,906,132 | 1,471,839 |
| | Sub-total | | 16,373,297 | 4,036,813 |
| TOTAL SETTLEMENT RISK (I+II+III+IV) | | | | |
| | | | | 20,432,986 |

Eastspring Investments Fund Management Limited Liability Company
Notes to the Financial Safety Ratio Report as of 31 December 2021 (continued)

- (1) Settlement risk value applicable to the Government, issuing organisations guaranteed by the Government or the Ministry of Finance, the State Bank of Vietnam, Governments and Central banks of OECD countries, People's Committees of provinces and cities under Central authority;
- (2) Settlement risk value applicable to the Stock Exchanges, Vietnam Securities Depository and Clearing Corporation;
- (3) Settlement risk value applicable to credit institutions, financial institutions, and securities companies established in the OECD countries;
- (4) Settlement risk value applicable to credit institutions, financial institutions, and securities companies established outside the OECD;
- (5) Settlement risk value applicable to credit institutions, financial institutions, and securities companies established and operating in Vietnam; and
- (6) Settlement risk value applicable to other organisations and individuals.

7. Operational risk value

| No. | Items | 31/12/2021 VND'000 |
|--|---|-----------------------|
| I. | Total operating expenses within 12 months up to 31 December 2021 | 103,806,387 |
| II. | Deductions from total operating expenses | 432,052 |
| 1. | Depreciation and amortisation expenses | 423,052 |
| 2. | Allowance for doubtful debts | 9,000 |
| III. | Total operating expenses after deductions (III = I – II) | 103,374,335 |
| IV. | 25% of total operating expenses after deductions (IV = 25% III) | 25,843,584 |
| V. | 20% of minimum contributed capital for organisation with securities operation (25% of minimum capital for organisations with derivative securities operations) | 5,000,000 |
| TOTAL OPERATIONAL RISK (=Max {IV, V}) | | 25,843,584 |

Eastspring Investments Fund Management Limited Liability Company
Notes to the Financial Safety Ratio Report as of 31 December 2021 (continued)

8. Liquid capital

| No. | Items | Liquid capital as of 31 December 2021 | | |
|------------|--|---------------------------------------|-------------------------|------------------------|
| | | Liquid capital (VND'000) | Deductions (VND'000) | Additions (VND'000) |
| A. | Equity | | | |
| 1. | Share capital, excluding redeemable preference shares (if any) | 25,000,000 | | |
| 2. | Capital surplus, excluding redeemable preference shares (if any) | - | | |
| 3. | Treasury shares | - | | |
| 4. | Reserve to supplement share capital (if any) | 2,500,000 | | |
| 5. | Investment and development fund (if any) | - | | |
| 6. | Financial and operational risk reserves | 2,500,000 | | |
| 7. | Other equity funds | - | | |
| 8. | Retained profits | 174,562,330 | | |
| 9. | Allowance for diminution in value of financial assets | - | | |
| 10. | Differences upon fixed assets revaluation | - | | |
| 11. | Foreign exchange differences | - | | |
| 12. | Convertible debts | - | | |
| 13. | Deductions or additions relating to investments | - | | |
| 14. | Other equity (if any) | | - | - |
| 1A. | Sub-total | | | 204,562,330 |
| B. | Current assets | | | |
| I. | Cash and cash equivalents | | | |
| II. | Short-term investments | | | |
| 1. | Short-term investments | | | |
| | <i>Securities with potential market risks as set out in Article 9.2</i> | | | |
| | <i>Securities deducted from the liquid capital as set out in Article 6.5</i> | | | - |
| 2. | Allowance for diminution in the value of short-term investments | | | |

Eastspring Investments Fund Management Limited Liability Company
Notes to the Financial Safety Ratio Report as of 31 December 2021 (continued)

| No. | Items | Liquid capital as of 31 December 2021 | | |
|------------|---|---------------------------------------|-------------------------|------------------------|
| | | Liquid capital (VND'000) | Deductions (VND'000) | Additions (VND'000) |
| III | Short-term receivables, including receivables from entrusted activity | | | |
| 1. | Accounts receivable from customers | | | |
| | <i>Accounts receivable with remaining terms to maturity of 90 days or less</i> | | | |
| | <i>Accounts receivable with remaining terms to maturity of more than 90 days</i> | | - | |
| 2. | Prepayments to suppliers | | - | |
| 3. | Account receivables from operation activities | | | |
| | <i>Accounts receivable from operation activities with remaining terms to maturity of 90 days or less</i> | | | |
| | <i>Accounts receivable from operation activities with remaining terms to maturity of more than 90 days</i> | | - | |
| 4. | Intra-company receivables | | | |
| | <i>Intra-company receivables with remaining terms to maturity of 90 days or less</i> | | | |
| | <i>Intra-company receivables with remaining terms to maturity of more than 90 days</i> | | - | |
| 5. | Accounts receivable from securities trading activities | | | |
| | <i>Accounts receivable from securities trading activities with remaining terms to maturity of 90 days or less</i> | | | |
| | <i>Accounts receivable from securities trading activities with remaining terms to maturity of more than 90 days</i> | | - | |
| 6. | Other receivables | | | |
| | <i>Other receivables with remaining terms to maturity of 90 days or less</i> | | | |
| | <i>Other receivables with remaining terms to maturity of more than 90 days</i> | | - | |
| 7. | Allowance for doubtful debts | | | |
| IV. | Inventories | | - | |
| V. | Other current assets | | | |
| 1. | Short-term prepayments | | 2,352,002 | |
| 2. | Deductible value added tax | | | |
| 3. | Taxes and other receivables from the State Treasury | | | |
| 4. | Other current assets | | | |

Eastspring Investments Fund Management Limited Liability Company
Notes to the Financial Safety Ratio Report as of 31 December 2021 (continued)

| No. | Items | Liquid capital as of 31 December 2021 | | |
|-------------|--|---------------------------------------|-------------------------|------------------------|
| | | Liquid capital (VND'000) | Deductions (VND'000) | Additions (VND'000) |
| 4.1. | Advances | | | |
| | <i>Advances with remaining terms of 90 days or less</i> | | | |
| | <i>Advances with remaining terms of more than 90 days</i> | | - | |
| 4.2. | Other receivables, other current assets | | 45,000 | |
| 1B. | Sub-total | | | 2,397,002 |
| C. | Long-term assets | | | |
| I. | Long-term receivables, including receivables from entrusted activity | | | |
| 1. | Accounts receivable | | | |
| | <i>Accounts receivable with remaining terms to maturity of 90 days or less</i> | | | |
| | <i>Accounts receivable with remaining terms to maturity of more than 90 days</i> | | - | |
| 2. | Allocated capital at dependent units | | - | |
| 3. | Intra-company receivables | | | |
| | <i>Intra-company receivables with remaining terms to maturity of 90 days or less</i> | | | |
| | <i>Intra-company receivables with remaining terms to maturity of more than 90 days</i> | | - | |
| 4. | Other receivables | | | |
| | <i>Other receivables with remaining terms to maturity of 90 days or less</i> | | | |
| | <i>Other receivables with remaining terms to maturity of more than 90 days</i> | | - | |
| 5. | Allowance for doubtful debts | | | |
| II | Fixed assets | | 262,823 | |
| III. | Investment property | | - | |
| IV. | Long-term investments | | | |
| 1. | Investments in subsidiaries | | - | |
| 2. | Long-term investment securities | | - | |
| | <i>Securities with market risks as set out in Article 9.2</i> | | - | |
| | <i>Securities deducted from the liquid capital as set out in Article 6.5</i> | | - | |
| 3. | Foreign long-term investments | | - | |
| 4. | Other long-term investments | | - | |
| 5. | Allowance for diminution in the value of long-term investments | | - | |

Eastspring Investments Fund Management Limited Liability Company
Notes to the Financial Safety Ratio Report as of 31 December 2021 (continued)

| No. | Items | Liquid capital as of 31 December 2021 | | |
|------------|--|---------------------------------------|-------------------------|------------------------|
| | | Liquid capital (VND'000) | Deductions (VND'000) | Additions (VND'000) |
| V. | Other long-term assets | | | |
| 1 | Long-term prepayments | | - | |
| 2 | Deferred tax assets | | 3,424,445 | |
| 3 | Long-term deposits | | 1,181,565 | |
| | Assets being qualified in the audited annual financial statements but not yet included in the deductions pursuant to Article 6 | | - | |
| 1C. | Sub-total | | | 4,868,833 |
| | LIQUID CAPITAL = 1A-1B-1C | | | 197,296,495 |

9. Approval of the Financial Safety Ratio Report

The Financial Safety Ratio Report was authorised for issue by the Management on 22 March 2022.

22 March 2022

Prepared by:

Ms. Le Minh Thuy
Chief Accountant

Mr. Tran Vu Duy
Head of Internal Control
Department

Approved by:



Mr. Ngô Thế Triệu
Chief Executive Officer

