



**Eastspring Investments Fund  
Management Limited Liability Company**

Financial Safety Ratio Report  
as of 30 June 2018

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

<b>Business Registration Licence No.</b>	4104000113 1 <sup>st</sup> amendment	24 May 2005 23 January 2006
<b>Fund Management Establishment and Operation Licence No.</b>	03/UBCK-GPHDQLQ 17/UBCK-GP 27/UBCK-GPDC 67/UBCK-GPDC 25/GPDC-UBCK 51/GP-UBCK 08/GPDC-UBCK 29/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
<b>Business Licence No.</b>	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 the 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 charter, is to be consistent with the period of the parent company, Prudential Assurance Vietnam Private Limited. The parent company's investment licence is valid until 29 October 2049.

<b>Members' Council</b>	Xavier Bernard Maurice Meyer	Chairman
	Ngo The Trieu	Member (from 15 June 2018)
	Nguyen Tuan Thân An	Member (until 15 June 2018)
	Clive Darren Baker	Member (from 15 June 2018)
	Stephen James Clark	Member (until 15 June 2018)
<b>Board of Directors</b>	Ngo The Trieu	Chief Executive Officer (from 15 June 2018)
	Nguyen Tuan Thân An	Chief Executive Officer (until 15 June 2018)

**Eastspring Investments Fund Management Limited Liability Company**  
**Corporate Information (continued)**

**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 30 June 2018

We undertake as follows:

- (1) This report has been prepared based on up to date data at the reporting date in accordance with the requirements of Circular No. 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;
- (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.

13 August 2018

Prepared by:



Ms. Le Minh Thuy  
Chief Accountant

Approved by:

  
  


Mr. Tong Cong Cuong  
Head of Internal Control  
Department

Mr. Ngo The Trieu  
Chief Executive Officer



KPMG Limited Branch  
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## REVIEW REPORT ON FINANCIAL SAFETY RATIO REPORT

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

We have reviewed the accompanying Financial Safety Ratio Report of Eastspring Investments Fund Management Limited Liability Company ("the Company") as at 30 June 2018 including the explanatory notes thereto which were authorised for issue by the Company's Board of Directors on 13 August 2018, as set out on pages 6 to 28.

#### Management's Responsibility

The Company's Board of Directors is responsible for the preparation and presentation of the Financial Safety Ratio Report in accordance with the requirements of Circular No. 87/2017/TT-BTC dated 15 August 2017 ("Circular 87") 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 Board of Directors 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 a conclusion on the Financial Safety Ratio Report based on our review. We conducted our review in accordance with Vietnamese Standard on Review engagements 2410 – *Review of interim financial information performed by the independent auditor of the entity*.

A review of the Financial Safety Ratio Report consists of making inquiries, primarily of persons responsible for Financial Safety Ratio Report matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



### Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Financial Safety Ratio Report of Eastspring Investments Fund Management Limited Liability as at 30 June 2018 has not been prepared, in all material respects, in accordance with the requirements of Circular No. 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 organisation.

### 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 No. 87/2017/TT-BTC dated 15 August 2017 ("Circular 87") 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 review report is intended solely for the Company's submission to the State Securities Commission of Vietnam and disclosure of information as required by Circular 87 and should not be used for any other purposes.

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



Review Report No.: 18-01-267/2

Chang Hung Chun  
Practicing Auditor Registration  
Certificate No. 0863-2018-007-1  
Deputy General Director

Nguyễn Ho Khanh Tan  
Practicing Auditor Registration  
Certificate No. 3458-2015-007-1

Ho Chi Minh City, 13 August 2018

**Eastspring Investments Fund Management Limited Liability Company**  
**Financial Safety Ratio Report as of 30 June 2018**

No.	Items	Note	Risk value, Liquid capital 30/6/2018
I	Total market risk value (VND'000)	4	-
II	Total settlement risk value (VND'000)	5	8,741,697
III	Total operational risk value (VND'000)	6	20,825,704
IV	<b>Total risk values (IV=I+II+III) (VND'000)</b>		<b>29,567,401</b>
V	<b>Liquid capital (VND'000)</b>	7	<b>80,173,698</b>
VI	<b>Liquid capital ratio (VI=V/IV) (%)</b>		<b>271%</b>

13 August 2018

Prepared by:

Approved by:



Ms. Le Minh Thuy  
Chief Accountant



Mr. Tong Cong Cuong  
Head of Internal Control  
Department



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 Financial Safety Ratio Report as of 30 June 2018**

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 Fund Management Establishment and Operation Licence and their amendments.

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

As at 30 June 2018, the Company had 21 employees (31/12/2017: 22 employees) of which one (1) is management personnel. During the year, there was one (1) employee resigning and no disciplinary action was taken against any of the employees. As at 30 June 2018, the Company had 11 employees (31/12/2017: 11 employees) who were qualified for fund and assets 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. 87/2017/TT-BTC dated 15 August 2017 issued by the Ministry of Finance (“Circular 87”) 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 87 on preparation and presentation of the 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 and for the six-month period ended 30 June 2018. This Financial Safety Ratio Report should be read in conjunction with the Company’s interim financial statements for the six-month period ended 30 June 2018.



**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2018 (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.

**3. 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 87 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 3(c)), settlement risk value (Note 3(d)) and operational risk value (Note 3(e)).

**(b) Liquid capital**

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

- Investment capital of the owner, excluding redeemable share capital (if any).
- Share premium does not include redeemable share capital (if any);
- Reserve fund to supplement charter capital;
- Development investment fund (if any);
- Financial risk and operational risk funds;
- Other funds belonging to owners' equity;
- Retained earnings after tax;
- Provision for impairment of assets;
- Fifty percent (50%) of the incremental value of the fixed asset is revalued in accordance with the law (in case of increased valuation), or deducted from the total value of the reduced value (in in case of price decrease);
- Exchange rate difference;
- Other capital.

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;

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2018 (continued)**

- Convertible bonds and preference shares issued by the Company with the original terms to maturity of at least five (5) years are not secured with the assets of the Company, can only be bought back ahead of time at the request of the owner or repurchase on the secondary market after the notice to the State Securities Commission. It is transferred of accrued interest to the following year if the interest payment results in the company's business results in the loss and added to the available capital with the State Securities.
- Other debt instruments issued by the Company with the original terms to maturity of more than ten (10) years and not secured by assets of the Company; To stop paying interest and transferring accrued interest to the following year if the interest payment leads to the business results in the year and lose its registered capital in the State Securities Commission.

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);
- 100% value of the downward revaluations of fixed assets, if any, in accordance with the prevailing regulations;
- All decreases 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;
- Long-term assets and current assets with remaining term to maturity of more than 90 days; and
- Asset items being qualified in the audited financial statements (if any).

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 87 as follows:

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

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2018 (continued)**

**(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.

The market risk value is not determined for 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.

**(ii) Asset value**

Asset value is determined in accordance with principles for determining market value in Circular 87 as follows:

No.	Type of asset	Principles for determining market value
<b>Cash and cash equivalents, money market instruments</b>		
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
<b>Bonds</b>		
5	Listed bonds	<ul style="list-style-type: none"> <li>➤ Average quoted price from the Stock Exchanges of normal transaction at the latest trading date plus accrued interest (if quoted price excluded accrued interest)</li> <li>➤ If there was no trading in the two weeks prior to the reporting date, then market value is the highest value of the followings:               <ul style="list-style-type: none"> <li>+ Purchase price plus accrued interest;</li> <li>+ Par value plus accrued interest; or</li> <li>+ Value determined in accordance with the Company's internal methodology plus accrued interest.</li> </ul> </li> </ul>

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2018 (continued)**

No.	Type of asset	Principles for determining market value
		<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 followings:            + 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> <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>
<b>Shares</b>		
7	Shares listed on the Ho Chi Minh City Stock Exchange	<p>➤ Closing price at the latest trading date prior to the reporting date</p> <p>➤ If there was no trading in the two weeks prior to the reporting date, then market value is the highest value of the followings:            + Book value;            + Purchase price; or            + Value determined in accordance with the Company's internal methodology.</p> <p><i>In other words:</i>            Max (Book value; Purchase price; Value determined in accordance with the Company's internal methodology)</p>
8	Shares listed on the Hanoi Stock Exchange	<p>➤ Closing price at the latest trading date prior to the reporting date</p> <p>➤ If there was no trading in the two weeks prior to the reporting date, then market value is the highest value of the followings:            + Book value;            + Purchase price; or            + Value determined in accordance with the Company's internal methodology.</p> <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 Financial Safety Ratio Report as of 30 June 2018 (continued)**

No.	Type of asset	Principles for determining market value
9	Shares of public companies registered for UpCom trading	<ul style="list-style-type: none"> <li>➤ Closing price at the latest trading date prior to the reporting date</li> <li>➤ If there was no trading in the two weeks prior to the reporting date, then market value is the highest value of the followings:               <ul style="list-style-type: none"> <li>+ Book value;</li> <li>+ Purchase price; or</li> <li>+ Value determined in accordance with the Company's internal methodology.</li> </ul> <p><i>In other words:</i>                Max (Book value; Purchase price; Value determined in accordance with the Company's internal methodology)</p> </li> </ul>
10	Shares already custodied but not yet listed and not yet registered for trading	<ul style="list-style-type: none"> <li>➤ 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</li> <li>➤ If there was not sufficient quoted prices from three securities companies, then the market value is the highest value of the followings:               <ul style="list-style-type: none"> <li>+ Quoted prices from securities companies;</li> <li>+ Price of the latest period;</li> <li>+ Book value;</li> <li>+ Purchase price; or</li> <li>+ Value determined in accordance with the Company's internal methodology.</li> </ul> <p><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> </li> </ul>
11	Shares for which trading has been suspended or delisted shares or shares with trading cancellation	<p>The highest of the followings:</p> <ul style="list-style-type: none"> <li>+ Book value;</li> <li>+ Par value; or</li> <li>+ Value determined in accordance with the Company's internal methodology.</li> </ul> <p><i>In other words:</i>            Max (Book value; Par value; Value determined in accordance with the Company's internal methodology)</p> <p>➤</p>

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2018 (continued)**

No.	Type of asset	Principles for determining market value
12	Shares of organisations which are currently being dissolved or bankrupt	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
13	Other shares and capital contribution	The highest of the followings: + 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)
<b>Funds/Shares of securities investment companies</b>		
14	Closed-end public funds/ETF Fund	➤ 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
<b>Fixed assets</b>		
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

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2018 (continued)**

No.	Type of asset	Principles for determining market value
<b>Other securities</b>		
21	Secured securities options issued by other securities business organisations	<ul style="list-style-type: none"> <li>➤ Closing price at the latest trading date prior to the reporting date</li> <li>➤ Purchase price (for unlisted secured securities options)</li> </ul>
22	Shares listed on overseas market	<ul style="list-style-type: none"> <li>➤ Price (in foreign currency) * exchange rate at the reporting date</li> <li>➤ Closing price at the latest trading date prior to the reporting date</li> <li>➤ If there was no trading in the two weeks prior to the reporting date, then the market value is the highest value of the followings: <ul style="list-style-type: none"> <li>+ Book value;</li> <li>+ Purchase price; and</li> <li>+ Value determined in accordance with the Company's internal methodology.</li> </ul> </li> </ul> <p><i>In other words:</i>  Max (Book value; Purchase price; Value determined in accordance with the Company's internal methodology)</p>

**(iii) Market risk coefficient**

Market risk coefficient is determined for each type of asset in accordance with the requirements of Circular 87 as disclosed in Note 4.

**(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.

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2018 (continued)**

**(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, 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
  - Undue accounts receivable, other receivables from customers relating to securities brokerage activities.
- 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 receivables, including maturing bonds, valuable papers, debt instruments that have matured but have not yet been paid.
- Assets over the time of transfer, including securities in business activities of the company, securities of customers in securities brokerage activities;
- Securities, unspent securities, money which not received from transactions, maturing contracts including term deposits at credit institutions, loans to other organizations and individuals; The contracts on borrowing or borrowing securities in accordance with the provisions of law; Sale contracts with commitments to buy back securities in accordance with the provisions of law; A contract of sale with a commitment to resell securities in accordance with the provisions of law; Securities collateral loan contract in accordance with the law; and accounts receivable from customers.



**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2018 (continued)**

(i) **Settlement risk coefficient**

In accordance with the requirements of Circular 87, 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	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 and securities companies established and operating in Vietnam	6%
6	Other organisations and individuals	8%

In accordance with the requirements of Circular 87, settlement risk coefficient by overdue status is as follows:

No.	Overdue status	Settlement risk coefficient
1	0 - 15 days after the due date for payment/transfer of securities	16%
2	16 - 30 days after the due date for payment/transfer of securities	32%
3	31 - 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).

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2018 (continued)**

(ii) **Value of assets with settlement risk**

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

No.	Type of transaction	Value of assets with settlement risks
1	Term deposits and unsecured loans	Total value of the deposits and 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:*

No.	Time	Value of assets with settlement risks
<b>A. For the sale of securities transactions (seller is the Company or the Company's customers in brokerage activities)</b>		
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>B. For the purchase of securities transactions (buyer is the Company or the Company's customers in brokerage activities)</b>		
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)

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2018 (continued)**

- *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 Stock Exchanges, 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 87 as described in Note 3c(ii).

Market risk coefficient is determined in accordance with the requirements of Circular 87 as described in Note 4.

**(iv) Settlement risk value increase**

Settlement risk values are increased in the following cases:

- Increase by 10% if the value of term deposits, 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, 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, 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.

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2018 (continued)**

**(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 capital in accordance with the legal

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

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

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2018 (continued)**

**4. Market risk value**

Investment portfolio as of 30 June 2018		Risk coefficient	Risk exposure (VND'000)	Risk value (VND'000)
		(1)	(2)	(3)=(1)*(2)
<b>I.</b>	<b>Cash and cash equivalents, money market instruments</b>		<b>85,287,296</b>	
1.	Cash	0%	4,956,407	-
2.	Cash equivalents and term deposits	0%	80,330,889	-
3.	Valuable papers and transferable money market instruments, certificate of deposits	0%	-	-
<b>II.</b>	<b>Government bonds</b>			
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	3%	-	-
<b>III.</b>	<b>Corporate bonds</b>			
6.	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 up to 3 years, including convertible bonds	10%	-	-
	Listed bonds with remaining terms to maturity 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%	-	-
7.	Unlisted bonds with remaining term to maturity of less than 1 year, including convertible bonds	25%	-	-
	Unlisted bonds with remaining terms to maturity of 1 year up to 3 years, including convertible bonds	30%	-	-
	Unlisted bonds with remaining terms to maturity of 3 years up to 5 years, including convertible bonds	35%	-	-
	Unlisted bonds with remaining terms to maturity of more than 5 years, including convertible bonds	40%	-	-

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2018 (continued)**

Investment portfolio as of 30 June 2018		Risk coefficient	Risk exposure (VND'000)	Risk value (VND'000)
		(1)	(2)	(3)=(1)*(2)
<b>IV.</b>	<b>Shares</b>			
8.	Ordinary shares and preference shares of companies listed on the Ho Chi Minh City Stock Exchange; fund units of open-ended funds	10%	-	-
9.	Ordinary shares and preference shares of companies listed on the Hanoi Stock Exchange	15%	-	-
10.	Ordinary shares and preference shares of unlisted public companies registered for UpCom trading	20%	-	-
11.	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%	-	-
12.	Shares of other public companies	50%	-	-
<b>V.</b>	<b>Securities investment fund certificates</b>			
13.	Public funds including public investment companies	10%	-	-
14.	Member funds, separate investment companies	30%	-	-
<b>VI.</b>	<b>Securities restricted for trading</b>			
15.	Temporary non-trading securities	40%	-	-
16.	Securities with delisting or trading cancellation	50%	-	-
<b>VII.</b>	<b>Other assets</b>			
17.	Shares, capital contribution and other securities	80%	-	-
18.	Other investments	80%	-	-
<b>VIII.</b>	<b>Increased risks (if any)</b>		-	-
<b>TOTAL MARKET RISK (I+II+III+IV+V+VI+VII+VIII)</b>				-

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2018 (continued)**

**5. Settlement risk value**

I.	Settlement risk before due date as of 30 June 2018	Risk value (VND'000)						Total risk value (VND'000)
		(1)	(2)	(3)	(4)	(5)	(6)	
	<b>Type of transaction</b>							
1.	Term deposits, unsecured loans and receivables from management services and trading securities	-	-	-	-	4,819,853	2,022,652	6,842,505
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	-	-	-	-	-	-	-
	<b>Sub-total</b>	-	-	-	-	-	-	-
	<b>II. Overdue settlement risk as of 30 June 2018</b>							
	<b>Overdue status</b>							
1.	0 - 15 days after the due date for payment/transfer of securities					16%	-	-
2.	16 - 30 days after the due date for payment/transfer of securities					32%	-	-
3.	31 - 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%	-	-
	<b>Sub-total</b>						-	-

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2018 (continued)**

<b>III.</b>	<b>Other increased risks (if any) as of 30 June 2018</b>	<b>Risk coefficient (%)</b>	<b>Risk exposure (VND'000)</b>	<b>Risk value (VND'000)</b>
1	Term deposits at banks accounts for from over 10% to 15% of the Company's equity	10%	721,736	72,174
2.	Term deposits at banks accounts for from more than 25% of the Company's equity	30%	4,098,117	1,229,436
3.	Receivables account for from more than 25% of the Company's equity	30%	1,991,940	597,582
<b>TOTAL SETTLEMENT RISK (I+II+III)</b>				<b>8,741,697</b>



**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2018 (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;
- (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.

**6. Operational risk value**

No.	Items	30/6/2018 VND'000
<b>I.</b>	<b>Total operating expenses for 12-month period ended 30 June 2018</b>	<b>83,565,755</b>
<b>II.</b>	<b>Deductions from total operating expenses</b>	<b>262,940</b>
1.	Depreciation and amortisation expenses	262,940
2.	Allowance/(reversal) of allowance for diminution in the value of short-term securities investments	-
3.	Allowance/(reversal) of allowance for diminution in the value of long-term securities investments	-
4.	Allowance/(reversal) of allowance for doubtful debts	-
<b>III.</b>	<b>Total operating expenses after deductions (III = I - II)</b>	<b>83,302,815</b>
<b>IV.</b>	<b>25% of total operating expenses after deductions (IV = 25% III)</b>	<b>20,825,704</b>
<b>V.</b>	<b>20% of legal capital of the Company</b>	<b>5,000,000</b>
<b>TOTAL OPERATIONAL RISK (=Max {IV, V})</b>		<b>20,825,704</b>

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2018 (continued)**

**7. Liquid capital**

No.	Items	Liquid capital as of 30 June 2018		
		Liquid capital (VND'000)	Deductions (VND'000)	Additions (VND'000)
<b>A.</b>	<b>Equity</b>			
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)	136,633		
5.	Investment and development funds (if any)	-		
6.	Financial reserve and operational risk	136,633		
7.	Other equity funds			
8.	Retained profits	60,223,440		
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)	-		
<b>1A.</b>	<b>Sub-total</b>			<b>85,496,706</b>
<b>B.</b>	<b>Current assets</b>			
<b>I.</b>	<b>Cash and cash equivalents</b>			
<b>II.</b>	<b>Short-term investments</b>			
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 Financial Safety Ratio Report as of 30 June 2018 (continued)**

No.	Items	Liquid capital as of 30 June 2018		
		Liquid capital (VND'000)	Deductions (VND'000)	Additions (VND'000)
<b>III</b>	<b>Short-term receivables, including receivables from entrusted activity</b>			
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		-	
<b>IV.</b>	<b>Inventories</b>			
<b>V.</b>	<b>Other current assets</b>			
1.	Short-term prepayments		1,642,682	
2.	Deductible value added tax			
3.	Taxes and other receivables from the State Treasury			
4.	Other current assets		30,000	

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2018 (continued)**

No.	Items	Liquid capital as of 30 June 2018		
		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			
<b>1B.</b>	<b>Sub-total</b>			<b>1,672,682</b>
<b>C.</b>	<b>Long-term assets</b>			
<b>I.</b>	<b>Long-term receivables, including receivables from entrusted activity</b>			
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			
<b>II</b>	<b>Fixed assets</b>		<b>255,819</b>	
<b>III.</b>	<b>Investment property</b>			-
<b>IV.</b>	<b>Long-term investments</b>			
1.	Investments in subsidiaries			-
2.	Investment in joint-ventures			-
3.	Investments in associates			-
4.	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>			-
5	Foreign long-term investments			-
6.	Other long-term investments			-
7.	Allowance for diminution in the value of			

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2018 (continued)**

No.	Items	Liquid capital as of 30 June 2018		
		Liquid capital (VND'000)	Deductions (VND'000)	Additions (VND'000)
	long-term investments			
<b>V.</b>	<b>Other long-term assets</b>			
1	Long-term prepayments		-	
2	Deferred tax assets		2,349,795	
3	Long-term deposits		1,044,712	
	Assets being qualified in the audited annual financial statements but not yet included in the deductions pursuant to Article 6		-	
<b>1C.</b>	<b>Sub-total</b>			<b>3,650,326</b>
	<b>LIQUID CAPITAL = 1A-1B-1C</b>			<b>80,173,698</b>

**8. Approval of the Financial Safety Ratio Report**

The Financial Safety Ratio Report was approved and authorised for issue by the Board of Directors on 10 August 2018.

13 August 2018

Prepared by:

Approved by:



Ms. Le Minh Thuy  
Chief Accountant





Mr. Tong Cong Cuong  
Head of Internal Control  
Department

Mr. Ngo The Trieu  
Chief Executive Officer