

# **Viet Dragon Securities Corporation**

Financial Safety Ratio Report

For the six-month period ended 30 June 2023



# Viet Dragon Securities Corporation

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# Viet Dragon Securities Corporation

## GENERAL INFORMATION

### THE COMPANY

Viet Dragon Securities Corporation ("the Company") is a shareholding company incorporated under the Law on Enterprises of Vietnam. Pursuant to Securities Trading License No. 32/UBCK-GPHĐKD issued by the State Securities Commission on 21 December 2006. According to the 20th amended license dated 13 January 2023, adjusted to Business Registration Certificate No. 0304734965. The Establishment and Operation License has been adjusted many times and the most recent time is No. 02/GPĐC-UBCK, issued on 5 January 2023.

The Company's primary activities in the period are to provide brokerage service, securities trading, finance and investment advisory service, underwriting for securities issues, securities custodian service and derivatives service.

The Company's head office is located on the 1st to the 8th floor, Viet Dragon Building, 141 Nguyen Du Street, Ben Thanh Ward, District 1, Ho Chi Minh City.

As at 30 June 2023, the Company has branches located in Ha Noi, Nha Trang, Can Tho, Binh Duong, Dong Nai and Vung Tau.

As at 30 June 2023, the Company has one (01) directly owned subsidiary.

The number of the Company's employees as at 30 June 2023 is 419 persons (31 December 2022: 446 persons).

### BOARD OF DIRECTORS

Members of the Board of Directors during the period and at the date of this report are as follows:

<i>Name</i>	<i>Title</i>	<i>Date of appointment/reappointment/resignation</i>
Mr. Nguyen Mien Tuan	Chairman	Reappointed on 5 April 2022
Mr. Nguyen Thuc Vinh	Member	Reappointed on 5 April 2022
Mr. Nguyen Hieu	Member	Reappointed on 5 April 2022
Ms. Nguyen Thi Thu Huyen	Member	Reappointed on 5 April 2022
Ms. Hoang Hai Anh	Member	Reappointed on 5 April 2022
Mr. Nguyen Chi Trung	Member	Appointed on 5 April 2022
Mr. Tran Nam Trung	Member	Appointed on 5 April 2022
Mr. Pham Huu Luan	Member	Appointed on 6 April 2023
Ms. Pham My Linh	Member	Resigned on 6 April 2023

### BOARD OF SUPERVISION

Members of the Board of Supervision during the period and at the date of this report are as follows:

<i>Name</i>	<i>Title</i>	<i>Date of appointment/reappointment</i>
Mr. Ho Tan Dat	Head of Board	Reappointed on 5 April 2022
Mr. Nguyen Trung Quan	Member	Appointed on 5 April 2022
Ms. Nguyen Bich Diep	Member	Appointed on 5 April 2022

# Viet Dragon Securities Corporation

## GENERAL INFORMATION (continued)

### MANAGEMENT AND CHIEF ACCOUNTANT

Members of the Management during the period and at the date of this report are as follows:

<i>Name</i>	<i>Title</i>	<i>Date of appointment/reappointment</i>
Ms. Nguyen Thi Thu Huyen	General Director	Appointed on 8 February 2021
Mr. Le Minh Hien	Deputy General Director	Appointed on 8 February 2021
Ms. Duong Kim Chi	Chief Accountant	Reappointed on 8 February 2022

### LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of this report is Mr. Nguyen Mien Tuan, Chairman.

Ms. Nguyen Thi Thu Huyen - General Director is authorized by the Board of Directors to sign the accompanying financial safety ratio report for the six-month period ended 30 June 2023 in accordance with the Decision of Board of Directors No. 04/2022/QĐ-HĐQT dated 12 January 2022.

### AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.

# Viet Dragon Securities Corporation

## REPORT OF MANAGEMENT

Management of Viet Dragon Securities Corporation ("the Company") is pleased to present this report and the financial safety ratio report of the Company as at 30 June 2023.

### MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL SAFETY RATIO REPORT

Management of the Company confirmed that it has complied with the requirements of Circular No. 91/2020/TT-BTC dated 13 November 2020 issued by the Ministry of Finance on financial safety ratios and remedies applicable to securities companies that fail to meet the stipulated financial safety ratios ("Circular 91") and Note 2.1 to the financial safety ratio report in the preparation and presentation of the financial safety ratio report as at 30 June 2023.

### STATEMENT BY MANAGEMENT

Management of the Company does hereby state that, in its opinion, the accompanying financial safety ratio report is prepared in accordance with the requirements of Circular 91 and Note 2.1 to the financial safety ratio report.

On behalf of the Management:



Ms. Nguyen Thi Thu Huyen  
General Director

Ho Chi Minh City, Vietnam

9 August 2023

Reference: 60752721/67600076-ATTC-SX

## REPORT ON REVIEW OF FINANCIAL SAFETY RATIO REPORT

**To: The Shareholders of Viet Dragon Securities Corporation**

We have reviewed the accompanying financial safety ratio report of Viet Dragon Securities Corporation ("the Company") as at 30 June 2023 as prepared on 9 August 2023 and set out on pages 6 to 31. The report has been prepared by the Company's management in accordance with the regulations under Circular No. 91/2020/TT-BTC dated 13 November 2020 issued by the Ministry of Finance on financial safety ratios and remedies applicable to securities companies that fail to meet the stipulated financial safety ratios ("Circular 91") and *Note 2.1* to the financial safety ratio report.

### ***Management's responsibility***

The Company's management is responsible for the preparation and fair presentation of the financial safety ratio report in accordance with Circular 91 and *Note 2.1* to the accompanying financial safety ratio report, and for such internal control as the management determines is necessary to enable the preparation and presentation of the financial safety ratio report that are free from material misstatement, whether due to fraud or error.

### ***Auditors' 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 Standards on the Review Engagement No. 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than 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.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial safety ratio report is not prepared and presented in all material aspects, in accordance with the regulations under Circular 91 and Note 2.1 to the financial safety ratio report.

### **Basis of preparation and restriction on use of review report**

We draw attention to *Note 2.1* and *Note 3* to the financial safety ratio report, which describes the applicable regulations, interpretations and policies for preparation of the financial safety ratio report. Also, as described in *Note 2.2*, the financial safety ratio report has been prepared to comply with the regulations on preparation and disclosure of the financial safety ratio report. As a result, this report may not be suitable for other purposes.

**Ernst & Young Vietnam Limited**



Deputy General Director  
Certificate No. 3221-2020-004-1

Ho Chi Minh City, Vietnam

9 August 2023

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Financial safety ratio report

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Ho Chi Minh City, 9 August 2023

## FINANCIAL SAFETY RATIO REPORT


As at 30 June 2023

**To: The State Securities Commission**

We hereby confirm that:

- (1) The report is prepared on the basis of updated data at the reporting date and in accordance with regulations under Circular No. 91/2020/TT-BTC dated 13 November 2020 issued by the Ministry of Finance on financial safety ratios and remedies applicable to securities trading companies that fail to meet the stipulated financial safety ratios;
- (2) Subsequent events after the date of this report that can have effects on the financial position of the Company will be updated in the next reporting period;
- (3) We bear full legal responsibility for the accuracy and truthfulness of the contents of our report.

  
\_\_\_\_\_  
Ms. Duong Kim Chi  
Chief Accountant

  
\_\_\_\_\_  
Ms. Tran Thi Phuong Thao  
Head of Internal Control  
Department



  
\_\_\_\_\_  
Ms. Nguyen Thi Thu Huyen  
General Director

Ho Chi Minh City, Vietnam

9 August 2023



# Viet Dragon Securities Corporation

## FINANCIAL SAFETY RATIO REPORT as at 30 June 2023

### SUMMARY OF EXPOSURES TO RISK AND LIQUID CAPITAL

No	Items	Notes	Exposures to risk/ Liquid capital VND
1	Total exposures to market risk	4	261,756,648,601
2	Total exposures to settlement risk	5	21,318,372,404
3	Total exposures to operational risk	6	180,000,000,000
4	<b>Total exposures to risk (4=1+2+3)</b>		<b>463,075,021,005</b>
5	<b>Liquid capital</b>	7	<b>2,067,245,084,458</b>
6	<b>Liquid capital ratio (6=5/4) (%)</b>		<b>446.42%</b>



Ms. Duong Kim Chi  
Chief Accountant



Ms. Tran Thi Phuong Thao  
Head of Internal Control  
Department



Ms. Nguyen Thi Thu Huyen  
General Director

Ho Chi Minh City, Vietnam

9 August 2023

# Viet Dragon Securities Corporation

## NOTES TO THE FINANCIAL SAFETY RATIO REPORT as at 30 June 2023

### 1. CORPORATE INFORMATION

Viet Dragon Securities Corporation ("the Company") is a shareholding company incorporated under the Law on Enterprises of Vietnam. Pursuant to Securities Trading License No. 32/UBCK-GPHĐKD issued by the State Securities Commission on 21 December 2006. According to the 20th amended license dated 13 January 2023, adjusted to Business Registration Certificate No. 0304734965. The Establishment and Operation License has been adjusted many times and the most recent time is No. 02/GPĐC-UBCK, issued on 5 January 2023.

The Company's primary activities are to provide brokerage service, securities trading, finance and investment advisory service, underwriting for securities issues, securities custodian service and derivatives service.

#### **Charter capital**

According to the interim statement of financial position as at 30 June 2023, the Company's charter capital amounts to VND2,100,000,000,000 while its owners' equity is VND2,236,865,900,094 and its total assets are VND4,469,605,622,649.

#### **Location and network**

The Company's head office is located on the 1st to the 8th floor, Viet Dragon Building, 141 Nguyen Du Street, Ben Thanh Ward, District 1, Ho Chi Minh City.

As at 30 June 2023, the Company has six (06) branches located in Ha Noi, Nha Trang, Can Tho, Binh Duong, Dong Nai and Vung Tau.

#### **Subsidiary**

As at 30 June 2023, the Company has one (01) subsidiary as follows:

<i>Subsidiary</i>	<i>Industry</i>	<i>Direct ownership rate</i>
Viet Dragon Asset Management Corporation ("VDAM")	Establishing and managing securities investment funds, securities investment companies, managing securities portfolios, providing securities investment consulting and performing other related business activities in accordance with regulations under the law	51%

Viet Dragon Asset Management Corporation ("VDAM") is a joint stock company incorporated under the Law on Enterprises of Vietnam under the Certificate of Business Registration No. 0304746375 issued by the Department of Planning and Investment of Ho Chi Minh City, which the latest license change was on 30 November 2022. Fund management operation license No. 10/UBCK-GPHĐQLQ dated 22 December 2006 issued by the State Securities Commission, the most recent license change on 4 August 2022.

#### **Employee**

The number of the Company's employees as at 30 June 2023 is 419 persons (31 December 2022: 446 persons).

# Viet Dragon Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2023

## 2. BASIS OF PRESENTATION

### 2.1 *The applicable regulations*

The financial safety ratio report of the Company is prepared and presented in accordance with the regulations under Circular No. 91/2020/TT-BTC ("Circular 91") dated 13 November 2020 issued by the Ministry of Finance on financial safety ratios and remedies applicable to securities companies that fail to meet the stipulated financial safety ratios. The financial safety ratio report is prepared on the basis of the financial statement of the Company at the reporting date.

### 2.2 *Purpose of preparation*

The financial safety ratio report is prepared to comply with the regulations on the preparation and disclosure of the Company's financial safety ratio report and may not be suitable for other purposes.

### 2.3 *Reporting currency*

The Company prepares this report in Vietnam dong ("VND").

## 3. SUMMARY OF SIGNIFICANT POLICIES FOR THE PREPARATION OF THE FINANCIAL SAFETY RATIO REPORT

### 3.1 *Liquid capital ratio*

Liquid capital ratio of the Company is determined using the formula specified in accordance with Circular 91 as follows:

$$\text{Liquid Capital ratio} = \frac{\text{Liquid Capital} \times 100\%}{\text{Total exposures to risks}}$$

In which, total exposures to risks are the sum of exposures to market risk, settlement risk, and operational risk.

### 3.2 *Liquid capital*

In accordance with Circular 91, the Company's liquid capital is the total equity that can be converted into cash within ninety (90) days, details as follow:

- ▶ Owners' equity, excluding redeemable preferred share (if any);
- ▶ Share premium, excluding redeemable preferred share (if any);
- ▶ Convertible bonds - Equity component (applicable to securities company that is convertible bonds issuer);
- ▶ Other owners' equity;
- ▶ Differences from revaluation of assets at fair value;
- ▶ Foreign exchange rate differences;
- ▶ Charter capital supplementary reserve;
- ▶ Operational risk and financial reserve;
- ▶ Other reserves in accordance with prevailing regulations;
- ▶ Undistributed retained earnings;
- ▶ Balance of provision for impairment of assets;

# Viet Dragon Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2023

## 3. SUMMARY OF SIGNIFICANT POLICIES IN PREPARATION OF FINANCIAL SAFETY RATIO REPORT (continued)

### 3.2 *Liquid capital* (continued)

- ▶ Fifty percent (50%) of the increased in value of revaluated fixed assets in accordance with prevailing regulations (in case of increased revaluation), or minus the decreased in value (in case of decreased revaluation);
- ▶ Decreases to liquid capital (*Note 3.2.1*);
- ▶ Increases to liquid capital (*Note 3.2.2*); and
- ▶ Other capital (if any).

#### 3.2.1 *Decreases to liquid capital*

The company's liquid capital is decreased due to the following items:

- ▶ Treasury shares (if any);
- ▶ Total decreases in value of financial assets recognised at cost equivalent to the difference between market value and carrying value of the assets, excluding the securities issued by the Company's related parties as well as the securities restricted to transfer with the remaining restriction period of more than ninety (90) days as from the date of financial safety ratio report;
- ▶ The escrow value, in case the Company places collateral assets to the banks for banks' guarantee upon the Company's issuance of covered warrants, is determined as the minimal value of the followings: the value of banks' guarantee and the value of collateral assets (equivalent to volume of assets \* asset price \* (1 - Market risk coefficient));
- ▶ The value of the Company's assets used as collaterals for the Company's obligations with other institutions and individuals, of which the remaining terms are of more than ninety (90) days, (equivalent to volume of assets \* asset price \* (1 - Market risk coefficient));
- ▶ Short-term assets including prepayments, receivables and advances of which the remaining recovery period or settlement period is more than ninety (90) days, and other short-term assets;
- ▶ Long-term assets;
- ▶ The qualified, adverse or disclaimed items on the audited and reviewed financial statements (if any);
- ▶ Securities issued by the Company's related parties in the following cases:
  - The parent company, subsidiaries of the Company;
  - Subsidiaries of the Company's parent company.
- ▶ Securities restricted to transfer with the remaining restricted period of more than 90 days as from the calculation date;
- ▶ Irrecoverable items from other counter parties which are assessed as completely insolvent, are determined at the contract value.

# Viet Dragon Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2023

## 3. SUMMARY OF SIGNIFICANT POLICIES IN PREPARATION OF FINANCIAL SAFETY RATIO REPORT (continued)

### 3.2 *Liquid capital* (continued)

#### 3.2.1 *Decreases to liquid capital* (continued)

When determining decreased items to liquid capital, the Company adjusts to reduce the decreasing value as follows:

- ▶ For assets being used to secure the Company's obligations to other organizations or individuals the decrease value shall be deducted by the minimal value of the followings: market value of the assets, residual value of the obligation;
- ▶ For assets secured by assets belonging to other organizations or individuals, the decrease value shall be deducted by the minimal value of the followings: market value of the collaterals, book value.

Accordingly, the value of the collateral use in calculating the deductions from the decreases to liquid capital is determined as: quantity of the asset \* asset price \* (1 – Market risk coefficient) in accordance with Circular 91.

The decreases to liquid capital does not include the following items in short-term and long-term assets:

- ▶ Assets subject to market risk determination in accordance with Circular 91, except for securities issued by a subsidiary, parent company or subsidiary of the Company's parent company or securities restricted to transfer with the remaining restriction period of more than ninety (90) days as from the date of calculation;
- ▶ Liquidity risk must be determined for contracts and transactions in accordance with Circular 91;
- ▶ Provisions for impairment of assets;
- ▶ Provision for bad debts.

The Company does not calculate exposures to risks for items that have been deducted from the liquid capital.

#### 3.2.2 *Increases to liquid capital*

The Company's liquid capital is increased due to the following items:

- ▶ Total increases in value of financial assets recognised at cost equivalent to the difference between market value and carrying value of the assets, excluding the securities issued by the Company's related parties as well as the securities restricted to transfer with the remaining restriction period of more than ninety (90) days as from the date of financial safety ratio report; and
- ▶ Debts that are convertible to equity, including: convertible bonds, preferred shares and other debt instruments registered to supplement liquid capital with the State Securities Commission and satisfied all conditions stated in Clause 2, Article 7 of Circular 91.

The total value of debt items used to supplement liquid capital is in maximum 50% of the Company's owners' equity. Regarding convertible debts and debts registered to supplement the Company's liquid capital with the State Securities Committee, the Company deducts 20% of their original value each year during the last five (05) years prior to maturity/conversion into common shares and deducts 25% of residual value quarterly during the last four (04) quarters prior to maturity/conversion into common shares.

# Viet Dragon Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2023

## 3. SUMMARY OF SIGNIFICANT POLICIES IN PREPARATION OF FINANCIAL SAFETY RATIO REPORT (continued)

### 3.3 *Exposures to market risk*

Exposures to market risk are the potential losses which may occur when the market value of the Company's assets fluctuates in a negative trend. Exposures to market risk for the Company's assets include cash and cash equivalent, money market instruments, bonds, shares, and funds/shares of securities investment companies that are determined by the Company at the end of the transaction day using the following formula:

Exposures to market risk = Net position x Asset price x Market risk coefficient

In which, net position is the net volume of securities held by the Company at the reporting date, after being deducted by the number of securities lent and increased by the number of securities borrowed in accordance with prevailing regulations.

Exposures to market risk of securities not yet fully distributed from underwriting contracts in the form of a firm commitment, covered warrants issued by the Company and future contracts are determined using the formula presented in Note 3.3.2.

Assets which are excluded when determining exposures to market risk include:

- ▶ Treasury shares;
- ▶ Securities issued by related parties of the Company in the following cases:
  - The parent company, subsidiaries of the Company;
  - Subsidiaries of the Company's parent company.
- ▶ Securities restricted to transfer with the remaining restricted period of more than 90 days as from the calculation date.
- ▶ Bonds, debt instruments and valuable papers in the money market which have matured;
- ▶ Securities which have been hedged by sell warrants or futures contracts; sell warrants and sell options which have been used to hedge for underlying securities.

#### 3.3.1 *Market risk coefficient*

Market risk coefficient is determined for each account of assets as specified in Appendix I, Circular 91.

#### 3.3.2 *Asset price*

##### a. *Cash and cash equivalents, money market instruments*

Value of cash in VND is the cash balance at the calculation date. Value of cash in foreign currencies is the equivalent in VND using the exchange rate published by credit institutions which are allowed to conduct foreign currencies trading at the calculation date.

Value of cash equivalent and money market instruments is the amount deposited or acquisition cost plus accrued interest using the effective interest rate as at the calculation date.



# Viet Dragon Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2023

## 3. SUMMARY OF SIGNIFICANT POLICIES IN PREPARATION OF FINANCIAL SAFETY RATIO REPORT (continued)

### 3.3 *Exposures to market risk* (continued)

#### 3.3.2 *Asset price* (continued)

##### *b. Bonds*

Value of listed bonds is the average price quoted on the trading system of Securities Stock Exchange on the latest trading day plus accrued interest. In case there is no transaction for such bonds during more than two (2) weeks prior to the date of calculation, the value of bonds is the highest of the following values, accrued interest included: Acquisition cost; Face value and Price determined by the internal valuation methods.

Value of unlisted bonds is the highest of the following, accrued interest values included: Quoted price on the quotation system selected by the Company (if any); Acquisition cost; Face value; Price determined by the internal valuation methods.

##### *c. Shares*

Value of listed shares are determined based on the quoted closing prices on the Ho Chi Minh Stock Exchange and the Hanoi Stock Exchange on the latest trading day prior to the date of calculation.

Value of unlisted shares which have been registered on the unlisted public companies' market (UPCom) is the quoted closing prices on the latest trading day prior to the date of calculation.

In case there is no transaction of listed shares or shares registered on UPCom during more than two (2) weeks prior to the date of calculation, value of these shares is the highest of the following values: book value; acquisition cost and price determined by internal valuation methods of the Company.

Value of shares which are suspended from trading, delisted or cancelled is the highest of the following values: Book value, Par value, Price determined by internal valuation methods of the Company.

Value of shares which are registered or custodied but has not been listed or registered for trading is the average price of quotations from at least three (03) securities companies which are not related to the Company on the latest trading day prior to the date of calculation. If there are no sufficient quotation from at least three (03) securities companies, the value of shares is the highest of the following values: Quoted price; Value determined in the latest reporting period; Book value; Acquisition cost; Price determined by internal valuation methods of the Company.

Value of shares of organizations in term of dissolution, or of bankruptcy is 80% of the liquidated value of such shares at the date of preparation on the latest balance sheet, or price determined by internal methods of the Company.

The value of other shares or capital contributions is the maximum of book value; acquisition cost/value of capital contribution; price determined by internal methods of the Company.

# Viet Dragon Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2023

## 3. SUMMARY OF SIGNIFICANT POLICIES IN PREPARATION OF FINANCIAL SAFETY RATIO REPORT (continued)

### 3.3 *Exposures to market risk* (continued)

#### 3.3.2 *Asset price* (continued)

##### d. *Funds/stocks of securities investment companies/ETF Funds*

Value of public close-end fund is the closing price on the latest trade date prior to the calculation date. In case public close-end fund has no transactions in more than two (02) weeks prior to the calculation date, the value is calculated by net asset value ("NAV") per fund certificate at the latest reporting period prior to the calculation date.

Value of member/open-end fund/shares of securities investment companies in private issuance is the NAV per unit of contributed capital/fund certificate unit/shares at the latest reporting period prior to the calculation date.

Value of other funds/shares is price determined by the internal methods of the Company.

##### e. *Undistributed securities from underwriting contracts in form of firm commitment*

- ▶ Exposures to market risk of these securities are determined as the following formula:

Exposures to market risk

= {Quantity of undistributed securities, or distributed but not yet paid

x Issuance underwriting price – Value of collaterals (if any)} x Issuance risk coefficient

x  $\left\{ \begin{array}{l} \text{Market risk coefficient} + \frac{(\text{Issuance underwriting price} - \text{Trading price}) \text{ (if positive)}}{\text{Issuance underwriting price}} \end{array} \right\}$

In case of Initial Public Offering (IPO), including initial equitization auction, bonds auction, trading price is equal to book value per share of issuer at the latest period, or initial price (if unable to determine book value), or par value (in case of bonds).

- ▶ Market risk coefficient is determined in *Note 3.3.1*

- ▶ Issuance risk coefficient is determined based on remaining duration to the ending date of the distribution period according to the contract; but not exceed the allowed distribution period in accordance with legislative regulations, as follows:

- Until the last day of the distribution period, if the remaining time is more than sixty (60) days: the issuance risk coefficient is 20%;
- Until the last day of the distribution period, if the remaining time is less than thirty (30) days: the issuance risk coefficient is 60%;
- In the period of the last day of the distribution period to the settlement day: the issuance risk coefficient is 80%.
- After the last settlement day, the Company has to determine the exposures to market risk of securities that have not been distributed using the formula in *Note 3.3*, in accordance with regulations stated in Clause 4 Article 9 – Circular 91.
- Value of customers' collaterals is determined as follows:

Value of collaterals = Volume of assets x Asset price x (1 – Market risk coefficient).



# Viet Dragon Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2023

## 3. SUMMARY OF SIGNIFICANT POLICIES IN PREPARATION OF FINANCIAL SAFETY RATIO REPORT (continued)

### 3.3 Exposures to market risk (continued)

#### 3.3.2 Asset price (continued)

##### f. Covered warrant issued by the Company

- ▶ Exposures to market risk of covered warrants issued by the Company, in case of in-the-money, is determined by the following formula:

$$\text{Value at risk} = \text{Max} \{((P_0 \times Q_0/k - P_1 \times Q_1) \times r - MD), 0\}$$

In which:

$P_0$ : Average closing price of underlying securities in 05 trading days before the calculation date.

$Q_0$ : the number of circulating warrants of a securities company.

$k$ : conversion ratio

$P_1$ : price of the underlying securities determined as prescribed in the Appendix II of Circular 91

$Q_1$ : the number of the underlying securities used by a securities companies as guarantee of the obligation to make payment for the covered warrants issued by such companies

$r$ : the market risk coefficient of the covered warrants determined as prescribed in Appendix I of Circular 91

$MD$ : the margin deposit when the securities companies issue the covered warrants.

- ▶ The underlying securities in the above formula shall satisfy the following conditions: being included in the issuance plan or registered with the State Securities Commission on the use of these securities to hedge against the risks of the covered warrants issuance; and being the underlying securities of the covered warrants.
- ▶ In case of loss from covered warrants issued by the Company, the Company shall calculate exposures to market risk of underlying securities from the hedging activities for the issued covered warrants instead of calculating exposures to market risk of the issued covered warrants.
- ▶ The Company also calculates market risk for the difference between the value of the underlying securities used to hedge against the risk of the covered warrants and the value of the underlying securities necessary to hedge for the covered warrants (corresponding to hedging value).

##### g. Futures contract

Exposures to market risk of futures contracts are determined by the following formula:

$$\text{Exposures to market risk} = \text{Max} \{((\text{Settled price at the end of the day} - \text{Securities purchasing value}) \times \text{Market risk coefficient of futures contract} - \text{Margin value}), 0\}$$

In which:

- ▶ *Settled price at the end of the day = Closing price x Open volume*
- ▶ *Securities purchasing value is the value of underlying securities purchased by the Company to cover for future contractual obligations.*
- ▶ *Margin value is the value of assets that the Company deposits for investment, proprietary trading and market making transactions related to futures contracts.*

# Viet Dragon Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2023

## 3. SUMMARY OF SIGNIFICANT POLICIES IN PREPARATION OF FINANCIAL SAFETY RATIO REPORT (continued)

### 3.3 *Exposures to market risk* (continued)

#### 3.3.3 *Increase in exposures to market risk*

Exposures to market risk of assets increase in case that the Company over-invests in these assets, except for the securities under firm commitment issuance underwriting contract, Government bonds and bonds guaranteed by the Government. The exposures to market risk are adjusted in accordance with following principles:

- ▶ An increase of 10% if the total value of investment in shares and bonds of a securities issuer accounts for more than 10% to 15% of the owners' equity of the Company.
- ▶ An increase of 20% if the total value of investment in shares and bonds of a securities issuer accounts for more than 15% to 25% of the owners' equity of the Company.
- ▶ An increase of 30% if the total value of investment in shares and bonds of a securities issuer accounts for more than 25% of the owners' equity of the Company.

Dividends, coupons, preference right of shares (if any) or interest of deposits, cash equivalents, negotiable instruments and valuable papers shall be added to the value of asset for the purpose of determining the exposures to market risk.

### 3.4 *Exposures to settlement risk*

Exposures to settlement risk are the potential losses which may occur when a counter party fails to fulfil its settlement obligation or transfer assets on time as committed. Exposures to settlement risk are determined at the transaction date as follows:

- ▶ For term deposits at credit institutions; certificates of deposit issued by credit institutions; securities borrowing contracts in accordance with legal regulations; repurchase agreements and reversed repurchase agreements in accordance with prevailing regulations; margin loan contracts in accordance with prevailing regulations; receivables from customers in securities trading activities; receivables from matured bonds, valuable papers, mature debt instruments that have not yet been paid; other receivables, contracts, transactions and capital usages exposed to settlement risk:
- ▶ Exposures to settlement risk before the date of securities transfer, cash settlement, contract liquidation shall be determined using the following formula:  
$$\text{Exposures to settlement risk} = \text{Settlement risk coefficient of counter party} \times \text{Value of assets exposed to settlement risk}$$
- ▶ For underwriting contracts in the form of firm commitment signed with other organizations in a syndicated underwriting contract in which the Company is the lead underwriter, the exposures to settlement risk value equals 30% of the remaining value of unpaid underwriting contracts;
- ▶ For overdue receivables, other receivables and other assets, securities which have not been received on time, including securities and cash which have not been received from term deposits at credit institutions; certificates of deposit issued by credit institutions; securities borrowing contracts in accordance with prevailing regulations; repurchase and reverse repurchase agreements in accordance with prevailing regulations; matured margin loans in accordance with prevailing regulations, exposures to settlement risk is determined as follows:

$$\text{Exposures to settlement risk} = \text{Settlement risk coefficient by time} \times \text{Value of assets exposed to settlement risk}$$

# Viet Dragon Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2023

## 3. SUMMARY OF SIGNIFICANT POLICIES IN PREPARATION OF FINANCIAL SAFETY RATIO REPORT (continued)

### 3.4 Exposures to settlement risk (continued)

#### 3.4.1 Settlement risk coefficient

Settlement risk coefficient is determined based on the type of counterparties and the period as specified in Appendix III, Circular 91.

#### 3.4.2 Value of assets exposed to settlement risk

- a. *Securities borrowing, securities lending, margin lending, repurchase and reverse repurchase agreements of customers or of the Company*

Value of assets exposed to settlement risk is the market value of the contract determined as follows:

- Exposures to settlement risk is as follows:

No.	Type of transaction	Value of assets exposed to settlement risk
1.	Term deposits, certificates of deposit, unsecured loans; contracts, transactions, capital use according to Point k, Clause 1, Article 10 of Circular 91.	Total balance of deposit account, certificate of deposit, loan value, contract value, transaction value plus dividends, bond interests, preference value (for securities) or deposits interests, loan interests, other surcharges (for credit).
2.	Securities lending	$\text{Max}\{(\text{Market value of the contract} - \text{Collateral value (if any)}), 0\}$
3.	Securities borrowing	$\text{Max}\{(\text{Collateral value} - \text{Market value of the contract}), 0\}$
4.	Reverse repurchase agreements	$\text{Max}\{(\text{Contract value based on purchase price} - \text{Market value of the contract} \times (1 - \text{Market risk coefficient})), 0\}$
5.	Repurchase agreements	$\text{Max}\{(\text{Market value of the contract} \times (1 - \text{Market risk coefficient}) - \text{Contract value based on selling price}), 0\}$
6.	Margin contracts (loans to customers to purchase securities)/Other economic agreements with the similar nature	$\text{Max}\{(\text{Margin balance} - \text{Collateral value}), 0\}$

Margin balance includes outstanding loan principal, interest and other fees.

Customers' collateral value is determined in line with *Note 3.4.3*. In case the value of collateral does not have any reference in the market, its value is determined by the internal methods of the Company.

Asset price is determined in line with *Note 3.3.2*.

# Viet Dragon Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2023

## 3. SUMMARY OF SIGNIFICANT POLICIES IN PREPARATION OF FINANCIAL SAFETY RATIO REPORT (continued)

### 3.4 Exposures to settlement risk (continued)

#### 3.4.2 Value of assets exposed to settlement risk (continued)

##### b. Securities trading

Value of assets exposed to settlement risk in securities trading as the following standard:

No.	Period	Value of assets exposed to settlement risk
A – For the selling transactions (seller is the Company or its customers under the securities brokerage activities)		
1.	Before the settlement date/year	0
2.	After the settlement date/year	Market value of the contract (if Market value is less than Trading value)
		0 (if Market value is greater than Trading value)
B – For the buying transactions (buyer is the Company or the Company's customer)		
1.	Before the securities transfer date/year	0
2.	After the securities transfer date/year	Market value of the contract (if Market value is less than Trading value)
		0 (if Market value is greater than Trading value)

Settlement/transfer period of securities is T+2 (for listed securities), T+1 (for listed bonds); T+n (for transactions outside the official trading system within n days under agreement of both parties), or in accordance with prevailing regulations (for derivatives).

##### c. Receivables, matured bonds, matured debt instruments

Value of assets exposed to settlement risk is the value of receivables calculated based on par value, plus accrued interest, related costs and less cash received previously (if any).

##### d. Receivables, other receivables and other contracts, transactions, capital usages and assets with potential settlement risk

For contracts and transactions specified at Point k, Clause 1, Article 10, Circular 91, the Company determines as follows:

Value of settlement risk = Value of the asset at risk of payment × 100%

For advances with the remaining repayment period of less than 90 days, the Company determines as follows:

Value of assets exposed to settlement risk		Risk coefficient	Value of settlement risk
Value of all advances	accounts for 0% to 5% of owners' equity at the time of calculation	8%	Value of settlement risk = Value of the asset at risk of payment × Risk coefficient
	accounts for more than 5% of owners' equity at the time of calculation	100%	

# Viet Dragon Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2023

## 3. SUMMARY OF SIGNIFICANT POLICIES IN PREPARATION OF FINANCIAL SAFETY RATIO REPORT (continued)

### 3.4 *Exposures to settlement risk* (continued)

#### 3.4.3 *Deduction to collateral*

The value of collaterals shall be deducted from the Company's value of assets exposed to settlement risk if the related contracts and transactions satisfy the following conditions:

- ▶ Partners or customers use collaterals to ensure their fulfilment of obligations and their collaterals are cash, cash equivalents, valuable papers, negotiable instruments on the money market, securities listed and registered on the Securities Stock Exchange and subsidiaries, Government bonds, bonds guaranteed by the Ministry of Finance;
- ▶ The Company has rights to control, manage, use, and transfer collaterals if partners fail to make payment fully and timely as agreed in the contracts.

Value of asset subjected to deduction is determined as follows:

Collateral value = Volume of assets x Asset price x (1 - Market risk coefficient)

Assets price is determined in accordance with *Note 3.3.2*.

#### 3.4.4 *Increase in exposures to settlement risk*

Exposures to settlement risk increase in the following cases:

- ▶ An increase of 10% if the value of deposits contracts, certificates of deposits, loans, undue receivables, repurchase agreements, reversed repurchase agreements, the total value of loans to an organization, an individual and a group of related organizations/ individuals (if any) account for more than 10% to 15% of the owners' equity of the Company;
- ▶ An increase of 20% if the value of deposits contracts, certificates of deposits, loans, undue receivables, repurchase agreements, reversed repurchase agreements, the total value of loans to an organization, an individual and a group of related organizations/ individuals (if any) account for more than 15% to 25% of the owners' equity of the Company;
- ▶ An increase of 30% if the value of deposits contracts, certificates of deposits, loans, undue receivables, repurchase agreements, reversed repurchase agreements, the total value of loans to an organization, an individual and a group of related organizations/ individuals (if any), or an individual and related parties of that individual (if any), account for more than 25% of the owners' equity of the Company.

#### 3.4.5 *Net bilateral clearing value of assets exposed to settlement risk*

Value of assets exposed to settlement risk is subject to net bilateral clearing in cases:

- ▶ Settlement risk relating to the same partner;
- ▶ Settlement risk occurred to the same type of transaction;
- ▶ The net bilateral clearing is agreed in advance via documents.



# Viet Dragon Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2023

## 3. SUMMARY OF SIGNIFICANT POLICIES IN PREPARATION OF FINANCIAL SAFETY RATIO REPORT (continued)

### 3.5 *Exposures to operational risk*

Exposures to operational risk are the potential losses which may occur due to technical errors, system errors and business processes, human errors during performing their work, or due to the lack of capital resulting from expenses, losses arising from investment activities, or other objective reasons.

Exposures to operational risk of the Company is determined at the higher of 25% of the Company's operational maintaining expenses within twelve (12) consecutive months up to reporting date or 20% of the Company's legal capital.

The Company's operational maintaining expenses are determined from total expenses incurred in the period less: depreciation expense; provision expense/reversal of impairment of short-term, long-term financial assets and mortgage assets; provision expense/reversal of impairment of receivables; provision expense/reversal of impairment of other short-term assets; loss from revaluation of financial assets at fair value through profit and loss ("FVTPL"), interest expense and loss from revaluation outstanding covered warrants payables which has been recognized as expense in the period.

# Viet Dragon Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2023

## 4. EXPOSURES TO MARKET RISK

		Ratio %	Risk level VND	Risk exposure VND
<i>Investment items</i>		(1)	(2)	(3) = (1) x (2)
<b>I. Cash and cash equivalents, money market instruments</b>				
1	Cash (VND)	0	316,768,272,071	-
2	Cash equivalents	0	252,302,116,441	-
3	Valuable papers, negotiable instruments in the monetary market, certificates of deposits	0	-	-
<b>II. Government bonds</b>				
4	Zero-coupon Government bonds	0	-	-
5	Coupon Government bonds: Government bonds (including sovereign bonds and project bonds issued previously), Government bonds of OECD countries or guaranteed by the Government or the Central Bank of the OECD countries, Bonds issued by international institutions such as IBRD, ADB, IADB, AFDB, EIB and EBRD, Municipal bonds	3	-	-
<b>III. Credit Institution bonds</b>				
6	Credit Institution bonds having remaining maturity of less than 1 year, including convertible bonds	3	-	-
	Credit Institution bonds having remaining maturity of 1 to under 3 years, including convertible bonds	8	-	-
	Credit Institution bonds having remaining maturity of 3 to under 5 years, including convertible bonds	10	-	-
	Credit Institution bonds having remaining maturity of 5 years and above, including convertible bonds	15	243,247,813,479	36,487,172,022
<b>IV. Corporate bonds</b>				
7	<b>Listed Corporate bonds</b>			
	Listed bonds having remaining maturity of less than 1 year, including convertible bonds	8	8,388,506,027	671,080,482
	Listed bonds having remaining maturity of 1 to under 3 years, including convertible bonds	10	-	-
	Listed bonds having remaining maturity of 3 to under 5 years, including convertible bonds	15	-	-
	Listed bonds having remaining maturity of 5 years and above, including convertible bonds	20	-	-

# Viet Dragon Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2023

## 4. EXPOSURES TO MARKET RISK (continued)

		Ratio %	Risk level VND	Risk exposure VND
<i>Investment items</i>		(1)	(2)	(3) = (1) x (2)
<b>IV. Corporate bonds (continued)</b>				
8	<b>Unlisted Corporate bonds</b>			
	Unlisted bonds, which was issued by listed corporate, having remaining maturity of less than 1 year, including convertible bonds	15	66,246,908,959	9,937,036,344
	Unlisted bonds, which was issued by listed corporate, having remaining maturity of 1 to under 3 years, including convertible bonds	20	-	-
	Unlisted bonds, which was issued by listed corporate, having remaining maturity of 3 to under 5 years, including convertible bonds	25	-	-
	Unlisted bonds, which was issued by listed corporate, having remaining maturity of 5 years and above, including convertible bonds	30	-	-
	Unlisted bonds, which was not issued by listed corporate, having remaining maturity of less than 1 year, including convertible bonds	25	283,810,923,353	70,952,730,838
	Unlisted bonds, which was not issued by listed corporate, having remaining maturity of 1 to under 3 years, including convertible bonds	30	-	-
	Unlisted bonds, which was not issued by listed corporate, having remaining maturity of 3 to under 5 years, including convertible bonds	35	-	-
	Unlisted bonds, which was not issued by listed corporate, having remaining maturity of 5 years and above, including convertible bonds	40	-	-



# Viet Dragon Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2023

## 4. EXPOSURES TO MARKET RISK (continued)

		Ratio %	Risk level VND	Risk exposures VND
Investment items		(1)	(2)	(3) = (1) x (2)
<b>V. Shares</b>				
9	Ordinary shares, preferred shares of entities listed in Ho Chi Minh Stock Exchange; open-end fund certificates	10	498,897,125,380	49,889,712,538
10	Ordinary shares, preferred shares of entities listed in Hanoi Stock Exchange	15	16,946,800	2,542,020
11	Ordinary shares, preferred shares of unlisted public entities registered for trading through UpCom system	20	167,686,070,225	33,537,214,045
12	Ordinary shares, preferred shares of public entities registered for depository, but not yet listed or registered for trading; shares under IPO	30	-	-
13	Shares of other public companies	50	-	-
<b>VI. Certificates of investment securities funds</b>				
14	Public funds, including public securities investment companies	10	-	-
15	Member funds, including private securities investment companies	30	44,563,885,000	13,369,165,500
<b>VII. Securities under trading restriction</b>				
16	Securities of unlisted public companies are warned due to the delay in disclosing audited/reviewed financial statements as required	30	-	-
17	Listed securities are warned	20	3,543,100	708,620
18	Controlled listed securities	25	1,686,400	421,600
19	Securities suspended temporarily from trading	40	6,482,580	2,593,032
20	Delisted securities and cancelation transaction securities	80	8,252,851,592	6,602,281,274
<b>VIII. Derivative securities</b>				
21	Share index future contracts	8	-	-
Calculation: Exposure to risk = $\text{Max}\{((\text{Value of payment at the end of the day} - \text{Value of purchased securities to guarantee future contract payment obligations}) \times \text{risk coefficient of future contracts} - \text{Escrow value (The contribution to the clearing fund for the open position of the securities company)}), 0\}$ Value of payment at the end of day = Price paid at the end of the day x Open volume				
22	Government bond futures contracts	3	-	-
Calculation: Exposure to risk = $\text{Max}\{((\text{Value of payment at the end of the day} - \text{Value of purchased securities to guarantee future contract payment obligations}) \times \text{risk coefficient of future contracts} - \text{Escrow value (The contribution to the clearing fund for the open position of the securities company)}), 0\}$ Value of payment at the end of day = Price paid at the end of the day x Open volume				

# Viet Dragon Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2023

## 4. EXPOSURES TO MARKET RISK (continued)

		Ratio %	Risk level VND	Risk exposures VND
<i>Investment items</i>		(1)	(2)	(3) = (1) x (2)
<b>VIII. Derivative securities (continued)</b>				
23	Shares listed in foreign markets included in the benchmark	25	-	-
24	Shares listed in foreign markets not included in the benchmark	100	-	-
25	Covered warrants listed on Ho Chi Minh Stock Exchange	8	-	-
26	Covered warrants listed on Hanoi Stock Exchange	10	-	-
27	Shares and bonds of un-public companies that have no audited financial statements as the period of reporting or have audited financial statements with an adverse opinion, disclaimer of opinion or unqualified opinion.	100	-	-
28	Shares, capital contribution and other securities	80	36,950,000,000	29,560,000,000
29	Covered warrants issued by the Company		-	-
Calculation: Exposures to risk = $\text{Max}\{((P_0 \times Q_0 \times k - P_1 \times Q_1) \times R - MD), 0\}$				
30	Securities formed from hedging activities for the issued covered warrants (In case covered warrant are not profitable)	10	-	-
31	The difference between the value of the underlying securities used by the Company to hedge against the risks of covered warrants and the value of the underlying securities necessary to hedge for covered warranties.	10	-	-
<b>IX. Increase risk (if any)</b>				
1	Investment value accounts for over 10%-15% of owner's equity	10	107,439,902,860	10,743,990,286
<b>TOTAL EXPOSURES TO MARKET RISK (I+II+III+IV+V+VI+VII+VIII+IX)</b>				<b>261,756,648,601</b>

# Viet Dragon Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2023

## 5. EXPOSURES TO SETTLEMENT RISK

Risks of undue debts (Note 5.1)	
Risks of overdue debts (Note 5.2)	19,235,163,926
Additional exposures	2,083,208,478
	-
<b>Total exposures to settlement risk</b>	<b>21,318,372,404</b>

Exposures to settlement risk  
VND

### 5.1 Risks of undue debts

Type of transactions	Risk coefficient (%)	Exposures to settlement risk (VND)						Total exposures to settlement risk VND
		0%	0.8%	3.2%	4.8%	6%	8%	
		(1)	(2)	(3)	(4)	(5)	(6)	
1. Term deposits, certificates of deposits, loans without collaterals and receivables from securities trading operations, and other items exposed to settlement risk		-	3,220,597,217	-	-	15,138,126,986	876,439,723	19,235,163,926
2. Financial assets lending/other agreements with similar nature		-	-	-	-	-	-	-
3. Financial assets borrowings/other agreements with similar nature		-	-	-	-	-	-	-
4. Reverse repurchase agreements/other agreements with similar nature		-	-	-	-	-	-	-
5. Repurchase agreements/other agreements with similar nature		-	-	-	-	-	-	-
<b>TOTAL EXPOSURES TO SETTLEMENT RISK OF UNDUE ITEMS</b>								<b>19,235,163,926</b>

# Viet Dragon Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2023

## 5. EXPOSURES TO SETTLEMENT RISK (continued)

### 5.1 Risks of undue debts (continued)

Settlement risk coefficient based on counterparties is determined as follows:

No.	Counterparties of the Company	Settlement risk coefficient
(1)	Government, issuers guaranteed by the Government, Ministry of Finance, State Bank, Government and Central Banks of OECD countries; People's committees of provinces and cities under central authority	0%
(2)	Securities Stock Exchanges, Vietnam Securities Depository and Clearing Corporation	0.8%
(3)	Credit institutions, financial institutions, and securities trading institutions which are established in OECD countries and have credit ratings in accordance with the internal policies of securities trading institutions	3.2%
(4)	Credit institutions, financial institutions, and securities trading institutions which are established in OECD countries and do not have credit ratings in accordance with the internal policies of securities trading institutions	4.8%
(5)	Credit institutions, financial institutions, and securities trading institutions being established and operating in Vietnam	6.0%
(6)	Other entities and individuals	8.0%

(\*) Details:

	Carrying value VND	Value of collaterals VND	Carrying amount without collaterals/Scale of risk VND	Settlement risk coefficient by counterparties %	Exposures to settlement risk VND
Term deposits and certificates of deposits	252,302,116,441	-	252,302,116,441	6.0%	15,138,126,986
Receivables from sales of financial assets	6,873,500,000	-	6,873,500,000	0.8%	54,988,000
Receivables from margin	1,972,762,541,393	4,953,727,880,340	-	8.0%	-
Receivables from advances	395,686,187,681	-	395,686,187,681	0.8%	3,165,489,502
VSD receivables	14,964,412	-	14,964,412	0.8%	119,715
Other receivables	10,955,496,536	-	10,955,496,536	8.0%	876,439,723
<b>Total</b>	<b>2,638,594,806,463</b>	<b>4,953,727,880,340</b>	<b>665,832,265,070</b>		<b>19,235,163,926</b>

# Viet Dragon Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2023

## 5. EXPOSURES TO SETTLEMENT RISK (continued)

### 5.2 Risks of overdue debts

No	Overdue period	Settlement risk coefficient %	Scale of risk VND	Exposures of settlement risk VND
1	0 - 15 days after payment due date or date of transferring securities	16	-	-
2	16 - 30 days after payment due date or date of transferring securities	32	-	-
3	31 - 60 days after payment due date or date of transferring securities	48	-	-
4	60 days and above after payment due date or date of transferring securities	100	2,083,208,478	2,083,208,478
<b>TOTAL EXPOSURES TO SETTLEMENT RISK OF OVERDUE ITEMS</b>				<b>2,083,208,478</b>

## 6. EXPOSURES TO OPERATIONAL RISK

No	Items	Amount VND
I.	Total operating expenses incurring within 12 months period up to 30 June 2023	540,284,435,888
II.	Deductions from total expenses (Note 6.1)	48,412,030,851
III.	Total expenses after deductions (III = I – II)	491,872,405,037
IV.	25% of total expense after deductions (IV = 25% III)	122,968,101,259
V.	20% minimum charter capital for business operations of a securities business organization	180,000,000,000
<b>TOTAL EXPOSURES TO OPERATIONAL RISK (Max {IV, V})</b>		<b>180,000,000,000</b>

### 6.1 Deductions from total expenses

	Amount VND
Depreciation expense	14,210,683,160
Provision expense for impairment of receivables	122,858,304
Difference decrease expense on revaluation of financial assets recognized through profit/loss	(148,096,060,785)
Interest expense	182,174,550,172
<b>TOTAL</b>	<b>48,412,030,851</b>

# Viet Dragon Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2023

## 7. LIQUID CAPITAL

No.	Contents	Liquid Capital		
		Liquid Capital VND	Deductions VND	Increases VND
		(1)	(2)	(3)
<b>A</b>	<b>Equity</b>			
1	Owners' equity, excluding of redeemable preferred shares (if any)	2,100,000,000,000		
2	Share premium, other capital, excluding redeemable preference shares (if any)	9,240,118,792		
3	Treasury shares	-		
4	The convertible bonds – equity component	-		
5	Other owner's equity	-		
6	Difference form revaluation of financial assets at fair value	4,951,000,259		
7	Charter capital supplementary reverse	-		
8	Operational risk and financial reverse	-		
9	Other funds belonging to the owners' equity	-		
10	Undistributed profit	122,674,781,043		
11	Balance to provision for impairment of assets	46,188,336,236		
12	Difference from revaluation of fixed asset	-		
13	Foreign exchange rate differences	-		
14	Convertible debts			-
15	Total increase or decrease of securities in financial investments		324,899,396	3,533,170,475
16	Other capital (if any)	-		
<b>1A</b>	<b>Total</b>			<b>2,286,262,507,409</b>
<b>B</b>	<b>Short-term assets</b>			
<b>I</b>	<b>Financial assets</b>			
1	Cash and cash equivalents			
2	Financial assets at fair value through profit and loss (FVTPL)			
	- Securities exposed to market risk			
	- Securities deducted from liquid capital		-	
3	Held-to-maturity (HTM) investments			
	- Securities exposed to market risk			
	- Securities deducted from liquid capital		-	



# Viet Dragon Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2023

## 7. LIQUID CAPITAL (continued)

No.	Contents	Liquid Capital		
		Liquid Capital VND	Deductions VND	Increases VND
		(1)	(2)	(3)
<b>B</b>	<b>Short-term assets (continued)</b>			
<b>I</b>	<b>Financial assets (continued)</b>			
4	Loans		-	
5	Available-for-sale (AFS) financial assets			
	- Securities exposed to market risk			
	- Securities deducted from liquid capital		-	
6	Provision for impairment of financial assets and mortgage assets			
7	Receivables (Receivables from disposal of financial assets, Receivables and accrual from dividend and interest income)			
	- Receivables due in 90 days or less			
	- Receivables due in more than 90 days		-	
8	Covered warrant not yet been issued			
9	The underlying securities for the purpose of hedging when issuing covered warrants		-	
10	Receivables from services provided from the Company			
	- Receivables due in 90 days or less (irrecoverable)			
	- Receivables due in more than 90 days		44,188,802,758	
11	Internal receivables			
	- Internal receivables due in 90 days or less			
	- Internal receivables due in more than 90 days		-	
12	Receivables due to errors in securities transaction			
	- Receivables due in 90 days or less			
	- Receivables due in more than 90 days		-	
13	Other receivables			
	- Other receivables due in 90 days or less			
	- Other receivables due in more than 90 days		-	
14	Provision for impairment of receivables			

# Viet Dragon Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2023

## 7. LIQUID CAPITAL (continued)

No.	Contents	Liquid Capital		
		Liquid Capital VND	Deductions VND	Increases VND
		(1)	(2)	(3)
<b>B</b>	<b>Short-term assets (continued)</b>			
<b>II</b>	<b>Other short-term assets</b>			
1	Advances			
	- Advances with remaining repayment term of 90 days or less			
	- Advances with remaining repayment term of more than 90 days		-	
2	Office supplies, tools and materials		1,469,365,006	
3	Short-term prepaid expenses		7,365,978,336	
4	Short-term deposits, collaterals and pledges		55,900,000	
5	Deductible value added tax		-	
6	Tax and other receivables from the State		10,565,637,610	
7	Other current assets		2,700,923,506	
8	Provision for impairment of other current assets			
<b>1B</b>	<b>Total</b>			<b>66,346,607,216</b>
<b>C</b>	<b>Long-term assets</b>			
<b>I</b>	<b>Long-term financial assets</b>			
1	Long-term receivables		-	
2	Investments			
2.1	HTM investments			
	- Securities exposed to market risk			
	- Securities deducted from liquid capital		-	
2.2	Investments in subsidiaries		46,920,000,000	
2.3	Investment in associate		-	
2.4	Other long-term investment		-	
<b>II</b>	<b>Fixed assets</b>		<b>41,636,257,227</b>	
<b>III</b>	<b>Investment properties</b>		-	
<b>IV</b>	<b>Construction in progress</b>		<b>20,481,285,306</b>	
<b>V</b>	<b>Other long-term assets</b>		<b>33,633,273,202</b>	
1	Long-term deposits, collaterals and pledges		5,286,171,902	
2	Long-term prepaid expenses		8,347,101,300	
3	Deferred income tax		-	
4	Payment for Settlement Assistant Fund		20,000,000,000	
5	Other long-term assets		-	
<b>VI</b>	<b>Provision for impairment of non-current assets</b>			
	Assets as modified, adverse or disclaimed in audited financial statements that are not deducted in accordance with Article 5, Circular 91		-	
<b>1C</b>	<b>Total</b>			<b>142,670,815,735</b>



# Viet Dragon Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 30 June 2023

## 7. LIQUID CAPITAL (continued)

No.	Contents	Liquid Capital		
		Liquid Capital VND	Deductions VND	Additions VND
		(1)	(2)	(3)
<b>D</b>	<b>Margin, collaterals assets</b>			
1	The value of the margin			
1.1	The value of contribution to Settlement Assistance Fund of Vietnam Securities Depository (for derivative market)		10,000,000,000	
1.2	The value of contribution to the clearing fund of the central settlement counterparty for the open position of the clearing member (for derivative market)		-	
1.3	The value of cash escrow and bank's guarantee for issuing covered warrants		-	
2	The value of collaterals for obligations due in more than 90 days		-	
<b>1D</b>	<b>Total</b>			<b>10,000,000,000</b>
<b>TOTAL LIQUID CAPITAL = 1A-1B-1C-1D</b>				<b>2,067,245,084,458</b>


Notes:




Non-applicable for the preparation of the financial safety ratio report

## 8. EVENTS AFTER THE BALANCE SHEET DATE

There is no event or circumstance that has arisen since 30 June 2023 that requires adjustment or disclosure in the financial safety ratio report of the Company

  
Ms. Duong Kim Chi  
Chief Accountant

  
Ms. Tran Thi Phuong Thao  
Head of Internal Control  
Department



  
Ms. Nguyen Thi Thu Huyen  
General Director

Ho Chi Minh City, Vietnam

9 August 2023