

# **Pinetree Securities Corporation**

Financial safety ratio report

31 December 2020



# Pinetree Securities Corporation

Financial safety ratio report

31 December 2020



# Pinetree Securities Corporation

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# Pinetree Securities Corporation

## GENERAL INFORMATION

### THE COMPANY

Pinetree Securities Corporation ("the Company"), transformed from HFT Securities Corporation, is a joint stock company established under Vietnam's Law on Enterprises, Securities Trading License No. 10/GPHDKD issued by the State Securities Commission dated 18 February 2003 with initial charter capital at VND 6,000,000,000 and the latest amended license No. 75/GPDC-UBCK dated 19 November 2020 granted by the State Securities Commission of Vietnam. In 2019, Hanwha Investment & Securities Co., Ltd has acquired shares of major shareholders of HFT Securities Corporation and issued an additional 51,500,000 shares to increase the Company's charter capital to VND 615,000,000,000. Accordingly, the Company was granted the amended Establishment and Operation License No. 63/GPDC-UBCK dated 21 October 2019, the amended Establishment and Operation License No. 72/GPDC-UBCK dated 29 November 2019 and the amended Establishment and Operation License No. 77/GPDC-UBCK dated 31 December 2019 by the State Securities Commission approving the changes in the legal representative, names and head office location, respectively, of the Company.

After the acquisition made by Hanwha Investment & Securities Co., Ltd in 2019, the Company was no longer qualified as a public interest entity under Vietnamese regulations. As a result, the Company's registration as public interest entity and its registration for stock trading on UpCoM have been cancelled since 4 June 2020 and 7 July 2020, respectively, as per Notification on de-registration of public interest entity No. 3738/UBCK-QLKD dated 4 June 2020 of the State Securities Commission and Decision No. 265/QĐ-SGDHN dated 12 June 2020 of the Hanoi Stock Exchange on cancelling the registration for stock trading on UPCoM.

As at 31 December 2020, total charter capital of the Company was VND 615,000,000,000 (as at 31 December 2019: VND 615,000,000,000).

The Company's head office is located at Floor 20<sup>th</sup>, TNR Tower, 54A Nguyen Chi Thanh street, Lang Thuong ward, Dong Da district, Hanoi.

The Company's principal activities during the year include:

- ▶ Brokerage services,
- ▶ Underwriting for securities issuance,
- ▶ Financial and investment advisory services,
- ▶ Proprietary trading,
- ▶ Securities depository, and
- ▶ Other services in accordance with legal regulations applicable for securities companies.

### BOARD OF DIRECTORS

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

Mr. Yoo Chang Min	Chairman	Appointed on 29 April 2020
Mr. Lee Jun Hyuck	Member	Appointed on 15 May 2019
Mr. Nguyen Huy Duong	Member	Appointed on 15 May 2019

### BOARD OF SUPERVISION

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

Ms. Chu Thi Lua	Head of the Board of Supervision	Appointed on 15 May 2019
Mr. Lee Jun Hyeob	Member	Appointed on 15 May 2019
Mr. Kim Ji Yoon	Member	Appointed on 15 May 2019

# Pinetree Securities Corporation

GENERAL INFORMATION (continued)

## **MANAGEMENT AND CHIEF ACCOUNTANT**

Members of the Management and the Chief Accountant during the year and at the date of this report are as follows:

Mr. Lee Jun Hyuck	General Director	Appointed on 15 May 2019
Ms. Dinh Thi Lan Phuong	Chief Accountant	Appointed on 4 October 2019

## **LEGAL REPRESENTATIVE**

The legal representative of the Company during the year and at the date of this report is Mr. Lee Jun Hyuck – General Director.

## **AUDITORS**

The auditors of the Company are Ernst & Young Vietnam Limited.

# Pinetree Securities Corporation

## REPORT OF MANAGEMENT

Management of Pinetree Securities Corporation (“the Company”) is pleased to present its report and the Company’s financial safety ratio report as at 31 December 2020.

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

Management of the Company confirmed that it has complied with requirements of Circular No. 87/2017/TT-BTC dated 15 August 2017 by the Ministry of Finance on financial safety ratio and remedies applicable to securities companies that fail to meet the stipulated financial safety ratio (“Circular 87”) and Note 2.1 to the financial safety ratio report in the preparation and presentation of the financial safety ratio report as at 31 December 2020.

### STATEMENT BY MANAGEMENT

The Company’s Management does hereby states that, in its opinion, the accompanying financial safety ratio report is prepared in accordance with the requirements of Circular No. 87 and Note 2.1 to the financial safety ratio report.



Mr. Lee Jun Hyuck  
General Director

Hanoi, Vietnam

15 March 2021

Reference: 61591189/22073633/ATTC

## INDEPENDENT AUDITORS' REPORT

To: **The Shareholders of  
Pinetree Securities Corporation**

We have audited the accompanying financial safety ratio report of Pinetree Securities Corporation ("the Company") as prepared on 15 March 2021 and set out on pages 6 to 31. The report has been prepared by the Company's Management in accordance with Circular No. 87/2017/TT-BTC dated 15 August 2017 by the Ministry of Finance on financial safety ratio and remedies applicable to securities companies that fail to meet the stipulated financial safety ratio (hereinafter referred to as "Circular 87") and Note 2.1 to the financial safety ratio report.

### *Management's responsibility*

Management of the Company is responsible for the preparation and presentation of the financial safety ratio report in accordance with Circular 87 and Note 2.1 to the financial safety ratio report, and for such internal control as 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 an opinion on the financial safety ratio report based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial safety ratio report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial safety ratio report. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the Company's preparation and fair presentation of the financial safety ratio report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of the Company, as well as evaluating the overall presentation of the financial safety ratio report.

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

**Opinion**

In our opinion, the financial safety ratio report as at 31 December 2020 is prepared and presented, in all material respects, in accordance with Circular 87 and Note 2.1 to the financial safety ratio report.

**Basis of preparation and restriction on use of audit report**

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

**Ernst & Young Vietnam Limited**



Dang Phuong Ha  
Deputy General Director  
Audit Practising Registration  
Certificate No. 2400-2018-004-1



A blue signature of Nguyen Van Trung.

Nguyen Van Trung  
Auditor  
Audit Practising Registration  
Certificate No. 3847-2021-004-1

Hanoi, Vietnam

15 March 2021



PINETREE SECURITIES  
CORPORATION

SOCIALIST REPUBLIC OF VIETNAM  
Independence – Freedom – Happiness

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Re: Financial safety ratio report

Hanoi, 15 March 2021

## FINANCIAL SAFETY RATIO REPORT

As at: 31 December 2020

**To: The State Securities Commission**

We hereby confirm:

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



Ms. Dinh Thi Lan Phuong  
Chief Accountant

Ms. Chu Thi Lua  
Internal Control Department

Mr. Lee Jun Hyuck  
General Director

Hanoi, Vietnam

15 March 2021

# Pinetree Securities Corporation

FINANCIAL SAFETY RATIO REPORT  
as at 31 December 2020

## SUMMARY TABLE ON EXPOSURES TO RISKS AND LIQUID CAPITAL

Unit: VND

No.	ITEMS	Notes	Exposures to risk/ Liquid capital
1	Total exposure to market risk	4	20,716,211,103
2	Total exposure to settlement risk	5	8,431,693,102
3	Total exposure to operational risk	6	50,000,000,000
4	<b>Total exposures to risks (4=1+2+3)</b>		<b>79,147,904,205</b>
5	<b>Liquid capital</b>	7	<b>504,527,350,248</b>
6	<b>Capital liquidity ratio (6=5/4) (%)</b>		<b>637.45</b>



Ms. Dinh Thi Lan Phuong  
Chief Accountant



Ms. Chu Thi Lua  
Internal Control Department



Mr. Lee Jun Hyuck  
General Director

Hanoi, Vietnam

15 March 2021

# Pinetree Securities Corporation

## NOTES TO THE FINANCIAL SAFETY RATIO REPORT as at 31 December 2020

### 1. CORPORATE INFORMATION

Pinetree Securities Corporation (“the Company”), transformed from HFT Securities Corporation, is a joint stock company established under Vietnam’s Law on Enterprises, Securities Trading License No. 10/GPHDKD issued by the State Securities Commission dated 18 February 2003 with initial charter capital at VND 6,000,000,000 and the latest amended license No. 75/GPDC-UBCK dated 19 November 2020 granted by the State Securities Commission of Vietnam. In 2019, Hanwha Investment & Securities Co., Ltd has acquired shares of major shareholders of HFT Securities Corporation and issued an additional 51,500,000 shares to increase the Company’s charter capital to VND 615,000,000,000. Accordingly, the Company was granted the amended Establishment and Operation License No. 63/GPDC-UBCK dated 21 October 2019, the amended Establishment and Operation License No. 72/GPDC-UBCK dated 29 November 2019 and the amended Establishment and Operation License No. 77/GPDC-UBCK dated 31 December 2019 by the State Securities Commission approving the changes in the legal representative, names and head office location, respectively, of the Company.

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The Company’s head office is located at Floor 20<sup>th</sup>, TNR Tower, 54A Nguyen Chi Thanh street, Lang Thuong ward, Dong Da district, Hanoi.

The Company’s principal activities during the period include:

- ▶ Brokerage services,
- ▶ Underwriting for securities issuance,
- ▶ Financial and investment advisory services,
- ▶ Proprietary trading,
- ▶ Securities depository, and
- ▶ Other services in accordance with legal regulations applicable for securities companies.

The total number of employees of the Company as at 31 December 2020 was 59 persons (as at 31 December 2019: 44 persons).

# Pinetree Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 31 December 2020

## 2. BASIS OF PREPARATION

### 2.1 *The applied regulations*

The financial safety ratio report of the Company is prepared and presented in accordance with the requirements under Circular No. 87/2017/TT-BTC dated 15 August 2017 by the Ministry of Finance on financial safety ratio and remedies applicable to securities companies that fail to meet the stipulated financial safety ratio ("Circular 87"). This financial safety ratio report is prepared on the basis of the audited financial statements of the Company at the reporting date.

*Interpretations internally applied for certain cases for which there is no specific guidance under Circular 87 and others*

In the preparation and presentation of this report, the Company has applied the following interpretations for certain cases for which no specific guidance is available under Circular 87 based on the Company's understanding and assessment as follows:

No.	Items	The Company's interpretation
1	Item " <b>Decreases from total expenses</b> " (Clause 2, Article 8 – Exposure to operational risk, Circular 87)	To accurately determine the Company's actual operating expenses within twelve (12) consecutive months up to the reporting date, non-monetary expenses incurred during the period shall be deducted from total expenses. Accordingly, total decreases from total expenses include: <ul style="list-style-type: none"><li>▶ Depreciation and amortization expenses;</li><li>▶ Loss from revaluation of financial assets at fair value through profit or loss ("FVTPL").</li></ul>
2	Item " <b>Supplemental exposures to market risk</b> " (Clause 5, Article 9 – Exposures to market risk, Circular 87)	Supplemental exposures to market risk are calculated by Scale of market risk (excluding the increased exposures) x Surplus risk coefficient.
3	Item " <b>Supplemental exposures to settlement risk</b> " (Clause 8, Article 10 – Exposures to settlement risk, Circular 87)	Supplemental exposures to settlement risk are calculated by Scale of settlement risk (excluding the increased exposures) x Surplus risk coefficient. Term deposits used as collateral for company loans have been calculated in settlement risk and supplemental exposures to settlement risk without being exempted from liquid capital in accordance with Article 5 and Article 10 of Circular 87.

### 2.2 *Purpose of preparation*

The financial safety ratio report is prepared to comply with the regulations on preparation and disclosure of the 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").

# Pinetree Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 31 December 2020

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

### 3.1 *Changes in accounting policies and disclosures*

#### *Accounting policies issued but not yet effective*

On 13 November 2020, the Ministry of Finance issued Circular No. 91/2020/TT-BTC on financial safety ratios and remedies applicable to securities companies that fail to meet the stipulated financial safety ratios ("Circular 91") to replace Circular 87. The major changes in Circular 91 are as follows:

- ▶ Liquid capital: supplement specific guidance on excluding contracts, transactions used to calculate liquidity risk from decreases to liquid capital;
- ▶ Market risk:
  - ▶ Adding items to portfolio of financial assets exposed to market risk and amends market risk coefficient of some type of financial assets;
  - ▶ Adding guidance on determining market value of underlying securities when calculating exposure to market risk of outstanding covered warrants issued by security companies.
- ▶ Exposures to operational risk:
  - ▶ Supplements guidance to exclude items "Loss from revaluation of financial assets at FVTPL" and "Interest expenses" when calculating operational expenses of securities companies.
- ▶ Exposures to settlement risk:
  - ▶ Supplements and clarify following items need to be considered when determining exposures to settlement risk: certificates of deposit issued by credit institutions, all receivables from customers from of securities trading activities; contracts or transactions that utilized capital raised from sources other than contracts, transactions prescribed in the Circular; receivables from buying and selling debts with partners other than Vietnam Asset Management Company (VAMC) and Vietnam Debt and Asset Trading Corporation (DATC);
  - ▶ Supplements settle risk coefficients for advances whose remaining reimbursement period is less than ninety (90) days.
- ▶ Partially amends regulations on time duration to consider suspending part of operation of securities-trading companies, from the date of being placed under special control;
- ▶ Amends, supplements some content on financial safety ratio report templates relevant to the above changes.

Circular 91 is effective from 1 January 2021.

### 3.2 *Capital liquidity ratio*

Capital liquidity ratio of the Company is determined using the formula specified under Circular 87 as follows:

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

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

# Pinetree Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 31 December 2020

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

### 3.3 *Liquid capital* (continued)

In accordance with Circular 87, the Company's liquid capital is the total equity that can be converted into cash within ninety (90) days, details as follows:

- ▶ Owners' equity, excluding redeemable preference share (if any);
- ▶ Share premium, excluding redeemable preference share (if any);
- ▶ Convertible bonds – Equity component (applicable to securities company issuing convertible bonds)
- ▶ Other capital;
- ▶ Differences from revaluation of assets at fair value;
- ▶ Exchange rate difference;
- ▶ 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;
- ▶ Fifty percent (50%) of fixed assets' increased value revaluated in accordance with prevailing regulations (in case of positive revaluation), or minus the total decreased value (in case of negative revaluation);
- ▶ Decreases to liquid capital (*Note 3.3.1*);
- ▶ Increases to liquid capital (*Note 3.3.2*); and
- ▶ Other capital (if any).

# Pinetree Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 31 December 2020

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

### 3.3 *Liquid capital* (continued)

#### 3.3.1 *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 recognized at cost equivalent to the difference between fair value and carrying value of the assets, excluding the securities issued by the Company's related parties as well as the restricted securities with the remaining restriction period of more than ninety (90) days from the date of the financial safety ratio report;
- ▶ The deposited value, in case the Company deposits collaterals for banks' guarantee upon the Company's issuance of covered warrant, is determined as the minimal value among the followings: the value of banks' guarantee and the value of collaterals;
- ▶ The value of the Company's collaterals for the Company's obligations with other institutions and individuals, of which the remaining terms are more than ninety (90) days, is determined as the minimal value of the followings: market value, book value of collaterals;
- ▶ Short-term assets including prepaid items, receivables and advances, of which the remaining recovery period or settlement period is of more than ninety (90) days, and other current assets, except for cases specified under Clause 5, Article 5, Circular 87;
- ▶ Non-current assets;
- ▶ The qualified, adverse or disclaimed items on the audited, reviewed financial statements (if any);
- ▶ Securities issued by the Company's related parties being:
  - The parent company, subsidiaries, joint ventures, associates of the Company;
  - Subsidiaries, joint ventures, associates of the Company's parent company.
- ▶ Restricted securities with the remaining restriction period of more than ninety (90) days from the date of the financial safety ratio report;
- ▶ Irrecoverable items, from counterparties assessed as completely insolvent, are determined at the contract value.

When determining the decreases to liquid capital, the Company makes the following adjustment to the deductions:

- ▶ For assets used as collaterals obligations with other entities and 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 other entities and individuals' assets, the decrease value shall be deducted by the minimal value of the followings: market value of the collaterals, book value.

Accordingly, market value of assets when calculating the deduction from decreased amount to liquid capital is determined as: quantity of assets \* asset price \* (1 – Market risk coefficient) in accordance with Circular 87.

The Company does not calculate exposures to risk for items deducted from liquid capital.

# Pinetree Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 31 December 2020

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

### 3.3 *Liquid capital* (continued)

#### 3.3.2 *Increases to liquid capital*

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

- ▶ Total increases in value of financial assets recognized at cost equivalent to the difference between fair value and carrying value of the assets, excluding the securities issued by the Company's related parties as well as the restricted securities with the remaining restriction period of more than ninety (90) days from the date of the financial safety ratio report; and
- ▶ Debts that are convertible to equity, including: convertible bonds, preference shares and other debt instruments registered to supplement liquid capital with the State Securities Commission and satisfying all requirements under Clause 2, Article 7, Circular 87.

The maximum value of total debt items used to increase liquid capital is 50% of the Company's owners' equity. Regarding convertible debts and debts registered to supplement the Company's liquid capital with the State Securities Commission, 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.

### 3.4 *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 assets being: cash and cash equivalents, money market instruments, bonds, shares, funds/shares of securities investment companies, are determined by the Company at the end of the transaction day using the following formula:

$$\text{Exposures to market risk} = \text{Net position} \times \text{Asset price} \times \text{Market risk coefficient}$$

In which, net position is the net quantity 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 fully distributed from underwriting contracts in the form of commitment, covered warrant issued by the Company and future contracts are determined using the formula presented in *Note 3.4.2*.

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

- ▶ Treasury shares;
- ▶ Securities issued by the Company's related parties being:
  - The parent company, subsidiaries, joint ventures, associates of the Company;
  - Subsidiaries, joint ventures, associates of the Company's parent company.
- ▶ Restricted securities with the remaining restriction period of more than ninety (90) days from the date of the financial safety ratio report;
- ▶ Bonds, debts instruments, valuable papers in the money market at maturity;
- ▶ Securities been hedged by sell warrants or futures contracts; sell warrants and sell options used to hedge for underlying securities.



# Pinetree Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 31 December 2020

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

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

#### 3.4.1 *Market risk coefficient*

Market risk coefficient is determined for each class of assets as specified under Circular 87.

#### 3.4.2 *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 VND equivalent using the exchange rate published by credit institutions allowed to conduct foreign currencies trading at the calculation date.

Value of term deposits and money market instruments is the amount deposited or acquisition cost plus accrued interest as at the calculation date.

##### b. *Bonds*

Value of listed bonds is the average price quoted on the trading system of the Stock Exchange on the latest trading day plus accrued interest. In case there is no transaction for such bonds within more than two (02) weeks prior to the calculation date, the value of listed bonds is the highest of the following: acquisition cost; face value and price determined by the Company's internal valuation methods.

Value of unlisted bonds is the highest of the following, including accrued interest: quoted price on the quotation system selected by the Company (if any); acquisition cost; face value; price determined by the Company's internal valuation methods.

##### c. *Shares*

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

Value of non-listed shares which have been registered for trading on UPCoM is the quoted average closing prices of the latest trading day prior to the date of calculation.

In case there is no transaction for such bonds within more than two (02) weeks prior to the calculation date, the value of listed shares and shares registered for trading on UPCoM is the highest of the following: book value; acquisition cost and price determined by the Company's internal valuation methods.

Value of suspended, delisted or cancelled shares is the highest of the following: book value, face value, price determined by the Company's internal valuation methods.

Value of shares which are registered or deposited but has not been listed or registered for trading is the average quoted prices from at least three (03) securities companies which are not related parties of Company on the latest trading day prior to the calculation date. If there are no sufficient quotation from at least three (03) securities companies, the value of shares is the highest of the following: quoted prices; value determined in the latest reporting period; book value; acquisition cost and price determined by the Company's internal valuation methods.

# Pinetree Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 31 December 2020

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

### 3.4 Exposures to market risk (continued)

#### 3.4.2 Asset price (continued)

#### c. Shares (continued)

Value of shares of organizations under dissolution or bankruptcy is 80% of the liquidated value of the shares at the latest balance sheet date, or price determined by the Company's internal valuation methods.

The value of other shares or capital contributions is the highest of the following: book value; acquisition cost/value of capital contribution; price determined by the Company's internal valuation methods.

#### d. Funds/Shares of securities investment companies

Value of public close-end fund is the closing price of the latest trading day prior to the calculation date. In case the public close-end fund has no transactions within more than two (02) weeks prior to the calculation date, the value of the fund is calculated by the 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 issues is the NAV per unit of contributed capital/fund certificate unit/shares at the latest reporting period prior to the calculation date of calculation.

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

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

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

$$\text{Exposures to market risk} = \left[ \begin{array}{l} \text{Quantity of un-} \\ \text{distributed securities,} \\ \text{or} \\ \text{distributed but unpaid} \end{array} \times \begin{array}{l} \text{Underwriting} \\ \text{issuing price} \end{array} - \begin{array}{l} \text{Collaterals} \\ \text{value (if} \\ \text{any)} \end{array} \right] \times \begin{array}{l} \text{Issuing} \\ \text{risk co-} \\ \text{efficient} \end{array} \times \left[ \begin{array}{l} \text{Market} \\ \text{risk co-} \\ \text{efficient} \end{array} + \frac{\begin{array}{l} \text{Underwriting} \\ \text{issuing price} \end{array} - \begin{array}{l} \text{Trading} \\ \text{price} \end{array}}{\begin{array}{l} \text{Underwriting} \\ \text{issuing price} \end{array}} \right]$$

- ▶ In case of Initial Public Offering (IPO), including initial equitization auction, bonds auction, trading price is equal to book value per share of the issuing institution at the latest period, or initial price (if unable to determine book value), or face value (in case of bonds).
- ▶ Market risk coefficient is determined in accordance with *Note 3.4.1*.
- ▶ Issuing risk coefficient is determined based on remaining distribution period according to the contract, but not exceeding the permitted distribution period in accordance with legal regulations as follows:
  - Until the last day of the distribution period, if the remaining period is more than sixty (60) days: the issuing risk coefficient is 20%;
  - Until the last day of the distribution period, if the remaining period is from thirty (30) to sixty (60) days: the issuing risk coefficient is 40%;
  - Until the last day of the distribution period, if the remaining period is less than thirty (30): the issuing risk coefficient is 60%;
  - During the period from the last day of the distribution period to the settlement date: the issuing risk coefficient is 80%;

# Pinetree Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 31 December 2020

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

### 3.4 Exposures to market risk (continued)

#### 3.4.2 Asset price (continued)

#### e. Undistributed securities from underwriting contracts in the form of commitment (continued)

- After the last settlement day, the Company is required to determine the exposures to market risk of undistributed securities using the formula in Note 3.4 in accordance with the requirements under Clause 4, Article 9, Circular 87;

- Value of customers' collaterals is determined as follows:

$$\text{Value of collaterals} = \text{Quantity of asset} \times \text{Asset price} \times (1 - \text{Market risk coefficient})$$

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

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

$$\text{Exposures to market risk} = \left[ \begin{array}{l} \text{Settlement price of the underlying securities at the calculation date} \\ \times \\ \text{Quantity of outstanding covered warrants issued by the Company} \\ - \\ \text{Conversion rate} \\ - \\ \text{Price of underlying securities under Appendix II of Circular 87} \\ \times \\ \text{Quantity of underlying securities used to hedge for the covered warrants issued} \end{array} \right] \times \text{Market risk coefficient} - \text{Deposit value when issuing the covered warrants}$$

- The underlying securities 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; 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 instead of calculating exposures to market risk of the 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:

$$\text{Exposures to market risk} = \left[ \begin{array}{l} \text{Closing price} \\ \times \\ \text{Open volume} \\ - \\ \text{Value of purchased securities} \end{array} \right] \times \text{Market risk coefficient} - \text{Deposit value}$$

- The value of purchased securities is the value of underlying securities purchased by the Company to hedge for future contractual obligations;
- Deposit value is the value of assets that the Company deposits for trading, dealing and creating a market related to future contracts.

# Pinetree Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 31 December 2020

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

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

#### 3.4.3 *Supplemental exposures to market risk*

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

- ▶ An increase of 10% if the value of this investment accounts for 10% to 15% of the owners' equity of the Company;
- ▶ An increase of 20% if the value of this investment accounts for 15% to 25% of the owners' equity of the Company;
- ▶ An increase of 30% if the value of this investment 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.

### 3.5 *Exposures to settlement risk*

Exposures to settlement risk are the potential losses which may occur when a counterparty 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; loans to organizations and individuals; securities borrowing contracts in accordance with legal regulations; repurchase and reversed repurchase agreements in accordance with prevailing regulations; margin loans in accordance with prevailing regulations; receivables, other receivables and other assets 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:

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

- ▶ For underwriting contracts in the form of commitment signed with other institutions 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; loans to organizations and individuals; securities borrowing contracts in accordance with prevailing regulations; repurchase and reversed repurchase agreements in accordance with prevailing regulations; margin loans at maturity in accordance with prevailing regulations, exposures to settlement risk are determined as follows:

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

# Pinetree Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 31 December 2020

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

### 3.5 Exposures to settlement risk (continued)

#### 3.5.1 Settlement risk coefficient

Settlement risk coefficient is determined based on the types of counterparty and the overdue period as specified under Circular 87.

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

##### a. Securities borrowing and lending, margin activities, repurchase agreements for customers or the Company

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

No.	Type of transaction	Value of assets exposed to settlement risk
1	Term deposits and unsecured loans	Total loan value
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	Reversed 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 lending contracts (loans to customers to purchase securities)/ Other economic agreements with the similar nature	$\text{Max}\{(\text{Outstanding balance} - \text{Collateral value}), 0\}$

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

Customers' collateral value is determined in line with Note 3.5.3. In case the value of collaterals does not have any reference in the market, its value is determined by the internal methods of the Company.

Value of assets is determined in accordance with Note 3.5.2.

# Pinetree Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 31 December 2020

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

### 3.5 Exposures to settlement risk (continued)

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

##### b. Securities trading

Value of assets exposed to settlement risk in securities trading is determined as follows:

No.	Period	Value of assets exposed to settlement risk
A – For sales of securities (seller is the Company or its customers under the securities brokerage activities)		
1.	Before the settlement date	0
2.	After the settlement date	Market value of the contract (if market value is less than trading value)
		0 (if market value is greater than trading value)
B – For purchase of securities (buyer is the Company or its customers)		
1.	Before the securities transfer date	0
2.	After the securities transfer date	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).

##### c. Receivables, bonds, debt instruments at maturity

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

# Pinetree Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 31 December 2020

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

### 3.5 Exposures to settlement risk (continued)

#### 3.5.3 Decreases to value of assets exposed to settlement risk

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:

- ▶ Counterparties or customers secure their obligations using collaterals being cash, cash equivalents, valuable papers, negotiable instruments on the money market, securities listed and registered on the Stock Exchange, Government bonds, bonds guaranteed by the Ministry of Finance;
- ▶ The Company has rights to control, manage, use, and transfer collaterals if counterparties fail to make sufficient and timely payments as agreed in the contracts.

Value of assets subjected to deduction is determined as follows:

$$\text{Collateral value} = \text{Quantity of asset} \times \text{Asset price} \times (1 - \text{Market risk coefficient})$$

Value of assets is determined in accordance with *Note 3.4.2*.

#### 3.5.4 Supplemental exposures to settlement risk

Exposures to settlement risk are increasingly adjusted in the following cases:

- ▶ Increased by 10% if the value of deposits contracts, loans, receivables, repurchase agreements, reversed repurchase agreements, total borrowing from an organization, an individual and a group of related organizations/individuals (if any) accounts for more than 10% to 15% of the owners' equity of the Company;
- ▶ Increased by 20% if the value of deposits contracts, loans, receivables, repurchase agreements, reversed repurchase agreements, total borrowing from an organization, an individual and a group of related organizations/individuals (if any) accounts for more than 15% to 25% of the owners' equity of the Company;
- ▶ Increased by 30% if the value of deposits contracts, loans, receivables, repurchase agreements, reversed repurchase agreements, total borrowing from an organization, an individual and a group of related organizations/individuals (if any) accounts for more than 25% of the owners' equity of the Company.

#### 3.5.5 Net bilateral clearing value of assets exposed to settlement risk

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

- ▶ Settlement risk relating to the same counterparty;
- ▶ Settlement risk relating to the same type of transaction;
- ▶ The net bilateral clearing is agreed upon among related parties by written documents.

# Pinetree Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 31 December 2020

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

### 3.6 Exposures to operational risk

Exposures to operational risk are the potential losses which may occur due to technical errors, system errors and operational processes, human errors during task performance, 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 maximum between: the higher of 25% of the Company's operating expenses within twelve (12) consecutive months up to the month before reporting date or 20% of the Company's legal capital.

The Company's operating expenses are determined from total expenses incurred in the period less: depreciation and amortization expenses and loss from revaluation of financial assets at fair value through profit and loss ("FVTPL") which has been recognized into expense in the year.

## 4. TOTAL EXPOSURE TO MARKET RISK

<i>Investment items</i>		<i>Risk coef %</i>	<i>Scale of risk VND</i>	<i>Exposures to risk VND</i>
		(1)	(2)	(3) = (1) x (2)
<b>I. Cash and cash equivalents, money market instruments</b>				
1.	Cash (VND)	0	297,756,538	-
2.	Cash equivalents	0	-	-
3.	Valuable papers, negotiable instruments in the money market, certificate of deposit	0	105,500,000,000	-
<b>II. Government bonds</b>				
4.	Zero-coupon Government bonds	0	-	-
5.	Coupon Government bonds	3	-	-
5.1	Government bonds, 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	3	-	-



# Pinetree Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 31 December 2020

## 4. TOTAL EXPOSURE TO MARKET RISK (continued)

<i>Investment items</i>		<i>Risk coef %</i>	<i>Scale of risk VND</i>	<i>Exposures to risk VND</i>
		(1)	(2)	(3) = (1) x (2)
<b>III. Corporate bonds</b>				
6.	Listed bonds having remaining term of less than 1 year, including convertible bonds	8	-	-
	Listed bonds having remaining term from 1 to 3 years, including convertible bonds	10	-	-
	Listed bonds having remaining term from 3 to 5 years, including convertible bonds	15	-	-
	Listed bonds having remaining term of more than 5 years, including convertible bonds	20	-	-
7.	Non-listed bonds having remaining term of less than 1 year, including convertible bonds	25	-	-
	Non-listed bonds having remaining term from 1 to 3 years, including convertible bonds	30	-	-
	Non-listed bonds having remaining term from 3 to 5 years, including convertible bonds	35	-	-
	Non-listed bonds having remaining term of more than 5 years, including convertible bonds	40	51,785,205,500	20,714,082,200
<b>IV. Shares</b>				
8.	Ordinary shares, preference shares of entities listed in Ho Chi Minh Stock Exchange; open-end fund certificates	10	5,717,880	571,788
9.	Ordinary shares, preference shares of entities listed in Hanoi Stock Exchange	15	10,121,300	1,518,195
10.	Ordinary shares, preference shares of unlisted public entities registered for trading through UPCoM	20	194,600	38,920
11.	Ordinary shares, preference shares of public entities registered for depository, but non-listed or non-registered for trading; shares under IPO	30	-	-
12.	Shares of other public entities	50	-	-

# Pinetree Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 31 December 2020

## 4. TOTAL EXPOSURE TO MARKET RISK (continued)

<i>Investment items</i>		<i>Risk coef %</i>	<i>Scale of risk VND</i>	<i>Exposures to risk VND</i>
		(1)	(2)	(3) = (1) x (2)
<b>V. Certificates of investment securities fund</b>				
13.	Public funds, including public securities investment companies	10	-	-
14.	Private funds, including private securities investment companies	30	-	-
<b>VI. Restricted securities trading</b>				
15.	Temporarily suspended securities	40	-	-
16.	Delisted, cancelled securities	50	-	-
<b>VII. Derivatives</b>				
17.	Share index futures contracts	8	-	-
18.	Government bond futures contracts	3	-	-
<b>VIII. Other securities</b>				
19.	Shares, capital contribution and other securities	80	-	-
20.	Shares listed in foreign markets included in the benchmark	25	-	-
21.	Shares listed in foreign markets not included in the benchmark	100	-	-
22.	Covered warrants listed on Ho Chi Minh Stock Exchange	8	-	-
23.	Covered warrants listed on Hanoi Stock Exchange	10	-	-
24.	Covered warrants issued by the Company		-	-
Exposures to market risk = (Settlement price of the underlying securities at the calculation date x Quantity of outstanding covered warrants issued by the Company x Conversion rate - Price of underlying securities x Quantity of underlying securities used to hedge for the covered warrants issued) x Market risk co-efficient - Deposit value when issuing the covered warrants				
25.	Securities formed from hedging activities for the issued covered warrants (in case of covered warrants with interest)	10	-	-
26.	The difference between the value of the underlying securities used by the Company to hedge against the risks of covered warrants and the value of the underlying securities necessary to hedge for covered warrants	10	-	-
<b>TOTAL EXPOSURES TO MARKET RISK (I+II+III+IV+V+VI+VII+VIII+IX)</b>				<b>20,716,211,103</b>

# Pinetree Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 31 December 2020

## 5. TOTAL EXPOSURE TO SETTLEMENT RISK

Risk of undue items (Note 5.1)	
Risk of overdue items (Note 5.2)	
Supplemental exposures to settlement risk (Note 5.3)	
<b>Total exposures to settlement risk</b>	
	Exposures to risk VND
	7,165,693,102
	-
	1,266,000,000
	<b>8,431,693,102</b>

### 5.1

#### Risk of undue items

Types of transaction	Risk coef (%)	Exposures to risk (VND)						Total exposures to risk VND
		0.0% (1)	0.8% (2)	3.2% (3)	4.8% (4)	6.0% (5)	8.0% (6)	
1. Term deposits, unsecured loans, receivables from securities trading activities and operations and other items exposed to settlement risk (*)		-	835,693,102	-	-	6,330,000,000	-	7,165,693,102
2. Securities lending/Agreements with similar nature		-	-	-	-	-	-	-
3. Securities borrowing/Agreements with similar nature		-	-	-	-	-	-	-
4. Reversed repurchase agreements/Agreements with similar nature		-	-	-	-	-	-	-
5. Repurchase agreements/Agreements with similar nature		-	-	-	-	-	-	-
<b>TOTAL EXPOSURES TO UNDU E SETTLEMENT RISK</b>								<b>7,165,693,102</b>

# Pinetree Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 31 December 2020

## 5. TOTAL EXPOSURE TO SETTLEMENT RISK (continued)

### 5.1 Risk of undue items (continued)

Details of settlement risk coefficient by counterparty are determined as follows:

No.	Counterparty of the Company	Settlement risk coefficient
(1)	Government, issuers guaranteed by the Government, Government and Central Banks of OECD countries; People's committees of provinces and centrally-controlled municipalities	0.0%
(2)	Stock Exchanges and Vietnam Securities Depository	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 the Company	3.2%
(4)	Credit institutions, financial institutions, and securities trading institutions which are established outside of OECD countries; or established in OECD countries and do not meet other requirements in accordance with the internal policies of the Company	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	Collateral value VND	Carrying value without collaterals VND	Settlement risk coefficient by counterparty %	Exposures to settlement risk VND
Term deposits at credit institutions	105,500,000,000	-	105,500,000,000	6.00	6,330,000,000
Receivables from VSD	104,461,637,785	-	104,461,637,785	0.80	835,693,102
<b>Total</b>	<b>209,961,637,785</b>	<b>-</b>	<b>209,961,637,785</b>		<b>7,165,693,102</b>

# Pinetree Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 31 December 2020

## 5. TOTAL EXPOSURE TO SETTLEMENT RISK (continued)

### 5.2 Risk of overdue items

No.	Overdue period	Settlement risk coefficient (%)	Scale of risk VND	Exposures to risk VND
1.	0 – 15 days after due date of settlement/securities transfer	16	-	-
2.	16 – 30 days after due date of settlement/securities transfer	32	-	-
3.	31 – 60 days after due date of settlement/securities transfer	48	-	-
4.	From 60 days and above	100	-	-
<b>TOTAL EXPOSURES TO OVERDUE SETTLEMENT RISKS</b>				<b>-</b>

### 5.3 Supplemental exposures to settlement risk

No.	Details of items, counterparties	Increase level (%)	Scale of risk VND	Exposures to risk VND
1.	Bank for Investment and Development of Vietnam	20	105,500,000,000	1,266,000,000
<b>TOTAL SUPPLEMENTAL EXPOSURES TO SETTLEMENT RISK</b>				<b>1,266,000,000</b>

## 6. TOTAL EXPOSURE TO OPERATIONAL RISK

	Items	Amount VND
I.	Total operating expenses incurring during the year ended 31 December 2020	72,195,983,967
II.	Decreases from total expenses (*)	4,043,355,120
III.	Total expenses after decreases (III = I – II)	68,152,628,847
IV.	25% of total expense after decreases (IV = 25% III)	17,038,157,212
V.	20% legal capital of Pinetree Securities Corporation	50,000,000,000
<b>TOTAL EXPOSURES TO OPERATIONAL RISK (Max {IV, V})</b>		<b>50,000,000,000</b>

(\*) Decreases from total expenses

	Amount VND
Depreciation and amortization expenses	4,040,740,050
Loss from revaluation of financial assets through profit or loss ("FVTPL")	2,615,070
<b>Total</b>	<b>4,043,355,120</b>

# Pinetree Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 31 December 2020

## 7. LIQUID CAPITAL

NO.	ITEMS	Liquid capital		
		Liquid capital VND	Decreases VND	Increases VND
		(1)	(2)	(3)
<b>A</b>	<b>Equity</b>			
1.	Owners' equity, excluding redeemable preference share (if any)	615,000,000,000		
2.	Share premium, excluding redeemable preference share (if any)	-		
3.	Treasury shares	-		
4.	Convertible bonds – Equity component	-		
5.	Other capital	-		
6.	Differences from revaluation of assets at fair value	-		
7.	Capital supplementary reserve	-		
8.	Operational risk and financial reserve	1,321,976,000		
9.	Other reserves	-		
10.	Undistributed accumulated loss	(41,932,564,291)		
11.	Balance of provision for impairment of assets	-		
12.	Difference from revaluation of fixed assets	-		
13.	Exchange rate difference	-		
14.	Convertible debts			-
15.	Total increase or decrease in securities investment value		-	-
16.	Other capital (if any)	-		
<b>1A</b>	<b>Total</b>			<b>574,389,411,709</b>

# Pinetree Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 31 December 2020

## 7. LIQUID CAPITAL (continued)

NO.	ITEMS	Liquid capital		
		Liquid capital VND	Decreases VND	Increases VND
		(1)	(2)	(3)
<b>B</b>	<b>Current assets</b>			
<b>I</b>	<b>Financial assets</b>			
1.	Cash and cash equivalents			
2.	Financial assets at fair value through profit or loss ("FVTPL")			
	Securities exposed to market risk			
	Securities deducted from liquid capital		-	
3.	Held-to-maturity investments			
	Securities exposed to market risk			
	Securities deducted from liquid capital		-	
4.	Loans			
5.	Available-for-sale 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 accruals from dividend and interest income)			
	Receivables due in 90 days or less			
	Receivables due in more than 90 days		1,716,608,220	
8.	Undistributed covered warrants			
9.	Hedging underlying securities for when issuing covered warrants		-	
10.	Receivables from services provided by the Company			
	Receivables due in 90 days or less			
	Receivables due in more than 90 days		-	

# Pinetree Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 31 December 2020

## 7. LIQUID CAPITAL (continued)

NO.	ITEMS	Liquid capital		
		Liquid capital VND	Decreases VND	Increases VND
		(1)	(2)	(3)
<b>B</b>	<b>Current assets (continued)</b>			
<i>I</i>	<i>Financial assets (continued)</i>			
11.	Internal receivables			
	Receivables due in 90 days or less			
	Receivables due in more than 90 days		-	
12.	Receivables due to error in securities transaction			
	Receivables due in 90 days or less			
	Receivables due in more than 90 days		-	
13.	Other receivables			
	Receivables due in 90 days or less			
	Receivables due in more than 90 days		2,819,957,469	
14.	Provision for impairment of receivables			
<i>II</i>	<i>Other current assets</i>			
1.	Advances			
	Advances with the remaining reimbursement period of 90 days or less			
	Advances with the remaining reimbursement period of more than 90 days		-	
2.	Office supplies, tools and materials		-	
3.	Short-term prepaid expenses		1,467,806,092	
4.	Short-term deposits, collaterals and pledges		92,437,250	
5.	Deductible value added tax		1,174,075,996	
6.	Tax and other receivables from the State		90,558,995	
7.	Other current assets		25,977,961,372	
8.	Provision for impairment of other current assets			
<b>1B</b>	<b>Total</b>			<b>33,339,405,394</b>



# Pinetree Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 31 December 2020

## 7. LIQUID CAPITAL (continued)

NO.	ITEMS	Liquid capital		
		Liquid capital VND	Decreases VND	Increases VND
		(1)	(2)	(3)
<b>C</b>	<b>Non-current assets</b>			
<b>I</b>	<b>Non-current financial assets</b>			
1.	Long-term receivables		-	
2.	Investments			
2.1	Held-to-maturity investments			
	Securities exposed to market risk			
	Securities deducted from liquid capital		-	
2.2	Investments in subsidiaries		-	
2.3	Investments in joint ventures, associates		-	
2.4	Other long-term investments		-	
<b>II</b>	<b>Fixed assets</b>		<b>25,494,488,889</b>	
<b>III</b>	<b>Investment properties</b>		-	
<b>IV</b>	<b>Construction in progress</b>		<b>2,232,405,318</b>	
<b>V</b>	<b>Other non-current assets</b>			
1.	Long-term deposits, collaterals and pledges		842,617,500	
2.	Long-term prepaid expenses		3,399,108,396	
3.	Deferred tax assets		-	
4.	Payments to Settlement Assistance Fund		4,554,035,964	
5.	Other non-current assets		-	
<b>VI</b>	<b>Provision for impairment of non-current assets</b>			
	The qualified, adverse or disclaimed asset items on the audited, reviewed financial statements (if any) that are not deducted under Article 5, Circular 87		-	
<b>1C</b>	<b>Total</b>			<b>36,522,656,067</b>

# Pinetree Securities Corporation

NOTES TO THE FINANCIAL SAFETY RATIO REPORT (continued)  
as at 31 December 2020

## 7. LIQUID CAPITAL (continued)

NO.	ITEMS	Liquid capital		
		Liquid capital VND	Decreases VND	Increases VND
		(1)	(2)	(3)
<b>D</b>	<b>Deposits, collaterals</b>			
1.	Deposited value			
1.1	Contribution to the Settlement Assistance Fund of VSD (for derivative market)		-	
1.2	Contribution to the clearing fund of the central settlement counterparty for the open position of the clearing member (for derivative market)		-	
1.3	Deposits in cash and banks' guarantee for issuing covered warrants		-	
2	Collaterals for obligations due in more than ninety (90) days		-	
<b>1D</b>	<b>Total</b>			-
<b>LIQUID CAPITAL = 1A-1B-1C-1D</b>				<b>504,527,350,248</b>

Notes:

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

## 8. EVENTS AFTER THE REPORTING DATE

There has been no matter or circumstance that has arisen since 31 December 2020 which is required to be disclosed in the financial safety ratio report of the Company as at 31 December 2020.





Ms. Dinh Thi Lan Phuong  
Chief Accountant

Ms. Chu Thi Lua  
Internal Control Department

Mr. Lee Jun Hyuck  
General Director

Hanoi, Vietnam

15 March 2021