

PINETREE SECURITIES CORPORATION
(Incorporated in the Socialist Republic of Vietnam)

**AUDITED FINANCIAL SATETY
RATIO REPORT**

As at 31 December 2023

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PINETREE SECURITIES CORPORATION

Floor 20th, TNR Tower, 54A Nguyen Chi Thanh Street, Lang Thuong Ward, Dong Da District, Hanoi, Vietnam

STATEMENT OF THE GENERAL DIRECTOR

The General Director of Pinetree Securities Corporation (the “Company”) presents this report together with the Company’s financial safety ratio report as at 31 December 2023.

BOARD OF DIRECTORS, SUPERVISORY BOARD AND GENERAL DIRECTOR

The members of the Board of Directors, Supervisory Board and General Director of the Company during the year and to the date of this report are as follows:

Board of Directors

Mr. Noh Eun Woo	Chairman
Mr. Lee Jun Hyuck	Member
Mr. Nguyen Huy Duong	Member

Supervisory Board

Mr. Nguyen Thach Hoan	Head of the Supervisory Board (appointed on 05 May 2023)
Ms. Chu Thi Lua	Head of the Supervisory Board (resigned on 05 May 2023)
Mr. Lee Jun Hyeob	Member
Mr. Kim Ji Yoon	Member

General Director and Chief Accountant

Mr. Lee Jun Hyuck	General Director
Ms. Dinh Thi Lan Phuong	Chief Accountant

THE GENERAL DIRECTOR’S STATEMENT OF RESPONSIBILITY

The General Director of the Company is responsible for preparing and presenting the financial safety ratio report in accordance with Circular No. 91/2020/TT-BTC (“Circular 91”) dated 13 November 2020 on financial safety ratio and actions against securities-trading organizations that fail to achieve the financial safety ratio issued by the Ministry of Finance and responsible for internal controls that the General Director determines as necessary to enable the preparation of financial safety ratio report that is free from material misstatement, whether due to fraud or error.



Lee Jun Hyuck
General Director

Hanoi, 18 March 2024



To: The State Securities Commission

FINANCIAL SAFETY RATIO REPORT

As at 31 December 2023

We hereby confirm:

- The report is prepared on the basis of updated statistics at the reporting date and in accordance with regulations of Circular No. 91/2020/TT-BTC dated 13 November 2020 by the Ministry of Finance on financial safety ratio and actions against securities-trading organizations that fail to achieve the financial safety ratio;
- 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;
- We bear full legal responsibility for the accuracy and truthfulness of the contents of the report.

Dinh Thi Lan Phuong
Chief Accountant

Phan Thi Phuong Thuy
Head of Internal Control
Department



Lee Jun Hyuck
General Director

Hanoi, 18 March 2024

No.: 0540 /VN1A-HN-BC

INDEPENDENT AUDITORS' REPORT

To: The Shareholders
The Board of Directors and General Director
Pinetree Securities Corporation

We have audited the accompanying financial safety ratio report of Pinetree Securities Corporation ("the Company") as at 31 December 2023, prepared on 18 March 2024 as set out from pages 05 to 19. The report has been prepared in accordance with Circular No. 91/2020/TT-BTC ("Circular 91") dated 13 November 2020 on financial safety ratio and actions against securities-trading organizations that fail to achieve the financial safety ratio issued by the Ministry of Finance.

The General Director's Responsibility for the financial safety ratio report

The General Director of the Company is responsible for preparing and presenting the financial safety ratio report in accordance with Circular 91 on financial safety ratio and actions against securities-trading organizations that fail to achieve the financial safety ratio issued by the Ministry of Finance and responsible for internal controls that the General Director determines as necessary to enable the preparation of financial safety ratio report that is 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 statements are 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 safety ratio report, whether due to fraud or error. In making those risk assessments, the auditors consider internal control 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, as well as evaluating the overall presentation of the financial safety ratio report.

INDEPENDENT AUDITORS' REPORT (Continued)

Opinion

In our opinion, the financial safety ratio report presents fairly, in all material respects, the financial safety ratio of the Company as at 31 December 2023, in accordance with requirements relating to financial safety ratio reporting as stipulated in Circular 91 issued by the Ministry of Finance on financial safety ratio and actions against securities-trading organizations that fail to achieve the financial safety ratio.

Basis of preparation and restriction on use of audit report

The financial safety ratio report describes the significant policies of preparing financial safety ratio report. This financial safety ratio report is prepared to comply with requirements of competent State agencies as prescribed in Circular 91 by the Ministry of Finance for the Company on financial safety ratio and actions against securities-trading organizations that fail to achieve the financial safety ratio. As a result, the report may not be suitable for other purposes.

Other matters

The financial safety ratio report of the Company as at 31 December 2022 was audited by another auditor who expressed an unmodified opinion on that report on 06 March 2023.



Pham Tuan Linh
Deputy General Director
Audit Practising Registration Certificate
No. 3001-2024-001-1

Nguyen Khuong Duy
Auditor
Audit Practising Registration Certificate
No. 5063-2020-001-1

DELOITTE VIETNAM AUDIT COMPANY LIMITED

18 March 2024
Hanoi, S.R. Vietnam

SUMMARY OF RISK VALUE AND LIQUID CAPITAL
As at 31 December 2023

Unit: VND

No.	Items	Notes	31/12/2023
1	Total exposures to market risk	4	20,887,425,328
2	Total exposures to settlement risk	5	40,575,708,541
3	Total exposures to operational risk	6	50,000,000,000
4	Total exposures to risks (4=1+2+3)		111,463,133,869
5	Liquid capital	7	1,413,340,915,939
6	Capital liquidity ratio (6=5/4) (%)		1,267.99%




Dinh Thi Lan Phuong
Chief Accountant



Phan Thi Phuong Thuy
Head of Internal Control
Department





Lee Jun Hyuck
General Director

Hanoi, 18 March 2024

NOTES TO THE FINANCIAL SAFETY RATIO REPORT

These notes are an integral part of and should be read in conjunction with the accompanying financial safety ratio report

1. GENERAL INFORMATION**Capital ownership**

Pinetree Securities Corporation (“the Company”), initially HFT Securities Corporation, is a joint stock company established under Vietnam Law on Enterprises, Securities Trading License No. 10/GPHĐKD issued by the State Securities Commission for the first time on 18 February 2003 with the initial charter capital of VND 6,000,000,000, the Business Registration Certificate was first issued by the Hanoi Authority for Planning and Investment on 18 February 2003 with the enterprise code: 0101294902. On 27 December 2021, the Company was granted amended Securities Trading License No. 127/GPĐC-UBCK to increase charter capital to VND 970,000,000,000 by the State Securities Commission. The 2nd amended Business Registration Certificate was dated 04 November 2022.

The Company’s current principal activities are brokerage services; underwriting for securities issuance; financial and investment advisory services; proprietary trading; securities depository; derivative securities trading and other services in accordance with legal regulations applicable to securities companies.

The Company’s head office is located at Floor 20th, TNR Tower, 54A Nguyen Chi Thanh Street, Lang Thuong Ward, Dong Da District, Hanoi, Vietnam.

The total number of employees of the Company as at 31 December 2023 was 108 (as at 31 December 2022: 95).

Operating industry and principal activities

The Company operates in the securities sector.

The principal activities of the Company are securities brokerage service; underwriting for securities issuance; financial and securities investment advisory services; proprietary trading; securities depository services, derivative securities trading and other services in accordance with legal regulations applicable to securities companies.

2. BASIS OF PREPARATION**Basis and purpose of preparing financial safety ratio report**

The accompanying financial safety ratio report is prepared in accordance with Circular No. 91/2020/TT-BTC (“Circular 91”) issued by the Ministry of Finance on 13 November 2020 on financial safety ratio and actions against securities-trading organizations that fail to achieve the financial safety ratio and relevant prevailing regulations in Vietnam. This financial safety ratio report is prepared on the basis of the financial information of the Company at the reporting date. This report is only used for submission to competent State agencies.

Financial year

The Company’s financial year begins on 01 January and ends on 31 December.

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

The significant accounting policies, which have been adopted by the Company in the preparation of this financial safety ratio report, are as follows:

Capital liquidity ratio

Capital liquidity ratio of the Company is determined using the formula specified under Circular 91 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.

Liquid capital

Liquid capital is the total equity that can be converted into cash within ninety (90) days. Liquid capital shall be adjusted to increase or decrease according to the instructions in Articles 5 and 7 of Circular 91.

Exposures to Market risk

Exposures to market risk are equivalent to the potential losses which may be incurred when the market value of the assets owned and expected to be owned by the Company according to underwriting commitment fluctuates in a negative trend. Exposures to market risk is determined in accordance with Circular 91 as follows:

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

Net position

Net position of a security at a specific time is the net quantity of securities currently held by the Company, after deducting the number of lent securities, security protected by call warrant or future contract and adding the number of securities borrowed in accordance with prevailing regulations.

The Company do not determine exposures to market risk for the following assets and securities:

- Treasury shares;
- Securities issued by the Company's related parties;
- 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; and
- Securities that have been hedged by put warrants or futures contracts; put warrants and put options used to hedge for underlying securities.

Asset price

Asset prices are determined according to the valuation principle specified in Circular 91 as follows:

PINETREE SECURITIES CORPORATION
NOTES TO FINANCIAL SAFETY RATIO REPORT (Continued)

No.	Class of assets	Valuation principle in market
Cash and cash equivalent, money market instruments		
1.	Cash (VND)	The cash balance at the calculation date
2.	Foreign currency	The value converted into VND at the exchange rate at credit institutions permitted to trade in foreign exchange is calculated at the date of calculation.
3.	Term deposits	Deposit value plus unpaid interest up to the date of calculation
4.	Treasury bills, bank drafts, commercial bills, transferable certificates of deposit, bonds and discounted money market instruments	Purchase price plus accrued interest as of the date of calculation
Bonds		
5.	Listed bonds	<p>- The average quoted price on the trading system at the Stock Exchange of ordinary trading at the last trading day plus accrued interest (if the quoted price does not include accrued interest);</p> <p>- 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 followings:</p> <p>+ Acquisition cost plus accrued interest;</p> <p>+ Face value plus accrued interest; and</p> <p>+ Price determined by internal valuation methods of the securities institution, including accrued interest.</p> <p>That means:</p> <p>Max (Acquisition cost plus accrued interest, Face value plus accrued interest, Price determined by internal valuation methods of the securities institution, including accrued interest).</p>
6.	Unlisted bonds	<p>Value of unlisted bonds is the highest of the followings:</p> <p>+ Quoted price (if any) on the quotation system selected by the Company, including accrued interest;</p> <p>+ Acquisition cost plus accrued interest;</p> <p>+ Face value plus accrued interest; and</p> <p>+ Price determined by internal valuation methods of the securities institution, including accrued interest.</p> <p>That means:</p> <p>Max (Quoted price (if any), Acquisition cost plus accrued interest, Face value plus accrued interest, Price determined by internal valuation methods of the securities institution, including accrued interest).</p>

PINETREE SECURITIES CORPORATION
 NOTES TO FINANCIAL SAFETY RATIO REPORT (Continued)

Shares		
7.	Listed shares in Ho Chi Minh Stock Exchange	- Quoted closing prices of the latest trading day prior to the date of calculation; - In case there is no transaction within more than two (02) weeks prior to the calculation date, using the highest of the followings: + Book value; + Acquisition cost; and + Price determined by the Company's internal valuation methods. That means: Max (Book value, Acquisition cost, Price determined by the Company's internal valuation methods)
8.	Listed shares in Hanoi Stock Exchange	- Quoted closing prices of the latest trading day prior to the date of calculation; - In case there is no transaction within more than two (02) weeks prior to the calculation date, the highest of the followings: + Book value; + Acquisition cost; and + Price determined by the Company's internal valuation methods. That means: Max (Book value, Acquisition cost, Price determined by the Company's internal valuation methods).
9.	Shares of public companies which have been registered for trading on the unlisted public companies market (UPCoM)	- Quoted closing prices of the latest trading day prior to the date of calculation; - In case there is no transaction within more than two (02) weeks prior to the calculation date, using the highest of the followings: + Book value; + Acquisition cost; and + Price determined by the securities-trading organizations' internal valuation methods. That means: Max (Book value, Acquisition cost, Price determined by the securities-trading organizations' internal valuation methods)
10.	Shares which are registered or deposited but has not been listed or registered for trading	- 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, using the highest of the following: + Quoted prices; + Value determined in the latest reporting period;

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 NOTES TO FINANCIAL SAFETY RATIO REPORT (Continued)

		<p>+ Book value;</p> <p>+ Acquisition cost;</p> <p>+ Price determined by the securities-trading organizations' internal valuation methods.</p> <p>That means:</p> <p>Max (Quoted prices, Value determined in the latest reporting period, Book value, Acquisition cost, Price determined by the securities-trading organizations' internal valuation methods).</p>
11.	Suspended, delisted or cancelled shares	<p>The value of shares is the highest of the following:</p> <p>+ Book value;</p> <p>+ Face value;</p> <p>+ Price determined by the securities-trading organizations' internal valuation methods.</p> <p>That means:</p> <p>Max (Book value, Face value, Price determined by the securities-trading organizations' internal valuation methods).</p>
12.	Shares of organizations under dissolution or bankruptcy	80% of share value announced by the dissolved or bankrupted organisation or book value, or price determined by the securities-trading organizations' internal valuation methods.
13.	Other shares or capital contributions	<p>The value of shares is the highest of the following:</p> <p>+ Book value;</p> <p>+ Acquisition cost/value of capital contribution;</p> <p>+ Price determined by the Company' internal valuation methods.</p> <p>That means:</p> <p>Max (Book value, Acquisition cost/value of capital contribution, Price determined by the securities-trading organizations' internal valuation methods).</p>
Funds/Shares of securities investment companies		
14.	Public close-end fund /ETF fund	<p>- Closing price of the latest trading day prior to the calculation date;</p> <p>- 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.</p>
15.	Member fund/ Open-ended fund/Shares of a privately issued securities investment company	Net asset value (NAV) per unit of contributed capital/unit of fund certificate/share at the latest reporting period before the calculation date.
16.	Others	According to the internal regulations of the securities trading organization.

PINETREE SECURITIES CORPORATION
NOTES TO FINANCIAL SAFETY RATIO REPORT (Continued)

Fixed asset		
17.	Land use rights	The value is determined by the independent valuation organization selected by the securities trading organization
18.	Buildings and structures including Construction in progress	The value is determined by the independent valuation entity selected by the securities trading organization/Accumulated construction in progress.
19.	Equipment, machinery, transportation, etc.	Carrying amount of assets
20.	Others	The value is determined by the independent valuation organization selected by the securities trading organization
Other securities		
21	Covered warrants issued by the Company	- Closing price of the latest trading day prior to the calculation date; - Acquisition cost (in case of unlisted secured warrants).
22	Shares listed on foreign markets	- Price (in foreign currency) x exchange rate at the date of calculation - Closing price of the latest trading day prior to the calculation date; - In case there is no transaction within more than two (02) weeks prior to the calculation date, the value of listed shares is the highest of the followings: + Book value; + Acquisition cost; + Price determined by the securities-trading organizations' internal valuation methods. That means: Max (Book value, Acquisition cost, Price determined by the securities-trading organizations' internal valuation methods).

Market risk coefficient

Market risk coefficient is determined for each asset item in accordance with Circular 91 presented in Note 4.

Supplemental exposures to market risk

Exposures to market risk of each asset as determined in accordance with the above regulations 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 firm commitment, Government bonds and bonds guaranteed by the Government. The exposures to market risk will be increased in accordance with following principles:

- An increase by 10% if the value of this investment accounts for more than 10% to 15% of the owners' equity of the Company;

PINETREE SECURITIES CORPORATION
NOTES TO FINANCIAL SAFETY RATIO REPORT (Continued)

- An increase by 20% if the value of this investment accounts for more than 15% to 25% of the owners' equity of the Company;
- An increase by 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.

The exposures to market risk for not fully-distributed securities during the distribution period and whose trading price is lower than the underwriting price from underwriting contracts in the form of a firm commitment is determined by the following formula:

$$\text{Exposures to market risk} = (Q_0 \times P_0 - V_c) \times R \times \left(r + \frac{(P_0 - P_1)}{P_0} \times 100\% \right)$$

In which:

Q_0 : is the remaining undistributed securities or distributed securities for which payment has not been paid.

P_0 : is underwriting prices.

V_c : is value of secured asset (if any)

R : insurance risk coefficient

r : market risk coefficient

P_1 : is the transaction price

Settlement risk coefficient

The settlement risk value is the value equivalent to a loss likely to be incurred when the counterparty is unable to pay on time or transfer assets on time as committed. The settlement risk value is determined at the end of the trading day of contracts and transactions as follows:

The settlement risk value before the payment term for receiving the transfer of securities, cash and liquidating the contract is determined as follows:

$$\text{The settlement risk value before the payment term} = \text{Counterparty Settlement risk coefficient} \times \text{Value of potential payment risk assets}$$

The above principle of determining the settlement risk value before the payment term applies to the following contracts:

- Term deposits at credit institutions, loans to other organizations and individuals;
- Security borrowing agreement in accordance with the regulations of law;
- The securities sale contract contains a commitment to repurchase securities in accordance with the regulations of law;
- The securities purchase contract contains a commitment to resell securities in accordance with the regulations of law;
- Buying on margin contract in accordance with the regulations of law;

PINETREE SECURITIES CORPORATION
NOTES TO FINANCIAL SAFETY RATIO REPORT (Continued)

- Firmly-committed underwriting contracts in the form of commitment signed with other institutions in a syndicated underwriting contract in which the Company is the principal underwriter;
- Receivables from customers in securities trading activities;
- Receivables from mature bonds, valuable papers, mature debt instruments that have not yet been paid;
- The overdue transferred asset, including securities in the business activities of securities trading organizations, securities of customers in securities brokerage activities; and
- Receivables from debt and assets trading with partners other than Vietnam Asset Management Company (VAMC), and Vietnam Debt and Asset Trading Company (DATC).

For overdue receivables, securities that have not been transferred on time, including securities, uncollected cash from the above contracts, the exposures to settlement risk is determined according to the following principle:

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

The settlement risk coefficient by partners specified in Circular 91 is as follows:

No.	Payment partners for securities trading organizations	Settlement risk coefficient
1.	Governments, government-guaranteed issuers, and central banks of OECD countries; People's Committees of provinces and cities under the central government.	0%
2.	Stock Exchange, Securities Depository	0.8%
3.	Credit institutions, financial institutions, securities trading organizations established in OECD countries and having credit ratings that meet other conditions according to internal regulations of securities trading organizations	3.2%
4.	Credit institutions, financial institutions, securities trading organizations established in OECD countries and having credit ratings that fail to meet other conditions according to internal regulations of securities trading organizations	4.8%
5.	Credit institutions, financial institutions, securities trading organizations established and operating in Vietnam	6%
6.	Other organizations and individuals	8%

The settlement risk coefficient by time is specified in Circular 91 as follows:

PINETREE SECURITIES CORPORATION
 NOTES TO FINANCIAL SAFETY RATIO REPORT (Continued)

STT	Overdue time for payment, transfer of securities	Risk coefficient
1.	0 - 15 days after the date of payment, transfer of securities	16%
2.	16 - 30 days after the date of payment, transfer of securities	32%
3.	31 - 60 days after the date of payment, transfer of securities	48%
4.	60 days or more after the date of payment, transfer of securities	100%

Settlement/transfer period of securities according to regulations on derivative securities (for derivative 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).

Value of assets exposed to settlement risk

Value of assets exposed to settlement risk in borrowing activities, securities lending, margin transactions, repo transactions

No.	Transaction type	Value of assets exposed to settlement risk
1.	Term deposits, certificates of deposit, unsecured loans	Total outstanding balance of deposit accounts, certificates of deposits, total loan value, total value of the contract, transaction plus dividends, interests, rights (for securities) or interests from deposits, loans, fees (for credit granting)
2.	Securities lending	Max {(Market value of the contract - Collateral value (if any)),0}
3.	Securities borrowing	Max {(Collateral value - Market value of the contract),0}
4.	Reverse repurchase agreements	Max {(Contract value based on purchase price - Market value of the contract x (1- Market risk coefficient)),0}
5.	Repurchase agreements	Max {(Market value of the contract x (1 - Market risk coefficient) - Contract value based on selling price),0}
6.	Buying on margin contracts (loans to customers to purchase securities)/ Other economic agreements with the similar nature	Max {(Outstanding balance - Collateral value), 0}

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

In case the value of collaterals does not have any reference price in the market, its value is determined by the internal methods of the securities-trading organizations.

PINETREE SECURITIES CORPORATION
NOTES TO FINANCIAL SAFETY RATIO REPORT (Continued)

Value of assets exposed to settlement risk in securities trading

No.	Period	Value of assets exposed to settlement risk
A - For sales of securities (seller is the securities-trading organizations 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 securities-trading organizations 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); or T+n (for transactions outside the official trading system within n days under agreement of both parties).

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

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, in determination of value of assets exposed to settlement risk as specified under Clause 1, Article 10, Circular 91, if the related contracts and transactions satisfy the following conditions:

- a) 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;
- b) The securities-trading organization 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 regulations of Circular 91 as presented in Note 3.

The market risk coefficient is determined in accordance with regulations of Circular 91 as presented in Note 4.



Supplemental exposures to settlement risk

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

- a) Increased by 10% if the 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;
- b) Increased by 20% if the value of 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;
- c) Increased by 30% if the value borrowing from an organization, an individual and a group of related organizations/individuals (if any) accounts for more than 25% of the owners' equity.

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 securities-trading organizations is determined at the higher of 25% of the Company's operating expenses within twelve (12) consecutive months up to the month before reporting date and 20% of the Company's minimum charter capital for business operations as regulated by law.

The Company's operating expenses are determined from total expenses incurred in the year less:

- a) Depreciation and amortization expenses;
- b) Utilization/reversal of provision for impairment of short-term financial assets and collaterals;
- c) Utilization/reversal of provision for impairment of long-term financial assets;
- d) Utilization/reversal of provision for impairment of receivables;
- e) Utilization/reversal of provision for impairment of other current assets;
- f) Loss from revaluation of financial assets at fair value through profit and loss ("FVTPL");
- g) Interest expenses.

PINETREE SECURITIES CORPORATION
NOTES TO FINANCIAL SAFETY RATIO REPORT (Continued)

4. MARKET RISK VALUE

Unit: VND

Investment items at 31 December 2023	Risk coefficient	Scale of risk	Exposures to risk
	(1)	(2)	(3)=(1)X(2)
I. Cash and cash equivalents, money market instruments		763,289,275,320	-
1. Cash (VND)	0%	147,556,781,512	-
2. Valuable papers, transferable instruments in the money market, certificates of deposit	0%	615,732,493,808	-
II. Bonds of credit institutions		61,392,979,346	9,208,946,902
3 Bonds of credit institutions with remaining maturity of 5 year or more, including convertible bonds	15%	61,392,979,346	9,208,946,902
III. Corporate bonds		69,697,949,458	11,675,313,300
4 Listed corporate bonds			
4.1 Listed bonds with remaining maturity of less than 1 year, including convertible bonds	8%	15,901,971,704	1,272,157,736
5. Unlisted corporate bonds			
5.1. Unlisted bonds issued by listed entities having remaining term of less than 1 year, including convertible bonds	15%	30,458,388,750	4,568,758,313
5.2. Unlisted bonds issued by listed entities having remaining term of 3 years to less than 5 years, including convertible bonds	25%	23,337,589,004	5,834,397,251
IV. Restricted securities trading		11,889,915	3,165,126
6. Controlled listed securities	25%	10,605,600	2,651,400
7. Temporarily suspended, restricted securities	40%	1,284,315	513,726
A. TOTAL EXPOSURES TO MARKET RISK (A= I+II+III+IV)			20,887,425,328

5. SETTLEMENT RISK VALUE

	Exposures to risk VND
Risk of undue items (Note 5.1)	36,943,949,629
Supplemental exposures to settlement risk (Note 5.2)	3,631,758,912
Total exposures to settlement risk	40,575,708,541

5.1. Risk of undue items

	Exposures to risk VND	Total exposures to risk VND
Risk coefficient	6%	
Types of transactions	(5)	
1. Term deposits, certificates of deposits, unsecured loans, receivables from securities trading activities and operations and other items exposed to settlement risk	615,732,493,808	36,943,949,629
TOTAL EXPOSURES TO UNDUE SETTLEMENT RISK		36,943,949,629

(5) Credit institutions, financial institutions, securities trading organizations, securities investment funds, securities investment companies established and operating in Vietnam.

PINETREE SECURITIES CORPORATION
NOTES TO FINANCIAL SAFETY RATIO REPORT (Continued)

5.2. Supplemental exposures to settlement risk

No	Details of items, counterparties	Increase level	Scale of risk	Exposures to risk
			VND	VND
1	Joint Stock Commercial Bank for Investment and Development of Vietnam	20%	18,158,794,560	3,631,758,912
				3,631,758,912

6. OPERATIONAL RISK VALUE

	Amount
	VND
I. Total operating expenses incurring during the 12-month period up to June 2023	223,106,388,501
II. Decreases from total expenses (*)	61,478,573,786
1. Depreciation and amortization expenses	13,472,120,608
2. Provision expenses for impairment of receivables	22,869,583
3. Loss from revaluation of financial assets at fair value through profit or loss ("FVTPL")	17,050
4. Interest expenses	47,983,566,545
III. Total expenses after decreases (III = I – II)	161,627,814,715
IV. 25% of total expense after decreases (IV = 25% III)	40,406,953,679
V. 20% of the minimum charter capital for business operations of Securities Corporation	50,000,000,000
TOTAL EXPOSURES TO OPERATIONAL RISK (Max {IV, V})	50,000,000,000

PINETREE SECURITIES CORPORATION
NOTES TO FINANCIAL SAFETY RATIO REPORT (Continued)

7. LIQUID CAPITAL

Unit: VND

No.	Description	Working capital		
		Working capital	Decrease	Increase
A.	Owner's equity			
1.	Owner's equity excluding refundable preference shares (if any)	970,000,000,000	-	-
2.	Share capital surplus excluding refundable preferred shares (if any)	510,000,000,000	-	-
3.	Operational risk and financial reserve	1,321,976,000	-	-
4.	Undistributed profit after tax	18,831,627,171	-	-
1A.	Total	1,500,153,603,171	-	-
B	Short-term asset	-	-	-
I.	Financial asset	-	-	-
1.	Receivables (Receivables from sale of financial assets; receivables and accrued dividends, interest from financial assets)			
	- Accounts receivable with a remaining payment period of 90 days or less	-	-	-
	- Accounts receivable with a remaining payment term of more than 90 days	-	13,672,465,759	-
II.	Other short-term asset			
1.	Short-term prepaid expense	-	7,280,403,123	-
2.	Short-term deposits, mortgage, margin	-	103,095,250	-
3.	VAT deductibles	-	1,612,795,442	-
4.	Other short-term assets	-	674,855,000	-
1B.	Total	-	23,343,614,574	-
C	Long-term asset			
I.	Fixed asset	-	48,126,528,061	-
II.	Construction in progress	-	399,000,000	-
III.	Other long-term asset			
1.	Long-term deposits, mortgage	-	1,248,486,840	-
2.	Long-term prepaid expense	-	1,766,219,797	-
3.	Payment for settlement Assistance Fund	-	11,928,837,960	-
1C.	Total	-	63,469,072,658	-
	LIQUID CAPITAL = 1A-1B-1C	1,413,340,915,939		



Dinh Thi Lan Phuong
Chief Accountant



Phan Thi Phuong Thuy
Head of Internal Control
Department



Lee Jun Hyuck
General Director

Hanoi, 18 March 2024