

HOA BINH SECURITIES JOINT STOCK COMPANY

Audited financial safety ratio report
As at 31 December 2024



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HOA BINH SECURITIES JOINT STOCK COMPANY

Floor 7-9, Building 46-48, Ba Trieu Street, Hang Bai Ward, Hoan Kiem District, Hanoi City

STATEMENT OF BOARD OF MANAGEMENT AND BOARD OF GENERAL DIRECTORS

The Board of Management and Board of General Directors of Hoa Binh Securities Joint Stock Company ("the Company") is pleased to present this report and the Company's financial safety ratio report as at 31 December 2024.

INFORMATION

Hoa Binh Securities Joint Stock Company is a Joint Stock Company established and operating under the Business Registration Certificate No. 082/UBCK-GP issued by the State Securities Commission on February 29, 2008, License to amend the license to establish and operate a securities company No. 13/GPDC-UBCK dated February 14, 2011, No. 50/GPDC-UBCK dated August 26, 2011, No. 51/UBCK dated December 18, 2013 and most recently under the Adjustment License No. 84/GPDC-UBCK dated October 27, 2023 of the Chairman of the State Securities Commission.

Head office: 7th+9th floor, 46-48 Ba Trieu Street, Hang Bai Ward, Hoan Kiem District, Hanoi City, Vietnam.

MEMBERS OF THE BOARD OF MANAGEMENT, BOARD OF SUPERVISORS AND BOARD OF GENERAL DIRECTORS

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

Board of Management	Position	
Mr. Le Dinh Duong	Chairman	
Mr. Le Tien Dung	Vice Chairman	Resigned on 30/09/2024
Mr. Trinh Thanh Giang	Member	
Mr. Le Xuan Tung	Member	
Ms. Tran My Linh	Member	Appointed on 28/06/2024
Mr. Nguyen Phan Trung Kien	Member	Appointed on 30/09/2024
Mr. Nguyen Anh Duc	Member	Resigned on 28/06/2024

Board of Supervisors	Position	
Mr. Doan Duc Giang	Head of Board	
Mr. Tran Hung Cuong	Member	Appointed on 28/06/2024
Mr. Truong Duy Phong	Member	Appointed on 30/09/2024
Mr. Nguyen Ba Tuan	Member	Resigned on 30/09/2024
Mr. Nguyen Huu Tuan	Member	Resigned on 28/06/2024

Board of General Directors	Position	
Mr. Nguyen Phan Trung Kien	General Director	Appointed on 06/05/2024
	Deputy General director	Appointed on 01/03/2024
		Resigned on 06/05/2024
Mr. Dinh Tien Loi	General Director	Resigned on 06/05/2024
Mr. Le Tien Dung	Deputy General director	
Ms. Tran My Linh	Deputy General director	
Mr. Be Cong Son	Deputy General director	
Mr. Nguyen Tien Nam	Deputy General director	Resigned on 05/01/2024

STATEMENT OF BOARD OF MANAGEMENT AND BOARD OF GENERAL DIRECTORS (Continued)

Legal representative

The legal representative of the Company during the year and to the date of this report is Mr Le Dinh Duong - Chairman.

Mr Nguyen Phan Trung Kien - General Director is authorized to sign the financial safety ratio report as at 31 December 2024 of the Company under Authorization No. 01/2024/GUQ-HBS signed on 6 May 2024 of the Board of Management of the Company.

AUDITOR

International Auditing and Valuation Company Limited is the auditor performing the audit of the Company's financial safety ratio report as at 31 December 2024.

THE BOARD OF MANAGEMENT AND BOARD OF GENERAL DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of Management and Board of General Directors of the Company are responsible for preparing and presenting the financial safety ratio report as of 31 December 2024 (the "Report") in accordance with the provisions of Circular No. 91/2020/TT-BTC dated 13 November 2020, issued by the Ministry of Finance, which regulates financial safety indicators and measures for securities trading organizations that fail to meet financial safety indicators ("Circular 91"), and Note 2.1 of the Report.

The Board of Management and Board of General Directors of the Company are responsible for ensuring that proper accounting records are established and maintained to reflect the Company's financial safety ratio with reasonable accuracy at all times and to serve as a basis for preparing the Report in compliance with the financial safety ratio reporting policies presented in Note 3 of the Report. The Board of Management and Board of General Directors of the Company are also responsible for safeguarding the Company's assets and here for taking reasonable steps for prevention and detection of fraud and other irregularities.

APPROVAL OF FINANCIAL STATEMENTS

The Board of Management approved the accompanying financial safety ratio report, the financial safety ratio report has been prepared and presented in accordance with the provisions of Circular No. 91/2020/TT-BTC dated 13 November 2020, issued by the Ministry of Finance, which regulates financial safety indicators and measures for securities trading organizations that fail to meet financial safety indicators ("Circular 91"), and Note 2.1 of the Report.

On behalf of and representing Board of Management and Board of General Directors,



Nguyen Phan Trung Kien

General Director

Hanoi, 31 March 2025

No.: 2507/2024/BCATTC/IAV

INDEPENDENT AUDITORS' REPORT

Dear: Shareholders
Board of Directors, Supervisory Board and General Director
HOA BINH SECURITIES JOINT STOCK COMPANY

We have audited the accompanying financial safety ratio report as at 31 December 2024 of Hoa Binh Securities Joint Stock Company ("the Company") as prepared on 31 March 2025 and set out on pages 05 to 27. This report includes the financial safety ratio report and the notes, which outline the basis and methodology for preparing the financial safety ratio report.

The Board of Management and Board of General Directors's responsibility

The Board of Management and Board of General Directors of The Company is responsible for the preparation and fair presentation of the financial safety ratio report in accordance with Circular 91 and Note 2.1 of the accompanying financial safety ratio report. The Management is also responsible for such internal control as the Board of Management and Board of General Directors' responsibility 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 these 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 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 policies used as well as evaluating the overall presentation of the financial safety ratio report.

We believe that the audit evidence we have collected is adequate and appropriate as the basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT (Continued)

Auditor's opinion

In our opinion, the financial safety ratio report as at 31 December 2024 of Hoa Binh Securities Joint Stock Company is prepared and presented, in all material respects, in accordance with the regulations on preparation of the financial safety ratio report of Circular 91 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 and Note 3 of the financial safety ratio report, which describes the applicable regulations and policies for preparation of the financial safety ratio report. The financial safety ratio report has been prepared to comply with the regulations on preparation and disclosure of the financial safety ratio report. As a result, this report may not be suitable for other purposes.



DANG NGOC KHANH

Deputy General Director

Audit Practising Registration Certificate

No. 2505-2024-283-1

INTERNATIONAL AUDITING AND VALUATION COMPANY LIMITED

Hanoi, 31 March 2025

TRAN THANH TRUNG

Auditor

Audit Practising Registration Certificate

No. 4427-2021-283-1

No.: 113/...../CV-HBSE

Hà Nội, ngày 31. tháng 03 năm 2025

To: The State Securities Commission

FINANCIAL SAFETY RATIO REPORT

As at 31 December 2024

We hereby confirm that:

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



Doan Duc Giang
Head of Supervisors Board



Dao Thu Thuy
Chief Accountant



Nguyen Phan Trung Kien
General Director
Hanoi, 31 March 2025

SUMMARY OF RISK VALUE AND LIQUID CAPITAL*As at 31 December 2024*

No.	Items	Note	31/12/2024 VND
1	Total market risk value	5.1	201,656,138
2	Total settlement risk value	5.2	21,626,218,452
3	Total operational risk value	5.3	50,000,000,000
4	Total risks value (4=1+2+3)		71,827,874,590
5	Liquid capital	4	310,240,362,268
6	Liquid capital ratio (6=5/4) (%)		432%

**Doan Duc Giang**
Head of Supervisors Board**Dao Thu Thuy**
Chief Accountant**Nguyen Phan Trung Kien**
General Director
Hanoi, 31 March 2025

NOTES TO FINANCIAL SAFETY RATIO REPORT

As at 31 December 2024

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

1. CORPORATE INFORMATION

1.1. Company's operation

Hoa Binh Securities Joint Stock Company ("Company") is a Joint Stock Company established and operating under the Business Registration Certificate No. 082/UBCK-GP issued by the State Securities Commission on February 29, 2008, License to amend the license to establish and operate a securities company No. 13/GPDC-UBCK dated February 14, 2011, No. 50/GPDC-UBCK dated August 26, 2011, No. 51/UBCK dated December 18, 2013 and most recently under the Adjustment License No. 84/GPDC-UBCK dated October 27, 2023 of the Chairman of the State Securities Commission.

Charter Capital as per Operating License: 329,999,800,000 VND

Legal Capital: 250,000,000,000 VND

English Name: Hoa Binh Securities JSC

Stock Code: HBS

The Company's Charter Capital: 329,999,800,000 VND (In words: Three hundred twenty-nine billion, nine hundred ninety-nine million, eight hundred thousand VND); equivalent to 32,999,980 shares, with a par value of 10,000 VND per share.

Number of Employees as of December 31, 2024: 20 employees (as of December 31, 2023: 16 employees).

Head Office: 7th & 9th Floors, No. 46-48 Ba Trieu Street, Hang Bai Ward, Hoan Kiem District, Hanoi, Vietnam.

1.2. Principal activities

The company operates in the main business field of securities.

1.3. Business lines

The main activities of the Company are: Securities investment consulting, securities issuance agency, securities trading, securities brokerage.

1.4. Normal business cycle

The Company's normal production and business cycle does not exceed 12 months.

2. BASIS OF PREPARATION

2.1. The applicable regulations

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

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. Financial Data Basic

The financial safety ratio report is prepared based on the Company's financial data as of 31 December 2024 and for the financial year then ended. The financial safety ratio report should be read in conjunction with the Company's financial statements for the year ended 31 December 2024.

2.4. Reporting currency

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

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

3.1. Liquid capital ratio

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

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

Where, total risks value are the sum of market risk value, settlement risk value, and operational risk value.

3.2. Liquid Capital

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

- Owners' equity, excluded redeemable preferred shares (if any);
- Share premium, excluded redeemable preferred shares (if any);
- Convertible bonds - Equity component (applicable to securities company that is convertible bonds issuer);
- Other owners' equity;
- Differences from revaluation of assets at fair value;
- Foreign exchange rate differences;
- Charter capital supplementary reserve;
- Operational risk and financial reserve;
- Other reserves in owners' equity in accordance with prevailing regulations;
- Undistributed retained earnings;
- Balance of provision for impairment of assets;
- Fifty percent (50%) of the increase in value of revaluated fixed assets in accordance with prevailing regulations (in case of upward revaluation), or deduction for the total decrease in value (in case of downward revaluation);
- Decreases in liquid capital (Note 3.1.1);
- Increases in liquid capital (Note 3.1.2); and
- Other capital (if any).

3.2.1. Decreases in liquid capital

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

- Treasury shares (if any);
- Total decrease in the value of financial assets recognised at cost equivalent to the difference between market value and carrying value of the assets, excluding securities issued by the Company's related parties as well as securities restricted to transfer with the remaining restriction period of more than ninety (90) days as from the date of financial safety ratio report;
- The margin value, in case the Company places collateral assets to the banks for banks' underwriting upon the Company's issuance of covered warrant, is determined as the minimal value of the followings: the value of banks' underwriting and the value of collateral assets (determined as Volume of assets * Asset price * (1 - Market risk coefficient));
- The value of the Company's assets used as collaterals for the Company's liabilities with other institutions and individuals, of which the remaining terms are of more than ninety (90) days (determined as Volume of assets * Asset price * (1 - Market risk coefficient)); Short-term assets include prepayments, receivables and advances with the remaining terms of more than ninety (90) days, and other short-term assets;
- Long-term assets;
- The amounts mentioned in qualified opinion, adverse opinion or disclaimer of opinion on the audited and reviewed financial statements (if any);
- Securities issued by the Company's related parties in the following cases:
 - The parent company and subsidiaries of the Company;
 - Subsidiaries of the Company's parent company.
- Restricted to transfer with the remaining restriction period of more than 90 days as from the date of calculation;
- Irrecoverable items from other partners which are assessed as completely insolvent are determined at the contract value.

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

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

Accordingly, value of the collateral used in calculating the deduction from the decrease in liquid capital is determined as: Volume of the asset * Asset price * (1 - Market risk coefficient) in accordance with Circular 91.

The decrease in liquid capital of the items in current and non-current assets does not include the following items:

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

3.2.2. Increases in liquid capital

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

- Total increase in value of investments, financial assets recognised at cost equivalent to the difference between market value and carrying value of the assets, excluding securities issued by the Company's related parties as well as the securities restricted to transfer with the remaining restriction period of more than ninety (90) days as from the date of financial safety ratio report; and
- Debts that are convertible to equity, including: convertible bonds, preferred shares and other debt instruments registered to supplement liquid capital with the State Securities Commission and satisfying all conditions stated in Clause 2, Article 7 of Circular 91.
- Other debt instruments issued by the Company with the original terms to maturity of more than ten (10) years and registered with the State Securities Commission of Vietnam to supplement the liquid capital.

The total value of debt items used to supplement liquid capital is in maximum 50% of the Company's owners' equity. Regarding convertible debts and debts registered to supplement the Company's liquid capital with the State Securities Committee, the Company deducts 20% of 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.

3.3. Market risk value

Market risk value are the potential losses which may occur when the market value of the Company's assets owned and to be owned by the Company in accordance with underwriting fluctuates in a negative trend. Market risk value are determined for the Company's assets, stated in Clause 2, Article 7 of Circular 91, including cash and cash equivalent, money market instruments, bonds, shares, and funds/shares of securities investment companies; and are determined by the Company at the end of the transaction day using the following formula:

Market risk value = Net position x Asset price x Market risk coefficient

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

Market risk value of securities not yet fully distributed from underwriting contracts, covered warrants issued by the Company, and futures contracts is determined using specific formulas provided in Circular 91.

Assets which are excluded when determining market risk value include:

- Treasury shares;
- Securities issued by the Company's related parties in the following cases:
 - The parent company, subsidiaries of the Company;
 - Subsidiaries of the Company's parent company.
- Securities restricted to transfer with the remaining restriction period of more than ninety (90) days as from the date of calculation;
- Bonds, debt instruments, and valuable papers in the money market which have matured;

- Securities which have been hedged by sell warrants or futures contracts; sell warrants and sell options which have been used to hedge for underlying securities.

3.3.1. Market risk coefficient

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

3.3.2. Asset price

a. Cash and cash equivalents, monetary market instruments

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

Value of cash equivalents and money market instruments is the amount deposited or purchase price plus accrued interest using the effective interest rate which has not been settled as at the date of calculation.

b. Shares

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

Value of unlisted shares which have been registered on the Unlisted Public Companies Market (UpCom) is the quoted closing prices of the latest trading day prior to the date of calculation.

In case there is no transaction of the shares listed or registered on UpCom during more than two (02) weeks prior to the date of calculation, value of these shares is the highest of the following values: book value; acquisition cost; price determined by internal valuation methods.

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

Value of shares which are registered or custodied but has not been listed or registered for trading is the average price of quotations from at least three (03) securities companies unrelated to the Company, using the most recent trading day prior to the calculation date. If there are fewer than three (03) quotes, the share value is the highest among the following: Quoted prices; The price from the latest reporting period; book value; acquisition cost; price determined by the Company's internal valuation method.

Value of shares in entities under dissolution or bankruptcy equal to 80% of the liquidation value of the shares as of the date of the latest balance sheet, or a price determined in accordance with the Company's internal methods.

Value of other shares and capital contributions are the highest among the purchase price/contributed capital or the price determined by the Company's internal methods.

c. Funds/Shares of securities investment companies/ETF Funds

Value of public close-ended fund/ETF fund is the closing price of the latest trading day prior to the date of calculation.

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

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

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

3.3.3. Increase in market risk value

Market risk value of increase in case that the Company over-invests in these assets, except for securities issued under firm commitment underwriting contracts, Government bonds and bonds guaranteed by the Government. The market risk value will be adjusted in accordance with following principles:

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

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

3.4. Settlement risk value

Settlement risk value are the potential losses which may occur when a partner fails to fulfill its settlement obligation or transfer assets on time as committed. Settlement risk value is determined at the end of the contract date or transaction date as follows:

- For term deposits at credit institutions: certificates of deposit issued by credit institutions; securities borrowing or loan contracts in accordance with prevailing regulations; repurchase agreements and reversed repurchase agreements in accordance with prevailing regulations; margin loan contracts in accordance with prevailing regulations; receivables from customers in securities trading activities; other receivables from securities trading activities.
- Settlement risk value before the date of securities transfer, cash settlement and contract liquidation shall be determined using the following formula:
$$\text{Settlement risk value} = \text{Value of assets exposed to settlement risk} \times \text{Settlement risk coefficient of counter party};$$
- For underwriting contracts in the form of firm commitment signed with other organizations in a syndicated underwriting contract in which the Company is the lead underwriter, the settlement risk value equals 30% of the remaining value of unpaid underwriting contracts;

- For receivables from matured bonds, valuable papers, matured debt instruments for which payment has not been made, other overdue receivables and assets, securities which have not been transferred on time, including securities and cash which have not been received from term deposits at credit institutions; certificates of deposit issued by credit institutions; securities borrowing or loan contracts in accordance with prevailing regulations; repurchase and reverse repurchase agreements in accordance with prevailing regulations; matured margin loans in accordance with prevailing regulations, settlement risk value are determined as follows:

Settlement risk value = Value of assets exposed to settlement risk x Settlement risk coefficient by period.

3.4.1. Settlement risk coefficient

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

3.4.2. Value of assets exposed to settlement risk

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

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

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

Margin balance includes loan principal, accrued interest, and any related fees.

The value of customers' collateral assets is determined in accordance with Note 3.4.3. In cases where the customers' collateral assets do not have a market reference price, their value is determined based on the Company's internal regulations.

HOA BINH SECURITIES JOINT STOCK COMPANY
NOTES TO THE FINANCIAL SAFETY RATIO REPORT (Continued)

Asset values are determined in accordance with Note 3.2.2.

b. Securities trading

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

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

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

c. Receivables, Matured Bonds, and Matured Debt Instruments: The value of assets exposed to potential settlement risk is calculated as the face value of the receivable plus unpaid interest and any related costs, minus any prior payments received (if any).

d. Receivables, Other Receivables, and Other Contracts or Transactions, and Other Uses of Capital (Assets) Exposed to Potential Settlement Risk.

For contracts and transactions specified at Point k, Clause 1, Article 10 of Circular 91, the value of payment risk is determined as follows:

$$\text{Settlement risk value} = \text{Value of the assets at risk of payment} \times 100\%$$

3.4.3. Deduction of collateral

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

- Partners or customers use collaterals to ensure their fulfilment of obligations and their collaterals are cash, cash equivalents, valuable papers, negotiable instruments on the money market, securities listed and registered on the Securities Stock Exchange, Government bonds, bonds guaranteed by the Ministry of Finance;

- The Company has the right to control, manage, use, and transfer collaterals if partners fail to make payment fully and timely as agreed in the contracts.

Value of asset subjected to deduction is determined as follows:

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

Assets price is determined in accordance with Note 3.2.2.

3.4.4. Increase in settlement risk value

Settlement risk value are raised in the following cases:

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

3.4.5. Net bilateral clearing value of assets exposed to settlement risk

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

- Settlement risk is related to the same partner;
- Settlement risk occurs to the same type of transaction;
- The net bilateral clearing is agreed in advance via documents

3.4.6. In the event the counterparty has completely lost its ability to repay

The entire loss, calculated based on the contract value, must be deducted from liquid capital

3.5. Operational risk value

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

Operational risk value of the Company are determined at 25% of the Company's operating costs within twelve (12) consecutive months by the date of calculation or 20% of the minimum charter capital for business operations of the securities-trading organization, whichever is greater.

HOA BINH SECURITIES JOINT STOCK COMPANY
NOTES TO THE FINANCIAL SAFETY RATIO REPORT (Continued)

The Company's operating cost equals total expenses incurred during the year less: depreciation expense; expense/reversal of provision for impairment of short-term, long-term financial assets and mortgage assets; expense/reversal of provision for impairment of receivables; expense/reversal of provision for impairment of other current assets; and loss from revaluation of financial assets at fair value through profit or loss ("FVTPL"), interest expenses, and loss from revaluation of outstanding covered warrants payables which has been recorded as expense during the year.

HOA BINH SECURITIES JOINT STOCK COMPANY
NOTES TO THE FINANCIAL SAFETY RATIO REPORT (Continued)

4. CALCULATION SHEET ON LIQUID CAPITAL

No.	ITEMS	Liquid capital		
		Liquid capital	Deductions	Increases
		(1)	(2)	(3)
A	Owners' equity			
1	Owners' equity, excluded redeemable preferred shares (if any)	329,999,800,000		
2	Share premium, excluded redeemable preferred shares (if any)	-		
3	Treasury shares	-		
4	The convertible bonds - equity component	-		
5	Other owners' equity	-		
6	Differences from revaluation of financial assets at fair value	-		
7	Charter capital supplementary reserve	5,879,833,400		
8	Operational risk and financial reserve	5,879,833,400		
9	Other funds belong to the owner's equity	-		
10	Undistributed profit	21,084,981,349		
11	Balance to provision for impairment of assets	-		
12	Difference from revaluation of fixed assets	-		
13	Foreign exchange rate differences	-		
14	Convertible debts			-
15	Total increase or decrease in securities investment value		-	-
16	Other capital (if any)	-		
1A	Total			362,844,448,149
	Short-term assets			
I	Financial assets		-	
1	Cash and cash equivalents			
2	Financial assets at fair value through profit or loss ("FVTPL")		-	
	Securities exposed to market risk		-	
	Securities are deducted from liquid capital		-	
3	Hold to maturity ("HTM") investments		-	
	Securities exposed to market risk		-	
	Securities are deducted from liquid capital		-	
4	Loans		-	

4. CALCULATION SHEET ON LIQUID CAPITAL (Continued)

No.	NỘI DUNG	Liquid capital		
		Liquid capital	Deductions	Increases
		(1)	(2)	(3)
5	Available-for-sale ("AFS") financial assets		-	
	Securities exposed to market risk		-	
	Securities are 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, interest income from		-	
	Receivables due in 90 days or less			
	Receivables due in more than 90 days		-	
8	Covered warrant have not yet been issued		-	
9	The underlying securities for the purpose of hedging when issuing covered warrant		-	
10	Receivables from services provided by the Company		-	
	Receivables due in 90 days or less			
	Receivables due in more than 90 days		-	
11	Internal receivables			
	Internal receivables due in 90 days or less			
	Internal receivables due in more than 90 days		-	
12	Receivables due to error in securities			
	Receivables due in 90 days or less			
	Receivables due in more than 90 days		-	
13	Other receivables			
	Other receivables due in 90 days or less			
	Other receivables due in more than 90 days		-	
14	Provision for impairment of receivables		-	

HOA BINH SECURITIES JOINT STOCK COMPANY
NOTES TO THE FINANCIAL SAFETY RATIO REPORT (Continued)

4. CALCULATION SHEET ON LIQUID CAPITAL (Continued)

No.	NỘI DUNG	Liquid capital		
		Liquid capital	Deductions	Increases
		(1)	(2)	(3)
II	Other short-term assets		1,572,562,299	
	Advances			
1	- Advances with the remaining repayment term of 90 days or less		-	
	- Advances with the remaining repayment term of more than 90 days		-	
2	Office supplies, tools and materials		-	
3	Short-term prepaid expenses		1,511,846,280	
4	Short-term deposits, collaterals and pledges		-	
5	Deductible value added tax		60,716,019	
6	Tax and other receivables from the State		-	
7	Other current assets		-	
8	Provision for impairment of other current assets		-	
1B	Total			1,572,562,299
C	Long-term assets			
I	Long-term financial assets		-	
1	Long-term receivables		-	
2	Investments		-	
	HTM investments		-	
2.1	Securities exposed to market risk		-	
	Securities are deducted from liquid capital		-	
2.2	Investments in subsidiaries		-	
2.3	Other long-term investments		8,376,160,000	
II	Fixed assets		1,426,087,198	
III	Investment properties		28,830,741,156	
IV	Construction in progress		-	
V	Other long-term assets		12,398,535,228	
1	Long-term deposits, collaterals and pledges		166,110,000	
2	Long-term prepaid expenses		668,008,837	
3	Deferred income tax assets		570,408,324	
4	Payment for Settlement Assistance Fund		10,994,008,067	
5	Other long-term assets		-	
VI	Provision for impairment of non-current assets			
	The qualified, adverse or disclaimed items on the audited, reviewed financial statements not being deducted in accordance with Article 5, Circular 91		-	
1C	Total			51,031,523,582

HOA BINH SECURITIES JOINT STOCK COMPANY
NOTES TO THE FINANCIAL SAFETY RATIO REPORT (Continued)

4. CALCULATION SHEET ON LIQUID CAPITAL (Continued)

No.	NỘI DUNG	Liquid capital		
		Liquid capital	Deductions	Increases
		(1)	(2)	(3)
D	Escrow, collateral items			
1	The value of the escrow			
1.1	The value of contribution to Settlement Assistance Fund of VSDC		-	
1.2	The value of contribution to the clearing fund of the central settlement counterparty for the open position of the clearing member (for derivative market)		-	
1.3	The value of cash escrow and banks' guarantee for issuing covered warrants		-	
2	The value of collaterals for obligations due in more than ninety (90) days		-	
1D	Total			
LIQUID CAPITAL = 1A - 1B - 1C - 1D		310,240,362,268		

Notes:

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

5. CALCULATION SHEET OF RISK

5.1. Market risk value

Investment items		Risk coefficient %	Risk level (VND)	Risk value (VND)
		(1)	(2)	(3) = (1) x (2)
I. Cash and cash equivalents, monetary market instruments				-
1	Cash (VND)	-	12,774,448,934	-
2	Cash equivalents	-	-	-
3	Valuable papers, transferable instruments in the money market, certificate of deposit	-	296,893,117,809	-
II. Government bonds				-
4	Zero-coupon Government bonds	-	-	-
5	Coupon Government bonds			
5.1	Government bonds (include treasury bond and construction bond previously issued), 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 ERBD, non-sovereign bonds.	3	-	-
III. Credit institution bonds				
6	Credit institution bonds having remaining maturity of less than 1 year, including convertible bonds	3	-	-
	Credit institution bonds having remaining maturity of 1 to under 3 years, including convertible bonds	8	-	-
	Credit institution bonds having remaining maturity of 3 to under 5 years, including convertible bonds	10	-	-
	Credit institution bonds having remaining maturity of 5 years or more, including convertible bonds	15	-	-
IV. Corporate bonds				-
7	Listed corporate bonds			
	Listed bonds having remaining maturity of less than 1 year, including convertible bonds	8	-	-
	Listed bonds having remaining maturity of 1 to under 3 years, including convertible bonds	10	-	-

HOA BINH SECURITIES JOINT STOCK COMPANY
NOTES TO THE FINANCIAL SAFETY RATIO REPORT (Continued)

5.1. Market risk value (Continued)

Investment items		Risk coefficient %	Risk level (VND)	Risk value (VND)
		(1)	(2)	(3) = (1) x (2)
	Listed bonds having remaining maturity of 3 to under 5 years, including convertible bonds	15	-	-
	Listed bonds having remaining maturity of 5 years or more, including convertible bonds	20	-	-
	Unlisted corporate bonds			
	Unlisted bonds issued by listed corporates having remaining maturity of less than 1 year, including convertible bonds	25	-	-
8	Unlisted bonds issued by listed corporates having remaining maturity of 1 to under 3 years, including convertible bonds	30	-	-
	Unlisted bonds issued by listed corporates having remaining maturity of 3 to under 5 years, including convertible bonds	35	-	-
	Unlisted bonds issued by listed corporates having remaining maturity of 5 years or more, including convertible bonds	40	-	-
V. Shares				201,656,138
9	Ordinary shares, preferred shares of entities listed in Ho Chi Minh Stock Exchange; open-ended fund certificates	10	2,012,491,580	201,249,158
10	Ordinary shares, preferred shares of entities listed in Hanoi Stock Exchange	15	1,860,000	279,000
11	Ordinary shares, preferred shares of unlisted public entities registered for trading through UpCom system	20	639,900	127,980
12	Ordinary shares, preferred shares of public entities registered for custody, but not yet listed or registered for trading; shares under IPO	30	-	-
13	Shares of other public companies	50	-	-
VI. Certificates of securities investment funds				-
14	Public funds, including public securities investment companies	10	-	-
15	Member funds, including private securities investment companies	30	-	-

HOA BINH SECURITIES JOINT STOCK COMPANY
NOTES TO THE FINANCIAL SAFETY RATIO REPORT (Continued)

5.1. Market risk value (Continued)

Investment items		Risk coefficient %	Risk level (VND)	Risk value (VND)
		(1)	(2)	(3) = (1) x (2)
VII. Restricted securities trading				-
16	Securities of unlisted public companies being warned due to delayed disclosure of audited/reviewed financial statements	30	-	-
17	Listed securities being warned	20	-	-
18	Listed securities under control	25	-	-
19	Securities temporarily suspended from trading	40	-	-
20	Delisted, cancelled securities	80	-	-
VIII. Derivative securities				-
21	Stock index futures contracts	8	-	-
22	Government bond futures contracts	3	-	-
IX. Other securities				-
23	Shares, Capital Contributions, and Other Types of Securities	80	-	-
24	Shares listed in foreign markets included in the benchmark	25	-	-
25	Shares listed in foreign markets not included in the benchmark	100	-	-
26	Covered warrants listed on Ho Chi Minh Stock Exchange	8	-	-
27	Shares and bonds of un-issued companies that do not have the latest audited financial statements up to the time of reporting or have audited financial statements but have contrary adverse audit opinion, disclaimer opinion or qualified opinion	10	-	-
28	Shares, capital contribution and other securities		-	-
	Exposures to risk = $\text{Max} \{((P_o \times Q_o \times k - P_i \times Q_i) \times R - MD), 0\}$			
29	Covered warrants issued by the Company		-	-
30	Securities formed from hedging activities for the issued covered warrants (in case covered warrants are not profitable)		-	-
31	The positive 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.			
A. TOTAL EXPOSURES TO MARKET RISK (A= I+II+III+IV+V+VI+VII+VIII+IX)				201,656,138

HOA BINH SECURITIES JOINT STOCK COMPANY
NOTES TO THE FINANCIAL SAFETY RATIO REPORT (Continued)

5.2. Settlement risk

	Settlement risk value
Risks of undue items (<i>Note 5.2.1</i>)	18,021,848,710
Risks of overdue items (<i>Note 5.2.2</i>)	-
Risks from advances, contracts, and other transactions (<i>Note 5.2.3</i>)	-
Additional risk (<i>Note 5.2.4</i>)	3,604,369,742
Total settlement risk value	<u>21,626,218,452</u>

5.2.1. Risks of undue items

Risk coefficient		Settlement risk value (VND)						Settlement risk value
		0%	0.8%	3.2%	4.8%	6%	8%	
Type of transactions		(1)	(2)	(3)	(4)	(5)	(6)	
1	Term deposits, unsecured loans, receivables from trading and securities business transactions, and other items carrying potential settlement risks	-	-	-	-	300,364,145,172	-	18,021,848,710
2	Lending of financial assets/Economic arrangements of the same nature	-	-	-	-	-	-	-
3	Borrowing of financial assets/Economic arrangements of the same nature	-	-	-	-	-	-	-
4	Contracts for the purchase of assets with a commitment to resell/Economic arrangements of the same nature	-	-	-	-	-	-	-
5	Contracts for the sale of assets with a commitment to repurchase/Economic arrangements of the same nature	-	-	-	-	-	-	-
TOTAL EXPOSURES TO SETTLEMENT RISK OF UNDUE ITEMS								18,021,848,710

5.2.1. Risks of undue items (Continued)

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

No.	Counterparties 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%
(2)	Securities Stock Exchanges, Vietnam Securities Depository and Clearing Corporation ("VSDC")	0.8%
(3)	Credit institutions, financial institutions, and securities trading institutions which are established in OECD countries and have credit ratings in accordance with the internal policies of securities trading institutions	3.2%
(4)	Credit institutions, financial institutions, and securities trading institutions which are established in OECD countries and do not meet the requirements specified in the internal policies of securities trading institutions or which are not established in OECD countries	4.8%
(5)	Credit institutions, financial institutions, and securities trading institutions, securities investment funds, securities investment companies being established and operating in Vietnam	6%
(6)	Other entities, individuals, counterparties	8%

5.2.2. Risks of overdue items

No.	Overdue period	Risk coefficient (%)	Scale of risk	Settlement risk value
1	0 - 15 days after payment due date or date of transferring	16	-	-
2	16 - 30 days after payment due date or date of transferring securities	32	-	-
3	31 - 60 days after payment due date or date of transferring securities	48	-	-
4	60 days and above after payment due date or date of transferring	100	-	-
TOTAL SETTLEMENT RISK VALUE OF OVERDUE ITEMS				-

HOA BINH SECURITIES JOINT STOCK COMPANY
NOTES TO THE FINANCIAL SAFETY RATIO REPORT (Continued)

5.2.3. Risks from advances and other contracts, transactions

STT	Overdue period	Settlement risk coefficient (%)	Scale of risk	Settlement risk value
1	Contracts, transactions and capital uses not listed in Point a, b, c, d, e, g, Clause 1, Article 10 of Circular 91; Receivables from loan factoring with partners that are not Vietnam Asset Management Company (VAMC), Vietnam Debt and Asset Trading Corporation (DATC) Advances accounting for more than 5% of owner's equity with recovery period of less than ninety (90) days	100	-	-
TOTAL SETTLEMENT RISK VALUE OF OTHER CONTRACTS, TRANSACTIONS				-

5.2.4. Additional risk

No.	Details for each loan and each partner	Increases	Scale of risk	Settlement risk value
1	Term deposits at Military Commercial Joint Stock Bank	20%	18,021,848,710	3,604,369,742
TOTAL ADDITIONAL RISK				3,604,369,742

5.3. Operational risk value

	Items	Amount
I	Total operating expenses incurring during the 12 month	17,380,576,714
II	Deductions from total expenses	4,781,149,622
III	Total expenses after deductions (III=I-II)	12,599,427,092
IV	25% of Total expense after deductions (IV=25%III)	3,149,856,773
V	20% Legal capital of the Company	50,000,000,000
TOTAL OPERATIONAL RISK VALUE (Max{IV,V})		50,000,000,000

Deductions from total expenses

	Amount
Depreciation expenses	3,726,571,183
Revaluation loss on financial assets recognized through profit or loss	1,054,578,439
	4,781,149,622

6. EVENTS ARISING AFTER THE END OF THE FISCAL YEAR


There is no event or circumstance that has arisen since 31 December 2024 that requires adjustment or disclosure in the financial safety ratio report of the Company.



Doan Duc Giang
Head of Supervisors Board



Dao Thu Thuy
Chief Accountant



Nguyen Phan Trung Kien
General Director
Hanoi, 31 March 2025

