

**BẢN DỊCH
TRANSLATION**

AUDITED FINANCIAL STATEMENT

OF TIEN THANH SERVICE AND TRADING

JOINT STOCK COMPANY

For the fiscal year ended as of 31/12/2019

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TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY

Viet Hung Urban Area, Duc Giang Ward, Long Bien District, Hanoi City

REPORT OF THE GENERAL DIRECTORATE

The General Directorate of Tien Thanh Service and Trading Joint Stock Company (hereinafter referred to as "the Company") presents its Report and the Company's Financial Statement for the fiscal year ended as of 31/12/2019.

THE COMPANY

Tien Thanh Service and Trading Joint Stock Company was established and has operated under the Business Registration Certificate No. 0100596523 dated November 4, 2003, 26th change dated November 14, 2019 issued by Hanoi Authority for Planning and Investment.

Head office of the Company is located at: Viet Hung Urban Area, Duc Giang Ward, Long Bien District, Hanoi City, Vietnam

Main activities of the Company as:

Manufacture and processing of trumpery;
Business in fashion products, construction materials...

EVENTS AFTER THE CLOSING DATE OF THE ACCOUNTING BOOK FOR PREPARING THE FINANCIAL STATEMENT

The General Directorate managing the Company affirms that no significant events occurred after the preparation of the Financial Statement requiring to be adjusted or published in the Company's Financial Statement for the year ended as of December 31, 2019.

THE MANAGEMENT BOARD, THE INTERNAL AUDIT BOARD, THE GENERAL DIRECTORATE, THE GENERAL DIRECTORATE

Members of the Management Board during the year and on the date of this statement includes:

Mr. Nguyen Huu Truong	President	
Mr. Nguyen Thanh Le	Vice President	Dismissed on 23/04/2019
Mr. Vu Quoc Hoa	Member	Appointed on 23/04/2019
Mr. Phan Thanh Nam	Member	Appointed on 23/04/2019
Ms. Nguyen Tran Linh Chi	Member	Dismissed on 23/04/2019
Mr. Nguyen Anh Tuan	Member	
Ms. Nguyen Thi Kim Phuong	Member	

Members of the Internal Audit Board during the year and on the date of this statement includes:

Ms. Nguyen Thi Kim Phuong	Head of the Board	
Ms. Ha Thi Tuyet Chinh	Member	
Ms. Doan Thi Anh	Member	Appointed on 01/01/2020
Mr. Phan Quang Tiep	Member	Dismissed on 01/01/2020

TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY

Viet Hung Urban Area, Duc Giang Ward, Long Bien District, Hanoi City

Members of the General Directorate operating the company during the year and on the date of this statement include:

Mr. Phan Thanh Nam	General Director	Appointed on 12/11/2019
Mr. Nguyen Huu Truong	General Director	Dismissed on 12/11/2019
Ms. Trinh Thanh Tuoi	Chief Accountant	

AUDITOR

The Financial Statement for the fiscal year ended on December 31, 2019 of Tien Thanh Service and Trading Joint Stock Company was audited by TTP Auditing Co., Ltd. The unit is eligible to audit for public companies and public companies belonging to the field of securities according to the regulations of the Ministry of Finance and the State Securities Commission.

ANNOUNCEMENT OF RESPONSIBILITIES OF THE GENERAL DIRECTORATE FOR THE FINANCIAL STATEMENT

The General Directorate is responsible for preparing the financial statement to reflect honestly and reasonably the performance, results of business operation and situation of cash flows of the Company during the period. During the preparation of the Financial Statement, the General Directorate commits to comply with the following requirements:

- Build and maintain internal control defined by the General Directorate and the Management Board as necessary to ensure that the preparation and presentation of the financial statement have no material misstatements due to fraud or confusion;
- Select suitable accounting policies and then apply them consistently;
- Make rational and prudent assessments and predictions;
- State whether the applied accounting standards are compliant or not, whether material misstatements to the extent that it is necessary to be disclosed and explained in the financial statement or not;
- Prepare the financial statement on basis of continuous business operation unless it cannot be said that the Company will continue its business.

The Company's General Directorate ensures that accounting records are kept to reflect the Company's financial position, with fairness and fairness at any time and ensures that the Financial Statement complies with current regulations of the State. At the same time, it is responsible for safeguarding the assets of the Company and taking appropriate measures to prevent and detect frauds and other violations.

The Company's General Directorate commits that the Financial Statement has reflected honestly and reasonably the Company's financial position as at 31 December 2019, business results and cash flow situation for the fiscal year ending on 31/12/2019, complies with Vietnamese corporate accounting standards and regulations and complies with current regulations relating to the preparation and presentation of the Financial Statement.

TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY

Viet Hung Urban Area, Duc Giang Ward, Long Bien District, Hanoi City

Other commitments

The General Directorate commits that the Company complies with Decree 71/2017/ND-CP dated 06/06/2017 providing guidelines on corporate management applied for public companies and the Company with no violation of obligations information announcement according to the provisions of Circular No. 155/2015/TT-BTC, dated October 6, 2015 of the Ministry of Finance on information announcement on the Stock Market.

Hanoi, 28 March 2020

On behalf of the General Directorate

General Director

(Signed and sealed)

Phan Thanh Nam



TTP AUDITING LIMITED COMPANY

No.: 177/BCKT-TC

AUDIT STATEMENT

To: **The Shareholders**
 The Management Board and the General Directorate
 Tien Thanh Service and Trading Joint Stock Company

We have audited the Financial Statement of Tien Thanh Service and Trading Joint Stock Company, prepared on March 28, 2020, including: Balance sheet as of 31 December 2019, Income Statement, Cash Flow Statement and Notes to Financial Statement for the fiscal year ending on December 31, 2019 presented from page 07 to page 37 attached.

Responsibilities of the General Directorate

The General Directorate of the Company is responsible for preparing and presenting honestly and reasonably the Company's Financial Statement in accordance with Vietnamese Accounting Standards, Vietnamese (corporate) accounting regime and legal regulations related to the preparation and presentation of the financial statement and is responsible for the internal control determined by the Board of Directors as necessary to ensure that the preparation and presentation of the financial statement is free from material misstatements due to fraud or confusion.

Responsibilities of auditors

Our responsibility is to express opinions on the financial statement based on the audit. We have conducted our audit in accordance with Vietnamese Auditing Standards. These standards require us to comply with occupational ethical standards and regulations, to plan and perform the audit to obtain reasonable assurance as to whether the Company's financial statement still has material misstatements or not.

The audit involves performing procedures to collect audit evidence about the amounts and notes to the financial statement. The audit procedures are selected based on the auditor's judgment, including the assessment of the risk of material misstatements in the financial statement due to fraud or confusion. When assessing these risks, the auditor has inspected the Company's internal control related to the preparation and presentation of the financial statements in an honest, reasonable manner for the purpose of giving opinions on the effectiveness of internal control of the Company. The audit also includes evaluating the appropriateness of used accounting policies and the reasonableness of accounting estimates made by the General Directorate, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence obtained by us is sufficient and appropriate as basis for our opinions.

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Tel: (04) 37425 888 - Fax : (04) 37578 666
Website: <http://kiemtoanttp.com> - <http://kiemtoanttp.vn> *Email: tftp@kiemtoanttp.com

Conclusion of Auditor

In our opinion, the financial statement reflects honestly and reasonably on the material aspects of the financial position of Tien Thanh Service and Trading Joint Stock Company as of 31 December 2019, as well as the business results and cash flows for the fiscal year ending on December 31, 2019, in accordance with the current Vietnamese (corporate) accounting standards and regimes and the legal regulations related to the preparation and presentation of the financial statement.

TTP AUDITING LIMITED COMPANY
Deputy General Director
(Signed and sealed)
Tran Thi Hanh
Auditing Practice Certificate No.:
0726-2018-133-1

Hanoi, 28 March 2020
Auditor
(Signed)
Le Xuan Bach
Auditing Practice Certificate No.: 1305-2018-
133-01

BALANCE SHEET
 As of 31/12/2019

ASSETS	Code	Demonstration	Ending balance	Unit: VND	
				Beginning balance	
A. CURRENT ASSETS	100		378,134,679,426	248,744,980,747	
I. Cash and cash equivalents	110	V.01	50,028,324,449	38,153,013,343	
1. Cash	111		24,628,324,449	38,153,013,343	
2. Cash equivalents	112		25,400,000,000	-	
II. Short-term financial investments	120		-	-	
1. Trading securities	121		-	-	
2. Allowances for decline in trading securities (*)	122		-	-	
3. Held to maturity investments	123		-	-	
	130		215,318,370,111	121,203,387,028	
1. Short-term trade receivables	131	V.03	164,460,909,309	120,911,627,400	
2. Short-term repayments to suppliers	132	V.04	24,983,598,774	50,000,084	
3. Short-term intra-company receivables	133		-	-	
4. Receivables under schedule of construction	134		-	-	
5. Short-term loan receivables	135		-	-	
6. Other short-term receivables	136	V.05a	25,873,862,028	241,759,544	
7. Short-term allowances for doubtful debts (*)	137		-	-	
8. Shortage of assets awaiting resolution	139		-	-	
IV. Inventories	140	V.06	112,682,755,076	89,381,629,122	
1. Inventories	141		112,682,755,076	89,381,629,122	
2. Allowances for decline in value of inventories (*)	149		-	-	
V. Other current assets	150		105,229,790	6,951,254	
1. Short-term prepaid expenses	151	v.9a	30,698,080	6,951,254	
2. Deductible vat	152		73,134,380	-	
3. Taxes and other receivables from government budget	153		1,397,330	-	
B. LONG-TERM ASSETS	200		188,404,894,432	228,283,363,695	
I. Long-term receivables	210		34,203,000,000	116,639,000,000	
1. Long-term trade receivables	211		-	-	
2. Long-term repayments to suppliers	212		-	-	
3. Working capital provided to sub-units	213		-	-	
4. Long-term intra-company receivables	214		-	-	
5. Long-term loan receivables	215		-	-	
6. Other long-term receivables	216	V.05b	34,203,000,000	116,639,000,000	
7. Long-term allowances for doubtful debts (*)	219		-	-	

BALANCE SHEET
 As of 31/12/2019
 (Continued)

ASSETS	Code	Demonstration	Unit: VND	
			Ending balance	Beginning balance
II. Fixed assets	220		65,143,081,569	35,998,598,574
1. Tangible fixed assets	221	V.07	32,015,999,523	32,539,071,345
- Original cost	222		39,539,248,928	37,510,108,745
- Accumulated depreciation (*)	223		(7,523,249,405)	(4,971,037,400)
2. Finance lease fixed assets	224		-	-
- Original cost	225		-	-
- Accumulated depreciation (*)	226		-	-
3. Intangible fixed assets	227	V.08	33,127,082,046	3,459,527,229
- Original cost	228		33,127,082,046	3,459,527,229
- Accumulated depreciation (*)	229		-	-
III. Investment properties	230			
- Original cost	231		-	-
- Accumulated depreciation (*)	232		-	-
IV. Long-term assets in progress	240			
1. Long-term work in progress	241		-	-
2. Construction in progress	242		-	-
IV. Long-term investments	250		89,016,870,000	75,576,435,478
1. Investments in subsidiaries	251	V.02a	-	-
2. Investments in joint ventures and associates	252		-	-
3. Investments in equity of other entities	253	V.02b	88,916,870,000	75,616,870,000
4. Allowances for long-term investments (*)	254			(140,434,522)
5. Held to maturity investments	255		100,000,000	100,000,000
V. Other long-term assets	260		41,942,863	69,329,643
1. Long-term prepaid expenses	261	V.9b	41,942,863	69,329,643
2. Deferred income tax assets	262		-	-
3. Long-term equipment and spare parts for replacement	263		-	-
4. Other long-term assets	268		-	-
TOTAL ASSETS	270		566,539,573,858	47,028,344,442

BALANCE SHEET
 As of 31/12/2019
 (Continued)

EQUITY	Code	Demonstration	Unit: VND	
			Ending period	Beginning period
C. LIABILITIES	300		145,442,792,113	77,904,275,923
I. Liabilities	310		128,152,792,113	77,904,275,923
1. Short-term trade payables	311	V.10	60,442,678,830	45,909,590,577
2. Short-term prepayments from customers	312		-	-
3. Taxes and other payables to government budget	313	V.12	3,429,256,127	4,327,429
5. Short-term trade payables	315	V.13	62,441,188	39,499,896
9. Other short-term payments	319	V.14	2,989,944,753	32,138,021
10. Short-term borrowings and finance lease liabilities	320	V.17.a	58,834,574,027	29,918,720,000
11. Short-term provisions	321		-	-
12. Bonus and welfare fund	322		2,393,897,188	2,000,000,000
13. Price stabilization fund	323		-	-
14. Government bonds purchased for resale	324		-	-
II. Long-term liabilities	330		17,290,000,000	-
8. Long-term borrowings and finance lease liabilities	338	V.17.b	17,290,000,000	-
D. OWNER'S EQUITY	400		421,096,781,745	399,124,068,519
I. Owner's equity	410	V.18	421,096,781,745	399,124,068,519
1. Contributed capital	411		373,748,460,000	298,999,810,000
8. Development and investment funds	418		8,394,830,504	6,394,830,504
11. Undistributed profit after tax	421		38,953,491,241	93,729,428,015
- Undistributed profit after tax brought forward	421a		1,636,890,327	30,301,162,302
- Undistributed profit after tax for the current period	421b		37,316,600,914	63,428,265,713
12. Capital expenditure	422		-	-
II. Other expenditures and funds	430		-	-
TOTAL EQUITY	440		566,539,573,858	477,028,344,442

Prepared by
 (Signed)
 Trinh Thanh Tuoi

Chief Accountant
 (Signed)
 Trinh Thanh Tuoi

Hanoi, 28 March 2020
 General Director
 (Signed and sealed)
 Phan Thanh Nam

BALANCE SHEET
 As of 31/12/2019
 (Continued)

EQUITY	Code	Demonstration	Unit: VND	
			Ending period	Beginning period
C. LIABILITIES	300		145,442,792,113	77,904,275,923
I. Liabilities	310		128,152,792,113	77,904,275,923
1. Short-term trade payables	311	V.10	60,442,678,830	45,909,590,577
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9. Other short-term payments	319	V.14	2,989,944,753	32,138,021
10. Short-term borrowings and finance lease liabilities	320	V.17.a	58,834,574,027	29,918,720,000
11. Short-term provisions	321		-	-
12. Bonus and welfare fund	322		2,393,897,188	2,000,000,000
13. Price stabilization fund	323		-	-
14. Government bonds purchased for resale	324		-	-
II. Long-term liabilities	330		17,290,000,000	-
8. Long-term borrowings and finance lease liabilities	338	V.17.b	17,290,000,000	-
D. OWNER'S EQUITY	400		421,096,781,745	399,124,068,519
I. Owner's equity	410	V.18	421,096,781,745	399,124,068,519
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- Undistributed profit after tax brought forward	421a		1,636,890,327	30,301,162,302
- Undistributed profit after tax for the current period	421b		37,316,600,914	63,428,265,713
12. Capital expenditure	422		-	-
II. Other expenditures and funds	430		-	-
TOTAL EQUITY	440		566,539,573,858	477,028,344,442

Prepared by
 (Signed)
 Trinh Thanh Tuoi

Chief Accountant
 (Signed)
 Trinh Thanh Tuoi

Hanoi, 28 March 2020
 General Director
 (Signed and sealed)
 Phan Thanh Nam

INCOME STATEMENT
 Year 2019

ITEM	Code	Demonstration	Unit: VND	
			Current period	Previous period
1. Sales of goods and services	01	VI.1	333,106,170,148	228,147,452,941
2. Deductions	02		-	-
3. Net sales of goods and services (10 = 01 - 02)	10		333,106,170,148	228,147,452,941
4. Original cost of goods sold	11	VI.2	280,376,769,913	153,576,325,074
5. Gross sales of goods and services (20 = 10 - 11)	20		52,729,400,235	74,571,127,867
6. Income of financial activities	21	VI.3	802,230,467	1,153,982,424
7. Financial expenses	22	VI.4	7,328,477,818	6,313,096,254
- In which: Interest expenses	23		4,632,938,691	1,268,214,846
8. Sales costs	24	VI.6	1,584,339,016	1,466,208,495
9. Corporate management costs	25	VI.7	4,473,616,093	4,512,456,124
10. Net profit from business activities {30 = 20 + (21 - 22) - (24 + 25)}	30		40,145,197,775	63,433,349,418
11. Other incomes	31	VI.8	10,000	38,750
12. Other costs	32	VI.9	2,828,606,861	5,122,455
13. Other profit (40 = 31 - 32)	40		(2,828,596,861)	(5,083,705)
14. Total profit before taxes (50 = 30 + 40)	50		37,316,600,914	63,428,265,713
15. Current corporate income tax costs	51	VI.10	-	-
16. Deferred corporate income tax costs	52		-	-
17. Profits after corporate income tax (60 = 50 - 51 - 52)	60		37,316,600,914	63,428,265,713
18. Basic earnings per share	70	VI.II	1,248.05	2,108.17
19. Diluted earnings per share	71		-	-

Prepared by
 (Signed)
 Trinh Thanh Tuoi

Chief Accountant
 (Signed)
 Trinh Thanh Tuoi

Hanoi, 28 March 2020
 General Director
 (Signed and sealed)
 Phan Thanh Nam

CASH FLOW STATEMENT
 Under indirect method
 Year 2019

Unit: VND

ITEM	Code	Current period	Previous period
I. Cash flows from operating activities			
1. Profit before taxes		37,316,600,914	63,428,265,713
2. Adjustments for			
- Fixed asset depreciation	01 02	2,552,212,005	2,485,996,455
- Allowances	03	(140,434,522)	140,434,522
- Gains/losses on exchange rate differences from revaluation of accounts derived from foreign currencies	04	-	(124,540,449)
- Gains/losses from investment activities	05	1,880,457,533	2,786,034,546
- Interest expenses	06	4,632,938,691	2,539,835,782
3. Gains/losses from operating activities before change of working capital	08	46,241,774,621	71,256,026,569
- Increase/decrease of receivables	09	(11,753,514,793)	(20,069,154,672)
- Increase/decrease of inventories	10	(23,301,125,954)	(18,699,759,607)
- Increases/decrease of payables (excluding payable interest and payable corporate income tax)	11	17,998,517,443	(25,133,942,689)
- Increase/decrease of prepaid expenses	12	3,639,954	108,178,377
- Paid interest	13	(4,609,997,399)	(2,500,335,886)
Cash flows from operating activities		24,579,293,872	4,961,012,092
II. Cash flows from investing activities			
1. Expenditures on purchase and construction of fixed assets and other long-term assets	21	(31,696,695,000)	-
5. Expenditures on equity investments in other entities	25	(39,900,000,000)	(39,600,000,000)
6. Expenditures on equity investments in other entities	26	23,940,000,000	60,230,000,000
7. Proceeds from interests, dividends and distributed profits	27	779,542,467	383,965,454
Cash flows from investing activities		(46,877,152,533)	21,013,965,454
III. Cash flows from financing activities			
1. Proceeds from issuance of shares and receipt of contributed capital	31	-	
3. Drawdown of borrowings	33	137,886,059,054	64,978,838,800
4. Repayments of borrowings	34	(91,680,205,027)	(65,060,118,800)
6. Dividends paid to shareholders	36	(12,032,684,260)	
Cash flows from financing activities		34,173,169,767	(81,280,000)
Net cash flows in the current period	50	11,875,311,106	25,893,697,546
Cash and cash equivalents at the beginning of the current period	60	38,153,013,343	12,259,315,797
Effect of exchange rate fluctuations	61		
Cash and cash equivalents at the end of the current period	70	50,028,324,449	38,153,013,343

Prepared by
 (Signed)
 Trinh Thanh Tuoi

Chief Accountant
 (Signed)
 Trinh Thanh Tuoi

Hanoi, 28 March 2020
 General Director
 (Signed and sealed)
 Phan Thanh Nam

NOTES TO FINANCIAL STATEMENT

Year 2019

(These notes are an integral part of the Financial Statement)

I. OPERATION CHARACTERISTICS OF THE ENTERPRISE

Form of capital ownership

Tien Thanh Service and Trading Joint Stock Company was established and has operated under the Business Registration Certificate No. 0100596523 dated November 4, 2003, 26th change dated November 14, 2019 issued by Hanoi Authority for Planning and Investment.

Main activities of the Company as:

- Manufacture and processing of trumpery;
- Business in fashion products, construction materials...

Head office of the Company is located at: Viet Hung Urban Area, Duc Giang Ward, Long Bien District, Hanoi City, Vietnam

II. ACCOUNTING PERIOD AND CURRENCY USED IN ACCOUNTING RECORDS

The annual accounting period of the Company follows the calendar year starting on January 1 and ending on December 31 annually.

The currency used in accounting is Vietnam Dong (VND).

III. APPLIED ACCOUNTING STANDARDS AND REGIMES

1. Applied accounting standards

The Company applies corporate accounting regime issued under Circular No. 200/2014/BTC dated 22/12/2014 of the Ministry of Finance.

2. Statement of compliance with Accounting Standards and Accounting Regimes

The Company has applied Vietnamese Accounting Standards and guiding documents of Standards issued by the State. The financial Statements are made and presented in accordance with the provisions of each standard, the circular guiding the implementation of the standards and the current accounting regime.

IV. APPLIED ACCOUNTING POLICIES

1. Financial instruments

Initial recognition

Financial assets

The Company's financial assets include cash and cash equivalents, trade and other receivables, lendings, short-term and long-term investments. At the date of initial recognition, financial assets are determined by purchase price/issuance costs adding other expenses directly related to the purchase and issuance of such financial assets.

Financial liabilities

Financial liabilities of the Company comprise loans, trade payables and other payables, accrued expenses. At the date of initial recognition, the financial liabilities are determined by the issuance price adding the incurred costs directly related to the issuance of such financial liabilities.

Value after initial recognition

There are currently no regulations on revaluation of financial instruments after initial recognition

2. Professional skills in foreign currency

Actual exchange rate for foreign currency transactions during the period

- Actual exchange rate is the exchange rate in the foreign currency sale contract between the Company and a commercial bank.
- Exchange rate upon capital contribution or receipt of capital contribution is the foreign currency buying rate of the bank where the Company's account is opened to receive capital from the investor on the date of capital contribution;
- The exchange rate upon recognition of receivable debts is the buying rate of the commercial bank where the Company appoints customers to pay at the time of transactions incurred;
- The exchange rate on recognition of liabilities is the selling price of the commercial bank where the Company intends to transact at the time of the transaction incurred;
- The exchange rate upon procurement of immediate payment by foreign currency is the buying rate of the commercial bank where the Company makes payment.

The actual exchange rate upon revaluation of monetary items denominated in foreign currencies at the time of preparation of the financial statement:

- For items classified as assets, the foreign currency buying rate shall be applied;
- For foreign currency deposits, the buying rate of the bank where the Company opens its foreign currency accounts is applied;
- For items classified as liabilities, the foreign currency selling rate of the commercial bank where the Company regularly transacts will be applied.

All differences in exchange rate incurred during the period and the differences from revaluation of balances of monetary items denominated in foreign currencies at the end of the period are included in the income statement of the accounting period.

3. Cash and cash equivalents

Cash includes cash on hand, demand deposits, gold, cash used with function of value storage, excluding gold classified as inventories used for purpose of materials to produce products or goods for sale.

Cash equivalents are short-term investments with maturity time of no more than 03 months, have high liquidity, are easily convertible into specified amounts of cash and do not pose a lot of risks in conversion into cash.

4. Financial investments

Trading securities are recorded at the original cost including: purchase price adding purchase costs (if any) such as costs of brokerage, transactions, information provision, taxes, bank fees and bank charges. The original cost of trading securities is determined according to the reasonable value of payments at the time of the transaction incurred.

Held to maturity investments include: Term bank deposits (including treasury bills, promissory notes), bonds, preferred shares, which must be repurchased by issuers in the certain time in the future and held to maturity short-term loans for the purpose of collection of periodic interest and other held to maturity investments.

The book value of investments in subsidiaries and joint ventures is determined at the original cost.

The book value of investments in equity instruments of other entities that do not have right to control, joint-control or have significant influence on the investee are determined at the original cost if they are cash investments or revaluation price if investments by non-monetary assets.

Dividends received in shares recognize only the number of shares received, do not recognize an increase in the value of investments and sales from financial activities.

Convertible shares are determined of share value under a fair value at the exchange date. The fair value for shares of a listed company is the closing price listed on the stock market, for the unlisted shares traded on the UPCOM as the closing price on the UPCOM centre, for the other unlisted shares, as the contractual price or book value at the time of exchange.

Provision for devaluation of investments is made at the end of year as follows:

- For investments in trading securities: the basis for setting up the provision is the difference between the original cost of investments recorded in the accounting book which is greater than their market value at the time of making the allowance.
- For long-term held investments (not classified as trading securities) and without significant influence on the investee: if the investment in listed shares or fair value of the investment is determined reliably, the provision is made based on the market value of the share; If the investment fails to determine the fair value at the reporting time, the provision is made based on the financial statement at the time of provision of the investee.
- For held to maturity investments, recovery ability is evaluated to set up a provision for doubtful receivables according to the provisions of law.

5. Receivable debts

Receivables are monitored in detail by receivable term, receivable objects, receivable original currency, and other factors according to the Company's management needs.

Provision for doubtful debts is made for: overdue receivable debts specified in the economic contract, loan contracts, contractual commitments or commitments of debts and receivable debts undue but difficult to recover. In particular, the provision for overdue receivable debts is based on the original repayment period according to the initial sale contract, excluding to the debt extension between the parties and receivable debts that are not yet due but the debtor is in debt bankruptcy or is making dissolution procedures, lost or escapes.

6. Inventories

Inventories are stated at the original cost. Where the net realizable value is lower the original cost, inventories are stated at the net realizable value. Original cost of inventories comprises of purchasing, processing and other directly related costs incurred to get inventories at current location and status.

Inventory value is determined by the weighted average method.
Inventories are accounted under the regular declaration method.

Method of determining the value of unfinished products at the end of the period:
Costs of unfinished production and business are aggregated with expenses for main materials for each unfinished product.

Provision for devaluation of value of inventories is made at the end of the period based on the difference between the original cost of inventories which is greater than the net realizable value.

7. Fixed assets, finance lease fixed assets and investment real estates

Implementing Circular No. 45/2013-TAT-BTC dated April 25, 2013 of the Ministry of Finance, guiding the regime of management, use and depreciation of fixed assets and is amended by Circular No. 147/2016/TT-BTC dated October 13, 2016. Tangible fixed assets, intangible fixed assets are recognized under the original cost. During use, tangible fixed assets and intangible fixed assets are recognized under the original cost, accumulated depreciation and residual value. Depreciation is provided on a straight-line basis. Depreciation time is estimated as follows:

- House, architectural items	05-25 years
- Machines, equipment	03-06 years
- Means of transport	05-08 years
- Office equipment	03-05 years

8. Prepaid costs

Costs incurred in connection with the business operation results of many accounting periods are recorded into prepaid costs to be gradually allocated to the business results in subsequent accounting periods.

The calculation and allocation of long-term prepaid costs to the production and business costs of each accounting period are based on the nature and extent of each cost to choose reasonable allocation methods and criteria. Prepaid costs are gradually allocated to business costs on a straight-line basis.

Business advantages incurred when equitization of State enterprises are gradually allocated for no more than 3 years.

9. Liabilities

The liabilities are monitored by payable term, payable objects, payable original currency and other factors according to the Company's management needs.

10. Borrowings and finance lease liabilities

The value of a finance lease liabilities is the total payable amount which is calculated by the present value of the minimum rental payment or the fair value of the leased asset.

Borrowings and finance lease liabilities are monitored by each lending object, borrowing agreement and payable term of borrowings and finance lease liabilities. In case of borrowing, liabilities in foreign currency, follow up in details in original currency.

11. Borrowing costs

Borrowing costs are recognized in business and production costs, in the period incurred, except for borrowing costs that are directly related to the construction investment or the production of unfinished assets. (capitalized) when it meets all conditions prescribed in Vietnamese Accounting Standard No. 16 of "Borrowing costs". In addition, for a separate loan serving the construction of fixed assets, investment real estates, loan interests are capitalized even after the construction period is less than 12 months.

For general loans, including those used for investment in construction or production of an unfinished asset, the borrowing costs having eligibility to be capitalized in each accounting period are determined in percentage of capitalization for the weighted average accumulated cost incurred for construction investment or production of such assets. The capitalization rate is calculated on the basis of the weighted average interest rate of the unpaid borrowings in the period, except for particular borrowings serving the purpose of obtaining an unfinished asset.

12. Payable costs

Payables for goods and services received from sellers or provided to buyers in the reporting period but not actually paid are recorded in production and business costs of the reporting period.

The recognition of payable costs into production and business costs in the period is made on the principle of matching between sales and expenses incurred in the period. Accrued costs will be settled with actual costs incurred. The difference between accruals and actual costs is reverted.

13. Payable allowances

Payable allowances are recognized only when the following conditions are satisfied:

- The enterprise has a current debt obligation (legal obligation or joint obligation) as a result of an event that has occurred;
- A decrease in the probable economic benefits resulting in requesting payment of debt obligations; and
- Make a reliable estimate of the value of that debt obligation.

The recognized amount of a payable provision is the most reasonable estimate value of the payable amount to pay current debt obligations at the end of the accounting period.

Only costs related to the initial provision must be offset by that allowance.

Payable provision is recorded in operating costs of the accounting period. The difference between the payable provision made in the previous accounting period which has not been used up is greater than the payable provision made in the reporting period to be reverted and recorded as a decrease in production and business costs in the period subtracting the larger difference of the payable provision of the warranty of the construction work being reverted to other income in the period.

14. Unrealized sales

Unrealized sales includes sales received in advance, such as: the amount paid in advance to one or more accounting periods for asset lease, interests received before borrowings or buying debt instruments and other unrealized sales such as: difference between selling price of deferred payment or installment payment according to the selling price of immediate payment, the corresponding sales with the value of goods, services or the amount subject to discount for customers in the traditional customer program ...

Unrealized sales is transferred to Sales of goods and services or Sales of financing activities according to the amount determined in line with each accounting period.

15. Owner's equity

Investments from owners are recognized according to owners' actually contributed capital.

A share premium reflects the difference between face value and expenses directly related to the issuance of shares and the issue price of shares (including cases of reissuance of treasury stocks) and may be in positive surplus (if the issuance price is higher than face value and cost is directly related to issuance of shares) or negative surplus (if issuance price is lower than face value and cost is directly related to issuance of shares).

Other capital of owner's equity reflects the amount of business capital formed due to additions from the business results or from donation, sponsor and revaluation of assets (if permitted – specify increase or decrease of investment capital of owner).

Treasury shares are shares issued by the Company and bought back by the Company, these shares are not canceled and will be reissued within the period prescribed by the law on securities. Treasury shares are recorded at the actual acquisition value and presented in the Balance Sheet as a decrease in the investment capital of Owner. The original cost of treasury shares when reissued or when used to pay dividends, bonuses ... is calculated according to the weighted average method.

Differences in asset revaluation are reflected in the following cases: when there is a State decision on asset revaluation, when equitizing State enterprises, and other cases as prescribed by the law.

Undistributed after-tax profit reflects business results (profits and losses) after corporate income tax and the Company's distribution of profits or settlement of losses. The distribution of profits is made when the Company has undistributed after-tax profit not exceeding the undistributed after-tax profit in the Consolidated Financial Statements after excluding the effect of profit from recognition from a cheap purchase. The case of paying dividends to the owner in excess of undistributed after-tax profits is recorded as a case of reducing contributed capital.

Undistributed after-tax profit can be distributed to investors based on the capital contribution ratio after being approved by the General Meeting of Shareholders/the Management Board and after establishing funds in accordance with the Company's Charter and regulations of Vietnamese law.

Payable dividends to shareholders are recognized as payables in on closing date of right to receive dividends of Vietnam Securities Depository.

16. Sales

Sales of goods sale

- Sales of goods sale are recognized when all of the following conditions are satisfied:
- Most of the risks and benefits associated with the ownership of products or goods have been transferred to the buyer;
- The Company no longer retains rights of goods management as a goods owner or rights of goods control;
- Sales is determined relatively reliably;
- The Company has gained or will gain economic benefits from sale transactions;
- Determine expenses related to sale transactions.

Sales of service provision

- Sales of service provision is recognized when all of the following conditions are satisfied:
- Sales is determined relatively reliably;
- Be able to gain economic benefits from such service supply transaction;
- Identify the work to be completed on the date of making the Balance Sheet;
- Determine costs incurred for the transaction and costs to complete the transaction of such service provision.

The finished service provision is determined by the method of evaluation of completed work

Sales of financing activities

Sales incurred from interests, royalties, dividends, distributed profits and other financial income is recognized when the following two (2) conditions are simultaneously met:

- Be able to obtain economic benefits from such transactions;
- Sales is determined relatively reliably.

Distributed dividends and profits are recognized when the Company is entitled to receive dividends or receive profits from the capital contribution.

17. Sales deductions

Deductions from sales of goods sale and services incurred in the period include: Trade discounts, discount of goods and returned goods.

Trade discounts, discount of goods and returned goods incurred in the same period of consumption of products, goods and services are adjusted to reduce sales of the arising period. Where products, goods and services have been consumed from previous periods, then sales deductions are incurred, such sales decrease shall be recorded according to the following principle: If arising before the time of issuing the report of Financial Statement, sales decrease shall be recorded in the financial statement of the reporting period (previous period), and if arising after the issuance of financial statement, the sales decrease shall be recorded in the financial statement of the arising period (subsequent period).

18. Original cost of goods sold

Cost of goods sold reflects the original cost value of products, goods and services sold in the period.

19. Financial costs

Costs recorded in financial costs include:

- Costs or losses related to financial investment activities;
- Borrowing costs;
- Costs of losses on short-term securities transfer, costs of securities sale transactions;
- Provision for devaluation of trading securities, provision for losses of investments in other entities, losses incurred when selling foreign currencies, exchange rate losses ...

The above items are recorded according to the total amount incurred in the period, not offsetting with financial income.

20. Corporate income tax

Costs of corporate income tax are determined on the basis of taxable income in the year and tax rate of corporate income tax in the current year.

The company is applying corporate income tax exemption for production and business activities of goods and services of enterprises with an average number of disabled employees in the working year of 30% or more of the total average number of employees of the enterprise (except for financial activities and real estate transfer) in accordance with the corporate income tax law and Official Letter No. 10296/CCT-TTHT-AC dated 06/07/2016 of the Long Bien District Tax Sub-Department regarding the exemption of corporate income tax.

21. Related parties

Parties are considered to be related if that party has the ability to control the other party or exercises significant influence over the other party in making decisions on financial and operating policies. Related parties of the Company include:

- Enterprises that directly or indirectly through one or more intermediaries, have control over the Company or are subject to the Company's control, or share the same control with the Company, including the parent company, the subsidiaries and affiliates;

- Individuals directly or indirectly hold voting rights of the Company that have a significant influence on the Company, key management personnel of the Company, close members in the family of such individuals;
- Enterprises which are directly or indirectly held by the above individuals for the important voting rights or having significant influence on the enterprise.

In considering each relationship of the related parties, it should pay attention to the nature of the relationship and not just the legal form of such relationship.

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V. ADDITIONAL INFORMATION TO THE ITEMS IN THE BALANCE SHEETS

1. CASH

	The beginning balance	The ending balance
- Cash	4,540,123,968	2,363,486,142
- Non-term bank deposit	20,088,200,481	35,789,527,201
+ Deposit in VND	20,088,200,481	35,789,527,201
<i>Joint Stock Commercial Bank for Investment and Development of Vietnam – North Hanoi Branch</i>	25,439,408	773,074,237
<i>Joint Stock Commercial Bank for Investment and Development of Vietnam – Bac Tu Liem Branch</i>	19,031,864,381	5,000,000,000
<i>Saigon Hanoi Commercial Joint Stock Bank</i>	716,860	30,000,000,000
<i>Other banks</i>	1,030,179,832	16,452,964
- Cash and cash equivalents	25,400,000,000	-
Term deposit (from 1-3 months)	25,400,000,000	
Sub-total	50,028,324,449	38,153,013,343

2. FINANCIAL INVESTMENTS

3. RECEIVABLES FROM CUSTOMERS

	Unit: VND			
	The ending balance		The beginning balance	
	Value	Provisions	Value	Provisions
a. Short term				
VISTACOM JSC.	43,297,400,000		23,048,000,000	
Trong Duong Steel One-member Co., Ltd.	52,920,422,162		2,574,861,000	
Dong Thien Phu Hung Yen JSC	12,990,231,265			
Nguyen Khang Steel Co., Ltd.	31,041,692,881			
VMG Fashion Co., Ltd.			69,555,807,400	
Golden Lotus Consultancy and Investment JSC			22,331,000,000	
Others	1,100,001		3,401,959,000	
b. Long term				
Sub-total	164,460,909,309		120,911,627,400	

In which: receivables from customers and related parties

Name of customers	Relation	The ending balance	
		Value	Provisions
Short-term receivables		-	137,500,000
Dong Thien Phu Group JSC			137,500,000
Sub-total		-	137,500,000

The notes attached hereto are the integral parts of the Financial Statement

4. PREPAID TO THE SUPPLIERS

Unit: VND

	The ending balance		The beginning balance	
	Value	Provisions	Value	Provisions
a. Short term	24,983,598,774	-	50,000,084	-
Dong Thien Phu Group JSC	4,932,995,654			
Red Ocean Vietnam Investment & Import-Export Co., Ltd.	9,930,000,000			
Minh Anh Services Trading & Investment Co., Ltd.	10,045,000,000			
Others	75,603,120		50,000,084	
Sub-total	24,983,598,774	-	50,000,084	-

In which: receivables from customers and related parties	The ending balance	The beginning balance
Prepaid to the supplier	4,932,995,654	-
Dong Thien Phu Group JSC	4,932,995,654	-
Sub-total	4,932,995,654	-

5. OTHER RECEIVABLES

Unit: VND

	The ending balance		The beginning balance	
	Value	Provisions	Value	Provisions
a. Short term	25,873,862,028		241,759,544	
- Advance payment (*)	25,872,356,227		241,759,544	
b. Long term	34,203,000,000		116,639,000,000	
- Other receivables	34,203,000,000		116,639,000,000	
+ EMJ Ha Nam JSC(**)	34,200,000,000		34,200,000,000	
+ Toan Thang Real Estate and Investment Co., Ltd. (***)	3,000,000		82,439,000,000	
Sub-total	60,076,862,028		116,880,759,544	

In which: receivables from customers and related parties	The ending balance	The beginning balance
Advance payment	4,932,995,654	18,300,000
Mr. Nguyen Huu Truong	19,849,607,820	18,300,000
Mrs. Trinh Thanh Tuoi	19,849,607,820	106,459,544
Sub-total	19,849,607,820	124,759,544

(*) In which, the advance balance of Mr. Nguyen Huu Truong – the president cum General Director is VND 19,849,607,820. Advance payment for carrying out Tien Thanh Tower project. As of March 25, 2020, Mr. Nguyen Huu Truong returned the advance payment with the bank deposit of VND 19,800,000,000.

(**) mean the receivables from the business co-operation contract with EMJ Ha Nam Joint Stock Company to build the alcohol production line with the capacity of 1.95 million liters / year in Kim Binh Industrial Park, Phu Ly City, Hanam Province and to develop Vodka EMJ brand. The capital contribution ratio is 67%, cooperation term is from 03/01/2015 to 05/05/2054. The profit divided according to capital contribution ratio. As of December 31, 2019, the project is in the stage of investment and licensing.

(***) mean the receivables from investment capital trust contract with Toan Thang Real Estate and Investment Co., Ltd. No. 22/12/HDHTDT DATED 22/12/2017. The cooperation term is from 01/01/2018 to 31/12/2037. Profits are divided in proportion: Tien Thanh is entitled to 30% of the total profit. As of December 3, 2018, the two parties have made the record on the progress of the investment cooperation contract; accordingly, the two parties agreed to terminate the investment trust contract No. 22/12 / HDHTDT, in January 2019, Toan Thang Real Estate and Investment Co., Ltd. returned an amount of VND 82,436,000,000 to the Company.

The notes attached hereto are the integral parts of the Financial Statement

6. INVENTORIES

	The ending balance		The beginning balance	
	VND/ Original cost	Provisions	VND/ Original cost	Provisions
- Work in progress	3,577,761,808		3,354,627,000	
- Goods	109,104,993,268		86,027,002,122	
Sub-total	112,682,755,076	-	89,381,629,122	-

* The value of inventories that is stagnant, inferior and unqualified at the end of the period is VND 0

* The value of inventories that is used for mortgage or pledge to secure the debts at the end of the period: VND 0

7. INCREASE, DECREASE IN THE TANGIBLE FIXED ASSETS (The details are stated in Appendix 2)

8. INCREASE, DECREASE IN THE INTANGIBLE FIXED ASSETS (The details are stated in Appendix 2).

9. PREPAID TO THE SUPPLIER

	The ending balance	The beginning balance
	VND	VND
a. Short term	30,698,080	6,951,254
Short-term prepayment to the supplier	30,698,080	6,951,254
b. Long term	41,942,863	69,329,643
Long term allocated devices, instruments	41,942,863	69,329,643
Long-term prepayment to the supplier		
Sub-total	72,640,943	76,280,897

10. PAYABLES TO THE SUPPLIERS

	The ending balance		The beginning balance	
	Book value	The amount payable	Book value	The amount payable
Short term	60,442,678,830	41,964,765,981	45,909,590,577	45,909,590,577
ACTIVATION CREATION APPRAREL SDN.BHD		-	7,578,317,500	7,578,317,500
National Technology JSC	29,687,801,001	29,687,801,001	14,120,501,001	14,120,501,001
Red River Corporation		-	13,911,000,000	13,911,000,000
Lam Giang Steel JSC	4,115,171,387	4,115,171,387	9,213,349,053	9,213,349,053
Technology Transfer Construction, Design and Consultancy JSC		-	775,000,000	775,000,000
Minh Van Anh Development Investment Co., Ltd	18,477,912,849			
Others	8,161,793,593	8,161,793,593	311,423,023	311,423,023
Sub-total	60,442,678,830	60,442,678,830	45,909,590,577	45,909,590,577

	The ending balance	The beginning balance
	VND	VND
Payables to suppliers and related parties	30,698,080	-
	41,942,863	-

The notes attached hereto are the integral parts of the Financial Statement

12. TAXES AND PAYABLES TO THE STATE

a. Payables

Unit: VND

Description	The beginning balance	Payables in the period	Actual payment in the period	Other adjustments	The ending balance
	(a)	(b)	(c)	(d)	(e)=(a)+(b)-(c)+(d)
VAT to be paid	4,327,429	2,775,588,127	2,278,386,679		501,528,877
Import and export taxes		2,525,558,350	2,525,558,350		-
Personal income tax		20,400,000	20,400,000		-
Property tax, land rental		2,927,727,250			2,927,727,250
Fees, charges and other payables		4,000,000	4,000,000		-
Sub-total	4,327,429	8,253,273,727	4,828,345,029	-	3,429,256,127

b. Receivables

Description	The beginning balance	Payables	Actual payment	Adjustment	The ending balance
	(a)	(b)	(c)	(d)	(e)=(a)+(b)-(c)+(d)
Import and export taxes			1.397.330		1.397.330
Sub-total	-	-	1.397.330	-	1.397.330

The Company's tax settlement will be subject to the inspection of the taxation authority. Because of application of the law and the regulations on taxes to many different transactions, it may be explained in different ways, the amount of tax presented on the Financial Statements may be changed in accordance to the decision of the taxation authority.

13. EXPENSES TO BE PAID

	The ending balance VND	The beginning balance VND
a. Short term	62,441,188	39,499,896
- Interest to be paid	62,441,188	39,499,896
Sub-total	62,441,188	39,499,896

	The ending balance VND	The beginning balance VND
a, Short term	2,989,944,753	32,138,021
- Trade union fees	50,033,153	31,745,882
- Social insurance	-	392,139
- Other payables	2,939,911,600	-
Sub-total	2,989,944,753	32,138,021

17. SHORT-TERM BORROWINGS AND FINANCE LEASE LIABILITIES

(The details are stated in Appendix 3)

18. OWNER'S EQUITY

a. The comparative table of change in owner's equity

(The details are stated in Appendix 4)

b. Details of the owner's equity

	The ending balance VND	Ratio %	The beginning balance VND	Ratio %
Capital contributed by the State	-		-	
Capital contributed by other shareholders	373.748.460.000	100,00	298.999.810.000	100,00
Sub-total	373.748.460.000	100,00	298.999.810.000	100,00

The notes attached hereto are the integral parts of the Financial Statement

The details of the related shareholders

Shareholders	Relation	The ending balance	The beginning balance
Mr. Nguyen Huu Truong	President of Management Board	78,487,500,000	62,790,000,000
Mr. Nguyen Anh Tuan	Member of Management Board	97,170,000	77,740,000
Mrs. Nguyen Thi Kim Phuong	Member of Management Board	134,550,000	107,640,000
Total		78,719,220,000	62,975,380,000

c. Transaction related the capital with the owners and dividend distribution and profit allocation.

	The current period VND	The previous period VND
- Investment capital of the owner	298,999,810,000	298,999,810,000
+ Capital contributed at the beginning period	74,748,650,000	-
+ Capital contributed in the period		
+ Capital contributed at the ending period	373,748,460,000	298,999,810,000
- Allocated dividend, profits		

d. Shares

	The current period	The previous period
The number of shares registered to issue	37,374,846	29,899,981
The number of shares sold to the public	37,374,846	29,899,981
+ Ordinary shares	37,374,846	29,899,981
+ Preferred shares		
Number of shares redeemed (Treasury shares)		
The number of outstanding shares	37,374,846	29,899,981
+ <i>Ordinary shares</i>	37,374,846	29,899,981
+ <i>Preferred shares (classified as owner's equity)</i>		
Par value of outstanding shares: VND 10,000		

e. Company's funds

	The current period	The previous period
Fund for investment and development	8,394,830,504	6,394,830,504
Total	8,394,830,504	6,394,830,504

VI. ADDITIONAL INFORMATION FOR ITEMS PRESENTED IN THE INCOME STATEMENT

1. SALES

	The current period	The previous period
Gross sales	333,106,170,148	228,147,452,941
Sales from goods	333,106,170,148	227,830,752,941
Sales from service provision		316,700,000
Sales deductions	-	-
Net sales	333,106,170,148	228,147,452,941

2. ORIGINAL COST OF GOODS SOLD

	The current period	The previous period
Original costs of the goods sold	280,376,769,913	153,576,325,074
Original costs of the service provided		
Total	280,376,769,913	153,576,325,074

3. SALES FROM FINANCIAL ACTIVITIES	The current period	The previous period
Deposit and loan interest	16,168,467	2,278,454
Proceeds from dividends, profits	763,374,000	381,687,000
Exchange rate difference profit	22,688,000	770,016,970
Sub-total	802,230,467	1,153,982,424
4. FINANCIAL EXPENSES	The current period	The previous period
Interest to be paid	4,632,938,691	2,539,835,782
Reversal, provision for devaluation of investment	(140,434,522)	140,434,522
Sacrifice of shares	2,660,000,000	3,170,000,000
exchange rate difference loss	175,973,649	462,825,950
Sub-total	7,328,477,818	6,313,096,254
5. PRODUCTION AND BUSINESS EXPENSES BASED ON SELLING AND MANAGEMENT EXPENSES		
Expenses by factors	The current period	The previous period
Expenses for raw materials, materials	82,161,768	201,808,921
The labor employees	2,504,161,362	2,061,231,189
Depreciation of fixed assets	2,552,212,005	2,485,996,455
Tax, fee and charges	227,134,808	15,153,784
Outsourcing expenses	450,648,021	555,683,460
Other expenses in cash	464,771,953	658,790,810
Sub-total	6,281,089,917	5,978,664,619
6. SELLING EXPENSES	1,581,334,468	1,464,706,221
- Labor expenses	3,004,548	1,502,274
- Outsourcing expenses	1,584,339,016	1,466,208,495
Sub-total		
7. CORPORATION MANAGEMENT EXPENSES		
Expenses for raw materials, materials	82,161,768	201,808,921
The labor employees	922,826,894	596,524,968
Depreciation of fixed assets	2,552,212,005	2,485,996,455
Tax, fee and charges	4,000,000	15,153,784
Outsourcing expenses	447,643,473	554,181,186
Other expenses in cash	464,771,953	658,790,810
Sub-total	4,473,616,093	4,512,456,124
8. OTHER INCOMES		
- Other items	10,000	38,750
Total	10,000	38,750

9. OTHER COSTS

	Current period VND	Previous period VND
- Fines for violation of regulations on tax	2,828,606,861	4,129,305
- Other amounts		993,150
Sub-total	2,828,606,861	5,122,455

10. CURRENT CORPORATE INCOME TAX

	Current period VND	Previous period VND
Corporate income tax over taxable income in current year	-	-
Adjustment of corporate income tax of the previous years to income tax in current year	-	-
Total corporate income tax in current year	-	-

Details of corporate income tax in current year

	Current period VND	Previous period VND
Profit before taxes	37,316,600,914	63,428,265,713
Adjustment for taxable income	-	-
Increase adjustments	-	-
Decrease adjustments	-	-
Non-taxable profit	37,316,600,914	63,428,265,713
Taxable profit	-	-
Current tax rate	20%	20%
Corporate income tax	-	-
Deferred corporate income tax		
Payable corporate income tax	-	-

The company is applying corporate income tax exemption for production and business activities of goods and services of enterprises with an average number of disabled employees in the working year of 30% or more of the total average number of employees of the enterprise (except for financial activities and real estate transfer) in accordance with the corporate income tax law and Official Letter No. 10296/CCT-TTHT-AC dated 06/07/2016 of the Long Bien District Tax Sub-Department regarding the exemption of corporate income tax.

9. BASIC EARNINGS PER SHARE

	Current period VND	Previous period VND
Net profit after taxes	37,316,600,914	63,428,265,713
Adjustments:	-	393,897,188
- Dividends of preferred shares		
- Reward and welfare fund from profit after taxes		393,897,188
Profit allocated for ordinary shares	37,316,600,914	63,034,368,525
Average outstanding ordinary shares in the year	29,899,981	29,899,981
Basic earnings per share	1,248.08	2,108.17
Par value of share (VND/Share)	10,000 VND/Share	10,000 VND/Share

VII. OTHER INFORMATION

1. Non-cash transactions affect the cash flow statements

-In the year, the unit conducts allocation of Dividend in shares amounted to VND 74,748,650,000

2. Financial instruments

Types of financial instruments of the Company include:

Financial asset	Ending year		Beginning year		Unit: VND
	Original cost	Provisions	Original cost	Provisions	
Cash and cash equivalents	50,028,324,449		38,153,013,343		
Receivables from customers, other receivables	224,537,771,337		237,792,386,944		
Long-term investments	89,016,870,000		75,716,870,000		
Total	363,582,965,786		351,662,270,287		
Financial liabilities	Ending year		Beginning year		
			VND	VND	
Borrowing and liabilities			76,124,574,027	29,918,720,000	
Trade payables, other payables			63,432,623,583	45,941,728,598	
Accrued expenses			62,441,188	39,499,896	
Sub-total			139,619,638,798	75,899,948,494	

Financial assets and financial liabilities have not been evaluated at their fair values as of the closing date of the accounting period under Circular No. 210/2009/TT-BTC and current regulations requiring the presentation of financial statement and information notes for financial instruments but do not provide equivalent guidance for assessing and recording the fair value of the financial assets and financial liabilities, except for provision for doubtful debts and provision for devaluation of securities investments detailed in the related notes.

Management of financial risks

The Company's financial risks include market risk, credit risk and liquidity risk. The Company has built a control system to ensure a reasonable balance between incurred risk costs and risk management costs. The Board of Directors of the Company is responsible for monitoring the risk management process to ensure a reasonable balance between risk and risk control.

Market risk

Business activities of the Company will be primarily subject to risks when there are changes in prices, exchange rates and interest rates.

Price risk:

The Company is subject to price risk of equity instruments arising from short-term and long-term share investments due to uncertainty about the future price of investment shares. Long-term share investments are held for long-term strategic purposes, as at the end of the accounting period, the Company has no plans to sell these investments.

Exchange rate risk:

The Company is subject to risk of exchange rate due to the fair value of future cash flows of a financial instrument that will fluctuate due to changes in foreign exchange rates when loans, revenues and expenses of the company is denominated in a different currency to Vietnam Dong.

Interest rate risk:

The Company suffers interest rate risks due to the fair value of future cash flows of a financial instrument that will fluctuate due to changes in market interest rates when the Company has the term or non-term deposits and loans or debts bear the floating rate, The Company manages interest rate risk by analyzing the competitive situation in the market to get favorable interest rates for the Company's purpose.

Credit risk

Credit risk is the risk that a party involved in a financial instrument or a contract can't perform its obligations, resulting in a financial loss to the Company. The Company has credit risks from its production & business operations (primarily for receivables from customers) and its financial activities (including bank deposits, loans and other financial instruments).

	From 1 year below VND	From 1-5 years VND	Above 5 years VND	Total VND
The ending balance				
Cash and cash equivalents	50,028,324,449			50,028,324,449
Receivables from customers	190,334,771,337	34,203,000,000		224,537,771,337
Other receivables				
Long-term investment		89,016,870,000		89,016,870,000
Subtotal	240,363,095,786	123,219,870,000		363,582,965,786
The beginning balance				
Cash and cash equivalents	38,153,013,343			38,153,013,343
Receivables from customers, other receivables	121,153,386,944	116,639,000,000		237,792,386,944
Long-term investment		75,576,435,478		75,576,435,478
Subtotal	159,306,400,287	192,215,435,478		351,521,835,765

Payment risks

Liquidity risk is that the Company encounters difficulties in performing its financial obligations due to lack of capital. Liquidity risk of the Company mainly arises from the financial assets and financial liabilities with different maturity times.

The payment term of liabilities are based on the expected payments under the contract (based on the cash flows of principals), as follows:

	From 1 year below VND	From 1-5 years VND	Above 5 years VND	Total VND
The ending balance				
Loans and debts	58,834,574,027		17,290,000,000	76,124,574,027
Payables to the suppliers, other payables	63,432,623,583			63,432,623,583
Expenses to be paid	62,441,188			62,441,188
Sub-total	122,329,638,798		17,290,000,000	139,619,638,798
The beginning balance				
Loans and debts	29,918,720,000			29,918,720,000
Payables to the suppliers, other payables	45,941,728,598			45,941,728,598
Expenses to be paid	39,499,896			39,499,896
Sub-total	75,899,948,494			75,899,948,494

The company believes that the level of risk for debt payment is controllable. The Company is able to pay due amounts from cash flow from operating activities and proceeds from the matured financial assets.

3. THE EVENTS ARISING AFTER THE BALANCE SHEET DATE

No significant events occurred after the balance sheet date requiring to be adjusted or published in these separate Financial Statements.

4. REGIONAL REPORT

The regional report under the geographic areas (domestic and overseas operations)

The company only operates in Vietnamese Territory

Report under the business fields

The business fields of the Company are as follows:

	Sales	Total
Net sales outside	-	333,106,170,148
Gross net sales	-	333,106,170,148
Expenses for each section	-	280,376,769,913
Business result of each section	-	52,729,400,235
Non-allocated expenses under the section		6,057,955,109
Profits from business operations		46,671,445,126
Sales from financial operations		802,230,467
Financial expenses		7,328,477,818
Other incomes		10,000
Other expenses		2,828,606,861
Current business income tax		-
Profit after tax		37,316,600,914

5. PROFESSIONAL SKILLS AND BALANCE WITH THE RELATED PARTIES

Related parties	Relation
Mr. Nguyen Huu Truong	President of Management Board cum General Director as of 12/11/2019,
Mrs. Nguyen Thi Kim Phuong Dong Thien Phu Group Joint Stock Company	Member of Management Board of Tien Thanh Service and Trading JSC Chief Accountant of Dong Thien Phu Group JSC
Minh Van Anh Development Investment Co., Ltd Kien Giang Brick Tile Joint Stock Company	Tien Thanh Service and Trading JSC owns 19% shares Tien Thanh Service and Trading JSC owns 12.71% shares
Mrs. Trinh Thanh Tuoi	Chief Accountant

Transaction with the related parties

Mr. Nguyen Huu Truong	The current period (VND)	The previous period (VND)
Advance payment	189,261,000,000	8,203,300,000
Return of the advance payment	169,429,692,180	8,185,000,000

Mrs. Trinh Thanh Tuoi		
Advance payment	5,015,500,000	359,500,000
Return the advance payment	5,121,959,544	253,040,456
Mrs. Nguyen Thi Kim Phuong		
Advance payment	5,000,000,000	9,986,000,000
Return the advance payment	5,000,000,000	9,986,000,000
Dong Thien Phu Group Joint Stock Company		
Service provision		330,000,000
Return the advance payment	5,867,000,000	40,000,000,000
Prepaid to the supplier	10,800,000,000	
Receipt of sales	137,500,000	165,000,000
Purchase of goods	5,118,664,172	
Paid to the supplier	5,118,664,172	
Received the wrong transfer	247,500,000	
Returned the wrong transfer	247,500,000	
Minh Van Anh Development Investment Co., Ltd,		
Purchase of goods	81,441,900,958	
Paid to the supplier	49,512,088,112	
Futher investment	39,900,000,000	
Prepaid to the supplier	13,451,900,000	
Kien Giang Brick Tile Joint Stock Company		
Receipt of dividends	763,374,000	381,687,000
Income of the Management Board and General Directorate		Current period
Income of the Directorate and Management Board		204,000,000

7. COMPARATIVE FIGURE

Comparative figures are the figures in the financial statements for the year ended 31/12/2018 audited by TTP Auditing Co., Ltd.

Prepared by
(Signed)
Trinh Thanh Tuoi

Chief Accountant
(Signed)
Trinh Thanh Tuoi

Hanoi, 28 March 2020
General Director
(Signed and sealed)
Phan Thanh Nam

TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY

Viet Hung Urban Area, Duc Giang Ward, Long Bien District, Hanoi City

Financial Statement

For the fiscal year ended as of 31/12/2019

APPENDIX 01:

2. FINANCIAL INVESTMENTS

	Ending balance		Fair value	Original cost	Beginning balance		Fair value
	Original cost	Provision for			Original cost	Provision for	
a. Investment in subsidiaries							
b. Other investments	89,016,870,000	-	89,016,870,000	75,716,870,000	140,434,522	75,576,435,478	
- Kien Giang Brick Tile Joint Stock Company	3,816,870,000		3,816,870,000	3,816,870,000	-	3,816,870,000	
- Minh Van Anh Development Investment Co., Ltd.	45,600,000,000		45,600,000,000	5,700,000,000	-	5,700,000,000	
- Baltic Trading and Services Co., Ltd.	39,500,000,000		39,500,000,000	39,500,000,000	-	39,500,000,000	
- Son Phu Investment JSC				26,600,000,000	140,434,522	26,459,565,478	
c. Held to Maturity Investment							
- Bonds of Joint Stock Commercial Bank for Investment and Development of Vietnam	100,000,000	-	100,000,000	100,000,000	-	100,000,000	
Total	89,016,870,000	-	89,016,870,000	75,716,870,000	140,434,522	75,576,435,478	

Unit: VND

Other investment

Detailed information of the companies in which other investments are made by the Company as of 31/12/2019 as follows:

Name of companies	Place of establishment/operation	Proportion of control	Proportion of voting right	Main lines of business
- Kien Giang Brick Tile Joint Stock Company	Group 4, Xa Ngach residential area, Kien Luong Town, Kien Luong District, Kien Giang Province	12.71%	12.71%	- Distilling, preparing the spirit wines; - Producing wines
- Minh Van Anh Development Investment Co., Ltd	513/6/1 Nguyen Oanh, Ward 17, Go Vap District, Ho Chi Minh City.	19.00%	19.00%	- Agency for auction brokerage; - Wholesale of agricultural and forestry products, raw materials (except wood, bamboo and Neohouzeau) and live animals - Wholesale of foods
- Baltic Trading and Services Co., Ltd.	Cam Thuong Industrial Zones, Cam Thuong Ward, Hai Duong City.	19.75%	19.75%	- Distilling, preparing the spirit wines - Producing non-alcoholic beverages and mineral water - Producing plastic and primary composite rubber

The notes attached hereto are the integral parts of the Financial Statement and it should be read in conjunction with the Financial Statement

APPENDIX 02

7. INCREASE/DECREASE IN THE TANGIBLE FIXED ASSET

Unit: VND

Items	Building & architectonic model	Equipment & machine	Transportation means	Instruments & tools for management	Other fixed assets	Total
Original price of fixed assets						
Beginning balance	28,186,941,356	112,300,000	8,864,844,000	346,023,389	-	37,510,108,745
Increase in the period	2,029,140,183	-	-	-	-	2,029,140,183
- Purchase in the period	2,029,140,183	-	-	-	-	2,029,140,183
Decrease in the period	-	-	-	-	-	-
Ending balance	30,216,081,539	112,300,000	8,864,844,000	346,023,389	-	39,539,248,928
Accumulated depreciation value						
Increase in the period	1,382,702,173	112,300,000	3,209,714,455	266,320,772	-	4,971,037,400
- Purchase in the period	874,535,277	-	1,652,703,456	24,973,272	-	2,552,212,005
Decrease in the period	874,535,277	-	1,652,703,456	24973,272	-	2,552,212,005
Ending balance	-	-	-	-	-	-
Increase in the period	2,257,237,450	112,300,000	4,862,417,911	291,294,044	-	7,523,249,405
The remaining value						
Beginning balance	26,804,239,183	-	5,655,129,545	79,702,617	-	32,539,071,345
Ending balance	27,958,844,089	-	4,002,426,089	54,729,345	-	32,015,999,523

- The remaining as of 31/12/2019 of tangible fixed asset used for mortgage for the loan: VND 31,860,416,032
- The original cost of tangible fixed assets has been fully depreciated but they are still in use as of December 31, 2019: VND 733,420,610

The notes attached hereto are the integral parts of the Financial Statement and it should be read in conjunction with the Financial Statement

Unit: VND

Item	Land use rights	Trade mark	Computer software	Patent copyright	Other intangible fixed assets	Total
Original price of fixed assets						
Beginning balance	3,459,527,229					3,459,527,229
Increase in the period	29,667,554,817					29,667,554,817
- Purchase in the period	29,667,554,817					29,667,554,817
Decrease in the period	-					-
Ending balance	33,127,082,046					33,127,082,046
Accumulated depreciation value						
Beginning balance						-
Increase in the period	-					-
Decrease in the period	-					-
Ending balance	-					-
The remaining value						
Beginning balance	3,459,527,229					3,459,527,229
Ending balance	33,127,082,046					33,127,082,046

- The remaining as of 31/12/2019 of intangible fixed asset used for mortgage for the loan: VND 33,127,082,046
- The original cost of intangible fixed assets has been fully depreciated but they are still in use as of December 31, 2019: VND 0.

TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY
Viet Hung Urban Area, Duc Giang Ward, Long Bien District, Hanoi City

Financial Statement
For the fiscal year ended as of 31/12/2019

Appendix 3
17. LOAN AND FINANCIAL LEASE LIABILITIES

Unit: VND

	Ending balance		Increase in the period		Decrease in the period		Beginning balance	
	Value	Solvency	Value		Value		Value	Solvency
a. Short-term loan	58,834,574,027	58,834,574,027	120,596,059,054		91,680,205,027		29,918,720,000	29,918,720,000
- Loans from bank								
<i>Joint Stock Commercial Bank for Investment and Development of Vietnam – North Hanoi Branch (1)</i>								
<i>An Binh Commercial Joint Stock Bank- Hanoi Branch (2)</i>								
<i>Lien Viet Post Joint Stock Commercial Bank – Xuan Mai Branch (3)</i>								
<i>Vietnam Joint Stock Commercial Bank for Industry and Trade (4)</i>	17,989,282,357	17,989,282,357	35,956,140,713		17,966,858,356			
- Debts in due								
<i>Vietnam Joint Stock Commercial Bank for Industry and Trade (5)</i>								
b, Long-term loans	17,290,000,000	17,290,000,000	22,000,000,000		4,710,000,000			
- Loans from Bank								
<i>Vietnam Joint Stock Commercial Bank for Industry and Trade (5)</i>	17,290,000,000	17,290,000,000	22,000,000,000		4,710,000,000			
Total	76,124,574,027	76,124,574,027	142,596,059,054		96,390,205,027		29,918,720,000	29,918,720,000

Details of the loan contracts:

(1) Loans from Joint Stock Commercial Bank for Investment and Development of Vietnam under the credit contract No. 01/2019/4642129/HDTD dated 04/09/2019

- Credit limit: VND 30,000,000,000
- Validity period: 12 months
- Borrowing purpose: to supplement the working capital, guarantee , opening L/C
- Interest rate: the interest rate as specified in each specific contract

- Loan security: The loan is mortgaged by land use right, house ownership certificate No. CK 888435 of Tien Thanh Service and Trading Joint Stock Company, account balance of Tien Thanh Trading and Service Joint Stock Company at Joint Stock Commercial Bank for Investment and Development of Vietnam - North Hanoi Branch, saless from economic contracts received by Tien Thanh Service and Trading Joint Stock Company and all capital and assets legally owned by Tien Thanh Service and Trading Joint Stock Company.

The balance as of 31/12/2019 is VND 29,845,291,670.

TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY

Viet Hung Urban Area, Duc Giang Ward, Long Bien District, Hanoi City

Financial Statement

For the fiscal year ended as of 31/12/2019

(2) Loans from An Binh Commercial Joint Stock Bank - Hanoi Branch under the overdraft lending contract No. 249/19/TD-DN/II.25 dated December 30, 2019.

- Maximum limit of overdraft: VND 20,000,000,000
- Validity period: 12 months
- Borrowing purpose: To supplement capital for short-term expenses in the business operation period
- Interest rate: Lending interest rate is 9.7% / year
- Loan security: The loan is secured by a deposit contract issued by ABBank
The balance as of 31/12/2019 is VND 5,000,000,000

(3) Loans from Lien Viet Post Joint Stock Commercial Bank - Xuan Mai Branch under credit agreement No. HDTD1402019329 dated October 21, 2019

- Credit limit: VND 3,000,000,000
- Validity period: 12 months
- Borrowing purpose: to supplement the capital for production and business operations
- Interest rate: Interest rate as specified each debt receipt
- Loan security: This loan is secured by KIA-brand car, category: GRAND SEDONA YP 33G ATH, plate number: 30E-262.71 and the car branded TOYOTA LANDCRUISER, plate number 30E-267.98 under the ownership of Tien Thanh Service and Trading Joint Stock Company;
The balance as of 31/12/2019 is VND 2,860,000,000.

(4) Loans from Vietnam Joint Stock Commercial Bank for Industry and Trade - Quang Trung Branch under loan agreement No. 30/2019-HDCVHM / NHCT324- TIENTHANH dated 30/07/2019,

- Credit limit: VND 18,000,000,000
- Validity period: 12 months
- Borrowing purpose: to supplement the working capital for production and business operations of steel, building materials and import of the secondhand Jumbo packs.
- Interest rate: Interest rate as specified each debt receipt
- Loan security: This loan is secured by the real estate under the real estate mortgage contract dated 26/06/2019, the certification No. 1078.HDTC, Book No. 01/2019TP/CC-SCC/HDGD notarized at Le Van Son Notary Office, Ho Chi Minh City.
The balance as of 31/12/2019 is VND 17,989,282,357.

(5) Long-term loan from Vietnam Joint Stock Commercial Bank for Industry and Trade - Quang Trung Branch under loan agreement for project investment No. 14/2019-HDDCVDDADD/ NHCT324- TIEN THANH dated 27/05/2019.

- Credit limit: VND 22,000,000,000
- Validity period: 84 months
- Borrowing purpose: paying for the legal investment expenses of the head office project of Tien Thanh Service and Trading Joint Stock Company in Ho Chi Minh City.
- Interest rate: the interest rate is 10%/year for 12 months from the date of disbursement, from the 13th month in accordance with regulations of VietinBank in each period.
- Loan security: the loan is secured by the assets as specified - The loan is secured by assets specified in the security contracts made before, at the same time and after the signing date of this contract.

The balance is as of 31/12/2019 is VND 20,430,000,000 . In which, the long-term debts in due is VND 3.140.000.000.

TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY

Viet Hung Urban Area, Duc Giang Ward, Long Bien District, Hanoi City

Financial Statement

For the fiscal year ended as of 31/12/2019

Appendix 4

18. OWNER'S EQUITY

a. Balance sheet of owner's equity

Unit: VND

	Owner's equity	Share premiums	Foreign exchange differences	Fund for investment and development	Retained earnings	Total
Previous period's opening balance	298,999,810,000			6,394,830,504	30,206,280,302	335,600,920,806
- Previous period's capital increase						-
- Previous period's profit					63,428,265,713	63,428,265,713
- Make provision for Funds						-
- Other increases					94,882,000	94,882,000
The current period's balance	298,999,810,000			6,394,830,504	93,729,428,015	399,124,068,519
- Capital increase in the period	74,748,650,000					74,748,650,000
- Profit in the period					37,316,600,914	37,316,600,914
- Make provision for Funds						-
- Other increase						-
- Loss in the period						-
- Profit distribution				2,000,000,000	(2,393,897,188)	(393,897,188)
- Dividend					(14,949,990,500)	(14,949,990,500)
- Stock dividend					(74,748,650,000)	(74,748,650,000)
Period end's balance	373,748,460,000			8,394,830,504	38,953,491,241	421,096,781,745

This note is an integral part of the financial statement

LỜI CHỨNG CỦA CÔNG CHỨNG VIÊN
CERTIFICATION OF NOTARY PUBLIC

Hôm nay, ngày 04 tháng 04 năm 2020 (ngày mùng bốn, tháng tư, năm hai nghìn không trăm hai mươi)

Tại Văn phòng Công chứng Đông Đô, số 101 Ngụy Như Kon Tum, phường Nhân Chính, quận Thanh Xuân, Thành phố Hà Nội

Tôi – **Đỗ Thị Lý**, công chứng viên Văn phòng công chứng Đông Đô, thành phố Hà Nội

CHỨNG NHẬN:

- Bản dịch này do bà **Phan Thị Kiều Anh**, cộng tác viên phiên dịch Văn phòng công chứng Đông Đô, thành phố Hà Nội dịch từ tiếng Việt Nam sang tiếng Anh;

- Chữ ký trong bản dịch đúng là chữ ký của bà **Phan Thị Kiều Anh**;

- Nội dung bản dịch chính xác, không vi phạm pháp luật, không trái đạo đức xã hội;

- Bản dịch gồm 39 tờ, 39 trang, lưu một bản tại Văn phòng công chứng Đông Đô, thành phố Hà Nội.

Số công chứng: 0950, quyển số: 01 TP/CC-SCC/BD

**NGƯỜI DỊCH
TRANSLATOR**



PHAN THỊ KIỀU ANH

**CÔNG CHỨNG VIÊN
NOTARY PUBLIC**



ĐỖ THỊ LÝ

Today, on 04th April 2020 (the fourth day of April, two thousand and twenty)

At Dong Do Notary office, No. 101 Nguy Nhu Kon Tum, Nhan Chinh ward, Thanh Xuan district, Hanoi city,

I – **Do Thi Ly**, the Notary public of Dong Do Notary office, Hanoi city

CERTIFIES THAT:

- This translation is translated from Vietnamese into English by Ms **Phan Thi Kieu Anh**, the collaborator of Dong Do Notary office, Hanoi city;

- The signature in the translation is Ms **Phan Thi Kieu Anh's**;

- The content of the translation is correct, not against the law and the social morality;

- The translation includes 39 sheets, 39 pages, one of which is recorded at Dong Do Notary Office, Hanoi city.

Notary No.: 0950, Book No.: 01 TP/CC-SCC/BD