



**THE INTERIM FINANCIAL STATEMENTS
OF TIEN THANH SERVICE AND TRADING
JOINT STOCK COMPANY**

For the accounting period from January 01, 2020 to June 30, 2020
(Reviewed)

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REPORT OF THE BOARD OF GENERAL DIRECTORS

The Board of Directors of Tien Thanh Service and Trading Joint Stock Company (hereinafter referred to as "Company") presents its reports and the Interim Financial Statements of the Company for the accounting period from January 01, 2020 to June 30, 2020.

COMPANY

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

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

The major activities of the Company are:

- Producing and processing of handicrafts;
- Trading in fashion products, building materials, etc.

EVENTS AFTER THE DATE OF THE ACCOUNTING BOOKS OF PREPARING FINANCIAL STATEMENTS

The Board of General Directors of the Company confirms that there are no major events occurring after the date of preparing financial statements that require modification or disclosure in the interim financial statements of the Company for the accounting period from January 01, 2020 to June 30, 2020.

BOARD OF MANAGEMENT, INTERNAL AUDIT COMMITTEE, BOARD OF GENERAL DIRECTOR

Members of the Board of Management during the period and at the date of making this report are:

Mr. Nguyen Huu Truong	Chairman
Mr. Phan Thanh Nam	Member
Mr. Vu Quoc Hoa	Member
Mr. Nguyen Anh Tuan	Member
Ms. Nguyen Thi Kim Phuong	Member

Members of the Internal Audit Committee during the period and at the date of making this report are:

Ms. Nguyen Thi Kim Phuong	Head of Internal Audit Committee
Ms. Ha Thi Tuyet Chinh	Member
Ms. Doan Thi Anh	Member

Members of the Board of General Directors during the period and at the date of making this report are:

Mr. Phan Thanh Nam	General Director
Ms. Trinh Thanh Tuoï	Chief accountant

AUDITOR

The interim financial statements for the accounting period from January 01, 2020 to June 30, 2020 of Tien Thanh Service and Trading Joint Stock Company have been reviewed by TTP Auditing Company Limited. This company is eligible for auditing for public companies, public companies in the securities sector in accordance with the regulations of the Ministry of Finance and the State Securities Commission of Vietnam.

DISCLOSURE OF THE BOARD OF GENERAL DIRECTOR'S RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Board of General Directors is responsible for the preparation of the Interim Financial Statements that accurately and reasonably reflect the Company's operations, business results and cash flows during the period. In the process of preparing the Interim Financial Statements, the Board of General Directors committed to comply with the following requirements

- Develops and maintains internal controls as determined by the Board of Management and the Board of General Directors to ensure that the preparation and presentation of the Financial Statements are free of material misstatement due to fraud or error ;
- Select suitable accounting policies and then apply them consistently;
- Make judgments and predictions that are reasonable and prudent;
- Clearly state the applied accounting standards which have been complied or not, there are deviations so materially that need disclosure and explanation in the financial statements or not;
- Prepare the financial statements on the basis of continuous business operations unless it is impossible that the Company will continue to operate the business.

The Board of General Directors ensures that the accounting records are kept to reflect the financial position of the Company, with faithfulness and reasonableness at any time, and ensure that the Financial Statements comply with current State regulations. At the same time is responsible for ensuring the safety of the Company's assets and taking appropriate measures to prevent and detect frauds and other violations.

The Board of General Directors of the Company commits that the interim financial statements have truthfully and reasonably reflect the financial position of the Company as at June 30, 2020, business results and cash flow situation for the accounting period from January 01, 2020 to June 30, 2020, in accordance with Vietnamese accounting standards and policies for enterprises and current regulations relating to the preparation and presentation of Interim Financial Statements.

Other commitments

The Board of General Directors commits that the Company complies with Decree 71/2017/ND-CP dated June 06, 2017 guiding corporate governance applicable to public companies and that the Company does not violate the obligation to disclose information under the provisions of Circular No.155/2015/TT-BTC, dated October 6, 2015 of the Ministry of Finance guiding the information disclosure on the stock market.

Hanoi, 03 August 2020
On behalf of the Board of Directors
General Director

Phan Thanh Nam



TTP AUDITING LIMITED COMPANY

No : 295/BCKT-TC

REPORT ON REVIEW OF STATEMENT OF INTERIM FINANCIAL INFORMATION

Regarding the financial statements for the accounting period from January 01, 2020 to June 30, 2020 of Tien Thanh Service and Trading Joint Stock Company

**To: The Shareholders
 The Boards of Management and General Directors
 Tien Thanh Service and Trading Joint Stock Company**

We have audited the interim financial statements of Tien Thanh Service and Trading Joint Stock Company which was prepared on August 12, 2020, including: Balance sheet as at 30 June 2020, Profit and Loss Statement, Cash Flow Statement and Financial Statement Footnotes for the accounting period from January 01, 2020 to June 30, 2020 are presented from pages 07 to 37 as attached.

Responsibility of the Board of General Directors

The Board of General Directors is responsible for the preparation with faithfulness and reasonableness of the Interim Financial Statements of the Company in accordance with Vietnamese accounting standards, accounting policies for enterprises and the applicable legal requirements relating to the preparation and presentation of financial statements and responsibility for internal control that the Board of General Directors determines to be necessary to ensure the preparation and presentation of the Interim Financial Statements is free of material misstatement due to fraud or error.

Responsibility of Auditor

It is our responsibility to conclude the Interim Financial Statements based on the results of our review. We conducted our review in accordance with Vietnamese Standards on Review Service Contract No. 2410 - Review of interim financial information performed by the independent auditor of the auditing company.

Interim financial information review involves conducting interviews, primarily interviewing those responsible for financial and accounting matters, and performing analytical and other review procedures. A review that is substantially narrower than an audit carried out in accordance with the Vietnamese standards on auditing and therefore does not allow us to obtain assurance that we will be aware of all major issues that may be discovered during an audit. Accordingly, we do not express audit opinion.

Conclusion of Auditor

Based on our review, we do not see any problem that makes us believe that the attached Interim Financial Statements truthfully and reasonably reflect, in the major aspect, interim financial situation of the company as at 30/06/2020, Interim Profit and Loss Statement and Interim Cash Flow Statement of the company for the 6-month accounting period ending the same day, as appropriate with Vietnamese accounting standards, accounting policies for Vietnamese enterprises and legal regulations related to the preparation and presentation of Interim Financial Statements

Hanoi, 03 August 2020

TTP AUDITING LIMITED COMPANY

Deputy General Director

(Signed and sealed)

Le Phuong Anh

Auditing practice certificate No.:

0739-2018-133-1

INTERIM BALANCE SHEET
 As at 30 June 2020

Unit: VND

ASSETS	Code	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		316.972.150.476	378.134.679.426
I. Cash and cash equivalents	110	V.01	15.500.004.466	50.028.324.449
1. Cash	111		15.500.004.466	24.628.324.449
2. Cash equivalents	112		-	-
II. Short-term financial investments	120		-	-
1. Trading securities	121		-	-
2. Allowances for decline in trading securities (*)	122		-	-
3. Held to maturity investments	123		-	-
III. Short-term receivables	130		185.131.633.755	215.318.370.111
1. Short-term trade receivables	131	V.03	107.867.030.284	164.046.909.309
2. Short-term advances to suppliers	132	V.04	57.836.995.651	24.983.598.774
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	116.031.785.934	112.682.755.076
1. Inventories	141		116.031.785.934	112.682.755.076
2. Provision for devaluation of inventories (*)	149		-	-
V. Other short-term assets	150		308.726.321	105.229.790
1. Short-term prepayments	151	V.9a	22.520.470	30.698.080
2. Value added tax deductibles	152		284.808.520	73.134.380
3. Tax and other receivables from the State budget	153	V.11.a	1.397.331	1.397.330
B. NON-CURRENT ASSETS	200		187.075.232.399	188.404.894.432
I. Non-current receivables	210		34.203.000.000	34.203.000.000
1. Long-term trade receivables	211		-	-
2. Long-term repayments to suppliers	212		-	-
3. Working capital provides to sub-units	213		-	-
4. Long-term intra-company receivables	214		-	-
5. Long-term loan receivables	215		-	-
6. Other long-term receivables	216	V.5b	34.203.000.000	34.203.000.000
7. Provision for doubtful long-term receivables (*)	219		-	-

INTERIM BALANCE SHEET

As at 30 June 2020

(Continued)

ASSETS	Code	Note	Unit: VND	
			Closing balance	Opening balance
II. Fixed assets	220		68.839.505.519	65.143.081.569
1. Tangible fixed assets	221	V.07	30.712.423.473	32.015.999.523
- Cost	222		39.539.248.928	39.539.248.928
- Accumulated depreciation (*)	223		(8.826.825.455)	(7.523.249.405)
2. Leased financial fixed assets	224		-	-
- Cost	225		-	-
- Accumulated depreciation (*)	226		-	-
3. Intangible fixed assets	227	V.08	33.127.082.046	33.127.082.046
- Cost	228		33.127.082.046	33.127.082.046
- Accumulated depreciation (*)	229		-	-
III. Investment properties	230		-	-
- 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 financial investments	250		89.016.870.000	89.016.870.000
1. Investments in subsidiary	251	V.02a	-	-
2. Investments in joint-ventures, associates	252		-	-
3. Equity investments in other entities	253	V.02b	89.016.870.000	89.016.870.000
4. Provision for impairment of long-term financial investments (*)	254		-	-
5. Held-to-maturity investments	255		-	-
V. Other long-term assets	260		15.856.880	41.942.863
1. Long-term prepayment	261	V.9b	15.856.880	41.942.863
2. Deferred tax assets	262		-	-
3. Long-term tools, supplies and spare parts	263		-	-
4. Other long-term assets	268		-	-
TOTAL ASSETS	270		504.047.382.875	566.539.573.858

INTERIM BALANCE SHEET
 As at 30 June 2020
 (Continued)

EQUITY	Code	Note	Closing balance	Unit: VND Opening balance
C. LIABILITIES	300		86.097.496.719	145.442.792.113
I. Current liabilities	310		70.377.496.719	128.152.792.113
1. Short-term trade payables	311	V.10	6.336.482.020	45.909.590.577
2. Short-term advances from customers	312	V.11	-	-
3. Taxes and amounts payable to the State budget	313	V.11a	553.484	3.429.256.127
5. Short-term accrued expenses	315	V.12	84.505.887	62.441.188
9. Other short-term payables	319	V.13	3.077.435.216	2.989.944.753
10. Short-term borrowings and finance lease liabilities	320	V.14a	53.512.903.552	58.834.574.027
11. Short-term provisions				
12. Bonus and welfare funds	322		2.393.897.188	2.393.897.188
13. Price stabilization fund	323		-	-
14. Government bonds purchased for resale	324		-	-
II. Long-term liabilities	330		15.720.000.000	17.290.000.000
8. Long-term borrowings and finance lease liabilities	338	V.14.b	15.720.000.000	17.290.000.000
D. OWNERS' EQUITY	400		417.949.886.156	421.096.781.745
I. Owner's equity	410	V.15	417.949.886.156	421.096.781.745
1. Owner's contributed capital	411		373.748.460.000	373.748.460.000
8. Investment and development fund	418		8.394.830.504	8.394.830.504
11. Retained earnings	421		35.806.595.652	38.953.491.241
- Retained earnings accumulated to prior year-end	421a		38.953.491.241	1.636.890.327
- Retained earnings of the current period	421b		(3.146.895.589)	37.316.600.914
12. Capital expenditure funds	422		-	-
II. Other resources and funds	430		-	-
TOTAL	440		504.047.382.875	566.539.573.858

Hanoi, 03 August 2020

Prepared by
 (Signed and sealed)
 Trinh Thanh Tuoi

Chief Accountant
 (Signed and sealed)
 Trinh Thanh Tuoi

General Director
 (Signed and sealed)
 Phan Thanh Nam

INTERIM INCOME STATEMENT
 For the 6-month period ended 30 June 2020

ITEMS	Code	Note	Unit: VND	
			Current period	Prior period
1. Gross revenue from goods sold and rendering of services	01	VI.1	72.979.606.341	100.420.523.219
2. Deductions	02		-	-
3. Net revenue from goods sold and rendering of services (10 = 01 - 02)	10		72.979.606.341	100.420.523.219
4. Costs of goods sold	11	VI.2	71.506.825.002	84.708.204.519
5. Gross profit from goods sold and rendering of services (20 = 10 - 11)	20		1.472.781.339	15.712.318.700
6. Financial income	21	VI.3	2.101.341.896	768.397.735
7. Financial expenses	22	VI.4	3.296.074.397	4.086.388.940
- In which: Interest expense	23		3.301.378.835	1.268.214.846
8. Selling expenses	24	VI.6	605.703.818	792.545.974
9. General and administrative expenses	25	VI.7	2.752.049.384	2.225.291.414
10. Operating profit {30 = 20 + (21 - 22) - (24 + 25)}	30		(3.079.704.364)	9.376.490.107
11. Other income	31	VI.8	898.766	18.377
12. Other expenses	32	VI.9	68.089.991	25.000
13. Profit from other activities (40 = 31 - 32)	40		(67.191.225)	(6.663)
14. Accounting profit before tax (50 = 30 + 40)	50		(3.146.895.589)	9.376.490.107
15. Current corporate income tax expense	51	VI.10	-	-
16. Deferred corporate income tax expense	52		-	-
17. Net profit after corporate income tax (60 = 50 - 51 - 52)	60		(3.146.895.589)	9.376.483.444
18. Basic earnings per share	70	VI.11	(84,20)	300,42

Hanoi, 03 August 2020

Prepared by
 (Signed and sealed)
 Trinh Thanh Tuoi

Chief Accountant
 (Signed and sealed)
 Trinh Thanh Tuoi

General Director
 (Signed and sealed)
 Phan Thanh Nam

INTERIM CASH FLOWS STATEMENT
According to indirect method
For the 6-month period ended 30 June 2020

ITEMS	Code	Current period	Unit: VND Prior period
I. Cash flows from operating activities			
<i>1. Net profit before tax</i>		<i>(3.146.895.589)</i>	<i>9.376.483.444</i>
<i>2. Adjustments for:</i>	<i>01</i>		
- Depreciation and amortisation of fixed assets	02	1.303.576.050	1.248.635.955
- Provisions	03	-	(140.434.522)
- Foreign exchange (Profits)/losses arising from revaluation of monetary accounts	04	-	85.513.460
- (Profits)/losses from investing activities	05	(2.101.341.896)	(768.397.735)
- Interest expense	06	3.296.074.397	1.481.310.002
<i>3. Operating profit before changes in working capital</i>	<i>08</i>	<i>(648.587.038)</i>	<i>11.283.110.604</i>
- Increase/(Decrease) in receivables	09	29.975.062.215	80.359.486.215
- Increase/(Decrease) in inventories	10	(3.349.030.858)	(7.697.604.665)
- Increase/(Decrease) in payables (excluding accrued loan interest and corporate tax payable)	11	(52.475.689.618)	(37.620.595.259)
- Increase/(Decrease) in prepaid expenses	12	34.263.593	32.253.317
- Interest paid	13	(3.274.009.698)	(1.481.600.916)
Net cash generated by operating activities	20	(29.737.991.404)	44.875.049.296
II. Cash flows from investing activities			
1. Acquisition and construction of fixed assets and other long-term assets	21	-	(31.696.695.000)
5. Investments in other entities	25	-	(13.300.000.000)
6. Proceeds from investment in other entities	26	-	-
7. Interest earned, dividends and profits received	27	2.101.341.896	768.397.735
Net cash used in investing activities	30	2.101.341.896	(44.228.297.265)
III. Cash flows from financing activities			
3. Proceeds from long-term and short-term borrowings	33	37.466.067.882	65.782.600.000
4. Repayment of borrowings	34	(44.357.738.357)	(43.748.720.000)
6. Dividends paid	36	-	(11.386.920.950)
Net cash generated by financing activities	40	-	10.646.959.050
Net increase in cash	50	(34.528.319.983)	11.293.711.081
Cash and cash equivalents at the beginning of the period	60	50.028.324.449	38.153.013.343
Impact of exchange rate fluctuation	61	-	-
Cash and cash equivalents at the end of the period	70	15.500.004.466	49.446.724.424

Hanoi, 03 August 2020

Prepared by
(Signed and sealed)
Trinh Thanh Tuoi

Chief Accountant
(Signed and sealed)
Trinh Thanh Tuoi

General Director
(Signed and sealed)
Phan Thanh Nam

INTERIM FINANCIAL STATEMENT FOOTNOTES

For the accounting period from January 01, 2020 to June 30, 2020
(These notes form an integral part of the Financial Statements)

I. OPERATIONAL CHARACTERISTICS OF THE BUSINESS

Form of equity ownership

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

The major activities of the Company are:

- Producing and processing handicrafts;
- Trading in fashion products, building materials, etc.

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

II. ACCOUNTING PERIOD, CURRENCY UNIT USED IN ACCOUNTING

The annual accounting period of the Company according to the calendar year begins on January 1 and ends on December 31.

Currency unit used in accounting is Vietnam Dong (VND).

III. APPLIED ACCOUNTING STANDARDS AND POLICIES

1. Applied accounting policies

The Company applies the Enterprise Accounting System issued under Circular 200/2014/TT-BTC dated 22/12/2014 of the Ministry of Finance.

2. Statement of Compliance with Accounting Standards and Policies

The Company has applied Vietnamese Accounting Standards and guiding documents issued by the State. The Financial Statements are prepared and presented in accordance with the regulations of each standard, guiding circular on the implementation of such standard and the current accounting policies which are being applied.

IV. APPLIED ACCOUNTING POLICIES

1. Financial Instruments

Initial recognition

Financial assets

Financial assets of the Company include cash and cash equivalents, trade and other receivables, loans, short-term and long-term investments. At the time of initial recognition, financial assets are

determined according to purchase price/issue cost plus other costs directly attributable to the purchase and issue of such financial assets.

Financial liabilities

Financial liabilities of the Company include borrowings, trade payables and other payables or charges payable. At the time of initial recognition, financial liabilities are determined at the issue price plus accrued expenses directly attributable to the issue of those financial liabilities.

Value after initial recognition

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

2. Foreign currency business

Actual exchange rate for transactions in foreign currencies incurred in the period:

- The actual exchange rate is the rate specified in the foreign currency purchase and sale contract between the Company and the commercial bank.
- Rate of capital contribution or receiving capital contribution is the foreign currency buying rate of the bank where the Company opens an account to receive capital from investors on the date of capital contribution;
- The rate when recognizing receivables is the buying rate of the commercial bank where the Company appoints customers to pay at the time the transaction;
- Rate when recognizing liabilities is the selling rate of the commercial bank where the Company intends to make the transaction at the time the transaction arises;
- The exchange rate for asset procurement or instant payment in foreign currency is the buying rate of the commercial bank where the Company makes payment.

Actual exchange rate upon revaluation of monetary items with principle in foreign currencies at the time of making Financial Statements:

- For classified items as assets, the buying rate of foreign currency is applied.
- For foreign currency deposits, the purchase rate of the bank where the Company opens foreign currency accounts is applied;
- For items classified as liabilities, shall apply the selling rate of foreign currency of the commercial bank where the Company regularly has transactions.

All real exchange rate differences arising during the period and differences resulting from revaluation of balances of currency items with principle in foreign currencies at the end of the period are recorded into the income statement of the accounting period.

3. Cash and cash equivalents

Cash includes cash at the fund, demand deposit in bank, monetary gold used with value storage functions, excluding gold classified as inventory used for raw materials to manufacture products or goods for sale

Cash equivalents are short-term investments with maturity not exceeding 3 months, high liquidity, the ability to easily convert into specified amounts and without much risk in converting to money.

4. Financial investments

Held-to-maturity investments include: Bank deposits with term (including treasury bills, promissory notes), bonds, and preference shares issued by the issuer are required to be redeemed at a certain time in the future and held-to-maturity loans for the purpose of earning periodical interest and other held to maturity investments.

Book value of the investments in subsidiaries and associates is determined at original cost.

Book value of equity investments of another entity that does not have control, co-control, or significant influence over an investee is determined at original cost if it is a cash investment or revaluation if it is an investment in non-monetary assets.

Dividends received in shares are only recognized the number of shares received, not recognized for an increase in investment value and financial income.

5. Receivables

Receivables are monitored in detail according to receivable terms, receivable parties, original currency, and other factors according to the Company's management requirements.

Contingency for bad debts are made for: overdue receivables as stated in economic contract, loan agreements, contractual commitments or debt and receivable commitments which are not due for payment but difficult to recover. In which, the contingency for overdue receivables is based on the principal repayment period under the original sale and purchase contract, excluding the debt extension between parties and undue receivable debts but the debtor has fallen into bankruptcy or is carrying out dissolution procedures, missing or has fled

6. Inventory

Inventories is recognized as original cost. In cases where the net realizable value is lower than the original cost, the inventories are recognized at net realizable value. Cost of inventories includes purchase costs, processing costs and other directly related costs incurred to have inventory in place and in its current state.

Inventory value is determined by the weighted average method.

Inventories are recorded using the regular declaration method.

Method of determining the value of unfinished product at the end of the period:

Cost of unfinished product & business is the aggregate cost of main raw materials for each type of unfinished product.

Contingency for devaluation of inventory is established at the end of the period based on the difference between the cost of inventories and the net realizable value.

7. Fixed assets, Financial lease fixed assets and Real estate investment

Implementing Circular 45/2013/TT-BTC dated April 25, 2013 of the Ministry of Finance, guiding the management, use and depreciation of fixed assets and amended by Circular 147/2016/TT-BTC October 13, 2016. Tangible fixed assets and intangible fixed assets are stated at cost. During the period of use, tangible and intangible fixed assets are stated at cost, accumulated depreciation and remaining value. Depreciation is extracted on a straight line basis. Depreciation period is estimated as follows:

- Building & architectonic model	05-25 years
- Equipment & machine	03-06 years
- Vehicles, transportation	05-08 years
- Office equipment	03-05 years

8. Prepaid expenses

Expenses incurred related to the results of production and business activities of many accounting periods are recorded into prepaid expenses for gradual allocation into the business results in the next accounting periods.

The calculation and allocation of long-term prepaid expenses to production and business costs in each accounting period is based on the nature and level of each type of expenses to choose the method and criteria for reasonable allocation. Prepaid expenses are allocated onto production and business expenses on a straight line basis.

Business advantages arising when the equitization of state-owned enterprises are distributed gradually for no more than 3 years.

9. Liabilities

The liabilities are monitored according to payment term, payables, currency and other factors according to the Company's management requirements.

10. Loans and financial lease payables

Value of financial lease payables is the total payable amount calculated by the present value of the minimum lease payments or fair value of the leased property.

Loans and financial lease liabilities are monitored for each lender, each loan agreement and the repayment term of loans and financial lease liabilities. If the loan or debt is in foreign currency, monitor the details according to the original currency.

11. Borrowing cost

Borrowing costs are recognized as costs of production and business in the period when incurred, minus borrowing costs directly related to construction investment or production of assets in progress are included in the value of such assets (capitalized) when all conditions specified in Vietnamese Accounting Standard No.16 "Borrowing costs" are met. In addition, for a separate loan for the construction of fixed assets, investment properties, interest is capitalized even if the construction period is less than 12 months.

For general loans, which are used for the purpose of investing in the construction or production of an unfinished asset, then the amount of borrowing costs eligible to capitalize in each accounting period is determined according to the capitalization rate for the weighted average cumulative cost incurred for the construction investment or production of such asset. Capitalization rate is calculated on the weighted average interest rate of outstanding loans during the period, except for separate loans for the purpose of having unfinished asset.

12. Accruals

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

Accrued expenses are recognized into production and business costs in the period according to the matching principle between revenue and expenses arising in the period. Accrued expenses will be settled with the actual amount incurred. The difference between the accrual amount and the actual expense is reverted.

13. Payable provisions

Payable provisions are recognized only when the following conditions are met:

- The business has a present liability (legal or constructive) as a result of a past event;
- Potential impairment of economic benefits leads to a requirement to settle the debt obligation;
- and
- Give a reliable estimate of the value of the liability.

The recognized value of a payable provision is the most reasonable estimate of the amount that will be charged to repay the current obligation at the balance sheet date.

Only expenses related to an initial established payable provisions are covered by such payable provisions.

Payable provisions are recognized in production and business costs of the accounting period. The difference between the unused provision made in the previous accounting period and the payable provision in the reporting period is reverted as a decrease in production and business costs in the period minus the difference the greater of the payable provision for construction works warranty is reverted into other income during the period.

14. Deferred Revenue

Deferred revenue includes prepayment income such as: prepaid amount by a customer for one or more accounting periods on asset lease, interest received before loaning or purchasing debt instruments and other deferred revenues such as: difference between the sale price of goods with deferred payment or committed installment payment and the selling price paid immediately, the revenue corresponding to the value of the goods or service or the amount to be discounted for customers in the traditional customer program.

Deferred revenue is transferred to Sales of goods revenue and services or Revenue from financial activities by the amount determined in accordance with each accounting period.

15. Equity

Equity of the owner is recorded according to the actual contributed capital of the owner.

Share premium reflects the difference between par value, direct costs related to the issue of shares and issue price (including cases of re-issuance of treasury shares) and possibly a surplus. positive (if the issue price is higher than the par value and direct costs related to the issue of shares) or negative surplus (if the issue price is lower than the par value and costs directly related to the issue of shares).

Other capital belongs to equity represents the amount of business capital formed from the addition of the business results or the gift, donation, sponsorship, revaluation of assets (if it is allowed to record an increase or decrease in Owner's invested capital).

Treasury stocks are issued by the Company and the Company buys back. These stocks are not canceled and will be reissued within a period of time as prescribed by the securities law. Treasury stocks are recognized at the actual value of buying back and presented in the Balance Sheet as a decrease in Equity of the owner. Cost price of treasury stock upon re-issuance or when used to pay dividends or bonuses, etc. is calculated according to the weighted average method.

Asset revaluation difference is reflected in the following cases: when there is a State decision on the revaluation of the property, when the equitization of State-owned enterprises is implemented, and in other cases as prescribed by law the law.

The undistributed after-tax profit reflects the business results (profit, loss) after corporate income tax and the situation of profit distribution or loss settlement of the Company. The distribution of profits is made when the Company has undistributed after-tax profit that does not exceed the

undistributed net profit on the Consolidated Financial Statements after the effects of the undistributed earnings received from a cheap purchase. If dividends or profits are paid to owners in excess of the undistributed net profit, they shall be recognized as in the case of reduction of contributed capital. Undistributed net profit can be distributed to investors based on the capital contribution ratio after the approval of the General Meeting of Shareholders/the Board of Management and after appropriation of funds in accordance with the Company's Charter and the provisions of the law of Vietnam.

Dividends payable to shareholders are recognized as the payable in the Company's balance sheet after the notice of dividend payment from the Board of Management and announcement of the closing date of dividend receiving of the Vietnam Securities Depository.

16. Revenue

Sales revenue

Sales of goods are recognized when the following conditions are also satisfied:

- Most of the risks and benefits associated with ownership of products or goods have been transferred to the buyer;
- The Company is no longer holds the rights to manage the goods as the owner of the goods or to control the goods;
- The revenue can be measured reliably;
- The Company has received or will gain economic benefits from the sale transactions;
- Costs related to sales transactions can be determined.

Revenue from provision of services

Revenue from the provision of services is recognized when the following conditions are also satisfied:

- The revenue can be measured reliably;
- It is possible to obtain economic benefits from the transaction of providing such services;
- Identifying the completed works on the date of making the Balance Sheet;
- Determining the costs incurred for the transaction and the cost to complete the transaction of providing that services.

The part of completed service provision work is determined by the method of evaluating the completed work.

Revenue from financial activities

Revenue arising from interests, copyrights, dividends, distributed profits and other income from financial activities is recognized when the following two (2) conditions are satisfied concurrently:

- It is possible to obtain economic benefits from such transaction;
- The revenue can be measured reliably.

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

17. Revenue deductions

Deductions from sales of goods or service provision arising in the period include: Trade discounts, sales discounts and sales returns.

Trade discounts, sales discounts, and sales returns in the same period of consumption of products and services are adjusted to reduce the revenue of the period. In case the products, goods or services have been sold from the previous period or the revenue deduction has not been made until the following period, the revenue reduction shall be recorded on the following principle: If incurred before the issue of financial statements, a decrease in revenue is recorded in the financial statements of the reporting period (the previous period), and if it is incurred after the issue of the financial statements, a decrease in the revenue of the arising period (the next period) is recorded.

18. Cost of goods sold

Cost of goods sold reflects the cost of products, goods and services sold during the period.

19. Financial expenses

Expenses recognized into financial expenses include:

- Expenses or losses related to financial investment activities;
- Expenses of borrowing;
- Expenses for loss of short-term securities transfer, expenses for selling securities;
- Provisions for impairment of price reduction of securities, for loss of investments in other entities, for losses incurred when selling foreign currencies, for exchange rate losses, etc.

The above items are recognized according to the total incurred in the period, do not balance with financial income.

20. Business income tax

The current business income tax is determined on the basis of taxable profit for the year and business income tax rate for the current year.

The company is applying business income tax exemption for the production and trading of goods and services of business with the average number of employees with disabilities accounting for 30% or more of the total number of employees in the year. Average annual activity of the business (excluding financial activities and real estate transfer) in accordance with the law on business income tax and Official Letter No.10296/CCT-TTHT-AC dated July 6, 2016 of the Tax Department of Long Bien District on the exemption of business income tax.

21. Related parties

Parties are considered to be related parties if such parties have the ability to control or have significant influence over the other party in making decisions about financial policies and operation. The Company's related parties include:

- Businesses that directly or indirectly through one or more intermediaries, have the right to control the Company or are controlled by the Company, or together controlled with the Company, including parent companies, subsidiaries and affiliated companies;
- Individuals who directly or indirectly hold voting rights of the Company that have a significant influence on the Company, key managers of the Company, and close family members of these individuals;
- Businesses are controlled by such individuals mentioned above directly or indirectly hold an important part of voting rights or have a significant influence on the businesses.

In considering of each related party relationship, attention should be paid to the nature of the relationship, not just the legal forms of such relationships.

V. ADDITIONAL INFORMATION FOR ITEMS ON ACCOUNTING BALANCE SHEET

1. CASH

	Closing balance VND	Opening balance VND
- Cash	4,940,942.860	4,540,123.968
- Bank demand deposits	10,559,061.606	20,088,200.481
+ Deposits VND	10,559,061.606	20,088,200.481
- Cash equivalents	-	25,400,000.000
Term deposits (1-3 months)	-	25,400,000.000
Total	15,500,004.466	50,028,324.449

2. FINANCIAL INVESTMENTS (Appendix No. 01)

3. RECEIVABLES OF CUSTOMERS

	Unit: VND			
	Closing balance		Opening balance	
	Value	Provision	Value	Provision
a. Short-term	107,867,030.284		164,460,909.309	
Vietnam South East Asia JSC	11,681,400.000	-	43,297,400.000	-
Trong Duong steel Co., Ltd	47,157,530.571	-	52,920,422.162	-
Hung Yen Dong Thien Phu JSC	12,990,231.265	-	12,990,231.265	-
Nguyen Khang Steel Co., Ltd	21,643,843.955	-	31,041,692.881	-
VMG Fashion Co., Ltd	8,379,117.000	-	24,210,063.000	-
Others	6,014,907.493	-	1,100.001	-
b. Long-term	-	-	-	-
Total	107,867,030.284	-	164,460,909.309	-

4. ADVANCES TO SUPPLIERS

	Unit: VND			
	Closing balance		Opening balance	
	Value	Provision	Value	Provision
a. Short-term	57,836,995.651		24,983,598.774	
Dong Thien Phu Group JSC	6,032,995.654	-	4,932,995.654	-
Red Ocean Vietnam Co., Ltd	9,930,000.000	-	9,930,000.00	-
Minh Anh trading service Investment Co., Ltd	10,045,000.000	-	10,045,000.000	-
Pacific beverage alcohol Corporation	11,316,000.000	-	-	-
Minh Van Anh development investment Co., Ltd	12,039,199.997	-	-	-
Toan Thang Building materials and Services Co., Ltd	8,400,000.000	-	-	-
Others	73,800.000	-	75,603.120	-
Total	57,836,995.651	-	24,983,598.774	-

In which, the balances with related parties are as follows:	Relationship	Closing balance	Opening balance
Advances to suppliers		18.072.195.651	4.932.995.654
Dong Thien Phu Group JSC	Item VII.4	6.032.995.654	4.932.995.654
Minh Van Anh development investment Co., Ltd	Item VII.4	12.039.199.997	-
Total		19.072.195.651	4.932.995.654

5. OTHER RECEIVABLES

Unit: VND

	Closing balance		Opening balance	
	Value	Provision	Value	Provision
a. Short-term	19.427.607.820	-	25.873.862.028	-
- Advance (*)	19.427.607.820	-	25.873.862.028	-
b. Long-term	34.203.000.000	-	34.203.000.000	-
- Other receivables	34.203.000.000	-	34.200.000.000	-
+ EMJ Ha Nam JSC (**)	34.200.000.000	-	34.200.000.000	-
+ Toan Thang building materials and services Co., Ltd	3.000.000	-	3.000.000	-
Total	53.630.607.820	-	60.076.862.028	-

In which, the balances with related parties are as follows:	Relationship	Closing balance	Opening balance
Advance		19.427.607.820	19.849.607.820
Mr Nguyen Huu Truong	Item VII.4	14.422.607.820	19.849.607.820
Mr Phan Thanh Nam	Item VII.4	5.005.000.000	-
Total		19.427.607.820	19.849.607.820

(*) In which the advance balance of Mr. Nguyen Huu Truong - Chairman of the Board of Directors is: 14.422.607.820 VND and of Mr. Phan Thanh Nam - General Director is: 5.005.000.000 VND. Advance for implementation project "Tien Thanh Tower"

(**) Is a receivable on the business cooperation contract with Ha Nam EMJ Joint Stock Company to build wine manufacturing line with capacity of 1,95 million liters/year in Kim Binh Industrial Zone, Phu Ly, Ha Nam, and develop the brand of Vodka EMJ wine. The capital contribution rate is 67%, the cooperating time is from January 03rd, 2015 to May 05th, 2054. Profit is divided according to capital contribution rate. By June 30, 2020, the project is in the licensing investment phase.

6. INVENTORIES

	Closing balance		Opening balance	
	VND	VND	VND	VND
	Cost	Provision	Cost	Provision
- Work in progress	3.577.761.808		3.577.761.808	
- Goods	112.454.024.126		109.104.993.268	
Total	116.031.785.934	-	112.682.755.076	-

* Value of stagnant, low qualified and defective inventories at the end of the period: 0 dong

* Value of inventories used for mortgages, pledges guarantee liabilities at the end of the period: 0 dong

7. INCREASE, DECREASE IN TANGIBLE FIXED ASSETS (Appendix No. 02)

8. INCREASE, DECREASE IN INTANGIBLE FIXED ASSETS (Appendix No. 03)

9. PREPAYMENTS

	Closing balance VND	Opening balance VND
a. Short-term	22.520.470	30.698.080
Short-term prepayments	22.520.470	30.698.080
b. Long-term	15.856.880	41.942.863
Long-term allocation tools	15.502.130	41.942.863
Long-term prepayments	354.750	-
Total	38.377.350	72.640.943

10. TRADE PAYABLES

Unit: VND

	Closing balance		Opening balance	
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
Short-term	11.308.201.392	11.308.201.392	60.442.678.830	60.442.678.830
- Domain Marvellous Sdn Bhd	4.241.798.000	4.241.798.000	4.241.798.000	4.241.798.000
- National technology JSC	-	-	29.687.801.001	29.687.801.001
- Lam Giang Steel JSC	-	-	4.115.171.387	4.115.171.387
- Minh Van Anh development investment Co., Ltd	-	-	18.477.912.849	18.477.912.849
- Thai Hung Trading JSC	5.993.931.372	5.993.931.372	-	-
- Others	1.072.472.020	1.072.472.020	3.919.995.593	3.919.995.593
Total	11.308.201.392	11.308.201.392	60.442.678.830	60.442.678.830

In which, the balances with related parties are as follows:

Relationship	Closing balance	Opening balance
Trade payables	-	18.477.912.849
Minh Van Anh development investment Co., Ltd	-	18.477.912.849
Total	-	18.477.912.849

11. TAXES AND PAYABLES TO THE STATE BUDGET

a. Payables

Interpretation	Opening balance	Payable in the period	Paid in the period	Other adjustments	Closing balance
	(a)	(b)	(c)	(d)	(e)=(a)+(b)-(c)+(d)
Value added tax	501.528.877	-	500.975.393	-	553.484
Personal income tax	-	71.823.986	71.823.986	-	-
Real estate tax, land rental	2.927.727.250	-	2.916.626.060	(11.101.190)	-
Charges, fees and other payables	-	4.000.000	4.000.000	-	-
Total	3.429.256.127	75.823.986	3.493.425.439	(11.101.190)	553.484

b. Receivable

Interpretation	Opening balance	Payable	Paid	Other adjustments	Closing balance
	(a)	(b)	(c)	(d)	(e)=(a)+(b)-(c)+(d)
Value added tax	1.397.330	-	-	-	1.397.330
Real estate tax, land rental	-	-	1	-	1
Total	1.97.330	-	1	-	1.937.331

The Company's tax settlement is under the control of the tax authorities. Since the application of tax laws and regulations to a variety of transactions can be explained in a variety of ways, tax amount presented in the financial statements can be changed according to the decision of tax authorities.

12. ACCURED EXPENSES

	Closing balance VND	Opening balance VND
a. Short-term	84.505.887	62.441.188
- Interest expense	84.505.887	62.441.188
Total	84.505.887	62.441.188

13. OTHER PAYABLES

	Closing balance VND	Opening balance VND
a. Short-term	3.077.435.216	2.989.944.753
- Trade Union fee	77.404.457	50.033.153
- Insurances	60.119.159	-
- Others	2.939.911.600	2.939.911.600
Total	3.077.435.216	2.989.944.753

14. SHORT-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES (Appendix No.4)

15. OWNER'S EQUITY

a. The table of changes in equity (Appendix No.5)

b. Details of the capital contribution of the owner

	Closing balance VND	Rate %	Opening balance VND	Rate %
Capital contribution of the State	-		-	
Capital contributed by other shareholders	373.748.460.000	100	373.748.460.000	100
Total	373.748.460.000	100	373.748.460.000	100

Related shareholders:

Shareholders	Relationship	Closing balance	Opening balance
Mr. Nguyen Huu Truong	Item VII.4	78.487.500.000	78.487.500.000
Mr. Nguyen Anh Tuan	Item VII.4	97.170.000	97.170.000
Ms. Nguyen Thi Kim Phuong	Item VII.4	134.550.000	134.550.000
Total		79.719.220.000	79.719.220.000

c. Capital transactions with equity and distribution of dividends and profits

	Current period VND	Prior period VND
Owner's Equity		
+ Balance as at 1 January 2020	373.748.460.000	298.999.810.000
+ Increased contributed capital in period	-	-
+ Decreased contributed capital in period		
+ Balance as at 30 June 2020	373.748.460.000	298.999.810.000
- Divided dividends and profits		

d. Shares	Closing balance	Opening balance
	VND	VND
The number of issued shares	37.374.846	29.899.981
The number of sold shares in public	37.374.846	29.899.981
+ <i>Common shares</i>	37.374.846	29.899.981
+ <i>Preferred shares</i>		
Treasury shares		
Number of outstanding shares in circulation	37.374.846	29.899.981
+ <i>Common shares</i>	37.374.846	29.899.981
+ <i>Preferred shares</i>		

e. The funds of the enterprise	Closing balance	Opening balance
	VND	VND
- Investment and development fund	8.394.830.504	8.394.830.504
Total	8.394.830.504	8.394.830.504

VI. ADDITIONAL INFORMATION FOR ITEMS PRESENTED IN THE INCOME STATEMENT

1. REVENUE	Current period	Prior period
	VND	VND
Gross Revenue	72.979.606.341	100.420.523.219
- Revenue from sale of goods	72.866.606.341	100.262.023.219
- Rendering services	113.000.000	158.500.000
Deductions	-	-
Net Revenue	72.979.606.341	100.420.523.219

2. COST OF SALES	Current period	Prior period
	VND	VND
Cost of goods sold	71.502.315.802	84.581.245.474
Cost of service provided	4.509.200	126.959.045
Total	71.506.825.002	84.708.204.519

3. FINANCIAL INCOME	Current period	Prior period
	VND	VND
Deposit interest, loan interest	2.101.341.896	5.023.735
Dividends and profits received	-	763.374.000
Realised xchange foreign gains	-	-
Total	2.101.341.896	768.397.735

4. FINANCIAL EXPENSES	Current period	Prior period
	VND	VND
Interest expense	3.296.074.397	1.481.310.002
Refund provision for devaluation of investments	-	(140.434.522)
Sold shares losses	-	2.660.000.000
Realised xchange foreign losses	-	85.513.460
Total	3.296.074.397	4.086.388.940

5. SELLING EXPENSES, GENERAL AND ADMINISTRATION EXPENSES

Expenses according to factor	Current period VND	Prior period VND
- Raw materials	1.027.728	-
- Labour	1.666.172.472	1.354.703.941
- Depreciation of fixed assets	1.330.120.582	1.121.676.910
- Taxes, charges, fees	4.000.000	4.000.000
- Outsourced service	269.815.292	307.916.062
- Other monetary expenses	86.572.128	229.540.475
Total	3.357.753.202	3.017.837.388

6. SELLING EXPENSES

	Current period VND	Prior period VND
- Labour	604.201.549	791.043.700
- Outsourced service	1.502.269	1.502.274
Total	605.703.818	792.545.974

7. GENERAL AND ADMINISTRATION EXPENSES

	Current period VND	Prior period VND
- Raw materials	1.072.728	-
- Labour	1.061.970.923	563.660.241
- Depreciation of fixed assets	1.330.120.582	1.121.676.910
- Taxes, charges, fees	4.000.000	4.000.000
- Outsourced service	268.313.023	306.413.788
- Other monetary expenses	86.572.128	229.540.475
Total	2.572.049.384	2.225.291.414

8. OTHER INCOME

	Current period VND	Prior period VND
- Other income	898.766	18.337
Total	898.766	18.337

9. OTHER EXPENSES

	Current period VND	Prior period VND
- Penalty for violating tax regulations	68.023.102	-
- Other expenses	66.889	25.000
Total	68.089.991	25.000

10. CURRENT CORPORATE INCOME TAX EXPENSE

	Current period VND	Prior period VND
Current corporate income tax expense based on taxable profit in the current year	-	-
Adjustment of corporate income tax expenses of the year	-	-
Total current corporate income tax expense	-	-

Detail of current corporate income tax expense	Current period VND	Prior period VND
Accounting profit before tax	(3.146.895.589)	9.376.483.444
Adjustment for taxable income	-	-
Increased adjustments	-	-
Decreased adjustments	-	-
Tax-free profit	(3.146.895.589)	9.376.483.444
Taxable profit	-	-
Current tax	20%	20%
Current corporate income tax expense	-	-
Deferred corporate income tax expense	-	-
Total current corporate income tax expense	-	-

The Company is applying corporate income tax exemption for production and trading of goods and services of enterprises with the average number of disable employee in the year of 30% or more of the total average number of employees in the year (excluding financial operations and real estate transfer) in accordance with the provisions of the Law on Corporate Income Tax and Official Letter No. 10296/CCT-TTHT-AC dated 06/07/2016 of the Tax Department of Long Bien district on the exemption of corporate income tax.

11. BASIC EARNINGS PER SHARE

	Current period VND	Prior period VND
Net profit after tax	(3.146.895.589)	9.376.483.444
Adjustment for:	-	393.897.188
- Dividends of preferred shares	-	-
- Bonus and welfare funds is deducted from profit after tax (*)	-	393.897.188
Profit distributed to common shares	(3.146.895.589)	8.982.586.256
Common shares outstanding average in the period	37.374.846	29.899.981
Basic earnings per share	(84,20)	300,42
Per value (VND/share)	10.000	10.000

VII. OTHER INFORMATION

1. Financial instruments

Financial instrument of the Company include:

Unit: VND

Financial assets	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
Cash and cash equivalents	15.500.004.466	-	50.028.324.449	-
Trade receivables, other receivables	161.497.638.104	-	224.537.771.337	-
Long-term investment	89.016.870.000	-	89.016.870.000	-
Total	266.014.512.570	-	363.582.965.786	-

Unit: VND

Financial liabilities	Closing balance		Opening balance	
	VND		VND	
Loans and debts	69.232.903.552	-	76.124.574.027	-
Trade payables, other payables	14.385.636.608	-	63.432.623.583	-
Expenses payable	84.505.887	-	62.441.188	-
Total	83.703.046.047	-	139.619.638.798	-

Financial assets and financial liabilities that have not been evaluated to their fair values as at the balance sheet date as the Circular 210/2009/TT-BTC and the applicable regulations require the presentation of the financial statements and explanation for the financial instruments but do not provide equivalent guidance on the evaluation and recognition of fair values of financial assets and financial liabilities other than the provisions for doubtful debts and for diminution in value of securities investments detailed in the relevant Notes

Financial risk management

Financial risk of the Company includes market risk, credit risk and liquidity risk. The Company has a system of controls in place to ensure an appropriate balance between the cost of risks occurring and the cost of managing the risks. The Board of Directors of the company is responsible for monitoring the risk management process to ensure an appropriate balance between risk and control.

Market risk

The Company's business activities will face risks when there are changes in prices, exchange rates and interest rates.

Price risk

The Company assumes price risk of equity instruments arising from its investments in Short-term and Long-term stocks due to uncertainty about the future price of its investment. Long-term investments are held for long-term strategic purposes. At the end of the accounting period, the Company has no plan to sell these investments.

Exchange rate risk

The Company is exposed to exchange rate risk because the fair value of future cash flows of a financial instrument will fluctuate with changes in foreign currency rates as the Company loans, revenues and expenses are in a currency other than Vietnam Dong.

Interest rate risk

The Company is exposed to interest rate risk because the fair value of future cash flows of a financial instrument will fluctuate with changes in market interest rates when deposits with or without maturity, loans and debt with floating interest rate arise. The Company manages the interest rate risk by analyzing the competitive situation in the market to get favorable interest rates for the purposes of the Company.

Credit risk

Credit risk is the risk that a party to a financial instrument or contract is unable to fulfill its obligations, resulting in a financial loss to the Company. The Company has credit risks from production and business activities (mainly for trade receivables) and financial activities (including bank deposits, loans and other financial instruments).

	From 1 year and below VND	From 1 year to 5 years VND	Above 5 years VND	Total VND
Closing balance				
Cash and cash equivalents	15.500.004.466			15.500.004.466
Trade receivables, other receivables	127.294.638.104	34.203.000.000		161.497.638.104
Long-term investments		89.016.870.000		89.016.870.000
Total	142.794.642.570	123.219.870.000		266.014.512.570

	From 1 year and below VND	From 1 year to 5 years VND	Above 5 years VND	Total VND
Opening balance				
Cash and cash equivalents	50.028.324.449			50.028.324.449
Trade receivables, other receivables	190.334.771.337	34.203.000.000		224.537.771.337
Long-term investments		89.016.870.000		89.016.870.000
Total	240.363.095.786	123.219.870.000		363.582.965.786

Liquidity risk

Liquidity risk is a risk when the Company has difficulty in performing its financial obligations due to lack of capital. The Company's exposure to liquidity risk arises from the existence of financial assets and liabilities at various maturity dates.

The maturity of financial liabilities is based on the expected payments under the contract (based on the cash flow of the principal) as follows:

	From 1 year and below VND	From 1 year to 5 years VND	Above 5 years VND	Total VND
Closing balance				
Loans and debts	53.512.903.552		15.720.000.000	69.232.903.552
Trade payables, other payables	14.385.636.608			14.385.636.608
Expenses payable	84.505.887			84.505.887
Total	67.983.046.047		15.720.000.000	83.703.046.047
Opening balance				
Loans and debts	58.834.574.027	17.290.000.000		76.124.574.027
Trade payables, other payables	63.432.623.583			63.432.623.583
Expenses payable	62.441.188			62.441.188
Total	75.899.948.494	17.290.000.000		139.619.638.798

The company believes that the degree of risk concentration for debt repayment is manageable. The Company is able to repay its due debts from cash inflows from operating operations and from due financial assets.

2. EVENTS OCCURRING AFTER THE EXPIRY DATE OF ACCOUNTING PERIOD

No significant events occurring after the expiry date of accounting period required to be adjusted or reported in the financial statements.

3. DEPARTMENT REPORT

Department report by geographical area (Classification of domestic and foreign operations)

The Company only operates in the geographical area of Vietnam.

Department report by business lines

The major business lines of the Company are as follows:

	Provide services	Sale of goods	Total
Net revenue of outside	113.000.000	72.866.606.341	72.979.606.341
Total net revenue	113.000.000	72.866.606.341	72.979.606.341
Cost of department	4.509.200	71.502.315.802	71.506.825.002
Business results of department	108.490.800	1.364.290.539	1.472.781.339
Expenses not allocated according to the department			3.357.753.202
Profit from the business operations			(1.884.971.863)
Financial income			2.101.341.896
Financial expenses			3.296.074.896
Other income			898.766
Other expenses			68.089.991
Current CIT			-
Net Profit after CIT			(3.146.895.589)

4. OPERATIONS AND BALANCES WITH RELATED PARTIES

Related parties	Relationship
Mr. Nguyen Huu Truong	Chairman of the board of Directors
Mr. Phan Thanh Nam	Member of the board of directors cum general director
Dong Thien Phu Group JSC	Chief accountant of DTP is a member of Tien Thanh's board of directors
Minh Van Anh development investment Co., Ltd	Is company that Tien Thanh owns 19% shares
Kien Giang brick tile JSC	Is company that Tien Thanh owns 12,71% shares
EMJ Ha Nam JSC	Business cooperation

Transaction with related parties are as follows:

	Current period VND	Prior period VND
Mr. Nguyen Huu Truong		
Advance	38.225.000.000	123.178.000.000
Return	43.652.000.000	105.050.717.180
Mr Phan Thanh Nam		
Advance	9.541.000.000	-
Return	4.536.000.000	-
Dong Thien Phu Group JSC		
Sales	-	165.000.000
Collection of sales revenue	-	137.500.000
Advance goods	1.100.000.000	15.918.664.172
Purchases	-	5.118.668.518

Minh Van Anh development investment Co., Ltd		
Purchases	-	89.412.096.446
Payment of goods	18.477.912.849	89.412.096.446
Advance goods	12.039.199.997	-
Kien Giang brick tile JSC		
Dividends received	-	763.374.000
EMJ Ha Nam JSC		
Purchases	19.489.038.272	-
Payment of goods	19.489.038.272	-
Income of the board of directors and the board of management	Current period VND	Prior period VND
Income of the board of directors and the board of management	693.999.011	204.000.000
Balance of related parties	Current period VND	Prior period VND
Advance		
Mr Nguyen Huu Truong	14.422.607.820	19.849.607.820
Mr Phan Thanh Nam	5.005.000.000	-
Advance to suppliers		
Dong Thien Phu Group JSC	6.032.995.654	4.932.995.654
Minh Van Anh development investment Co., Ltd	12.039.199.997	-
Payables to the suppliers		
Minh Van Anh Development Investment Co.,Ltd		18.477.912.849

5. COMPARATIVE FIGURES

Comparative figures in the Balance Sheet and the corresponding notes are figures of the consolidated financial statements for the fiscal year ended 31/12/2019 audited by TTP Auditing Limited Company. Figures in Income Statement and corresponding notes are figures of the consolidated financial statements in the middle of fiscal year reviewed by TTP Auditing Limited Company for the period from January 01, 2019 to June 30, 2019.

Hanoi, 03 August 2020

Prepared by
(Signed and sealed)
Trinh Thanh Tuoi

Chief Accountant
(Signed and sealed)
Trinh Thanh Tuoi

General Director
(Signed and sealed)
Phan Thanh Nam

APPENDIX No.01:

2. FINANCIAL INVESTMENTS

Unit: VND

	Closing balance			Opening balance		
	Original cost	Provision	Fair value	Original cost	Provision	Fair value
a. Investment in subsidiaries						
b. Other investments						
- Kien Giang Brick Tile JSC	89.016.870.000	-	89.016.870.000	89.016.870.000	-	89.016.870.000
- Minh Van Anh Development Investment Co., Ltd.	3.816.870.000		3.816.870.000	3.816.870.000		3.816.870.000
- Baltic Trading and Services Co., Ltd.	45.600.000.000		45.600.000.000	45.600.000.000		45.600.000.000
c. Held to Maturity Investment	39.500.000.000		39.500.000.000	39.500.000.000		39.500.000.000
- 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	89.016.870.000	-	89.016.870.000

Other investments

Detailed information of the companies in which other investments are made by the Company as of June 30, 2020 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 Neohouzeaua) 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 No.02

7. INCREASE, DECREASE IN TANGIBLE FIXED ASSETS

Unit: VND

Items	Building & architectural model	Equipment & machine	Transportation means	Instruments & tools for management	Other fixed assets	Total
Original price of fixed assets						
Opening balance	30.216.081.539	112.300.000	8.864.844.000	346.023.389		39.539.248.928
Increase in the period	-	-	-	-	-	-
- <i>Purchase in the year</i>	-	-	-	-	-	-
Decrease in the period	-	-	-	-	-	-
Closing balance	30.216.081.539	112.300.000	8.864.844.000	346.023.389		39.539.248.928
Accumulated depreciation value						
Opening balance	2.257.237.450	112.300.000	4.862.417.911	291.294.044		7.523.249.405
Increase in the period	464.737.686		826.351.728	12.486.636		1.303.576.050
- <i>Depreciation in the period</i>	464.737.686		826.351.728	12.486.636		1.303.576.050
Decrease in the period	-	-	-	-	-	-
Closing balance	2.257.237.450	112.300.000	4.862.417.911	291.294.044		7.523.249.405
Increase in the period						
The remaining value						
Opening balance	27.958.844.089	-	4.002.426.089	54.729.345		30.015.999.523
Closing balance	27.494.106.403	-	3.176.074.361	42.242.709		30.712.423.473

- The remaining as of June 30, 2020 of tangible fixed asset used for mortgage for the loan: VND 30.670.234.529
- The original cost of tangible fixed assets has been fully depreciated but they are still in use as of June 30, 2020: VND 914.577.635.

APPENDIX No.03

8. INCREASE, DECREASE IN INTANGIBLE FIXED ASSETS

Unit: VND

Item	Land use rights	Trade mark	Computer software	Patent copyright	Other intangible fixed assets	Total
Original price of fixed assets						
Opening balance	33.127.082.046					33.127.082.046
Increase in the period	-					-
- <i>Purchase in the year</i>	-					-
Decrease in the period	-					-
Closing balance	33.127.082.046					33.127.082.046
Accumulated depreciation value						
Opening balance						-
Increase in the period	-					-
Decrease in the period	-					-
Closing balance	-					-
The remaining value						
Opening balance	33.127.082.046					33.127.082.046
Closing balance	33.127.082.046					33.127.082.046

- The remaining as of June 30, 2020 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 June 30, 2020: VND 0.

APPENDIX No.04

14. LOANS AND OBLIGATIONS UNDER FINANCE LEASES

Unit: VND

	Closing balance		Increase in the period		Decrease in the period		Opening balance	
	Value	Solvency	Value	Value	Value	Value	Value	Solvency
a. Short-term loans	53.512.903.552	53.512.903.552	39.036.067.882	44.357.738.357	44.357.738.357	58.834.574.027	58.834.574.027	58.834.574.027
- Loans from bank	53.512.903.552	53.512.903.552	39.036.067.882	44.357.738.357	44.357.738.357	58.834.574.027	58.834.574.027	58.834.574.027
+ BIDV - North Hanoi Branch (1)	29.634.719.593	29.634.719.593	16.727.883.923	19.938.456.000	19.938.456.000	29.845.291.670	29.845.291.670	29.845.291.670
+ An Binh Commercial Joint stock bank – Hanoi branch (2)	-	-	-	5.000.000.000	5.000.000.000	5.000.000.000	5.000.000.000	5.000.000.000
+ Lien Viet Post Joint Stock Commercial Bank – Xuan Mai Branch (3)	2.767.725.200	2.767.725.200	2.767.725.200	2.860.000.000	2.860.000.000	2.860.000.000	2.860.000.000	2.860.000.000
+ Vietinbank (4)	17.970.458.759	17.970.458.759	17.970.458.759	17.989.282.357	17.989.282.357	17.989.282.357	17.989.282.357	17.989.282.357
Debits in due	3.140.000.000	3.140.000.000	1.570.000.000	1.570.000.000	1.570.000.000	3.140.000.000	3.140.000.000	3.140.000.000
+ Vietinbank (5)	3.140.000.000	3.140.000.000	1.570.000.000	1.570.000.000	1.570.000.000	3.140.000.000	3.140.000.000	3.140.000.000
b. Long-term loans	15.720.000.000	15.720.000.000	-	-	-	17.290.000.000	17.290.000.000	17.290.000.000
- Loans from Bank	15.720.000.000	15.720.000.000	-	-	-	17.290.000.000	17.290.000.000	17.290.000.000
Vietinbank (5)	15.720.000.000	15.720.000.000	-	-	-	17.290.000.000	17.290.000.000	17.290.000.000
Total	69.232.903.552	69.232.903.552	39.036.067.882	45.927.738.357	45.927.738.357	76.124.574.027	76.124.574.027	76.124.574.027

Details of the loan contracts:

(1) Loans from BIDV under the credit contract No. 01/2019/4642129/HDTD dated September 04, 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 Service and Trading Joint Stock Company at BIDV - 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 June 30, 2020 is VND 29.634.719.593.

Appendix No.04 (continued)

(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 June 30, 2020 is VND 0

(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 June 30, 2020 is VND 2,767,725,200

(4) Loans from Vietinbank - Quang Trung Branch under loan agreement No. 30/2019-HDCVHM / NHCT324- TIEN THANH dated July 30, 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 June 30, 2020 is VND 17,970,458,759

(5) Long-term loan from Vietinbank - Quang Trung Branch under loan agreement for project investment No. 14/2019-HDDCVDADDT/NHCT324- TIEN THANH dated May 27, 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 1st 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 June 30, 2020 is VND 18,860,000,000 . In which, the long-term debts in due is VND 1,570,000,000

TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY

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

The Interim Financial Statements

For the accounting period from 1 January 2020 to 30 June 2020

Appendix No.05

18. OWNER'S EQUITY

a. Balance sheet of owner's equity

	Owner's equity	Share premiums	Foreign exchange differences	Fund for investment and development	Retained earnings	Total
						Unit: VND
Previous year's opening balance	298.999.810.000			6.394.830.504	93.729.428.015	399.124.068.519
- Previous year's capital increase	74.748.650.000					74.748.650.000
- Previous year's profit					37.316.600.914	37.316.600.914
- Make provision for Funds				2.000.000.000	(2.393.897.188)	(393.897.188)
- Other increases						-
- Loss in the year						-
- Dividend					(14.949.990.500)	(14.949.990.500)
- Stock dividends					(74.748.650.000)	(74.748.650.000)
- Other decreases						-
The current year's balance	373.748.460.000			8.394.830.504	38.953.491.241	421.096.781.745
- Capital increase in the period						-
- Profit in the period						-
- Make provision for Funds						-
- Other increase						-
- Loss in the period						-
- Profit distribution					(3.146.895.589)	(3.146.895.589)
- Dividend						-
- Stock dividend						-
Period end's balance	373.748.460.000			8.394.830.504	35.806.595.652	417.949.886.156

This note is an integral part of the financial statement