

**AUDITED SEPARATE FINANCIAL STATEMENTS
OF TIEN THANH SERVICE AND TRADING JOINT STOCK
COMPANY**

For the Financial year ending on 31/12/2018



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TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY

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

STATEMENT BY BOARD OF GENERAL DIRECTORS

The Board of General Directors of Tien Thanh Service and Trading Joint Stock Company (hereinafter referred to as "Company") presents the Statements and Company's separate financial statements for the financial year ending on 31/12/2018.

COMPANY

Tien Thanh Service and Trading Joint Stock Company was established and operated under Certificate of Business Registration No. 0100596523 on 04/11/2003 amended for the 24th time on 13/12/2017 issued by Department of Planning and Investment of Hanoi.

The Head Office of the company is located at: Viet Hung Urban Area, Duc Giang Ward, Long Bien District, Hanoi, Vietnam.

The main operations of the Company are:

- Production and processing of votive objects
- Trading in fashion products, building materials, etc.

EVENTS AFTER DATE OF BOOK CLOSING FOR PREPARING FINANCIAL STATEMENTS

Board of General Directors of Tien Thanh Service and Trading Joint Stock Company affirms that no important event occurred after date of preparing Financial Statements required to amend or to declare on separate Financial Statements of Company for the financial year ending on 31/12/2018.

BOARD OF DIRECTORS, INTERNAL AUDIT DEPARTMENT, BOARD OF GENERAL DIRECTORS

Members in Board of Directors in accounting period and date of preparing Financial Statements include:

Mr. Nguyen Huu Truong	Chairman	
Mr. Nguyen Thanh Le	Vice Chairman	
Mr. Vu Van Trong	Commissioner	Dismissed on 27/04/2018
Ms. Nguyen Tran Linh Chi	Commissioner	Appointed on 27/04/2018
Mr. Nguyen Anh Tuan	Commissioner	
Ms. Nguyen Thi Kim Phuong	Commissioner	

Members of Internal Audit Department in accounting period and date of preparing Financial Statements include:

Ms. Nguyen Thi Kim Phuong	Chief of Department	Appointed on 18/05/2018
Ms. Ha Thi Tuyet Chinh	Member	Appointed on 18/05/2018
Mr. Phan Quang Tiep	Member	Appointed on 18/05/2018

Members of the Board of Managers in accounting period and date of preparing Financial Statements include:

Mr. Nguyen Huu Truong	General Director	
Mr. Vu Van Trong	Deputy General Director	Dismissed on 27/04/2018
Ms. Trinh Thanh Tuoi	Chief Accountant	

AUDITOR

The separate Financial Statements for the financial year ending on 31/12/2018 of Tien Thanh Service and Trading Joint Stock Company audited by TTP Auditing Limited Company. TTP Auditing Limited Company is qualified for auditing to public companies in the field of securities under the provisions of the Ministry of Finance and State Security Commission of Vietnam.

Declaration on responsibility for Board of General Directors to Financial Statements

The Board of General Directors who is responsible for preparing separate financial statements gives reasonably and honestly situation of operation, Income Statement and situation of cash flows of Company in the period. During the preparation of separate financial statements, the Board of General Directors is committed to comply with the following requirements:

- As Board of General Directors and Board of Directors determined, it is necessary to make, maintain and control internality in order to ensure for preparation and presentation of the Financial Statements without material misstatement, whether due to fraud or confusion;
- Selecting suitable accounting policies and then applying them consistently;
- Making reasonably and cautiously assessments and predictions;
- Showing clearly whether accounting Standards which are applied have been complied with or not and whether there are material misstatements which are applied need declaring and explaining in the Financial Statements or not;
- Preparing the Financial Statements on basis of continuing business operation unless it is presumed that the Company will not continue to operate business.

The Board of General Directors assures that registry books are recorded to reflect honestly and reasonably the Company's financial position in any time and assures that the Financial Statements are complied with the current regulations of the State. Company's Board of General Directors is also responsible for safeguarding the Company's assets and for implementing appropriate measures for the prevention and detection of fraud and other irregularities.

TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY

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

The Board of General Directors undertakes that the separate financial statements reflect honestly and reasonably the Company's financial position from 31/12/2018, the separate Income Statement and situation of separate cash flows for the financial year ending on 31/12/2018 in compliance with standards and system of enterprise account in Vietnam complying with legal regulations relating to preparation and presentation of the separate financial statements.

Other commitments

Board of General Directors undertakes that the Company complies with Decree 71/2017/ND-CP dated 06/06/2017 on corporate governance guidelines applicable to public companies and the Company does not breach its obligation to declare information under Circular No. 155/2015/TT-BTC dated 06/10/2015 of the Ministry of Finance guiding the declaration of information on the stock market.

Hanoi, March 11th, 2019

**TIEN THANH SERVICE AND TRADING
JOINT STOCK COMPANY**
On behalf of Board of General Directors
General Director



Nguyen Huu Trung



TTP AUDITING LIMITED COMPANY

No: 100/BCKT-TC

AUDIT REPORT

Dear: Shareholders
Board of Directors and Board of General Directors
Tien Thanh Service and Trading Joint Stock Company

We have audited the separate Financial Statements of Tien Thanh Service And Trading Joint Stock Company prepared on 11/03/2019 including: the separate Balance Sheet on 31/12/2018, Separate Income Statement, separate Statement of cash flows and Notes to the separate Financial Statements for the financial year ending on 31/12/2018 presented from page 7 to page 37 attached.

Board of General Directors's Responsibility

Board of General Directors is responsible for preparing and presenting honestly and reasonably the Company's separate Financial Statements in compliance with accounting standards and system of enterprise account in Vietnam and legal regulations relating to preparation and presentation of the Financial Statements. Board of General Directors is also responsible for internal controlling which is determined to be necessary for preparation and presentation of the separate Financial Statements without material misstatement due to fraud or confusion.

Auditor's Responsibility

Our responsibility is to give conclusion of the separate Financial Statements based on the results of our review. We have executed the review under Vietnam auditing standards. These standards require that we comply with professional ethical standards and regulations, plan and conduct the audit to obtain reasonable assurance about whether the Company's financial statements are still material errors.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. When conducting these risk assessments, the auditor reviewed the internal control of the Company in relation to the preparation and submission of seven honest and reasonable financial statements in order to provide an opinion on the effectiveness of the internal control of the Company. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of General Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to be the basis of our opinion.

Add: Floor 12 West Tower, Hancorp Plaza Building, 72 Tran Dang Ninh, Cau Giay, Ha Noi

Tel: (024) 37425 888 - Fax: (024) 37578 666

Website: <http://kiemtoanttp.com> - <http://kiemtoanttp.vn> Email: ttp@kiemtoanttp.com

Conclusion of Auditor

In our opinion, the separate financial statements reflect truthfully and reasonably on the key financial aspects of **Tien Thanh Trading and Services Joint Stock Company** as at 31 December 2018, as well as business results and cash flows for the financial year ending on 31/12/2018, in accordance with the current Vietnam accounting standards and regulations for enterprises and relevant legal provisions on the preparation and presentation of the financial statements.

Hanoi, March 11th, 2019

TTP AUDITING LIMITED COMPANY

Vice General Director

(Signed and sealed)

Le Phuong Anh

Certificate of Audit Practice No.:

0739-2018-133-1

Auditor

(Signed and sealed)

Hoang Thi Khanh Van

Certificate of Audit Practice No.:

0371-2018-133-1

SEPARATE BALANCE SHEET
 As of 31/12/2018

ASSETS	Code	Notes	Currency: VND	
			Closing balance	Beginning balance
A. CURRENT ASSETS	100		248.744.980.747	184.097.072.513
I. Cash and cash equivalents	110	V.01	38.153.013.343	12.259.315.797
1. Cash	111		38.153.013.343	12 259 315 797
2. Cash equivalents	112		-	-
II. Short-term investments	120		-	-
1. Held-for-trading securities	121		-	-
2. Provision for diminution in value of trading securities (*)	122		-	-
3. Held-to-maturity investments	123		-	-
III. Current accounts receivable	130		121.203.387.028	100.855.845.719
1. Short-term trade receivables	131	V.03	120.911.627.400	29.831.925.400
2. Short-term advances to suppliers	132	V.04	50.000.084	53.637 952 836
3. Short-term internal receivables	133		-	-
4. Construction contract receivables based on agreed progress billings	134		-	-
5. Short-term loan receivables	135		-	-
6. Other short-term receivables	136	V.05a	241.759.544	17.385.967.483
7. Provision for doubtful debts (*)	137		-	-
8. Shortage of assets awaiting resolution	139		-	-
IV. Inventories	140	V.06	89.381.629.122	70.681.869.515
1. Inventories	141		89.381.629 122	70.681.869.515
2. Provision for obsolete inventories (*)	149		-	-
V. Other current assets	150		6.951.254	300.041.482
1. Short-term prepaid expenses	151	V.9a	6.951.254	21.654 845
2. Value added tax deductibles	152		-	278.386.637
3. Tax and other receivables from the State	153		-	-
B. NON-CURRENT ASSETS	200		228.283.363.695	254.803.269.458
I. Non-current accounts receivable	210		116.639.000.000	116.639.000.000
1. Long-term trade receivables	211		-	-
2. Long-term advance to suppliers	212		-	-
3. Paid-in capital in wholly-owned subsidiaries	213		-	-
4. Long-term internal receivables	214		-	-
5. Long term loan receivables	215		-	-
6. Other long-term receivables	216	V.05b	116.639.000.000	116.639.000.000
7. Provision for doubtful long-term receivables (*)	219		-	-

SEPARATE BALANCE SHEET
 As of 31/12/2018
 (Continued)

ASSETS	Code	Notes	Currency: VND	
			Closing balance	Beginning balance
II. Fixed assets	220		35.998.598.574	38.484.595.029
1. Tangible fixed assets	221	V.07	32.539.071.345	35.046.845.029
- Cost	222		37.510.108.745	37.531.885.974
- Accumulated depreciation (*)	223		(4.971.037.400)	(2.485.040.945)
2. Leased financial fixed assets	224		-	-
- Cost	225		-	-
- Accumulated depreciation (*)	226		-	-
3. Intangible fixed assets	227	V.08	3.459.527.229	3.437.750.000
- Cost	228		3.459.527.229	3.437.750.000
- 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 investments	250		75.576.435.478	99.516.870.000
1. Investments in subsidiary	251	V.02a	-	90.000.000.000
2. Investments in associates, jointly controlled entities	252		-	-
3. Investment in other entities	253	V.02b	75.616.870.000	9.516.870.000
4. Provision for diminution in value of long-term investments (*)	254		(140.434.522)	-
5. Held-to-maturity investments	255		100.000.000	-
V. Other long-term assets	260		69.329.643	162.804.429
1. Long-term prepaid expenses	261	V.9b	69.329.643	162.804.429
2. Deferred tax assets	262		-	-
3. Long-term tools, supplies and spare parts	263		-	-
4. Other long-term assets	268		-	-
TOTAL ASSETS	270		477.028.344.442	438.900.341.971

SEPARATE BALANCE SHEET

As of 31/12/2018

(Continued)

RESOURCES	Code	Notes	Currency: VND	
			Closing balance	Beginning balance
C. LIABILITIES	300		77.904.275.923	103.299.421.165
I. Current liabilities	310		77.904.275.923	103.299.421.165
1. Short-term trade payables	311	V.10	45.909.590.577	70913 769 573
2. Short-term advances from customers	312	V.11	-	171.586.900
3. Statutory obligations	313	V.12	4.327.429	-
5. Short-term accrued expenses	315	V.13	39.499.896	-
9. Other short-term payables	319	V.14	32.138.021	214.064.692
10. Short-term loan and finance lease	320	V.17	29.918.720.000	30.000.000.000
11. Short-term provision	321		-	-
12. Reward and welfare funds	322		2.000.000.000	2.000.000.000
13. Price stabilization fund	323		-	-
14. Trading of government bonds	324		-	-
II. Non-current liabilities	330		-	-
D. OWNERS' EQUITY	400		399.124.068.519	335.600.920.806
I. Capital	410	V.18	399.124.068.519	335.600.920.806
1. Contributed chartered capital	411		298.999.810.000	298.999 810 000
8. Investment and development fund	418		6.394.830.504	6.394 830.504
11. Undistributed earnings	421		93.729.428.015	30.206.280.302
- Undistributed earnings accumulated to prior year-end	421a		30.301.162.302	2.821.766.715
- Undistributed earnings of this period	421b		63.428.265.713	27.384.513.587
12. Fund for capital expenditure	422		-	-
II. Other funds	430		-	-
TOTAL	440		477.028.344.442	438.900.341.971

Hanoi, March 11th, 2019

Prepared by


 Trinh Thanh Tuoi

Chief Accountant


 Trinh Thanh Tuoi

General Director




 Nguyen Huu Trung

SEPARATE INCOME STATEMENTS
of 2018

ITEMS	Code	Notes	Current year	Currency: VND
				Last year
1. Revenue from sale of goods and supplying of services	01	V1.1	228.147.452.941	168.751.237.845
2. Deductions	02		-	-
3. Net revenue from sale of goods and supplying of services (10 = 01 - 02)	10		228.147.452.941	168.751.237.845
4. Costs of goods sold	11	V1.2	153.576.325.074	135.525.544.460
5. Gross profit from sale of goods and supplying of services (20 = 10 - 11)	20		74.571.127.867	33.225.693.385
6. Finance income	21	V1.3	1.153.982.424	674.657.645
7. Finance expenses	22	V1.4	6.313.096.254	780.237.831
- In which: Interest expenses	23		2.539.835.782	748.499.255
8. Selling expenses	24	V1.6	1.466.208.495	1.557.577.915
9. General and administrative expenses	25	V1.7	4.512.456.124	4.152.778.270
10. Operating profit {30 = 20 + (21 - 22)-(24 + 25)}	30		63.433.349.418	27.409.757.014
11. Other income	31	V1.8	38.750	-
12. Other expenses	32	V1.9	5.122.455	25.243.427
13. Other profit (40 = 31 - 32)	40		(5.083.705)	(25.243.427)
14. Net profit before tax (50 = 30 + 40)	50		63.428.265.713	27.384.513.587
15. Current corporate income tax expense	51	V1.10	-	-
16. Deferred income tax income/(expense)	52		-	-
17. Net profit after tax (60=50-51-52)	60		63.428.265.713	27.384.513.587

Prepared by

Trinh Thanh Tuoi

Chief Accountant

Trinh Thanh Tuoi

Hanoi, March 11th, 2019

General Director

Nguyen Huu Truong



SEPARATE STATEMENTS OF CASH FLOWS
According to indirect method
of 2018

ITEMS	Code	Current year	Last year
I. Cash flows from operations			
1. Net profit before tax		63.428.265.713	27.384.513.587
2. Adjustments for	01		
- Depreciation	02	2.485.996.455	1.727.903.148
- Provisions	03	140.434.522	
- Foreign exchange (gains)/losses arising from revaluation of monetary accounts	04	(124.540.449)	(40.481.377)
- (Profits)/losses from investing operations	05	(2.786.034.546)	(615.096.268)
- Interest expenses	06	2.539.835.782	748.499.255
3. Operating income before changes in working capital	08	71.256.026.569	29.205.338.345
- Decrease/(increase) in receivables	09	(20.069.154.672)	(69.077.387.536)
- Decrease/(increase) in inventories	10	(18.699.759.607)	13.401.664.329
- Decrease/(increase) in payables (not included interest expenses and income tax payables)	11	(25.133.942.689)	13.076.549.076
- Decrease/(Increase) in prepaid expenses	12	108.178.377	(28.481.742)
- Interest paid	13	(2.500.335.886)	(748.499.255)
- Corporate income tax paid	14		
Cash Flows From Operations		(4.961.012.092)	(14.170.816.783)
II. Cash Flows From Investing Operations			
1. Purchase and construction of fixed assets and other long-term assets	21	-	(36.628.255.364)
5. Investment expenditure on capital contribution to other entities	25	(39.600.000.000)	(90.000.000.000)
6. Investment expenditure on capital contribution to other entities	26	60.230.000.000	-
7. Interest and dividend received	27	383.965.454	615.096.268
Cash Flows From Investing Operations		21.013.965.454	(126.013.159.096)
III. Cash Flows From Financial Operations			
1. Capital contribution and issuance of shares	31	-	129.999.980.000
3. Long-term and short-term borrowings	33	64.978.838.000	40.500.000.000
4. Repayment of borrowings	34	(65.060.118.800)	(15.680.000.000)
6. Dividend paid to owner	36	-	(12.999.980.000)
Cash Flows From Financial Operations		(81.280.000)	141.820.000.000
Net cash increase/(decrease)	50	25.893.697.546	1.636.024.121
Cash and cash equivalents at the beginning of the period	60	12.259.315.797	10.582.810.299
Impact of exchange rate fluctuation	61	-	40.481.377
Cash and cash equivalents at the end of the period	70	38.153.013.343	12.259.315.797

Prepared by

Trinh Thanh Tui

Chief Accountant

Trinh Thanh Tui

Hanoi, March 11th, 2019
General Director

 NGUYEN HUU TRUONG

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
of 2018**

(These notes are constituent parts for Financial Statements)

I. CHARACTERISTICS OF COMPANY'S OPERATION

Type of owner's equity

Tien Thanh Service And Trading Joint Stock Company was established and operated under Certificate of business registration no 0100596523 on 04/11/2003 amended in 24th time on 13/12/2017 and issued by Department of Planning and Investment in Hanoi.

The main fields of the Company are:

- Production and processing of votive objects
- Trading in fashion products, building materials...

Company's Head Office is located at: Viet Hung Urban Area, Duc Giang Ward, Long Bien District, Hanoi, Vietnam.

II. ACCOUNTING SEPARATE, THE CURRENCY USED IN ACCOUNT

The Company's annual accounting period according to solar calendar started on 01/01 and ended on 31/12.

The currency used in accounting records is Vietnam dong (VND).

III. STANDARDS AND APPLIED SYSTEM OF ACCOUNT

1. Applied System of Account

Company applies the System of Enterprise Account issued in accordance with Circular 200/2014/TT-BTC on 22/12/2014 of the Ministry of Finance.

2. The declaration on complying Standards of account and System of account

Company applies Accounting Standards of Vietnam and guideline documents of standards issued by the State. The Financial Statements are prepared and presented under the regulations of each standard, the Circular guiding the implementation of the standards and the current applied system of account.

IV. POLICIES OF APPLIED ACCOUNT

1. Financial instrument

Initial recognition

Financial assets

Company's financial assets consist of cash and cash equivalents, receivables from customers, and other receivables, loans, short-term and long-term investments. At the time of initial acknowledge, financial assets are determined under cost/ issued cost plus any costs incurred directly relating to the purchase and issuance of the financial assets.

Financial liabilities

The Company's financial liabilities include loans, trade payables and other payables and costs. At the time of initial recognition, financial liabilities are determined at issued price and any incurred costs related directly to the release of financial liabilities.

Value after initial recognition

At present, there are no regulations on revaluation of financial instruments after initial recognition.

2. Foreign currency transactions

Actual exchange rates for transactions in foreign currencies during the period:

- Actual exchange rates are specified in the currency purchase and sale contract between the Company and the commercial bank.
- The exchange rate for the contribution or receipt of capital is the foreign currency buying exchange rate of the bank where the Company opens bank account for receiving the capital of the investor at the date of capital contribution;
- The exchange rate for recognizing receivables is the buying exchange rate of the commercial bank where the Company assigns the customer to pay at the time of incurred transaction;
- The exchange rate for recognizing liabilities is the selling exchange rate of the commercial bank where the Company intends to transact at the time of the incurred transaction;
- The exchange rate when purchasing assets or paying in foreign currency is the buying rate of the commercial bank where the company makes the payment.

Actual exchange rate when evaluating currency items with foreign currency origin at the time of preparation of financial statements:

- For items classified as assets foreign currency buying rates is applied;
- For foreign currency deposits the buying exchange rate of the bank, where the Company opens its foreign currency account, is applied;
- For items classified as liabilities, the foreign currency selling rate of the commercial bank, where the Company regularly makes transactions, is applied;

All differences of exchange rate actually arising in the period and differences due to re-evaluation of the balances of monetary with foreign currency origin at the end of the period recorded into the results of business operations of accounting period.

3. Cash and cash equivalents

Cash includes cash in banknotes, call deposits, gold coins used with value-storing functions that exclude gold classed as inventories for the purpose of raw materials for manufacturing products or goods for sale.

Cash equivalents are short-term investments with a maturity of 3 months with a high degree of liquidity, are readily convertible to known amounts of cash with less risks in converting money.

4. Financial investments

Trading securities are registered in accounting book at original price, including: buying price and costs (if any) such as brokerage fees, transactions, provision of information, taxes, bank fees and charges.

The original price of trading securities is determined according to the fair value of the payments at the time of incurred transaction.

Investments held to maturity date include: Term deposits at bank (including bills and negotiable notes), bonds, coupon shares that the issuer has to buy back at specific future times and held-to-maturity loans for the purpose of periodic returns and held-to-maturity investments.

The value in registered book of the investments in subsidiaries and joint venture companies are accounted at original price.

The value in registered book of investments in capital instruments of other units that don't have a right to control, co-control or have the significant influences over the investee determined at original price in cash investment or in revaluing if it is a non-cash investment.

For dividends received in shares, only recording the number of shares received, not recording the increasing value of investment and turnover of financial operations.

Convertible shares are determined at the value of shares according to fair value at the date of exchange. The fair value of shares of a listed company is the closing price listed on the stock market, for unlisted shares traded on UPCOM floor of the is the closing price on UPCOM floor, for the other unlisted shares is agreed price upon or book value at the point of exchange.

Provision for diminution in value of investments made at the end of the year as follows:

- For investments in business securities: the basis for the provision is the difference between the original price of the investments recorded in the accounting book greater than its market price at the time of making the provision.
- For long-term investments (not classified as business securities) not having significant influence over the investee: if the investment in listed shares or the fair value of the investments are measured reliably; the provision is based on the market value of the shares; if the investment does not have a fair value at the time of reporting, the provision should be based on the financial statements at the time of provisioning of the investee.
- Held-to-maturity investments are assessed in recoverability to revaluation reserve, to make the provision for bad debts in accordance with the law.

5. Receivables

Receivable are monitored in detail base on receivable collection period, object, original currencies, and other factors to meet the management needs of the Company.

Provision for bad Receivables is made for the amounts: overdue receivables written in economic contracts, loan agreements, contractual commitments or commitments of debts and receivables that is not up to date but difficult to recover. In particular, the provision for overdue receivables is based on the original loan payment period according to initial purchasing contract regardless of the extension of the indebtedness between the stakenholders and undue receivables but the debtors have fallen into the floor breaking or are in the process of oaths, missing or escaping

6. Inventory

Inventories are noted at original price. If the net realizable value is lower than original price, inventories are noted at net realizable value. The original price of inventories includes purchasing costs, processing and other directly related costs incurred in getting the inventories at their present location and status.

The value of inventories is determined by the weighted average method.

Inventories are accounted according to the regular enumeration method.

Method of determining the value of not-finished product at the end of period:

Not finished production and business expenditures are combined with expenditures on main raw materials for each type of not-finished products.

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

7. Fixed Assets, Financial Leased Assets and Investment Real Estate

Implement Circular No.45/2013/TT-BTC dated April 25, 2013 of the Ministry of Finance, guiding the management regime, using and deducting fixed asset depreciation and amended by Circular No.147/2016/TT-BTC dated October 13, 2016. Tangible fixed assets, intangible fixed assets are recorded at original price. In the process of using intangible fixed assets, intangible fixed assets are recorded at original cost, accumulated depreciation and residual value. Depreciation is charged on a straight line basis. Depreciation is estimated as follows:

- House, structures	05-25 years
- Machines, equipment	03-06 years
- Vehicles, transportation	05-08 years
- Office equipment	03-05 years

8. Prepaid costs

Incurred costs related to production and business operations through accounting periods are accounted in the prepaid cost for allocation into the results of business operations in next accounting periods.

The calculation and allocation of long-term prepaid costs into the costs of business production in each accounting period shall be based on the nature and level of each type of cost in order to select the method and criteria for rational apportion. Prepaid costs are allocated gradually on a straight-line basis.

Business advantage incurs when the capitalization of State-owned enterprises is distributed gradually up to a maximum of 3 years.

9. Payables

Payables are levied according to maturity date, objects, original currencies and other factors to meet the management needs of the Company.

10. Borrowings and financial lease liabilities

The value of financial lease liabilities is equal to the present value of the minimum lease payment or the fair value of the leased property.

Loans and financial lease liabilities are monitored for each borrower, each loan agreement and the maturity of the loan and financial lease liabilities. In cases of borrowings and liabilities in foreign currencies, the details shall be made in the original currency.

11. Borrowing costs

Borrowing costs are recognized into production and business costs incurred in the period, except for borrowing costs directly related to construction investment or uncompleted asset production included in the value of the asset (capitalized) when the conditions in Vietnamese Accounting Standard No. 16

"Borrowing Costs" are met. In addition, for separate borrowings for the construction of fixed assets, real estate investment, borrowing interest is capitalized even in construction period less than 12 months.

For general borrowings, including those used for construction investment or uncompleted asset production, the amount of borrowing costs is eligible for capitalization in each accounting period determined according to the capitalization rate for the cumulative weighted average cost of capital incurred for the investment in the construction or production of that asset. Capitalization rate is calculated by the weighted average interest rate of unpaid loans outstanding during the period, except for separate loans for the purpose of having an unfinished asset.

12. Payable costs

Payables for goods and services received from the seller or provided to the buyer during the reporting period, in fact, are not included in the production and business costs of the reporting period.

Recognition of payable costs in the production and business costs in the period is carried out in accordance with the principles meeting the revenue and costs incurred in the period. Payable costs will be settled at actual costs incurred, the difference between the prepaid amount and the actual costs is reimbursed.

13. Payable provisions

Payable provisions are included when the following conditions are met:

- The enterprise has a present debt obligation (legal obligation or constructive obligation) as a result of a happened event;
- A decrease in the economic benefits may arise resulting in a requirement for repayment of debt obligations; and
- A reliable estimate of the value of the obligation is provided.

The recognized value of payable provision is a value estimated maximum appropriately for payment of the present debt obligation on the last day of accounting period.

Only costs related to the initial payable provisions are made up for the payable provision.

Payable provisions are recognized in the production and business costs of the accounting period. The difference between payable provisions made in the previous accounting period, which has not yet been fully utilized, is greater than payable provisions in the accounting period when the deduction of production and business costs in the period is included, except for the greater difference of payable provisions for the construction works reimbursed in other incomes in the period.

14. Unrealized revenue

Unrealized revenue includes revenue received in advance such as advance payment of the customer in one or more accounting periods for asset leasing, received interest before loans or purchasing debt instruments and other unrealized revenues such as the difference between the selling price lately paid or paid by installment corresponding to the commitment of the selling price paid immediately, the turnover corresponding to the value of goods, services or discounts for customers in the traditional customer program.

Unrealized revenue gains are transferred in the revenue of selling and providing services or financial revenue in the amount determined in accordance with each accounting period.

15. Equity

Investment capital of the owner is recorded in the owner's actual contributed capital.

The share surplus reflects the difference between the par value, the direct cost associated with the issue of shares and shares issue price (including reissue of treasury stock) and may be a positive surplus (if the issue price is higher than the par value and direct costs related to the issuance of shares) or a negative surplus (if the issuance price is lower than par value and costs directly related to the issue of shares).

Other capitals belonging to the equity reflects the amount of business capital formed from the addition of the results of business operations, or donations, revaluation of assets (if increase and decrease of equity is included).

Treasury stock is stock issued by the Company and purchased by the Company, which will not be canceled and will be reissued within the period stipulated by the law on securities, treasury stock. Treasury stock is recognized at actual repurchasing value and presented on the Accounting Balance Sheet as a deduction from equity. The capital cost of treasury stock when it is reissued or used to pay dividends, bonuses, etc. is usually calculated on a weighted average basis.

Asset revaluation differences are reflected in the following cases: when the State has issued a decision on asset revaluation upon the capitalization of state owned enterprises, and other cases in accordance with the regulations of the law.

Undistributed after-tax profits reflects the results of business results (profit and lost) after corporate income tax and the situation of sharing profit and dealing with loss of the Company. The distribution of profits is made when the Company's undistributed after-tax profits doesn't exceed undistributed after-tax profits in the consolidated financial statements after the deduction of the profits from transactions with retail purchasing. When the payment of shares and profit to the owner exceeds undistributed after-tax profits as the case of reducing contribution capital. Unallocated after-tax profits can be distributed to investors based on their capital contribution ratios after being approved by the General Meeting of Shareholders / the Board of Directors and after setting funds in accordance with the Regulations of the Company and the provisions of the law of Vietnam.

The dividend for the shareholders is recognized as liabilities in the Company's accounting balance sheet after the announcement of sharing the dividend of the Company's Board of Directors and the announcement of the date of closing the right to receive the dividend of Vietnam Securities Depository Center.

16. Revenue

Sales revenue

- Revenue from the sale of goods is recognized when the following conditions are met:
- Most of the risks and benefits associated with product or commodity product momentum transferred to the buyer;
- The Company no longer holds the right to manage goods as the goods owner or merchandise control right;
- The revenue can be measured reliably;
- The Company obtains or will receive economic benefits from the sale transaction;
- Determining the costs related to the sale transaction.

Revenue from service provision

- Turnover of service provision is recognized when satisfying the following conditions:
- The revenue can be measured reliably;
- It is probable to receive economic benefits from transactions providing tat service;
- The finished part of work can be defined on the day of making the accounting balance Sheet;
- The costs incurred for the transaction and the cost of completion of the service delivery transaction can be determined.

The completed part of service provision is determined by the methodology of completed job evaluation.

Revenue from financial operations

Revenue from interest, royalties, dividends, profits and other revenue from financial operations is recognized at the time of occurrence of two (2) following conditions:

- Economic benefits from such transactions can be achievable;
- The revenue can be measured reliably.

Dividend, profits is recognized when the Company is entitled to receive dividends or profits from the capital contribution.

17. Deductions from revenue

Deductions for sales revenue and incurred services provision during the period include: Trade discounts, rebates on selling goods and goods returned.

Trade discounts, rebates on goods sold, selling goods returned incur during the same period of consumption of products, goods and services are adjusted to reduce revenue in the incurred period. In cases where products, goods and services are consumed from the previous periods and in the subsequent period the reduction of revenue incurs, revenue reduction shall be included according to the following principles: if arising before the issuance of the financial statements, the revenue reduction in the financial statements of the period when making the Statement (previous period) is recorded, if arising after the issuance of the financial statements, the reduction revenue shall be recorded in the subsequent period.

18. Cost of goods sales

Cost of goods sales reflects the capital value of products, goods and services sold in the period.

19. Financial costs

Costs recognized in financial costs include:

- Costs or losses related to financial investment operations;
- Costs for borrowing capital;
- Loss costs for short-term securities transfer, costs for the sales transactions of securities;
- Provision for diminution in value of trading securities, provision for losses on investments in other units, losses arising from the sale of foreign currencies or foreign exchange losses.

The above amounts are recognized according to the total amount incurred in the period, not offset with the revenue of financial operations.

20. Corporate income tax

The costs of current corporate income tax are based on the taxable income basic in the year and corporate income tax rate in the current year.

The company is applying the corporate income tax exemption for operations of production and goods and services trading of enterprises with an average of more than 30% laborers with disabilities out of average laborers in the year (excluding financial operations and real estate transferring operations) regulated by the Law on Corporate Income Tax and Official Letter No. 10296/CCT-TTHT-AC dated July 06, 2016 of the Tax Department of Long Bien district on corporate income tax exemption

21. Stakeholders

Stakeholders are considered to be related if they are capable of controlling or having significant influences over the other party in making decisions about financial and operating policies. Related stakeholders of the Company include:

- Companies directly or indirectly through one or more intermediaries are entitled to control the Company or are under the common control of the Company, or under a common control with Companies, including parent companies and subsidiary company and affiliate company;
- Individuals who directly or indirectly hold voting rights in the Company that have a material influence over the Company, key management personnel of the Company, close members in the family of these individuals;
- The enterprises that the above-mentioned individuals directly or indirectly hold important voting rights or have significant influence on the enterprise.

In considering each stakeholder relationship, attention should be paid to the nature of the relationship rather than to the legal form of the relationship.

V. ADDITIONAL INFORMATION FOR ITEMS ON BALANCE SHEET

1. MONEY

	Closing balance	Beginning balance
	VND	VND
- Cash	2.363.486.142	3.373.542.663
- Call deposits at bank	35.789.527.201	8.885.773.134
+ Deposits in VND	35.789.527.201	8.885.773.134
<i>Joint Stock Commercial Bank for Investment and Development of Vietnam – The Northern Hanoi Branch</i>	773.074.237	8.863.877.845
<i>Joint Stock Commercial Bank for Investment and Development of Vietnam – Bac Tu Liem Branch</i>	5.000.000.000	
<i>Saigon - Ha Noi Commercial Joint Stock Bank</i>	30.000.000.000	
<i>Others</i>	16.452.964	21.895.289
Total	38.153.013.343	12.259.315.797

2. FINANCIAL INVESTMENTS (APPENDIX 01)

3. RECEIVABLES FROM CUSTOMERS

Currency: VND

	Closing balance		Beginning balance	
	Value	Provision	Value	Provision
a. Short-term				
- Vietnam South East Asia JSC.	23.048.000.000		3.491.750.000	
- Vietnam HSE Co., Ltd	3.259.839.000		3.258.739.000	
- Minh Anh Trading Services & Investment Co., Ltd			6.629.925.000	
- VMG Fashion Co., Ltd	69.555.807.400		16.451.511.400	
- Golden Lotus Investment & Consultancy JSC.	22.331.000.000			
- Others	2.716.981.000			
b. Long-term				
Total	120.911.627.400		29.831.925.400	-

In which collecting customers as related parties:

Name of customer	Relationship	Closing balance	Beginning balance
- Minh Anh Trading Services & Investment Co., Ltd	Director of Minh Anh Company is the father of one member in Tien Thanh's Board of Directors	-	6.629.925.000
Total		-	6.629.925.000

4. PREPAID FOR SELLERS

Currency: VND

	Closing balance		Beginning balance	
	Value	Provision	Value	Provision
a. Short-term				
- Branch of Dong Thien Phu Group JSC.	50.000.084		53.637.952.836	
- Dong Thien Phu Group JSC.			9.225.000.000	
- Others	50.000.084		40.000.000.000	
Total	50.000.084		4.412.952.836	-

In which customers as related parties:		Closing balance	Beginning balance
Name of customer	Relationship	-	40.000.000
- Dong Thien Phu Group JSC.	Chief accountant of Dong Thien Phu Corporation is a member of Tien Thanh's Board of Directors	-	40.000.000
Total		-	40.000.000

5. OTHER RECEIVABLES

Currency: VND

	Closing balance		Beginning balance	
	Value	Provision	Value	Provision
a. Short-term	241.759.544		17.385.967.483	
- Credit balance of Social Insurance			1.339.622	
- Advance	241.759.544		17.383.634.711	
- Other receivables			993.150	
b. Long-term	116.639.000.000		116.639.000.000	
- Other receivables	116.639.000.000		116.639.000.000	
<i>EMJ Ha Nam (*)</i>	<i>34.200.000.000</i>		<i>34.200.000.000</i>	
<i>Toan Thang (**)</i>	<i>82.439.000.000</i>		<i>82.439.000.000</i>	
Total	116.880.759.544		134.024.967.483	

(**) 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 December 31th, 2018, the project is in the licensing investment stage.

(**) Is the receivable on the authorization contract of capital investment with Toan Thang Real Estate and Investment Co., Ltd to invest in the project "Investment in Golden Beach Resort". The cooperation time is from January 01th, 2018 to December 31th, 2037. Profit is divided according to the ratio: Tien Thanh receives 30% of total profits. By December 25th, 2018, Tien Thanh Service and Trading JSC. had a Resolution approving on the revocation of authorized capital investment amount for Toan Thang Real Estate and Investment Co., Ltd and Toan Thang REI Co., Ltd received full amount in January 2019.

6. INVENTORY

	Closing balance		Beginning balance	
	VND	VND	VND	VND
	Original price	Provision	Original price	Provision
- Uncompleted production and business costs	3.354.627.000		2.614.518.467	
- Commodities	86.027.002.122		68.067.351.048	
Total	89.381.629.122	-	70.681.869.515	-

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

* Causes and solutions for stagnant, low qualified and defective inventories:

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

7. INCREASE AND DECREASE IN TANGIBLE FIXED ASSETS (Details in Appendix No. 02)

8. INCREASE AND DECREASE IN INTANGIBLE FIXED ASSETS (Details in Appendix No.2)

9. PREPAID COSTS	Closing balance		Beginning balance	
	VND		VND	
a. Short-term	6.951.254		21.654.845	
Short-term allocation tools	6.951.254		21.654.845	
Short-term prepaid costs	69.329.643		162.804.429	
b. Long-term	69.329.643		90.738.659	
Long-term allocation tools			72.065.770	
Long-term prepaid costs	76.280.897		184.459.274	
Total				

10. PAYABLES FOR SELLERS

	Closing balance		Beginning balance	
	Book value	Capable repayment	Book value	Capable repayment
	VND	VND	VND	VND
Short-term payables for sellers	45.909.590.577	45.909.590.577	70.913.769.573	70.913.769.573
- ACTIVE CREATION APPRAEL SDN.BHD	7.578.317.500	7.578.317.500	66.445.143.000	66.445.143.500
- Lam Giang Steel JSC.	9.213.349.053	9.213.349.053		-
- National Technology JSC.	14.120.501.001	14.120.501.001		
- Song Hong Joint Stock Corporation	13.911.000.000	13.911.000.000		
- Other objects	1.086.423.023	1.086.423.023	4.468.626.573	4.468.626.573
Total	45.909.590.577	45.909.590.577	70.913.769.573	70.913.769.573

11. PREPAID BUYERS

	Closing balance		Beginning balance	
	Value	Capable repayment	Value	Capable repayment
	VND	VND	VND	VND
Prepaid Buyers			171.586.900	171.586.900
Dong Thien Phu Group JSC.	-	-	27.500.000	27.500.000
Trong Duong Steel One Member Co., Ltd	-	-	44.086.900	44.086.900
North Coast Company	-	-	100.000.000	100.000.000
Total	-	-	171.586.900	171.586.900

In which customers as related parties			Closing balance	Beginning balance
Prepaid buyers	Relationship		VND	VND
Dong Thien Phu Group JSC.	Chief accountant of Dong Thien Phu Corporation is a member of Tien Thanh's Board of Directors		-	27.500.000
Total			-	27.500.000

12. TAXES AND PAYABLES TO THE STATE

a. Payables

Currency: VND

Interpretation	Beginning balance	Balance in the period	Actual balance in the period	Other adjustments	Closing balance
	(a)	(b)	(c)	(d)	(e)=(a)+(b)-(c)+(d)
Payable VAT	-	3.803.246.282	3.798.918.853		4.327.429
Housing tax, land rental fee	-	593.386.977	593.386.977		-
Fees, charges and other payables	-	15.153.784	15.153.784		-
Total	-	4.411.787.043	4.407.459.614	-	4.327.429

Tax finalization of the Company is under the inspection of authorities. Since the application of tax laws and regulations to various 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.

13. PAYABLE COSTS

	Closing balance VND	Beginning balance VND
a. Short- term		
- Interests	39.499.896	
Total	39.499.896	-

14. OTHER PAYABLES

	Closing balance VND	Beginning balance VND
a. Short-term	32.138.021	214.064.692
- Trade Union funds	31.745.882	26.797.192
- Social Insurance	392.139	-
- Other payables	-	187.267.500
Total	32.138.021	214.064.692

17. SHORT-TERM LOANS AND FINANCIAL LIABILITIES (Details in Appendix 3)

18. EQUITY

a. The table of changes in equity (Detail in Appendix No. 04)

b. Details of equity	Closing balance VND	Percent %	Beginning balance VND	Percent %
Capital of other stakeholders	298.999.810.000	100,00	298.999.810.000	100,00
Total	298.999.810.000	100,00	298.999.810.000	100,00

Details of related shareholders

Shareholders	Relationship	Ending balance	Increase in the year	Decrease in the year	Beginning balance
Mr. Nguyen Huu Truong	Chairman of Board of Directors	62.790.000.000			62.790.000.000
Mr. Nguyen Thanh Le	Member of Board of Directors	131.560.000			131.560.000
Mr. Nguyen Anh Tuan	Member of Board of Directors	77.740.000			77.740.000
Ms. Nguyen Thi Kim Phuong	Member of Board of Directors	107.640.000			107.640.000
Ms. Nguyen Tran Linh Chi (appointed on 27/04/2018)	Member of Board of Directors	10.058.800.000			10.058.800.000

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

	Current year VND	Previous year VND
Equity		
+ Contributed capital in the beginning of year	298.999.810.000	129.999.980.000
+ Increased contributed capital in the year	-	-
+ Decreased contributed capital in the year		
+ Contributed capital in the end of year	298.999.810.000	129.999.980.000
- Divided dividends and profits		

d. Shares

The number of issued shares	29.899.981	29.899.981
The number of sold shares in the public	29.899.981	29.899.981
	Closing balance VND	Beginning balance VND
Number of buy-backs (treasury shares)		
Outstanding shares	29.899.981	29.899.981
+ Common shares	29.899.981	29.899.981
+ Preferred shares (clarified as equity)		
* Outstanding share value: 10,000 VND		

e. Corporate funds

	Closing balance VND	Beginning balance VND
Development investment fund	6.394.830.504	6.394.830.504
Total	6.394.830.504	6.394.830.504

VI. ADDITIONAL INFORMATION FOR ITEMS PRESENTED IN THE INCOME STATEMENT

1. REVENUE	Current year VND	Previous year VND
Total revenue	228.147.452.941	168.751.237.845
Revenue from sale of goods	227.830.752.941	168.707.037.845
Revenue from service	316.700.000	44.200.000
Revenue deductions	-	-
Net revenue	228.147.452.941	168.751.237.845
In which, revenue with related parties as follows:		
	Current year VND	Previous year VND
- Dong Thien Phu Mien Nam Group JSC.	300.000.000	
- Minh Anh Trading Services & Investment Co., Ltd		12.481.750.000
Total	300.000.000	12.481.750.000
2. COST PRICE OF SOLD GOODS	Current year VND	Previous year VND
Cost price of sold goods	153.576.325.074	135.450.511.115
Cost price of provided service		75.033.345
Total	153.576.325.074	135.525.544.460
3. REVENUE FROM FINANCIAL OPERATIONS	Current year VND	Previous year VND
Deposit, loan interests	2.278.454	4.670.759
Shared dividends and profits	381.687.000	610.425.509
Exchange rate differences	770.016.970	59.561.377
Total	1.153.982.424	674.657.645
4. FINANCIAL COSTS	Current year VND	Previous year VND
Interest cost	2.539.835.782	748.499.255
Loss due to liquidation of financial investments	3.170.000.000	
Business stock provisions and investment loss	140.434.522	
Exchange rate difference	462.825.950	31.738.576
Total	6.313.096.254	780.237.831
5. PRODUCTION AND BUSINESS COSTS ACCORDING TO FACTORS	Current year VND	Previous year VND
Costs according to factors		
- Costs for raw materials, materials, tools and instruments	201.808.921	1.354.055.019
- Labor costs	2.061.231.189	2.544.331.542
- Cost of fixed asset depreciation	2.485.996.455	1.744.602.821
- Tax, charges, fees	15.153.784	10.153.784
- Outsource purchasing service cost	55.683.460	9.236.000
- Other monetary costs	658.790.810	47.977.019
Total	5.978.664.619	5.710.356.185

6. SELLING COSTS	Current year VND	Previous year VND
- Labor costs	1.464.706.221	1.548.341.915
- Outsource purchase service cost	1.502.274	9.236.000
Total	1.466.208.495	1.557.577.915
5. BUSINESS MANAGEMENT COST	Current year VND	Previous year VND
- Costs for raw materials, materials, tools and instruments	201.808.921	1.354.055.019
- Labor costs	596.524.968	995.989.627
- Cost of fixed asset depreciation	2.485.996.455	1.744.602.821
- Tax, charges, fees	15.153.784	10.153.784
- Outsource purchasing service cost	554.181.186	
- Other monetary costs	658.790.810	47.977.019
Total	4.512.456.124	4.152.778.270
6. OTHER INCOMES	Current year VND	Previous year VND
- Other incomes	38.750	
Total	38.750	-
7. OTHER COSTS	Current year VND	Previous year VND
- Penalty for violations of tax regulations	4.129.305	
- Other costs	993.150	25.243.427
Total	5.122.455	25.243.427
8. CURRENT CORPORATE INCOME TAX COST	Current year VND	Previous year VND
Corporate income tax cost calculated on taxable income	-	-
Adjustment of corporate income tax costs of previous years in current corporate income tax cost of this year	-	-
Total current corporate income tax cost	-	-
Details of current corporate income tax cost	Current year VND	Previous year VND
Pretax profit	63.428.265.713	27.384.513.587
Adjustment for taxable income	-	-
Adjustments for increase	-	-
Adjustments for decrease	-	-
Tax-free profit	63.428.265.713	27.384.513.587
Taxable profit	-	-
Current tax rate	20%	20%
Corporate income tax cost	-	-
Payable corporate income tax	-	-

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.

VIII. OTHER INFORMATION

2. Financial instruments

Financial instrument of the Company include:

Financial assets	Closing balance		Beginning balance	
	Original cost	Provision	Original cost	Provision
Cash and cash equivalents	38.153.013.343		12.259.315.797	
Receivables from customer, other receivables	237.792.386.944		163.856.892.883	
Long-term investment	75.716.870.000		99.516.870.000	
Total	351.662.270.287	-	275.633.078.680	-

Financial liabilities	Closing balance		Beginning balance	
	VND		VND	
Loan and debt	29.918.720.000		30.000.000.000	
Payables to suppliers, other payables	45.941.728.598		71.127.834.265	
Payable costs	39.499.896			
Total	75.899.948.494		101.127.834.265	

Financial assets and financial liabilities have not been assessed at the end date of accounting period according Circular No. 210/2009/TT-BTC and the current regulations require presentation of financial statements and explanation of information to financial instruments but do not provide equivalent guidance for the assessment and recognition of fair value of financial assets and financial liabilities, except for the provision for doubtful debts and the provision for diminution in value of investments in securities as detailed in the related Notes.

Financial risk management

The financial risks of the Company include market risk, credit risk and liquidity risk. The company has built a control system to ensure a reasonable balance between the cost of arising risk and the cost of risk management. The Company Manager Board is responsible for monitoring the risk management process to ensure a reasonable balance between risk and risk control.

Market risk

Business operations of the Company will be subject to risks in case of changes in prices, exchange rates and interest rates.

Price risk:

The Company bears a price risk for equity instruments arising from short-term and long-term stock investments due to uncertainty about the price of the invested stocks in the future. Long-term stock investments are held with a long-term strategic purpose, at the end of the accounting period, the Company has no plans to sell these investments.

Exchange rate risk

The Company is subjected to exchange rate risk because the fair value of future cash flows of a financial instrument will fluctuate in accordance with changes in foreign exchange rates when borrowings, revenues and costs of the Company are in the currency other than Vietnam Dong.

Interest rate risk:

The Company bears interest rate risk because the fair value of future cash flows of a financial instrument will fluctuate in accordance with the changes in market interest rates when the Company incurs non-term deposits, loans and debts with floating-rate. The Company manages interest rate risk by analyzing the competitive situation in the market in order to obtain the interest rate profitable for the Company purposes.

Credit risk

Credit risk is the risk that a party in a financial instrument or contract is incapable of performing its obligations resulting in a financial loss to the Company. The Company is exposed to credit risk from its business and production and trading activities (mainly for receivables from customers) and financial operations (including bank deposits, borrowings 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	38.153.013.343		38.153.013.3237	
Receivables from customer, other receivables	121.153.386.944	116.639.000	792.386.944	
Long-term investment		75.576.435	75.576.435.478	
Total	159.306.400.287	192.215.435.478	351.521.835.765	
Beginning balance				
Cash and cash equivalents	12.259.315.797		12.259.315.797	
Receivables from customer, other receivables	47.217.892.883	116.639.000.000	163.856.892.883	
Long-term investment		99.516.870.000	99.516.870.000	
Total	59.477.208.680	216.155.870.000	275.633.078.680	

Liquidity risk

Liquidity risk is a risk when the Company meets 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 (on the basis of the cash flow of the principal) as follows:

	From 1 year and below VND	From 1 year to 5 year VND	Above 5 year VND	Total VND
Closing balance				
Loan and debt	29.918.720.000		29.918.720.000	
Payables to buyers, other payables	45.941.728.598		45.941.728.598	
Payable costs	39.499.896		39.499.896	
Total	75.899.948.494		75.899.948.494	
Beginning balance				
Loan and debt				
Payables to buyers, other payables	30.000.000.000		30.000.000.000	
Payable costs	71.127.834.265		71.127.834.265	
Total	101.127.834.265		101.127.834.265	

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

3. EVENTS OCCURRING AFTER THE EXPIRY DATE OF ACCOUNTING PERIOD

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

4. 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:

	Sale of goods and provision of services	Total
Net revenue for outside	316.700.000	227.830.752.941
Total net revenue	316.700.000	227.830.752.941
Cost of department	-	153.576.325.074
Business results of department	316.700.000	74.254.427.867
Costs not allocated by department		
Profit from the business operations		
Revenue from financial operations		
Financial costs		
Other income		
Other costs		
Current CIT		
Profit after tax		

5. PROFESSIONAL COMPETENCE AND BALANCES WITH RELATED PARTIES

Related parties

	Relationship
Mr. Nguyen Huu Truong	Chairman of the Board cum General Director
Mr. Vu Van Trong	Member of the Board cum Deputy General Director
Ms. Nguyen Thi Kim Phuong	Member of the Board
Dong Thien Phu Group Joint Stock Company	Chief accountant of Dong Thien Phu Group is a member of Tien Thanh's Board of Directors
Minh Anh Trading Services & Investment Co., Ltd	Director of Minh Anh Company is father of the member of Tien Thanh's Board of Directors
Minh Van Anh Development and Investment Co., Ltd	Is a unit that Tien Thanh owns 19% shares
Kien Giang Brick Tile Joint Stock Company	Is a unit that Tien Thanh owns 12.71% shares

Transaction with related parties are as follows:

	Transaction	Current year VND	Previous year VND
Mr. Nguyen Huu Truong			
Advance	Advance	8.203.300.000	
Return	Return of the advance	8.185.000.000	
Mr. Vu Van Trong			
Advance	Advance		99.847.348.000
Return	Return of the advance	17.345.943.000	82.490.405.000
Ms. Nguyen Thi Kim Phuong			
Advance	Advance	9.986.000.000	
Return	Return of the advance	9.986.000.000	

Minh Anh Trading Services & Investment Co., Ltd

Collection of sales revenue	Collection of sales revenue	6.629.925.000
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Dong Thien Phu Group JSC.	Repayment of the advance	
	Collection of house rental	40.000.000.000
	Revenue of house rental	165.000.000

Kien Giang Brick Tile Joint Stock Company		300.000.000
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Collection of dividends of 2017	Collection of dividends of 2017	381.687.000
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Income of Board of Directors and General Manager Board	Current year	Previous year
	VND	VND
Income of the Manager Board and Board of Directors	17.950.000	399.590.193

7. COMPARATIVE FIGURES

Comparative figures are figures in the Separate Financial Statement for the financial year ending on 31/12/2017 audited by TTP Audit Co., Ltd

Prepared by



Trinh Thanh Tuoi

Chief Accountant



Trinh Thanh Tuoi

Hanoi, March 11th, 2019

GENERAL DIRECTOR
 CÔNG TY CỔ PHẦN
 THƯƠNG MẠI VÀ DỊCH VỤ
 TIỀN THANH
 Đ. LONG BIÊN - T.P. HÀ NỘI



Nguyen Huu Truong

APPENDIX 01:

2. FINANCIAL INVESTMENTS:

Currency:
VND

	Original cost	Closing balance		Fair value	Original cost	Beginning balance		Fair value
		Provision	Fair value			Provision	Fair value	
a. Investments in subsidiaries								
- Son Phu Investment Joint Stock Company	-	-	-	-	90.000.000.000	-	-	90.000.000.000
b. Other investments (2)								
- Kien Giang Brick and Tile JSC.	75.616.870.000	140.434.522	75.476.435.478	9.516.870.000	-	-	-	9.516.870.000
- Minh Van Anh Development and Investment Co., Ltd	3.816.870.000	-	3.716.870.000	3.816.870.000	-	-	-	3.816.870.000
- Baltic Trading and Services Co., Ltd	5.700.000.000	-	5.700.000.000	5.700.000.000	-	-	-	5.700.000.000
- Son Phu Investment JSC.	39.500.000.000	-	39.500.000.000	-	-	-	-	-
c. Held-to-maturity investments								
- Bonds of Joint Stock Commercial Bank for Investment and Development of Vietnam (1)	26.600.000.000	140.434.522	26.459.565.478	-	-	-	-	-
Total	75.716.870.000	140.434.522	75.576.435.478	99.516.870.000	-	-	-	99.516.870.000

(1) The Company holds 10 bonds of Joint Stock Commercial Bank for Investment and Development of Vietnam with the value of 10.000.000 dong/10000000000 from 19/12/2018 to 19/12/2028.

(2) Details about subsidiaries and other investment company of the Company on 31/12/2018 are as follows:

Name of other investment company	Place of establishment and operation	Proportion of control right	Proportion of voting right	Main business operations
- Kien Giang Brick and Tile Joint Stock Company	Group 4, Xa Ngach quarter, Kien Luong town, Kien Luong district, Kien Giang province	12,71%	12,71%	- Exploitation of stone, sand, gravel and clay
- Minh Van Anh Development and Investment Co., Ltd	Group 4, Xa Ngach quarter, Kien Luong town, Kien Luong district, Kien Giang province	19,00%	19,00%	- Agent, broker, auction; - Wholesale of agricultural and forestry raw materials (except wood, bamboo and cork) and live animals - Wholesale of food

- Baltic Trading and Services Co., Ltd	Group 4, Xa Ngach quarter, Kien Luong town, Kien Luong district, Kien Giang province	19,75%	19,75%	- Distilling, refining and making strong wines - Manufacture of non-alcoholic beverages, mineral water - Manufacture of plastics and primary synthesized rubbers
- Son Phu Investment Joint Stock Company	513/6/1 Nguyen Oanh, ward 17, Go Vap district, Ho Chi Minh city	19,00%	19,00%	- Trading in construction materials; - Exploitation of stone, sand, gravel and clay

(1) In 2018, Tien Thanh Service and Trading JSC. has not gained profits from investments in allied companies and other investments of these company in 2018 have brought interests but have not had profit division to the time of making the report.

APPENDIX 02:

7. INCREASE OR DECREASE IN TANGIBLE FIXED ASSETS

Currency: VND

Items	Buildings, architectures	Machine, equipment	Means of transport	Equipment, management tool	Other fixed assets	Total
Original price fixed assets						
Beginning balance	28.208.718.585	112.300.000	8.864.844.000	346.023.389		37.531.885.974
Increase in the period	-	-	-	-	-	21.777.229
Decrease in the period	21.777.229	-	-	-	-	21.777.229
- <i>Decrease due to reclassification</i>	21.777.229	-	-	-	-	21.777.229
Closing balance	28.186.941.356	112.300.000	8.864.844.000	346.023.389		37.510.108.745
Accumulated depreciation						
Beginning balance	588.502.813	112.300.000	1.557.010.999	227.227.133		2.485.040.945
Increase in the period	794.199.360	39.093.639	1.652.703.456	-	-	2.485.996.455
- <i>Depreciation in the period</i>	794.199.360	39.093.639	1.652.703.456	-	-	2.485.996.455
Decrease in the period	-	-	-	-	-	-
- <i>Switching to investment real estate</i>	-	-	-	-	-	-
- <i>Liquidation, transfer and sale</i>	-	-	-	-	-	-
- <i>Other decreases</i>	-	-	-	-	-	-
Closing balance	1.382.702.173	151.393.639	3.209.714.455	227.227.133		4.971.037.400
Residual value						
At the beginning date of the year	27.620.215.772	-	7.307.833.001	118.796.256	-	35.046.845.029
At the ending date of the year	26.804.239.183	(39.093.639)	5.655.129.545	118.796.256	-	32.539.071.345

- The residual value on 31/12/2018 of tangible fixed assets used as collateral for the loan: 32.358.514.582 VND.

- The original cost of tangible fixed assets has been fully depreciated but it is still used on 31/12/2018: 733.420.610 VND.

8. INCREASE OR DECREASE IN INTANGIBLE FIXED ASSETS

Currency: VND

Items	Land use right	Trademark	Computer software	Copyright of patent	Other intangible fixed assets	Total
Original price of fixed assets						
Beginning balance	3.437.750.000					3.437.750.000
Increase in the period	21.777.229					21.777.229
- <i>Increase due to reclassification</i>	21.777.229					21.777.229

Decrease in the period Closing balance	-	-	-	-	-	-
Accumulated depreciation	3.459.527.229					3.459.527.229
Beginning balance						
Increase in the period	-	-	-	-	-	-
Decrease in the period	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
Residual value						
At the beginning year	3.437.750.000					3.437.750.000
At the ending period	3.459.527.229					3.459.527.229

- The residual value on 31/12/2018 of intangible fixed assets used as collateral for the loan: 3.459.527.229 VND.

- The original cost of intangible fixed assets has been fully depreciated but it is still used on 31/12/2018: 0 VND.

APPENDIX 3:

17. BORROWINGS AND FINANCE LEASE LIABILITIES

	Closing balance		Increase in the period Value	Decrease in the period Value	Beginning balance	Currency: VND
	Value	Amount that can be paid				
Short-term borrowings	29.918.720.000	29.918.720.000	64.978.838.800	65.060.118.800	30.000.000.000	Amount that can be paid
- Bank borrowings	29.918.720.000	29.918.720.000	64.978.838.800	65.060.118.800	30.000.000.000	30.000.000.000
+ <i>Joint Stock Commercial Bank for Investment and Development of Vietnam</i>	29.918.720.000	29.918.720.000	64.978.838.800	65.060.118.800	30.000.000.000	30.000.000.000

(*) Including 05 credit contracts:

1. Credit Contract No. 07/2018/4642129/HDTD dated 19/07/2018, Loan amount: 8.458.820.000 VND. Duration: 06 months. Purpose: To supplement working capital for the import of fashion goods. Interest rate: 7,8 %/year. Balance as at 31/12/2018: 7.658.820.000 VND
2. Credit Contract No. 08/2018/4642129/HDTD dated 12/10/2018. Loan amount: 6.000.000.000 VND. Duration: 06 months. Purpose: To supplement working capital for trading in construction steel. Interest rate: 7,8 %/year. Balance as at 31/12/2018: 6.000.000.000 VND
3. Credit Contract No. 09/2018/4642129/HDTD dated 29/10/2018. Loan agreement No. 15082000223854, the loan amount: 4.444.100.000 VND. Duration: 06 months. Purpose: To supplement working capital for trading in fashion goods. Interest rate: 7,8 %/year. Balance as at 31/12/2018: 4.444.100.000 VND
4. Credit Contract No. 09/2018/4642129/HDTD dated 26/11/2018. Loan amount: 5.750.000.000 VND. Duration: 03 months. Purpose: To supplement working capital for trading in construction steel. Interest rate: 7 %/year. Balance as at 31/12/2018: 5.750.000.000 VND
5. Credit Contract No. 10/2018/4642129/HDTD dated 14/12/2018. Loan amount: 6.065.800.000 VND. Duration: 06 months. Purpose: To supplement working capital for trading in fashion goods. Interest rate: 9,7 %/year. Balance as at 31/12/2018: 6.065.800.000 VND.

APPENDIX 4:

18. OWNERS' EQUITY

a. The table of fluctuation in equity

	Owner's equity	Share premium	Foreign exchange differences	Investment & development funds	Undistributed profit after tax	Currency: VND Total
Beginning balance of previous year	129.999.980.000				60.821.596.715	192.216.407.219
- Increase capital in previous year	168.999.830.000					168.999.830.000
- Interest in previous year						
- Deductions for setting up funds					27.384.513.587	27.384.513.587
- Payment of dividends				5.000.000.000	(6.000.000.000)	(1.000.000.000)
- Stock dividend					(12.999.980.000)	(12.999.980.000)
- Other decreases					(38.999.850.000)	(38.999.850.000)
Beginning balance of current year	298.999.810.000			6.394.830.504	30.206.280.302	335.600.920.806
- Increase capital in the year						
- Interest in the period						
- Deductions for setting up funds					63.428.265.713	63.428.265.713
- Other increases (*)					94.882.000	94.882.000
Closing balance	298.999.810.000			6.394.830.504	93.729.428.015	399.124.068.519

(*) Dividends of shareholders that are not needed to be paid because the shareholders have not received payment at overdue date according to Notice No. 50/2017/TB-TT dated 5/10/2017. Accordingly, the shareholders have not yet signed can receive dividends from 26/10/2017 to 30/12/2017 and if the shareholders do not make dividend receipt procedures, the Company has no obligation to pay dividends after this term.