

**AUDITED CONSOLIDATED FINANCIAL
STATEMENTS**

OF TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY

For the Financial year ending on 31/12/2018



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

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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 consolidated 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 consolidated 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

TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY

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

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 consolidated 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 consolidated 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 consolidated 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.

The Board of General Directors undertakes that the consolidated financial statements reflect honestly and reasonably the Company's financial position from 31/12/2018, the consolidated Income Statement and situation of consolidated 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 consolidated financial statements.

TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY

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

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 Truong



TTP AUDITING LIMITED COMPANY

No: 101/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 consolidated Financial Statements of Tien Thanh Service And Trading Joint Stock Company prepared on 11/03/2019 including: the consolidated Balance Sheet on 31/12/2018, Consolidated Income Statement, consolidated Statement of cash flows and Notes to the consolidated Financial Statements for the financial year ending on 31/12/2018 presented from page 7 to page 35 attached.

Board of General Directors's Responsibility

Board of General Directors is responsible for preparing and presenting honestly and reasonably the Company's consolidated 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 consolidated Financial Statements without material misstatement due to fraud or confusion.

Auditor's Responsibility

Our responsibility is to give conclusion of the consolidated 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

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Conclusion of Auditor

In our opinion, the consolidated 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

CONSOLIDATED BALANCE SHEET
As of 31/12/2018

ASSETS	Code	Notes	Closing balance	Currency: VND	
				Beginning balance	
A. CURRENT ASSETS	100		248.744.980.747	310.631.592.757	
I. Cash and cash equivalents	110	V.L	38.153.013.343	24.753.040.376	
1. Cash	111		38.153.013.343	24 753.040.376	
2. Cash equivalents	112		-	-	
II. Short-term investments	120		-	-	
III. Current accounts receivable	130		121.203.387.028	186.841.940.588	
1. Short-term trade receivables	131	V.2a	120.911.627 400	51 251.220.900	
2. Short-term advances to sellers	132		50.000.084	116.534.035.256	
6. Other short-term receivables	136	V.3a	241.759.544	19.056.684.432	
IV. Inventories	140	V.5	89.381.629.122	96.764.596.208	
1. Inventories	141		89.381.629.122	96.764.596.208	
2. Provision for obsolete inventories (*)	149		-	-	
V. Other current assets	150		6.951.254	2.272.015.585	
1. Short-term prepaid expenses	151	V.8a	6.951.254	21.654.845	
2. Value added tax deductibles	152		-	2.249.589.190	
3. Tax and other receivables from the State	153		-	771.550	
B. NON-CURRENT ASSETS	200		228.283.363.695	169.406.444.397	
I. Non-current accounts receivable	210		116.639.000.000	116.639.000.000	
2. Long-term advance to sellers	212		-	-	
6. Other long-term receivables	216	V.3b	116.639.000.000	116.639.000.000	
7. Provision for doubtful long-term receivables (*)	219		-	-	

CONSOLIDATED BALANCE SHEET

As of 31/12/2018

(Continued)

ASSETS	Code	Notes	Closing balance	Currency: VND	
				Beginning balance	
II. Fixed assets	220		35.998.598.574	42.618.918.357	
1. Tangible fixed assets	221	V.6	32.539.071.345	39.181.168.357	
- Cost	222		37.510.108.745	43.122.975.919	
- Accumulated depreciation (*)	223		(4.971.037.400)	(3.941.807.562)	
2. Leased financial fixed assets	224		-	-	
- Cost	225		-	-	
- Accumulated depreciation (*)	226		-	-	
3. Intangible fixed assets	227	V.7	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		-	176.453.843	
1. Long-term work in progress	241		-	-	
2. Construction in progress	242		-	176.453.843	
IV. Long-term investments	250	V.4	75.576.435.478	9.516.870.000	
1. Investments in subsidiary	251		-	-	
2. Investments in associates, jointly controlled entities	252		-	-	
3. Investment in other entities	253		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	455.202.197	
1. Long-term prepaid expenses	261	V.8b	69.329.643	455.202.197	
2. Deferred tax assets	262		-	-	
3. Long-term tools, supplies and spare parts	263		-	-	
4. Other long-term assets	268		-	-	
VI. Goodwill	269		-	-	
TOTAL ASSETS	270		477.028.344.442	480.038.037.154	

CONSOLIDATED BALANCE SHEET

As of 31/12/2018

(Continued)

RESOURCES	Code	Notes	Closing balance	Currency: VND Beginning balance
C. LIABILITIES	300		77.904.275.923	143.196.208.049
I. Current liabilities	310		77.904.275.923	143.196.208.049
1. Short-term trade payables	311	V.9	45.909.590.577	72.907.428.153
2. Short-term advances from customers	312		-	1.044.796.036
3. Statutory obligations	313	V.10	4.327.429	1.351.779.203
4. Payables to employees	314		-	103.884.886
5.	315	V.11	39.499.896	18.588.027.783
9.	319	V.12	32.138.021	250.291.988
10. Short-term loan and finance lease	320	V.13	29.918.720.000	46.950.000.000
11. Short-term provision	321		-	-
12. Reward and welfare funds	322		2.000.000.000	2.000.000.000
II. Non-current liabilities	330		-	-
D. OWNERS' EQUITY	400		399.124.068.519	336.841.829.105
I. Capital	410	V.14	399.124.068.519	336.841.829.105
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	31.447.188.601
- Undistributed earnings accumulated to prior year-end	421a		31.952.448.110	(12.900.157.464)
- Undistributed earnings of this period	421b		61.776.979.905	44.347.346.065
12. Fund for capital expenditure	422		-	-
13.	429		-	-
TOTAL	440		477.028.344.442	480.038.037.154

Prepared by

Trinh Thanh Tuoi

Chief Accountant

Trinh Thanh Tuoi

Hanoi, March 11th, 2019

General Director



Nguyễn Hữu Trương

CONSOLIDATED INCOME STATEMENTS
In 2018

ITEMS	Code	Notes	Currency: VND	
			This year	Last year
1. Revenue from sale of goods and rendering of services	01	VI.1	252.509.723.283	171.790.660.800
2. Deductions	02		-	-
3. Net revenue from sale of goods and rendering of services (10 = 01 - 02)	10		252.509.723.283	171.790.660.800
4. Costs of goods sold and services rendered	11	VI.2	175.621.886.286	138.414.428.462
5. Gross profit from sale of goods and rendering of services (20 = 10 -11)	20		76.887.836	33.376.232.338
6. Finance income	21	VI.3	1.154.626.717	2.312.423.320
7. Finance expenses	22	VI.4	8.155.675.280	1.166.843.387
- In which: Interest expenses	23		4.711.148.360	1.135.104.811
8. Selling expenses	24	VI.8	1.466.208.495	1.557.577.915
9. General and administrative expenses	25	VI.9	6.403.378.043	4.322.778.797
10. Operating profit {30 = 20 + (21 - 22)-(24 + 25)}	30		62.017.219.896	28.641.455.559
11. Other income	31	VI.5	53.038.752	136.906.196
12. Other expenses	32	VI.6	293.278.743	152.939.869
13. Other profit (40 = 31 - 32)	40		(240.239.991)	(16.033.673)
14. Net profit before tax (50 = 30 + 40)	50		61.776.979.905	28.625.421.886
15. Current corporate income tax expense	51	VI.10	-	-
16. Deferred income tax income/(expense)	52		-	-
17. Net profit after tax (60=50-51-52)	60		61.776.979.905	28.625.421.886
After-tax profit of the parent company			61.776.979.905	28.625.421.886
Profit after tax of shareholders which is not controlled				
18. Basic earnings per share	70	VI.11	2.066,12	1.734,82

Prepared by

Trinh Thanh Tuoi

Chief Accountant

Trinh Thanh Tuoi



Hanoi, March 11th, 2019

General Director

Nguyen Huu Trung

CONSOLIDATED STATEMENTS OF CASH FLOWS
According to indirect method
In 2018

Currency: VND

ITEMS	Code	This year	Last year
I. Cash flows from operations			
1. Net profit before tax		61.776.979.905	28.488.515.690
2. Adjustments for	01	-	
- Depreciation	02	3.771.798.232	1.898.345.945
- Foreign exchange (gains)/losses arising from revaluation of monetary accounts	04	(124.540.449)	(40.481.377)
- (Profits)/losses from investing operations	05	2.457.282.994	(615.449.251)
- Interest expenses	06	4.711.148.360	1.135.104.811
3. Operating income before changes in working capital	08	72.532.669.042	30.866.035.818
- Decrease/(increase) in receivables	09	(20.069.154.672)	(52.469.523.905)
- Decrease/(increase) in inventories	10	(18.699.759.607)	(108.279.182)
- Decrease/(increase) in payables (not included interest expenses and income tax payables)	11	(38.865.453.838)	(12.987.290.784)
- Decrease/(Increase) in prepaid expenses	12	108.178.377	156.960.388
- Interest paid	13	(2.539.835.782)	(748.499.255)
Cash Flows From Operations		(7.533.356.480)	(35.290.596.920)
II. Cash Flows From Investing Operations			
1. Purchase and construction of fixed assets and other long-term assets	21	-	(36.685.755.364)
5. Payments for investments in other entities	25	(39.600.000.000)	(63.437.040.575)
6. Recovery of investment capital contributed to other units	26	60.230.000.000	7.307.692.308
7. Interest and dividend received	27	384.609.447	615.449.251
Cash Flows From Investing Operations		21.014.609.447	(92.199.654.380)
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	64.978.838.800	40.500.000.000
4. Repayment of borrowings	34	(65.060.118.800)	(15.880.000.000)
5. Payment of financial lease debt	35	-	-
6. Dividend paid to owner	36	-	(12.999.980.000)
Cash Flows From Financial Operations		(81.280.000)	141.620.000.000
Net cash increase/(decrease)	50	13.399.972.967	14.129.748.700
Cash and cash equivalents at the beginning of the period	60	24.753.040.376	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	24.753.040.376

Prepared by

Trinh Thanh Tuoi

Chief Accountant

Trinh Thanh Tuoi

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 stakeholders 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 loss) 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.

22. Other accounting principles and methods

Basis for preparing the consolidated financial statements: The financial statements are prepared and presented in accordance with the basic accounting principles and methods: accrual basis, continuous operation, historical cost, relevance, consistency, prudence, criticality, clearing and comparison. The financial statements prepared by the Company are not intended to reflect the financial position, business results and cash flows in accordance with accounting standards, accounting regimes or accounting principles and practices generally accepted in countries other than Vietnam.

The consolidated financial statements of the Company are prepared on the basis of consolidating the Financial Statements from the Parent Company and its subsidiaries. Companies are defined as subsidiaries of the Company when they have the ability to control the financial and operating policies of investee companies in order to obtain benefits from their activities.

The accounting policies of subsidiaries can be adjusted to ensure that the accounting policies applied in the Parent Company and its subsidiaries are not significantly different.

All major transactions and balances between the subsidiaries in the same Group are excluded when the consolidated financial statements are prepared.

The value of the Company's investment in the associated company is reflected in the consolidated financial statements using the equity method. Accordingly, the investments in the associated company are presented on the consolidated balance sheet at the historical cost which is adjusted in accordance with changes in the Company's capital contribution to net assets of the associated company after the date of buy investment. Losses in the corresponding associated company in excess of the Company's capital contribution in these Companies are not recognized.

V. ADDITIONAL INFORMATION FOR ITEMS ON BALANCE SHEET

1. MONEY

	Closing balance VND	Beginning balance VND
- Cash	2.363.486.142	6.743.133.966
- Call deposits at bank	35.789.527.201	18.009.906.410
Total	38.153.013.343	24.753.040.376

2. 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		3.571.444.152	
Lam Giang Steel JSC			5.582.966.079	
Minh Van Anh Investment and Development Co., Ltd.			8.146.206.731	
- Others	2.716.981.000		4.118.678.538	
Total	120.911.627.400	-	51.251.220.900	-

In which collecting customers as related parties:

Name of customer	Relationship	Closing balance	Beginning balance
- Minh Van Anh Investment and Development Co., Ltd.	The unit that Tien Thanh owns 19% of shares	-	8.146.206.731
- 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		-	14.776.131.731

3. OTHER RECEIVABLES

Currency: VND

	Closing balance		Beginning balance	
	Value	Provision	Value	Provision
a. Short-term	241.759.544		19.056.684.432	
- Other receivables			134.710.099	
- Credit balance of Social Insurance			1.339.622	
- Advance	241.759.544		18.920.634.711	
b. Long-term	116.639.000.000		116.639.000.000	
- Long-term receivables (*)	116.639.000.000		116.639.000.000	

(*) In which:

- The business cooperation contract with Ha Nam EMJ Joint Stock Company (VND 34.200.000.000) 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.

- Being 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.

4. FINANCIAL INVESTMENTS (APPENDIX 01)

5. INVENTORY

	Closing balance		Beginning balance	
	VND	VND	VND	VND
	Original price	Provision	Original price	Provision
- Materials	-		895.523.127	
- Tools	-		269.021.828	
- Uncompleted production and business costs	3.354.627.000		5.221.825.528	
- Finished products	-		1.068.344.457	
- Commodities	86.027.002.122		89.309.881.268	
Total	89.381.629.122	-	96.764.596.208	-

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

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

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

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

8. PREPAID COSTS

	Closing balance	Beginning balance
	VND	VND
a. Short-term	6.951.254	21.654.845
Short-term prepaid costs	6.951.254	21.654.845
b. Long-term	69.329.643	455.202.197
Long-term allocation tools	69.329.643	90.738.659
Long-term prepaid costs		364.463.538
Total	76.280.897	476.857.042

9. 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	72.907.428.153	72.907.428.153
- ACTIVE CREATION APPRAEL SDN.BHD	7.578.317.500	7.578.317.500	66.445.143.000	66.445.143.000

- 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	6.462.285.153	6.462.285.153

10. TAXES AND PAYABLES TO THE STATE

a. Payables

Interpretation	Beginning balance (a)	Balance in the period (b)	Actual balance in the period (c)	Other adjustments (d)	Currency: VND Closing balance (e)=(a)+(b)-(c)+(d)
Payable VAT	512.708.589	3.803.246.282	3.798.918.853	(512.708.589)	4.327.429
Corporate income tax	130.654.016			(130.654.016)	
Resource tax	318.665.515	593.386.977	593.386.977	(318.665.515)	
Housing tax, land rental fee	236.267.783			(236.267.783)	
Fees, charges and other payables	153.483.300	15.153.784	15.153.784	(153.483.300)	
Total	1.351.779.203	4.411.787.043	4.407.459.614	-1.351.779.203	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.

11. PAYABLE COSTS

	Closing balance VND	Beginning balance VND
a. Short- term	39.499.896	18.588.027.783
- Interests	39.499.896	18.588.027.783
Total	39.499.896	18.588.027.783

12. OTHER PAYABLES

	Closing balance VND	Beginning balance VND
a. Short-term	32.138.021	250.291.988
- Trade Union funds	31.745.882	26.797.192
- Social Insurance	392.139	223.494.796
Total	32.138.021	250.291.988

13. SHORT-TERM LOANS AND FINANTIAL LIABILITIES (Details in Appendix 3)

14. EQUITY

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

b. Details of equity (Detail in Appendix No. 04)

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		168.999.830.000
+ Decreased contributed capital in the year	-	
+ Contributed capital in the end of year	298.999.810.000	298.999.810.000
- Divided dividends and profits		

d. Shares	Current year VND	Current year VND
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
+ Common shares	29.899.981	29.899.981
Number of shares to be redeemed (treasury shares)		
Number of outstanding shares	29.899.981	29.899.981
+ Common shares	29.899.981	29.899.981

* Par value of shares in circulation: 10.000 VND

e. Corporate funds		
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
- Revenue from sale of goods and service	252.509.723.283	171.790.660.800
Total revenue	252.509.723.283	171.790.660.800

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 and provided service	175.621.886.286	138.414.428.462
Total	175.621.886.286	138.414.428.462

3. REVENUE FROM FINANCIAL OPERATIONS	Current year VND	Previous year VND
- Deposit, loan interests	2.922.747	1.642.436.434
- Exchange rate differences	381.687.000	59.561.377
- Shared dividends and profits	770.016.970	610.425.509
Total	1.154.626.717	2.312.423.320

4. FINANCIAL COSTS	Current year VND	Previous year VND
Interest cost	4.711.148.360	1.135.104.811

Exchange rate difference	462.825.950	31.738.576
Business stock provisions and investment loss	140.434.522	
Loss due to liquidation of financial investments	2.841.248.448	
Total	8.155.657.280	1.166.843.387
5. OTHER INCOMES	Current year VND	Previous year VND
- Interest from acquiring subsidiaries		136.906.196
- Other incomes	53.038.752	
Total	53.038.752	136.906.196
6. OTHER COSTS	Current year VND	Previous year VND
- Expenses for administrative fines	180.619.108	80.881.514
- Other costs	112.659.635	72.058.355
Total	293.278.743	152.939.869
7. COSTS ACCORDING TO FACTORS	Current year VND	Previous year VND
- Costs for raw materials, materials, tools and instruments	2.877.800.063	2.883.003.162
- Labor costs	3.522.276.829	2.758.925.288
- Cost of fixed asset depreciation	3.348.146.423	1.906.649.117
- Tax, charges, fees	482.053.784	208.325.100
- Outsource purchasing service cost	2.423.387.932	575.424.656
- Other monetary costs	787.120.527	280.957.015
Total	13.440.785.558	8.613.284.338
8. 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	534.624.341	1.384.456.557
- Labor costs	1.112.108.723	1.063.473.325
- Cost of fixed asset depreciation	3.059.581.895	1.833.448.501
- Tax, charges, fees	19.153.784	
- Outsource purchasing service cost	924.287.717	7.404.902
- Other monetary costs	753.621.583	33.995.512
Total	6.403.378.043	4.322.778.797
10. 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

11. BASIC EARNINGS PER SHARE

	Current year	Previous year
	VND	VND
Net profit after tax	61.776.979.905	28.625.421.886
Adjustments	-	1.000.000.000
- Bonus and welfare fund deducted from profit after tax		1.000.000.000
Allocated profits for common shares	61.776.979.905	27.625.421.886
Common shares in circulation on average in the period	29.899.981	15.924.103
Basic earnings per share	2.066,12	1.734,82

In 2018, the Company did not estimate the allocation of bonus and welfare funds on profit after tax. Therefore, the calculation of basic interest on this period does not include the effect of the bonus and welfare fund allocated.

VIII. OTHER INFORMATION

2. Financial instruments

Financial instrument of the Company include:

		Closing balance		Beginning balance	
		Original cost	Provision	Original cost	Provision
Currency: VND					
Financial assets					
Cash and cash equivalents		38.153.013.343		24.753.040.376	
Receivables from customer, other receivables		237.792.386.944	-	186.946.905.332	-
Long-term investment		75.616.870.000	(140.434.522)	9.516.870.000	-
Total		351.562.270.287	(140.434.522)	221.216.815.708	-
Financial liabilities					
		Closing balance		Beginning balance	
		VND		VND	
Loan and debt		29.918.720.000		46.950.000.000	
Payables to suppliers, other payables		45.941.728.598		73.157.720.141	
Payable costs		39.499.896		18.588.027.783	
Total		75.899.948.494		138.695.747.924	

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		38.153.013.343	
Receivables from customer, other receivables	121.153.386.944	116.639.000.000	237.792.386.944	
Loans				
Short-term investment	75.616.870.000		75.616.870.000	
Long-term investment				
Total	234.923.270.287	116.639.000.000	351.562.270.287	
Beginning balance				
Cash and cash equivalents	24.753.040.376		24.753.040.376	
Receivables from customer, other receivables	70.307.905.332	116.639.000.000	186.946.905.332	
Short-term investment	9.516.870.000		9.516.870.000	
Total	104.577.815.708	116.639.000.000	221.216.815.708	

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	From 1 year to 5 year	Above 5 year	Total
--------------------------	--------------------------	-----------------	-------

	VND	VND	VND	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	46.950.000.000			46.950.000.000
Payables to buyers, other payables	73.157.720.141	-		73.157.720.141
Payable costs	18.588.027.783			18.588.027.783
Total	138.695.747.924	-	-	138.695.747.924

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.

VIII. 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	252.509.723.283	252.509.723.283
Total net revenue	252.509.723.283	252.509.723.283
Cost of department	175.621.886.286	175.621.886.286
Business results of department	76.887.836.997	76.887.836.997
Costs not allocated by department		7.869.586.538
Profit from the business operations		69.018.250.459
Revenue from financial operations		1.154.626.717
Financial costs		8.155.657.280
Other income		53.038.752
Other costs		293.278.743
Current CIT		-
Profit after tax		61.776.979.905

IX. TRANSACTIONS WITH RELATED PARTIES ARE AS FOLLOWS:

1. Transactions with related parties in 2018 are as follows:

Related parties	Relationship	Transactions in 2018	Value (VND)
Mr. Nguyen Huu Truong	Chairman of the Board of Directors and General Director	Advance	8.203.300.000
Mr. Nguyen Huu Truong	Chairman of the Board of Directors and General Director	Return of the advance	8.185.000.000
Mr. Vu Van Trong	Member of the Board of Directors (dismissed on April 27, 2018) and Deputy General Director (dismissed on 08/08/2018)	Return of the advance	17.356.943.000
Ms. Nguyen Thi Kim Phuong	Member of the Board of Directors	Advance	9.986.000.000

Ms. Nguyen Thi Kim Phuong	Member of the Board of Directors	Return of the advance	9.986.000.000
Dong Thien Phu Group Joint Stock Company	Chief Accountant of Dong Thien Phu Group is a member of Tien Thanh Board of Directors	Repayment of the advance	40.000.000.000
		Revenue of house rental	300.000.000
		Payment of house rental	165.000.000
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	Collecting sales	6.629.925.000
Kien Giang Brick and Tile Joint Stock Company	The unit that Tien Thanh owns 12.71% of shares	Collection of dividends for 2017	381.687.000

In addition to the explanations with related parties that have explained the above sections, the Board of General Directors committed not to make transactions with other stakeholders.

Income of Board of Directors and General Manager Board	Current year VND	Previous year VND
Income of the Manager Board and Board of Directors	17.950.000	399.590.193

X. 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

TIẾN THÀNH

NGUYỄN HUU TRƯƠNG



APPENDIX 01:

4. FINANCIAL INVESTMENTS:

	Ratio		Vote	Closing balance		Provision	Original cost	Beginning balance		Provision
	Hold			Fair value	Fair value			Fair value	Fair value	
b. Other investments										
- Kien Giang Brick and Tile JSC.	12,71%	12,71%	12,71%	75.476.435.478	3.716.870.000	140.434.522	9.516.870.000	9.516.870.000	9.516.870.000	-
- Minh Van Anh Development and Investment Co., Ltd	19,00%	19,00%	19,00%	5.700.000.000	5.700.000.000		3.816.870.000	3.816.870.000	3.816.870.000	
- Baltic Trading and Services Co., Ltd	19,75%	19,75%	19,75%	39.500.000.000	39.500.000.000		5.700.000.000	5.700.000.000	5.700.000.000	
- Son Phu Investment JSC.	19,00%	19,00%	19,00%	26.60.000.000	26.459.565.478	140.434.522				
c. Held-to-maturity investments										
- Bonds of Joint Stock Commercial Bank for Investment and Development of Vietnam (1)				100.000.000	100.000.000	-				

(1) Bonds issued by Joint Stock Commercial Bank for Investment and Development of Vietnam with 10 bonds, par value of VND 10,000,000/bond.

APPENDIX 02:

6. 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	29.054.737.421	3.807.043.182	9.609.444.000	346.023.389	305.727.927	43.122.975.919
Increase in the period	-	-	-	-	-	-
- <i>Buy in the year</i>	-	-	-	-	-	-
- <i>Increase due to reclassification</i>	-	-	-	-	-	-
Decrease in the period	867.796.065	3.694.743.182	744.600.000	-	305.727.927	5.612.867.174
- <i>Decrease due to reclassification</i>	867.796.065	3.694.743.182	744.600.000	-	305.727.927	5.612.867.174
Closing balance	28.186.941.356	112.300.000	8.864.844.000	346.023.389	-	37.510.108.745
Accumulated depreciation						
Beginning balance	809.751.788	1.029.337.468	1.635.900.442	227.227.133	239.590.731	3.941.807.562
Increase in the year	794.199.360	-	1.652.703.456	39.093.639	-	2.485.996.455
- <i>Depreciation in the year</i>	794.199.360	-	1.652.703.456	39.093.639	-	2.485.996.455
- <i>Other increases</i>	-	-	-	-	-	-
Decrease in the year	221.248.975	917.037.468	78.889.443	-	239.590.731	1.456.766.617
- <i>Other decreases</i>	221.248.975	917.037.468	78.889.443	-	239.590.731	1.456.766.617
Closing balance	1.382.702.173	112.300.000	3.209.714.455	266.320.772	-	4.971.037.400
Residual value						
At the beginning date of the year	28.244.985.033	2.777.705.714	7.973.543.558	118.796.256	66.137.196	39.181.168.357
At the ending date of the year	26.804.239.183	-	5.655.129.545	79.702.617	-	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: 1.078.420.610 VND.

7. INCREASE OR DECREASE IN INTANGIBLE FIXED ASSETS

Items	Land use right	Trademark	Computer software	Copyright of patent	Other intangible fixed assets	Currency: VND	
						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						
Decrease in the period	-					-	
Closing balance	3.459.527.229					3.459.527.229	
Accumulated depreciation							
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:

13. 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			Value	Amount that can be paid	
Short-term borrowings	29.918.720.000	29.918.720.000	64.978.838.800	82.010.118.800	46.950.000.000	46.950.000.000	
- Bank borrowings	29.918.720.000	29.918.720.000	64.978.838.800	82.010.118.800	46.950.000.000	46.950.000.000	
+ <i>Joint Stock Commercial Bank for Investment and Development of Vietnam</i>	29.918.720.000	29.918.720.000	64.978.838.800	82.010.118.800	46.950.000.000	46.950.000.000	

(*) 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:

14. OWNERS' EQUITY

a. The table of fluctuation in equity

	Owner's equity	Equity surplus	Investment & development funds	Undistributed profit after tax	Shareholders' benefits which are not controlled	Currency: VND Total
Beginning balance of previous year	129.999.980.000		1.394.830.504	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			5.000.000.000	28.625.421.886 (6 000.000.000)		28.625.421.886 (1.000.000.000)
- Other decreases/ increases						
- Dividend				(51.999.830.000)		(51.999.830.000)
- Capital decreased during the period						-
Closing balance of previous year	298.999.810.000	-	6.394.830.504	31.447.188.601	-	336.841.829.105
Beginning balance of current year	298.999.810.000	-	6.394.830.504	31.447.188.601	-	336.841.829.105
- Increase capital in the year						-
- Interest in the period						
- Deductions for setting up funds				61.776.979.905		61.776.979.905
- Other increases						-
- Losses in the period				505.259.509		505.259.509
- Dividend						-
- Other decreases						-
Closing balance	298.999.810.000	-	6.394.830.504	93.729.428.015	-	399.124.068.519

b. Details of owner's equity

	Currency: VND	
	Closing balance	Beginning balance
- State investment capital	-	-
- Capital contributed by other shareholders	298.999.810.000	298.999.810.000
Total	298.999.810.000	298.999.810.000