



AA CORPORATION

COMPREHENSIVE RESEARCH REPORT

Date of report: 21/05/2019

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Table of Contents

| | |
|--|----|
| COMPANY PROFILE | 3 |
| COMPANY HIGHLIGHT | 3 |
| KEY FINANCIALS | 3 |
| OWNERSHIP STRUCTURE | 4 |
| MANAGEMENT BACKGROUND..... | 4 |
| BRANCHES & SUBSIDIARIES | 6 |
| OPERATION..... | 7 |
| Company History | 7 |
| Production..... | 7 |
| Sales..... | 8 |
| Projects..... | 9 |
| COMPANY INSIGHTS | 10 |
| Company Position..... | 10 |
| Key Business Risks..... | 10 |
| Company Prospects..... | 10 |
| Financial Review..... | 11 |
| INDUSTRY ANALYSIS..... | 12 |
| SCORING | 15 |
| Z – SCORE..... | 15 |
| M – SCORE..... | 16 |
| CREDIT RATING | 17 |
| SHORT-TERM CREDIT LIMIT | 19 |
| LITIGATION & NEGATIVE NEWS | 19 |
| FILING STATUS | 19 |
| FINANCIAL STATEMENTS: CREDIT FILING | 20 |
| Balance Sheet..... | 20 |
| Income Statement..... | 21 |
| FINANCIAL STATEMENTS: TAX FILING | 24 |
| Balance Sheet..... | 24 |
| Income Statement..... | 27 |
| Cash Flow Statement..... | 29 |
| DISCREPANCY BETWEEN TAX FILING AND CREDIT SOURCE | 38 |
| Balance Sheet..... | 38 |
| Income Statement..... | 39 |
| FINANCIAL RATIOS..... | 42 |

CONFIDENTIALITY 43
DISCLAIMER 43
ABOUT FIINGROUP 43

AA CORPORATION

CÔNG TY CỔ PHẦN XÂY DỰNG KIẾN TRÚC AA

Registered Address: BITECO BUILDING, 43A FLOOR, NO.2, HAI TRIEU STREET, BEN NGHE WARD, DISTRICT 1, HO CHI MINH CITY, VIET NAM

Website: aacorporation.com

Tel: (84-28) 6287 5111

Fax: (84-28) 6287 5110

Email: info@aacorporation.com

COMPANY PROFILE

| | | | | | |
|---------------------------------------|--|------------------------|---------------|--------------------------|-------------------------|
| Main Business Activities | Manufacturing and trading indoor furniture; Providing interior fit-out services; | | | | |
| Key Products | Indoor furniture; Interior fit-out services; | | | | |
| Industry Classification | Manufacture of furniture | ICB: 3700 VSIC: 31 | Sector | Manufacture of furniture | ICB: 3726 VSIC: 3100 |
| Registration Code | 0302166869 | | | | |
| Incorporated Date | Dec 06, 2000 | | | | |
| Parent Company | N/A | | | | |
| Legal Form | Join Stock Company (JSC) | | | | |
| Ownership Type | Non-state joint stock company | | | | |
| Listing Status | Non-Public | | | | |
| Accounting Period | Annually | Fiscal Year End | December 31 | | |
| No. of Employees | N/A (2017) | | | | |
| Legal Representative's Profile | Ooi Wee Tat - Nationality: Malaysia - ID No.: A41061404 - YOB: 1973 - Education: Bachelor Degree | | | | |

COMPANY HIGHLIGHT

AA Corporation is recognized as a leading interior fit-out company in Vietnam.

The Company engages in 02 business sectors including providing interior fit-out services, and manufacturing and trading indoor furniture.

Company has a wide network of customers in more than 40 countries worldwide, especially in Buhtan, Cambodia and Myanmar.

Z- Score of AA Corporation has been in "Grey Zone" for 3 continuous years.

Liabilities accounted for 81% of total assets in 2015, in which short-term borrowings took up 77%, accordingly prompting the Company to face high debt payment pressure in short-term.

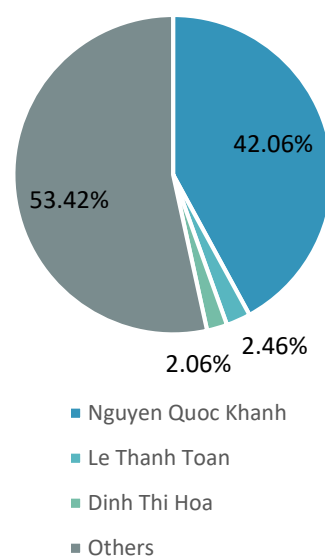
KEY FINANCIALS

| FY | 31/12/2017 |
|---------------------|------------------|
| <i>Audit status</i> | <i>Unaudited</i> |
| Contributed Capital | USD 11.00 mn |
| Net Revenue | USD 65.72 mn |
| Net Profit | USD 9.04 mn |
| Total Assets | USD 79.84 mn |
| Net Debts | USD 20.60 mn |
| Owner's Equity | USD 23.85 mn |
| ROA (%) | 11.48 |
| ROE (%) | 43.81 |

OWNERSHIP STRUCTURE

Ownership Structure

| Name | Nationality | Proportion | Update Date |
|-------------------|-------------|------------|-------------|
| Nguyen Quoc Khanh | Vietnam | 42.06% | N/A |
| Le Thanh Toan | Vietnam | 2.46% | N/A |
| Dinh Thi Hoa | Vietnam | 2.06% | N/A |
| Others | N/A | 53.42% | N/A |



MANAGEMENT BACKGROUND

Board of Director

| Name | Position | YOB | Education | Nationality |
|-----------------------|-----------------------|------|-----------|-------------|
| Mr. Nguyen Quoc Khanh | Chairman of the Board | 1959 | Bachelor | Vietnam |

Board of Management

| Name | Position | YOB | Education | Nationality |
|-----------------|------------------|------|-----------|-------------|
| Mr. Ooi Wee Tat | General Director | 1973 | Bachelor | Malaysia |

Profile Detail,

| 1 | Mr. | Nguyen Dai Thang |
|-----------------|-----|---|
| Position | - | Chairman of Management Board from 15/11/2017 |
| Year of Birth | | 10/02/1951 |
| Nationality | | Vietnam |
| ID Number | | 012936163 |
| Current address | | No. 81/51, Linh Quang Hamlet, Van Chuong Ward, Dong Da District, Hanoi, Vietnam |
| Education | | Bachelor Degree |

- Experience
- From ... to..., Mr. Nguyen Dai Thang served as...at....
 - From...to..., Mr. Nguyen Dai Thang served as...at...

Related Company

Position: Chairman of Management Board

Bao Chau Farm Development and Investment Joint Stock Company

| | |
|-----------------------------|---|
| Tax code | 0107824345 |
| Incorporated date | April 27, 2017 |
| Address | Alley 157/6/20, Duc Giang Street, Thuong Thanh Ward, Long Bien District, Hanoi, Vietnam |
| Charter capital | VND10 billion |
| Legal representative | Mr. Nguyen Dai Thang, Director at Bao Chau Farm D&I JSC |

Ownership structure

| Name | ID/Tax Code | Proportion (%) |
|----------------------|--------------|----------------|
| Mr. Nguyen Dai Thang | 012936163 | 45.00% |
| Mr. Nguyen Duy Duong | 026024364 | 35.00% |
| Mr. Tran Van Hung | 035079000176 | 20.00% |

Position: Board of Director

Viet System Development Joint Stock Company

| | |
|-----------------------------|--|
| Tax code | 0107892352 |
| Incorporated date | June 20, 2017 |
| Address | Room 901-4, 9 th Floor, Area A, Sky City Tower Building, No.88 Lang Ha Street, Lang Ha Ward, Dong Da District, Hanoi, Vietnam |
| Charter capital | VND30 billion |
| Legal representative | Mr. Nguyen Dai Thang, Director at Viet System Development JSC |

Ownership structure

| Name | ID/Tax code | Proportion (%) |
|--|--------------|----------------|
| Ms. Nguyen Thanh Van | 001184020004 | 31.00% |
| Mr. Nguyen Dai Thang | 012936163 | 30.00% |
| Mr. Pham Anh Tuan | 001071000591 | 20.00% |
| Atesco Industrial Catering Joint Stock Company | 0100830798 | 19.00% |

2 Mr. Dang Van Thang

| | |
|-----------------|--|
| Position | - General Director from 01/10/2015 |
| Year of Birth | 20/10/1981 |
| Nationality | Vietnam |
| ID Number | B5417797 |
| Current address | Chua Hamlet, Doan Bai Commune, Hiep Hoa District, Bac Giang Province, Vietnam |
| Education | Bachelor Degree |
| Experience | Mr. Dang Van Thang serves as General Director at Bao Chau Farm Joint Stock Company |

BRANCHES & SUBSIDIARIES

List of Branch (es)

N/A

List of Subsidiary(ies)

N/A

OPERATION

Company History

| Year | Milestone |
|------|---|
| 1993 | Established and operated as an interior contracting specialist in accordance with business registration number 0302166869 dated December 06, 2000 issued by Ho Chi Minh City Department of Planning and Investment; |
| 1996 | Started engaging in the manufacturing area by putting Long An Factory into operation; |
| 1999 | Introduced a chain of furniture stores named “Nha Xinh” in the domestic market, and Nha Xinh was registered as a branch of AA Corporation; |
| 2009 | Nha Xinh was no longer recorded as a branch of AA Corporation. (Nha Xinh currently is under the control of AKA Interior Joint Stock Company, which has no legal relation with AA Corporation); |

Production

Line of Business

| Line of Business | Description |
|--|--|
| Interior fit-out Services | <p>The Company is offering interior fit – out services for both domestic and international markets, and targeting to 05 main customer segments including:</p> <ul style="list-style-type: none"> • Hotel & resorts (the Company’s key customer segment); • Restaurants, cafes, & clubs; • Shops & boutiques; • Offices & commercial projects; • Residential projects; |
| Furniture Manufacturing and Trading | <ul style="list-style-type: none"> • The Company runs a furniture factory in Long An province; • AA Corporation has been in the partnership with AKA Interior Joint Stock Company – one of the leading furnishing retailers to help facilitate the distribution of the Company’s products; |

Factory

| Name | Street | City/ Province | District | Area (sqm) | Detail |
|----------------------------------|--------------------|----------------|--------------------|------------|--|
| Long An Furniture Factory | Binh Tien 2 Hamlet | Long An | Duc Hoa Ha Commune | 80,000 | Specializing in the manufacture of indoor furniture and specific products for interior fit-out projects; |

Certificate(s)

- ISO 9001:2008 Certificate on Quality Management System valid from November 26, 2013 to December 08, 2015;
- Forest Stewardship Council Chain of Custody (FSC-CoC) certificates from July 2, 2013 to July 1, 2018;
- SAP Enterprise Resource Planning Software (ERP) on resource management since 2008;

Personnel

Employee Size: 1,600 (estimated)

Labor Force Structure:

N/A

List of Suppliers

| Name | Product Supply | Address | Tel |
|-------------------------------------|----------------|---|--------------------|
| AA Interiors Myanmar Limited (AIMA) | | No.77, 6-B, Dhamazedi Road, Sanchaung Township, Yangon, Myanmar | 95 1) 516 519 |
| AdrunKA Private Limited | | GPO Box 1648, Thimphu 11001, Bhutan | (+975 2) 350 888 |
| AA Interiors Cambodia Ltd | | #16, Street 370, Boeung Keng Kang Ward, Chamkar Morn District, Phnom Penh, Cambodia. | (+855) 9288 0016 |
| AKA Interior Joint Stock Company | | Ho Ban Nguyet Commercial Service Zone, Lot CR03, No. 111, Ton Dat Tien Street, Tan Phu Ward, 7 District, Ho Chi Minh City | (+84 28) 5413 6661 |

Sales

Target Market

| Domestic Market | Overseas Market |
|--|--|
| <ul style="list-style-type: none"> • Nationwide | <ul style="list-style-type: none"> • Business activities in overseas market accounted for about 30% of the Company's sales with a wide network of customers in 40 countries worldwide; • The Company's major destination exporting markets include Buhtan, Cambodia and Myanmar; |

List of Customers

| Name | Address | Tel |
|-------------------------------------|---|------------------|
| AA Interiors Myanmar Limited (AIMA) | No.77, 6-B, Dhamazedi Road, Sanchaung Township, Yangon, Myanmar | (+95 1) 516 519 |
| AdrunKA Private Limited | GPO Box 1648, Thimphu 11001, Bhutan | (+975 2) 350 888 |

| | | |
|---------------------------|--|------------------|
| AA Interiors Cambodia Ltd | #16, Street 370, Boeung Keng Kang Ward, Chamkar Morn District, Phnom Penh, Cambodia. | (+855) 9288 0016 |
|---------------------------|--|------------------|

| | | |
|----------------------------------|---|--------------------|
| AKA Interior Joint Stock Company | Ho Ban Nguyet Commercial Service Zone, Lot CR03, No. 111, Ton Dat Tien Street, Tan Phu Ward, 7 District, Ho Chi Minh City | (+84 28) 5413 6661 |
|----------------------------------|---|--------------------|

List of Partners

| Name | Address | Tel |
|-------------------------------------|---|--------------------|
| AA Interiors Myanmar Limited (AIMA) | No.77, 6-B, Dhamazedi Road, Sanchaung Township, Yangon, Myanmar | (+95 1) 516 519 |
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Projects

N/A

COMPANY INSIGHTS

Company Position

- AA Corporation is recognized as a leading interior fit-out company in Vietnam with a charter capital of US\$8.46 million and revenue generated in 2015 of US\$58.09 million. The Company engages in 02 business sectors including: (i) providing interior fit-out services, and (ii) manufacturing and trading indoor furniture.
- Regarding interior fit-out business sector, the Company targets at 05 main client segments namely (i) hotels & resorts, (ii) restaurants, café, & clubs, (iii) shops & boutiques, (iv) office and commercial projects, and (v) residential projects, in which hospitality fit-out projects account for approximately 40% (170 -180 projects) of the total number of interior fit-out projects that the Company has been involved (430-450 projects). The Company's key customers are reputable hotel and resort brands such as Marriott, Hilton, Hyatt, and InterContinental. Serving both domestic and overseas markets, the Company has a wide network of customers in more than 40 countries worldwide. More specifically, the Company has been in the partnership with 03 foreign partners situated in Bhutan, Cambodia and Myanmar, leveraging the local manufacturing capacity to better meet the client's needs for interior fit-out services in those markets.
- In the aspect of the manufacturing area, the Company currently operates a factory located in Long An Province. The factory covers a land area of around 80,000 sqm and specializes in the manufacture of indoor furniture and specific products supplied to interior fit-out segment.
- As for trading activities, the Company engages in providing indoor furniture for both domestic and international customers. Particularly, in the domestic market, the Company offers products through a distribution network of sales center & showroom, representative offices and branches mainly located in Hanoi and Ho Chi Minh City. Besides, the Company is the major supplier of indoor furniture for "Nha Xinh" which is one of the leading furnishing retailers in Vietnam with 07 showrooms located in Hanoi and Ho Chi Minh City.

Key Business Risks

Regulatory Risk

- A part of the Company's revenue is generated through exporting, so the Company's operation is exposed to different standards and legal regulations in each of the countries that it exports to. The Company is also subject to requirements of its business customers. Therefore, there is the risk of litigation between the company and its partners facing the company.

Operational Risk

- As the Company's business activities involve trading in international currencies, the company is fully exposed to the risk of exchange rate volatility, which may exert adverse influence on the Company's profitability.

Competition Risk

- Vietnam furnishing industry has witnessed an intensifying competition, particularly in the context of the global economic integration, which leads to a growing number of new players, including both domestic and foreign companies. Additionally, the Company has to face with high competition from already well-established competitors, especially foreign companies with more advanced management experience and higher reputation.

Company Prospects

- FTAs are likely to boost export of wood products. 2015 marked the remarkable year of Vietnam's further integration into the global market with many new FTAs signed. Viet Nam concluded negotiations for four

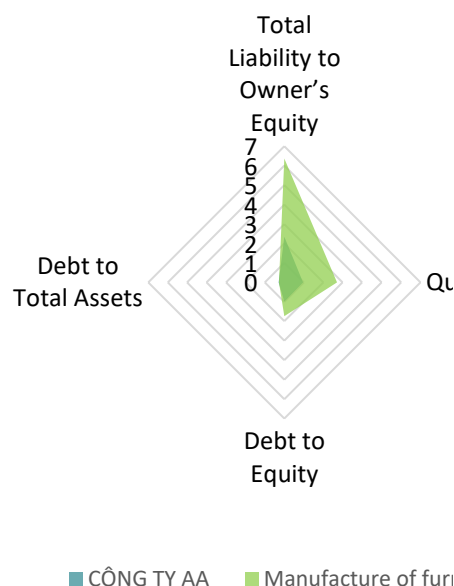
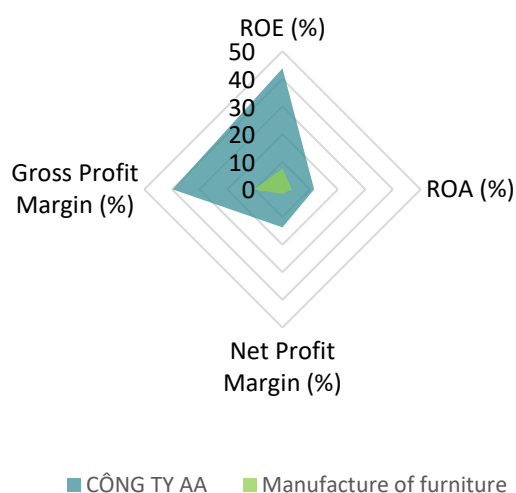
free trade agreements (FTAs), including those with the Eurasian Economic Union, the European Union, South Korea and the Trans-Pacific Partnership, during 2015. This is expected to increase the furniture export.

Financial Review

- The Company reported a continuous increase in revenue over the period 2015 -2017, posting growth of 5.41% and 7.26% in 2016, 2017 respectively. Following a different pattern, the Company's profit after tax hit the highest point in 2016 of VND130.79 billion resulting from the abnormal finance income record in this year. Particularly, the 2016 finance income accounted for 1.21% of net sales in this year, which was much higher than those figures in 2015 and 2017 with 0.33% and 0.72% respectively.
- It is important to notice that all of the Company's expenses observed a downward movement over the concerned period, illustrating the Company's better performance in cost management.
- Despite the decreasing trend witnessed in the weight of liabilities over the total assets, the Company had a heavy dependence on borrowing sources in formulating its capital structure. Precisely liabilities accounted for 81% of total assets in 2017, in which short-term borrowings took up 77%, accordingly prompting the Company to face high debt payment pressure in short-term.

INDUSTRY ANALYSIS

| | |
|-------------------|---------------------------------|
| Industry | Manufacture of furniture |
| Sector | Manufacture of furniture |
| Sub-Sector | Manufacture of wooden furniture |



| Revenue | Number of Companies |
|-------------------------------------|---------------------|
| Over VND250 billion | 99 |
| From VND75 billion - VND250 billion | 185 |
| From VND25 billion - VND75 billion | 272 |
| Under VND25 billion | 2811 |

(* Note: The number of companies is calculated by FiinGroup based on data of companies in industry from database sources believed by it to be accurate and reliable. The result is not a substitute for the exercise of independent judgment and expertise. You should always seek the assistance of a professional for advice on investments, tax, the law, or other professional matters.

Financial ratios and Average Industry Ratios

| Name | 2017 | Average Industry |
|--|--------|------------------|
| Current ratio | 1.22 | 5.08 |
| Quick ratio | 0.96 | 2.71 |
| Debt to Equity | 0.99 | 1.74 |
| Debt to Total Assets | 0.30 | 0.28 |
| Total Liability to Owner's Equity | 2.35 | 6.37 |
| Total Liability to Total Assets | 0.70 | 0.68 |
| Account Receivable Turnover Ratio | 1.42 | 110.09 |
| Account Receivable Turn-Days | 257.94 | 3.32 |
| Inventory Turnover Ratio | 2.82 | 327.68 |
| Inventory Turn-Days | 129.58 | 1.11 |
| Payment Period Turnover | 4.92 | 11.15 |
| Average Payment Period | 74.22 | 32.73 |
| ROA (%) | 11.48 | 3.40 |

| | | |
|--------------------------------|-------|--------|
| ROE (%) | 43.81 | 7.54 |
| Gross Profit Margin (%) | 39.72 | 10.42 |
| Net Profit Margin (%) | 13.75 | 1.65 |
| Sales Growth Rate (%) | -3.13 | 103.00 |

(* Note: The average industry ratios is calculated by FiinGroup based on average data of companies in industry from database sources believed by it to be accurate and reliable. The result is not a substitute for the exercise of independent judgment and expertise. You should always seek the assistance of a professional for advice on investments, tax, the law, or other professional matters.

Key Players

| Name | Business Description | Total Asset (VND million) | Total Equity (VND million) | Revenue (VND million) | Net Profit Margin (%) |
|------|--|---------------------------|----------------------------|-----------------------|-----------------------|
| A | <i>Intentionally left blank for demo purpose</i> | | | | |
| B | <i>Intentionally left blank for demo purpose</i> | | | | |
| C | <i>Intentionally left blank for demo purpose</i> | | | | |

Outlook for Industry

High-quality products and low labor cost are competitive advantages of Vietnam over other countries, which has made the country to become one of the largest wooden furniture exporters in the world, among China, Germany and Italy. According to the Ministry of Industry and Trade, Vietnamese woodwork has been exported to nearly 40 overseas markets worldwide, achieving US\$6.9 billion in export value in 2015, a 10 percent jump on-year. The US is the largest export market for made-in-Vietnam woodwork, holding nearly 39 percent of Vietnam's total export value of wooden products last year when the country gained US\$2.64 billion from wooden US exports alone, up 18 percent on-year. The export value from this market is also predicted to increase robustly following the enforcement of the Trans-Pacific Partnership (TPP).

Industry Life Cycle

Introductory **Growth** Maturity Decline

Vietnam wooden furniture industry has been seeing consistent growth for the past few years. Particularly, the country's furniture exports have experienced average annual growth of 7-8 percent in recent years. In 2015, exports have increased by 10 percent to \$6.9 billion worth of products. For the first half of 2016, this momentum has continued, and the export turnover is anticipated to rise by 3.5 percent

Regulatory Issues

Low Medium **High**

As a major proportion of locally produced wooden products are exported, so Vietnam's firms are exposed to different standards and legal regulations in each of the countries that they export to. In particular, the origin of wooden material is one of prerequisite requirements when exporting wooden products to high-demanding foreign markets like the US and the EU. Vietnamese firms have to comply with wood origin legitimacy rules, for example,

Lacey Act of the US, Forest Stewardship Council (FSC)-certified forests, Forest Law Enforcement, Governance and Trade (FLEGT) of the EU. Meanwhile, the dearth of materials is the industry’s primary weakness as components and accessories usually must be imported from China.

Free trade agreements such as Trans-Pacific Partnership (TPP) and the EU-Vietnam FTA (EVFTA) are expected to either cut or eliminate tariffs for various Vietnamese exports to other member countries. This will promise great opportunities but also create more challenges for local manufacturers as a larger number of foreign companies have shifted production to Vietnam to enjoy preferences from FTAs. Particularly, the US is currently Vietnam’s largest export market for wooden furniture. However, the massive foreign investment, especially from China, in the wood furniture manufacturing may lead to Vietnamese companies facing anti-dumping duties by the US government.

Barrier to Entry/Exit

Low



High

Barrier for new enterprises to enter Vietnam’s woodwork industry is assessed as medium. Vietnamese woodwork market is fragmented with small- to medium-sized enterprises which are mainly household businesses. Also, there has been an increasing number in FDI enterprises investing in this industry in the attempt to have tariff incentives that Vietnam will enjoy from FTAs. The intensifying competition in the woodwork industry would create barrier to entry for new entrants.

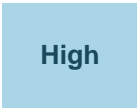
Even though the domestic woodwork market has been experiencing strong growth over the last years with great export turnover, profit margins of this industry as well as added-value of the locally manufactured products still remain low due to the country’s reliance on import for input materials, which accordingly results in high production cost for the local woodwork manufacturers.

Furthermore, in order to access high-demanding markets like Japan, Europe, and the US, certificates on wood origin have to be obtained, which is also an obstacle for new woodwork manufacturers.

Level of Competition

Low

Medium



High

The domestic woodwork market is currently dominated by FDI enterprises which take up 80% market share. The local woodwork manufacturers are accordingly overwhelmed by the intensifying competition from FDI enterprises. Particularly, a third of foreign-invested companies in Vietnam’s furniture industry are from China. Since 2015, the U.S. has imposed import tariffs on Chinese furniture in an attempt to protect its domestic manufacturers from Chinese “dumping”. As a result, many Chinese furniture companies have moved their manufacturing facilities to neighboring Vietnam to get around the US anti-dumping duties.

SCORING

Z – SCORE

Altman Z-score is the output of a credit-strength test that predicts a company's likelihood of bankruptcy. The Altman Z-score is based on five financial ratios calculated from the data in the company's financial statements.

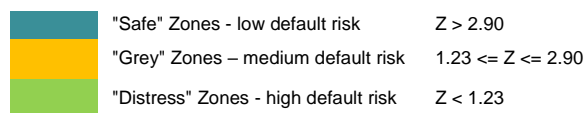
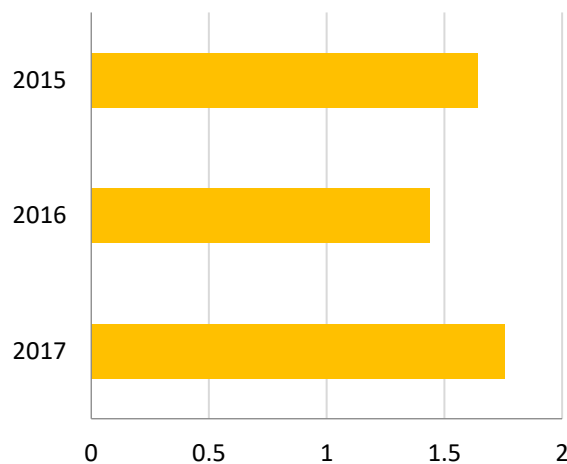
Z-score Model:

$$Z=0.717T1 + 0.847T2 + 3.107T3 + 0.420T4 + 0.998T5$$

Calculation:

| | 2017 | 2016 | 2015 |
|---------------|-------------|-------------|-------------|
| T1 | 0.15 | 0.10 | 0.07 |
| T2 | 0.15 | 0.11 | 0.07 |
| T3 | 0.17 | 0.09 | 0.16 |
| T4 | 0.43 | 0.29 | 0.21 |
| T5 | 0.82 | 0.87 | 0.94 |
| ZScore | 1.76 | 1.44 | 1.64 |

ZScore in 03 years



Interpretation

Z – score Interpretation: We noted that administrative expense which took about 40%- 48% gross profit and large amount of interest expense have eroded most of the Company's profit. As a result net profit margin of the Company has decreased from 11% in 2014 to only 7.7% in 2015. This poor performance explained why the Company's Z Score ratio increased from 1.48 in 2013 to 1.64 in 2014 before decreasing to 1.51 in 2015, but it has still remained in "Grey Zones". The Company had invested more assets year by year while its business performance has still not met expectation during this period. In addition, despite net working capital was still at positive position but the gap between current assets and current liabilities at 31 Dec 2015 was only VND 80 billion and this could be a signal to alert the Company about its liquidity risk.

M – SCORE

Beneish M-Score is a mathematical model that uses financial ratios and eight variables to identify whether a company has manipulated its earnings. The variables are constructed from the data in the Company’s financial statement. The presentation of M-score’s result is based on the status of data availability.

The Section is regarded to be optional to show.

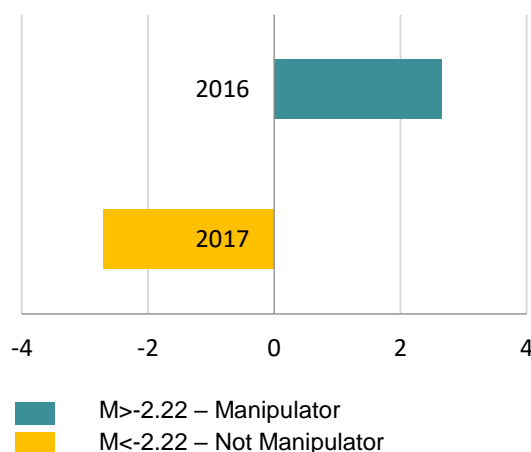
M-score Model:

$$M = -4.84 + 0.92DSRI + 0.528GMI + 0.404AQI + 0.892SGI + 0.115DEPI - 0.172SGAI + 4.679TATA - 0.327LVGI$$

Calculation:

| | 2017 | 2016 |
|----------------|---------------|--------------|
| DSRI | 1.009 | 1.108 |
| GMI | 1.035 | 0.874 |
| AQI | 1.371 | 1.424 |
| SGI | 1.072 | 1.054 |
| DEPI | 1.254 | 0.901 |
| SGAI | 1.180 | 0.849 |
| LVGI | 0.951 | 0.954 |
| TATA | -0.101 | 0.004 |
| M-score | -2.699 | 2.660 |

MScore in 02 years



Interpretation

M – score Interpretation: M-score of -2.699 in 2017 suggests that the Company is unlikely to be an earnings manipulator.

CREDIT RATING

Credit Rating of the Enterprise

| 2015 | 2016 | 2017 |
|---|---|--|
| B3 | B3 | B2 |
| Relatively high default risk | Relatively high default risk | Above average default risk |
| Enterprises have limited financial capacity; business activities have not achieved good results | Enterprises have limited financial capacity; business activities have not achieved good results | Enterprises have medium financial capacity; business activities have not achieved good results |

The credit rating of National Credit Information Center of Vietnam – State Bank of Vietnam (CIC) is a combination of 08 criteria classifying into 02 groups of financial information (Financial status, Payments, Accumulated profitability, Growth of revenue) and non-financial information (Principals, Management, Scale of operations, Years in business).

Credit Rating Indexes

| | | |
|-----------|-------------------------------------|--|
| A1 | Lowest default risk | Enterprises have strong financial capacity and ability to cover all short-term and long-term debts, good debt payment history, favorable business situation and long-term development prospect |
| A2 | Very low default risk | Enterprises have stable financial capacity, favorable business operations, good debt payment history and long-term growth prospect |
| A3 | Low default risk | Enterprises have good financial capacity, sustainable growth prospect, fairly good business situation and good debt payment history |
| B1 | Medium default risk | Enterprises have good financial capacity, ability to pay off debts at medium level and relatively effective business operation |
| B2 | Above average default risk | Enterprises have medium financial capacity, business activities have not achieved good results |
| B3 | Relatively high default risk | Enterprises have limited financial capacity, business activities have not achieved good results |
| C1 | High default risk | Enterprises have weak financial capacity, difficulty in paying debts and low business performance |
| C2 | Extremely high default risk | Enterprises have weak financial potential, difficulty in paying debts and inefficient business activities |
| C3 | Imminent default risk | Enterprises have weak financial capacity, great difficulty in paying debts, poor business operation and management capacity |
| D1 | | Enterprises are having difficulties in meeting debt obligations and may be exposed to default risk. Business operations may suffer from outstanding debts, accumulated losses, poor management capacity or legal issues. |
| D2 | | Enterprises are having difficulties in meeting debt obligations and may be exposed to default risk. Business operations may suffer from outstanding debts, accumulated losses, poor management capacity or legal issues. |
| D3 | | Enterprises are having difficulties in meeting debt obligations and may be exposed to default risk. Business operations may suffer from outstanding debts, accumulated losses, poor management capacity or legal issues. |
| T1 | Lack of financial statement | Enterprises currently have large borrowings at CIs or listed companies which must disclose information but have not yet provided financial statements for CIC to carry out assessments |
| T2 | Lack of financial statement | Enterprises currently have large borrowings more than 50 billion Dong at CIs or public companies which must disclose information but have not yet provided financial statements for CIC to carry out assessments |
| T3 | Lack of financial statement | Enterprises currently have credit relations but have not provided financial statements for CIC to carry out assessments |
| E | Insufficient data | The company lacks information to make an assessment and rating at CIC |

Interpretation

Credit Information Center of Vietnam (CIC) Credit Rating Interpretation: According to CIC, after considering 8 criteria classifying into 02 groups of financial and non-financial information, the Company's credit rating has still been scored at BBB level- Fairly good type in 2013 and 2014 before degrading to BB level- Fairly average type. It means even the Company's performance has been in downward trend from 2014 to 2015 according to CIC but it is now still operating with medium effective, limited financial condition and above average risk.

From two above assessments, AA Corporation needs to improve their performance as it is inadequate with their investment but there is no significant liquidity or bankruptcy risk at this moment.

SHORT-TERM CREDIT LIMIT

| Criteria | Company | Average Industry |
|---|--------------------------------|------------------|
| Debts to Equity | 0.99 | 1.74 |
| Debts to Tangible Net Worth | 0.99 | 2.14 |
| Total Liability to Equity | 2.35 | 6.37 |
| Total Liability to Tangible Net Worth | 2.36 | 7.46 |
| Acceptable additional credit limit | Loans (VND million) | 616,154.67 |
| | Liability (VND million) | 2,754,466.21 |

(*) Note: The credit limit is calculated by FiinGroup from database sources believed by it to be accurate and reliable. The result is not a substitute for the exercise of independent judgment and expertise. You should always seek the assistance of a professional for advice on investments, tax, the law, or other professional matters.

LITIGATION & NEGATIVE NEWS

| Description | |
|----------------------|---|
| Litigation | There are no records of litigations relating to AA Corporation. |
| Negative news | There are no records of litigations relating to AA Corporation. |

FILING STATUS

- According to the Tax Department of Ha Noi, as at 15/11/2018, the Company has overdue tax debt of 20,000,000 VND.
- According to the Social Insurance Department of Ha Noi, as at 01/11/2018, the Company has overdue social insurance debt of 15,000,000 VND.

These data are collected from public disclosure of Tax Department, Social Insurance Department of Ha Noi.

FINANCIAL STATEMENTS: CREDIT FILING

In VND million

Balance Sheet

| <i>FY</i> | <i>As at</i> | | |
|---------------------------------------|---------------------------|---------------------------|---------------------------|
| | <i>31/12/2017</i> | <i>31/12/2016</i> | <i>31/12/2015</i> |
| <i>Unit</i> | <i>VND Million</i> | <i>VND Million</i> | <i>VND Million</i> |
| <i>Audit status</i> | <i>Audited</i> | <i>Audited</i> | <i>Audited</i> |
| <i>Type</i> | <i>Unconsolidated</i> | <i>Unconsolidated</i> | <i>Unconsolidated</i> |
| <i>Legal Regulation</i> | <i>200/2014/TT-BTC/LT</i> | <i>200/2014/TT-BTC/LT</i> | <i>200/2014/TT-BTC/LT</i> |
| <i>Source</i> | <i>Credit filing</i> | <i>Credit filing</i> | <i>Credit filing</i> |
| Current assets | 1,139,771 | 1,141,347 | 1,017,256 |
| Cash & cash equivalents | 49,214 | 45,412 | 45,424 |
| Short term investments | - | - | 3,000 |
| Trade and other receivables | 826,001 | 763,875 | 653,631 |
| Inventories | 259,173 | 324,302 | 305,237 |
| Other assets | 5,383 | 7,758 | 9,964 |
| Non-current assets | 231,757 | 148,055 | 123,083 |
| Trade & other receivables | 9,971 | - | - |
| Property, plant and equipment | 118,929 | 70,672 | 75,040 |
| Intangible assets | 5,614 | 6,598 | 5,792 |
| Investment properties | 23,108 | 31,036 | 21,006 |
| Long-term unfinished assets | 29,991 | 19,319 | 3,697 |
| Long- term investments | 14,610 | 4,869 | - |
| Other non-current assets | 29,534 | 15,561 | 17,548 |
| TOTAL ASSETS | 1,371,528 | 1,289,402 | 1,140,339 |
| LIABILITIES | 1,105,072 | 1,063,108 | 984,170 |
| Current liabilities | 1,059,713 | 1,048,055 | 971,574 |
| Trade payables | 495,921 | 464,595 | 469,388 |
| Taxes payable | 149,587 | 141,820 | 178,983 |
| Wages Payable | 76,947 | 350,274 | 263,374 |
| Other payable | 51,494 | 46,097 | 42,728 |
| Short term borrowings | 54,622 | 45,269 | 17,101 |
| Non-Current liabilities | 45,359 | 15,053 | 12,596 |
| Other liabilities | 32,839 | 5,919 | 4,374 |
| Long term borrowings | 146 | 628 | 531 |
| Provision | 12,374 | 8,506 | 7,691 |
| EQUITY | 266,456 | 226,294 | 156,169 |
| Owner's equity | 266,456 | 226,294 | 156,169 |
| Contributed equity | 190,000 | 120,000 | 120,000 |
| Other owner's equity | 17,762 | 17,762 | -19,810 |
| Retained earnings | 58,694 | 88,532 | 55,979 |
| TOTAL LIABILITIES & EQUITY | 1,371,528 | 1,289,402 | 1,140,339 |

Income Statement

| <i>FY</i> | For the year ended | | |
|---|---------------------------|---------------------------|---------------------------|
| | 31/12/2017 | 31/12/2016 | 31/12/2015 |
| Unit | VND Million | VND Million | VND Million |
| <i>Audit status</i> | <i>Audited</i> | <i>Audited</i> | <i>Audited</i> |
| <i>Type</i> | <i>Unconsolidated</i> | <i>Unconsolidated</i> | <i>Unconsolidated</i> |
| <i>Legal Regulation</i> | <i>200/2014/TT-BTC/LT</i> | <i>200/2014/TT-BTC/LT</i> | <i>200/2014/TT-BTC/LT</i> |
| <i>Source</i> | <i>Credit filing</i> | <i>Credit filing</i> | <i>Credit filing</i> |
| Sales revenue | 1,304,288 | 1,216,468 | 1,153,711 |
| Less deductions | 176 | 680 | 331 |
| Net sales | 1,304,112 | 1,215,788 | 1,153,380 |
| Cost of goods sold | 924,006 | 849,373 | 842,418 |
| Gross profit | 380,106 | 366,415 | 310,962 |
| Finance income | 9,438 | 14,675 | 3,852 |
| Finance costs | 47,687 | 45,132 | 59,382 |
| In which: Interest expenses | 33,687 | 40,907 | 57,767 |
| Selling expenses | 29,439 | 20,488 | 45,768 |
| Administrative expenses | 181,340 | 146,136 | 140,374 |
| Net income from operating activities | 131,078 | 169,334 | 69,290 |
| Other income | 4,606 | 2,669 | 4,099 |
| Other expense | 1,641 | 4,359 | 9,475 |
| Net profit before income tax | 134,043 | 167,644 | 63,914 |
| Income tax expense | 33,125 | 36,428 | 17,988 |
| Deferred Income tax | 113 | 426 | -968 |
| Net profit after tax | 100,805 | 130,790 | 46,894 |

In USD thousand

Balance Sheet

| FY Unit | As at | | |
|--|----------------------------|----------------------------|----------------------------|
| | 31/12/2017 USD Thousand | 31/12/2016 USD Thousand | 31/12/2015 USD Thousand |
| Audit status | Audited | Audited | Audited |
| Type | Unconsolidated | Unconsolidated | Unconsolidated |
| Legal Regulation | '00/2014/TT-BTC/LT | 200/2014/TT-BTC/LT | 200/2014/TT-BTC/LT |
| Source | Credit filing | Credit filing | Credit filing |
| End-of-Year Exchange rate (VND/USD) (*) | 22,540 | 21,405 | 21,125 |
| Current assets | 50,567 | 53,322 | 48,154 |
| Cash & cash equivalents | 2,183 | 2,122 | 2,150 |
| Short term investments | - | - | 142 |
| Trade and other receivables | 36,646 | 35,687 | 30,941 |
| Inventories | 11,498 | 15,151 | 14,449 |
| Other assets | 239 | 362 | 472 |
| Non-current assets | 10,282 | 6,917 | 5,826 |
| Trade & other receivables | 442 | - | - |
| Property, plant and equipment | 5,276 | 3,302 | 3,552 |
| Intangible assets | 249 | 308 | 274 |
| Investment properties | 1,025 | 1,450 | 994 |
| Long-term unfinished assets | 1,331 | 903 | 175 |
| Long- term investments | 648 | 227 | - |
| Other non-current assets | 1,310 | 727 | 831 |
| TOTAL ASSETS | 60,849 | 60,238 | 53,981 |
| LIABILITIES | 49,027 | 49,666 | 46,588 |
| Current liabilities | 47,015 | 48,963 | 45,992 |
| Trade payables | 22,002 | 21,705 | 22,220 |
| Taxes payable | 6,637 | 6,626 | 8,473 |
| Wages Payable | 3,414 | 16,364 | 12,467 |
| Other payable | 2,285 | 2,154 | 2,023 |
| Short term borrowings | 2,423 | 2,115 | 810 |
| Non-Current liabilities | 2,012 | 703 | 596 |
| Other liabilities | 1,457 | 277 | 207 |
| Long term borrowings | 06 | 29 | 25 |
| Provision | 549 | 397 | 364 |
| EQUITY | 11,821 | 10,572 | 7,393 |
| Owner's equity | 11,821 | 10,572 | 7,393 |
| Contributed equity | 8,429 | 5,606 | 5,680 |
| Other owner's equity | 788 | 830 | -938 |
| Retained earnings | 2,604 | 4,136 | 2,650 |
| TOTAL LIABILITIES & EQUITY | 60,849 | 60,238 | 53,981 |

Income Statement

| FY | For the year ended | | |
|---|--------------------|--------------------|--------------------|
| | 31/12/2017 | 31/12/2016 | 31/12/2015 |
| Unit | USD Thousand | USD Thousand | USD Thousand |
| Audit status | Audited | Audited | Audited |
| Type | Unconsolidated | Unconsolidated | Unconsolidated |
| Legal Regulation | 200/2014/TT-BTC/LT | 200/2014/TT-BTC/LT | 200/2014/TT-BTC/LT |
| Source | Credit filing | Credit filing | Credit filing |
| End-of-Year Exchange rate (VND/USD) (*) | 21,953 | 21,223 | 21,054 |
| Sales revenue | 59,413 | 57,318 | 54,798 |
| Less deductions | 08 | 32 | 16 |
| Net sales | 59,405 | 57,286 | 54,782 |
| Cost of goods sold | 42,090 | 40,021 | 40,012 |
| Gross profit | 17,315 | 17,265 | 14,770 |
| Finance income | 430 | 691 | 183 |
| Finance costs | 2,172 | 2,127 | 2,820 |
| In which: Interest expenses | 1,535 | 1,927 | 2,744 |
| Selling expenses | 1,341 | 965 | 2,174 |
| Administrative expenses | 8,260 | 6,886 | 6,667 |
| Net income from operating activities | 5,971 | 7,979 | 3,291 |
| Other income | 210 | 126 | 195 |
| Other expense | 75 | 205 | 450 |
| Net profit before income tax | 6,106 | 7,899 | 3,036 |
| Income tax expense | 1,509 | 1,716 | 854 |
| Deferred Income tax | 05 | 20 | -46 |
| Net profit after tax | 4,592 | 6,163 | 2,227 |

FINANCIAL STATEMENTS: TAX FILING

In VND million

Balance Sheet

| FY Unit | As at | | |
|---|---------------------------|---------------------------|---------------------------|
| | 31/12/2017 VND Million | 31/12/2016 VND Million | 31/12/2015 VND Million |
| Audit status | Unaudited | Unaudited | Audited |
| Type | Unconsolidated | Unconsolidated | Unconsolidated |
| Legal Regulation | 200/2014/TT/BTC/LT | 200/2014/TT/BTC/LT | 200/2014/TT/BTC/LT |
| Source | Tax Filing | Tax Filing | Tax Filing |
| A. CURRENT ASSETS | 1,499,759 | 1,494,608 | 1,141,347 |
| I. Cash and cash equivalents | 68,387 | 21,851 | 45,412 |
| Cash | 68,387 | 21,851 | - |
| II. Short-term financial investments | 2,700 | - | - |
| Held-to-maturity investments | 2,700 | - | - |
| III. Accounts receivable – short-term | 1,096,627 | 1,149,509 | 763,875 |
| Trade receivables | 1,037,271 | 1,075,947 | - |
| Prepayments to suppliers | 37,019 | 49,770 | - |
| Loans receivable | 10,777 | 8,753 | - |
| Other receivables | 26,141 | 25,825 | - |
| Allowance for doubtful debts | (14,581) | (10,787) | - |
| IV. Inventories | 324,582 | 315,333 | 324,302 |
| Inventories | 324,582 | 315,333 | - |
| V. Other current assets | 7,463 | 7,915 | 7,758 |
| Short-term prepaid expenses | 7,437 | 6,345 | - |
| Deductible value added tax | - | 1,294 | - |
| Taxes and others receivable from State Treasury | 26 | 276 | - |
| B. NON-CURRENT ASSETS | 315,381 | 271,165 | 148,055 |
| I. Accounts receivable – long-term | 7,783 | 11,186 | - |
| Loans receivable – long-term | 1,603 | 1,603 | - |
| Other long-term receivables | 6,180 | 9,582 | - |
| II. Fixed assets | 197,409 | 159,042 | - |
| Tangible fixed assets | 137,036 | 123,399 | 70,672 |
| - Cost | 284,006 | 251,292 | - |
| - Accumulated depreciation | (146,969) | (127,893) | - |
| Finance leases | 57,946 | 32,605 | - |
| - Cost | 65,079 | 36,264 | - |
| - Accumulated depreciation | (7,133) | (3,659) | - |

| | | | |
|--|------------------|------------------|------------------|
| Intangible fixed assets | 2,428 | 3,039 | 6,598 |
| - Cost | 9,910 | 9,910 | - |
| - Accumulated depreciation | (7,482) | (6,871) | - |
| III. Investment properties | 16,265 | 13,936 | 31,036 |
| - Cost | 17,293 | 14,575 | - |
| - Accumulated depreciation | (1,028) | (639) | - |
| IV. Long term assets in progress | 21,117 | 17,779 | - |
| Long-term work in progress | 21,117 | 17,779 | - |
| V. Long-term investments | 34,932 | 27,422 | 4,869 |
| Investments in subsidiary | 34,547 | 27,037 | - |
| Investment in other entities | 2,400 | 2,400 | - |
| Provision for diminution in value of long-term investments | (2,015) | (2,015) | - |
| VI. Other long-term assets | 37,874 | 41,800 | 15,561 |
| Long-term prepaid expenses | 34,328 | 39,643 | - |
| Deferred tax assets | 3,546 | 2,157 | - |
| TOTAL ASSETS | 1,815,140 | 1,765,773 | 1,289,402 |
| C. LIABILITIES | 1,273,001 | 1,369,229 | 1,063,108 |
| I. Current liabilities | 1,225,746 | 1,326,577 | 1,048,055 |
| Short-term trade payables | 137,130 | 229,386 | 464,595 |
| Short-term advances from customers | 392,074 | 288,518 | - |
| Statutory obligations | 94,609 | 35,868 | 141,820 |
| Payables to employees | 75,425 | 54,168 | 350,274 |
| Short-term accrued expenses | 9,194 | 74,768 | - |
| Other ST payables | 22,721 | 4,302 | 46,097 |
| Short-term loan and finance lease obligations | 492,014 | 637,261 | 45,269 |
| Short-term provision | 2,579 | 2,306 | - |
| II. Non-current liabilities | 47,255 | 42,652 | 15,053 |
| Long-term trade payables | 178 | 178 | - |
| Other long-term liabilities | - | - | 5,919 |
| Long-term loans and finance lease obligations | 44,807 | 40,204 | 628 |
| Other long-term provisions | 2,271 | 2,271 | 8,506 |
| D. OWNERS' EQUITY | 542,139 | 396,544 | 226,294 |
| I. Equity | 542,139 | 396,544 | 226,294 |

| | | | |
|---|------------------|------------------|------------------|
| Contributed capital | 250,000 | 190,000 | 120,000 |
| - Ordinary shares | 250,000 | 190,000 | - |
| Share premium | 17,762 | 17,762 | - |
| Other owners' capital | - | - | 17,762 |
| Retained earnings | 274,378 | 188,782 | 88,532 |
| - Retained earnings accumulated to prior year-end | 68,782 | 66,776 | - |
| - Retained earnings of this period | 205,595 | 122,006 | - |
| <i>II. Non-business expenditure fund and other funds</i> | - | - | - |
| TOTAL RESOURCES | 1,815,140 | 1,765,773 | 1,289,402 |

Income Statement

| FY Unit | For the year ended | | |
|--|---------------------------|---------------------------|---------------------------|
| | 31/12/2017 VND Million | 31/12/2016 VND Million | 31/12/2015 VND Million |
| Audit status | Unaudited | Unaudited | Audited |
| Type | Unconsolidated | Unconsolidated | Unconsolidated |
| Legal Regulation | 200/2014/TT/BTC/LT | 200/2014/TT/BTC/LT | 200/2014/TT/BTC/LT |
| Source | Tax Filing | Tax Filing | Tax Filing |
| Revenue from sales of goods and provision of services | 1,495,469 | 1,543,547 | 1,216,468 |
| Revenue deductions | 280 | 115 | 680 |
| Net revenue | 1,495,189 | 1,543,433 | 1,215,788 |
| Cost of sales | 901,237 | 1,114,807 | 849,373 |
| Gross profit/(loss) | 593,952 | 428,625 | 366,415 |
| Financial income | 4,925 | 6,174 | 14,675 |
| Financial expenses | 44,036 | 40,304 | 45,132 |
| - In which: | 37,796 | 3,498 | 40,907 |
| Interest expense | | | |
| Share of profit/(loss) in associates and jointly controlled entities | - | - | - |
| Selling expenses | 42,099 | 35,799 | 20,488 |
| General and administration expenses | 245,374 | 226,697 | 146,136 |
| Net operating profit/(loss) | 267,368 | 131,999 | 169,334 |
| Other income | 4,277 | 29,986 | 2,669 |
| Other expenses | 5,029 | 3,775 | 4,359 |
| Results of other activities | (752) | 26,211 | - |
| Accounting profit/(loss) before tax | 266,616 | 158,210 | 167,644 |
| Income tax expense – current | 62,410 | 35,561 | 36,428 |
| Income tax expense/(benefit) – deferred | (1,389) | 643 | 426 |
| Net profit/(loss) after tax | 205,595 | 122,006 | 130,790 |
| Attributable to equity holders of the Company | - | - | - |
| Attributable to non-controlling interest | - | - | - |
| Basic earnings per share | - | - | - |

Diluted earnings per share

-

-

-

Cash Flow Statement

| FY Unit | For the year ended | | |
|---|---------------------------|---------------------------|---------------------------|
| | 31/12/2017 VND Million | 31/12/2016 VND Million | 31/12/2015 VND Million |
| Audit status | Audited | Audited | Audited |
| Type | Unconsolidated | Unconsolidated | Unconsolidated |
| Legal Regulation | 200/2014/TT-BTC/LT | 200/2014/TT-BTC/LT | 200/2014/TT-BTC/LT |
| Source | Tax filing | Tax filing | Tax filing |
| Method | Indirect | Indirect | Indirect |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net profit before tax | 134,043 | 167,644 | 63,914 |
| Adjustment for | | | |
| <i>Depreciation and amortization</i> | 15,123 | 11,647 | 10,968 |
| <i>Provisions</i> | (1,265) | (822) | - |
| <i>Foreign exchange (gains)/losses arising from revaluation of monetary accounts (Profits)/losses from investing activities</i> | 9,856 | 7,569 | 5,784 |
| <i>Interest expenses</i> | 29,864 | 25,652 | 39,153 |
| <i>Goodwill amortization</i> | - | - | - |
| <i>Other adjustments</i> | - | - | - |
| Operating income before changes in working capital | 53,578 | 44,046 | 55,905 |
| <i>(Increase)/Decrease in receivables</i> | 312,564 | 198,646 | 208,512 |
| <i>(Increase)/Decrease in inventories</i> | (189,646) | (134,653) | (125,693) |
| <i>Increase/(Decrease) in payables (not included interest expenses and income tax payables)</i> | 102,865 | 60,256 | 11,656 |
| <i>(Increase)/Decrease in prepaid expenses</i> | 12,562 | 24,656 | 25,565 |
| <i>(Increase)/Decrease in securities held for trading</i> | - | - | - |
| Interest paid | (12,956) | (16,566) | (14,965) |
| Corporate income tax paid | (25,646) | (35,012) | (16,789) |
| Other cash inflows from operating activities | - | - | - |
| Other cash outflows from operating activities | (13,456) | (15,387) | (15,235) |
| Net cash flow from (used in) operating activities | 239,865 | 125,986 | 128,956 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase and construction of fixed assets and other long-term assets | (170,679) | (126,530) | (85,369) |
| Proceeds from disposals of fixed assets and other long-term assets | 3,479 | 8,976 | 2,379 |
| Loans to other entities and payments for purchase of debt instruments of other entities | - | - | - |
| Collections from borrowers and proceeds from sale of debt instruments of other entities | - | - | - |
| Payments for investments in other entities | (15,965) | (4,869) | - |
| Proceeds from sale of investments in other entities | 6,224 | - | - |
| Interest and dividend received | 1,806 | 56,204 | (6,872) |
| Net cash flow from (used in) investing activities | (175,135) | (66,219) | (89,862) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Capital contribution and issuance of shares | 70,000 | - | 20,000 |
| Capital redemption | - | - | - |
| Drawdown of borrowings | 156,456 | 12,512 | 9,568 |
| Repayment of borrowings | (289,272) | (72,500) | (67,194) |
| Payment of principal of finance lease liabilities | - | - | - |
| Dividend paid to owner | - | - | - |

| | | | |
|---|---------------|---------------|---------------|
| Net cash flow from (used in) financing activities | 62,816 | 59,988 | 37,626 |
| Net increase/(decrease) in cash and cash equivalents | 1,914 | -221 | 1,468 |
| Cash and cash equivalents at the beginning of the period | 45,412 | 45,424 | 43,452 |
| Effects of exchange rate fluctuation | 1,888 | 209 | 504 |
| Cash and cash equivalents at the end of the period | 49,214 | 45,412 | 45,424 |

While preparing the report, we noted that there might be some errors/lack of information in the Company's financial statements; however, we confirm that this is the correct data submitted to Tax Authority/Financial Institution.

In USD thousand

Balance Sheet

| FY | As at | | |
|---|--------------------|--------------------|--------------------|
| | 31/12/2017 | 31/12/2016 | 31/12/2015 |
| Unit | USD Thousand | USD Thousand | USD Thousand |
| Audit status | Unaudited | Unaudited | Audited |
| Type | Unconsolidated | Unconsolidated | Unconsolidated |
| Legal Regulation | 200/2014/TT/BTC/LT | 200/2014/TT/BTC/LT | 200/2014/TT/BTC/LT |
| Source | Tax Filing | Tax Filing | Tax Filing |
| End-of-Year Exchange rate (VND/USD) (*) | 22,735 | 22,790 | 21,405 |
| A. CURRENT ASSETS | 65,967 | 65,582 | 53,322 |
| I. Cash and cash equivalents | 3,008 | 959 | 2,122 |
| Cash | 3,008 | 959 | - |
| II. Short-term financial investments | 119 | - | - |
| Held-to-maturity investments | 119 | - | - |
| III. Accounts receivable – short-term | 48,235 | 50,439 | 35,687 |
| Trade receivables | 45,624 | 47,211 | - |
| Prepayments to suppliers | 1,628 | 2,184 | - |
| Loans receivable | 474 | 384 | - |
| Other receivables | 1,150 | 1,133 | - |
| Allowance for doubtful debts | (641) | (473) | - |
| IV. Inventories | 14,277 | 13,836 | 15,151 |
| Inventories | 14,277 | 13,836 | - |
| V. Other current assets | 328 | 347 | 362 |
| Short-term prepaid expenses | 327 | 278 | - |
| Deductible value added tax | - | 57 | - |
| Taxes and others receivable from State Treasury | 1 | 12 | - |
| B. NON-CURRENT ASSETS | 13,872 | 11,898 | 6,917 |
| I. Accounts receivable – long-term | 342 | 491 | - |
| Loans receivable – long-term | 71 | 70 | - |
| Other long-term receivables | 272 | 420 | - |
| II. Fixed assets | 8,683 | 6,979 | - |
| Tangible fixed assets | 6,028 | 5,415 | 3,302 |
| - Cost | 12,492 | 11,026 | - |
| - Accumulated depreciation | (6,464) | (5,612) | - |
| Finance leases | 2,549 | 1,431 | - |
| - Cost | 2,862 | 1,591 | - |

| | | | |
|--|---------------|---------------|---------------|
| - Accumulated depreciation | (314) | (161) | - |
| Intangible fixed assets | 107 | 133 | 308 |
| - Cost | 436 | 435 | - |
| - Accumulated depreciation | (329) | (301) | - |
| III. Investment properties | 715 | 611 | 1,450 |
| - Cost | 761 | 640 | - |
| - Accumulated depreciation | (45) | (28) | - |
| IV. Long term assets in progress | 929 | 780 | - |
| Long-term work in progress | 929 | 780 | - |
| V. Long-term investments | 1,536 | 1,203 | 227 |
| Investments in subsidiary | 1,520 | 1,186 | - |
| Investment in other entities | 106 | 105 | - |
| Provision for diminution in value of long-term investments | (89) | (88) | - |
| VI. Other long-term assets | 1,666 | 1,834 | 727 |
| Long-term prepaid expenses | 1,510 | 1,739 | - |
| Deferred tax assets | 156 | 95 | - |
| TOTAL ASSETS | 79,839 | 77,480 | 60,238 |
| C. LIABILITIES | 55,993 | 60,080 | 49,666 |
| I. Current liabilities | 53,914 | 58,209 | 48,963 |
| Short-term trade payables | 6,032 | 10,065 | 21,705 |
| Short-term advances from customers | 17,245 | 12,660 | - |
| Statutory obligations | 4,161 | 1,574 | 6,626 |
| Payables to employees | 3,318 | 2,377 | 16,364 |
| Short-term accrued expenses | 404 | 3,281 | - |
| Other ST payables | 999 | 189 | 2,154 |
| Short-term loan and finance lease obligations | 21,641 | 27,962 | 2,115 |
| Short-term provision | 113 | 101 | - |
| II. Non-current liabilities | 2,079 | 1,872 | 703 |
| Long-term trade payables | 8 | 8 | - |
| Other long-term liabilities | - | - | 277 |
| Long-term loans and finance lease obligations | 1,971 | 1,764 | 29 |
| Other long-term provisions | 100 | 100 | 397 |

| | | | |
|---|---------------|---------------|---------------|
| D. OWNERS' EQUITY | 23,846 | 17,400 | 10,572 |
| <i>I. Equity</i> | 23,846 | 17,400 | 10,572 |
| Contributed capital | 10,996 | 8,337 | 5,606 |
| - Ordinary shares | 10,996 | 8,337 | - |
| Share premium | 781 | 779 | - |
| Other owners' capital | - | - | 830 |
| Retained earnings | 12,069 | 8,284 | 4,136 |
| - Retained earnings accumulated to prior year-end | 3,025 | 2,930 | - |
| - Retained earnings of this period | 9,043 | 5,354 | - |
| <i>II. Non-business expenditure fund and other funds</i> | - | - | - |
| TOTAL RESOURCES | 79,839 | 77,480 | 60,238 |

Income Statement

| FY Unit | For the year ended | | |
|---|----------------------------|----------------------------|----------------------------|
| | 31/12/2017 USD Thousand | 31/12/2016 USD Thousand | 31/12/2015 USD Thousand |
| Audit status | Unaudited | Unaudited | Audited |
| Type | Unconsolidated | Unconsolidated | Unconsolidated |
| Legal Regulation | 200/2014/TT/BTC/LT | 200/2014/TT/BTC/LT | 200/2014/TT/BTC/LT |
| Source | Tax Filing | Tax Filing | Tax Filing |
| End-of-Year | 22,751 | 22,401 | 21,223 |
| Exchange rate (VND/USD) (*) | | | |
| Revenue from sales of goods and provision of services | 65,732 | 68,905 | 57,318 |
| Revenue deductions | 12 | 5 | 32 |
| Net revenue | 65,720 | 68,900 | 57,286 |
| Cost of sales | 39,613 | 49,766 | 40,021 |
| Gross profit/(loss) | 26,107 | 19,134 | 17,265 |
| Financial income | 216 | 276 | 691 |
| Financial expenses | 1,936 | 1,799 | 2,127 |
| - In which: | 1,661 | 156 | 1,927 |
| Interest expense | | | |
| Share of profit/(loss) in associates and jointly controlled entities | - | - | - |
| Selling expenses | 1,850 | 1,598 | 965 |
| General and administration expenses | 10,785 | 10,120 | 6,886 |
| Net operating profit/(loss) | 11,752 | 5,893 | 7,979 |
| Other income | 188 | 1,339 | 126 |
| Other expenses | 221 | 169 | 205 |
| Results of other activities | (33) | 1,170 | - |
| Accounting profit/(loss) before tax | 11,719 | 7,063 | 7,899 |
| Income tax expense – current | 2,743 | 1,587 | 1,716 |
| Income tax expense/(benefit) – deferred | (61) | 29 | 20 |
| Net profit/(loss) after tax | 9,037 | 5,446 | 6,163 |
| Attributable to equity holders of the Company | - | - | - |
| Attributable to non-controlling interest | - | - | - |

| | | | |
|----------------------------|---|---|---|
| Basic earnings per share | - | - | - |
| Diluted earnings per share | - | - | - |

Cash Flow Statement

| Indirect method FY | For the year ended | | |
|--|--------------------|--------------------|--------------------|
| | 31/12/2017 | 31/12/2016 | 31/12/2015 |
| Unit | USD Thousand | USD Thousand | USD Thousand |
| Audit status | Audited | Audited | Audited |
| Type | Unconsolidated | Unconsolidated | Unconsolidated |
| Legal Regulation | 200/2014/TT-BTC/LT | 200/2014/TT-BTC/LT | 200/2014/TT-BTC/LT |
| Source | Tax filing | Tax filing | Tax filing |
| Method | Indirect | Indirect | Indirect |
| End-of-Year Exchange rate (VND/USD) (*) | 22,751 | 22,401 | 21,223 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net profit before tax | 6,106 | 7,899 | 3,036 |
| Adjustment for | - | - | - |
| Depreciation and amortization | 689 | 549 | 521 |
| Provisions | (58) | (39) | - |
| Foreign exchange (gains)/losses arising from revaluation of monetary accounts (Profits)/losses from investing activities | 449 | 357 | 275 |
| Interest expenses | 1,360 | 1,209 | 1,860 |
| Goodwill amortization | - | - | - |
| Other adjustments | - | - | - |
| Operating income before changes in working capital | 2,441 | 2,075 | 2,655 |
| (Increase)/Decrease in receivables | 14,238 | 9,360 | 9,904 |
| (Increase)/Decrease in inventories | (8,639) | (6,345) | (5,970) |
| Increase/(Decrease) in payables (not included interest expenses and income tax payables) | 4,686 | 2,839 | 554 |
| (Increase)/Decrease in prepaid expenses | 572 | 1,162 | 1,214 |
| (Increase)/Decrease in securities held for trading | - | - | - |
| Interest paid | (590) | (781) | (711) |
| Corporate income tax paid | (1,168) | (1,650) | (797) |
| Other cash inflows from operating activities | - | - | - |
| Other cash outflows from operating activities | (613) | (725) | (724) |
| Net cash flow from (used in) operating activities | 10,926 | 5,936 | 6,125 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase and construction of fixed assets and other long-term assets | (7,775) | (5,962) | (4,055) |
| Proceeds from disposals of fixed assets and other long-term assets | 158 | 423 | 113 |
| Loans to other entities and payments for purchase of debt instruments of other entities | - | - | - |
| Collections from borrowers and proceeds from sale of debt instruments of other entities | - | - | - |
| Payments for investments in other entities | (727) | (229) | - |
| Proceeds from sale of investments in other entities | 284 | - | - |
| Interest and dividend received | 82 | 2,648 | (326) |
| Net cash flow from (used in) investing activities | (7,978) | (3,120) | (4,268) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |

| | | | |
|---|--------------|--------------|--------------|
| Capital contribution and issuance of shares | 3,189 | - | 950 |
| Capital redemption | - | - | - |
| Drawdown of borrowings | 7,127 | 590 | 454 |
| Repayment of borrowings | (13,177) | (3,416) | (3,192) |
| Payment of principal of finance lease liabilities | - | - | - |
| Dividend paid to owner | - | - | - |
| Net cash flow from (used in) financing activities | 2,861 | 2,827 | 1,787 |
| Net increase/(decrease) in cash and cash equivalents | 87 | (10) | 70 |
| Cash and cash equivalents at the beginning of the period | 2,069 | 2,140 | 2,064 |
| Effects of exchange rate fluctuation | 86 | 10 | 24 |
| Cash and cash equivalents at the end of the period | 2,242 | 2,140 | 2,157 |

() The conversion of the financial statements into USD is for your general reference only as it is not exactly complied with the accounting standards in the conversion of financial statements from a local currency into a foreign currency. As for Balance Sheet items, we used the exchange rate at the end of the reported year. For Income Statements and Cash Flow Statement, we used the average rate for the period.*

DISCREPANCY BETWEEN TAX FILING AND CREDIT SOURCE

Balance Sheet

| FY Unit | As at | | |
|--|---------------------------|---------------------------|---------------------------|
| | 31/12/2017 VND Million | 31/12/2016 VND Million | 31/12/2014 VND Million |
| A. CURRENT ASSETS | - | - | - |
| <i>I. Cash and cash equivalents</i> | - | - | - |
| <i>II. Short-term financial investments</i> | - | - | - |
| <i>III. Accounts receivable – short-term</i> | - | - | - |
| <i>IV. Inventories</i> | - | - | - |
| <i>V. Other current assets</i> | - | - | - |
| B. NON-CURRENT ASSETS | - | - | - |
| <i>I. Accounts receivable – long-term</i> | - | - | - |
| II. Fixed assets | - | - | - |
| <i>Tangible fixed assets</i> | - | - | - |
| <i>Finance leases</i> | - | - | - |
| <i>Intangible fixed assets</i> | - | - | - |
| III. Investment properties | - | - | - |
| IV. Long term assets in progress | - | - | - |
| V. Long-term investments | - | - | - |
| VI. Other long-term assets | - | - | - |
| TOTAL ASSETS | - | - | - |
| C. LIABILITIES | - | - | - |
| <i>I. Current liabilities</i> | - | - | - |
| <i>II. Non-current liabilities</i> | - | - | - |
| D. OWNERS' EQUITY | - | - | - |
| I. Equity | - | - | - |
| <i>Contributed capital</i> | - | - | - |
| II. Non-business expenditure fund and other funds | - | - | - |
| TOTAL RESOURCES | - | - | - |

Income Statement

| <i>FY</i> <i>Unit</i> | For the year ended | | |
|--|---|---|---|
| | <i>31/12/2017</i> <i>VND Million</i> | <i>31/12/2016</i> <i>VND Million</i> | <i>31/12/2014</i> <i>VND Million</i> |
| Revenue from sales of goods and provision of services | - | - | - |
| Revenue deductions | - | - | - |
| Net revenue | - | - | - |
| Cost of sales | - | - | - |
| Gross profit/(loss) | - | - | - |
| Financial income | - | - | - |
| Financial expenses | - | - | - |
| - In which: Interest expense | - | - | - |
| Share of profit/(loss) in associates and jointly controlled entities | - | - | - |
| Selling expenses | - | - | - |
| General and administration expenses | - | - | - |
| Net operating profit/(loss) | - | - | - |
| Other income | - | - | - |
| Other expenses | - | - | - |
| Results of other activities | - | - | - |
| Accounting profit/(loss) before tax | - | - | - |
| Income tax expense – current | - | - | - |
| Income tax expense/(benefit) – deferred | - | - | - |
| Net profit/(loss) after tax | - | - | - |
| Attributable to equity holders of the Company | - | - | - |
| Attributable to non-controlling interest | - | - | - |
| Basic earnings per share | - | - | - |
| Diluted earnings per share | - | - | - |

In USD thousand

Balance Sheet

| FY Unit | As at | | |
|--|----------------------------|----------------------------|----------------------------|
| | 31/12/2017 USD Thousand | 31/12/2016 USD Thousand | 31/12/2014 USD Thousand |
| A. CURRENT ASSETS | - | - | - |
| <i>I. Cash and cash equivalents</i> | - | - | - |
| <i>II. Short-term financial investments</i> | - | - | - |
| <i>III. Accounts receivable – short-term</i> | - | - | - |
| <i>IV. Inventories</i> | - | - | - |
| <i>V. Other current assets</i> | - | - | - |
| B. NON-CURRENT ASSETS | - | - | - |
| <i>I. Accounts receivable – long-term</i> | - | - | - |
| II. Fixed assets | - | - | - |
| Tangible fixed assets | - | - | - |
| Finance leases | - | - | - |
| Intangible fixed assets | - | - | - |
| III. Investment properties | - | - | - |
| IV. Long term assets in progress | - | - | - |
| V. Long-term investments | - | - | - |
| VI. Other long-term assets | - | - | - |
| TOTAL ASSETS | - | - | - |
| C. LIABILITIES | - | - | - |
| <i>I. Current liabilities</i> | - | - | - |
| <i>II. Non-current liabilities</i> | - | - | - |
| D. OWNERS' EQUITY | - | - | - |
| I. Equity | - | - | - |
| Contributed capital | - | - | - |
| II. Non-business expenditure fund and other funds | - | - | - |
| TOTAL RESOURCES | - | - | - |

Income Statement

| <i>FY</i> | For the year ended | | |
|--|---------------------|---------------------|---------------------|
| | <i>31/12/2017</i> | <i>31/12/2016</i> | <i>31/12/2014</i> |
| <i>Unit</i> | <i>USD Thousand</i> | <i>USD Thousand</i> | <i>USD Thousand</i> |
| Revenue from sales of goods and provision of services | - | - | - |
| Revenue deductions | - | - | - |
| Net revenue | - | - | - |
| Cost of sales | - | - | - |
| Gross profit/(loss) | - | - | - |
| Financial income | - | - | - |
| Financial expenses | - | - | - |
| - In which: Interest expense | - | - | - |
| Share of profit/(loss) in associates and jointly controlled entities | - | - | - |
| Selling expenses | - | - | - |
| General and administration expenses | - | - | - |
| Net operating profit/(loss) | - | - | - |
| Other income | - | - | - |
| Other expenses | - | - | - |
| Results of other activities | - | - | - |
| Accounting profit/(loss) before tax | - | - | - |
| Income tax expense – current | - | - | - |
| Income tax expense/(benefit) – deferred | - | - | - |
| Net profit/(loss) after tax | - | - | - |
| Attributable to equity holders of the Company | - | - | - |
| Attributable to non-controlling interest | - | - | - |
| Basic earnings per share | - | - | - |
| Diluted earnings per share | - | - | - |

FINANCIAL RATIOS

Financial Health Ratios

| Name | 2017 | 2016 | 2015 |
|---------------------------------|------|------|------|
| Cash Ratio | 0.05 | 0.04 | 0.05 |
| Quick Ratio | 0.83 | 0.78 | 0.73 |
| Current Ratio | 1.08 | 1.09 | 1.05 |
| Lt Debt/Equity | 0.00 | 0.00 | 0.00 |
| Lt Debt/Total Assets | 0.00 | 0.00 | 0.00 |
| Debt/Equity | 0.21 | 0.20 | 0.11 |
| Debt/Total Assets | 0.39 | 0.36 | 0.42 |
| ST Liabilities/ Equity | 3.98 | 4.63 | 6.22 |
| ST Liabilities/ Total Assets | 0.77 | 0.81 | 0.85 |
| Total Liabilities/ Equity | 4.15 | 4.70 | 6.30 |
| Total Liabilities/ Total Assets | 0.81 | 0.82 | 0.86 |

Management Efficiency Ratios

| Name | 2017 | 2016 | 2015 |
|-----------------------------------|---------|---------|---------|
| ROE (%) | 37.83 | 57.80 | 30.03 |
| ROCE (%) | 53.79 | 86.41 | 72.10 |
| ROA (%) | 7.35 | 10.14 | 4.11 |
| Account Receivable Turnover Ratio | 1.64 | 1.72 | 1.76 |
| Average Collection Period | - | - | - |
| Inventory Turnover Ratio | 3.17 | 2.70 | 2.76 |
| Inventory Turn-Days | 115.24 | 135.27 | 132.25 |
| Payment Period Turnover | 6.34 | 5.30 | 4.71 |
| Average Payment Period | 57.56 | 68.93 | 77.55 |
| EBIT (VND Million) | 167,730 | 208,551 | 121,681 |
| EBITDA (VND Million) | - | - | - |

Profitability Ratios

| Name | 2017 | 2016 | 2015 |
|-----------------------------|-------|-------|-------|
| Gross Profit Margin (%) | 29.15 | 30.14 | 26.96 |
| EBITDA/ Revenue (%) | - | - | - |
| EBIT/ Revenue (%) | 12.86 | 17.15 | 10.55 |
| Operating Profit Margin (%) | 10.05 | 13.93 | 6.01 |
| Pre-Tax Profit Margin (%) | 10.28 | 13.79 | 5.54 |
| Net Profit Margin (%) | 7.73 | 10.76 | 4.07 |
| Asset Turnover | 0.98 | 1.00 | 1.18 |
| Equity Turnover | 5.29 | 6.36 | 13.62 |

Growth Ratios (yoy)

| Name | 2017 | 2016 | 2015 |
|--------------------------------|--------|--------|------|
| Sale Growth Rate (%) | 7.26 | 5.41 | - |
| Gross Profit Growth Rate (%) | 3.74 | 17.83 | - |
| EBITDA Growth Rate (%) | - | - | - |
| EBIT Growth Rate (%) | -19.57 | 71.39 | - |
| Pre-tax Profit Growth Rate (%) | -20.04 | 162.30 | - |
| Net Profit Growth Rate (%) | -22.93 | 178.91 | - |
| Total Assets Growth Rate (%) | 6.37 | 13.07 | - |
| Equity Growth Rate (%) | 17.75 | 44.90 | - |

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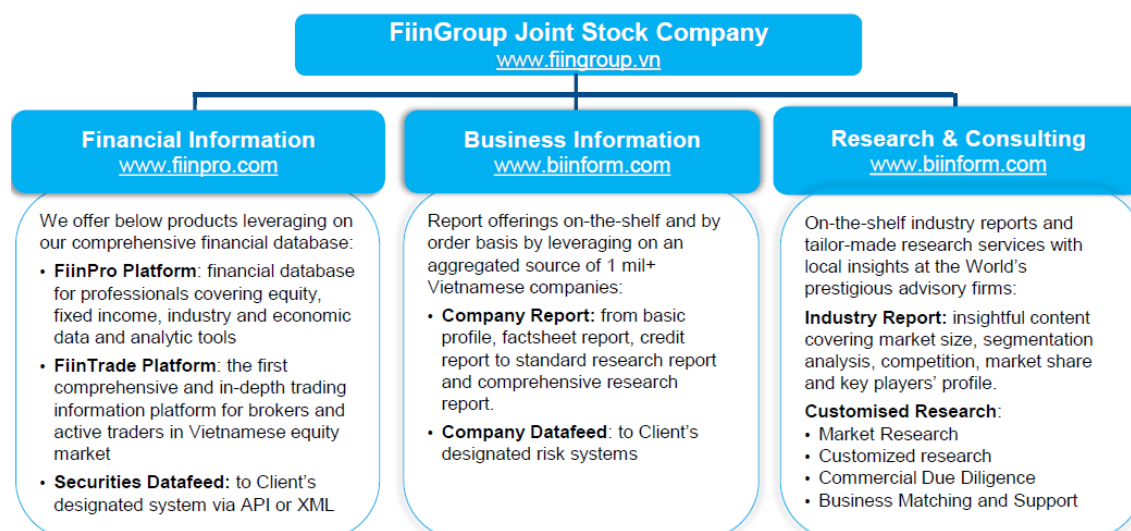
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ABOUT FIINGROUP

FiinGroup JSC (previously StoxPlus JSC) is a Vietnam's leader in financial and business information services



- **Date of incorporation:** March 11, 2008; **Legal representative:** Mr. Nguyen Quang Thuan
- **Number of staff:** 100 (as of December 2018) including Data Analysts, Market Analysts, IT Engineers and Product Developers.
- **Charter capital:** VND24 billion (US\$1.1 million); Shareholders: NIKKEI: 17.55%; QUICK: 17.55%; Management and other: 64.9%; Two offices: Hanoi Head Office and HCMC Branch
- **Corporate evolution:** StoxPlus JSC was renamed FiinGroup JSC on February 18, 2019



- End of report -