

# **Thuan Duc Joint Stock Company**

Separate financial statements

For the year ended 31 December 2019



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For the year ended 31 December 2019



# Thuan Duc Joint Stock Company

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# Thuan Duc Joint Stock Company

## GENERAL INFORMATION

### THE COMPANY

Thuan Duc Joint Stock Company (“the Company”) is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No 0503000198 issued by the Department of Planning and Investment of Hung Yen province on 22 January 2007 and the most recent amended Business Registration Certificate No. 0900264799 which was the 9<sup>th</sup> amendment issued on 16 October 2019.

On 11 July 2018, the Company received Decision No 4285/UBCK-GSDC of State Security Commission of Vietnam approving the Company as a public company with securities symbol TDP.

On 5 November 2018, the Company received Decision No. 706/QD-SGGDHN of Hanoi Stock Exchange approving stock trading registration of Thuan Duc Joint Stock Company.

The current principal activities of the Company are to produce high-quality PP woven bags for domestic consumption, export and other activities under the Investment Certificate.

The Company’s head office is located at Bang Ngang hamlet, Luong Bang town, Kim Dong district, Hung Yen province, Vietnam. The Company has branches located at 851, Thu Tuu 2 quarter, Tan Khanh ward, Tan An city, Long An province, Vietnam and Lot CN5, Zone B, Bim Son industrial park, Bac Son ward, Bim Son town, Thanh Hoa province, Vietnam.

### BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are:

Mr Nguyen Duc Cuong	Chairman	
Mrs Ngo Kim Dung	Member	
Mrs Nguyen Kim Anh	Member	appointed on 23 April 2019
Mr Le Van Quang	Member	
Mrs Ngo Thu Ha	Member	resigned on 23 April 2019
Mr Nguyen Ba Duc	Member	resigned on 29 November 2019

### BOARD OF SUPERVISION

Members of the Board of Supervision during the year and at the date of this report are:

Mrs Nguyen Thi Minh Nguyet	Head of Board of Supervision
Mrs Nguyen Thi Nguyet	Member
Mrs Nguyen Van Duyen	Member

### MANAGEMENT

Members of the Management during the year and at the date of this report are:

Mr Nguyen Duc Cuong	General Director	
Mrs Ngo Kim Dung	Deputy Director	
Mrs Nguyen Kim Anh	Deputy Director	appointed on 18 May 2019
Mr Nguyen Duc Hung	Deputy Director	resigned on 1 January 2020
Mr Bui Quang Sy	Deputy Director	

# Thuan Duc Joint Stock Company

GENERAL INFORMATION (continued)

## **LEGAL REPRESENTATIVE**

The legal representative of the Company during the year and on the date of this report is Mr Nguyen Duc Cuong, General Director.

## **AUDITOR**

The auditor of the Company is Ernst & Young Vietnam Limited.

# Thuan Duc Joint Stock Company

## REPORT OF MANAGEMENT

Management of Thuan Duc Joint Stock Company (“the Company”) is pleased to present this report and the separate financial statements of the Company for the year ended 31 December 2019.

### MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

Management is responsible for the separate financial statements of each financial year which give a true and fair view of the separate financial position of the Company and of the separate results of its operations and its separate cash flows for the year. In preparing these separate financial statements, management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the separate financial statements; and
- ▶ prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the separate financial position of the Company and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying separate financial statements.

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying separate financial statements give a true and fair view of the separate financial position of the Company as at 31 December 2019, and of the separate results of its operations and its separate cash flows for the year then ended, in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the separate financial statements.

The Company has a subsidiary as disclosed in the separate financial statements. The Company prepared these separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company is also in the process of preparation of the consolidated financial statements of the Company and its subsidiary for the year ended 31 December 2019.

For and on behalf of management:



The stamp is circular and red, containing the text: 'SBKID: 090026478', 'CÔNG TY CỔ PHẦN THUẬN ĐỨC', and 'H. KIM ĐÔNG T. HUNG YÊN'. A blue ink signature is written over the stamp.

Nguyen Duc Cuong  
General Director

Hung Yen, Vietnam

10 March 2020



Ernst & Young Vietnam Limited  
8th Floor, CornerStone Building  
16 Phan Chu Trinh Street  
Hoan Kiem District  
Hanoi, S.R. of Vietnam

Tel: +84 24 3831 5100  
Fax: +84 24 3831 5090  
ey.com

Reference: 61519173/21258468

## INDEPENDENT AUDITORS' REPORT

**To: The Board of Directors of Thuan Duc Joint Stock Company**

We have audited the accompanying separate financial statements of Thuan Duc Joint Stock Company ("the Company") as prepared on 10 March 2020 and set out on pages 6 to 41, which comprise the separate balance sheet as at 31 December 2019, the separate income statement and separate cash flow statement for the year then ended and the notes thereto.

### *Management's responsibility*

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the separate financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the separate financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' responsibility*

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the separate financial position of the Company as at 31 December 2019, and of the separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of separate financial statements.

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**Other matter**

The financial statements of the Company for the year ended 31 December 2018 were audited by another audit firm which expressed an unmodified opinion on those statements on 28 March 2019.



**Ernst & Young Vietnam Limited**

Le Đức Trương  
Deputy General Director  
Audit Practising Registration  
Certificate: No. 0816-2018-004-1



Dao Van Thich  
Auditor  
Audit Practising Registration  
Certificate: No. 3732-2016-004-1

Hanoi, Vietnam

12 March 2020

0816-2018-004-1



SEPARATE BALANCE SHEET  
as at 31 December 2019

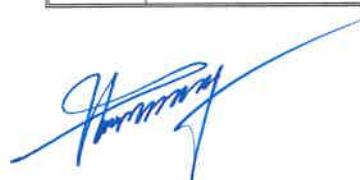
Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>944,597,766,521</b>	<b>633,798,966,572</b>
<b>110</b>	<b>I. Cash</b>	<b>5</b>	<b>23,636,154,345</b>	<b>11,470,227,513</b>
111	1. Cash		23,636,154,345	11,470,227,513
<b>120</b>	<b>II. Short-term investments</b>		<b>2,006,860,822</b>	<b>840,000,000</b>
123	1. Held- to-maturity investments	6	2,006,860,822	840,000,000
<b>130</b>	<b>III. Current accounts receivable</b>		<b>304,718,311,959</b>	<b>166,072,941,257</b>
131	1. Short-term trade receivables	7.1	265,955,981,089	140,006,706,228
132	2. Short-term advances to suppliers	7.2	34,788,321,433	20,842,658,461
136	3. Other short-term receivables	8	3,974,009,437	5,223,576,568
<b>140</b>	<b>IV. Inventories</b>	<b>9</b>	<b>591,859,290,896</b>	<b>438,678,037,565</b>
141	1. Inventories		591,859,290,896	438,678,037,565
<b>150</b>	<b>V. Other current assets</b>		<b>22,377,148,499</b>	<b>16,737,760,237</b>
151	1. Short-term prepaid expenses	15	583,045,372	658,485,301
152	2. Value-added tax deductible	17	21,794,103,127	16,079,274,936
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>437,030,237,820</b>	<b>252,432,459,619</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>989,425,739</b>	<b>688,092,731</b>
216	1. Other long-term receivables	8	989,425,739	688,092,731
<b>220</b>	<b>II. Fixed assets</b>		<b>222,517,967,758</b>	<b>215,018,477,365</b>
221	1. Tangible fixed assets	10	220,208,403,188	207,658,416,935
222	Cost		321,626,647,803	283,788,422,404
223	Accumulated depreciation		(101,418,244,615)	(76,130,005,469)
224	2. Finance leases	11	2,208,688,839	7,308,307,506
225	Cost		4,050,381,818	9,896,297,902
226	Accumulated depreciation		(1,841,692,979)	(2,587,990,396)
227	3. Intangible fixed assets	12	100,875,731	51,752,924
228	Cost		211,200,000	143,200,000
229	Accumulated amortisation		(110,324,269)	(91,447,076)
<b>240</b>	<b>III. Long-term assets in progress</b>		<b>41,516,194,133</b>	<b>356,267,588</b>
242	1. Construction in progress	13	41,516,194,133	356,267,588
<b>250</b>	<b>IV. Long-term investments</b>		<b>162,500,000,000</b>	<b>33,680,000,000</b>
251	1. Investment in subsidiary	14	119,000,000,000	-
252	2. Investments in associate	14	33,500,000,000	33,500,000,000
255	3. Held-to-maturity investments	6	10,000,000,000	180,000,000
<b>260</b>	<b>V. Other long-term assets</b>		<b>9,506,650,190</b>	<b>2,689,621,935</b>
261	1. Long-term prepaid expenses	15	9,506,650,190	2,689,621,935
<b>270</b>	<b>TOTAL ASSETS</b>		<b>1,381,628,004,341</b>	<b>886,231,426,191</b>

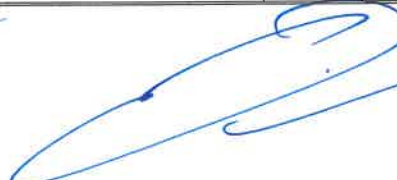
SEPARATE BALANCE SHEET (continued)  
as at 31 December 2019

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>C. LIABILITIES</b>		<b>817,175,032,189</b>	<b>582,338,445,705</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>749,650,983,626</b>	<b>548,944,684,179</b>
311	1. Short-term trade payables	16.1	86,574,555,108	50,442,833,895
312	2. Short-term advances from customers	16.2	7,960,634,536	12,735,630,051
313	3. Statutory obligations	17	9,201,808,654	14,106,234,773
314	4. Payables to employees		10,633,661,618	7,014,005,062
315	5. Short-term accrued expenses	18	8,848,350,514	-
319	6. Other short-term payables	19	2,545,308,981	2,499,482,473
320	7. Short-term loan and finance lease	20	623,286,664,215	462,146,497,925
322	8. Bonus and welfare fund		600,000,000	-
<b>330</b>	<b>II. Non-current liabilities</b>		<b>67,524,048,563</b>	<b>33,393,761,526</b>
336	1. Long-term unearned revenues		-	143,615,212
338	2. Long-term loans and finance lease obligations	20	67,524,048,563	33,250,146,314
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>564,452,972,152</b>	<b>303,892,980,486</b>
<b>410</b>	<b>I. Capital</b>	<b>21.1</b>	<b>564,452,972,152</b>	<b>303,892,980,486</b>
411	1. Share capital	21.2	479,999,990,000	250,000,000,000
418	2. Investment and development fund		3,000,000,000	-
421	3. Undistributed earnings		81,452,982,152	53,892,980,486
421a	- Undistributed earnings by the end of prior year		19,071,178,739	17,805,225,948
421b	- Undistributed earnings of current year		62,381,803,413	36,087,754,538
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>1,381,628,004,341</b>	<b>886,231,426,191</b>



Bui Thi Hang  
Preparer and Chief Accountant



Le Van Quang  
Chief Financial Officer



Nguyen Duc Cuong  
General Director

Hung Yen, Vietnam

10 March 2020

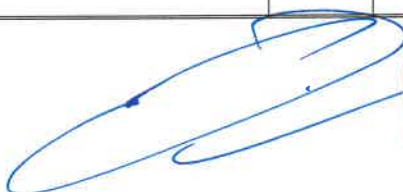
SEPARATE INCOME STATEMENT  
for the year ended 31 December 2019

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	22.1	1,152,188,837,282	746,411,411,103
02	2. Deductions	22.1	-	-
10	3. Net revenue from sale of goods and rendering of services	22.1	1,152,188,837,282	746,411,411,103
11	4. Cost of goods sold and services rendered	23	(969,702,056,666)	(636,625,164,130)
20	5. Gross profit from sale of goods and rendering of services		182,486,780,616	109,786,246,973
21	6. Finance income	22.2	2,500,343,959	788,953,547
22 23	7. Finance expenses <i>In which: Interest expenses</i>	24	(46,012,823,157) (44,174,508,268)	(26,612,288,072) (26,366,311,675)
25	8. Selling expenses	25	(26,233,990,013)	(15,113,209,809)
26	9. General and administrative expenses	25	(32,733,112,202)	(24,465,304,948)
30	10. Operating profit		80,007,199,203	44,384,397,691
31	11. Other income	26	1,772,101,349	2,009,123,877
32	12. Other expenses	26	(3,307,169,121)	(996,385,419)
40	13. Other (loss)/profit	26	(1,535,067,772)	1,012,738,458
50	14. Accounting profit before tax		78,472,131,431	45,397,136,149
51	15. Current corporate income tax expense	28	(16,090,328,018)	(9,309,381,611)
52	16. Deferred tax expense		-	-
60	17. Net profit after tax		62,381,803,413	36,087,754,538



Bui Thi Hang  
Preparer and Chief Accountant



Le Van Quang  
Chief Financial Officer



Nguyen Duc Cuong  
General Director

Hung Yen, Vietnam

10 March 2020

SEPARATE CASH FLOW STATEMENT  
for the year ended 31 December 2019

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Profit before tax</b>		<b>78,472,131,431</b>	<b>45,397,136,149</b>
	<i>Adjustments for:</i>			
02	Depreciation of tangible fixed assets and investment properties and amortisation of intangible fixed assets		27,257,270,833	20,332,502,324
04	Foreign exchange gains arising from retranslation of monetary accounts denominated in foreign currency		(174,637,258)	(238,526,938)
05	Profits from investing activities		(110,374,411)	(46,955,471)
06	Interest expenses	24	44,174,508,268	26,366,311,675
08	<b>Operating profit before changes in working capital</b>		<b>149,618,898,863</b>	<b>91,810,467,739</b>
09	Increase in receivables		(149,416,778,600)	(23,415,491,446)
10	Increase in inventories		(153,181,253,331)	(162,051,921,004)
11	Increase/(decrease) in payables		50,689,571,829	(16,425,895,971)
12	Increase in prepaid expenses		(6,741,588,326)	(154,855,727)
14	Interest paid		(42,497,328,732)	(26,366,311,675)
15	Corporate income tax paid		(22,044,581,629)	(281,165,035)
20	<b>Net cash flows used in operating activities</b>		<b>(173,573,059,926)</b>	<b>(136,885,173,119)</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets and other long-term assets		(79,954,072,012)	(60,437,125,456)
23	Loans to other entities and payments for purchase of debt instruments of other entities		(11,166,860,822)	(720,000,000)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		180,000,000	-
25	Payments for investments in other entities		(119,000,000,000)	(33,500,000,000)
27	Interest received		110,374,411	46,955,471
30	<b>Net cash flows used in investing activities</b>		<b>(209,830,558,423)</b>	<b>(94,610,169,985)</b>
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Capital contribution and insurance of shares		200,000,000,000	-
33	Drawdown of borrowings		1,020,848,184,249	704,496,611,610
34	Repayment of borrowings		(823,587,831,173)	(494,677,443,771)
35	Payment of principal of finance lease liabilities		(1,773,938,714)	(3,876,564,771)

SEPARATE CASH FLOW STATEMENT (continued)  
for the year ended 31 December 2019

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
40	Net cash flows from financing activities		395,486,414,362	205,942,603,068
50	Net increase/(decrease) in cash for the year		12,082,796,013	(25,552,740,036)
60	Cash at beginning of year		11,470,227,513	36,784,440,611
61	Impact of exchange rate fluctuation		83,130,819	238,526,938
70	Cash at end of year	5	23,636,154,345	11,470,227,513

Bui Thi Hang  
Preparer and Chief Accountant

Le Van Quang  
Chief Financial Officer



Nguyen Duc Cuong  
General Director

Hung Yen, Vietnam

10 March 2020

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
as at 31 December 2019 and for the year then ended

## 1. CORPORATE INFORMATION

Thuan Duc Joint Stock Company (“the Company”) is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No 0503000198 issued by the Department of Planning and Investment of Hung Yen Province on 22 January 2007 and the most recent amended Business Registration Certificate No 0900264799 which was the 9th amendment issued on 16 October 2019.

On 11 July 2018, the Company received Decision No. 4285/UBCK-GSDC of State Securities Commission of Vietnam approving for the company to be a public company with securities symbol TDP.

On 5 November 2018, the Company received Decision No. 706/QD-SGGDHN of Hanoi Stock Exchange approving stock trading registration of Thuan Duc Joint Stock Company.

The current principal activities of the Company are to produce high-quality PP woven bags for domestic consumption, export and other activities under the Investment Certificate.

The Company’s normal course of business cycle is 12 months.

The Company’s head office is located at Bang Ngang hamlet, Luong Bang town, Kim Dong district, Hung Yen province, Vietnam. The Company has branches located at 851, Thu Tuu 2 quarter, Tan Khanh ward, Tan An city, Long An province, Vietnam and Lot CN5, Zone B, Bim Son industrial park, Bac Son ward, Bim Son town, Thanh Hoa province, Vietnam.

The number of the Company’s employees as at 31 December 2019 is 1,020 (31 December 2018: 954).

### **Corporate structure**

As at 31 December 2019, the Company has one subsidiary and one associate with details as below:

<i>No.</i>	<i>Name</i>	<i>Equity interest</i>	<i>Voting rights</i>	<i>Registered address</i>	<i>Principal activities</i>
1	Thuan Duc Hung Yen Limited Company	100%	100%	Luong Hoi hamlet, Luong Bang town, Kim Dong district, Hung Yen province, Vietnam.	To produce high-quality PP woven bags and other activities under the Business Registration Certificate.
2	Thuan Duc Eco Joint Stock Company	33.5%	33.5%	Bang Ngang hamlet, Luong Bang town, Kim Dong district, Hung Yen province, Vietnam.	To produce high-quality PP woven bags for domestic consumption, export and other activities under the Business Registration Certificate.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## **2. BASIS OF PREPARATION**

### **2.1 Purpose of preparing the separate financial statements**

The Company has subsidiary as disclosed in Note 1 and Note 11. The Company prepared these separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company is also in the process of preparation of the consolidated financial statements of the Company and its subsidiary for the year ended 31 December 2019.

Users of the separate financial statements should read them together with the said consolidated financial statements in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Company and its subsidiary.

### **2.2 Accounting standards and system**

The separate financial statements of the Company expressed in Vietnam Dong ("VND"), are prepared in accordance with the Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- ▶ Decision No. 149/2001/QĐ-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- ▶ Decision No. 165/2002/QĐ-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- ▶ Decision No. 234/2003/QĐ-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- ▶ Decision No. 12/2005/QĐ-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- ▶ Decision No. 100/2005/QĐ-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying separate financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

### **2.3 Applied accounting documentation system**

The Company's applied accounting documentation system is the General Journal system.

### **2.4 Fiscal year**

The Company's fiscal year applicable for the preparation of its financial statements starts on 1 January and ends on 31 December.

### **2.5 Accounting currency**

The separate financial statements are prepared in Vietnam dong ("VND") which is also the Company's accounting currency.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Cash

Cash and cash equivalents comprise cash on hand and cash at banks.

#### 3.2 Inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The periodic method is used to record inventories, which are valued as follows:

- |                                  |   |   |
|----------------------------------|---|---|
| Materials and merchandise        | - | cost of purchase on a weighted average cost basis.  |
| Finished goods, work in progress | - | cost of direct materials and labour plus attributable manufacturing overheads based on the normal operating capacity on a weighted average basis. |

##### *Provision for obsolete inventories*

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Company, based on appropriate evidence of impairment available at the balance sheet date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the separate income statement.

#### 3.3 Receivables

Receivables are presented in the separate financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expense in the separate income statement.

#### 3.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises of its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the separate income statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the separate income statement.



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.5 *Leased assets*

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

*Where the Company is the lessee*

Assets held under finance leases are capitalised in the separate balance sheet at the inception of the lease at the fair value of the leased assets or, if lower, at the net present value of the minimum lease payments. The principal amount included in future lease payments under finance leases are recorded as a liability. The interest amounts included in lease payments are charged to the separate income statement over the lease term to achieve a constant rate on interest on the remaining balance of the finance lease liability.

Capitalised finance leased assets are depreciated using straight-line basis over the shorter of the estimated useful lives of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Rentals under operating leases are charged to the separate income statement on a straight-line basis over the lease term.

#### 3.6 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the separate income statement as incurred.

When intangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the separate income statement.

#### 3.7 *Depreciation and amortisation*

Depreciation of tangible fixed assets and amortisation of intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	5 - 25 years
Machinery and equipment	3 - 15 years
Computer software	5 - 6 years
Means of transportation	5 - 15 years
Office equipment	3 - 10 years

Depreciation of tangible finance lease fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Means of transportation	5 - 10 years
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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.8 *Borrowing costs*

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that they are capitalized as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

#### 3.9 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the separate balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

#### 3.10 *Investments*

##### *Investments in subsidiary*

Investments in subsidiary over which the Company has control are carried at cost.

Distributions from accumulated net profits of the subsidiary arising subsequent to the date of acquisition are recognised in the separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

##### *Investments in associate*

Investments in associate over which the Company has significant influence are carried at cost.

Distributions from accumulated net profits of the associate arising subsequent to the date of acquisition are recognised in the separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

##### *Held-to-maturity investments*

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognised as expense in the separate financial statements and deducted against the value of such investments.

##### *Provision for diminution in value of investments*

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date.

Increases or decreases to the provision balance are recorded as finance expense in the separate income statement.

#### 3.11 *Payables and accruals*

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.12 *Foreign currency transactions*

Transactions in currencies other than the Company's reporting currency of (VND) are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- ▶ Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- ▶ Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment;
- ▶ Capital contributions are recorded at the buying exchange rates of the commercial banks designated for capital contribution; and
- ▶ Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual exchange rates at the balance sheet dates which are determined as follows:

- ▶ Monetary assets are translated at buying exchange rate of the commercial bank where the Company conducts transactions regularly; and
- ▶ Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company conducts transactions regularly.

All foreign exchange differences incurred are taken to the separate income statement.

#### 3.13 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

##### *Sale of goods*

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, usually upon the delivery of the goods.

##### *Rendering of services*

Where the contract outcome can be reliably measured, revenue is recognised by reference to the stage of completion. Stage of completion is measured by reference to the labour hours incurred to balance sheet date as a percentage of total estimated labour hours for each contract.

Where the contract outcome cannot be reliably measured, revenue is recognised only to the extent of the expenses recognised which are recoverable.

##### *Interest*

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

##### *Dividends*

Income is recognised when the Company's entitlement as an investor to receive the dividend is established.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.13 Revenue recognition (continued)

##### *Rental income*

Rental income arising from operating leases is accounted for on a straight line basis over the lease term.

#### 3.14 Taxation

##### *Current income tax*

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the separate balance sheet date.

Current income tax is charged or credited to the separate income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to set off current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

##### *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ▶ where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss; and
- ▶ in respect of taxable temporarily differences associated with investments in subsidiary and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except:

- ▶ where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss; and
- ▶ in respect of deductible temporarily differences associated with investments in subsidiary, associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.14 Taxation (continued)**

*Deferred tax (continued)*

The carrying amount of deferred tax assets is reviewed at each separate balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each separate balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset realised or the liability is settled based on tax rates and tax laws that have been enacted at the separate balance sheet date.

Deferred tax is charged or credited to the separate income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on

- ▶ either the same taxable entity; or
- ▶ when the Company intends both settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**3.15 Segment information**

A segment is a component determined separately by the Company which is engaged in providing products or related services (business segment) or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

Company's business segment is derived mainly from sales of producing or trading products. Management defines the Company's geographical segments to be based on the location of the Company's assets.

**3.16 Related parties**

Parties are considered to be related parties of the Company if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Company and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of the family of any such individual.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

#### 4. ACQUISITION OF SUBSIDIARY

##### *Acquisition of Thuan Duc Hung Yen Joint Stock Company*

On 30 September 2019, the Company acquired 100% of the voting shares of Thuan Duc Hung Yen Joint Stock Company with total consideration of VND 119,000,000,000. Accordingly, Thuan Duc Hung Yen Joint Stock Company becomes a subsidiary of the Company and changed its name to Thuan Duc Hung Yen Company Limited. This company is incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate issued by Department of Planning and Investment of Hung Yen Province on 6 December 2016 and the subsequent amended with the 2<sup>nd</sup> as the latest on 12 November 2019. Thuan Duc Hung Yen Limited liability company specialises in production of yarns, packaging, PP woven bags. The Company has acquired Thuan Duc Hung Yen Limited liability company for the purpose of enlargement of production scale and product diversification.

#### 5. CASH

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash	5,484,888,775	1,129,494,694
Cash at banks	<u>18,151,265,570</u>	<u>10,340,732,819</u>
<b>TOTAL</b>	<b><u>23,636,154,345</u></b>	<b><u>11,470,227,513</u></b>

#### 6. HELD-TO-MATURITY INVESTMENTS

	<i>Currency: VND</i>			
	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Carrying value</i>	<i>Cost</i>	<i>Carrying value</i>
<b>Short-term</b>				
- Term deposit (*)	<u>2,006,860,822</u>	<u>2,006,860,822</u>	<u>840,000,000</u>	<u>840,000,000</u>
<b>Long-term</b>				
- Term deposit (**)	<u>10,000,000,000</u>	<u>10,000,000,000</u>	<u>180,000,000</u>	<u>180,000,000</u>
<b>TOTAL</b>	<b><u>12,006,860,822</u></b>	<b><u>12,006,860,822</u></b>	<b><u>1,020,000,000</u></b>	<b><u>1,020,000,000</u></b>

(\*) Deposits at Military Commercial Joint Stock Bank – Thanh Xuan branch for 1 year with interest rate of 5% per year.

(\*\*) Bonds with maturity of 7 years issued by Vietnam Bank for Agriculture and Rural Development – Hung Yen branch, with interest rate as per announcement of the bank for each period. As at 31 December 2019, this deposit is being used as collateral for long-term loans at banks (Note 20).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 7. SHORT- TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

### 7.1. Short-term trade receivables

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Trade receivables from customers	132,256,689,608	54,966,664,658
- Ha Anh Investment Import and Export Joint Stock Company	27,188,147,500	-
- Jadiaz Global. S.L	-	10,545,201,822
- Other customers	105,068,542,108	44,421,462,836
Trade receivables from related parties (Note 29)	133,699,291,481	85,040,041,570
<b>TOTAL</b>	<b><u>265,955,981,089</u></b>	<b><u>140,006,706,228</u></b>

Some short-term receivables were pledged as collateral for loans as presented in Note 20.

### 7.2. Short-term advances to suppliers

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Thai Thuan Hung Joint Stock Company	10,460,384,507	4,334,255,435
ACG Machine Ltd.	-	10,847,340,000
Others	24,327,936,926	5,661,063,026
<b>TOTAL</b>	<b><u>34,788,321,433</u></b>	<b><u>20,842,658,461</u></b>

## 8. OTHER RECEIVABLES

	<i>Currency: VND</i>			
	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Balance</i>	<i>Provision</i>	<i>Balance</i>	<i>Provision</i>
<b>Short-term</b>				
Short-term deposit	748,416,540	-	2,767,783,875	-
Staff advances	2,725,592,897	-	2,358,707,892	-
Others	500,000,000	-	97,084,801	-
<b>TOTAL</b>	<b><u>3,974,009,437</u></b>	<b><u>-</u></b>	<b><u>5,223,576,568</u></b>	<b><u>-</u></b>
<b>Long-term</b>				
Long-term deposit	699,584,248	-	207,443,500	-
Others	289,841,491	-	480,649,231	-
<b>TOTAL</b>	<b><u>989,425,739</u></b>	<b><u>-</u></b>	<b><u>688,092,731</u></b>	<b><u>-</u></b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 9. INVENTORIES

*Currency: VND*

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Balance</i>	<i>Provision</i>	<i>Balance</i>	<i>Provision</i>
Raw materials	190,150,909,595	-	156,266,151,845	-
Tools and supplies	9,582,386,246	-	13,942,050,027	-
Merchandise goods	3,129,063,244	-	-	-
Finished goods	388,996,931,811	-	268,469,835,693	-
<b>TOTAL</b>	<b>591,859,290,896</b>	<b>-</b>	<b>438,678,037,565</b>	<b>-</b>

Some inventories were pledged as collateral for loans as presented in Note 20.



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 10. TANGIBLE FIXED ASSETS

Currency: VND

Cost:	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Total
Beginning balance	48,816,620,733	199,366,126,881	34,439,546,752	1,166,128,038	283,788,422,404
- New purchase	-	38,092,900,297	8,307,569,703	1,511,951,181	47,912,421,181
- Transfer from finance fixed assets leases (Note 11)	-	5,908,116,084	-	-	5,908,116,084
- Disposals	-	(15,982,311,866)	-	-	(15,982,311,866)
Ending balance	48,816,620,733	227,384,831,396	42,747,116,455	2,678,079,219	321,626,647,803
<i>In which:</i>					
Fully depreciated	417,439,969	4,660,656,381	5,135,617,116	275,589,870	10,489,303,336
<b>Accumulated depreciation:</b>					
Beginning balance	13,058,173,322	49,984,096,294	12,560,584,886	527,150,967	76,130,005,469
- Depreciation for the year	3,057,025,524	19,289,513,551	4,022,772,723	173,736,763	26,543,048,561
- Transfer from finance fixed assets leases	-	1,441,642,496	-	-	1,441,642,496
- Disposals	-	(2,696,451,911)	-	-	(2,696,451,911)
Ending balance	16,115,198,846	68,018,800,430	16,583,357,609	700,887,730	101,418,244,615
<b>Net carrying amount:</b>					
Beginning balance	35,758,447,411	149,382,030,587	21,878,961,866	638,977,071	207,658,416,935
Ending balance	32,701,421,887	159,366,030,966	26,163,758,846	1,977,191,489	220,208,403,188

As at 31 December 2019, the Company's fixed assets with the total net book value of VND 204,105,987,123 (31 December 2018: VND 184,487,621,449) were pledged as collateral for loans at banks as presented in Note 20.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

**11. FINANCE LEASES**

Currency: VND

	<i>Machinery and equipment</i>	<i>Means of transportation</i>	<i>Total</i>
<b>Cost:</b>			
Beginning balance	6,746,679,347	3,149,618,555	9,896,297,902
- Transfer to tangible fixed assets	(5,908,116,084)	-	(5,908,116,084)
- Re-classification	(838,563,263)	838,563,263	-
- Other increases		62,200,000	62,200,000
Ending balance	-	4,050,381,818	4,050,381,818
<b>Accumulated depreciation:</b>			
Beginning balance	1,954,733,220	633,257,176	2,587,990,396
- Depreciation for the year	-	695,345,079	695,345,079
- Transfer to tangible fixed assets	(1,441,642,496)	-	(1,441,642,496)
- Re-classification	(513,090,724)	513,090,724	-
Ending balance	-	1,841,692,979	1,841,692,979
<b>Net carrying amount:</b>			
Beginning balance	4,791,946,127	2,516,361,379	7,308,307,506
Ending balance	-	2,208,688,839	2,208,688,839

**12. INTANGIBLE FIXED ASSETS**

Currency: VND

Computer software

<b>Cost:</b>	
Beginning balance	143,200,000
- New purchase	68,000,000
Ending balance	211,200,000
<b>Accumulated amortisation:</b>	
Beginning balance	91,447,076
- Amortisation for the year	18,877,193
Ending balance	110,324,269
<b>Net carrying amount:</b>	
Beginning balance	51,752,924
Ending balance	100,875,731

**13. CONSTRUCTION IN PROGRESS**

Currency: VND

	<i>Beginning balance</i>	<i>Ending balance</i>
- Factory 2 construction	5,189,623,818	-
- Factory 1 construction	19,825,320,956	-
- Factory 1 construction – workshop 1	5,806,266,180	-
- Purchase machine	10,694,983,179	356,267,588
<b>TOTAL</b>	<b>41,516,194,133</b>	<b>356,267,588</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

**14. LONG-TERM INVESTMENT**

Currency: VND

	Ending balance		Beginning balance		Fair value
	Cost	Provision	Cost	Provision	
Investment in subsidiary: Thuan Duc Hung Yen Limited	119,000,000,000	-	-	-	-
Investment in associate: Thuan Duc Eco Joint Stock Company	33,500,000,000	-	33,500,000,000	-	33,500,000,000
<b>TOTAL</b>	<b>152,500,000,000</b>	<b>-</b>	<b>152,500,000,000</b>	<b>-</b>	<b>33,500,000,000</b>

**14.1 Investment in subsidiary**

Details of investment in subsidiaries are presented in Note 1.

The Company can not collect the information necessary to determine the fair value of capital in the subsidiary because these shares were not listed on any the stock market.

Details of the Company's ownership and voting rights in the subsidiary are as follows:

	Charter capital according to Enterprise Registration Certificate		Ending balance		Beginning balance	
	VND	% of ownership	%	% of ownership	%	% of ownership
Thuan Duc Hung Yen Limited Company	119,000,000,000	100%	100%	0%	100%	0%

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

**14. LONG-TERM INVESTMENT (continued)**

**14.2 Investment in associate**

The company has an investment in an associated company with a registered ownership rate of 33.5% and fully contributed the charter capital under the Enterprise Registration Certificate amount of VND 33,500,000,000. The principal activities of the associated company are to produce export bags from PP plastic products.

The Company can not collect the information necessary to determine the fair value of shares held in the associate because these shares were not listed on any the stock market.

Details of the Company's ownership and voting rates in associate are as follows:

	Charter capital according to		Ending balance		Beginning balance	
	Enterprise Registration Certificate	VND	% of ownership	% voting right	% of ownership	% voting right
Thuan Duc Eco Joint Stock Company		100,000,000,000	33.5%	33.5%	33.5%	33.5%

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 15. PREPAID EXPENSES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>		
Rental fees	308,212,510	507,152,228
Others	274,832,862	151,333,073
<b>TOTAL</b>	<b>583,045,372</b>	<b>658,485,301</b>
<b>Long-term</b>		
Tools and supplies	971,698,685	1,442,790,266
Site clearance costs (*)	1,033,906,577	1,062,833,885
Others	7,501,044,928	183,997,784
<b>TOTAL</b>	<b>9,506,650,190</b>	<b>2,689,621,935</b>

(\*) Site clearance costs represent advance payment to the State agency in compensation for site clearance in Luong Bang town, Kim Dong district to serve the construction investment project of Thuan Duc textile packaging factory. This cost will be offset against the annual land rental fee.

## 16. SHORT-TERM TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

### 16.1 Short-term trade payables

	<i>Currency: VND</i>			
	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Balance</i>	<i>Payable amount</i>	<i>Balance</i>	<i>Payable amount</i>
- OPE Plastic Joint stock company	25,365,100,000	25,365,100,000	-	-
- Landmark Holding Joint stock company	-	-	7,657,608,500	7,657,608,500
- Other suppliers	49,093,805,708	49,093,805,708	42,785,225,395	42,785,225,395
- Other short-term receivables for related parties (Note 29)	12,115,649,400	12,115,649,400	-	-
<b>TOTAL</b>	<b>86,574,555,108</b>	<b>86,574,555,108</b>	<b>50,442,833,895</b>	<b>50,442,833,895</b>

### 16.2 Short-term advances from customers

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Vignoplast S.R.L.	1,477,704,480	-
Aerographics, Inc.	883,022,160	-
Lesta Packaging Plc	532,147,455	-
Ardale International Limited	130,647,025	1,499,158,770
Others	4,937,113,416	11,236,471,281
<b>TOTAL</b>	<b>7,960,634,536</b>	<b>12,735,630,051</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

#### 17. STATUTORY OBLIGATIONS

<i>Currency: VND</i>				
	<i>Beginning balance</i>	<i>Increase in the year</i>	<i>Payment in the year</i>	<i>Ending balance</i>
<b>Payables</b>				
Corporate income tax	14,066,163,265	16,134,934,635	21,110,769,882	9,090,328,018
Personal income tax	40,071,508	1,004,029,403	932,620,275	111,480,636
<b>TOTAL</b>	<b><u>14,106,234,773</u></b>	<b><u>17,138,964,038</u></b>	<b><u>22,043,390,157</u></b>	<b><u>9,201,808,654</u></b>
	<i>Beginning balance</i>	<i>Receivable for the year</i>	<i>Net off in the year</i>	<i>Ending balance</i>
<b>Receivables</b>				
Value added tax deductible	16,079,274,936	62,679,442,308	56,964,614,117	21,794,103,127
<b>TOTAL</b>	<b><u>16,079,274,936</u></b>	<b><u>62,679,442,308</u></b>	<b><u>56,964,614,117</u></b>	<b><u>21,794,103,127</u></b>

#### 18. SHORT-TERM PAYABLES EXPENSES

<i>Currency: VND</i>			
	<i>Ending balance</i>	<i>Beginning balance</i>	
Electricity fee	1,032,080,491	-	
Interest expenses	1,677,179,536	-	
Construction expenses	6,000,000,000	-	
Others	139,090,487	-	
<b>TOTAL</b>	<b><u>8,848,350,514</u></b>	<b><u>-</u></b>	

#### 19. OTHER SHORT-TERM PAYABLES

<i>Currency: VND</i>			
	<i>Ending balance</i>	<i>Beginning balance</i>	
Union fees and social insurance payables	93,555,154	666,434,392	
Other payables	2,451,753,827	1,833,048,081	
<b>TOTAL</b>	<b><u>2,545,308,981</u></b>	<b><u>2,499,482,473</u></b>	

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 20. LOANS AND FINANCE LEASES

	Beginning balance Balance (or payable amount)	Movement during the year		Exchange rate different	Ending balance Balance (or payable amount)
		Increase	Decrease		
<b>Short-term</b>					
Loans from banks (Note 20.1)	441,127,379,031	957,730,670,181	786,221,979,227	(46,763,653)	612,589,306,332
Current portion of long-term loan (Note 20.2)	21,019,118,894	10,005,482,220	21,019,118,895	-	10,005,482,219
Current portion of long-term finance lease (Note 20.3)	-	691,875,664	-	-	691,875,664
	<b>462,146,497,925</b>	<b>968,428,028,065</b>	<b>807,241,098,122</b>	<b>(46,763,653)</b>	<b>623,286,664,215</b>
<b>Long-term</b>					
Loans (Note 20.2)	29,912,683,105	63,117,514,068	26,352,215,271	(25,582,170)	66,652,399,732
Long-term finance leases (Note 20.3)	3,337,463,209	-	2,465,814,378	-	871,648,831
	<b>33,250,146,314</b>	<b>63,117,514,068</b>	<b>28,818,029,649</b>	<b>(25,582,170)</b>	<b>67,524,048,563</b>
<b>TOTAL</b>	<b>495,396,644,239</b>	<b>1,031,545,542,133</b>	<b>836,059,127,771</b>	<b>(72,345,823)</b>	<b>690,810,712,778</b>

Currency: VND

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 20. LOANS AND FINANCE LEASES (continued)

### 20.1 Short-term loans

Bank	Ending balance (VND)	Principal and interest repayment term	Interest rate (%/year)	Description of collateral
Tien Phong Commercial Joint Stock Bank – Thang Long Branch	39,327,808,900	Last due on 9 September 2020, interest is payable on the 25th monthly	From 8.3 to 10%	Saving account of Ngo Kim Dung with amount of VND 5 billion and accounts receivable are valued at VND 10 billion.
Vietnam Bank for Agriculture and Rural Development	251,320,783,202 (In which: 296,195.24 USD equivalent to VND 6,850,995,901)	Last due on 15 March 2020, interest is payable on the 26th monthly	8% for VND and 4% for USD	Factories which are built on the land plot of Factory 1, machinery and equipment of the Company value at VND 87,152,258,480, and inventory in Factory 1 with value is at least VND 60 billion, land-use right, saving account of the owners; 7-year long-term bonds worth 10 billion of Vietnam Bank for Agriculture and Rural Development.
Military Commercial Joint Stock Bank – Thanh Xuan Branch	120,504,050,631	Last due on 14 September 2020, interest is payable on the 5th monthly	From 7.9% to 8.7% for VND	Mortgage value: VND 26,467,055,321, and saving account with amount of VND 5 billion of Ngo Kim Dung.
Vietnam Joint Stock Commercial Bank for Industry and Trade	115,290,532,008 (In which 225,560.46 USD equivalent to VND 5,212,025,549)	Last due on 28 March 2020, interest is payable on the 26th monthly	8% for VND and from 4.5% to 5% for USD	Mortgage value: VND 27,262,814,237, an apartment E2505 in East - Indochina Plaza Hanoi tower owned by Mr.Nguyen Duc Cuong and Mrs.Ngo Kim Dung, an apartment E2206 in East – Indochina Plaza Hanoi tower owned by Mr.Vi Minh Canh and Mrs.Be Thi Tuyet, inventories and receivables.
Viet Nam Technological and Commercial Joint Stock Bank	86,146,131,591 (In which: 212,116.45 USD equivalent to VND 4,902,011,159)	Last due on 15 February 2020, interest is payable on the 26th monthly	8.15% for VND and 3.44% for USD	Inventories including raw materials, finished products, semi- finished products at warehouse of factory 2: the minimum value is always higher than or equal to 120% of the loan balance at all times, one Toyota Camry with number plate 30E-722.07 and one MITSUMITSU truck with number plate 89C – 04147 owned by Thuan Duc JSC.
<b>TOTAL</b>	<b>612,589,306,332</b>			



# Thuan Duc Joint Stock Company

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 20. LOANS AND FINANCE LEASES (continued)

### 20.2 Long-term loans

Bank	Ending balance (VND)	Original currency (USD)	Principal and interest repayment term	Interest rate	Description of collateral
Military Commercial Joint Stock Bank – Thanh Xuan Branch	1,157,014,000	-	Last due on 30 December 2024; interest is payable on monthly basis	From 9.3% to 12.1 %	Assets formed from the loan: Toyota Fortuner 7-seater car, Toyota electric forklifts number 89A-09626 and other assets.
<i>In which: Current portion of long-term loan</i>	438,300,000	-			
Military Commercial Joint Stock Bank – Thanh Xuan Branch	9,403,827,420	407,004	Last due on 29 May 2024; interest is payable on monthly basis	7.3% for loan in USD	Assets formed from the loan: Straps weaving machine, PP spinning machine, KYF8/45-VN1042 high-speed automatic strapping loom, 5 stamping and cutting machines, 2 side- shifting machines and assets under each loan contract.
<i>In which: Current portion of long-term loan</i>	2,363,918,759	102,312			
Tien Phong Commercial Joint Stock Bank – Thang Long Branch	27,974,631,882	-	Last due on 20 May 2025; interest is payable on monthly basis	From 7.9% to 10.8%	Assets formed from the loan: 3 UMV electric forklifts, 2 Hino cars, 11 RCCL weaving machines, 2 regenerating granulating machines, 2 Contractor hash lines, model number 20180625A-ACG, 2 Pea shinn sewing machines, cars Lexus LS570H and assets under each loan contract.
<i>In which: Current portion of long-term loan</i>	7,203,263,460	-			
Vietnam Bank for Agriculture and Rural Development	38,122,408,650	-	Last due 25 June 2024; interest is payable on monthly basis	10%	Assets formed from the loan: PP plastic shredder, Model SWTF-40150, 5 quantitative controlled feeders Symbol TS28-V0.00, 1 Wheel loader, Model: HJ932K (with grip) ; 65Kw Diesel engine, 2 Lattice burners, 1 BKS truck: 89C- 20578, 1 BKS truck: 89C-20490, 6 mold heads of an electric plastic granulator, 3 choppers.
<i>In which: Current portion of long-term loan</i>	-	-			
<b>TOTAL</b>	<b>76,657,881,952</b>				
<i>In which:</i>					
- Current portion	10,005,482,219				
- Long-term portion	66,652,399,732				

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

**20. LOANS AND FINANCE LEASES (continued)**

**20.3 Finance leases**

	Ending balance		Beginning balance		Currency: VND
	Total minimum lease payments	Finance charges	Total minimum lease payments	Finance charges	
<b>Short-term finance lease</b>					
Less than 1 year	691,875,664	201,480,703	691,875,664	-	-
<b>Long-term finance lease</b>					
From 1-5 years	871,648,831	-	871,648,831	446,298,645	3,337,463,209
<b>TOTAL</b>	<b>1,563,524,495</b>	<b>201,480,703</b>	<b>1,563,524,495</b>	<b>446,298,645</b>	<b>3,337,463,209</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

21. OWNERS' EQUITY

21.1 Increase and decrease in owners' equity

Currency: VND

	Contributed charter capital	Investment and development fund	Undistributed earnings	Total
<b>Previous year</b>				
Beginning balance	250,000,000,000	-	17,805,225,948	267,805,225,948
- Net profit for the year	-	-	36,087,754,538	36,087,754,538
Ending balance	<u>250,000,000,000</u>	<u>-</u>	<u>53,892,980,486</u>	<u>303,892,980,486</u>
<b>Current year</b>				
Beginning balance	250,000,000,000	-	53,892,980,486	303,892,980,486
- Capital contribution by cash (i)	200,000,000,000	-	-	200,000,000,000
- Dividend paid by shares (ii)	29,999,990,000	-	(29,999,990,000)	-
- Net profit for the year	-	-	62,381,803,413	62,381,803,413
- Deduction for development investment fund	-	3,000,000,000	(3,000,000,000)	-
- Deduction for bonus and welfare fund	-	-	(600,000,000)	(600,000,000)
- Board of Directors salary paid	-	-	(288,000,000)	(288,000,000)
- Tax penalties	-	-	(933,811,747)	(933,811,747)
Ending balance	<u>479,999,990,000</u>	<u>3,000,000,000</u>	<u>81,452,982,152</u>	<u>564,452,972,152</u>

- (i) The company raised shares capital by VND 200,000,000,000 from selling stocks, on 1 October 2019 according to the Resolution of share holders general meeting No. 2304/2019/NQ-DHĐCĐ-TDP on 23 April 2019 and Official Letter No. 6078/UBCK-QLCB of the State Securities Commission regarding Plan of issuing shares (TDP) on 9 October 2019.
- (ii) On 30 July 2019, the Company received Official Letter No. 4593/UBCK-QLCB of the State Securities Commission approving the Plan of issuing shares from undistributed earnings to pay dividends based on the Resolution of the share holders general meeting No. 2304/2019/NQ-DHĐCĐ-TDP dated 23 April 2019 and the Resolution of Board of Directors No. 0208/2019/NQ-HĐQT 2 August 2019 and other provisions of law. The total number of expected shares issued is 2,999,999 shares with the total value of issuance is VND 29,999,990,000 dated 28 August 2019 according to Official Letter No. 5348/UBCK-QLCB of the State Securities Commission regarding Plan of issuing shares (TDP) on 5 September 2019.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

**21. OWNERS' EQUITY** (continued)

**21.2 Shares**

	<i>Ending balance Quantity</i>	<i>Beginning balance Quantity</i>
<b>Authorized shares</b>	<b>47,999,999</b>	<b>25,000,000</b>
<b>Issued shares</b>		
<i>Issued and paid-up shares</i>		
Ordinary shares	47,999,999	25,000,000
<b>Shares in circulation</b>		
Ordinary shares	47,999,999	25,000,000

Par value of outstanding share: 10,000 VND/share (31 December 2018: 10,000 VND/share).

**22. REVENUES**

**22.1 Revenue from selling goods and rendering of services**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
<b>Gross revenue</b>	<b>1,152,188,837,282</b>	<b>746,411,411,103</b>
<i>In which:</i>		
Sale of goods	1,150,205,107,557	745,613,811,103
Other revenues	1,983,729,725	797,600,000
<b>Deductions</b>	<b>-</b>	<b>-</b>
<b>Net revenue</b>	<b><u>1,152,188,837,282</u></b>	<b><u>746,411,411,103</u></b>
<i>In which:</i>		
Sales to others	845,204,431,423	580,319,010,678
Sales to related parties (Note 29)	306,984,405,859	166,092,400,425

**22.2 Finance income**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Interest income	110,374,411	46,955,471
Foreign exchange gains	2,389,969,548	741,998,076
<b>TOTAL</b>	<b><u>2,500,343,959</u></b>	<b><u>788,953,547</u></b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

**23. COST OF GOODS SOLD AND SERVICES RENDERED**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Cost of goods sold	969,185,521,080	635,971,132,130
Other Costs	516,535,586	654,032,000
<b>TOTAL</b>	<b><u>969,702,056,666</u></b>	<b><u>636,625,164,130</u></b>

**24. FINANCE EXPENSES**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Loan interest	44,174,508,268	26,366,311,675
Foreign exchange losses	1,838,314,889	245,976,397
<b>TOTAL</b>	<b><u>46,012,823,157</u></b>	<b><u>26,612,288,072</u></b>

**25. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
<b>Selling expenses</b>		
- Labour costs	5,822,003,456	3,299,013,317
- Fixed assets depreciation	9,582,196	97,564,224
- Expenses for external services	19,340,289,168	10,928,113,763
- Others	1,062,115,193	788,518,505
<b>TOTAL</b>	<b><u>26,233,990,013</u></b>	<b><u>15,113,209,809</u></b>
<b>General and administrative expenses</b>		
- Labour costs	10,021,443,610	5,430,788,714
- Fixed assets depreciation	2,046,052,122	1,919,278,849
- Expenses for external services	3,225,285,995	2,193,530,164
- Others	2,722,484,938	1,251,002,113
- General administrative expenses	14,717,845,537	13,670,705,108
<b>TOTAL</b>	<b><u>32,733,112,202</u></b>	<b><u>24,465,304,948</u></b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

**26. OTHER INCOME AND OTHER EXPENSES**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
<b>Other income</b>		
Penalties received	1,771,518,736	1,650,318,782
Others	582,613	358,805,095
<b>TOTAL</b>	<b>1,772,101,349</b>	<b>2,009,123,877</b>
<b>Other expenses</b>		
Tax penalties	1,292,102,595	92,703,576
Others	2,015,066,526	903,681,843
<b>TOTAL</b>	<b>3,307,169,121</b>	<b>996,385,419</b>
<b>NET OTHER (LOSS)/PROFIT</b>	<b>(1,535,067,772)</b>	<b>1,012,738,458</b>

**27. PRODUCTION AND OPERATING COSTS**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Raw materials	736,599,158,639	435,518,505,408
Labour costs	114,089,866,944	80,230,763,425
Depreciation and amortization	27,257,270,833	20,332,502,324
Expenses for external services	122,455,854,722	57,437,720,820
Others	148,794,103,861	82,684,186,910
<b>TOTAL</b>	<b>1,149,196,254,999</b>	<b>676,203,678,887</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

**28. CORPORATE INCOME TAX**

The CIT rate applicable to the Company in current year is 20% of taxable income.

The tax returns filed by the Company are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the separate financial statements could change at a later date upon final determination by the tax authorities.

**28.1 CIT expenses**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Current CIT expenses	<u>16,090,328,018</u>	<u>9,309,381,611</u>
<b>TOTAL</b>	<b><u>16,090,328,018</u></b>	<b><u>9,309,381,611</u></b>

Reconciliation between CIT expenses and the accounting profit multiplied by CIT rate is presented below:

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
<b>Profit before tax</b>	<b><u>78,472,131,431</u></b>	<b><u>45,397,136,149</u></b>
At CIT rate applicable to the Company (20%)	15,702,403,410	9,079,427,230
<i>Adjustments to increase:</i>		
Other non-deductible expenses	403,013,306	229,954,381
<i>Adjustments to decrease:</i>		
Foreign exchange losses from revaluing cash and receivables at the end of previous year	<u>(15,088,698)</u>	<u>-</u>
<b>CIT expenses</b>	<b><u>16,090,328,018</u></b>	<b><u>9,309,381,611</u></b>

**28.2 Current tax**

The current tax payable is based on taxable income for the current year. The taxable income of the Company for the year differs from the profit as reported in the separate income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the separate balance sheet date.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

**29. TRANSACTIONS WITH RELATED PARTIES**

Significant transactions of the Company with related parties during the year were as follows:

Related party	Relationship	Transactions	Currency: VND	
			Current year	Previous year
Thuan Duc Hung Yen Company Limited	Subsidiary	Sales of plastic beads	153,265,092,159	84,829,353,325
		Purchase of PP woven fabric	103,091,327,226	107,694,391,665
Thai Yen Packaging Production Limited liability company	Same Management Members	Sales of plastic beads and PP woven fabric	153,719,313,700	75,580,047,100

Sales and purchases with related parties are carried out at market prices and terms.

Outstanding balances of payables and receivables as at 31 December 2019 are unpledged, interest free and will be settled in cash. For the year ended 31 December 2019, the Company has not made any provision for doubtful debts related to the amount of debt owed by the related parties (31 December 2018: nil). This assessment is made each year by examining the financial position of the related party and the market in which it is operating.

Amounts due to and due from related parties at the separate balance sheet dates were as follows:

Related party	Relationship	Transactions	Currency: VND	
			Current year	Previous year
<b>Short-term receivables from customers (Note 7.1)</b>				
Thuan Duc Hung Yen Limited Company	Subsidiary	Sales of plastic beads	70,745,422,601	11,136,473,260
Thai Yen Packaging Production., Limited liability company	Same Management Members	Sales of plastic beads and woven	62,953,868,880	73,903,568,310
<b>TOTAL</b>			<b>133,699,291,481</b>	<b>85,040,041,570</b>
<b>Short-term payables for suppliers (Note 16.1)</b>				
Thuan Duc Hung Yen Company Limited	Subsidiary	Purchases of woven	12,115,649,400	-
<b>TOTAL</b>			<b>12,115,649,400</b>	<b>-</b>



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

**29. TRANSACTIONS WITH RELATED PARTIES (continued)**

**Transactions with other related parties**

Remuneration to members of the Board of Directors and management:

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Salaries and bonus	3,361,569,344	1,253,000,000
<b>TOTAL</b>	<b><u>3,361,569,344</u></b>	<b><u>1,253,000,000</u></b>

**30. SEGMENT INFORMATION**

The Company chooses business segments as its primary reporting segment because the Company's risks and profitability are affected primarily by differences in the products and services provided by the Company. The Company's business activities are organized and managed according to the nature of the products and services provided by the Company, with each division being a strategic business unit providing different products and services and serving different markets.

The company and its subsidiary do not present segment information by geography as the Board of Directors believes that the company and its subsidiary only run business operation in Vietnam's territory.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

### 30. SEGMENT INFORMATION (continued)

The following tables present revenue and profit and certain assets and liability information regarding the Company's business segment.

#### As at 31 December 2019 and for the year then ended

	Currency: VND			
	Manufacturing	Trading	Other segments	Total
Revenue				
Sales to external customers	591,365,430,102	558,839,677,455	1,983,729,725	1,152,188,837,282
Inter-segment cost of goods sold	(426,943,954,036)	(542,241,567,047)	(516,535,583)	(969,702,056,666)
Results				
Segment net profit before tax	164,421,476,066	16,598,110,408	1,467,194,142	182,486,780,616
Unallocated expenses (*)				(104,014,649,185)
Net profit before corporate income tax				78,472,131,431
Corporate income tax expense				(16,090,328,018)
<b>Net profit after-tax</b>				<b>62,381,803,413</b>
Assets and liabilities				
Segment assets				
Unallocated assets (**)				1,381,628,004,341
<b>Total assets</b>				<b>1,381,628,004,341</b>
Segment liabilities				
Unallocated liabilities (**)				817,175,032,189
<b>Total liabilities</b>				<b>817,175,032,189</b>

(\*) Unallocated expenses mainly includes financial income, financial expenses, general and administrative expenses, selling expenses, other income and other expenses.

(\*\*) All assets and liabilities of the Company are shared for the production and business segments and thus cannot be allocated according to divisions.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

**30. SEGMENT INFORMATION** (continued)

**As at 31 December 2018 and for the year then ended**

	Currency: VND			
	Manufacturing	Trading	Other segments	Total
Revenue				
Sales to external customers	511,929,519,392	233,684,291,711	797,600,000	746,411,411,103
Inter-segment cost of good sold	(406,621,958,327)	(229,349,173,803)	(654,032,000)	(636,625,164,130)
Results				
Segment net profit/(loss) before tax	105,307,561,065	4,335,117,908	143,568,000	109,786,246,973
Unallocated expenses (*)				(64,389,110,824)
Net profit before corporate income tax				45,397,136,149
Corporate income tax expense				(9,309,381,611)
<b>Net profit after-tax</b>				<b>36,087,754,538</b>
Assets and liabilities				
Segment assets				
Unallocated assets (**)				886,231,426,191
<b>Total assets</b>				<b>886,231,426,191</b>
Segment liabilities				
Unallocated liabilities (**)				582,338,445,705
<b>Total liabilities</b>				<b>582,338,445,705</b>

(\*) Unallocated expenses mainly includes financial income, financial expenses, general and administrative expenses, selling expenses, other income and other expenses.

(\*\*) All assets and liabilities of the Company are shared for the production and business segments and thus cannot be allocated according to divisions.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

**31. OFF BALANCE SHEET ITEMS**

Foreign currencies:

	<i>Ending balance</i>	<i>Beginning balance</i>
Foreign currencies:		
- United States Dollar (USD)	538,196	297,271
- Euro (EUR)	29,463	-

**32. COMMITMENTS AND CONTINGENCIES**

***Operating lease commitment***

The Company lets out warehouse and land use right under operating lease arrangements. The future minimum rental receivables as at the balance sheet dates under the operating lease agreements are as follows:

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	5,048,942,472	3,833,515,272
From 1 - 5 years	10,314,214,525	11,694,493,799
More than 5 years	1,850,049,523	2,112,763,810
<b>TOTAL</b>	<b><u>17,213,206,520</u></b>	<b><u>17,640,772,881</u></b>

**33. EVENTS AFTER THE BALANCE SHEET DATE**

There is no other matter or circumstance that has arisen since the balance sheet date that requires adjustment or disclosure in the financial statements of the Company.



Bui Thi Hang  
Preparer and Chief Accountant

Le Van Quang  
Chief Financial Officer

Nguyen Duc Cuong  
General Director

Hung Yen, Vietnam

10 March 2020

