

TRANSPORT ENGINEERING DESIGN INCORPORATED - JSC
AUDITED SEPARATE FINANCIAL STATEMENTS
For the year ended 31 December 2019

Hanoi – March 2020

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STATEMENT OF THE BOARD OF DIRECTORS

The Board of General Directors of Transport Engineering Design Incorporated – JSC (“the Company”) presents this report together with the Company’s audited financial statements for the year ended 31 December 2019.

THE COMPANY

Transport Engineering Design Incorporated – JSC formerly known as a State-owned Corporation, was transformed into one-member limited liability company under Decision No. 1765/QĐ - BGTVT of the Ministry of Transport dated 25 June 2010, operates under the Business Registration Certificate No. 0100107839 issued by the Hanoi Department of Planning and Investment dated 28 September 2010.

Transport Engineering Design Inc. was completely equitized, officially transformed into Transport Engineering Design Incorporated - JSC in accordance with the first Business Registration Certificate No. 0100107839 issued by the Hanoi Department of Planning and Investment dated 28 September 2010, the second amended dated 02 October 2017.

The name of the Company in English: TRANSPORT ENGINEERING DESIGN INCORPORATED – JOINT STOCK COMPANY, abbreviated: TEDI.

The Company’s head office is located at No. 278 Ton Duc Thang Street, Hang Bot Ward, Dong Da District, Hanoi City.

At as 31/12/2019, the charter capital of the Company is 125,000,000,000 Dong (One hundred and twenty-five billion Dongs), including:

- Organizations:
 - Fecon Soil Improvement And Construction Joint Stock Company holds 9.35%
 - Oriental Consultants Global Co., holds 20.262%
 - Trans Across VP Inc. holds 0.256%
 - Trade Union of Transport Engineering Design Incorporated – JSC holds 0.28%
- Mr. Pham Huu Son holds 8.5%
- Mr. Pham Trung Thanh holds 20.762%
- Other Shareholders hold: 40.59%

The Company’s Financial statements for the year ended 31 December 2019 have summarized from Financial statements of 03 units:

- Head Office
- Architecture and Civil Engineering Consultants Company
- TEDI Branch in Ho Chi Minh City

Head Office

Head Office operates under the Business Registration Certificate No. 0100107839 issued by the Hanoi Department of Planning and Investment dated 28 September 2010, the second amended dated 02 October 2017.

The head office is located at No. 278 Ton Duc Thang Street, Hang Bot Ward, Dong Da District, Hanoi City.

Architecture and Civil Engineering Consultants Company

Architecture and Civil Engineering Consultants Company was established under Decision No. 23/QĐ-BGTVT dated 02/01/2004 of the Ministry of Transport and Decision No. 511/TCCB - LD dated 26/10/2007 of The Board of Management of Transport Engineering Design Inc., directly under parent company - Transport Engineering Design Inc. (transformed into Transport Engineering Design Incorporated - JSC from 03/06/2014).

The Company operates under the Branch Registration Certificate for State- dependent Unit No. 0116000151, the second amended dated 29 September 2008, issued by the Hanoi Department of Planning and Investment.

STATEMENT OF THE BOARD OF DIRECTORS (CONTINUED)

Architecture and Civil Engineering Consultants Company (continued)

After parent company was officially transformed into a joint stock company from 03/06/2014, the Company operates under the Branch Registration Certificate issued by the Hanoi Department of Planning and Investment No.0100107839-001 dated 21 August 1996; the fourth amended dated 11 January 2018.

The company is located at No. 278 Ton Duc Thang Street, Hang Bot Ward, Dong Da District, Hanoi City.

The Board of Directors of Architecture and Civil Engineering Consultants Company:

Ms. Tran Thi Mai Huong Director

TEDI Branch in Ho Chi Minh City

TEDI Branch in Ho Chi Minh City, a dependent unit of TEDI, was established under Decision No.163/TCCB-LD dated 03/05/2001 and Decision No. 512/TCCB-LD dated 26/10/2007 of Transport Engineering Design Inc. (transformed into Transport Engineering Design Incorporated - JSC from 03/06/2014).

TEDI Branch in Ho Chi Minh City operates under the Business Registration Certificate No. 4116001196 dated 23/10/2008 issued by the Ho Chi Minh Department of Planning and Investment; After parent company was officially transformed into a joint stock company, TEDI Branch in Ho Chi Minh City operates under the Registration Certificate of Branch No.0100107839-002 issued by the Ho Chi Minh Department of Planning and Investment dated 23/10/2008, the fourth amended dated 04/01/2018.

The office is located at No. 15 (on the right side) Hoang Hoa Tham street, No.6 Ward, Binh Thanh District, Ho Chi Minh City.

The Board of Directors of TEDI Branch in Ho Chi Minh City:

Mr. Tran Quoc Bao Director

THE BOARD OF MANAGEMENT, THE BOARD OF DIRECTORS, CONTROL BOARD

The members of the Boards of Management and the Boards of Directors of the Company who held office during the year and at the date of this report are as follow:

The Board of Management	Mr. Hitoshi Yahagi	Chairman
	Mr. Pham Huu Son	Vice Chairman
	Mr. Phung Tien Trung	Member
	Mr. Do Minh Dung	Member
	Mr. Dao Ngoc Vinh	Member
The Board of Directors	Mr. Pham Huu Son	General Director
	Mr. Nguyen Trung Hong	Deputy General Director
	Mr. Do Minh Dung	Deputy General Director
	Mr. Dao Ngoc Vinh	Deputy General Director
	Mr. Nguyen Manh Ha	Deputy General Director
Control Board	Ms. Pham Thi Hong Nhung	Chairman
	Mr. Ngo Nam Ha	Member
	Mr. Vo Hoang Anh	Member
Chief Accountant	Mr. Truong Minh Son	

STATEMENT OF THE BOARD OF DIRECTORS (continued)

EVENTS AFTER THE REPORTING PERIOD

There have been no significant events occurring after the reporting date which would require adjustments or disclosures to be made in the Financial Statements for year ended 31 December 2019.

AUDITORS

The accompanying Financial Statements for the year ended 31 December 2019 have been audited by CPA VIETNAM Auditing Company Limited - An independent member firm of Moore Global Network Limited.

BOARD OF GENERAL DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of General Directors of the Company is responsible for preparing the Financial Statements of each year, that give a true and fair view of the financial position of the Company and of its results and cash flows for the year. In preparing those financial statements, the Board of Directors is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements;
- Design and apply efficiently internal control system on preparation of the Financial Statements to minimize error and fraud;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of Directors confirms that the Company has complied with the above requirements.

The Board of Directors is responsible for ensuring that proper accounting records are kept, which disclose with reasonable accuracy at any time at the financial position of the Company and to ensure that the Financial Statements comply with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing accounting regulations in Vietnam. 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.

TATEMENT OF THE BOARD OF DIRECTORS (continued)

OTHER COMMITMENT

The Board of Directors committed to complying with the disclosure of information in accordance with Decree No. 71/2017 / ND-CP dated 06/06/2017 of the Government guiding the Corporate Governance applicable to public companies, which has been effective from 1 August, 2017 and Circular No.155/2015/ TT-BTC dated 6 October, 2015 of the Ministry of Finance on information disclosure on the stock market.



Legal representative of the Company,

Pham Huu Son
General Director
Hanoi, 12 March 2020

No.203 /2020/BCKT-BCTC/CPA VIETNAM

INDEPENDENT AUDITOR'S REPORT

About Financial Statements for the year ended 31 December 2019
of Transport Engineering Design Incorporated - JSC

**To: Shareholders
The Board of Management and Directors
Transport Engineering Design Incorporated - JSC**

We have audited the accompanying Financial Statements of Transport Engineering Design Incorporated - JSC, which were prepared on 12 March 2019, from pages 07 to 47, includes Balance Sheet as at 31 December 2019, Income Statement, Cash Flow Statement for the year ended on the same day and Notes to the Financial Statements.

Respective Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with the Vietnamese Accounting Standards, and the Vietnamese Accounting System and other prevailing regulations of preparation and presentation of the Financial Statements, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or errors.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with the 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 Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity'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 Financial Statements.

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

Auditor's Opinion

In our opinion, the accompanying Separate Financial Statements give a true and fair view, in all material respects of the financial position of the Company as at 31 December 2019 and the results of its operations and its cash flows for the year ended the same date in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System enterprise and other prevailing regulations of preparation and presentation of the Financial Statements in Vietnam.



Phan Huy Thang
General Director
Registered Auditor Certificate
No. 0147-2018-137-1

Nguyen Thi Ngoc Cham
Auditor
Registered Auditor Certificate
No. 2980-2019-137-1

For and on behalf of
CPA VIETNAM AUDITING COMPANY LIMITED
An independent member firm of Moore Global Network Limited
Hanoi, 12 March 2020

BALANCE SHEET
As at 31 December 2019

	Code	Notes	31/12/2019 VND	01/01/2019 VND
A. CURRENT ASSETS	100		331,316,882,024	290,813,126,801
I. Cash and cash equivalents	110	5.01	24,565,091,870	48,704,940,463
1. Cash	111		24,265,091,870	38,704,940,463
2. Cash equivalents	112		300,000,000	10,000,000,000
II. Short-term financial investments	120		30,000,000,000	10,000,000,000
1. Held to maturity investments	123	5.02	30,000,000,000	10,000,000,000
III. Short-term receivables	130		125,656,980,329	99,180,454,950
1. Short-term receivables from customers	131	5.03	86,329,115,990	64,887,103,122
2. Advances to suppliers	132	5.04	26,029,824,472	22,629,280,966
3. Other short-term receivables	136	5.05	19,763,039,867	15,886,070,862
4. Provision for doubtful short-term debts	137		(6,465,000,000)	(4,222,000,000)
IV. Inventories	140		151,094,809,825	132,927,731,388
1. Inventories	141	5.06	151,094,809,825	132,927,731,388
B. NON-CURRENT ASSETS	200		114,599,406,358	121,486,046,326
I. Fixed assets	220		50,791,194,071	54,652,174,470
1. Tangible fixed assets	221	5.07	49,521,642,888	52,818,065,049
- <i>Historical cost</i>	222		130,400,276,201	128,800,555,122
- <i>Accumulated depreciation</i>	223		(80,878,633,313)	(75,982,490,073)
2. Intangible fixed assets	227	5.08	1,269,551,183	1,834,109,421
- <i>Historical cost</i>	228		6,181,869,327	6,065,379,327
- <i>Accumulated amortisation</i>	229		(4,912,318,144)	(4,231,269,906)
II. Long-term financial investments	250	5.02	56,929,043,495	57,847,170,155
1. Investments in subsidiaries	251		56,929,043,495	59,052,170,155
2. Provision for devaluation of long-term investments	254		-	(1,205,000,000)
III. Other non-current assets	260		6,879,168,792	8,986,701,701
1. Long-term prepaid expenses	261	5.09	6,862,666,380	8,963,380,956
2. Deferred CIT assets	262		16,502,412	23,320,745
TOTAL ASSETS	270		445,916,288,382	412,299,173,127

BALANCE SHEET (continued)
As at 31 December 2019

	Code	Note	31/12/2019 VND	01/01/2019 VND
A. LIABILITIES	300		297,035,555,416	267,088,398,316
I. Current liabilities	310		295,808,434,138	263,177,665,034
1. Short-term payables to suppliers	311	5.10	26,483,454,825	25,563,791,774
2. Short-term advances from customers	312	5.11	186,649,065,432	110,452,217,174
3. Taxes and other obligations to the State Budget	313	5.12	2,895,632,678	4,259,169,946
4. Payables to employees	314		16,830,829,617	16,984,834,582
5. Short-term accrued expenses	315	5.13	35,565,482,176	38,018,939,735
6. Other short-term payables	319	5.14	10,703,605,916	13,816,244,079
7. Short-term loans and financial leasing liabilities	320	5.15	15,310,689,719	51,389,996,269
8. Bonus and welfare fund	322		1,369,673,775	2,692,471,475
II. Non-current liabilities	330		1,227,121,278	3,910,733,282
1. Other long-term payables	337	5.14	1,156,454,628	1,191,194,628
Long-term loans and financial leasing liabilities	338	5.15	-	2,568,872,000
3. Science and technology development fund	343		70,666,650	150,666,654
B. OWNERS' EQUITY	400		148,880,732,966	145,210,774,811
I. Owners' equity	410	5.16	148,880,732,966	145,210,774,811
1. Capital contributed	411		125,000,000,000	125,000,000,000
- Common stock	411a		125,000,000,000	125,000,000,000
2. Surplus capital	412		815,232,000	815,232,000
3. Accumulated profit	421		23,065,500,966	19,395,542,811
- Undistributed earnings accumulated to end of previous period	421a		1,012,033,811	-
- This period undistributed earnings	421b		22,053,467,155	19,395,542,811
TOTAL RESOURCES	440		445,916,288,382	412,299,173,127

Hanoi, 12 March 2020

Preparer

Chief Accountant

General Director

Tang Thi Thu Hien

Truong Minh Son

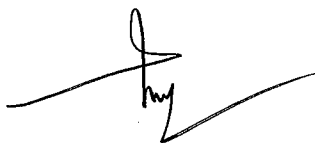


Pham Huu Son

INCOME STATEMENT
For the year ended 31 December 2019

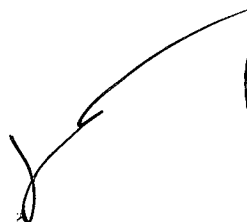
ITEMS	Code	Notes	Year 2019 VND	Year 2018 VND
1. Revenue from sale of goods and provide services	01	6.01	367,978,748,210	304,223,836,956
2. Deductions	02	6.01	959,184,201	1,270,926,906
3. Net revenue from sale of goods and provide services	10		367,019,564,009	302,952,910,050
4. Cost of goods sold	11	6.02	287,364,047,783	229,680,909,373
5. Gross profit	20		79,655,516,226	73,272,000,677
6. Financial incomes	21	6.05	13,662,230,508	12,759,696,519
7. Financial expenses	22	6.06	4,697,053,216	3,414,593,714
<i>In which: Interest expenses</i>	23		2,797,423,936	2,187,324,430
8. Selling expenses	25		-	-
9. General and administrative expenses	26	6.07	63,123,116,403	60,911,439,885
10. Net operating profit	30		25,497,577,115	21,705,663,597
11. Other incomes	31		331,065,752	936,328,219
12. Other expenses	32		423,057,094	919,018,887
13. Other profit/loss	40	6.08	(91,991,342)	17,309,332
14. Net profit before tax	50		25,405,585,773	21,722,972,929
15. Current CIT expense	51	6.09	3,195,300,285	2,320,611,785
16. Deferred CIT incomes/(expenses)	52		6,818,333	6,818,333
17. Net profit after tax	60		22,203,467,155	19,395,542,811

Preparer



Tang Thi Thu Hien

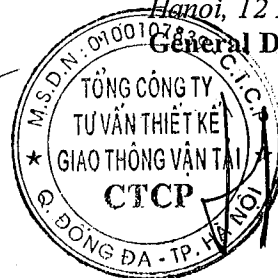
Chief Accountant



Trương Minh Sơn

Hanoi, 12 March 2020

General Director

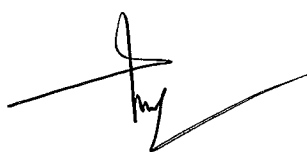



Phạm Hữu Sơn

CASH FLOW STATEMENT
(Under direct method)
For the year ended 31 December 2019

ITEMS	Code	Notes	Year 2019 VND	Year 2018 VND
I. Cash flows from operating activities				
1. Sale receipts	01		455,751,736,264	285,930,253,007
2. Cash paid to suppliers	02		(210,430,937,769)	(150,314,188,363)
3. Cash paid to employees	03		(98,885,388,976)	(88,871,437,093)
4. Cash paid to interest expense	04		(1,956,483,613)	(1,915,724,386)
5. Cash paid to CIT	05		(2,331,759,266)	(4,733,519,150)
6. Other cash receipts from operating activities	06		10,263,993,299	9,403,942,787
7. Other cash paid to operating activities	07		(107,353,498,637)	(92,616,116,974)
<i>Net cash flows from operating activities</i>	20		45,057,661,302	(43,116,790,172)
II. Cash flows from investing activities				
1. Cash paid for acquisition, construction of fixed assets, other long-term assets	21		(3,575,625,237)	(10,060,404,801)
2. Loans to other parties or purchases of financial instruments of other entities	23		(30,000,000,000)	(35,000,000,000)
3. Cash inflows from loan collection, selling debt instruments of other entities	24		10,000,000,000	50,000,000,000
4. Cash outflows for investments in other entities	25		(941,253,000)	(1,783,451,500)
5. Cash inflows from withdrawal of investments in other entities	26		1,863,810,000	-
6. Interest income, dividends and profit received	27		12,694,080,949	11,058,128,295
<i>Net cash flows from investing activities</i>	30		(9,958,987,288)	14,214,271,994
III. Cash flows from financing activities				
1. Cash from short-term or long-term loans	33		59,141,703,811	150,500,568,920
2. Repayments of loans principals	34		(99,685,362,361)	(106,559,061,404)
3. Dividends, profit paid to owners	36		(18,688,084,437)	(14,534,012,317)
<i>Net cash flows from financing activities</i>	40		(59,231,742,987)	29,407,495,199
<i>Net cash flows during the year</i>	50		(24,133,068,973)	504,977,021
<i>Cash and cash equivalents at the beginning of year</i>	60	5.01	48,704,940,463	48,140,989,321
<i>Impacts of foreign exchange difference</i>	61		(6,779,620)	58,974,121
<i>Cash and cash equivalents at the end of the year</i>	70	5.01	24,565,091,870	48,704,940,463

Preparer



Tang Thi Thu Hien

Chief Accountant



Truong Minh Son

Hanoi, 12 March 2020
General Director



Pham Huu Son

1. GENERAL INFORMATION**History of the Company**

Transport Engineering Design Incorporated – JSC formerly known as the State-owned Corporation, was established under the Decision No.4898/QĐ-TCCB-LĐ dated 27/11/1995 of the Ministry of Transport, with the name of Transport Engineering Design Incorporated.

Under the Decision No.782/QĐ-BGTVT dated 09/04/2007 of the Ministry of Transport, Transport Engineering Design Inc. was restructured, includes: Head Office and dependent units (Architecture and Civil Engineering Consultants Company and TEDI Branch in Ho Chi Minh City).

The Company operated as one-member limited liability company model, under Decision No. 1765/QĐ - BGTVT of the Ministry of Transport dated 25/06/2010 and the Business Registration Certificate No. 0100107839 issued by the Hanoi Department of Planning and Investment dated 28 September 2010.

In 2014, Transport Engineering Design Inc. was officially transformed into Transport Engineering Design Incorporated - Joint Stock Company in accordance with the first Business Registration Certificate No. 0100107839 issued by the Hanoi Department of Planning and Investment dated 28 September 2010, the second amended dated 02 October 2017.

The name of the Company in English: TRANSPORT ENGINEERING DESIGN INCORPORATED - JSC, abbreviated: TEDI.

The Company's head office is located at No. 278 Ton Duc Thang Street, Hang Bot Ward, Dong Da District, Hanoi City.

Phone: (84-24).38514431

Fax: (84-24).38514980

E-mail: tedi@tedi.com.vn

Legal representative person: General Director.

Charter capital and ownership

At as 31/12/2019, charter capital of the Company is 125,000,000,000 Dong (One hundred and twenty-five billion Dongs), including:

- Organizations:
 - Fecon Soil Improvement And Construction Joint Stock Company holds 9.35%
 - Oriental Consultants Global Co., holds 20.262%
 - Trans Across VP Inc. holds 0.256%
 - Trade Union of Transport Engineering Design Incorporated – JSC holds 0.28%
- Mr. Pham Huu Son holds 8.5%
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- Other Shareholders hold: 40.59%

These Financial statements for the year ended 31 December 2019 are consolidated from Financial statements of 03 units:

- Head Office
- Architecture and Civil Engineering Consultants Company
- TEDI Branch in Ho Chi Minh City

NOTES TO THE FINANCIAL STATEMENTS (continued)

Operating principle activities

After transformed into a joint stock company from 03/06/2014, according to the second Business Registration Certificate, the principal activities of Transport Engineering Design Incorporated – JSC are as followed:

Head Office and TEDI Branch in Ho Chi Minh City

1. Technical examination and analysis. Detail:
 - To take experiment on construction materials and norms on geology, environmental, hydrographic, civil and industrial works and transportation works
 - To check and load test of works
2. Other professional, scientific and technological activities not yet classified. Detail:
 - Traffic survey, analysis and compilation of transportation forecasts; Surveying, evaluate on environmental impacts and transportation, civil and industry works
 - Application studying, experimental construction and training on transfer of new technologies of traffic, civil and industry
3. Related activities of architecture and engineering. Detail:
 - To design works of bridges, tunnels, roads
 - To design works of port and waterway
 - To design works of railway
 - Design of technical infrastructure structure
 - To design works of construction planning, architectural design
 - To design building structure of civil and industrial works
 - To do survey of geology of works
 - To design works of geotechnical engineering construction
 - To do environmental and hydrographic surveys
 - To design electric system for civil and industrial works and transportation works
 - To design and install communication network system of construction works
 - To design water supply and drainage system of construction works;
 - To design means of transport
 - To supervise construction of civil and industrial works
 - To consult project management and construction investment
 - Supervision of geological survey of construction works
 - Investment, management, business exploitation of transport, civil and industrial projects
 - Investment consultancy, construction and management of investment projects on traffic, civil and industry.
 - To consult economic and technical reports, investment reports on construction and evaluate of traffic, civil and industrial projects.
 - To consult bidding, make bidding dossiers, evaluate bids on construction and consultancy, sum investment of projects and make estimation and summarition report of traffic, civil and industrial works.
 - To consult for preparation of strategic environmental assessment file, environmental impact assessments, environmental protection commitments, general plan for land acquisition and resettlement, environmental management plans, resettlement; social reports, reports of ethnic minorities of transport, civil and industrial works.
 - To consult and verify investment projects, planning projects, technical designs, construction drawing designs, cost forecast of traffic, civil and industrial projects.
 - To consult supervision of investment, state supervision environmental monitoring and supervision.
 - To consult assessment and certify bearing safety force, certify quality conformity of construction works of civil and industry.
4. Real estate business, land use rights owned by, owned or leased.

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. Consulting, brokerage, auction real estate, auction land use rights. Detail:
 - Exploiting, managing and operating services for buildings, apartment buildings, industrial and civil works.
6. Printing.
7. Packing service: Packing documents.
8. Other food services.
9. Wholesale of other machinery, equipment and auto parts
 - Detail:
 - Wholesale of machinery, equipment and spare parts not yet classified: Business equipment specialized for survey design.
10. Other business supporting activities not yet classified
 - Detail:
 - Import and export of specialized machinery and equipment for surveying and designing.
 - Import and export commodities of company' operating.
11. Wholesale cars and other motor vehicles
 - Details: Wholesale new and used cars and other motor vehicles
12. Retail cars (12 seats or less)
13. Car dealerships and other motor vehicles
14. Maintenance and repair of cars and other motor vehicles
 - Detail:
 - Repair of mechanical parts, electrical parts, and automatic ignition system
 - Regular maintenance
 - Body repair
 - Repair parts of cars
 - Car washing, polishing, spraying and painting
 - Fixing screens and windows
 - Repair of seats, cushions and car interior
 - Repair, pump, tires, installation or replacement
 - Anti-rust treatment
15. Sale of spare parts and accessories of cars and other motor vehicles
16. Inland and suburban passenger transport (except for bus transport)
17. Transportation of goods by road
18. Warehousing and storage of goods
19. Short stay accommodation
20. Restaurant and catering services for mobile
21. Renting motor vehicles

NOTES TO THE FINANCIAL STATEMENTS (continued)

Architecture and Civil Engineering Consultants Company

1. Related activities of architecture and engineering. Detail:

- To design works of bridges, tunnels, roads
- To design works of port and waterway
- Design of technical infrastructure structure
- To design works of construction planning, architectural design
- To design building structure of civil and industrial works
- To do survey of geology of works
- To design works of geotechnical engineering construction
- To do environmental and hydrographic surveys
- To design electric system for transportation works
- To design transmission lines and transformer stations up to 35 KV, design of electrical systems for civil and industrial projects
- To design and install communication network system of construction works
- To design water supply and drainage system of construction works
- To supervise construction of civil and industrial works
- To supervise construction of bridges, tunnels, roads works
- Supervision of geological survey of construction works
- Investment consultancy, construction and management of investment projects on traffic, civil and industry
- To consult economic and technical reports, investment reports on construction and evaluate of traffic, civil and industrial projects.
- To consult bidding, make bidding dossiers, evaluate bids on construction and consultancy, sum investment of projects and make estimation and summarition report of traffic, civil and industrial works
- To consult and verify investment projects, planning projects, technical designs, construction drawing designs, cost forecast of traffic, civil and industrial projects.

2. Technical examination and analysis. Detail:

- To take experiment on construction materials and norms on geology, environmental, hydrographic, civil and industrial works and transportation works.
- To check and load test of works

3. Other professional, scientific and technological activities not yet classified. Detail:

- Applitication studying, experimental construction and training on transfer of new technologies of traffic, civil and industry.

4. For conditional business lines, the branch just comes into operation in case of its sufficient abilities according to regulations of law.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. GENERAL INFORMATION (continued)

The Company's structure

At as 31/12/2019, the Company has subsidiaries and affiliates as follows:

No	Name companies	Principal activities	Ratio of ownership
I	Subsidiaries		
1	Road and Bridge Engineering Consultant Joint Stock Company	To consult constructions and inspect quality of transport works	50.96%
2	Highway Engineering Consultant Joint Stock Company	To consult constructions of transport works	51.00%
3	Port and Waterway Engineering Consultant Joint Stock Company	To consult constructions of Port and Waterway works	51.00%
4	Geotechnical and Inspection Consultant Joint Stock Company	To consult constructions and inspect quality of transport works	60.43%
5	Bridge And Tunnel Engineering Consultant Joint Stock Company	To consult constructions of transport works	51.00%
6	Waterway Engineering Consultant Joint Stock Company	To consult constructions of transport works	51.06%
7	Transport Engineering Consultant Joint Stock Company No.2	To consult constructions of transport works	51.00%
8	Transport Engineering Design Consultant Joint Stock Company No.4	To consult constructions of transport works	51.00%
9	Transport Engineering Consultant Joint Stock Company No.5	To consult constructions of transport works	51.00%
10	APECO Company	To provide technical consultancy services for transportation projects, irrigation, civil engineering and other projects	67.258%
11	TEDI – GC CO., LTD	To design, construction management and other related services	100%
II	Affiliates		
1	Architecture and Civil Engineering Consultants Company	To consult constructions of transport works	
2	TEDI Branch in Ho Chi Minh	To consult constructions of transport works	

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. FINANCIAL YEAR, ACCOUNTANT CURRENCY

Fiscal year

The Company's fiscal year begins on 01 January and ends on 31 December.

Accounting currency-Accounting convention

The accompanying Financial Statements are presented in Vietnam Dong (VND).

3. ADOPTION OF ACCOUNTING STANDARDS AND ACCOUNTING SYSTEM

Accounting system

The Company applies Vietnam Enterprise Accounting System issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 by Ministry of Finance guiding the Enterprise Accounting System and Circular 53/2016/TT- BTC dated 21/3/2016 amending and supplementing for Circular No. 200/2014/TT-BTC.

Adoption of Accounting Standards and Accounting System

The Board of Directors of the Company confirmed to completely comply with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System granted and taken effect relating to preparation and presentation of the Financial Statements for the fiscal year ended 31 December 2019.

4. SIGNIFICANT ACCOUNTING PRINCIPLES

Basis of preparation of the Financial Statements

The accompanying Financial Statements expressed in Vietnam Dong ("VND") are prepared under the historical cost convention and in accordance with the Vietnamese Accounting Standards, the Vietnamese Accounting System and prevailing regulations related to financial reporting process in Vietnam.

The accompanying Financial Statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

Foreign currencies

Transactions in Foreign currencies

Transactions in foreign currencies are recorded at the exchange rates ruling at the date of the transaction. Exchange rate differences arising from these transactions are recorded as Financial incomes or Financial expenses in the Income Statement.

Revaluation of monetary assets denominated in foreign currencies at the end of fiscal year

- (i) Monetary items of foreign currency origin classified as assets (such as cash, receivables, ...) are revaluated at buying exchange rates of Joint Stock Commercial Bank for Investment and Development of Vietnam as at 31 December 2019.
- (ii) Monetary items of foreign currency origin classified as liabilities (such as payables, loans, ...) are revaluated at selling exchange rates of Joint Stock Commercial Bank for Investment and Development of Vietnam as at 31 December 2019.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

Foreign currencies (continued)

All exchange rate differences arising from revaluation are recorded into Account No. 413 - Foreign exchange differences. The balance of this account is recorded as Financial income or Financial expense at the date of preparing Financial Statements.

The exchange rate upon re-determining accounts derived from foreign currencies at as the date of the Financial statements:

At as	Bank	Buying exchange rates	Selling exchange rates
31/12/2019	Joint Stock Commercial Bank for Investment and Development of Vietnam	23,110 VND/USD	23,230 VND/USD

Cash and cash equivalents

Cash comprises cash on hand, cash at bank and cash on delivery

Cash on hand and cash at bank are recorded on the basis of actual receipts and expenditures.

Cash on delivery: Based on money orders without debit notice and credit notice.

Cash equivalents

Includes all deposits and short-term, liquid investments that are subject to payment no later than 3 months; deposits with the ability to convert easily into a known amount of cash and no risk of change in value at the time of report.

Financial investmentsHeld-to-maturity investments

Held-to-maturity investments comprise term deposits (including treasury bills, promissory notes), bonds, preference shares which the issuer is required to re-buy them in a certain time in the future and held to maturity loans to earn profits periodically and other held to maturity investments.

Held-to-maturity investments stated at original cost and determined at reasonable value based on the recoverability of the investment.

When the financial statement is prepared, the accountant must re-evaluate investment classified as accounts derived from foreign currencies according to actual exchange rates at the end of the accounting period

Loans

Loans under agreements which are not transacted on the market similarly to securities.

When the financial statement is prepared, the accountant must re-evaluate investment classified as accounts derived from foreign currencies according to actual exchange rates at the end of the accounting period.

Provision for doubtful debts is made for each bad loan based on the principal repayment period under the original debt commitment (regardless of debt extension between parties), or on the basis of expected losses can occur.

Investments in subsidiaries and associates

- Investments in subsidiaries: Investments in subsidiaries that the company obtains right of control are initially recognized at historical cost in the financial statements.

Profits distributed from subsidiaries after the date when the Company obtains right of control are recognized in income statement of the Company. Other distributions are considered a recovery of investment and are deducted from the investment value.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4 SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

Financial investments (continued)

• Investments in associated companies and joint ventures: Investments in associated companies and joint ventures in which the Company has significant influence, are recognized at historical cost.

Profit distributions that Company received from the accumulated profits of the associated companies after the date the Company obtains right of control are recognized in income statement of the company. Other Distributions are considered a recovery of investment and are deducted from the investment value.

- Others: initially recognized at historical cost.

Allowance for impairment of investments

Provision for loss on investments in associated companies is made when the company suffered losses which may cause reduction in capital by declining value of investments in this companies (except for losses under the plan identified in the business plan before the investment).

For others, provision for loss on investments is made based on the fair value of the investment at the allocating. With regard to an investment whose fair value is not identifiable at the reporting time, the allowance shall be made according to the loss of the investee.

Receivables

Receivables are kept records in details according to period receivables, entities receivable objects to be recovered, the type of currency receivables and other factors according to requirements for management.

Receivables comprise receivables from customers and other receivables, rules below:

- Receivables from customers comprise receivables arising from commercial transactions between the Company and the buyer (as an independent unit with the seller, including receivables between the parent company and its subsidiaries). Trade receivables are recognized in line with standards of the time of recognition revenue based on invoices.
- Other receivables include non-commercial receivables.

Receivables are classified as short term and long term on the balance sheet bases on remaining terms of receivables at the end date of preparing Financial Statements.

Provision for doubtful debts: is made for each doubtful debts based on the time of overdue payment under the original commitments (exclusive of the debt rescheduling between contracting parties), or expected losses.

Inventories

Inventories are valued according their original prices. Where the net realizable valued is lower than the original price, they must be valued according to the net realizable valued. The original prices of inventories consist direct raw materials cost, direct labor cost and those overheads (if any) to acquire inventories as of the time of putting such inventories into the current state. Net realizable value means the estimated selling price of inventories, minus the estimated costs needed for their consumption.

Inventories (continued)

Provision for devaluation of inventories: the provision for the value of losses due to construction in progress according to the evaluation, which is incapable of being completed and accepted by the investor.

4. SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

Tangible fixed assets and Intangible fixed assets

The Company has applied and implemented of Circular No. 45/2013/TT-BTC issued dated 25 April 2013 and amending and supplementing No. 45/2013/TT-BTC dated 13/10/2016 amending and supplementing No. 45/2013/TT-BTC issued dated 25 April 2013, regulating the management of fixed assets, and Circular No.28/2017/TT-BTC dated 12/04/2017 amending and supplementing No. 45/2013/TT-BTC and amending and supplementing Circular No. 45/2013/TT-BTC.

Tangible fixed assets:

Tangible fixed assets are stated at original cost, equal to historical cost minus accumulated depreciation. The historical cost of tangible fixed assets means all the cost incurred by the Company to acquire tangible fixed assets as of the time of putting such assets into the ready - for - use state.

The historical cost and accumulated depreciation of tangible fixed assets of the Company has been adjusted according to re-evaluation results approved by the Ministry of Transport under Fission No. 3163/QD-BGTVT dated 10/10/2013.

Whenever tangible fixed assets are sold or disposed, the historical cost and accumulated depreciation are eliminate the gain or loss arising from the disposal are recorded as other income or other expenses in the period.

Intangible fixed assets

Computer software are recorded at the cost of purchased and depreciated on a straight-line basis over the estimated useful life.

Depreciation method

After equitization, the Company registered the method of depreciation and useful life of fixed asset in accordance with Official Letter No. 3001 /TEDI-TCKT dated 11/07/2014.

Depreciation of fixed assets is calculated using the straight-line basis over the estimated useful life of each asset. In detail:

	Useful life (years)
Tangible fixed assets	
Building and structures	05 – 50
Machinery equipment	03 - 20
Means of transportation	06 - 30
Instruments & tools for management	03 – 10
Other fixed assets	04 – 25
	Useful life (years)
Intangible fixed assets	
Computer software	03 – 08
Other intangible fixed assets	02 – 20

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

Tangible fixed assets and Intangible fixed assets (continued)

After equitization, the Company applies the following formula for revalued fixed assets:

$$\text{Useful life} = \frac{\text{Reasonable value of fixed assets}}{\text{The selling price of the same assets type is 100\% new (or equivalent to the fixed assets in the market)}} \times \frac{\text{Useful life of the same assets type}}{\text{type}}$$

Deferred tax assets

Deferred tax asset: is the amounts of income taxes reverted in future due to temporary differences.

Deferred tax asset is recorded if the Company estimates that it is definite to earn taxable future profits to use the deductible temporary differences. Book value of Deferred tax asset is reviewed at the end of Financial year and must be reverted to ensure taxable future profit enough to use Deferred tax asset partly or totally

Deferred tax asset is determined at the tax rates that are expected to apply in the year in which the asset is recovered, at the balance sheet date.

Deferred tax payable

Deferred tax payable is the amounts of income tax payable in future. Deferred tax payable must be recorded for all taxable temporary differences.

Deferred tax payable is recorded at current year Enterprise income tax rate.

Prepaid expenses

Prepaid expenses reflect the actual costs incurred and are relevant to many accounting periods and the associated transfer into the cost of production and business subsequent accounting periods.

Prepaid expenses are recorded at original cost and classified as short-term and long-term on the balance sheet based on prepaid time of each contract.

Long-term prepaid expenses include tools, supplies instruments and small - sized components which are expected to generate economic benefit in more than one year. These expenses are allocated into Income Statement using straight-line method within 02 years.

Liabilities

Liabilities are kept records in details according to payment schedule, creditor, type of currency and other factors according to requirements of the Company.

Account liabilities comprise payable to suppliers, loans and other payables. They are almost certainly determined the value and time and recorded no less than the obligations payable, classified as follows:

- Payable to suppliers: includes commercial payables arising from the purchase of goods, services and assets between the Company and the seller (the independent unit with the Company, including amounts payable between the parent company and its subsidiaries).
- Other payables: including non-commercial payables, non-related to trading in goods and services.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

Loans and finance lease liabilities

These accounts shall be used to record loans, finance lease liabilities and payment of the loans, finance lease liabilities of the Company. Loans under the forms of issuance of bonds or preference shares with provisions requiring the issuer to repurchase at a certain time in the future shall not be recorded in this account

The Company must monitor in detail the payable term of loans, finance lease liabilities

Borrowing expenses directly related to the loans (other than payable interest), such as expenses for verification, audit, making application... shall be accounted for in financial expenses. Where these expenses arise from loans for purposes of investment, construction or production of assets in progress, they shall be capitalized according to provisions Vietnamese Accounting Standard Borrowing Costs.

Borrowing costs

Borrowing costs should be recognized into production or business costs in the period in which they are incurred, unless they are capitalized according to provisions Vietnamese Accounting Standard No. 16 "Borrowing Costs". Borrowing costs that are directly attributable to the acquisition, construction or production of a property that is substantially longer in terms of time to be completed or used for sale are included in historical cost of property, until the property is put into use or business. Proceeds from investments in loans are stated at cost less accumulated amortization. For a separate loan for the construction of fixed assets, the investment property is capitalized even if the construction period is less than 12 months.

Accrued expenses

Expenses that have not actually been incurred but are pre-recorded to operating expenses during the year to ensure that when these expenses actually occurs, they will not have a significant influence on operating expenses based on matching principle between income and expenses

The Company recognizes accrued expenses under the following items: Cost of labor, Accrued subcontracting costs on the basis of works that have been tested for acceptance and recorded revenue leading to the corresponding cost of goods sold.

Unearned revenue

Unearned revenue includes: revenue received in advance (such as: advances received from customers for leasing of assets and infrastructures in many accounting periods, interest received in advance in granting capital or purchasing of debt instruments); and other unearned revenue (such as: differences in sales prices between deferred payment and one time payment, revenue corresponding to value of goods, service or sales discounts for customers in traditional customer programs, etc.); Excluding: advances received from customers that the Company has not yet provided goods, merchandises, services, and revenue from leasing of assets or providing services in a number of periods, whose proceeds has not yet been collected.

Revenue received in advance is amortized based on the provision of goods or services for which cash has been collected.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

Owners' equity recognition

Capital owners are recorded at the amount of capital actually contributed by owners.

Share premium is the difference between contributed capital at par value and at share issued price; difference between purchase price of treasury shares and their re-issued price.

Options of Conversion of bond recorded in other equity are denified as the difference between the total sum received from the issuance of convertible bonds and the value of the debt couponent of convertible bonds.

Owner's equity of the Company at present has only common shares with voting rights.

Difference due to the revaluation of existing assets and the situation of settlement of such difference at the Enterprise with the difference in the enterprise. Revaluated assets are revaluated primarily fixed assets, property investment. In some cases it is possible and necessary to re-evaluate materials, tools, tools and finished products...

Undistributed profit determined on the basis of the results business after corporate income tax and the distribution profit policy of the Company.

The Company's profit after tax is appropriated to shareholders as dividends after approval by Shareholders at the Company's Annual General Meeting and after making appropriation to reserve funds in accordance with the Company's Charter.

Dividends are declared and paid based on the estimated profits. The official dividends will be declared and paid in the following annual period from the retained profit upon approval by Shareholders at the Company's Annual General Meeting.

Equity funds appropriated based on the Company's Charter and upon approval by shareholders at the Company's Annual General Meeting.

Treasury stock

Treasury stock is recognized at the historical cost and deducted from owner's equity. The Company does not recognize the gain or loss upon purchase, sale, issue or cancellation of the Company's owner's equity instruments.

Revenue and Other Incomes recognition

Sales of goods are recognized when the transaction results are measured reliably and the Company has the ability to obtain economic benefits from this transaction.

Sale of rendering of services is recognized when the outcome of the transaction can be measured reliably. In the case the transaction is related to several reporting periods, revenue is recognized in each period according to the result of the work volume finished on the date of preparing of period's balance sheet. The outcome of a transaction can be estimated reliably when all the following four conditions are satisfied:

- (a) The amount of sales can be measured reliably;
- (b) It is probable that the economic benefits associated with the transaction will flow to the Company;
- (c) The percentage of completion of the transaction at the balance sheet date can be measured reliably and;
- (d) The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

For interest income, dividend and profit paid and other income: Revenue is recognized the income are measured reliably and the Company has the ability to obtain economic benefit.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

Revenue deductions

The decrease adjustment of revenue shall be as follows:

- Sales discounts: is the discount amount of listed selling prices to customers buying in bulk, excluding sale discounts for buyers presented in the VAT invoice or sale invoice.
- Sales allowances: the deduction for the customers due to bad qualified products, defective goods, deteriorating quality or improper manner prescribed in economic contracts; excluding sale discounts to customer presented in the VAT invoice or bill of sale
- Sales returns: due to violations of commitment or economic contracts, bad qualified product, incorrect type or specification.

In case the products, goods sold or services provided from the previous period, but sales discounts, sales allowance and sale return incur in this period, then the Company recognizes as the following principles:

- If incurred before issuance financial statements: the decrease in revenue in the reporting period.
- If incurred after the issuance of the financial statements of: the decrease in revenue in the following period.

Cost of goods sold

Cost of goods sold includes costs of goods sold and services rendered during the period and are recognized corresponding to revenue of the period.

Cost of direct materials consumed in excess of normal consumption labor cost, fixed general production cost are not allocated to the value of products in stock to be recognized immediately as cost of goods sold (after minus the amount of compensations, if any) even if goods have not been determined to be consumed.

Financial expenses

- Losses relating to financial investment activity:
 - Losses from investment in other entities: recognized on actual incurred basis.
 - Losses on securities investments: Made for each whose market prices lower than their carrying amount listed and unlisted securities.
- Expenses regarding to joint ventures, transfer of securities: according to the actual incurred.
- Foreign exchange losses recorded when there is a difference between actual transaction rate and accounting rate and when there is a loss in revaluation of monetary items denominated in foreign currencies.

Current Corporate income tax expense and deferred income tax expense

Corporate income tax expense (tax income): is the aggregate amount of current income tax expense (income) and deferred income tax expense included in the determination of profit and loss for the period.

- Current income tax expense is the amount of income taxes payables measured on the taxable income and tax rate of the reporting period. The different amount between taxable income and accounting profit is the amount adjusted according to current CIT policies.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

Current Corporate income tax expense and deferred income tax expense (continued)

- Deferred income tax expense is the amount of income taxes will pay in the future, arise from: recognizing deferred income tax liability during the year; reversing deferred tax assets recorded in previous years; not recognizing deferred tax assets or deferred tax liabilities recorded directly as owner's equity.

The Company is obliged to pay corporate income tax at the rate of 20% on taxable income.

Accounting estimates

The preparation of the Financial Statements in conformity with Vietnamese Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Earning per share

Basic earning per share is calculated by dividing the profit or loss for the period attributable to common equity holders of the parent entity by the weighted average number of outstanding common shares during the period.

Diluted earning per share is determined by adjusting the profit or loss attributable to common equity holders and the weighted average number of outstanding common shares due to the effects of all dilutive potential common shares including convertible bonds and stock options.

Related parties

Parties considered as related parties are enterprises including Subsidiaries of Holding Company; individuals directly or indirectly through one or more intermediaries, having right to control over the Company or under the general control of the Company. Associations, individuals directly or indirectly holding voting right of the Company and considerably influencing the Company; Key managers such as Directors, Officers of the Company and closed members of families of these individuals or associations or the companies in association with these individuals are considered as related parties.

Segment Report

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

The Board of Directors believes that the main business division of the Company is design consultancy, supervision and supervision of transport works in the same geographical area as Vietnam, total revenue of the sector other or from sales and service provision outside the geographical area of Vietnam accounts for a negligible proportion of the total revenue of all divisions. Therefore, the Company does not prepare a Segment Report.

TRANSPORT ENGINEERING DESIGN INCORPORATED - JSC

Financial Statements for the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. DETAILS OF SELECTED ITEMS IN THE BALANCE SHEET

5.01 Cash and cash equivalents

	31/12/2019	01/01/2019
	VND	VND
Cash	24,265,091,870	38,704,940,463
Cash on hand	3,027,783,327	3,163,147,057
- <i>Cash on hand VND</i>	2,980,962,467	3,116,245,157
- <i>Cash on hand Foreign currency</i>	46,820,860	46,901,900
Cash at bank	21,237,308,543	35,541,793,406
- <i>Cash at bank VND</i>	21,218,919,799	35,465,589,393
JSC Bank for Investment and Development of Vietnam	14,724,238,472	28,857,148,705
JSC Bank for Foreign Trade of Vietnam	40,944,497	41,126,419
JSC Commercial Bank for Industry and Trade of Vietnam -Dong Da Branch	22,016,612	83,805,536
JSC Bank for Investment and Development of Vietnam - Ben Thanh Branch	2,861,470	10,390,451
JSC Lien Viet postal bank - Thang Long Branch	26,981,550	8,576,580
Military Commercial Joint Stock Bank	6,392,151,962	6,395,371,651
Ho Chi Minh Housing Development Bank	1,347,098	1,340,528
Viet A JSC Bank	3,884,533	1,001,359
Saigon - Hanoi Commercial Joint Stock Bank	4,493,605	66,828,164
- <i>Cash at bank Foreign Currency</i>	18,388,744	76,204,013
JSC Lien Viet postal bank - Thang Long Branch	7,164	7,177
JSC Bank for Investment and Development of VN	3,694,133	54,320,086
Military Commercial Joint Stock Bank	12,020,898	21,876,750
Military Commercial Joint Stock Bank (JPY)	2,666,549	-
Cash equivalents	300,000,000	10,000,000,000
Term deposits less than 03 months	300,000,000	10,000,000,000
Total	24,565,091,870	48,704,940,463

5.02 Financial Investments

a. Held to maturity investments

	31/12/2019		01/01/2019	
	Historical cost	Fair value	Historical cost	Fair value
- Deposits at bank	30,000,000,000	30,000,000,000	10,000,000,000	10,000,000,000
Total	30,000,000,000	30,000,000,000	10,000,000,000	10,000,000,000

Unit: VND

TRANSPORT ENGINEERING DESIGN INCORPORATED - JSC
Financial Statements for the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)

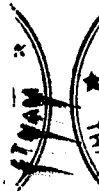
5. DETAILS OF SELECTED ITEMS IN THE BALANCE SHEET (continued)

5.02 Financial Investments (continued)

b. Investments in other entities

	Ratio		31/12/2019		01/01/2019		Unit: VND
	Capital owned	Voting right power	Historical cost	Provision	Historical cost	Provision	
Investments in subsidiaries			56,929,043,495	-	59,052,170,155	-	
Waterway Engineering Consultant JSC	51.60%	51.60%	2,903,313,669	-	2,903,313,669	-	
Geotechnical & Inspection Consultant JSC	60.43%	60.43%	6,877,391,975	-	5,936,138,975	-	
Transport Engineering Consultant JSC No.2	51.00%	51.00%	5,495,993,461	-	5,495,993,461	-	
Transport Engineering Design Consultant JSC No.4	51.00%	51.00%	2,701,818,608	-	2,701,818,608	-	
Transport Engineering Consultant JSC No.5	51.00%	51.00%	7,030,053,149	-	7,030,053,149	-	
Transport Engineering Consultant JSC No.7	59.00%	59.00%	-	-	3,064,379,660	(1,205,000,000)	
Bridge And Tunnel Engineering Consultant JSC	51.00%	51.00%	7,347,124,822	-	7,347,124,822	-	
Highway Engineering Consultant JSC	51.00%	51.00%	7,222,223,491	-	7,222,223,491	-	
Road and Bridge Engineering Consultant JSC	50.96%	50.96%	4,030,440,000	-	4,030,440,000	-	
Port and Waterway Engineering Consultant JSC	51.00%	51.00%	4,384,470,000	-	4,384,470,000	-	
TEDI Global Consultants Company Limited	100.00%	100.00%	4,670,325,000	-	4,670,325,000	-	
APECO Company	67.00%	67.00%	4,265,889,320	-	4,265,889,320	-	
Total			56,929,043,495	-	59,052,170,155	(1,205,000,000)	

Under the provisions of Circular 200/2014 / TT-BTC dated 22 December 2014, the fair value of investments in subsidiaries, associates and investments in other entities at 31/12/2019 should be presented. However, because subsidiaries, associates and other entities have not yet been listed on the stock market and there is currently no guidance on fair valuation of unlisted investments. The Company did not present the fair value of these investments as of 31/12/2019. The business activities of subsidiaries in the financial years are profitable, so the Corporation considers not making provision for investments in subsidiaries.



TRANSPORT ENGINEERING DESIGN INCORPORATED - JSC
Financial Statements for the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. DETAILS OF SELECTED ITEMS IN THE BALANCE SHEET (continued)

5.03 Short-term trade receivable

	31/12/2019	01/01/2019
	VND	VND
Hue - Trung Nam Forklift BT Co., Ltd	3,356,999,155	3,356,999,155
My Loi Coporation	4,077,457,890	4,077,457,890
Trung Luong My Thuan BOT JSC	15,722,654,000	-
Bien Cuong BOT JSC	9,536,673,342	8,368,549,002
Viet Nam Infrastructure Development And Finance Investment Joint Stock Company	3,433,484,163	3,433,484,163
BITEXCO Coporation	7,840,879,898	-
Ha Noi - Bac Giang BOT Investment JSC	24,572,805	4,403,644,056
Management Center of Sai Gon River Tunnel	504,975,700	3,029,854,000
No.3 Projects Management Unit	46,214,000	3,941,297,406
Others	41,785,205,037	34,275,817,450
Total	86,329,115,990	64,887,103,122
Including: Related Parties	5,894,287,382	5,633,693,749
Road and Bridge Engineering Consultant JSC	1,727,573,519	2,158,559,003
Highway Engineering Consultant JSC	1,068,581,588	985,248,184
Port and Waterway Engineering Consultant JSC	1,256,290,714	421,314,246
Geotechnical & Inspection Consultant JSC	152,566,500	190,302,800
Bridge And Tunnel Engineering Consultant JSC	400,989,661	547,678,055
Waterway Engineering Consultant JSC	29,589,200	37,324,100
Transport Engineering Consultant JSC No.2	594,256,600	617,450,580
Transport Engineering Design Consultant JSC No.4	48,375,800	66,169,500
Transport Engineering Consultant JSC No.5	304,927,500	126,967,800
TEDI Global Consultants Company Limited	-	346,335,381
APECO Company	311,136,300	136,344,100

TRANSPORT ENGINEERING DESIGN INCORPORATED - JSC

Financial Statements for the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)**5. DETAILS OF SELECTED ITEMS IN THE BALANCE SHEET (continued)****5.04 Advances to suppliers**

	31/12/2019 VND	01/01/2019 VND
Road and Bridge Engineering Consultant JSC	3,408,850,000	1,648,000,000
Haiphong Transport & Communication	2,950,000,000	1,650,000,000
Construction and Investment Consultancy JSC		
No.123 Transport Construction Engineering Consultant JSC	2,400,000,000	-
Transport Engineering Consultant International JSC	2,645,040,000	1,500,000,000
Trung Chinh Trading And Construction Ltd,	-	2,400,000,000
TEDI Global Consultants Company Limited	-	2,580,000,000
Others	14,625,934,472	12,851,280,966
Total	26,029,824,472	22,629,280,966
Including: Related parties	6,462,063,472	5,285,969,007
Road and Bridge Engineering Consultant JSC	3,435,350,000	1,648,000,000
Highway Engineering Consultant JSC	1,200,000,000	700,000,000
Port and Waterway Engineering Consultant JSC	500,000,000	500,000,000
Geotechnical & Inspection Consultant JSC	607,969,007	1,307,969,007
Bridge And Tunnel Engineering Consultant JSC	81,600,000	-
Transport Engineering Consultant JSC No.2	379,250,000	30,000,000
Transport Engineering Design Consultant JSC No.4	257,894,465	1,100,000,000
TEDI Global Consultants Company Limited	-	2,580,000,000

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NOTES TO THE FINANCIAL STATEMENTS (continued)

5. DETAILS OF SELECTED ITEMS IN THE BALANCE SHEET (continued)

5.05 Other receivables

Unit: VND

	31/12/2019		01/01/2019	
	Book value	Provision	Book value	Provision
Advances	11,450,752,227	-	8,933,541,442	-
Short-term deposits and collateral	31,600,000	-	31,600,000	-
Personal income tax	1,296,084,107	-	502,920,564	-
Social insurance receivables	252,746,300	-	-	-
Transport Engineering Consultant JSC No.7	1,690,185,809	845,000,000	1,867,185,809	-
Related parties	3,420,823,029	-	3,833,007,424	-
Others	1,620,848,395	-	717,815,623	-
	19,763,039,867	845,000,000	15,886,070,862	-
Related parties	3,420,823,029	-	3,833,007,424	-
<i>Bridge And Tunnel Engineering Consultant JSC</i>	183,997,304	-	315,723,266	-
<i>Transport Engineering Design Consultant JSC No.4</i>	-	-	568,550,000	-
<i>Geotechnical & Inspection Consultant JSC</i>	1,234,006,416	-	1,015,561,318	-
<i>Waterway Engineering Consultant JSC</i>	8,000,000	-	9,115,000	-
<i>Highway Engineering Consultant JSC</i>	301,425,458	-	108,175,000	-
<i>Road and Bridge Engineering Consultant JSC</i>	1,209,742,037	-	1,482,919,495	-
<i>Transport Engineering Consultant JSC No.2</i>	10,000,000	-	96,049,000	-
<i>Transport Engineering Consultant JSC No.5</i>	8,000,000	-	-	-
<i>Port and Waterway Engineering Consultant JSC</i>	220,676,817	-	43,900,000	-
<i>TEDI Global Consultants Company Limited</i>	236,974,997	-	179,904,345	-
<i>APECO Company</i>	8,000,000	-	13,110,000	-

5.06 Inventories

Unit: VND

	31/12/2019		01/01/2019	
	Historical cost	Provision	Historical cost	Provision
Work in progress	151,094,809,825	-	132,927,731,388	-
Total	151,094,809,825	-	132,927,731,388	-

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NOTES TO THE FINANCIAL STATEMENTS (continued)

5. DETAILS OF SELECTED ITEMS IN THE BALANCE SHEET (continued)

5.07 Tangible fixed assets

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Unit: VND

	Buildings, structures	Machinery and Equipment	Means of Transportation	Instruments & tools for management	Other fixed assets	Total
HISTORICAL COST						
Opening balance as at 01/01/2019	87,805,691,007	19,505,219,045	15,899,249,960	5,174,507,519	415,887,591	128,800,555,122
Increase in the year	-	83,480,000	459,375,646	1,056,865,433	-	1,599,721,079
Purchased in the year	-	83,480,000	459,375,646	1,056,865,433	-	1,599,721,079
Decrease in the year	-	-	-	-	-	-
Closing balance as at 31/12/2019	87,805,691,007	19,588,699,045	16,358,625,606	6,231,372,952	415,887,591	130,400,276,201
ACCUMULATED DEPRECIATION						
Opening balance as at 01/01/2019	45,873,072,134	15,374,412,658	11,052,389,960	3,266,727,730	415,887,591	75,982,490,073
Increase in the year	1,928,091,499	1,206,164,545	977,752,821	784,134,375	-	4,896,143,240
Depreciation in the year	1,928,091,499	1,206,164,545	977,752,821	784,134,375	-	4,896,143,240
Decrease in the year	-	-	-	-	-	-
Closing balance as at 31/12/2019	47,801,163,633	16,580,577,203	12,030,142,781	4,050,862,105	415,887,591	80,878,633,313
NET BOOK VALUE						
Opening balance as at 01/01/2019	41,932,618,873	4,130,806,387	4,846,860,000	1,907,779,789	-	52,818,065,049
Closing balance as at 31/12/2019	40,004,527,374	3,008,121,842	4,328,482,825	2,180,510,847	-	49,521,642,888

(*): In year 2016, Head Office sold Toyota CAMRY 2.4G (29U - 4744) to Architecture and Civil Engineering Consultants Company, historical cost of VND 1,093,000,000 at selling price of VND 200,000,000(excluding VAT 10%). In year 2019, the cost of depreciation due to internal transaction is VND 34,091,138.

5. DETAILS OF SELECTED ITEMS IN THE BALANCE SHEET (continued)

5.08 Intangible Fixed Assets

	<i>Unit: VND</i>	
	Computer softwares	Total
HISTORICAL COST		
Opening balance as at 01/01/2019	6,065,379,327	6,065,379,327
Increase in the year	116,490,000	116,490,000
Purchased in the year	116,490,000	116,490,000
Decrease in the year	-	-
Closing balance as at 31/12/2019	<u>6,181,869,327</u>	<u>6,181,869,327</u>
ACCUMULATED AMOTIZATION	-	-
Opening balance as at 01/01/2019	4,231,269,906	4,231,269,906
Increase in the year	681,048,238	681,048,238
Amotization in the year	681,048,238	681,048,238
Decrease in the year	-	-
Closing balance as at 31/12/2019	<u>4,912,318,144</u>	<u>4,912,318,144</u>
NET BOOK VALUE	-	-
Opening balance as at 01/01/2019	<u>1,834,109,421</u>	<u>1,834,109,421</u>
Closing balance as at 31/12/2019	<u>1,269,551,183</u>	<u>1,269,551,183</u>

5.09 Long-term prepaid expenses

	31/12/2019 VND	01/01/2019 VND
Tools and equipments	2,070,896,662	1,655,870,233
Deferred expenses	1,337,803,864	2,799,378,247
Business advantage	3,132,784,331	3,842,093,995
Repair expenses	321,181,523	666,038,481
	<u>6,862,666,380</u>	<u>8,963,380,956</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)

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5. DETAILS OF SELECTED ITEMS IN THE BALANCE SHEET (continued)

5.10 Short-term trade payables

	31/12/2019		01/01/2019	
	Book value	Ability to repay	Book value	Ability to repay
Highway Engineering Consultant JSC	3,911,023,650	3,911,023,650	3,674,228,500	3,674,228,500
TEDI Global Consultants Company Limited	2,458,924,200	2,458,924,200	8,536,708,200	8,536,708,200
CIENCO 1	4,437,958,000	4,437,958,000	-	-
Haiphong Transport & Communication Construction	2,051,478,000	2,051,478,000	56,478,000	56,478,000
No.123 Transport Construction Engineering	2,683,094,649	2,683,094,649	56,508,100	56,508,100
Trung Chinh Trading And Construction Ltd,	2,030,399,397	2,030,399,397	-	-
Transport Engineering Consultant JSC No.7	15,640,000	15,640,000	1,842,719,000	1,842,719,000
Others	8,894,936,929	8,894,936,929	11,397,149,974	11,397,149,974
Total	26,483,454,825	26,483,454,825	25,563,791,774	25,563,791,774
Related parties	11,327,508,537	11,327,508,537	18,371,632,049	18,371,632,049
Road and Bridge Engineering Consultant JSC	99,410,000	99,410,000	148,410,000	148,410,000
Highway Engineering Consultant JSC	3,911,023,650	3,911,023,650	3,674,228,500	3,674,228,500
Port and Waterway Engineering Consultant JSC	634,397,600	634,397,600	533,458,600	533,458,600
Geotechnical & Inspection Consultant JSC	696,919,000	696,919,000	885,357,000	885,357,000
Bridge And Tunnel Engineering Consultant JSC	1,031,236,000	1,031,236,000	995,507,664	995,507,664
Waterway Engineering Consultant JSC	1,189,320,000	1,189,320,000	-	-
Transport Engineering Consultant JSC No.2	809,969,000	809,969,000	809,969,000	809,969,000
Transport Engineering Design Consultant JSC No.4	466,398,087	466,398,087	608,635,085	608,635,085
Transport Engineering Consultant JSC No.5	587,942,000	587,942,000	2,179,358,000	2,179,358,000
TEDI Global Consultants Company Limited	1,900,893,200	1,900,893,200	8,536,708,200	8,536,708,200

TRANSPORT ENGINEERING DESIGN INCORPORATED - JSC

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FORM B09-DN

5. DETAILS OF SELECTED ITEMS IN THE BALANCE SHEET (continued)

5.11 Advance from customers

	31/12/2019 VND	01/01/2019 VND
No.7 Projects Management Unit	17,259,459,723	174,779,388
No.85 Projects Management Unit	10,244,000,000	4,700,000,000
Project management Unit of HCM Road	6,059,600,000	-
Thang Long Project management Unit	6,840,931,105	-
Him Lam JSC- Hanoi Branch	20,914,263,600	20,914,263,600
Ninh Binh Department of Transport	10,249,581,000	-
Van Don Infrastructure Investment and Development Ltd,	17,700,000,000	10,000,000,000
No.6 Projects Management Unit	29,967,094,107	8,462,000
Trung Nam Construction Investment Corp.	6,366,000,000	6,366,000,000
Management board of construction investment project of Hanoi traffic project	7,164,959,000	625,348,000
Trung Luong My Thuan BOT JSC	-	10,736,495,000
Others	53,883,176,897	56,926,869,186
Total	186,649,065,432	110,452,217,174
Including: Related parties	1,024,500,000	-
Road and Bridge Engineering Consultant JSC	140,800,000	-
Bridge And Tunnel Engineering Consultant JSC	244,800,000	-
Highway Engineering Consultant JSC	488,100,000	-
Transport Engineering Consultant JSC No.2	150,800,000	-

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FORM B09-DN

5. DETAILS OF SELECTED ITEMS IN THE BALANCE SHEET (continued)

5.12 Taxes and other obligations to the State

Unit: VND

	01/01/2019	In the year		31/12/2019
Content	Payables	Payable in the year	Paid in the year	Payables
Value added tax	3,902,485,382	18,997,981,580	21,693,085,335	1,207,381,627
Corporate Income Tax	137,355,803	3,195,300,285	2,331,759,266	1,000,896,822
Personal Income Tax	219,328,761	4,380,961,133	3,912,935,665	687,354,229
Withholding tax on behalf of foreign contractor	-	632,851,572	632,851,572	-
Land tax	-	54,173,593	54,173,593	-
Lending fee	-	3,287,982,191	3,287,982,191	-
Business license fee	-	5,000,000	5,000,000	-
Other obligations	-	90,855,272	90,855,272	-
Total	4,259,169,946	30,645,105,626	32,008,642,894	2,895,632,678

5.13 Short-term accrued expenses

	31/12/2019	01/01/2019
	VND	VND
Accruing expenses corresponding to revenue	35,565,482,176	38,018,939,735
Total	35,565,482,176	38,018,939,735

5.14 Other payables

	31/12/2019	01/01/2019
	VND	VND
Other short-term payables	10,703,605,916	13,816,244,079
Trade union fees	6,850,000	138,383,060
Social insurance	-	7,680,989
Departments of the Company	6,974,395,303	5,572,365,208
Dividends payable	70,300,000	3,312,359,923
Thanh An Long Bien Auto JSC	420,000,000	420,000,000
Expenses paid after the period	2,251,623,654	3,896,417,880
Others	980,436,959	469,037,019
Other long-term payables	1,156,454,628	1,191,194,628
Long-term deposits received	1,156,454,628	1,191,194,628
Total	11,860,060,544	15,007,438,707

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FORM B09-DN

5. DETAILS OF SELECTED ITEMS IN THE BALANCE SHEET (continued)

5.15 Short-term loans and financial leasing liabilities

	31/12/2019		In the year		01/01/2019	
	Value	Ability to repay	Increase	Decrease	Value	Ability to repay
Short term loans	15.310.689.719	15.310.689.719	61.037.183.811	97.116.490.361	51.389.996.269	51.389.996.269
JSC Bank for Investment and Development of Vietnam (1)	9.532.649.719	9.532.649.719	11.439.881.776	11.792.955.326	9.885.723.269	9.885.723.269
Short term loans	9.471.117.089	9.471.117.089	9.471.117.089	-	-	-
Overdraft loans	61.532.630	61.532.630	1.968.764.687	11.792.955.326	9.885.723.269	9.885.723.269
Military Commercial Joint Stock Bank (2)	3.778.040.000	3.778.040.000	47.700.022.035	45.315.055.035	1.393.073.000	1.393.073.000
Short term loans	3.778.040.000	3.778.040.000	3.778.040.000	-	-	-
Overdraft loans	-	-	43.921.982.035	45.315.055.035	1.393.073.000	1.393.073.000
Personal loans (3)	2.000.000.000	2.000.000.000	-	15.900.000.000	17.900.000.000	17.900.000.000
OCG Company (4)	-	-	1.897.280.000	24.108.480.000	22.211.200.000	22.211.200.000
Long term loans	-	-	-	2.568.872.000	2.568.872.000	2.568.872.000
Military Commercial Joint Stock Bank (2)	-	-	-	2.568.872.000	2.568.872.000	2.568.872.000
Total	15.310.689.719	15.310.689.719	61.037.183.811	99.685.362.361	53.958.868.269	53.958.868.269

(1) Joint Stock Commercial Bank for Investment and Development of Vietnam: Guarantee Contract No. 01/2019/134643/HBTD dated 22/07/2019; the purpose of supplementing capital for business activities, limit of VND 110,000,000,000, 12-month term; interest rate for each disbursement.

(2) Credit granting contract No. 16556.19.051.1318276.TD dated 07/06/2019, the purpose of supplementing capital for business activities, interest rate for each disbursement, credit limit of VND 130,000,000,000; 12-month term; interest rate for each disbursement

(3) Personal loan contracts supplementing working capital, the loan term is no more than 12 months.

(4) Loan contract of OCG company, Contract signed on November 30, 2018 value: 110,000,000 JPY; exchange rate difference made at the payment date: VND 1,897,280,000

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NOTES TO THE FINANCIAL STATEMENTS (continued)

5. DETAILS OF SELECTED ITEMS IN THE BALANCE SHEET (continued)

5.16 Changes in owners' equity

a. Statement of changes in equity

Unit: VND

	Paid - in Capital	Treasury stock	Share premium	Accumulated profit	Total
Balance as at 01/01/2018	125,000,000,000	-	815,232,000	28,113,912,563	153,929,144,563
Increase in the year	-	-	-	19,395,542,811	19,395,542,811
Profit raising in the year	-	-	-	19,395,542,811	19,395,542,811
Decrease in the year	-	-	-	28,113,912,563	28,113,912,563
Allocation to funds	-	-	-	6,863,912,563	6,863,912,563
Dividends	-	-	-	21,250,000,000	21,250,000,000
Balance as at 31/12/2018	125,000,000,000	-	815,232,000	19,395,542,811	145,210,774,811
Balance as at 31/12/2019	125,000,000,000	-	815,232,000	19,395,542,811	145,210,774,811
Increase in the year	-	-	-	22,203,467,155	22,203,467,155
Profit raising in the year	-	-	-	22,203,467,155	22,203,467,155
Decrease in the year	-	-	-	18,533,509,000	18,533,509,000
Dividends	-	-	-	16,281,181,012	16,281,181,012
Allocation to funds	-	-	-	2,252,327,988	2,252,327,988
Balance as at 31/12/2019	125,000,000,000	-	815,232,000	23,065,500,966	148,880,732,966

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FORM B09-DN

5. DETAILS OF SELECTED ITEMS IN THE BALANCE SHEET (continued)

5.16 Changes in owners' equity (continued)

b. Contributed Charter Capital

	31/12/2019		01/01/2019	
	Number of shares	Percent	Number of shares	Percent
Fecon Soil Improvement And Construction Joint Stock Company	1,168,750	9.35%	1,168,750	9.35%
Oriental Consultant Company Global Ltd.	2,532,750	20.26%	2,532,750	20.26%
Trans Across VP Inc.	32,000	0.26%	32,000	0.26%
Mr. Pham Huu Son	1,062,350	8.50%	1,062,350	8.50%
Mr. Pham Trung Thanh	2,595,300	20.76%	2,595,300	20.76%
Trade Union	35,000	0.28%	35,000	0.28%
Other Shareholders	5,073,850	40.59%	5,073,850	40.59%
Total	12,500,000	100.00%	12,500,000	100.00%

c. Capital transactions with owners and distribution of dividends, profit sharing

	Year 2019	Year 2018
	VND	VND
Owner's equity		
Opening balance	125,000,000,000	125,000,000,000
Increase in year	-	-
Decrease in year	-	-
Closing balance	125,000,000,000	125,000,000,000
Distribution of dividends, profits, funds	18,533,509,000	28,113,912,563

d. Shares

	31/12/2019	01/01/2019
	Shares	Shares
Number of shares registered to issue	12,500,000	12,500,000
Number of shares sold to the public	12,500,000	12,500,000
Ordinary shares	12,500,000	12,500,000
Preferred shares	-	-
Number of shares acquired	12,500,000	12,500,000
Ordinary shares	12,500,000	12,500,000
Preferred shares	-	-
Price of shares in circulation (VND/share)	10,000	10,000

6. DETAILS OF SELECTED ITEMS IN THE INCOME STATEMENT

6.01 Revenue from sale of goods and provide services

	Year 2019 VND	Year 2018 VND
Revenue from services rendered	367,978,748,210	304,223,836,956
Revenue from services rendered	367,978,748,210	304,223,836,956
Deductions	959,184,201	1,270,926,906
Deduction of project revenue	959,184,201	1,270,926,906
Net revenue from sale of goods and provide services	367,978,748,210	304,223,836,956

6.02 Cost of goods sold

	Year 2019 VND	Year 2018 VND
Cost of services rendered	287,364,047,783	229,680,909,373
Total	287,364,047,783	229,680,909,373

6.03 Financial incomes

	Năm 2019 VND	Năm 2018 VND
Deposit and loan interest	2,836,771,908	1,447,536,378
Profit and dividends received	10,825,458,600	11,253,186,020
Foreign exchange gains	-	58,974,121
Total	13,662,230,508	12,759,696,519

6.05 Financial expenses

	Năm 2019 VND	Năm 2018 VND
Interest expenses	2,797,423,936	2,187,324,430
Foreign exchange losses	1,904,059,620	22,269,284
Provision expense	-	1,205,000,000
Reversal of Provision expense	(4,430,340)	-
	4,697,053,216	3,414,593,714

TRANSPORT ENGINEERING DESIGN INCORPORATED - JSC

Financial Statements for the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)

FORM B09-DN

6. DETAILS OF SELECTED ITEMS IN THE INCOME STATEMENT (continued)

6.06 General and administrative expenses

	Year 2019	Year 2018
	VND	VND
Labor costs	17,845,594,394	17,908,252,500
Raw material expenses	1,946,182,512	1,461,611,021
Office stationary expenses	706,646,487	863,544,730
Depreciation and amortisation expenses	3,174,824,720	3,771,004,488
Taxes, fees and charges	3,890,700,130	3,067,572,253
Provision expense	2,243,000,000	-
Expenses for outsourced services	7,040,502,408	6,299,967,634
Other expenses	26,275,665,752	27,539,487,259
Total	63,123,116,403	60,911,439,885

6.07 Other incomes/ expenses

	Year 2019	Year 2018
	VND	VND
Other incomes	331,065,752	936,328,219
Gains from disposal and liquidation of fixed assets	-	50,000,000
Revenue from project implementation	296,682,000	859,160,000
Transfer fee of shares	-	23,641,000
Other incomes	-	3,527,219
Other incomes	34,383,752	-
Other expenses	423,057,094	919,018,887
Project implementation cost	296,682,000	859,160,000
Tax fines	90,011,458	59,858,887
Other expenses	36,363,636	-
Other profit/loss	(91,991,342)	17,309,332

6.08 Current CIT expense

	Year 2019	Year 2018
	VND	VND
Net profit before tax	25,405,585,773	21,722,972,929
- Tax exempt income	(10,825,458,600)	(11,253,186,020)
- Internal adjustment when combined	(34,091,664)	(34,091,664)
- Adjustment for non-deductible expenses	766,604,324	833,119,636
Taxable incomes	15,312,639,833	11,268,814,881
CIT by current tax rate (20%)	3,062,527,967	2,253,762,976
Additional CIT of previous year	132,772,318	66,848,809
Total CIT	3,195,300,285	2,320,611,785

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NOTES TO THE FINANCIAL STATEMENTS (continued)**FORM B09-DN****6. DETAILS OF SELECTED ITEMS IN THE INCOME STATEMENT (continued)****6.09 Cost by elements**

	Year 2019 VND	Year 2018 VND
Raw material cost	18,048,718,069	13,846,420,406
Labor cost	99,445,196,680	88,701,066,001
Insurances and social union fees	4,888,947,524	4,105,301,120
Depreciation and amortization expenses	5,497,191,474	6,238,174,869
Provision expense	2,243,000,000	-
Expenses for outsourced services	42,288,545,324	34,316,054,402
Other expenses	57,225,508,713	58,737,879,007
Subcontracting costs	139,017,134,839	86,269,133,225
Total	368,654,242,623	292,214,029,030

7. OTHER INFORMATION**7.1 Events after the Balance sheet date**

There have been no significant events occurring after the balance sheet date which would require adjustments to or disclosures to be made in the Financial Statements for the year ended 31 December 2019.

7.2 Related parties' transactions

a. Sale transactions with Subsidiaries

	Year 2019 VND	Year 2018 VND
Revenue from services rendered (Account No.511)	1,389,013,182	1,666,477,000
Road and Bridge Engineering Consultant JSC	94,873,000	107,103,000
Highway Engineering Consultant JSC	261,935,000	251,439,000
Port and Waterway Engineering Consultant JSC	96,904,000	205,580,000
Geotechnical & Inspection Consultant JSC	40,164,000	60,351,000
Bridge And Tunnel Engineering Consultant JSC	237,987,000	269,364,000
Waterway Engineering Consultant JSC	44,172,000	53,931,000
Transport Engineering Consultant JSC No.2	267,506,000	284,635,000
Transport Engineering Design Consultant JSC No.4	36,551,182	89,245,000
Transport Engineering Consultant JSC No.5	150,019,000	172,698,000
APECO Company	158,902,000	172,131,000
Revenue from office rentals (Account No.511)	5,613,759,347	5,803,007,969
Road and Bridge Engineering Consultant JSC	869,372,546	989,903,772
Highway Engineering Consultant JSC	1,583,272,672	1,562,981,764
Port and Waterway Engineering Consultant JSC	1,891,723,618	1,854,381,555
Geotechnical & Inspection Consultant JSC	38,181,818	49,454,546
Bridge And Tunnel Engineering Consultant JSC	254,545,455	262,400,000
Transport Engineering Consultant JSC No.2	873,367,418	877,294,691
TEDI Global Consultants Company Limited	103,295,820	206,591,641
Revenues from electricity, water and telephone charges (Account No.511)	1,682,736,906	1,647,285,947
Road and Bridge Engineering Consultant JSC	169,118,142	178,374,578
Highway Engineering Consultant JSC	302,495,535	264,529,922
Port and Waterway Engineering Consultant JSC	149,196,339	291,844,246
Bridge And Tunnel Engineering Consultant JSC	1,018,578,545	752,279,668
TEDI Global Consultants Company Limited	43,348,345	160,257,533
Revenues from photocopy (Account No.511)	194,665,445	601,812,000
Geotechnical & Inspection Consultant JSC	21,184,400	601,812,000
Highway Engineering Consultant JSC	8,503,500	-
Road and Bridge Engineering Consultant JSC	22,098,000	-
Transport Engineering Consultant JSC No.5	11,762,545	-
TEDI Global Consultants Company Limited	131,117,000	-
Revenue from joint venture representatives (Account No.511)	191,535,455	-
Road and Bridge Engineering Consultant JSC	191,535,455	-
Total	9,071,710,335	9,718,582,916

TRANSPORT ENGINEERING DESIGN INCORPORATED - JSC

Financial Statements for the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)

FORM B09-DN

7. OTHER INFORMATION (CONNTINUED)

7.2 Related parties' transactions (continued)

b) Loan transactions, receiving dividends from subsidiaries

	Year 2019 VND	Year 2018 VND
Revenues from distributed dividends (Account No.515)	9,145,458,600	9,573,186,020
Bridge And Tunnel Engineering Consultant JSC	1,377,000,000	1,683,000,000
APECO Company	1,267,150,000	1,116,800,000
Road and Bridge Engineering Consultant JSC	184,487,600	138,365,700
Highway Engineering Consultant JSC	1,377,000,000	1,530,000,000
Port and Waterway Engineering Consultant JSC	876,894,400	876,894,400
Geotechnical & Inspection Consultant JSC	447,508,600	260,605,920
Waterway Engineering Consultant JSC	-	216,720,000
Transport Engineering Consultant JSC No.2	1,224,000,000	1,530,000,000
Transport Engineering Design Consultant JSC No.4	430,950,000	563,550,000
Transport Engineering Consultant JSC No.5	1,300,500,000	1,262,250,000
TEDI Global Consultants Company Limited	659,968,000	395,000,000
Total	9,145,458,600	9,573,186,020

c) Purchase transactions with subsidiaries

	Year 2019 VND	Year 2018 VND
Purchase transactions(Account No.311)	50,715,126,409	45,756,402,686
Road and Bridge Engineering Consultant JSC	8,015,312,435	2,458,833,818
Highway Engineering Consultant JSC	5,251,146,257	8,217,743,636
Port and Waterway Engineering Consultant JSC	2,816,189,090	3,406,298,181
Geotechnical & Inspection Consultant JSC	4,882,991,778	2,459,137,321
Bridge And Tunnel Engineering Consultant JSC	4,920,400,000	2,852,830,000
Waterway Engineering Consultant JSC	2,551,280,908	193,426,909
Transport Engineering Consultant JSC No.2	1,732,089,090	(54,633,636)
Transport Engineering Design Consultant JSC No.4	10,018,839,577	3,429,639,094
Transport Engineering Consultant JSC No.5	2,486,133,636	-
TEDI Global Consultants Company Limited	7,726,651,820	21,543,113,727
APECO Company	314,091,818	1,250,013,636
Total	50,715,126,409	45,756,402,686

TRANSPORT ENGINEERING DESIGN INCORPORATED - JSC

Financial Statements for the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)

FORM B09-DN

7. OTHER INFORMATION (CONNTINUED)

7.2 Related parties' transactions (continued)

d) Related parties' receivable balances

	31/12/2019	01/01/2019
	VND	VND
Receivables from customers (Debit balance of account No. 131)	5,894,287,382	5,633,693,749
Road and Bridge Engineering Consultant JSC	1,727,573,519	2,158,559,003
Highway Engineering Consultant JSC	1,068,581,588	985,248,184
Port and Waterway Engineering Consultant JSC	1,256,290,714	421,314,246
Geotechnical & Inspection Consultant JSC	152,566,500	190,302,800
Bridge And Tunnel Engineering Consultant JSC	400,989,661	547,678,055
Waterway Engineering Consultant JSC	29,589,200	37,324,100
Transport Engineering Consultant JSC No.2	594,256,600	617,450,580
Transport Engineering Design Consultant JSC No.4	48,375,800	66,169,500
Transport Engineering Consultant JSC No.5	304,927,500	126,967,800
TEDI Global Consultants Company Limited	-	346,335,381
Apeco Company	311,136,300	136,344,100
Advances to suppliers (Debit balance of account No. 331)	6,462,063,472	7,865,969,007
Road and Bridge Engineering Consultant JSC	3,435,350,000	1,648,000,000
Highway Engineering Consultant JSC	1,200,000,000	700,000,000
Port and Waterway Engineering Consultant JSC	500,000,000	500,000,000
Geotechnical & Inspection Consultant JSC	607,969,007	1,307,969,007
Bridge And Tunnel Engineering Consultant JSC	81,600,000	-
Transport Engineering Consultant JSC No.2	379,250,000	30,000,000
Transport Engineering Design Consultant JSC No.4	257,894,465	1,100,000,000
TEDI Global Consultants Company Limited	-	2,580,000,000
	3,420,823,029	3,833,007,424
Other short-term receivables (Account No. 1388)		
Bridge And Tunnel Engineering Consultant JSC	183,997,304	315,723,266
Transport Engineering Design Consultant JSC No.4	-	568,550,000
Geotechnical & Inspection Consultant JSC	1,234,006,416	1,015,561,318
Waterway Engineering Consultant JSC	8,000,000	9,115,000
Highway Engineering Consultant JSC	301,425,458	108,175,000
Road and Bridge Engineering Consultant JSC	1,209,742,037	1,482,919,495
Transport Engineering Consultant JSC No.2	10,000,000	96,049,000
Transport Engineering Consultant JSC No.5	8,000,000	-
Port and Waterway Engineering Consultant JSC	220,676,817	43,900,000
TEDI Global Consultants Company Limited	236,974,997	179,904,345
Apeco Company	8,000,000	13,110,000
Total	15,777,173,883	17,332,670,180

7. OTHER INFORMATION (CONTINUED)

7.2 Related parties' transactions (continued)

e) Related parties' payable balances

	31/12/2019	01/01/2019
	VND	VND
Payables to suppliers (Credit balance of account No. 331)	11,327,508,537	18,371,632,049
Road and Bridge Engineering Consultant JSC	99,410,000	148,410,000
Highway Engineering Consultant JSC	3,911,023,650	3,674,228,500
Port and Waterway Engineering Consultant JSC	634,397,600	533,458,600
Geotechnical & Inspection Consultant JSC	696,919,000	885,357,000
Bridge And Tunnel Engineering Consultant JSC	1,031,236,000	995,507,664
Waterway Engineering Consultant JSC	1,189,320,000	-
Transport Engineering Consultant JSC No.2	809,969,000	809,969,000
Transport Engineering Design Consultant JSC No.4	466,398,087	608,635,085
Transport Engineering Consultant JSC No.5	587,942,000	2,179,358,000
TEDI - GC CO., LTD	1,900,893,200	8,536,708,200
	1,024,500,000	-
Road and Bridge Engineering Consultant JSC	140,800,000	-
Bridge And Tunnel Engineering Consultant JSC	244,800,000	-
Highway Engineering Consultant JSC	488,100,000	-
Transport Engineering Consultant JSC No.2	150,800,000	-
Total	12,352,008,537	18,371,632,049

7.3 *Income of the Board of Management, the Board of Directors and Control Board*

	Year 2019	Year 2018
	VND	VND
Salary, remuneration of the Board of Director, Management, Control Board	5,104,000,000	3,091,000,000

Information on the number of employees, wage funds, employees and average income

Content	Year 2019
The number of employees (people)	516
Wage funds (VND)	96,020,916,000
Average income (VND/person/month)	15,507,254

7. OTHER INFORMATION (CONNTINUED)**7.4 Information on land management**

Address	Area (m2)	Purpose of using land	Management Unit	Number of Contract	Date	Content
No. 278, Ton Duc Thang Street, Hang Bot District, Dong Da District, Hanoi	5533	Head office	Ha Noi Department of Natural Resources and Environment	No. 708/HDTD	25/08/2016	Land Lease Contract (Lease period 50 years from 01/01/1996)
No. 10 Trung Kinh Street, Trung Hoa Ward, Cau Giay District, Hanoi	2581	Head office	Ha Noi Department of Natural Resources and Environment	No. 301/HDTD	29/07/2015	Land Lease Contract (Lease period 50 years from 06/01/2014)
No. 237 Luong The Vinh Street, Trung Van Ward, Nam Tu Liem District, Hanoi	1357	Head office	Ha Noi Department of Natural Resources and Environment	No. 279/HDTD	17/07/2015	Land Lease Contract (Lease period 50 years from 15/10/1993)
No. 15 (right side) and 9/4 Hoang Hoa Tham, Ward 6, Binh Thanh District, Ho Chi Minh City	322.9	Head office	Ha Noi Department of Natural Resources and Environment	No. 7188/HD-TNMT-QLSDD	09/10/2014	Land Lease Contract (Lease period 50 years from 19/12/2008)

7.5 Financial Instruments

	31/12/2019 VND	01/01/2019 VND
Financial Assets		
Cash and cash equivalents	24,565,091,870	48,704,940,463
Trade receivables and Other receivables	106,092,155,857	80,773,173,984
Short term investment	30,000,000,000	10,000,000,000
Long-term financial investments	56,929,043,495	57,847,170,155
Total	217,586,291,222	197,325,284,602
Financial liabilities	-	-
Loans	15,310,689,719	53,958,868,269
Trade payables and Other payables	38,343,515,369	40,571,230,481
Accrued expenses	35,565,482,176	38,018,939,735
Total	89,219,687,264	132,549,038,485

Financial assets and financial liabilities are not revalued at fair value as at the balance sheet date, which were issued by the Ministry of Finance and Circular 210/2009/TT-BTC dated 06 November 2009. Current regulations require the presentation of financial statements and disclosures of financial instruments but do not provide equivalent guidance for the assessment and recognition of fair value of financial assets and Financial liabilities, except for the provision for doubtful debts and the value of purchased shares of the unlisted company, are recognized at the face value specified in the relevant notes.

7. OTHER INFORMATION (CONTINUED)**7.5 Financial Instruments (continued)****Financial risk management**

The financial risks of the Company include market risk, credit risk and liquidity risk. The Company has developed a control system to ensure a fair balance between the exposure and risk management costs. The Board of Directors is responsible for monitoring the risk management process to ensure a reasonable balance between risk and control.

Market risk

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

Price risk management

Labor costs account for more than 50% of the cost of the company, the cost of raw materials inputs are small, so the Company is less risky change in prices of raw materials, materials.

Foreign currency risk management

During the year, the Company incurred a number of transactions in foreign currencies, but not significantly, so the Company may encounter risks but not significantly when the exchange rate fluctuates.

Interest rate risk management

In the year the Company generates short-term loans, the fluctuations in interest rates in the short-term range can have a negligible impact on the Company.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has appropriate credit policies and regularly monitored its operations to assess whether the Company is exposed to credit risk.

Liquidity risk management

The purpose of liquidity risk management is to ensure sufficient capital to meet current and future financial obligations. Liquidity is also managed by the Company to ensure that the excess of indebtedness and due diligence during the year is manageable for the amount of funds that the Company believes may be created during the year. The Company's policy is to regularly monitor current and expected liquidity requirements in the future to ensure that the Company maintains sufficient cash reserves, loans and sufficient capital that its owners Commit to contribute to meet short-term and long-term liquidity requirements.

7. OTHER INFORMATION (CONNTINUED)

7.5 Financial Instruments (continued)

Liquidity risk management (continued)

The table below details the remaining contractual maturity levels for financial assets and non-derivative financial liabilities and maturity as agreed. This table is presented based on the uncollected cash flows of financial assets and financial liabilities as at the earliest date that the Company has to pay.

	31/12/2019		
	Less than 01 year	Later than 01 year	Total
Financial Assets	VND	VND	VND
Cash and cash equivalents	24,565,091,870	-	24,565,091,870
Trade receivables and Other receivables	106,092,155,857	-	106,092,155,857
Short term investment	30,000,000,000	-	30,000,000,000
Long-term financial investments	-	56,929,043,495	56,929,043,495
Total	160,657,247,727	56,929,043,495	217,586,291,222
	Less than 01 year	Later than 01 year	Total
Financial liabilities	VND	VND	VND
Trade payables and Other payables	37,187,060,741	1,156,454,628	38,343,515,369
Accrued expenses	35,565,482,176	-	35,565,482,176
Loans	15,310,689,719	-	15,310,689,719
Total	88,063,232,636	1,156,454,628	89,219,687,264
Net liquidity gap	72,594,015,091	55,772,588,867	128,366,603,958

The Board of General Director assessed the concentration of liquidity risk as low. The Board of General Directors believes that the Corporation can generate sufficient funds to meet its financial obligations as and when they fall due.

7.6 Comparative figures

The comparative figures of the Finance Statements for the year ended 31 December 2018 have been audited by CPA VIETNAM Auditing Company Limited - An independent member firm of Moore Global Network Limited.

Preparer

Tang Thi Thu Hien

Chief Accountant

Truong Minh Son

Hanoi, 12 March 2020

General Director



Pham Huu Son