



## Consolidated Financial Statements

Transport Engineering Design Inc

For the fiscal year ended as at 31 December 2020  
(Audited)



# Consolidated Financial Statements

## Transport Engineering Design Inc

For the fiscal year ended as at 31 December 2020  
(Audited)



## **CONTENTS**

	<b>Page</b>
Report of the Board of General Directors	02-03
Independent Auditors' Report	04-05
Audited Consolidated Financial Statements	
Consolidated Statement of Financial position	06-07
Consolidated Statement of Income	08
Consolidated Statement of Cash flows	09-10
Notes to the Consolidated Financial Statements	11-40

## **REPORT OF THE BOARD OF GENERAL DIRECTORS**

The Board of General Directors of Transport Engineering Design Inc ("the Company") presents its report and the Company's Consolidated Financial Statements for the fiscal year ended as at 31 December 2020.

### **THE COMPANY**

Transport Engineering Design Inc (former State Corporation) is officially converted to Joint stock company under the Business Certificate No. 0100107839 dated September 28, 2010 and its amendments are issued by Hanoi Department of Planning and Investment.

### **BOARD OF MANAGEMENT, BOARD OF GENERAL DIRECTORS AND BOARD OF SUPERVISION**

Members of the Board of Management during the fiscal year and to the reporting date are:

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

Members of the Board of General Directors during the fiscal year and to the reporting date are:

Mr. Pham Huu Son	General Director
Mr. Nguyen Trung Hong	Deputy General Director
Mr. Do Minh Dung	Deputy General Director
Mr. Nguyen Manh Ha	Deputy General Director
Mr. Dao Ngoc Vinh	Deputy General Director

Members of the Board of Supervision are:

Mrs. Pham Thi Hong Nhung	Head of the Board
Mr. Ngo Nam Ha	Member
Mr. Vo Hoang Anh	Member

### **AUDITORS**

The auditors of the AASC Auditing Firm Company Limited have taken the audit of Consolidated Financial Statements for the Company.

### **STATEMENT OF THE BOARD OF GENERAL DIRECTORS' RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

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

- ▶ Establish and maintain an internal control system which is determined necessary by the Board of General Directors and Board of Management to ensure the preparation and presentation of Consolidated Financial Statements do not contain any material misstatement caused by errors or frauds;
- ▶ Select suitable accounting policies and then apply them consistently;
- ▶ Make judgments and estimates that are reasonable and prudent;
- ▶ State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Consolidated Financial Statements;
- ▶ Prepare the Consolidated Financial Statements on the basis of compliance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements

**Transport Engineering Design Inc**

No. 278 Ton Duc Thang Street, Hang Bot Ward, Dong Da District, Hanoi

- relevant to preparation and presentation of Consolidated Financial Statements;
- ▶ Prepare the Consolidated Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of General Directors is responsible for ensuring that accounting records are kept to reflect the financial position of the Company, with reasonable accuracy at any time and to ensure that the Consolidated Financial Statements comply with the registered accounting system. It is responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We, The Board of General Directors, confirm that the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2020, its operation results and cash flows in the year 2020 of the Company in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Consolidated Financial Statements.

**Other commitments**

The Board of General Directors pledges that the company complies with Decree No. 71/2017/ND-CP dated 06 June 2017 guiding on corporate governance of public companies and the company does not violate the obligations of information disclosure in accordance with the regulations of the Circular No. 155/2015/TT-BTC dated 06 October 2015 issued by Ministry of Finance guiding the disclosure of information on Securities Market.



On behalf of the Board of General Directors

**Pham Huu Son**  
General Director

*Hanoi, 10 March 2021*

No: 100321.028/BCTC.FIS2

## INDEPENDENT AUDITORS' REPORT

To: The shareholders, the Board of Management and the Board of General Directors  
Transport Engineering Design Inc

We have audited the Consolidated Financial Statements of Transport Engineering Design Inc ("the Company") prepared on 10 March 2021, from page 06 to page 40, which comprise Consolidated Statement of financial position as at 31 December 2020, Consolidated Statement of income, Consolidated Statement of cash flows and Notes to the consolidated financial statements for the fiscal year ended as at 31 December 2020.

### *Board of General Directors' Responsibility*

The Board of General Directors is responsible for the preparation and presentation of Consolidated Financial Statements that give a true and fair view in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Financial Statements and for such internal control as management determines is necessary to enable the preparation and presentation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated 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 presentation of Consolidated Financial Statements that give a true and fair view 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 Board of General Directors, as well as evaluating the overall presentation of the Consolidated 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 Consolidated Financial Statements give a true and fair view, in all material respects, of the financial position of the Transport Engineering Design Inc as at 31 December 2020, its operating results and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Consolidated Financial Statements.

*Other Matter*

The Consolidated financial statements of Transport Engineering Design Inc for the year ended as at 31/12/2019 have been audited by auditors and CPA Vietnam Auditing Company Limited. The auditor has expressed an unqualified opinion to those financial statement as at 19 March 2020.



**Nguyen Pham Hung**  
Auditor  
Registered Auditor No.  
2893-2020-002-1

*Hanoi, 10 March 2021*

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2020

Code	ASSETS	Note	31/12/2020 VND	01/01/2020 VND
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>808,155,057,070</b>	<b>804,845,309,723</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>		<b>115,167,430,879</b>	<b>121,169,671,002</b>
111	1. Cash	4	66,726,585,806	91,358,671,002
112	2. Cash equivalents		48,440,845,073	29,811,000,000
<b>120</b>	<b>II. Short-term investment</b>		<b>42,913,186,301</b>	<b>44,333,413,973</b>
123	1. Short-term held to maturity	5	42,913,186,301	44,333,413,973
<b>130</b>	<b>III. Short-term receivables</b>		<b>343,055,474,752</b>	<b>361,896,291,337</b>
131	1. Short-term trade receivables	6	302,379,037,944	309,591,512,302
132	2. Short-term advances to suppliers	7	36,389,331,820	39,981,928,057
136	3. Other short-term receivables	8	40,487,486,542	41,782,337,592
137	4. Provisions for short-term bad debts		(36,200,381,554)	(29,459,486,614)
<b>140</b>	<b>IV. Inventories</b>		<b>304,031,767,009</b>	<b>275,948,857,190</b>
141	1. Inventories	9	305,856,185,772	277,235,680,056
149	2. Provision for obsolescence of inventories		(1,824,418,763)	(1,286,822,866)
<b>150</b>	<b>V. Other current assets</b>		<b>2,987,198,129</b>	<b>1,497,076,221</b>
151	1. Short-term prepaid expenses	10	105,814,727	71,130,819
152	2. VAT deductibles		1,778,423,131	43,515,318
153	3. Tax and other receivables from the State		1,102,960,271	1,382,430,084
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>78,690,997,305</b>	<b>83,770,595,388</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>880,649,223</b>	<b>809,860,000</b>
216	1. Other long-term receivables	8	880,649,223	809,860,000
<b>220</b>	<b>II. Fixed assets</b>		<b>70,307,427,521</b>	<b>73,615,914,205</b>
221	1. Tangible fixed assets	12	67,930,435,117	70,282,710,551
222	- Cost		229,073,072,904	223,794,083,327
223	- Accumulated depreciation		(161,142,637,787)	(153,511,372,776)
227	2. Intangible fixed assets	11	2,376,992,404	3,333,203,654
228	- Cost		15,588,343,225	15,223,835,225
229	- Accumulated amortisation		(13,211,350,821)	(11,890,631,571)
<b>260</b>	<b>VI. Other non-current assets</b>		<b>7,502,920,561</b>	<b>9,344,821,183</b>
261	1. Long-term prepaid expenses	10	7,493,236,482	8,674,136,189
262	2. Deferred tax assets	29	9,684,079	16,502,412
269	3. Goodwill		-	654,182,582
<b>270</b>	<b>TOTAL ASSETS</b>		<b>886,846,054,375</b>	<b>888,615,905,111</b>



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 December 2020

(Continued)

Code	RESOURCES	Note	31/12/2020 VND	01/01/2020 VND
<b>300</b>	<b>C. LIABILITIES</b>		<b>633,093,012,693</b>	<b>646,234,123,927</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>630,311,162,177</b>	<b>642,263,123,860</b>
311	1. Short-term trade payables	13	51,726,146,306	41,886,914,316
312	2. Short-term advances from customers	16	398,914,439,806	388,995,341,390
313	3. Tax payables and statutory obligations	14	7,920,089,037	16,963,577,720
314	4. Payables to employees		60,574,205,073	77,366,589,117
315	5. Short-term accrued expenses	17	41,184,747,110	43,206,143,991
318	6. Short-term unrealized revenue		630,000,000	602,000,000
319	7. Other short-term payables	18	29,672,431,445	29,719,586,774
320	8. Short-term loans and liabilities	15	22,782,893,067	22,191,604,032
321	9. Provision for short-term payables	19	6,750,000,000	4,950,000,000
322	10. Bonus and welfare funds		10,156,210,333	16,381,366,520
<b>330</b>	<b>II. Long-term liabilities</b>		<b>2,781,850,516</b>	<b>3,971,000,067</b>
336	1. Long-term unrealized revenue		545,454,545	662,545,454
337	2. Other long-term payables	18	1,153,462,628	1,316,454,628
338	3. Long-term loans and liabilities	15	1,082,933,343	1,921,333,335
343	4. Scientific and technological development fund		-	70,666,650
<b>400</b>	<b>D. EQUITY</b>		<b>253,753,041,682</b>	<b>242,381,781,184</b>
<b>410</b>	<b>I. Owners' equity</b>	<b>20</b>	<b>253,753,041,682</b>	<b>242,381,781,184</b>
411	1. Contributed charter capital		125,000,000,000	125,000,000,000
411a	- Ordinary shares with voting right		125,000,000,000	125,000,000,000
412	2. Share premium		815,232,000	815,232,000
414	3. Other owner's equity		17,190,490,000	17,972,670,000
415	4. Treasury shares		(1,224,000)	(1,224,000)
416	5. Revaluation different on assets		(9,876,529,675)	(10,408,709,675)
418	6. Investment and development fund		89,435,416	42,290,029
421	7. Retained earnings		47,520,048,150	40,139,565,347
421a	- Retained earnings accumulated to previous year		17,460,516,619	7,662,597,626
421b	- Undistributed profit of this year		30,059,531,531	32,476,967,721
429	8. Non - controlling interests		73,015,589,791	68,821,957,483
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>886,846,054,375</b>	<b>888,615,905,111</b>

Tang Thi Thu Hien  
Preparer

Truong Minh Son  
Chief Accountant



Pham Huu Son  
General Director

Hanoi, 10 March 2021

**CONSOLIDATED STATEMENT OF INCOME**  
Year 2020

Code	ITEMS	Note	Year 2020 VND	Year 2019 VND
01	1. Gross revenue from services rendered	22	866,169,089,485	875,109,156,883
02	2. Less deductions	23	5,628,508,017	2,581,870,809
10	3. Net revenue from services rendered		860,540,581,468	872,527,286,074
11	4. Cost of services rendered	24	661,964,620,260	664,146,276,906
20	5. Gross profit services rendered		198,575,961,208	208,381,009,168
21	6. Financial income	25	6,732,315,552	6,344,950,488
22	7. Financial expenses	26	1,425,833,555	6,336,288,143
23	In which: Interest expense		1,371,529,027	4,228,614,017
24	8. Profit/(Loss) in associates/joint ventures		-	-
25	9. Selling expenses		-	-
26	10. General administrative expenses	27	150,030,584,110	153,080,821,898
30	11. Operating profit		53,851,859,095	55,308,849,615
31	12. Other incomes		1,716,208,078	2,840,263,548
32	13. Other expenses		2,494,272,555	3,886,377,423
40	14. Other profit		(778,064,477)	(1,046,113,875)
50	15. Accounting profit before tax		53,073,794,618	54,262,735,740
51	16. Corporate income tax - current	28	8,900,201,852	11,689,799,860
52	17. Corporate income tax - deferred	29	6,818,333	(234,181,667)
60	18. Net profit after tax		<u>44,166,774,433</u>	<u>42,807,117,547</u>
61	19. Profit after tax attributable to owners of the parent		31,235,067,744	29,150,870,832
62	20. Profit after tax attributable to non-controlling interests		12,931,706,689	13,656,246,715
71	21. EPS	30	2,447	1,749

  
Tang Thi Thu Hien  
Preparer

  
Truong Minh Son  
Chief Accountant



  
Pham Huu Son  
General Director

Hanoi, 10 March 2021

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
Year 2020  
(Indirect method)

Code	ITEMS	Note	Year 2020 VND	Year 2019 VND
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>1. Profit before tax</b>		<b>53,073,794,618</b>	<b>54,262,735,740</b>
	<b>2. Adjustments for:</b>			
02	Depreciation and amortization		11,053,854,279	11,386,901,119
03	Provisions		9,078,490,837	11,650,607,629
04	(Gains)/losses from foreign exchange differences due to revaluation		(528,203)	7,980,986
05	(Gains) from investment activities		(7,095,002,838)	(6,050,092,564)
06	Interest expense		1,371,529,027	4,228,614,017
08	<b>3. Profit from operating activities before changes in working capital</b>		<b>67,482,137,720</b>	<b>75,486,746,927</b>
09	(Increase)/Decrease in receivables		11,865,570,902	(58,306,301,938)
10	(Increase) in inventories		(28,620,505,716)	(190,499,004)
11	Increase/(Decrease) in payables (excluding interest payables/CIT payables)		(7,379,437,146)	133,000,066,579
12	Decrease in prepaid expenses		1,146,215,799	3,905,713,302
14	Interest paid		(1,792,407,967)	(3,324,185,899)
15	Corporate income tax paid		(12,060,200,165)	(9,484,296,146)
17	Other payments on operating activities		(11,946,730,407)	(10,238,315,143)
20	<b>Net cash inflow from operating activities</b>		<b>18,694,643,020</b>	<b>130,848,928,678</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	1. Purchase of fixed assets and other long-term assets		(7,678,564,352)	(10,057,018,537)
22	2. Proceeds from disposals of fixed assets and long-term assets		389,718,182	792,374,182
23	3. Loans granted, purchases of debt instruments of other entities		(26,206,186,301)	(47,135,128,737)
24	4. Collection of loans, proceeds from sales of debt instruments		27,626,413,973	17,339,515,000
25	5. Investment in other entities		-	(941,253,000)
26	6. Proceeds from divestment in other entities		-	1,861,087,842
27	7. Interest, dividends and profit received		5,861,900,569	4,810,439,084
30	<b>Net cash outflow from investing activities</b>		<b>(6,717,929)</b>	<b>(33,329,984,166)</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

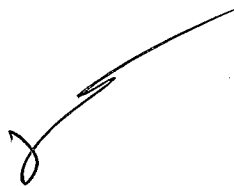
Year 2020  
(Indirect method)  
(Continued)

Code	ITEMS	Note	Year 2020 VND	Year 2019 VND
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
33	1. Proceeds from borrowings		90,870,823,029	85,949,003,033
34	2. Repayment of borrowings		(91,117,933,986)	(137,122,850,629)
36	3. Dividends paid		(24,443,582,460)	(26,418,919,430)
40	<b>Net cash outflow from financing activities</b>		<b>(24,690,693,417)</b>	<b>(77,592,767,026)</b>
50	<b>Net cash flows in the year</b>		<b>(6,002,768,326)</b>	<b>19,926,177,486</b>
60	<b>Cash and cash equivalents at beginning of the year</b>		<b>121,169,671,002</b>	<b>101,251,474,502</b>
61	Impact of foreign exchange fluctuation		528,203	(7,980,986)
70	<b>Cash and equivalents at the year-end</b>		<b>115,167,430,879</b>	<b>121,169,671,002</b>



**Tang Thi Thu Hien**  
Preparer

Hanoi, 10 March 2021



**Truong Minh Son**  
Chief Accountant




**Pham Huu Son**  
General Director

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
*Year ended 31 December 2020*

**1. GENERAL INFORMATION OF THE COMPANY**

**Form of ownership**

Transport Engineering Design Inc ("the Company") was established under the Business Certificate No. 0100107839 dated 28/09/2010 and its amendments issued by Hanoi Department of Planning and Investment.

Charter capital of the company at 31 December 2020 is VND 125 billion, equivalent to 12,500,000 shares, par value per share is VND 10,000.

The number of employees of the Parent Company as at 31 December 2020 was 500 (as at 31 December 2019: 526).

The number of employees of the Subsidiaries as at 31 December 2020 was 1,188 (as at 31 December 2019: 1,273).

**Business field**

Main business activities of the Company include:

- ▶ Construction consultancy, design, supervision, relating technical assessment (bridge, tunnel; port - waterway construction; railway, etc.);
- ▶ Technical inspection and analysis, measurement of construction materials as well as indicators of geological, hydrological and environmental; transport, civil and industrial engineering works; Quality control, load testing of civil and industrial transportation engineering works.

**The Company structure**

The Company's subsidiaries consolidated in Consolidated Financial Statements as at 31 December 2020 include:

<u>Name of Company</u>	<u>Address</u>	<u>Interest rate and Voting right</u>	<u>Business activities</u>
1. Bridge – Tunnel Engineering Consultant Joint Stock Company	Hanoi	51.00%	Transport construction consultancy
2. Road and Bridge Engineering Consultants Joint Stock Company	Hanoi	50.96%	Consulting construction, inspection and controlling quality of transport engineering
3. Highway Engineering Consultant Joint Stock Company – HECO	Hanoi	51.00%	Transport construction consultancy
4. Port & Waterway Engineering Consultant Joint Stock Company	Hanoi	51.00%	Transport construction consultancy
5. Waterway engineering consultant JSC	Hanoi	51.60%	Transport construction consultancy

<u>Name of Company</u>	<u>Address</u>	<u>Interest rate and Voting right</u>	<u>Business activities</u>
6. Geotechnical and Inspection design consultant JSC	Hanoi	65.43%	Consulting construction and controlling quality of transport engineering
7. Transport engineering Consultant No.2 JSC	Hanoi	51.00%	Transport construction consultancy
8. Transport engineering Consultant No.4 JSC	Nghe An	51.00%	Transport construction consultancy
9. Consultant Construction Transport engineering No.5	Danang	51.00%	Transport construction consultancy
10. Asia Pacific Engineering Consultant Company	Hanoi	67.26%	Consulting port and waterway engineering Provide engineering consultant service

Beside the main office at 278 Ton Duc Thang Street, Hang Bo Ward, Dong Da District, Hanoi and subsidiaries, the Company has the following dependent accounting units:

<u>Company</u>	<u>Address</u>	<u>Business activities</u>
1. Construction Design Consulting Company	No. 278 Ton Duc Thang Street, Hang Bo Ward, Dong Da District, Hanoi	Inspection and relating technical consulting, testing and analysis, ect.,
2. Ho Chi Minh Branch	No. 15 Hoang Hoa Tham, No. 6 Ward, Binh Thanh District, Ho Chi Minh City	Construction consultancy, design, supervision, relating technical assessment, technical inspection and analysis,....

## **2. ACCOUNTING SYSTEM AND ACCOUNTING POLICY**

### **2.1 Accounting period and accounting currency**

Annual accounting period commences from 01 January and ends on 31 December.  
The Company maintains its accounting records in Vietnam Dong (VND).

### **2.2 Standards and Applicable Accounting Policies**

#### *Applicable Accounting Policies*

The Company applies Corporate Accounting System issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance, Circular No. 53/2016/TT-BTC dated 21 March 2016 issued by Ministry of Finance amending and supplementing some articles of Circular No. 200/2014/TT-BTC and Circular No. 202/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance guiding the preparation and presentation of Consolidated Financial Statements.

#### *Declaration of compliance with Accounting Standards and Accounting System*

The Company applies Vietnamese Accounting Standards and supplementary documents issued by the State. Financial Statements are prepared and presented in accordance with regulations of each standard and supplementary document as well as with current Accounting Standards and Accounting System.

## **2.3 Basis for the preparation of Consolidated Financial Statements**

Consolidated Financial Statements are prepared based on consolidating Separate Financial Statements of the Company and Financial Statements of its subsidiaries under its control as at 31 December annually. Control right is achieved when the company has power to govern the financial and operating policies of invested companies to obtain benefits from their activities.

Consistent accounting policies are applied in the Financial Statements of subsidiaries and the Company.

Business performance of a subsidiary sold during the year are presented in the Consolidated Financial Statements up to the date selling investment in that company.

Balance, main incomes and expenses, including unrealized profits from intra-group transactions are eliminated in full from the consolidated financial statements.

Non-controlling interests represents the portion of profit or loss and net assets of subsidiaries not held by the Company.

Profit and loss in case subsidiaries raise additional capital from the owners: When preparing Consolidated Financial Statements, the Parent company determines and presents the changes in its ownership and non - controlling interests in the net assets of the subsidiary before and after raising additional capital.

## **2.4 Financial Instruments**

### *Initial recognition*

#### Financial assets

Financial assets of the Company include cash, cash equivalents, trade receivables, other receivables, lending loans, long-term and short-term investments. At initial recognition, financial assets are identified by purchasing price/issuing cost plus other expenses directly related to the purchase and issuance of those assets.

#### Financial liabilities

Financial liabilities of the Company include borrowings, trade payables, other payables and accrued expenses. At initial recognition, financial liabilities are determined by issuing price plus other expenses directly related to the issuance of those liabilities.

### *Subsequent measurement after initial recognition*

There are currently no regulations on the revaluation of financial instruments after initial recognition.

## **2.5 Foreign currency transactions**

The foreign currency transactions during the year are translated into Vietnam Dong using the real exchange rate ruling at the transaction date. Real exchange rates are determined under the following principles:

- ▶ When recording receivables, applying the bid rate of the commercial bank stipulated by the Company for customers to make payment at the transaction time;
- ▶ When recording payables, applying the offer rate of the commercial bank where the Company expects to conduct transactions at the transaction time;

Real exchange rate when revaluating monetary items denominated in foreign currencies at the reporting date of Consolidated Financial Statements is determined under the following principles:

- ▶ For asset accounts: applying the bid rate of Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV);

- ▶ For foreign currency deposited in bank: applying the bid rate of the commercial bank where the Company opens the accounts;
- ▶ For liability accounts: applying the offer rate of Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV).

All exchange differences arising as a result of transactions or revaluation at the balance sheet date shall be recorded into the financial income or expense in the fiscal year. In which, exchange differences arising as a result of the revaluation at the balance sheet date of monetary items denominated in foreign currencies are not used to distribute profits or to distribute dividends.

## **2.6 Cash and cash equivalents**

Cash comprises cash on hand, demand deposits.

Cash equivalents are short-term investments with the maturity of not over than 3 months from the date of investment, that are highly liquid and readily convertible into known amount of cash and that are subject to an insignificant risk of conversion into cash.

## **2.7 Business combination and goodwill**

All business combinations shall be accounted for by applying the purchase method. The cost of a business combination includes the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities in business combination are measured at their fair values at the acquisition date.

Goodwill arises on the business consolidation is initially measured at its cost, being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. If the excess is negative (gain from bargain purchase), it is recognised immediately in the consolidated statement of income. After initial recognition, goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis during its estimated useful life over 10 years. Annually, the Company shall assess impairment loss of goodwill at subsidiaries, whether there is any indication that impaired loss of goodwill is higher than the goodwill allocated, the Company shall recognise the impaired loss immediately in year that incurred.

## **2.8 Financial investments**

*Investments held to maturity* comprise term deposits held to maturity to earn profits periodically and other held to maturity investments.

Provision for investments held to maturity is made at the end of the year based on the recovery capacity in accordance with statutory regulations.

## **2.9 Receivables**

The receivables shall be recorded in details in terms of due date, entities receivable, types of currency and other factors according to requirements for management of the Company.

The provision for doubtful debts is made for receivables that are overdue under an economic contract, a loan agreement, a contractual commitment or a promissory note and for receivables that are not due but difficult to be recovered. Accordingly, the provisions for overdue debts shall be based on the due date stipulated in the initial sale contract, exclusive of the debt rescheduling between contracting parties and the case where the debts are not due but the debtor is in bankruptcy, in dissolution, or missing and making fleeing.

## **2.10 Inventories**

Inventories are initially recognized at original cost including purchase price, processing cost and other costs incurred in bringing the inventories to their location and condition at the time of initial



recognition. After initial recognition, at the reporting date, inventories are stated at the lower of cost and net realizable value.

The cost of inventory is calculated using specific identification method.  
Inventory is recorded by perpetual method.

Cost for work in progress is gathered for each unfinished work or unrecognized revenue, corresponding to the volume of work in progress at the end of the year.

Provision for devaluation of inventories made at the end of the year is based on the excess of original cost of inventory over their net realizable value.

## **2.11 Fixed assets**

Fixed assets (tangible and intangible) are recorded at cost deduct accumulated depreciation. Historical cost includes expenses that are directly attributable to the acquisition of fixed assets to bring it to the ready-for-use purpose.

Fixed assets are depreciated (amortised) using the straight-line method over their estimated useful lives as follows:

▶ Buildings, structures	05 – 50 years
▶ Machinery, equipment	03 – 20 years
▶ Vehicles, transportation equipment	06 – 30 years
▶ Office equipment and furniture	03 – 10 years
▶ Other tangible fixed assets	04 – 25 years
▶ Software	03 – 08 years
▶ Other intangible fixed assets	02 – 20 years

## **2.12 Operating leases**

Operating leases is fixed asset leasing in which a significant portion of the risks and rewards of ownership are retained by the lessor. Payments made under operating leases are charged to income statement on a straight-line basis over the period of the lease.

## **2.13 Prepaid expenses**

The expenses incurred but related to operating results of several accounting periods are recorded as prepaid expenses and are allocated to the operating results in the following accounting periods.

The calculation and allocation of long-term prepaid expenses to operating expenses in each accounting period should be based on the nature of those expenses to select a reasonable allocation method and criteria. Prepaid expenses are allocated gradually into operating expenses on the straight-line basis.

Goodwill arising from the equitization of state-owned enterprise is allocated gradually within no more than 10 years.

## **2.14 Payables**

The payables shall be recorded in details in terms of due date, entities payable, types of currency and other factors according to the requirements for management of the Company.

## **2.15 Borrowings**

Borrowings shall be recorded in details in terms of lending entities, loan agreement and terms of borrowings. In case of borrowings or liabilities denominated in foreign currency, they shall be recorded in details in terms of types of currency.

## **2.16 Borrowing costs**

Borrowing costs are recognized as operating expenses in the year, in which it is incurred excepting those which are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset in accordance with VAS No. 16 "Borrowing costs".

## **2.17 Accrued expenses**

Accrued expenses include payables to goods or services received from the suppliers during the reporting period, but the payments for such goods or services have not been made and are recorded as operating expenses of the reporting period for instance: accrued interest expense, accrued sub-contractors expense on acceptance of quantity that are recorded as revenue leading to carried forward Cost of good sold... which are recorded as operating expenses of the reporting period.

The recording of accrued expenses as operating expenses during the period shall be carried out under the matching principle between revenues and expenses during the period. Accrued expenses are settled with actual expenses incurred. The difference between accrued and actual expenses is reverted.

## **2.18 Deferred revenue**

Deferred revenue includes the following prepayment: prepaid amounts from customers for one or more accounting periods on asset lease and other deferred revenues.

Deferred revenue is transferred to Sales of services rendered the amount matching each accounting period.

## **2.19 Owner's equity**

Owner's equity is stated at actually contributed capital of owners.

Share premium is recorded at the difference between the par value with costs directly attributable to the issuance of shares and issue price of shares (including the case of re-issuing treasury shares) and can be a positive premium (if the issue price is higher than par value and costs directly attributable to the issuance of shares) or negative premium (if the issue price is lower than par value and costs directly attributable to the issuance of shares).

Other capital represents the amount of business capital raised from the addition of the business performance or from donation, sponsorship and revaluation of assets (when an add or less in owner's equity is recognized).

Treasury shares are shares issued and redeemed by the Company. These shares are not rejected and will be reissued within a period of time under the law. Treasury shares are recognized at actual value and presented in the Balance Sheet as a decrease in owner's equity. Cost of treasury shares upon re-issuance or paying dividends or bonuses, etc, is calculated according to the weighted average method.

Differences arising from asset revaluation shall be recorded when having the decision of State on asset revaluation, or when carrying out the equitization of State-owned enterprises and other cases in accordance with the provisions of the law.

Retained earnings are used to present the Company's operating results (profit, loss) after corporate income tax and profit appropriation or loss handling of the Company. The distribution of net profits is made when the net profit of the company does not exceed the net profit presented on Consolidated Financial Statements after eliminating the profits from cheap purchase. In case dividend payment or profit distribution for the owners exceeds the net profit, the difference shall be recorded as a decrease in contributed capital. Net profit can be distributed to investors based on capital contribution rate after being approved by General Meeting of Shareholders and after

being appropriated to funds in accordance with the Company's Articles of Incorporation and Vietnamese statutory requirements.

The Company's retained earnings are distributed to other funds according to recommendation of the Board of Management and approval of shareholders at annual General Meeting of Shareholders:

- ▶ Development and investment funds: The fund is reserved for the purpose of business expansion or in depth investment.
- ▶ Bonus and welfare fund and bonus for the Board of General Directors: The fund is reserved for the purpose of bonus, material incentives, common benefit and increasing welfare for employees and presented as a liability on the Statement of Financial Position.

Distributed dividends are recognised as a payable in the Consolidated Statement of Financial position after the resolution on dividend payment from the General Meeting of Shareholders.

## **2.20 Revenues**

### *Rendering of services*

Revenue from rendering of services shall be recognised when all the following conditions have been satisfied:

- ▶ The amount of the revenue can be measured reliably; and
- ▶ It is probable that the economic benefits associated with the transaction will flow to the Company; and
- ▶ The stage of the completion of the transaction at the end of the reporting period can be measured reliably; and
- ▶ The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

In which, "the possibility of obtaining economic benefits from rendering of service transactions" is determined when expenditure control agency approves disbursements for projects, after their owners have approved work volume completed and associated values.

### *Financial income*

Financial incomes include income from interest and other financial gains earned by the Company should be recognized when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of the revenue can be measured reliably.

Dividend income shall be recognised when the Company's right to receive dividend is established.

## **2.21 Revenue deductions**

During the year, the Company incurred a deduction for the revenue of works due to the reduction of investment value after the audit under Notices of the investors.

Trade discount incurred in the same year of rendering of services are recorded as a decrease in revenue in the incurring year. In case services are rendered in the previous years, but until the next year they are incurred as deductible items, the Company records the decrease in revenue under the following principles: If it is incurred prior to the issuance of Financial Statements, it is then recorded as a decrease in revenue on the Consolidated Financial Statements of the reporting year (the previous year); and if it is incurred after the issuance of Consolidated Financial Statements, it is recorded as a decrease in revenue of incurring year (the next year).

## **2.22 Cost of services rendered**

The recognition of cost of services rendered is matched against revenue in the year and complies with the prudence principle.

## **2.23 Financial expenses**

Items recorded into financial expenses comprise:

- ▶ Borrowing costs;
- ▶ Payment discount;
- ▶ Loss due to foreign exchange differences foreign currencies.

The above items are recorded by the total amount arising in the period without offsetting against financial income.

## **2.24 Corporate income tax**

### *Deferred income tax asset*

Deferred income tax asset is recognized for deductible temporary differences and the carrying forward of unused tax losses and unused tax credits.

Deferred income tax asset are determined based on current corporate income tax rate.

### *Current corporate income tax expenses and Deferred corporate income tax expenses*

Current corporate income tax expenses are determined based on taxable income during the year and current corporate income tax rate.

Deferred corporate income tax expenses are determined based on deductible temporary differences, the taxable temporary differences and corporate income tax rate.

Current corporate income tax expenses and deferred corporate income tax expenses are not offset against each other.

### *Current corporate income tax rate*

The Company is subject to corporate income tax of 20% for year 2020.

## **2.25 Basic earnings per share**

Basic earnings per share are calculated by dividing net profit or loss after tax for the year attributable to ordinary shareholders of the Company (after adjusting for the bonus and welfare fund and allowance for Board of General Directors) by the weighted average number of ordinary shares outstanding during the year.

## **2.26 Related parties**

The parties are regarded as related parties if that party has the ability to control or significantly influence the other party in making decisions about the financial policies and activities. The Company's related parties include:

- ▶ Companies, directly or indirectly through one or more intermediaries, having control over the Company or being under the control of the Company, or being under common control with the Company, including the Company's parent, subsidiaries and associates;
- ▶ Individuals, directly or indirectly, holding voting power of the Company that have a significant influence on the Company, key management personnel including directors and employees of the Company, the close family members of these individuals;
- ▶ Enterprises that the above-mentioned individuals directly or indirectly hold an important part of the voting power or have significant influence on these enterprises.

In considering the relationship of related parties to serve for the preparation and presentation of Consolidated Financial Statements, the Company consider the nature of the relationship, not just the legal form of the relationship.

## 2.27 Segment information

The Company's operating activities are mainly design consultancy, supervision consultancy for traffic works in the territory of Vietnam. As the total revenue from all sectors or from divisions of other fields accounts for a modest proportion of the total revenue of all divisions, the Company does not prepare segment reports by business sector and geographic area.

## 3. TRANSFERRING SECURITIES

During the year, the Company purchased 52,953 shares from Geotechnical and Inspection - Design Consultant Construction JSC from other investors, equivalent to the total par value of VND 529,530,000, costs of such shares equal to VND 1,059,060,000. The difference between acquisition cost and book value of newly acquired interest is VND 529,594,447 to be recognized to retained earnings on the Consolidated Statement of Financial Position.

During the year, the Company dissolved TEDI Global Consultants Co., Ltd. Accordingly, a profit of VND 66,210,408 is recorded as financial income in the Consolidated Statement of Income (Note 25).

## 4. Cash and cash equivalents

	31/12/2020	01/01/2020
	VND	VND
Cash on hand	6,169,227,861	9,636,192,114
Cash in bank	60,557,357,945	81,722,478,888
Cash equivalents (*)	48,440,845,073	29,811,000,000
	<b>115,167,430,879</b>	<b>121,169,671,002</b>

(\*) At 31 December 2020, cash equivalents consist of 1 to 3 month term deposit at commercial banks with interest rates ranging from 3.0% per year to 3.8% per year.

## 5. Short-term financial investments

	31/12/2020	01/01/2020
	VND	VND
Term deposits (i)	40,913,186,301	42,333,413,973
Investment capital contribution (ii)	2,000,000,000	2,000,000,000
	<b>42,913,186,301</b>	<b>44,333,413,973</b>

(i) At 31 December 2020, held-to-maturity bank deposits are those with original term of more than 3 months and the remaining term of less than 12 months at commercial banks with interest from 4.5% per year to 6.8% per year. Total value of term deposit as collateral for loans as at 31 December 2020 is VND 20 billion (details in Note 15).

(ii) Business cooperation contract No.11/2016/HDKD/CID dated 01/06/2016 between Road and Bridge Engineering Consultants Joint Stock Company and Construction Investment and Design Consulting Joint Stock Company, capital contribution period is 6 months from the signing date and is extended according to the annexes, interest rate is 10% per year regardless of the business performance. According to Appendix 06, the capital contribution period is extended from 01/01/2020 to 31/12/2020.

6. Short-term trade receivables

	31/12/2020		01/01/2020	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
BOT Bien Cuong JSC	15,955,617,000	-	14,853,590,938	-
Bitexco Corporation Co., Ltd.	7,840,879,898	-	7,840,879,898	-
Trung Nam Thuan Nam Solar Power Co., Ltd.	7,102,966,723	-	-	-
Bac Giang Project Management Board of Transport Construction	6,562,284,000	-	4,147,927,000	-
Thang Long Project Management Board	6,263,719,036	-	-	-
Thai Binh Project Management Board of Transport Construction	5,826,937,325	-	10,658,663,000	-
Nam Dinh Department of Transportation	5,604,230,000	-	2,113,270,000	-
Da Nang Project Management Board of Transport Construction	5,105,989,000	-	4,919,017,929	(924,996,000)
Chu Lai OECZ Project Management Board of Infrastructure	4,342,890,984	-	4,342,890,984	-
My Loi Investment Bridge JSC	4,077,457,890	(1,934,782,191)	4,077,457,890	(1,367,000,000)
Vietnam Infrastructure development and Finance Investment JSC	3,779,184,948	-	3,433,484,163	-
Thai Binh Project Management Board of Infrastructure	3,437,149,000	-	3,437,149,000	-
Nga ba Hue - Trung Nam BT Limited Company	3,356,999,155	(2,651,622,495)	3,356,999,155	(594,000,000)
Phu Yen Project Management Board of Transport Construction	2,163,382,000	-	4,086,090,885	-
Thanh Cong JSC	2,141,456,532	(323,180,500)	6,850,798,349	(323,180,500)
Ha Tinh Project Management Board of Transport Construction	979,457,447	-	174,624,800	-
Trung Nam Solar farm JSC	-	-	5,406,300,000	-
Hai Phong Project Management Board of Transport Construction	-	-	5,675,576,000	-
BOT Trung Luong My Thuan JSC	-	-	15,722,654,000	-
Others	217,838,437,006	(29,426,478,112)	208,494,138,311	(25,336,265,314)
	<b>302,379,037,944</b>	<b>(34,336,063,298)</b>	<b>309,591,512,302</b>	<b>(28,545,441,814)</b>

7. Short-term prepayments to suppliers

	31/12/2020		01/01/2020	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Hai Phong Transport and Communication Construction and Investment Consultancy JSC	950,000,000	-	2,950,000,000	-
Cienco 4 Consultant JSC	572,573,000	-	1,124,565,855	-
Transport Engineering Consultant International JSC	-	-	3,850,000,000	-
Trung Chinh Commerce and Construction Co., Ltd.	-	-	2,400,000,000	-
Yooshin Engineering Corporation	3,610,885,949	-	-	-
Others	31,255,872,871	(1,010,273,456)	29,657,362,202	(60,000,000)
	<b>36,389,331,820</b>	<b>(1,010,273,456)</b>	<b>39,981,928,057</b>	<b>(60,000,000)</b>

8. Other receivables

	31/12/2020		01/01/2020	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Short-term				
Advance	28,497,930,690	-	28,853,094,415	-
Mortgages	4,684,913,765	-	3,114,686,173	-
Corporate Income tax	1,219,966,163	-	2,065,958,447	-
Social Insurance receivables	1,033,285,311	-	1,014,187,561	-
Transport engineering Consulting JSC No.7	1,351,845,809	(845,000,000)	1,690,185,809	(845,000,000)
Others	3,699,544,804	(9,044,800)	5,044,225,187	(9,044,800)
	<b>40,487,486,542</b>	<b>(854,044,800)</b>	<b>41,782,337,592</b>	<b>(854,044,800)</b>
Long-term				
Mortgages	880,649,223	-	809,860,000	-
	<b>880,649,223</b>	<b>-</b>	<b>809,860,000</b>	<b>-</b>

9. Inventories

	31/12/2020		01/01/2020	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Raw materials	277,487,841	-	378,428,618	-
Tools, supplies	92,322,258	-	113,699,078	-
Work in progress	305,486,375,673	(1,824,418,763)	276,743,552,360	(1,286,822,866)
Van Don - Mong Cai Expressway Project	7,010,940,551	-	13,046,610,888	-
North-South Expressway in the Eastern part of Hanoi to Ho Chi Minh City	26,299,477,598	-	27,591,858,424	-
Trung Luong - My Thuan Expressway Project	18,615,270,447	-	9,005,827,276	-
Hoa Binh - Son La (Moc Chau) Route Project	6,621,825,351	-	3,155,623,844	-
Others	246,938,861,726	(1,824,418,763)	223,943,631,928	(1,286,822,866)
	<b>305,856,185,772</b>	<b>(1,824,418,763)</b>	<b>277,235,680,056</b>	<b>(1,286,822,866)</b>



**10. Prepaid expense**

	31/12/2020	01/01/2020
	VND	VND
<b>Short-term</b>		
Dispatched tools and supplies	60,320,968	57,392,181
Others	45,493,759	13,738,638
	<b>105,814,727</b>	<b>71,130,819</b>
<b>Long-term</b>		
Expenses office repair and renovation	248,838,803	321,181,523
Dispatched tools and supplies	3,490,099,516	3,205,959,592
Goodwill	2,423,474,667	3,132,784,331
Others	1,330,823,496	2,014,210,743
	<b>7,493,236,482</b>	<b>8,674,136,189</b>

**11. Intangible fixed assets**

	Computer software	Others	Total
	VND	VND	VND
<b>Historical cost</b>			
As at 01/01/2020	15,025,780,046	198,055,179	15,223,835,225
Purchase	220,908,000	-	220,908,000
Other decreases	143,600,000	-	143,600,000
<b>As at 31/12/2020</b>	<b>15,390,288,046</b>	<b>198,055,179</b>	<b>15,588,343,225</b>
<b>Accumulated depreciation</b>			
As at 01/01/2020	11,692,576,392	198,055,179	11,890,631,571
Depreciation	1,320,719,250	-	1,320,719,250
<b>As at 31/12/2020</b>	<b>13,013,295,642</b>	<b>198,055,179</b>	<b>13,211,350,821</b>
<b>Giá trị còn lại</b>			
Tại ngày 01/01/2020	3,333,203,654	-	3,333,203,654
Tại ngày 30/12/2020	<b>2,376,992,404</b>	-	<b>2,376,992,404</b>

Cost of fully amortization intangible fixed assets but still in use at the end of the year: VND 8,018,585,430.

**12. Tangible fixed assets**

	Buildings, structures	Machinery, equipment	Transportation vehicles	Office equipment	Others	Total
	VND	VND	VND	VND	VND	VND
<b>Historical cost</b>						
As at 01/01/2020	106,976,845,421	59,588,589,628	46,582,228,529	8,400,829,264	2,245,590,485	223,794,083,327
Purchase in the year	35,551,000	4,053,358,364	1,410,570,909	1,768,315,272	-	7,267,795,545
Completed construction investment	327,330,700	-	-	-	-	327,330,700
Liquidating, disposal	-	-	(2,111,285,759)	(61,250,909)	-	(2,172,536,668)
Other decreases	-	-	-	(143,600,000)	-	(143,600,000)
<b>As at 31/12/2020</b>	<b>107,339,727,121</b>	<b>63,641,947,992</b>	<b>45,881,513,679</b>	<b>9,964,293,627</b>	<b>2,245,590,485</b>	<b>229,073,072,904</b>
<b>Accumulated depreciation</b>						
As at 01/01/2020	63,312,003,272	50,425,178,878	32,020,305,137	5,586,972,604	2,166,912,885	153,511,372,776
Depreciation	2,449,747,531	2,862,794,629	3,251,772,056	1,219,703,463	19,784,000	9,803,801,679
Liquidating, disposal	-	-	(2,111,285,759)	(61,250,909)	-	(2,172,536,668)
<b>As at 31/12/2020</b>	<b>65,761,750,803</b>	<b>53,287,973,507</b>	<b>33,160,791,434</b>	<b>6,745,425,158</b>	<b>2,186,696,885</b>	<b>161,142,637,787</b>
<b>Net carrying amount</b>						
As at 01/01/2020	43,664,842,149	9,163,410,750	14,561,923,392	2,813,856,660	78,677,600	70,282,710,551
<b>As at 31/12/2020</b>	<b>41,577,976,318</b>	<b>10,353,974,485</b>	<b>12,720,722,245</b>	<b>3,218,868,469</b>	<b>58,893,600</b>	<b>67,930,435,117</b>

The carrying amount of tangible fixed assets pledged as collaterals for borrowings at the end of the year: VND 2,662,108,762.

The historical cost of fully-depreciated tangible fixed assets which are still in use : VND 79,742,929,269.

13. Short-term trade payables

	31/12/2020		01/01/2020	
	Book value	Liquidity	Book value	Liquidity
	VND	VND	VND	VND
Detailed by suppliers with large account balances				
AZZ Consultant Construction JSC	430,036,574	430,036,574	1,093,727,929	1,093,727,929
Research Center for Technology and Industrial Equipment (RECTIE)	2,007,021,316	2,007,021,316	2,007,021,316	2,007,021,316
Thang Long Engineering Construction Consultant JSC	1,452,307,000	1,452,307,000	1,968,927,000	1,968,927,000
Transport Engineering Consultant Investment JSC	4,718,853,000	4,718,853,000	4,437,958,000	4,437,958,000
Hai Phong Transport and Communication Construction and Investment Consultancy JSC	760,542,000	760,542,000	2,051,478,000	2,051,478,000
123 Engineering Construction Design JSC	-	-	2,683,094,649	2,683,094,649
TDS Viet Nam JSC	1,241,760,000	1,241,760,000	2,499,000,000	2,499,000,000
Long Thanh Survey And Construction JSC	6,198,786,020	6,198,786,020	-	-
Apex Consultant.,JSC	3,544,698,200	3,544,698,200	127,981,000	127,981,000
Others	31,372,142,196	31,372,142,196	25,017,726,422	25,017,726,422
	<b>51,726,146,306</b>	<b>51,726,146,306</b>	<b>41,886,914,316</b>	<b>41,886,914,316</b>

14. Tax and other statutory obligations

	01/01/2020		Year 2020		31/12/2020	
	Receivables	Payables	Actual payment	Payables	Receivables	Payables
	VND	VND	VND	VND	VND	VND
Value-added tax	1,381,832,584	9,945,349,643	63,681,880,267	58,385,014,220	561,540,678	3,828,191,690
Corporate income tax	97,500	5,051,055,903	12,060,200,165	8,941,789,503	514,800,301	2,447,348,042
Personal income tax	-	1,912,695,198	7,434,568,898	7,085,831,713	26,619,292	1,590,577,305
Land tax and land rental	-	-	5,821,560,768	5,875,532,768	-	53,972,000
Other taxes	500,000	-	1,007,249,566	1,007,749,566	-	-
Fees, charges and other payables	-	54,476,976	615,800,825	561,323,849	-	-
	<b>1,382,430,084</b>	<b>16,963,577,720</b>	<b>90,621,260,489</b>	<b>81,857,241,619</b>	<b>1,102,960,271</b>	<b>7,920,089,037</b>

The Company's tax settlements are subject to examination by the tax authorities. Because the application of tax laws and regulations on many types of transactions is susceptible to varying interpretations, amounts reported in the Consolidated Financial Statements could be changed at a later date upon final determination by the tax authorities.

15. Borrowings

	01/01/2020		Year 2020		31/12/2020	
	Book value	Liquidity	Increase	Decrease	Book value	Liquidity
	VND	VND	VND	VND	VND	VND
<b>a) Short-term loans</b>						
Military Commercial Joint Stock Bank (i)	3,778,040,000	3,778,040,000	52,710,309,300	48,103,682,619	8,384,666,681	8,384,666,681
Joint Stock Commercial Bank for Foreign Trade of Vietnam (ii)	-	-	1,500,000,000	500,000,000	1,000,000,000	1,000,000,000
Joint Stock Commercial Bank for Investment and Development of Vietnam (iii)	11,152,289,032	11,152,289,032	35,410,513,729	37,433,776,371	9,129,026,390	9,129,026,390
Individual loans (iv)	7,261,275,000	7,261,275,000	1,250,000,000	4,661,275,000	3,850,000,000	3,850,000,000
<b>b) Current portion of long-term loans</b>						
Military Commercial Joint Stock Bank - Thanh Xuan Branch (v)	-	-	419,199,996	-	419,199,996	419,199,996
	<b>22,191,604,032</b>	<b>22,191,604,032</b>	<b>91,290,023,025</b>	<b>90,698,733,990</b>	<b>22,782,893,067</b>	<b>22,782,893,067</b>
<b>b) Long-term loans</b>						
Military Commercial Joint Stock Bank - Thanh Xuan Branch (v)	1,921,333,335	1,921,333,335	-	419,199,996	1,502,133,339	1,502,133,339
	<b>1,921,333,335</b>	<b>1,921,333,335</b>	<b>-</b>	<b>419,199,996</b>	<b>1,502,133,339</b>	<b>1,502,133,339</b>
Maturity within next 12 months	-	-	(419,199,996)	-	(419,199,996)	(419,199,996)
Maturity after 12 months	<b>1,921,333,335</b>	<b>1,921,333,335</b>			<b>1,082,933,343</b>	<b>1,082,933,343</b>

**Detailed information on Short-term loans:**

- (i) Credit agreement No. 18888.20.051.1318276.TD dated 11/05/2020 between Transport Engineering Design Inc and Military Commercial Joint Stock Bank - Dien Bien Phu Branch has a loan limit of VND 10 billion, overdraft limit of VND 20 billion and the guarantee limit of VND 100 billion, the loan term is until 04/05/2021, the interest rate is specified in each contract and the time of arising the loan. The collateral is Deposit Pledge Agreement No. 31126.19.051.1318276.TG.DN dated 22/11/2019 with the value of VND 10 billion signed with Military Commercial Joint Stock Bank (Note 05).
- (ii) Loan contract under the limit No. 05/2020/HDTD/GTVT4-01 dated October 6, 2020 between Transport Design Consulting Joint Stock Company 4 and Joint Stock Commercial Bank for Foreign Trade of Vietnam - Expense Vinh branch with a total credit limit of VND 1,500,000,000, the purpose of working capital to serve the business activities of the Company, the loan term of 6 months, the interest rate is determined according to each contract and time loan incurred. Collateral includes:

- Real estate is an asset attached to the land that is auxiliary works on land plot No. 2, sheet No. 19, No. 02, Duong Le Ninh, Quan Bau Ward, Vinh City;
- Black Toyota Camry, license plate number 37S-9950, chassis number: RL4BE42K1A6006292, engine number 2AZE160869;
- Gray Toyota Fortuner, control plate 37S-6830, chassis number: RL4ZR69G-894001436, engine number 2KD-7834587;
- Covered trucks with white Kia K3000SP label, license plate number 37C-030.63, chassis number: 011247032589, engine number JT-505226;
- Silver Toyota Hilux dual-cabin pickup truck, license plate 37C-150.45, chassis number 39G307647062, engine number 2KDU737822.

- (iii) Including the following borrowing contracts:

Credit agreement No.01/2019/256787/HDTD dated 09 August 2019 between Transport Engineering Consulting JSC No.5 and Joint Stock Commercial Bank for Investment and Development of Vietnam. The limit credit is VND 12,000,000,000 with borrowing purpose including: working capital supplement, guarantee, L / C opening. The term of the limit is 12 months, the loan term, interest rates and fees are specified to each contract. Security arrangements are recorded and executed according to signed security contracts where the scope of security provisions is included this Contract. Balance as at 31 December 2020 is VND 3,381,576,025.

Credit agreement No.01/2020/134643/HDTD dated 30 July 2020 between Transport Engineering Design Inc and Joint Stock Commercial Bank for Investment and Development of Vietnam - Hanoi branch. Total credit limit is VND 120 billion, overdraft limit is VND 20 billion. Loan term is 12 months, interest rate is regulated for each specific sub-contract. The collateral is Deposit Contract No.02/2018/134643/HGCC signed on 10 July 2018 with the Joint Stock Commercial Bank for Investment and Development of Vietnam with contract value of VND 10 billion (Note 05). Balance as at 31 December 2020 is VND 5,747,450,365.

- (iv) Personal loan contract with interest rate from 9% to 10% per year, loan term is form 03 to 12 months. The form of security is unsecured, with the purpose of borrowing to serve business activities.

**Detailed information on Long-term loans:**

- (v) Loan agreement No. 23229.19.014.3588549.TD dated June 19th, 2019 between Asia Pacific Engineering Consultants Company and Military Commercial Joint Stock Bank - Thanh Xuan Branch with the purpose of buying cars for production and business activities. The loan term is 60 months from the day after disbursement. The loan interest rate is determined according to the floating interest rate and specified in the debt notes. The loan is secured by a Toyota car with historical cost of VND 2,486,518,182.

**16. Short-term prepayments from customers**

	31/12/2020	01/01/2020
	VND	VND
Project Management Board No. 7	22,290,862,723	17,259,459,723
Him Lam Corporation - Ha Noi Branch	20,914,263,600	20,914,263,600
Project Management Board No. 6	12,994,707,589	29,967,094,107
Managerment Board of Gia Lam District	11,191,801,200	2,564,134,200
Project Management Board No.85	10,234,074,217	10,244,000,000
Ho Chi Minh Road Project Management Board	9,778,904,002	6,059,600,000
Hai Phong Project Management Board of Transport Construction	8,983,353,800	-
Quang Ninh Project Management Board of Civil and Industrial Construction	8,518,000,000	-
Tuyen Quang Department of Transportation	7,694,889,190	2,286,809,190
Thang Long Project Management Board	7,019,989,917	14,552,627,401
Trung Nam Group	6,366,000,000	6,366,000,000
Vingroup - JSC	6,139,997,478	4,957,787,724
Ha Nam Project Management Board of Civil and Industrial Construction	4,300,000,000	7,398,627,000
Ha Noi Project Management Board of Transport Construction	4,024,400,000	7,164,959,000
Xuan Truong Construction Enterprise	2,970,000,000	2,970,000,000
Project Management Boards - Directorate for roads of Viet Nam	2,334,216,000	2,344,278,000
Hai Phong Coast Road Investment JSC	2,216,853,100	-
BOT Trung Luong-My Thuan JSC	1,923,085,810	-
Kien Giang Project Management Board of Transport Construction	1,447,884,713	2,611,903,172
Ninh Binh Department of Transportation	-	10,249,581,000
Van Don Infrastructure Investment and Development Co., Ltd.	-	17,700,000,000
Others	247,571,156,467	223,384,217,273
	<b>398,914,439,806</b>	<b>388,995,341,390</b>

**17. Short-term accrued expenses**

	31/12/2020	01/01/2020
	VND	VND
Interest expense	94,500,000	-
Accrued subcontracting expenses	41,090,247,110	43,206,143,991
	<b>41,184,747,110</b>	<b>43,206,143,991</b>

**18. Other payables**

	31/12/2020	01/01/2020
	VND	VND
<b>Short-term</b>		
Trade union fee	1,035,607,074	783,470,507
Social insurance	440,459,540	132,548,199
Health insurance	41,685,426	23,858,676
Unemployment insurance	18,526,856	13,254,820
Company's Departments payables	16,781,770,591	16,050,645,593
Dividends or profits payables	1,943,017,424	469,859,084
Other	9,411,364,534	12,245,949,895
	<b>29,672,431,445</b>	<b>29,719,586,774</b>
<b>Long-term</b>		
Long-term deposits, collateral received	1,153,462,628	1,316,454,628
	<b>1,153,462,628</b>	<b>1,316,454,628</b>

**19. Provision for short-term payables**

As at 31 December 2020, provision for short-term payables of the Company is the provision for the salary fund set up for the year 2020.



20. Owner's equity

a) Changes in owner's equity

	Contributed capital VND	Share premium VND	Other capital VND	shares VND	Asset revaluation differences VND	Investment development VND	Retained earnings VND	Non-Controlling Interest VND	Total VND
As at 01/01/2019	125,000,000,000	815,232,000	17,972,670,000	(1,224,000)	(10,021,589,335)	42,216,122	34,481,949,189	68,751,099,868	237,040,353,844
Profit for previous year	-	-	-	-	-	-	29,150,870,832	13,656,246,715	42,807,117,547
Other increase	-	-	-	-	-	73,907	-	-	73,907
Dividend payment	-	-	-	-	-	-	(16,281,181,012)	(7,415,297,857)	(23,696,478,869)
Other funds distribution	-	-	-	-	-	-	(7,265,201,003)	(7,174,376,087)	(14,439,577,090)
Other decrease	-	-	-	-	(387,120,340)	-	53,127,341	1,004,284,844	670,291,845
As at 01/01/2020	125,000,000,000	815,232,000	17,972,670,000	(1,224,000)	(10,408,709,675)	42,290,029	40,139,565,347	68,821,957,483	242,381,781,184
Profit for current period	-	-	-	-	-	-	31,235,067,744	12,931,706,689	44,166,774,433
Investment funds distribution	-	-	-	-	-	47,145,387	(161,365,538)	22,854,613	(91,365,538)
Dividend payment (i)	-	-	-	-	-	-	(18,750,000,000)	(7,166,740,800)	(25,916,740,800)
Bonus and welfare fund contribution (i)	-	-	-	-	-	-	(4,017,683,190)	(1,020,391,407)	(5,038,074,597)
Differences between acquisition and net assets	-	-	-	-	-	-	(529,530,000)	(529,530,000)	(1,059,060,000)
Bonus fund distributed from profit of 2020	-	-	-	-	-	-	(646,006,213)	(44,266,787)	(690,273,000)
Other decrease	-	-	(782,180,000)	-	532,180,000	-	250,000,000	-	-
As at 31/12/2020	125,000,000,000	815,232,000	17,190,490,000	(1,224,000)	(9,876,529,675)	89,435,416	47,520,048,150	73,015,589,791	253,753,041,882

(i) According to the Resolution No. 07-NQ/TEDI-DHD dated 15/05/2020 issued at General Meeting of shareholders, the Company announced its profit distribution of 2019 as follows:

	Rate %	Amount VND
Net Profit after tax		22,203,467,155
Dividend payment (equivalent to 1,500 VND/share)	83%	18,750,000,000
Bonus and Welfare fund (*)	10%	2,220,350,000
Bonus for the Board of General Directors	3%	666,100,000

(\*) The Company made a temporary distribution of VND 150,000,000 on 31/12/2019.

Subsidiaries distribute profit after tax as follows:

	Distributed in Subsidiaries	
	Parent company VND	Non - controlling interests VND
Dividend payment	8,306,816,000	7,166,740,800
Bonus and Welfare fund	5,217,310,461	4,620,621,392
Investment and development fund	47,080,940	22,919,060

**b) Details of Contributed capital**

	31/12/2020		01/01/2020	
	VND	%	VND	%
Fecon Soil Improvement and Construction JSC	5,437,500,000	4.35%	11,687,500,000	9.35%
Oriental Consultant Company Global Ltd.,	25,327,500,000	20.26%	25,327,500,000	20.26%
Trans Across VP Inc.	320,000,000	0.26%	320,000,000	0.26%
Mr. Pham Huu Son	10,623,500,000	8.50%	10,623,500,000	8.50%
Mr. Pham Trung Thanh	32,203,000,000	25.76%	25,953,000,000	20.76%
Union shareholders	350,000,000	0.28%	350,000,000	0.28%
Others	50,738,500,000	40.59%	50,738,500,000	40.59%
	<b>125,000,000,000</b>	<b>100%</b>	<b>125,000,000,000</b>	<b>100%</b>

**c) Capital transactions with owners and distribution of dividends and profits**

	Year 2020 VND	Year 2019 VND
Owner's contributed capital		
- At the beginning of the year	125,000,000,000	125,000,000,000
- At the end of the year	125,000,000,000	125,000,000,000
Distributed dividends and profit in parent company	18,750,000,000	16,281,181,012

**d) Share**

	31/12/2020	01/01/2020
	Share	Share
Quantity of Authorized issuing shares	12,500,000	12,500,000
Quantity of issued shares	12,500,000	12,500,000
- <i>Common shares</i>	12,500,000	12,500,000
Quantity of outstanding shares in circulation	12,500,000	12,500,000
- <i>Common shares</i>	12,500,000	12,500,000
Par value per share (VND)	10,000	10,000

**21. Off Statement of Financial Position items**

Foreign currencies

	31/12/2020	01/01/2020
USD	14,003.25	2,706.32
JPY	-	12,478.00

Operating leased assets

The Company leases land and pays the annual rent according to announcements of tax authority for the usage of head office and working office, details are as follows:

<u>Land</u>	<u>Contract</u>	<u>Rental period</u>	<u>Area (m2)</u>
<b>Transport Engineering Design Inc</b>			
No. 278 Ton Duc Thang, Hang Bot ward, Dong Da district	No. 708/HDTD-STNMT-PC dated 25/08/2016	From 15/10/1993 to 14/10/2043	5,533 m2
No. 237 Luong The Vinh, Trung Van ward, Nam Tu Liem District	No. 279/HDTD dated 17/07/2015	From 15/10/1993 to 14/10/2043	1,357 m2
No.10 Trung Kinh, Trung Hoa ward, Cau Giay district	No. 301/HDTD dated 29/07/2015	From 06/01/2014 to 05/01/2064	2,581 m2
No. 15A Hoang Hoa Tham, ward 6, Binh Thanh district	No. 7188/HD-TNMT-QLSDD dated 09/10/2014	From 19/12/2008 to 18/12/2058	322.9 m2
<b>Transport Engineering Consultant JSC No.5:</b>			
No. 229 Truong Chinh, An Khe ward, Thanh Khe district, Da Nang	No. 424/HD-TD dated 20/9/2007 & Appendix 424/PLHD:3/2017 dated 31/07/2017	15 years	3,441.5 m2
No. 569 Nguyen Tat Thanh, Ward No. 9, Tuy Hoa City, Quy Nhon Province	No. 94/PK-HDTD dated 22/09/2011 and Appendix 45/2017/PL-HDTD dated 15/07/2017	15 years	1,520 m2

<u>Land</u>	<u>Contract</u>	<u>Rental period</u>	<u>Area (m2)</u>
<b>Transport Engineering Design Consultant JSC No.4:</b>			
No. 2 Le Ninh Street, Quan Bau Ward, Vinh City, Nghe An Province	Decision No. 362 / QD-UBND.DC dated 15/08/2007 of the People's Committee of Nghe An province	40 years	2,435.4 m2

**Waterway Engineering Consultant JSC:**

No. 29/57 Khuong Ha, Khuong Dinh ward, Thanh Xuan district, Hanoi	No. 78-2007/DTDTN dated February 22, 2007	27 years, 10 months and 10 days	2,569 m2
No. 19B Nguyen Khoai, Thanh Luong Ward, Hai Ba Trung District, Hanoi	No. 02-2006/HDTDTN dated January 19, 2006	30 years	1,993.4 m2

**Port & Waterway Engineering Consultant JSC:**

No. 2 Ben Binh, Minh Khai Ward, Hong Bang District, Hai Phong	No. 457/QD - UBND dated March 18, 2019 of the People's Committee of Hai Phong province	50 years	1,096 m2
---	--	----------	----------

**Highway Engineering Consultant JSC:**

Group 113, cluster of 20 ward, Vinh Tuy ward, Hoang Mai district, Hanoi	Decision 6059/QD-UBND dated October 7, 2013 of the People's Committee of Hanoi	50 years	591.3 m2
---	--	----------	----------

**Geotechnical and Inspection - Design Consultant Construction JSC:**

No. 237 Luong The Vinh, Trung Van ward, Tu Liem district, Hanoi	No. 707/HDTD-STNMT-PC dated August 24, 2016	50 years	1,962 m2
No. 13 Nguyen An Ninh, Tuong Mai Ward, Hoang Mai District, Hanoi	No. 455/HDTD-STNMT-CCQLDD dated August 16, 2018		511 m2

**22. Revenue from rendering of services**

	<u>Year 2020</u>	<u>Year 2019</u>
	<u>VND</u>	<u>VND</u>
Revenue from rendering of services	866,169,089,485	875,109,156,883
	<u>866,169,089,485</u>	<u>875,109,156,883</u>

**23. Revenue deductions**

	Year 2020 VND	Year 2019 VND
Deduction for the revenue from rendering of services	5,628,508,017	2,581,870,809
	<b>5,628,508,017</b>	<b>2,581,870,809</b>

**24. Cost of services rendered**

	Year 2020 VND	Year 2019 VND
Cost of services rendered	661,964,620,260	664,146,276,906
	<b>661,964,620,260</b>	<b>664,146,276,906</b>

**25. Financial income**

	Year 2020 VND	Year 2019 VND
Interest income	4,967,074,248	4,464,950,488
Gain from disposal of financial investments	66,210,408	-
Dividends or profits received	1,672,000,000	1,880,000,000
Realised exchange gain	21,019,486	-
Unrealised exchange gain	6,011,410	-
	<b>6,732,315,552</b>	<b>6,344,950,488</b>

**26. Financial expenses**

	Year 2020 VND	Year 2019 VND
Interest expenses	1,371,529,027	4,228,614,017
Realised exchange loss	29,198,764	1,908,953,958
Unrealised exchange loss	5,483,207	-
Provision for diminution in value of trading securities	-	(4,430,340)
Other financial expenses	19,622,557	203,150,508
	<b>1,425,833,555</b>	<b>6,336,288,143</b>

**27. General and administrative expenses**

	Year 2020	Year 2019
	VND	VND
Raw materials	3,952,865,323	3,806,236,797
Labour expenses	64,546,220,812	63,543,473,268
Offices Supplies	2,469,994,023	1,974,686,861
Depreciation and amortization expenses	4,847,062,375	4,894,956,958
Tax, Charge and Fee	6,576,543,549	12,120,502,052
Provision expenses	8,245,634,294	5,138,838,087
Expenses of outsourcing services	11,201,414,590	15,948,047,808
Others	48,190,849,144	45,654,080,067
	<b>150,030,584,110</b>	<b>153,080,821,898</b>

**28. Current income tax expenses**

	Year 2020	Year 2019
	VND	VND
Current corporate income tax expenses in Parent Company	3,426,345,755	3,195,300,285
Current corporate income tax expenses in Subsidiaries	5,473,856,097	8,494,499,575
<b>Total current corporate income tax expense</b>	<b>8,900,201,852</b>	<b>11,689,799,860</b>

**29. Deferred income tax**

	31/12/2020	01/01/2020
	VND	VND
Corporate income tax rate used to determine deferred income tax assets	20%	20%
Deferred income tax assets related to deductible temporary differences	9,684,079	16,502,412
	<b>Year 2020</b>	<b>Year 2019</b>
	<b>VND</b>	<b>VND</b>
Deferred CIT expense relating to taxable temporary difference	6,818,333	(234,181,667)

**30. Basic earning per share**

The calculation of earnings per share can be distributed to the shareholders of ordinary shares of the Company is implemented based on the following data:

	Year 2020	Year 2019
Net profit after tax	31,235,067,744	29,150,870,832
Adjustments:	(646,006,213)	(7,287,717,708)
- Bonus and welfare fund, bonus for the Board of General Directors	(646,006,213)	(7,287,717,708)
Profit distributed to common shares	30,589,061,531	21,863,153,124
Average number of outstanding common shares in circulat	12,500,000	12,500,000
	<b>2,447</b>	<b>1,749</b>

Adjustments to the Bonus and Welfare Fund and Board of Management Bonus Fund in 2020 are determined using the amount temporarily deducted from Net profit after tax in 2020 (Note 20).

### 31. Business and productions cost by items

	Year 2020 VND	Year 2019 VND
Raw materials	76,826,618,954	76,078,934,318
Labour expenses	304,482,953,665	303,362,569,978
Insurance expenses, Trade union fee	23,269,991,352	21,625,678,961
Depreciation and amortization expenses	11,054,628,279	11,302,526,115
Provision expenses	8,883,353,507	4,911,921,589
Expenses of outsourcing services	112,207,872,372	120,479,994,827
Other expenses	128,746,386,288	123,757,802,195
Expenses from subcontracting	175,225,336,855	155,856,002,294
	<b>840,697,141,272</b>	<b>817,375,430,277</b>

### 32. Financial instruments

The types of financial instruments of the Company include:

	Carrying amount			
	31/12/2020		01/01/2020	
	Original cost VND	Provision VND	Original cost VND	Provision VND
<b>Financial assets</b>				
Cash and cash equivalents	115,167,430,879	-	121,169,671,002	-
Trade and other receivables	343,747,173,709	(36,200,381,554)	352,183,709,894	(29,459,486,614)
Loans	42,913,186,301	-	44,333,413,973	-
	<b>501,827,790,889</b>	<b>(36,200,381,554)</b>	<b>517,686,794,869</b>	<b>(29,459,486,614)</b>

	Carrying amount	
	31/12/2020	01/01/2020
	VND	VND
<b>Financial liabilities</b>		
Borrowing and debts	23,865,826,410	24,112,937,367
Trade and other payables	82,552,040,379	72,922,955,718
Accrued expenses	41,184,747,110	43,206,143,991
	<b>147,602,613,899</b>	<b>140,242,037,076</b>

Financial assets and financial liabilities are not revalued according to fair value at the end of the year because the Circular No. 210/2009/TT-BTC and prevailing statutory regulations require to present Financial Statements and Notes to financial instruments but do not provide any relevant instruction for assessment and recognition of fair value of financial assets and liabilities, excluding provision for doubtful debts and provision for diminution in value of trading securities which are presented in relevant notes.

#### **Financial risk management**

The Company's financial risks include market risk, credit risk and liquidity risk. The Company has developed its control system to ensure the reasonable balance between cost of incurred risks and cost of risk management. The Board of General Directors of the Company is responsible for monitoring the risk management process to ensure the appropriate balance between risk and risk control.

#### **Market risk**

The Company's business operations will bear the risks of changes in prices, exchange rates and interest rates.

#### **Exchange rate risk**

The Company bears the risk of exchange rate due to the fluctuation in fair value of future cash flows of a financial instrument in line with changes in exchange rates if loans, revenues and expenses of the Company are denominated in foreign currencies other than VND.

#### **Interest rate risk**

The Company bears the risk of interest rates due to the fluctuation in fair value of future cash flow of a financial instrument in line with changes in market interest rates if the Company has time or demand deposits, borrowings and debts subject to floating interest rates. The Company manages interest rate risk by analyzing the market competition situation to obtain interest beneficial for its operation purpose.

#### **Credit Risk**

Credit risk is the risk of financial loss to the Company if a counterparty fails to perform its contractual obligations. The Company has credit risk from operating activities (mainly to trade receivables) and financial activities (including deposits, loans and other financial instruments).



	Under 1 year VND	From 1 to 5 years VND	More than 5 years VND	Total VND
<b>As at 31/12/2020</b>				
Cash and cash equivalents	115,167,430,879	-	-	115,167,430,879
Trade and other receivables	306,666,142,932	880,649,223	-	307,546,792,155
Loans	42,913,186,301	-	-	42,913,186,301
	<b>464,746,760,112</b>	<b>880,649,223</b>	<b>-</b>	<b>465,627,409,335</b>
<b>As at 01/01/2020</b>				
Cash and cash equivalents	121,169,671,002	-	-	121,169,671,002
Trade and other receivables	321,914,363,280	809,860,000	-	322,724,223,280
Loans	44,333,413,973	-	-	44,333,413,973
	<b>487,417,448,255</b>	<b>809,860,000</b>	<b>-</b>	<b>488,227,308,255</b>

#### Liquidity Risk

Liquidity risk is the risk that the Company has trouble in settlement of its financial obligations due to the lack of funds. Liquidity risk of the Company is mainly from different maturity of its financial assets and liabilities.

Due date for payment of financial liabilities based on expected payment under the contracts (based on cash flow of the original debts) as follows:

	Under 1 year VND	From 1 to 5 years VND	More than 5 years VND	Total VND
<b>As at 31/12/2020</b>				
Borrowing and debts	22,782,893,067	1,082,933,343	-	23,865,826,410
Trade and other payables	81,398,577,751	1,153,462,628	-	82,552,040,379
Accrued expenses	41,184,747,110	-	-	41,184,747,110
	<b>145,366,217,928</b>	<b>2,236,395,971</b>	<b>-</b>	<b>147,602,613,899</b>
<b>As at 01/01/2020</b>				
Borrowing and debts	22,191,604,032	1,921,333,335	-	24,112,937,367
Trade and other payables	71,606,501,090	1,316,454,628	-	72,922,955,718
Accrued expenses	43,206,143,991	-	-	43,206,143,991
	<b>137,004,249,113</b>	<b>3,237,787,963</b>	<b>-</b>	<b>140,242,037,076</b>

The Company believes that risk level of loan repayment is controllable. The Company has the ability to pay due debts from cash flows from its operating activities and cash received from mature financial assets.

**33. Subsequent events after the reporting period**

There have been no significant events occurring after the reporting period, which would require adjustments or disclosures to be made in the Consolidated financial statements.

**34. Transactions and balances with related parties**

Transactions with other related parties:

	Year 2020	Year 2019
	VND	VND
Remuneration to Board of General Directors, Board of Management and Board of Supervision	5,519,862,000	5,104,000,000
	<u>5,519,862,000</u>	<u>5,104,000,000</u>

**35. Comparative figures**

The corresponding figures are those taken from the consolidated financial statements the fiscal year ended as at 31/12/2019, which was audited by CPA Vietnam Auditing Company Limited.

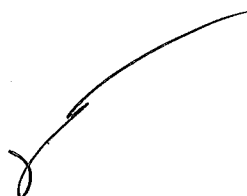
**36. Approval of the Consolidated financial statements**

The Consolidated Financial statements were approved by the Board of General Directors and authorized for issuance on 10 March 2021.

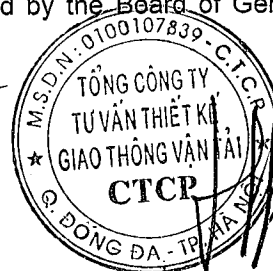


**Tang Thi Thu Hien**  
Preparer

Hanoi, 10 March 2021



**Truong Minh Son**  
Chief Accountant



**Pham Huu Son**  
General Director

