

VIET NAM PROSPERITY DEVELOPMENT FUND

Financial Statements

For the fiscal year 2020, ended as at 31/12/2020

Audited by

SOUTHERN AUDITING AND ACCOUNTING FINANCIAL CONSULTING SERVICES CO., LTD. (AASCS)

Address: 29 Vo Thi Sau, Dakao Ward, District 1, Ho Chi Minh City

INDEX

Contents	Page
REPORT OF THE REPRESENTATIVE BOARD OF MEMBER FUND	03 - 04
INDEPENDENT AUDITOR'S REPORT	05 - 05
AUDITED FINANCIAL STATEMENTS	
- Balance Sheet	06 - 06
- Income Statement	07 - 07
- Asset Report	08 - 08
- Report of change in net asset value	09 - 09
- Portfolio Report	10 - 10
- Notes to the Financial Statements	11 - 22

REPORT OF THE REPRESENTATIVE BOARD

The Representative Board of Viet Nam Prosperity Development Fund (the "Fund") presents their report and the Fund's Financial statements for the fiscal year 2020, ended as at 31/12/2020.

I. VIET NAM PROSPERITY DEVELOPMENT FUND

1. Background

Viet Nam Prosperity Development Fund was established in the form of closed-end fund and The State Securities Commission of Viet Nam approved in Notice No. 60 / TB-UBCK dated 11 April 2016 issued by The State Securities Commission of Viet Nam for the Phu Hung Fund Management Joint Stock Company established.

The head office is located at 5th floor, Crescent Residence 3 Building, No.109 Ton Dat Tien Street, Tan Phu Ward, District 7, Ho Chi Minh City.

2. Business fields

The Fund's principal activity is investing in the financial services sector and maintaining balanced and diversified portfolio which bring profit potentially or return on equity, minimize risk at the same time; The Fund's investment forms include investments in listed stocks and stocks will be listed on the stock market, government bonds, corporate bonds ... In addition, the objective of the Fund is aimed at the investment process is increasing investments to help financial restructuring and corporate management, improving competitiveness and benefits for investors and the Fund.

3. Fund Management Company and Depository Bank

Fund Management Company is Phu Hung Fund Management Joint Stock Company; Depository Bank is Tien Phong Commercial Joint Stock Bank.

II. OPERATING RESULTS

Operating results of the Fund and the financial situation at the date of 31/12/2020 are presented in the accompanying financial statements.

III. EVENTS SINCE THE BALANCE SHEET DATE

The Representative Board of Member Fund confirmed that there have been no significant events occurring after the balance sheet date, which would require adjustments or disclosures to be made in the financial statements.

IV. THE REPRESENTATIVE BOARD AND THE BOARD OF DIRECTORS, CHIEF ACCOUNTANT

The Representative Board

Ms	Lan, Wan - Chen	Chairman
Mr	Chang, Kuo - Chiun	Member
Mr	Ho, Feng Tao	Member

The Board of Directors

Mr	Lu, Hui - Hung	General Director
----	----------------	------------------

Chief Accountant

Ms	Nguyen Hai Linh
----	-----------------

According to the list, more of above listed people has not been allowed to use the right, which entrusted in administration and management to achieve any personal interest except the interest from holding these shares.

REPORT OF THE REPRESENTATIVE BOARD

V. AUDITOR

The auditors of Southern Auditing and Accounting Financial Consultancy Services Company Limited (AASCS) take the audit of financial statements for the Company.

VI. STATEMENT OF THE REPRESENTATIVE BOARD RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Representative Board of Member Fund is responsible for the financial statements of each financial year which give a true and fair view of the state of affairs of the Fund and of its results and cash flows for the fiscal year 2020, ended as at 31/12/2020. In preparing those financial statements, The Representative Board of Member Fund is required to:

- Building and maintain internal controls that the Representative Board of Management and Directors determine is necessary to ensure the preparation and presentation of financial statements contain no serious misstatements due to fraud or mistake;
- 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 financial statements;
- Prepare the financial statements on going concern basis.

The Representative Board of Member Fund is responsible for ensuring that proper accounting records are kept which disclosed, with reasonable accuracy at any time, the financial position of Fund and to ensure that the accounting records comply with the registered accounting system. It is responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We, the Representative Board of Member Fund, confirm that the financial statements for the fiscal year 2020, ended as at 31/12/2020, its operation results and cash flows in the year 2020 of Fund accordance with the Vietnamese Accounting System and comply with relevant statutory requirements.

VII. OTHER ENGAGEMENT

The Representative Board of Member Fund pledges that the company does not offend obligation of information disclosure under regulation in Circular No 155/2015/TT-BTC dated 06 October 2015 issued by Ministry of Finance on disclosure of information on the securities market.

VIII. APPROVAL OF FINANCIAL STATEMENTS

We, the Representative Board of Viet Nam Prosperity Development Fund approve our Financial statements for the fiscal year 2020, ended as at 31/12/2020.

Approved, 23rd March, 2021

On behalf of The Representative Board
Chairman

Lan, Wan - Chen

Approved, 23rd March, 2021

On behalf of The Board of Directors
General Director

Lư, Hui - Hung

INDEPENDENT AUDITOR'S REPORT

To: Shareholders, Representative Board
of VIET NAM PROSPERITY DEVELOPMENT FUND

We have audited the financial statement of Viet Nam Prosperity Development Fund, prepared on 23rd March 2021, as set out on pages 06 to 22, which comprise the Balance Sheet as at 31/12/2020, the Statement of Income, the Asset Report, the Report of change in net asset value, the Portfolio Report and Notes to Financial Statement for the fiscal year 2020, ended as at 31/12/2020.

Representative Board's responsibility

The Representative Board of Viet Nam Prosperity Development Fund is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Representative Board of Fund determines is necessary to enable the preparation of 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 financial statements based on our audit. We conducted our audit in accordance with Vietnamese Audit Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement 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 statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair 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 financial statements give a true and fair view, in all material respects, the financial position of Viet Nam Prosperity Development Fund as at 31/12/2020, of its results and cash flows for the fiscal year 2020, ended as at 31/12/2020, in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprise and the relevant statutory requirements applicable to financial reporting.

Ho Chi Minh City, 23rd March 2021

Southern Auditing and Accounting
Financial Consulting Services Company Limited.

Deputy General Director



Dương Thị Quỳnh Hoa

Practising Auditor Registration
Certificate no.: 0424-2018-142-1

Auditor

Dang Tung Hung

Practising Auditor Registration
Certificate no.: 3611-2021-142-1

BALANCE SHEET

As at December 31, 2020

Unit: VND

Item	Code	Note	Closing balance	Opening balance
A. ASSETS				
Cash at Bank	110		476,710,837	527,866,705
Securities Investment	120		28,128,580,000	28,128,580,000
Other Investment	121		21,391,420,000	21,391,420,000
Receivables of investing activities	130		5,205,479	1,161,202
Other Receivables	131		-	-
TOTAL ASSETS			50,001,916,316	50,049,027,907
B. RESOURCES				
I. LIABILITIES				
			166,454,628	217,145,281
Short-term loans and debts	310		-	-
Investment payables	311		-	-
Income payable to investors	312		-	-
Remuneration payable to Fund's board of representatives	314		-	-
Management and depositary fee payables	315		131,654,628	185,645,281
Other Payables	318		34,800,000	31,500,000
II. OWNER'S EQUITY				
			49,835,461,688	49,831,882,626
Contributed capital	411		50,000,000,000	50,000,000,000
Contributed capital surplus	412		-	-
Retained earnings	420		(164,538,312)	(168,117,374)
TOTAL RESOURCES	440		50,001,916,316	50,049,027,907

Prepared, 23rd March, 2021

Management Company

Phu Hung Fund Management

Joint Stock Company

General Director

Prepared by



Nguyen Hai Linh

Chief Accountant



Nguyen Hai Linh



Luu, Hui - Hung

INCOME STATEMENT
Year 2020

Unit: VND

Item	Code	Note	Current year	Previous year
A. IDENTIFY REALIZED OPERATING RESULTS			-	-
I. Income from realized investment activities	10		424,535,151	424,928,217
Bond coupon receivables	12		423,804,551	423,832,435
Interest receivables from deposits	13		730,600	1,095,782
Other income	18		-	-
II. Expense	30		420,956,089	420,646,600
Fund management fee	31		249,917,484	249,215,589
Depositary fee	32		60,000,000	60,000,000
Audit fee	34		30,000,000	30,000,000
Assessment consultancy expense	35		79,200,000	79,200,000
Fee and other expense	38		1,838,605	2,231,011
III. Realized net operating result is distributed in period	50		3,579,062	4,281,617
B. IDENTIFY UNREALIZED OPERATING RESULTS			-	-
I. Income	60			
Income from investment revaluation	61		-	-
Income from exchange rate differences of revaluation in the end of period	62		-	-
II. Expense	70			
Loss from investment revaluation	71		-	-
Loss from exchange rate differences of revaluation in the end of period	72		-	-
III. Unrealized operating results in the end of period	80			
C. Gain /Loss in year	90		3,579,062	4,281,617

Prepared, 25th March, 2021

Management Company

Phu Hung Fund Management
Joint Stock Company

General Director

Prepared by

Chief Accountant




Nguyen Hai Linh

Nguyen Hai Linh



Lu, Hui - Hung

ASSET REPORT

Year 2020

Unit: VND

Item	Code	Note	Current year	Previous year
Cash	1		476,710,837	527,866,705
Cash in bank	1.1		476,710,837	527,866,705
Investments	2		49,520,000,000	49,520,000,000
Bond	2.1		5,000,000,000	5,000,000,000
Stock	2.2		28,128,580,000	28,128,580,000
Listed Stock	2.3		-	-
Unlisted Stock	2.4		28,128,580,000	28,128,580,000
Investments in equity of other entities	2.8		16,391,420,000	16,391,420,000
Dividend Receivables	3		-	-
Interest receivables	4		-	-
Receivables from stock sales	5		-	-
Other receivables	6		5,205,479	1,161,202
Total Asset			50,001,916,316	50,049,027,907
Transaction fee payables	7		-	-
Other payables	8		166,454,628	217,145,281
Total liabilities			166,454,628	217,145,281
Net Asset Value			49,835,461,688	49,831,882,626
Total Fund Unit	9		5,000,000	5,000,000
Net Asset Value per Fund Unit	10		9,967	9,966

Prepared, 23rd March, 2021

Management Company

Phu Hung Fund Management

Joint Stock Company

General Director

Prepared by

Chief Accountant




Nguyen Hai Linh

Nguyen Hai Linh



Lu, Hui - Hung

Depository Bank

Tien Phong Commercial

Joint Stock Bank



PHÒNG NGÂN HÀNG LƯU KÝ
CHUYÊN NGHIỆP VÀ KHẨN LỘN
Đỗ Phương Hà

REPORT OF CHANGE IN NET ASSET VALUE

Year 2020

Unit: VND

Item	Code	Note	Current year	Previous year
Net Asset Value at the beginning of year	I		49,831,882,626	49,827,601,009
Change of Net Asset Value during the year	II		3,579,062	4,281,617
<i>In which:</i>				
Change of Net Asset Value due to investment activities during the year	1		3,579,062	4,281,617
Change of Net Asset Value due to profit distribution to investors during the year	2		-	-
Net Asset Value at the end of year	III		49,835,461,688	49,831,882,626

Prepared, 23rd March, 2021

Management Company

Phu Hung Fund Management
 Joint Stock Company

General Director

Prepared by

Chief Accountant




Nguyen Hai Linh

Nguyen Hai Linh



Lu, Hui - Hung

Depository bank

Tien Phong Commercial
 Joint Stock Bank



RƯƠNG PHÒNG NGÂN HÀNG LƯU KÝ -
 KHỐI ĐẦU TƯ VÀ KHDN LỚN
 Đỗ Phương Hà

PORTFOLIO REPORT

Year 2020

Unit: VND

No	Items	Quantity	Market price at December 31, 2020	Value	(%) of total asset
I	Listed Stock	-	-	-	-
II	Unlisted Stock	2,812,858	10,000	28,128,580,000	56.255%
	Phu Hung Assurance Joint Stock Company	2,812,858	10,000	28,128,580,000	
III	Bond	5	1,000,000,000	5,000,000,000	10.000%
	Bond of The Vuong Company Limited	5	1,000,000,000	5,000,000,000	
IV	Other assets		5,205,479	5,205,479	0.010%
	Dividend Receivables		-	-	
	Interest receivables		-	-	
	Receivables from stock sales		-	-	
	Other receivables		5,205,479	5,205,479	
V	Other Investment	-	16,391,420,000	16,391,420,000	32.782%
	Invest and contribute capital in Vu Thai Investment Consultant Company Limited		16,391,420,000	16,391,420,000	
V	Cash		476,710,837	476,710,837	0.953%
	Cash in bank		476,710,837	476,710,837	
Total				50,001,916,316	100%

Management Company

Phu Hung Fund Management
Joint Stock Company

Prepared, 23rd March, 2021

Prepared by



Nguyen Hai Linh

Chief Accountant



Nguyen Hai Linh

General Director



Lu, Hui - Hung

NOTES TO THE FINANCIAL STATEMENTS

Year 2020

I. THE FUND'S INFORMATION

1. Background of Viet Nam Prosperity Development Fund

Viet Nam Prosperity Development Fund was established in the form of closed-end fund and The State Securities Commission of Viet Nam approved in Notice No. 60 / TB-UBCK dated 11 April 2016 issued by The State Securities Commission of Viet Nam for the Phu Hung Fund Management Joint Stock Company established.

The head office is located at 5th floor, Crescent Residence 3 Building, No.109 Ton Dat Tien Street, Tan Phu Ward, District 7, Ho Chi Minh City.

2. Business fields

The Fund's principal activity is investing in the financial services sector and maintaining balanced and diversified portfolio which bring profit potentially or return on equity, minimize risk at the same time; The Fund's investment forms include investments in listed stocks and stocks will be listed on the stock market, government bonds, corporate bonds ... In addition, the objective of the Fund is aimed at the investment process is increasing investments to help financial restructuring and corporate management, improving competitiveness and benefits for investors and the Fund.

3. Fund Management Company and Depository Bank

Fund Management Company is Phu Hung Fund Management Joint Stock Company; Depository Bank is Tien Phong Commercial Joint Stock Bank.

II. ACCOUNTING STANDARDS AND ACCOUNTING SYSTEM

1. Accounting system

The Fund applies Accounting System issued under Decision number 63/2005/QĐ-BTC dated 14 September 2005 by Ministry of Finance for Securities Investment Fund and related legislation.

Under the decision, Fund's Financial Statements includes:

- Balance Sheet
- Income Statement
- Asset Report
- Report of change in net asset value
- Portfolio Report
- Notes to the Financial Statements

2. Declaration of adherence to Accounting Standards and Accounting system

The Company applies Vietnamese Accounting Standards and supplement documents issued by the State. Financial statements are prepared in accordance with regulations of each standard and supplement documents as well as with current accounting system.

3. Accounting period

First accounting period of Fund is from 01 April, 2016

The next annual accounting period of Fund is from 01 January to 31 December.

4. Accounting currency

The financial statements are prepared and presented in Vietnam Dong (VND).

NOTES TO THE FINANCIAL STATEMENTS

Year 2020

5. Cash

Cash includes: cash on hand, cash in bank under current account and cash in transit.

Cash equivalents are short term investments for a period not exceeding 3 months that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value from the date of purchase to the date of financial statements.

Transactions in currencies other than Vietnam dong must be recorded in original currency and converted into Vietnam dong.

At the reporting date, the fund is requested to revalue the balance of foreign currencies under real exchange rate

6. Securities Investment

Trading securities are the investment in securities and other financial instruments for trading purposes (hold for increasing price to sell for profit.) Trading securities include:

- Stocks and listed bonds;
- Stocks and unlisted bonds....

Trading securities are recorded at original cost at the time when investors hold ownership.

In case shares are exchanged, its value must be determined according to fair value at the exchanging date. The cost shall be determined in accordance with weighted average method when trading securities are liquidated or transferred.

Provisions for decline in value of trading securities: the value of loss may occur if there are reliable evidences showing the market value of the Fund's trading securities are lower than book value. The provision shall be additionally created or reverted at the reporting date and shall be recorded in financial expense.

7. Held to maturity investments

These investments do not reflect bonds and debt instruments which are held for trading purpose. Held to maturity investments include term deposits (maturity over than 3 months), treasury bills, promissory notes, bonds, preference shares which the issuer is required to re-buy them in a certain time and held to maturity loans to earn profits periodically and other held to maturity investments.

Provision for decline in value of held to maturity investment: If the provision of held to maturity investment are not created under statutory regulations, the Company has to assess the recovery. In the case, there are reliable evidences showing a part or all of the investments may not be recoverable, the losses have recorded in financial expenses in the period. The provision shall be additionally created or reverted at the reporting time.

8. Investments in subsidiaries, joint ventures and associates

Investments in subsidiaries and associates are stated at original cost. Distributions from accumulated net profits from subsidiaries and associates arising after the date of acquisition are recognized in the financial income. Other distributions (except net profits) are considered a recovery of investments and are deducted to the cost of the investment.

5011729
 CÔNG TY
 NIỆM HỮU
 VỤ TƯ V
 ÍNH KẾ T
 KIỂM TOÁ
 TIA NAM
 P. PH. C

NOTES TO THE FINANCIAL STATEMENTS

Year 2020

Investment in equity of other entities are the investments in equity instruments of other entities but the Company does not control or influence significantly to the invested entities.

Provision for investment losses in other units: losses of subsidiaries, joint ventures, associates have led to loss of capital or provision of investors by declining value of investments. The provision is created or reverted at the reporting date for each investment and are recorded in financial expenses in the period.

9. Trade and other receivables

All receivables must be recorded detail by aging, by each client and in original currency if any and others details depending on the management request of the fund.

The classification of receivables must be managed as below:

- Trade receivables: any receivable having from trading activities between the company and its clients: selling goods, providing service, disposal of assets, exported receivable of consigner through the consignee;
- Intra-company receivables: receivables between the company with its dependent branches;
- Other receivables: are non trade receivables and do not related to trading activities.

For the preparation of financial statements, the receivables must be classified as below:

- Having maturity less than 12 months or 01 normal production period are recorded as short - term.
- Having maturity over than 12 months or 01 normal production period are recorded as long - term.

At the reporting date, the company revaluates the receivables which have balance in foreign currency (except for advance to suppliers; if we have evidence that the supplier will not supply the good or provide the service and the company will receive back this advance in foreign currency, this advance will be treated as monetary item having foreign currency) at the buying price quoted by commercial bank which is trading with the company at the reporting date.

Provisions for bad debts: The bad debts are make provision at the balance sheet date. The provision or reversal is made at the reporting date and is recorded as expense of the fiscal year.

10. Trade and other payables

All payables must be recorded detail by aging, by each client and in original currency if any and others details depending on the management request of the fund.

The classification of payables must be managed as below:

- Trade payables: any payable having from trading activities from purchase, using service, import though consigner;
- Intra-company payables: payables between the company with its dependent branches;
- Other payables: are non trade payables and do not related to trading activities.

For the preparation of financial statements, the paybles must be classified as below:

- Having maturity less than 12 months or 01 normal production period are recorded as short - term.
- Having maturity over than 12 months or 01 normal production period are recorded as long - term.

NOTES TO THE FINANCIAL STATEMENTS

Year 2020

For joint-stock company, contributed capital of the shareholders is recorded according to actual price of stock issuance, but it is reflected in two separate items:

- Contributions from owners are recorded at par value of the shares;
- Capital surplus is recognized by the greater than or less than difference between the actual price of issue of shares and par value.

In addition, the capital surplus was also recorded at the difference higher or lower between the actual price of stock issuance and the par value of shares as treasury shares.

12. Revenue from rendering of services

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

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

13. Current income tax expense

Under current regulations, the Fund is not subject to corporate income tax; However, according to Official Letter No. 10945 / BTC-TCT dated 19/08/2010 issued by the Ministry of Finance when the Fund pays dividends to investors, regardless of offshore and local institutions, the fund need to keep 25% distributed profit (excepting distributed profits which were taxable in the previous stage and bond interests received from tax-exempt bonds under the provisions of the law), to declare and pay tax for investors.

14. Relevant parties

The party is considered as related party if one party has capacity to control or has significant impact to other party in the decision of financial and operation activities. All parties are recognized as related parties if having the same control or significant impact.

In the review of related parties, nature of the relationship is considered more than legal form.

15. Net Asset Value per Unit

Net asset value per unit is calculated by dividing the total net asset value of the Fund for quantity of the Fund certificates at the date of preparing balance sheet.

16. Zero balance

Items or balances are stipulated in the accounting system for securities investment funds issued under Decision No. 63/2005 / QD-BTC dated 14/09/2005 of the Ministry of Finance is not presented in this financial statement, is understood to have zero balance.



NOTES TO THE FINANCIAL STATEMENTS
Year 2020

III . ADDITIONAL INFORMATION TO ITEMS IN BALANCE SHEET

Unit: VND

1 . CASH AND CASH EQUIVALENTS

	<u>Closing balance</u>	<u>Opening balance</u>
- Cash on hand		
- Cash in banks	476,710,837	527,866,705
+ Cash in bank (VND)	476,710,837	527,866,705
<i>Tien Phong Commercial Joint Stock Bank</i>	476,710,837	527,866,705
+ Cash in bank (USD)	-	-
- Cash in transit	-	-
- Cash equivalents	-	-
+ Term deposits	-	-
+ Held to maturity investments	-	-
Total	<u><u>476,710,837</u></u>	<u><u>527,866,705</u></u>

- C
 GT
 PHÁ
 Ý
 Đ
 CH
 011729-C
 NG TY
 NHÌEM HỮU HẠN
 VU TU VAI
 NH KẾ TOÁN
 TIẾM TOÁN
 IA NAM
 P HỒ CH

NOTES TO THE FINANCIAL STATEMENTS

Year 2020

2 . FINANCIAL INVESTMENTS**2.1. Trading securities**

	Closing balance		Opening balance	
	Historical cost	(Loss)/gain by revaluation	Historical cost	(Loss)/gain by revaluation
- Listed Stock	-	-	-	-
- Unlisted Stock	28,128,580,000	-	28,128,580,000	-
- Total value of bonds	-	-	-	-
Total	28,128,580,000	-	28,128,580,000	-

Notes:

- The historical cost of investments in unlisted stock compared with market price is not changed at the date of preparing financial statement.

2.2. Investments in equity of other entities

	Closing balance		Opening balance	
	Historical cost	Provision	Historical cost	Provision
<i>a. Investments in subsidiaries</i>	-	-	-	-
<i>b. Investments in joint ventures and associates</i>	-	-	-	-
<i>c. Investments in equity of other entities</i>	-	-	-	-
Vu Thai Investment Consultant Company Limited (*)	16,391,420,000	-	16,391,420,000	-
Bond of Phu Lap Investment Consultant Company Limited	-	-	5,000,000,000	-
Bond of The Vuong Company Limited	5,000,000,000	-	-	-
Total	21,391,420,000	-	21,391,420,000	-

Notes:

- (*) Investment in Vu Thai Investment Consultant Company Limited has not been evaluated because the fund has not received financial statements year 2020 of this company.

NOTES TO THE FINANCIAL STATEMENTS

Year 2020

3 PAID - IN CAPITAL

3.1. Details of contributed capital

	<u>Closing balance</u>	<u>Opening balance</u>
- Contributed capital of investors		
The Vuong Company Limited	25,500,000,000	25,500,000,000
The Vu Development Company Limited	24,500,000,000	24,500,000,000
Total	<u>50,000,000,000</u>	<u>50,000,000,000</u>

3.2. Capital transactions with owners and distribution of dividends or profits

	<u>Current year</u>	<u>Previous year</u>
- Owner's invested equity		
+ Opening capital	50,000,000,000	50,000,000,000
+ Increase in capital during the fiscal year	-	-
+ Decrease in capital during the fiscal year	-	-
+ Opening capital	50,000,000,000	50,000,000,000
- Dividends or distributed profits	-	-

3.3. Shares

	<u>Closing balance</u>	<u>Opening balance</u>
- The number of of fund certificates	5,000,000	5,000,000
- The number of fund certificates sold to the public market	5,000,000	5,000,000
- The number of fund certificates repurchased	-	-
- The number of fund certificates outstanding	5,000,000	5,000,000

* Par value of shares outstanding: 10,000 VND/share

3.4. Dividends

- Declared dividends after the fiscal year-end.

4. UNDISTRIBUTED OPERATING RESULTS

	<u>Closing balance</u>	<u>Opening balance</u>
Opening balance	(168,117,374)	(172,398,991)
Gain/(loss) in year	3,579,062	4,281,617
Closing balance	(164,538,312)	(168,117,374)

NOTES TO THE FINANCIAL STATEMENTS
 Year 2020

IV . OTHER INFORMATION

1 . Potential debts, commitments and other financial information: none

2 . Events occurring after the end of fiscal year: none

3 . Related parties information

3.1. Related parties

Related parties	Relationship
Phu Hung Fund Management Joint Stock Company	Fund Management Company
Tien Phong Commercial Joint Stock Bank	Depository Bank

3.2. Transaction of related parties

- The significant transactions between the Fund and related parties during this period are as follows:

Related parties	Transaction content	Current year
Phu Hung Fund Management Joint Stock Company	Management fee	249,917,484
Tien Phong Commercial Joint Stock Bank	Depository fee	61,500,000

- As at 31/12/2020, the debt situation between the Company and related parties are as follows:

Related parties	Transaction content	Closing balance	Opening balance
Phu Hung Fund Management Joint Stock Company	Management fee	125,654,628	125,645,281
Tien Phong Commercial Joint Stock Bank	Depository fee	6,000,000	60,000,000

2020
 CÔNG
 CỔ
 QUẢN
 PHU
 HUNG
 2020
 CÔNG
 CHỨC
 THỰC
 CHỨC
 KIỂM
 TRA
 HƯNG
 PHU

NOTES TO THE FINANCIAL STATEMENTS

Year 2020

4. FINANCIAL RISK MANAGEMENT

The Fund's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Fund's operations. The Fund has loans and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Fund also hold available-for-sale investment.

The Fund is exposed to market risk, credit risk and liquidity risk.

Risk management is integral to the whole business of the Group. The Fund has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Fund's risk management process to ensure that an appropriate balance between risk and control is achieved.

The Board of Directors consider and apply management policies for these risks as follows:

4.1. Market risk

Market risk is the risk that the fair value or cash flows in the future of a financial instrument will fluctuate due to changes in the market prices. The market risks include foreign currency risk, interest risk and material price risk. Financial instruments affected by market risk include loans, common bonds, convertible bonds, deposits and financial investments.

a. Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Company's interest rate risk substantially relates to term deposits and loans at floating interest rates.

The Company controls the interest rate risk by analyzing the market situation in order to give best rate.

The Company did not perform a sensitive analysis on interest rate risk because changes in interest rates at the reporting date are not insignificant.

b. Price risk**Share price risk:**

The listed and non-listed shares are affected by the market risk arising from uncertainty value in the future, hence provisions for investment have increased or decreased. The Fund manages price risk by setting an investment limit. The Board of Directors also considers and approve investment decision in shares.

The Fund will analyze and present the sensitivity due to the impact of fluctuation in share price to operating results when they has instructions by the Authorities.

Property price risk:

The Fund has identified risks related to the real estate investment list as follows:

- The cost of the developing project may increase if there has a delay in the planning. To reduce this risk, the Fund hires consultants in the project planning.
- The risk of fair value of real estate investment list due to the fundamentals of the market and buyers.

NOTES TO THE FINANCIAL STATEMENTS

Year 2020

4.2. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Fund is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

a. Trade receivables

The Fund minimizes credit risk by dealing only with the customers that have good financial resources. Besides, the accountants follow up the account receivables regularly to speed up the recovery. Trade receivables of the Fund are related to various entities and therefore the credit risk exposed from trade receivables is low.

b. Cash in bank

Most of the Fund's cash in bank is in the large and trusted banks in Vietnam. Credit risk to this balance at the bank is managed by the treasury department of the Fund in accordance with Fund policy. The Fund does not realize any material credit risk to this cash in bank.

4.3. Liquidity risk

Liquidity risk is the risk that Fund will encounter difficulty in meeting obligations associated with financial liabilities. The Fund's liquidity risk mainly arise from the differences in maturity dates of financial assets and financial liabilities.

The Board of Directors is responsible for managing liquidity risk. The most major payables are secured by deposits, receivables and short-term assets. The Fund did not perform a sensitive analysis on liquidity risks because concentration on liquid risks are low.

The Fund's approach to control this risk: regularly following up the currency payment requests as well as estimated payment requests in the future to maintain an appropriate amount of cash and loans, supervising the cash flows actually arisen in comparison with estimation to minimize the effect of the changes in the cash flows to the Fund.

The below table summarizes the maturity profile of the Fund's financial liabilities based on contractual discounted payments:

	< 1 year	01 - 05 years	> 5 years	Total
Closing balance				
Borrowings and debts	-	-	-	-
Trade payables	-	-	-	-
Accrued expenses	131,654,628	-	-	131,654,628
Other payables	34,800,000	-	-	34,800,000
Opening balance				
Borrowings and debts	-	-	-	-
Trade payables	-	-	-	-
Accrued expenses	185,645,281	-	-	185,645,281
Other payables	31,500,000	-	-	31,500,000

NOTES TO THE FINANCIAL STATEMENTS

Year 2020

The Fund believe that the concentration on liquidity risk of loan payment is low. The Fund is able to pay the debts to due from cash flow from operating activities and proceeds from the financial assets to maturity.

5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Recoverable value of financial assets and financial liabilities are as follows:

	Book value		Recoverable value	
	Closing balance	Opening balance	Closing balance	Opening balance
Financial assets	476,710,837	527,866,705	476,710,837	527,866,705
Cash and cash equivalents	476,710,837	527,866,705	476,710,837	527,866,705
Investments	49,520,000,000	49,520,000,000	49,520,000,000	49,520,000,000
Unlisted Stock	28,128,580,000	28,128,580,000	28,128,580,000	28,128,580,000
Bonds	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000
Other investment	16,391,420,000	16,391,420,000	16,391,420,000	16,391,420,000
Financial liabilities	166,454,628	217,145,281	166,454,628	217,145,281
Trade payables	-	-	-	-
Prepayments from customers	-	-	-	-
Borrowings and debts	-	-	-	-
Payables to employees	-	-	-	-
Accrued expenses	131,654,628	185,645,281	131,654,628	185,645,281
Other payables	34,800,000	31,500,000	34,800,000	31,500,000

Fair value of the financial assets and liabilities of the Fund are reflected at the values which can be converted in a current transaction among parties having adequate knowledge and expecting to involve in the transactions.

Fair value of financial assets and financial liabilities are not revalued at the end of the fiscal year. However, the Board of Directors believe that there is not significant difference between its fair value and its book value at the end of the fiscal year.

The Fund has not evaluated the fair value of financial assets and financial liabilities at the end of the fiscal year due to lack of specific guidance from Circular no. 210 and other current regulations on the evaluation of financial assets and financial liabilities. Circular no. 210 required to apply International Financial Reporting Standards (IFRSs) in the presentation of Financial Reports and disclosures of financial instruments, however there is no guidance for the evaluation and recognition of financial instruments, especially in the applicant of fair value applicable in order to comply with IFRSs.

NOTES TO THE FINANCIAL STATEMENTS

Year 2020

6. ASSESSMENT RATIOS PERFORMANCE OVERVIEW

Item	Unit	Closing balance	Opening balance
Assets structure			
Short-term assets / Total assets (*)	%	10.96%	11.05%
Long-term assets / Total assets (*)	%	89.04%	88.95%
Sources structure			
Liabilities / Total Sources	%	0.33%	0%
Owner's equity / Total Sources	%	99.67%	99.57%
Solvency			
Liquidity ratio	times	2.86	2.43
Quick Ratio	times	32.93	25.46
Current Ratio	times	300.39	230.49

7. GOING-CONCERN ASSUMPTION

No events had been caused to make serious doubts about the operating continuously and the Fund does not intend and are forced to stop working, or significantly narrowed scale of operation.

8. COMPARATIVE FIGURES

The comparative figures are those taken from the accounts for the fiscal year 2019, ended as at 31/12/2019 which were audited by Southern Auditing and Accounting Financial Consulting Services Company Limited (AASCS).

Prepared, 23rd March, 2021

Management Company
 Phu Hung Fund Management
 Joint Stock Company

Prepared by



Nguyen Hai Linh

Chief Accountant



Nguyen Hai Linh

General Director



Luu, Hui - Hung