

FINANCIAL STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021
20 MICRONS VIET NAM COMPANY LIMITED
(Audited)



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REPORT OF THE DIRECTOR

The Director of 20 Microns Viet Nam Company Limited presents this report together with the Company's audited financial statements for the year ended 31 March 2021.

About 20 Microns Viet Nam Company Limited

20 Microns Viet nam Limited is a two-member limited liability company, 100% foreign owned by 20 Microns Limited and 20 Microns SND.BHD. The company was established from the project "The project of producing stone powder 20 Microns Viet nam Co., Ltd." according to the Investment Registration Certificate No. 2123266113, which was first issued on June 26, 2020 by the Department of Planning and Investment of the People's Committee of Nghe An province. The project was licensed to operate until 31 May 2024.

The Company was granted an Enterprise Registration Certificate No. 0107904093 for the first time on July 4, 2017, the first change registration on August 16, 2019, and the second registration of changes on 12 October 2020 by Business Registration Office Department of Planning and Investment of Nghe An province.

According to the latest Business Registration Certificate, the charter capital of the Company is: VND 4,387,200,000 (equivalent USD 190,000.00).

Head quarter information

Address: Tho Son Hamlet, Tho Hop Commune, Quy Hop District, Nghe An Province, Vietnam

Tax file number: 0107904093

According to the Investment License, the Company's principal business activities are: Producing super fine stone powder products and exporting goods in accordance with the current provisions of law.

Financial Position and result of its operation during the year

The Financial Position of the Company as at 31 March 2021, and of the results of its operation and its cash flows for the year that ended were showed in the financial statements attached to this report (from page 5 to page 22).

Events after the Balance Sheet Date

The Director confirmed that there were no significant events occurring after the balance sheet date, which would require adjustments to, or disclosures to be made in the financial statements for the year ended 31 March 2021.

The Director

The Director of the Company during the financial year and to the date of this report is:

Full name	Position
Mr. Krishnaji Rao Vengoba Rao (*)	Director

(*) Mr. Krishaji Rao Vengoba Rao authorized Mr. VipinKumar Shiindramani Pandey to exercise the rights and obligations of the legal representative of 20 Microns Viet Nam Co., Ltd. from 12 July 2017 under the Power of Attorney dated 12 July 2017

Auditors

Asco Firm Auditing and Valuation Company Limited – Hanoi Branch performed the audit on financial statements for the financial year ended 31 March 2021.

20 MICRONS VIET NAM COMPANY LIMITED

Tho Son Hamlet, Tho Hop Commune, Quy Hop District, Nghe An Province, Vietnam
REPORT OF THE DIRECTOR (Continued)

The Director's statement of responsibility

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

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the financial statements so as to minimize errors and frauds.

The Director is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time and accounting books complying with applicable accounting regimes. The Director is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Director undertakes to comply with the above requirements in preparing the Financial Statements.

Approve the Financial statements

The Director approves the accompanying financial statements which give a true and fair view, in all material respects, of the financial position of the Company as at 31 March 2021, and of the results of its operations and its cash flows for the financial year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Accounting System for Enterprises under Circular No. 133/2016/TT-BTC dated 28 June 2016 of the Minister of Finance and the relevant statutory requirements applicable to financial reporting.

P/P-Director



Vipinkumar Shiindramani Pandey
Nghe An, 03 May 2021

No: 028/2021/ASCO/BKTC-CN

INDEPENDENT AUDITORS' REPORT

To: The Director

20 Microns Viet Nam Company Limited

We have audited the accompanying financial statements of 20 Microns Viet Nam Company Limited, prepared on 03 May 2021 as set out from page 5 to page 22, which comprise the Balance Sheet as at 31 March 2021, the Income Statement and the Cash Flow Statement for the year then ended and Notes to the financial statements.

The Director's Responsibilities

The Company's Director is responsible for 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. The Director is also responsible for the Company's internal control which the Director determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities

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

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 in the financial statements due to fraud or error. In making those risk assessment, the auditors consider internal control relevant to the Company's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Disagreement in the accounting treatment

As stated in Notes V.6 and Notes V.8 of the Notes to the financial statements for the year ended 31 March 2021, the Company did not account for the depreciation of fixed assets and tools from November 2020 to March 2021 has not been allocated to the financial statements, with a total amount of VND 362,443,803. Therefore, we do not express an opinion on the correctness of these items or their effect on other items presented in the financial statements for the year ended 31 March 2021 of the Company.

Audit scope limitation

As presented in Note VII.3 of the Notes to the Financial Statements, comparative information has been obtained according to the unaudited financial statements for the year ended 31 March 2020. Therefore, we do not express an opinion on the correctness of these comparative information or their effect on other items presented in the financial statements for the year ended 31 March 2021 of the Company.

Auditors' Opinion

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary concerning the above matters, the accompanying financial statements give a true and fair view of, in all material respects, the financial position of the 20 Microns Viet Nam Company Limited as at 31 March 2021, and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Enterprises and relevant statutory requirements in preparation and presentation of financial statements.

This independent auditors' report is made in both Vietnamese and English with equal value. The Vietnamese version is the original one when comparison (if any).

Branch Director



Auditor

Pham Thi To Loan

Practicing Auditor Registration Certificate
No. 0760-2020-149-1

For and on behalf of

ASCO FIRM AUDITING AND VALUATION CO., LTD – HANOI BRANCH
Hanoi, 03 May 2021

Vu Thi Tam

Practicing Auditor Registration Certificate
No. 3316-2020-149-1

BALANCE SHEET

As at 31 March 2021

Unit: VND

ITEMS	Code	Notes	Closing balance	Opening balance
ASSETS				
I. Cash and cash equivalents	110	V.1	329,178,432	9,171,323
II. Financial investments	120		-	-
III. Receivables	130		1,816,383,246	2,655,348,112
1. Trade account receivables	131	V.2	673,929,864	2,283,750,620
2. Advances to suppliers	132	V.3	354,528,382	365,342,947
4. Other receivables	134	V.4	787,925,000	6,254,545
IV. Inventories	140		1,240,427,326	-
1. Inventories	141	V.5	1,240,427,326	-
V. Fixed assets	150		5,115,347,207	3,009,373,242
- Cost	151	V.6	5,368,880,757	3,009,373,242
- Accumulated depreciations	152		(253,533,550)	-
VI. Investment properties	160		-	-
VII. Construction in progress	170	V.7	-	2,195,498,238
VIII. Other assets	180		811,079,857	1,723,193,819
1. Deductible value added tax	181		577,611,837	1,723,193,819
2. Other assets	182	V.8	233,468,020	-
TOTAL ASSETS (200=110+120+130+140+150+160+170+180)	200		9,312,416,068	9,592,584,734

20 MICRONS VIET NAM COMPANY LIMITED

Tho Son Hamlet, Tho Hop Commune, Quy Hop District, Nghe An Province, Vietnam

THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

Balance Sheet (Continued)

	Code	Notes	Closing balance	Opening balance
RESOURCES				
I. Liabilities	300		4,664,350,124	8,102,898,625
1. Trade payables	311	V.9	1,452,150,706	5,882,445,301
2. Advances from customers	312	V.10	3,074,044,997	1,648,546,081
3. Tax and payables to State Budget	313	V.11	20,039,149	233,723,387
4. Payables to employees	314		52,925,818	-
5. Other payables	315	V.12	65,189,454	330,937,056
6. Borrowings and financial leases	316		-	7,246,800
II. Owners' equity	400	V.13	4,648,065,944	1,489,686,109
1. Owner's contributed capital	411		4,373,586,712	907,086,712
7. Retained earnings	417		274,479,232	582,599,397
TOTAL RESOURCES (500=300+400)	500		9,312,416,068	9,592,584,734

Prepared by

Accountant in charge

Nghe An, 03 May 2021

P/P Director



Vipinkumar Shiindramani Pandey

INCOME STATEMENT
 For the period from 01/04/2020 to 31/03/2021

Unit: VND

ITEMS	Code	Notes	This year	Last year
1. Total revenue	01	VI.1	10,681,687,832	11,586,682,820
2. Revenue deductions	02		-	-
3. Net revenue (10 = 01-02)	10		10,681,687,832	11,586,682,820
4. Cost of sales	11	VI.2	4,623,671,940	6,219,486,401
5. Gross profit (20 = 10-11)	20		6,058,015,892	5,367,196,419
6. Financial incomes	21	VI.3	43,031,366	50,104,405
7. Financial expenses	22	VI.4	30,827,996	25,278,141
<i>Of which: interest expenses</i>	23		-	-
8. General and administration expenses	24	VI.5	6,471,586,318	4,908,374,557
9. Net operating profit [30 = 20+21-22-24]	30		(401,367,056)	483,648,126
10. Other income	31	VI.6	185,956,456	95,462
11. Other expenses	32	VI.7	84,285,972	83,741,551
12. Other profit (40 = 31-32)	40		101,670,484	(83,646,089)
13. Profit before tax (50 = 30+40)	50		(299,696,572)	400,002,037
14. Income tax expenses	51		8,423,593	233,723,387
15. Net profit after tax (60 = 50-51)	60		(308,120,165)	166,278,650

Prepared by

Accountant in charge

Nghe An, 03 May 2021



Vipinkumar Shiindramani Pandey

CASH FLOW STATEMENT

(Indirect method)

For the period from 01/04/2020 to 31/03/2021

Unit: VND

DESCRIPTION	Code	This year	Last year
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	(299,696,572)	400,002,037
2. Adjustments for	02	256,960,234	(48,423)
- Depreciation and amortization	03	253,533,550	-
- Foreign exchange (gains)/ loss	05	3,665,743	-
- (Gain)/ loss from investing activities	06	(239,059)	(48,423)
3. Profit from operating activities	09	(2,932,739,535)	2,793,781,799
before changes in working capital			
- (Increase)/decrease in accounts receivable	10	1,979,653,996	2,116,392,847
- (Increase)/decrease in inventories	11	(1,240,427,326)	-
- Increase/(decrease) in accounts payable	12	(3,207,588,513)	763,131,964
- (Increase)/decrease in prepayments	13	(227,215,320)	-
- Income tax paid	16	(237,162,372)	(87,927,412)
- Other receipts from operating activities	17	-	2,184,400
Net cash from (used in) operating activities	20	(2,975,475,873)	3,193,735,413
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition of fixed assets and other long-term assets	21	(164,009,277)	(3,775,187,717)
7. Interest, dividend and profit received	27	239,059	48,423
Net cash from (used in) investing activities	30	(163,770,218)	(3,775,139,294)
III. CASH FLOWS FORM FINANCING ACTIVITIES			
1. Proceeds from issue of equity share or contribution of owner's equity	31	3,466,500,000	-
3. Proceeds from borrowings	33	-	139,620,000
4. Payments for principal settlement	34	(7,246,800)	(139,620,000)
Net cash from (used in) financing activities	40	3,459,253,200	-
Net cash flows during the year (50=20+30+40)	50	320,007,109	(581,403,881)
Cash and cash equivalents at beginning of year	60	9,171,323	590,575,204
Cash and cash equivalents at end of year	70	329,178,432	9,171,323

Prepared by

Accountant in charge

Nghe An, 03 May 2021

P/P Director



Vipinkumar Shiindramani Pandey

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

I. GENERAL INFORMATION ABOUT 20 MICRONS VIET NAM COMPANY LIMITED

1. **The form of Ownership** : The two- member limited liability company, wholly foreign owned enterprise
2. **Business field** : Service, Manufacturing
3. **Business Scope** : Producing super fine stone powder products and exporting goods in accordance with the current provisions of law.
4. **Normal business/production cycle** : Less than 12 months
5. **Declaration of comparativeness of the financial statements**
The financial statements are comparative.
6. **Employee**
As at 31 March 2021, the Company had 4 employees. (As at 31 March 2020, the Company had employees.

II. FINANCIAL YEAR AND CURRENCY UNITS USED IN ACCOUNTING

1. **Financial year**
The following financial year begins on 01 April and ends on 31 March next year.
2. **Currency unit used in accounting**
The currency unit used in accounting is Viet Nam Dong (VND).

III. ACCOUNTING STANDARDS AND ACCOUNTING SYSTEM APPLIED

1. **Accounting Standards and Accounting System applied**
The financial statements of the Company are prepared in accordance with the Vietnamese Accounting Standards, Vietnamese Accounting System for Enterprises under Circular No. 133/2016/TT-BTC dated 28 June 2016 of the Minister of Finance and the relevant statutory requirements applicable to financial reporting.
2. **Statement of compliance with Accounting Standards and Accounting Systems**
The Director ensures to comply with the requirements of Vietnamese Accounting Standards and Accounting System for Enterprise under Circular No. 133/2016/TT-BTC dated 28 June 2016 of the Minister of Finance and the relevant statutory requirements applicable to financial reporting.
3. **Form of accounting record**
The company is applying accounting record under form of general journal on computer.

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. **The basis of preparation**
The financial statements are prepared on the accrual basis using the historical cost concept (except for the cash flow statement). The cash flow statement is prepared using the indirect method.

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Tho Son Hamlet, Tho Hop Commune, Quy Hop District, Nghe An Province, Vietnam

THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

Notes to financial statements (continued)

2. The types of exchange rates applied in accounting

Transactions arising in foreign currencies are translated into Vietnam dong at the actual exchange rates ruling at the transaction date or at the accounting exchange rates according to the guidance of Vietnam Accounting System for Enterprises. Foreign exchange differences arising from these transactions are recognised in the income statement.

The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates on the same date. The net exchange differences after offsetting the increasing and decreasing exchange differences arising from the translation of these accounts are recognised in the income statement. Unrealised exchange gains as at the balance sheet date are not treated as part of distributable profit to owners.

The principles for determining the actual exchange rates:

a) Actual exchange rate for transactions arising in foreign currencies during the period:

- Actual exchange rate when trading foreign currencies (contracts for immediate delivery, forward contracts, futures contracts, options contracts, and swap contracts) is the rate specified in the contract between the company and the commercial bank;
- In case the contract does not stipulate the payment rate, the company's accounting entries are recorded under following principles:
 - + The actual exchange rate using in capital contribution or capital receiving is the buying rate at the capital contribution date of the commercial bank where the company opened a capital account;
 - + The actual exchange rate for recognition of receivables is the buying rate at the transaction date of commercial banks which the company designates its customers to pay;
 - + The actual exchange rate for recognition of liabilities is the selling rate at the transaction date of commercial banks which the Company expects to transact with.
 - + For purchased assets or expenses are paid immediately in foreign currencies (not through accounts payable), the actual exchange rate is the buying rate of commercial banks where the Company makes the payment.

b) Actual exchange rates when retranslating balances of monetary items denominated foreign currencies as at the balance sheet date are the rates on the same date which are announced by the commercial banks which the Company regularly trades with, under the following the principles:

- For monetary assets: is the buying rate on same date of commercial bank where the company often trades with; For bank account in foreign currency: is the buying rate of the bank where the company opened this bank account;
- For monetary liabilities: is the selling rate of commercial banks at the same date.

Principle for determining accounting rate:

The accounting exchange rate includes the specific identification accounting rate or weighted average accounting rates (weighted average exchange rate after each increasing transaction).

- Specific identification accounting rate is the exchange rate when collecting debts, collateral, escrow or paying liabilities in foreign currency. This exchange rate is the exchange rate at the time the transaction occurred or the exchange rate using to retranslate each item at the end of each accounting period.
- Weighted average accounting rate is used to record transactions on the credit side of cash account when paying cash in foreign currency, which is determined by dividing the balance of cash account in VND to the amount equivalent in foreign currency at the time of payment.

20 MICRONS VIET NAM COMPANY LIMITED

Tho Son Hamlet, Tho Hop Commune, Quy Hop District, Nghe An Province, Vietnam

THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

Notes to financial statements (continued)

3. Cash and cash equivalents

Cash include: cash on hand, cash in bank, and cash in transit.

Cash equivalents are short-term highly liquidity investments with an original maturity of less than three months which are readily convertible into known amount of cash without lots of risk at the time of reporting.

4. Receivables

Classification

Accounts receivable of the Company includes trade account receivables, inter-company receivables and other receivables. The Company classifies accounts receivable as following principles:

- Trade account receivables include receivables arising from trade transactions such as: receivables from goods sold, providing service, liquidation and sale of assets (fixed assets, investment properties, financial investments) between the Company and its clients which are independent of the Company, including receivables from parent company, subsidiaries, joint ventures and associates. These receivables also include the receivables from exporting from the entrusted party.
- Other receivables include the non-trade receivables, receivables unrelated to the purchase – sale transactions, such as receivables which generate revenues from financial activities, such as interest receivables from loans, cash in bank, dividends and profit shared;

Valuation

Accounts receivable are stated at cost less provision for doubtful debts.

Provision for doubtful debts is made based on the current regulations of the Ministry of Finance. Increases and decreases to the provision balance are recorded as general and administration expenses in the income statement.

5. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses.

Cost is determined on first in first out method. The Company applies the perpetual method of accounting for inventories.

Provision is made, where necessary, for obsolete, slow-moving and defective inventory items when cost is higher than net realisable value.

Increases and decreases to the provision balance are recorded into cost of sales/ cost of goods sold account in the income statement.

6. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible asset comprises all expenditures incurred for the Company in bringing that asset to its working condition and location for their intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair and maintenance and overhauls cost, is charged to the income statement in the year in which the costs are incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of

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THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

Notes to financial statements (continued)

tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalized as an additional cost of tangible fixed assets.

When tangible fixed assets are sold or liquidated, original cost and accumulated depreciation are removed and any profit/loss arisen by liquidation is recorded into other income or other expenses in the income statement in the year.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives as follows:

<u>Categories</u>	<u>Years</u>
Machinery and equipment	05-10
Means of transportation	06

7. Prepaid expenses (deferred expenses)

Deferred expenses are expenses which were already paid but related to operation results of more than one accounting period. Deferred expenses are reported as short-term or long-term prepaid expenses on the balance sheet, are amortized over the period for which the amount are paid or the period in which economic benefit are generated in relation to these expenses.

Tools and supplies

Tools and supplies issued for consumption are allocated to the income statement using the straight-line method within three years.

8. Trade and other payables

Trade and other payables are stated at cost.

9. Taxation

Income tax

Income tax expense represents the sum of the tax currently payable.

Tax currently payable

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

For the fiscal year ending on March 31, 2021, the corporate income tax rate of the Company is 20%, and the Company is entitled to a 30% reduction of the payable CIT amount according to Decree No. 114/2020/ND-CP dated 20 September 2020 of the Government of Vietnam.

The tax returns of the Company are subject to examination by the tax authorities. Because the application of tax laws and regulations too many types of transactions is susceptible to varying interpretations, the amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

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THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

Notes to financial statements (continued)

Value Added Tax (VAT)

The Company applies deductible method for VAT. The goods sold and services rendered by the Company are subject to value added tax at the following rates:

- Goods sold domestically: 10%
- Goods exported: 0%

Other taxes

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

10. Accrued expenses

Accrued expenses are present obligations that must be paid in a certain period of time. Accrued expenses are recorded based on amount that must be paid for goods and services received from the sellers but not yet paid due to insufficient accounting documents or not receiving legal invoices.

11. Owner's equity

The owner's contributed capital

The owner's contributed capital is recorded according to the actual amount contributed by the owner.

12. Revenue recognition

Revenue is recognized when the outcome of such transactions can be measured reliably and it is probable that the economic benefits associated with the transactions will flow to the Company.

Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there are significant uncertainties regarding recovery of receivables due or the possible return of goods.

Interests

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the applicable interest rate.

13. Cost of sales

Cost of sales comprise cost of goods, merchandises, services or construction work sold in the accounting period; provision for inventory devaluation; cost of tools or spare parts accompanied with the goods sold in the period; shortage value of inventories after compensation (if any); abnormal direct material cost; labor cost and general production fixed cost which are not allocated to the finished goods.

14. Financial expenses

Financial expenses comprise expenses or loss related to financial investments; borrowing fees or lending fees, capital contribution in joint- venture or associates; loss from transfer of short-term stocks; transaction costs of selling stocks; provision for stock devaluation; provision for losses of investments in other entities; loss from selling foreign currencies; foreign exchange loss.

15. Administration expenses

The administration expenses including selling expenses and administration expenses

Selling expenses include expenses incurred during the process of selling goods/services, including payment for sales persons (salaries and allowances, etc.), salary deductions, costs of working materials and depreciation of fixed assets of sales departments, other cash expenses.

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Notes to financial statements (continued)

Enterprise administration expenses include general administration expenses of the enterprise such as salaries and allowances of managers, salary deductions, costs of office supplies, working instruments, depreciation of fixed assets used for enterprise management, external services, other cash expenses.

16. Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

When consider the relationship between related parties, the nature of the relationship is considered more than the legal form.

Transactions between related parties in the financial year are showed in note VII.2.

Notes to financial statements (continued)

V. ADDITIONAL INFORMATION FOR ITEMS PRESENTED IN THE BALANCE SHEET

1. Cash and cash equivalents

	Closing balance	Opening balance
Cash in bank - Current accounts	329,178,432	9,171,323
- <i>BIDV - VND</i>	220,650,257	5,752,726
- <i>BIDV - USD</i>	13,079,987	1,210,485
- <i>BIDV - Capital Account</i>	95,448,188	2,208,112
Total	329,178,432	9,171,323

2. Trade account receivables

	Closing balance	Opening balance
a. Short-term trade receivables	673,929,864	2,283,750,620
Domestic receivables	-	-
Oversea receivables	673,929,864	2,283,750,620
<i>Sofap Limited</i>	673,929,864	-
<i>Plastiblends India Ltd</i>	-	1,102,293,500
<i>The Supreme Industries Ltd</i>	-	534,118,320
<i>Berger Paints Bangladesh Limited</i>	-	467,006,400
<i>Maruthi Enterprises</i>	-	124,832,400
<i>Sein Diamond Paint Co., Ltd</i>	-	55,500,000
b. Long-term trade receivables	-	-
c. Receivables from related parties	-	-

3. Prepayment to suppliers

	Closing balance	Opening balance
a. Short-term advances to suppliers	354,528,382	365,342,947
Short-term advances to local suppliers	354,528,382	365,342,947
<i>Tan Ky Mineral Processing JSC</i>	205,128,000	-
<i>Lawyer Phung Dinh An</i>	93,000,000	-
<i>Express Company Limited DHL- VNPT</i>	28,580,512	11,063,727
<i>Tho Hop White Stone Powder JSC</i>	-	271,656,000
<i>Mr. Hung</i>	-	51,000,000
<i>Other Companies</i>	27,819,870	31,623,220
b. Long-term advances to suppliers	-	-
c. Advances to related parties	-	-

20 MICRONS VIET NAM COMPANY LIMITED

Tho Son Hamlet, Tho Hop Commune, Quy Hop District, Nghe An Province, Vietnam

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For the financial year ended 31 March 2021

Notes to financial statements (continued)**4. Other receivable**

	Closing balance	Opening balance
Deposits and collateral	169,085,000	-
VAT applied for refund	614,000,000	-
Other receivables	4,840,000	6,254,545
Total	787,925,000	6,254,545

5. Inventories

	Closing balance	Opening balance
Raw materials	195,538,740	-
Finished goods	531,438,608	-
Merchandise inventory	513,449,978	-
Total	1,240,427,326	-

6. Tangible fixed assets

	Machineries and Equipment	Means of transportation	Total
COST			
Opening balance	3,009,373,242	-	3,009,373,242
Purchase	164,009,277	-	164,009,277
Transferred from construction in progress	1,927,316,420	268,181,818	2,195,498,238
ENDING BALANCE	5,100,698,939	268,181,818	5,368,880,757
ACCUMULATED DEPRECIATION			
Opening balance	-	-	-
Addition	238,634,562	14,898,988	253,533,550
ENDING BALANCE	238,634,562	14,898,988	253,533,550
NET BOOK VALUE			
Opening balance	3,009,373,242	-	3,009,373,242
Ending balance	4,862,064,377	253,282,830	5,115,347,207

The Company temporarily suspends depreciation of fixed assets from November 2020 to March 2021, with the amount of VND 337,540,732.

7. Construction in progress

	Closing balance	Opening balance
Construction	-	2,195,498,238
Building stone powder production line	-	2,195,498,238
Overhaul	-	-
Total	-	2,195,498,238

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Notes to financial statements (continued)**8. Other assets**

	Closing balance	Opening balance
Short-term prepaid expenses	87,469,200	-
Factory rental fee	87,469,200	-
Long-term prepaid expenses	139,746,120	-
Tools and Equipments	139,746,120	-
Tax receivables from state budget	6,252,700	-
Import & Export duties	6,212,700	-
Other tax and fees	40,000	-
Total	233,468,020	-

For the financial year ended 31 March 2021, the Company also did not allocate the cost of tools and equipments used from November 2020 to March 2021 with the amount of VND 24,903,071.

9. Trade payables

	Closing balance	Opening balance
Short-term payables to local suppliers	983,595,165	4,080,874,038
Tho Hop White Stone Powder JSC	554,797,214	71,292,223
Sarex international transport and trading Co., Ltd	386,472,472	86,762,110
Trung Hai Minerals and Trading JSC	-	2,673,644,917
Vietnam Minerals International JSC (VMI)	-	891,064,200
Others	42,325,479	358,110,588
Short-term payables to oversea suppliers	468,555,541	1,801,571,263
20 Microns Nano Minerals Ltd	468,555,541	-
Weifang Zhengyuan Powder Engineering Equipment Co., Ltd	-	1,429,683,763
Glotis	-	371,887,500
Total	1,452,150,706	5,882,445,301
Payables to related parties	468,555,541	-
20 Microns Nano Minerals Ltd	468,555,541	-

10. Advances from customers

	Closing balance	Opening balance
Advances from related parties	3,074,044,997	1,648,546,081
20 Microns FZE	3,074,044,997	-
20 Microns SDN.BHD	-	1,645,799,281
Rak Paints Limited	-	2,746,800

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Notes to financial statements (continued)**11. Tax and payables to State Budget**

	Opening balance		Payable in the year	Payment made in the year	Closing balance	
	Debit	Credit			Debit	Credit
Output VAT	-	-	27,563,774	27,563,774	-	-
Import VAT	-	-	53,289,236	53,289,236	-	-
Import/Export duty	-	-	416,982,222	423,194,922	6,212,700	-
Corporate income tax	-	233,723,387	8,423,593	237,162,372	-	4,984,608
Personal income tax	-	-	25,264,201	10,209,660	-	15,054,541
Other tax and fees	-	-	2,560,000	2,600,000	40,000	-
Total	-	233,723,387	534,083,026	754,019,964	6,252,700	20,039,149

12. Other payables

	Closing balance	Opening balance
Short-term	65,189,454	145,548,456
Payables for employees	41,811,922	145,548,456
Social insurances	17,819,268	-
Health insurances	3,144,584	-
Unemployment insurances	1,397,592	-
Other payables	1,016,088	-
Long-term	-	185,388,600
20 ML Indian Co., Ltd (*)	-	185,388,600
Total	65,189,454	330,937,056

(*) This is related party

13. Owner's equity**a) Movement in owner's equity**

	Owners' contributed capital	Retained earnings	Total
Opening balance of previous year	907,086,712	414,136,347	1,321,223,059
Profit/(Loss) for the year	-	166,278,650	166,278,650
Other Increase	-	2,184,400	2,184,400
Closing balance of previous year	907,086,712	582,599,397	1,489,686,109
Opening balance	907,086,712	582,599,397	1,489,686,109
Capital contribution	3,466,500,000	-	3,466,500,000
Profit/(Loss) for the year	-	(308,120,165)	(308,120,165)
Closing balance	4,373,586,712	274,479,232	4,648,065,944

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Notes to financial statements (continued)**b) Details of owner's contributed capital**

According to the Business Registration Certificate the charter capital and the investment capital of the Company are VND 4,387,200,000 (Equivalent to USD 190,000.00). Details of charter capital contribution as follows:

	Charter capital under Business Certificate		Contributed capital as at 31/3/2021		Contributed capital as at 01/04/2020	
	VND	%	USD	VND	USD	VND
20 Microns SND.BHD Co., Ltd	3,480,014,784	79.32%	150,000.00	3,466,500,000	-	-
20 Microns Co., Ltd	907,185,216	20.68%	40,000.00	907,086,712	40,000.00	907,086,712
Total	4,387,200,000	100%	190,000.00	4,373,586,712	40,000.00	907,086,712

c) Capital transactions with owners, dividend and profit distribution

	This year	Last year
- Investment capital of owners		
+ At the beginning of year	907,086,712	907,086,712
+ Increase in the year	3,466,500,000	-
+ Decrease in the year	-	-
+ At the end of year	4,373,586,712	907,086,712
- Dividends/profit allocation	-	-

14. Off balance sheet items

	Closing balance	Beginning balance
USD	4,535.77	146.49

VI. ADDITIONAL INFORMATION FOR ITEMS PRESENTED IN THE INCOME STATEMENT**1. Total revenue**

	This year	Last year
Revenue from goods sale	7,943,482,842	11,586,682,820
Finished product sale	2,738,204,990	-
Total	10,681,687,832	11,586,682,820

2. Cost of sales

	This year	Last year
Cost of goods sold	2,921,682,273	-
Cost of finished goods sold	1,701,989,667	6,219,486,401
Total	4,623,671,940	6,219,486,401

These notes are an integral part and should be read in conjunction with the accompanying financial statements

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Notes to financial statements (continued)**3. Financial incomes**

	This year	Last year
Bank interest, loan interest	239,059	48,423
Realised foreign exchange differences	42,792,307	50,055,982
Total	43,031,366	50,104,405

4. Financial expenses

	This year	Last year
Realised foreign exchange loss	27,162,253	17,386,415
Unrealised foreign exchange loss	3,665,743	-
Total	30,827,996	17,386,415

5. Administration expenses

	This year	Last year
Selling expenses	4,324,433,064	3,750,144,744
Enterprise management expenses	2,147,153,254	1,158,229,813
Total	6,471,586,318	4,908,374,557

6. Other Income

	This year	Last year
Others	185,956,456	95,462
Total	185,956,456	95,462

7. Other Expenses

	This year	Last year
Penalty for late tax payment	6,639,288	1,560,000
Others	77,646,684	82,181,551
Total	84,285,972	83,741,551

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Notes to financial statements (continued)**VII. OTHER INFORMATION****1. Subsequent event**

There were no significant events occurring after the balance sheet date, which would require adjustments to, or disclosures to be made in the financial statements for the year ended 31 March 2021.

2. Transactions with related parties*The income of the key management members*

The members of management and key individuals involved are: Krishnaji Rao Vengoba Rao - Director of the Company. In the period from 01/04/2020 to 31/03/2021, the Director did not received income from the Company.

Transactions with related parties

Related parties	Relationships
Krishnaji Rao Vengoba Rao	Director
20 Microns Co., Ltd	Investor
20 Microns SND. BHD Co., Ltd	Investor
20 Microns Nano Minerals Ltd	In the same system
20 Microns FZE	In the same system
20 ML Indian	In the same system

Transactions with related parties during the year:

	This year		Last year	
	USD	Equivalent VND	USD	Equivalent VND
20 Microns SND.BHD Co., Ltd				
Receive chartered capital	150,000.00	3,466,500,000	-	-
Repayment of advances	71,185.09	1,645,799,281	-	-
20 Microns Nano Minerals Ltd				
Purchase merchandise	20,215.00	468,555,541	-	-
20 Microns FZE				
Receipt of advance	132,139.29	3,074,044,997	-	-

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Notes to financial statements (continued)*At the end of year, closing balances with related parties as followings:*

	Closing balance		Opening balance	
	USD	Equivalent VND	USD	Equivalent VND
20 Microns Nano Minerals Ltd				
Payables for goods purchasement	20,215.00	468,555,541	-	-
20 Microns FZE				
Payables for advances for goods sa	132,139.29	3,074,044,997	-	-
20 ML Indian				
Payables for borrowings	-	-	-	185,388,600

3. Comparative information

The comparative figures are the data showed on the unaudited financial statements for the financial year ended at 31 March 2020.

Prepared by

Accountant in charge

Nghe An, 03 May 2021

P/P Director



Vipinkumar Shiindramani Pandey