

**THE INTERIM FINANCIAL STATEMENTS OF
TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY**

For the accounting period from 01/01/2018 to 30/06/2018

(Reviewed)



TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY
Viet Hung Urban Area, Duc Giang Ward, Long Bien District, Hanoi

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TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY

Viet Hung Urban Area, Duc Giang Ward, Long Bien District, Hanoi

STATEMENT BY GENERAL MANAGEMENT

General Management of Tien Thanh Service and Trading Joint Stock Company (hereinafter referred to as "Company") presents the Statements and Company's interim financial statements for the accounting period from 01/01/2018 to 30/06/2018.

COMPANY

Tien Thanh Service and Trading Joint Stock Company was established and operated under Certificate of Business Registration No. 0100596523 on 04/11/2003 amended for the 24th time on 13/12/2017 issued by Department of Planning and Investment of Hanoi.

Company Head Office is located at: Viet Hung Urban Area, Duc Giang Ward, Long Bien District, Hanoi, Vietnam.

The main operations of the Company are:

- Production and processing of trumpery
- Trading in fashion products, building materials ...

EVENTS AFTER DATE OF BOOK CLOSING FOR PREPARING FINANCIAL STATEMENTS

General Management of Tien Thanh Service and Trading Joint Stock Company affirms that no important event occurred after date of preparing Financial Statements required to amend or declare on interim Financial Statements of Company for accounting period from 01/01/2018 to 30/06/2018

BOARD OF DIRECTORS, INTERNAL AUDIT DEPARTMENT, GENERAL MANAGEMENT

Members in Board of Directors in accounting period and date of preparing Financial Statements include:

Mr. Nguyen Huu Truong	Chairman	
Mr. Nguyen Thanh Le	Vice Chairman	
Mr. Vu Van Trong	Commissioner	Dismissed on 27/04/2018
Ms. Nguyen Tran Linh Chi	Commissioner	Appointed on 27/04/2018
Mr. Nguyen Anh Tuan	Commissioner	
Ms. Nguyen Thi Kim Phuong	Commissioner	

TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY

Viet Hung Urban Area, Duc Giang Ward, Long Bien District, Hanoi

Members in Internal Audit Department in accounting period and date of preparing Financial Statements include:

Ms. Nguyen Thi Kim Phuong	Chief of Department	Appointed on 18/05/2018
Ms. Ha Thi Tuyet Trinh	Member	Appointed on 18/05/2018
Mr. Phan Quang Tiep	Member	Appointed on 18/05/2018
Mr. Nguyen Huu Truong	General Director	
Mr. Vu Van Trong	Deputy General Director	
Ms. Trinh Thanh Tuoi	Chief Accountant	

AUDITOR

The interim Financial Statements for the accounting period from 01/01/2018 to 30/06/2018 of Tien Thanh Service and Trading Joint Stock Company audited by TTP Auditing Limited Company. TTP Auditing Limited Company is qualified for auditing to public companies in the field of securities under the provisions of the Ministry of Finance and State Security Commission of Vietnam.

Declaration on responsibility for General Management to Financial Statements

Company's General Management who is responsible for preparing interim financial statements gives reasonably and honestly situation of operation, Income Statement and situation of cash flows of Company in the period. During the preparation of interim financial statements, Company's General Management is committed to comply with the following requirements:

- As General Management and Board of Directors determined, it is necessary to make, maintain and control internality in order to ensure for preparation and presentation of the Financial Statements without material misstatement, whether due to fraud or confusion;
- Selecting suitable accounting policies and then applying them consistently;
- Making reasonably and cautiously assessments and predictions;
- Showing clearly whether accounting Standards which are applied have been complied with or not and whether there are material misstatements which are applied need declaring and explaining in the Financial Statements or not;
- Preparing the Financial Statements on basis of continuing business operation unless it is presumed that the Company will not continue to operate business.

TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY

Viet Hung Urban Area, Duc Giang Ward, Long Bien District, Hanoi

Company's General Management assures that registry books are recorded to reflect honestly and reasonably the Company's financial position in any time and assures that the Financial Statements are complied with the current regulations of the State. Company's General Management is also responsible for safeguarding the Company's assets and for implementing appropriate measures for the prevention and detection of fraud and other irregularities.

Company's General Management undertakes that the interim financial statements reflect honestly and reasonably the Company's financial position from 30/06/2018, the separate Income Statement and situation of separate cash flows for the accounting period from 01/01/2018 to 30/06/2018 in compliance with standards and system of enterprise account in Vietnam complying with legal regulations relating to preparation and presentation of the interim financial statements.

Other commitments

General Management undertakes that the Company does not breach its obligation to declare information under Circular No. 155/2015/TT-BTC dated 06/10/2015 of the Ministry of Finance guiding the declaration of information on the stock market.

Hanoi, July 31, 2018

**TIEN THANH SERVICE AND TRADING
JOINT STOCK COMPANY**
On behalf of General Management
General Director



Nguyễn Hữu Trường



TTP AUDITING LIMITED COMPANY

No: 248/BCKT-TC

REVIEW STATEMENT ON INTERIM FINANCIAL POSITION

*Re: Financial Statements for accounting period from 01/01/2018 to 30/06/2018
Of Tien Thanh Service and Trading Joint Stock Company*

**Dear: Shareholders
Board of Directors and General Management
Tien Thanh Service and Trading Joint Stock Company**

We have audited the interim Financial Statements of Tien Thanh Service And Trading Joint Stock Company prepared on 31/07/2018 including: the separate Balance Sheet on 30/06/2018, Separate Income Statement, separate Statement of cash flows and Notes to the interim Financial Statements for the accounting period from 01/01/2018 to 30/06/2018 presented from page 7 to page 38 attached.

General Management's Responsibility

General Management is responsible for preparing and presenting honestly and reasonably the Company's interim Financial Statements in compliance with accounting standards and system of enterprise account in Vietnam and legal regulations relating to preparation and presentation of the Financial Statements. General Management is also responsible for internal controlling which is determined to be necessary for preparation and presentation of the interim Financial Statements without material misstatement due to fraud or confusion.

Auditor's Responsibility

Our responsibility is to give conclusion of the interim Financial Statements based on the results of our review. We have executed the review under Vietnamese standards for Review Contract No. 2410- reviewing the interim financial information implemented by company's separate auditor.

The review of interim financial information consists of making inquiries primarily focused on people who are responsible for financial and accounting matters, and implementing analytical and other review procedures. Basically, the review procedures is narrower than the sphere of audit procedures under Vietnamese auditing standards. Therefore, it does not allow us to undertake that any material matters are able to be detected in the audit procedures. Accordingly, we do not express any audit opinion.

Conclusion of Auditor

Based on the results of our review, we find that any problem is detected in the interim Financial Statements because of its truthfulness and reasonableness. In terms of the material fact, company's the interim Financial Statements on 30/06/2018, the interim Income Statement and interim statements of cash flows of company for the 6-month-accounting period have ended in the same day in accordance with accounting standards and system of enterprise account in Vietnam and legal regulations relating to preparation and presentation of the interim Financial Statements.

Hanoi, July 31, 2018

TTP AUDITING LIMITED COMPANY

General Director

(Signed and sealed)

Le Quang Duc

Certificate of Audit Practice No.:

0164-2018-133-1

INTERIM BALANCE SHEET
As of 30/06/2018

ASSETS	Code	Notes	Currency: VND	
			Closing balance	Beginning balance
A. CURRENT ASSETS	100		177.892.936.791	184.097.072.513
I. Cash and cash equivalents	110	V.01	11.844.857.545	12.259.315.797
1. Cash	111		11.844.857.545	12.259.315.797
2. Cash equivalents	112		-	-
II. Short-term investments	120		-	-
1. Held-for-trading securities	121		-	-
2. Provision for diminution in value of trading securities (*)	122		-	-
3. Held-to-maturity investments	123		-	-
III. Current accounts receivable	130		92.811.904.456	100.855.845.719
1. Short-term trade receivables	131	V.03	46.664.263.770	29.831.925.400
2. Short-term advances to suppliers	132	V.04	46.147.640.686	53.637.952.836
3. Short-term internal receivables	133		-	-
4. Construction contract receivables based on agreed progress billings	134		-	-
5. Short-term loan receivables	135		-	-
6. Other short-term receivables	136	V.05a	-	17.385.967.483
7. Provision for doubtful debts (*)	137		-	-
8. Shortage of assets awaiting resolution	139		-	-
IV. Inventories	140	V.06	73.147.036.666	70.681.869.515
1. Inventories	141		73.147.036.666	70.681.869.515
2. Provision for obsolete inventories (*)	149		-	-
V. Other current assets	150		89.138.124	300.041.482
1. Short-term prepaid expenses	151	V.9a	67.936.121	21.654.845
2. Value added tax deductibles	152		21.202.003	278.386.637
3. Tax and other receivables from the State	153		-	-
B. NON-CURRENT ASSETS	200		253.470.133.436	254.803.269.458
I. Non-current accounts receivable	210		116.639.000.000	116.639.000.000
1. Long-term trade receivables	211		-	-
2. Long-term advance to suppliers	212		-	-
3. Paid-in capital in wholly-owned subsidiaries	213		-	-
4. Long-term internal receivables	214		-	-
5. Long term loan receivables	215		-	-
6. Other long-term receivables	216	V.05b	116.639.000.000	116.639.000.000
7. Provision for doubtful long-term receivables (*)	219		-	-

INTERIM BALANCE SHEET

As of 30/06/2018

(Continued)

ASSETS	Code	Notes	Currency: VND	
			Closing balance	Beginning balance
II. Fixed assets	220		37.240.323.651	38.484.595.029
1. Tangible fixed assets	221	V.07	33.780.796.422	35.046.845.029
- Cost	222		37.510.108.745	37.531.885.974
- Accumulated depreciation (*)	223		(3.729.312.323)	(2.485.040.945)
2. Leased financial fixed assets	224		-	-
- Cost	225		-	-
- Accumulated depreciation (*)	226		-	-
3. Intangible fixed assets	227	V.08	3.459.527.229	3.437.750.000
- Cost	228		3.459.527.229	3.437.750.000
- Accumulated depreciation (*)	229		-	-
III. Investment properties	230		-	-
- Cost	231		-	-
- Accumulated depreciation (*)	232		-	-
IV. Long term assets in progress	240		-	-
1. Long-term work in progress	241		-	-
2. Construction in progress	242		-	-
IV. Long-term investments	250		99.516.870.000	99.516.870.000
1. Investments in subsidiary	251	V.02a	90.000.000.000	90.000.000.000
2. Investments in associates, jointly controlled entities	252		-	-
3. Investment in other entities	253	V.02b	9.516.870.000	9.516.870.000
4. Provision for diminution in value of long-term investments (*)	254		-	-
5. Held-to-maturity investments	255		-	-
V. Other long-term assets	260		73.939.785	162.804.429
1. Long-term prepaid expenses	261	V.9b	73.939.785	162.804.429
2. Deferred tax assets	262		-	-
3. Long-term tools, supplies and spare parts	263		-	-
4. Other long-term assets	268		-	-
TOTAL ASSETS	270		431.363.070.227	438.900.341.971

INTERIM BALANCE SHEET

As of 30/06/2018

(Continued)

RESOURCES	Code	Notes	Currency: VND	
			Closing balance	Beginning balance
C. LIABILITIES	300		80.747.861.715	103.299.421.165
I. Current liabilities	310		80.747.861.715	103.299.421.165
] Short-term trade payables	311	V.10	35.537.156.963	70.913.769.573
2. Short-term advances from customers	312	V.11	13.221.761.000	171.586.900
3. Statutory obligations	313	V.12	-	-
5. Short-term accrued expenses	315	V.13	14.451.792	-
9. Other short-term payables	319	V.14	65.939.960	214.064.692
10. Short-term loan and finance lease	320	V.17	29.908.552.000	30.000.000.000
11. Short-term provision	321		-	-
12. Reward and welfare funds	322		2.000.000.000	2.000.000.000
13. Price stabilization fund	323		-	-
14. Trading of government bonds	324		-	-
II. Non-current liabilities	330		-	-
D. OWNERS' EQUITY	400		350.615.208.512	335.600.920.806
I. Capital	410	V.18	350.615.208.512	335.600.920.806
1. Contributed chartered capital	411		298.999.810.000	298.999.810.000
8. Investment and development fund	418		6.394.830.504	6.394.830.504
11. Undistributed earnings	421		45.220.568.008	30.206.280.302
- Undistributed earnings accumulated to prior year-end	421a		30.301.162.302	2.821.766.715
- Undistributed earnings of this period	421b		14.919.405.706	27.384.513.587
12. Fund for capital expenditure	422		-	-
II. Other funds	430		-	-
TOTAL	440		431.363.070.227	438.900.341.971

Hanoi, July 31, 2018

TIEN THANH SERVICE AND
TRADING JOINT STOCK COMPANY
General Director

Prepared by


Trinh Thanh Tui

Chief Accountant


Trinh Thanh Tui




Nguyen Huu Truong

INTERIM INCOME STATEMENTS
 The first 6 months of 2018

ITEMS	Code	Notes	Currency: VND	
			The first 6 months of 2018	The first 6 months of 2017
1. Revenue from sale of goods and rendering of services	01	V1.1	83.725.784.538	99.255.901.260
2. Deductions	02		-	-
3. Net revenue from sale of goods and rendering of services (10 = 01 - 02)	10		83.725.784.538	99.255.901.260
4. Costs of goods sold and services rendered	11	V1.2	65.337.821.701	86.331.421.336
5. Gross profit from sale of goods and rendering of services (20 = 10 -11)	20		18.387.962.837	12.924.479.924
6. Finance income	21	V1.3	1.028.752.448	649.161.947
7. Finance expenses	22	V1.4	1.435.223.346	321.588.480
- In which: Interest expenses	23		1.268.214.846	305.915.693
8. Selling expenses	24	V1.5	747.996.657	572.244.200
9. General and administrative expenses	25	V1.5	2.311.892.053	2.022.096.824
10. Operating profit {30 = 20 + (21 - 22)-(24 + 25)}	30		14.921.603.229	10.657.712.367
11. Other income	31	V1.6	38.750	-
12. Other expenses	32	V1.7	2.236.273	25.208.688
13. Other profit (40 = 31 - 32)	40		(2.197.523)	(25.208.688)
14. Net profit before tax (50 = 30 + 40)	50		14.919.405.706	10.632.503.679
15. Current corporate income tax expense	51	V1.8	-	-
16. Deferred income tax income/(expense)	52		-	-
17. Net profit after tax (60=50-51-52)	60		14.919.405.706	10.632.503.679

Prepared by



Trinh Thanh Tuoi

Chief Accountant



Trinh Thanh Tuoi

Hanoi, July 31, 2018
 TIEN THANH SERVICE AND
 TRADING JOINT STOCK COMPANY
 General Director




Nguyen Huu Trung

INTERIM STATEMENTS OF CASH FLOWS
According to indirect method
The first 6 months of 2018

ITEMS	Code	The first 6 months of 2018	The first 6 months of 2017
I. Cash flows from operations			
1. Net profit before tax		14.919.405.706	10.632.503.679
2. Adjustments for	01		
- Depreciation	02	1.244.271.378	687.617.474
- Foreign exchange (gains)/losses arising from revaluation of monetary accounts	04		(18.528.911)
- (Profits)/losses from investing operations	05	(383.275.927)	(611.553.036)
- Interest expenses	06	1.268.214.846	305.915.693
3. Operating income before changes in working capital	08	17.048.616.003	10.998.954.899
- Decrease/(increase) in receivables	09	8.301.125.896	(4.481.543.349)
- Decrease/(increase) in inventories	10	(2.465.167.151)	30.395.258.282
- Decrease/(increase) in payables (not included interest expenses and income tax payables)	11	(22.379.681.242)	2.863.002.116
- Decrease/(Increase) in prepaid expenses	12	42.583.369	(37.480.060)
- Interest paid	13	(1.253.763.054)	(305.915.693)
- Corporate income tax paid	14		
Cash Flows From Operations		(706.286.179)	39.429.276.195
II. Cash Flows From Investing Operations			
1. Purchase and construction of fixed assets and other long-term assets	21	-	(5.256.884.000)
3. Loans to other entities and payments for purchase of debt instruments of other entities	23		-
5. Payments for investments in other entities	25	-	-
7. Interest and dividend received	27	383.275.927	611.553.036
Cash Flows From Investing Operations		383.275.927	(4.645.330.964)
III. Cash Flows From Financial Operations			
1. Capital contribution and issuance of shares	31	-	-
3. Long-term and short-term borrowings	33	30.008.552.000	10.500.000.000
4. Repayment of borrowings	34	(30.100.000.000)	(5.180.000.000)
6. Dividend paid to owner	36	-	-
Cash Flows From Financial Operations		(91.448.000)	5.320.000.000
Net cash increase/(decrease)	50	(414.458.252)	40.103.945.231
Cash and cash equivalents at the beginning of the period	60	12.259.315.797	10.582.810.299
Impact of exchange rate fluctuation	61	-	18.528.911
Cash and cash equivalents at the end of the period	70	11.844.857.545	50.705.284.441

Prepared by



Trinh Thanh Tuoi

Chief Accountant



Trinh Thanh Tuoi

Hanoi, July 31, 2018
TIEN THANH SERVICE AND
TRADING JOINT STOCK COMPANY
General Director

Nguyen Huu Truong

NOTES TO THE INTERIM FINANCIAL STATEMENTS
For the accounting period from 01/01/2018 to 30/06/2018
(These notes are constituent parts for Financial Statements)

I. CHARACTERISTICS OF COMPANY'S OPERATION

Type of owner's equity

Tien Thanh Service And Trading Joint Stock Company was established and operated under Certificate of business registration no 0100596523 on 04/11/2003 amended in 24th time on 13/12/2017 and issued by Department of Planning and Investment in Hanoi.

The main fields of the Company are:

- Production and processing of trumpery
- Trading in fashion products, building materials...

Company's Head Office is located at: Viet Hung Urban Area, Duc Giang Ward, Long Bien District, Hanoi, Vietnam.

II. ACCOUNTING INTERIM, THE CURRENCY USED IN ACCOUNT

The Company's annual accounting period according to solar calendar started on 01/01 and ended on 31/12.

The currency used in accounting records is Vietnam dong (VND).

III. STANDARDS AND APPLIED SYSTEM OF ACCOUNT

1. Applied System of Account

Company applies the System of Enterprise Account issued in accordance with Circular 200/2014/TT-BTC on 22/12/2014 of the Ministry of Finance.

2. The declaration on complying Standards of account and System of account

Company applies Accounting Standards of Vietnam and guideline documents of standards issued by the State. The Financial Statements are prepared and presented under the regulations of each standard, the Circular guiding the implementation of the standards and the current applied system of account.

IV. POLICIES OF APPLIED ACCOUNT

1. Financial instrument

Initial recognition

Financial assets

Company's financial assets consist of cash and cash equivalents, receivables from customers, and other receivables, loans, short-term and long-term investments. At the time of initial acknowledge, financial assets are determined under cost/ issued cost plus any costs incurred directly relating to the purchase and issuance of the financial assets.

Financial liabilities

The Company's financial liabilities include loans, trade payables and other payables and costs. At the time of initial recognition, financial liabilities are determined at issued price and any incurred costs related directly to the release of financial liabilities.

Value after initial recognition

At present, there are no regulations on revaluation of financial instruments after initial recognition.

2. Foreign currency transactions

Actual exchange rates for transactions in foreign currencies during the period:

- Actual exchange rates are specified in the currency purchase and sale contract between the Company and the commercial bank.
- The exchange rate for the contribution or receipt of capital is the foreign currency buying exchange rate of the bank where the Company opens bank account for receiving the capital of the investor at the date of capital contribution;
- The exchange rate for recognizing receivables is the buying exchange rate of the commercial bank where the Company assigns the customer to pay at the time of incurred transaction;
- The exchange rate for recognizing liabilities is the selling exchange rate of the commercial bank where the Company intends to transact at the time of the incurred transaction;
- The exchange rate when purchasing assets or paying in foreign currency is the buying rate of the commercial bank where the company makes the payment.

Actual exchange rate when evaluating currency items with foreign currency origin at the time of preparation of financial statements:

- For items classified as assets foreign currency buying rates is applied;
- For foreign currency deposits the buying exchange rate of the bank, where the Company opens its foreign currency account, is applied;
- For items classified as liabilities, the foreign currency selling rate of the commercial bank, where the Company regularly makes transactions, is applied;

All differences of exchange rate actually arising in the period and differences due to re-evaluation of the balances of monetary with foreign currency origin at the end of the period recorded into the results of business operations of accounting period.

3. Cash and cash equivalents

Cash includes cash in banknotes, call deposits, gold coins used with value-storing functions that exclude gold classed as inventories for the purpose of raw materials for manufacturing products or goods for sale.

Cash equivalents are short-term investments with a maturity of 3 months with a high degree of liquidity, are readily convertible to known amounts of cash with less risks in converting money.

4. Financial investments

Trading securities are registered in accounting book at original price, including: buying price and costs (if any) such as brokerage fees, transactions, provision of information, taxes, bank fees and charges. The original price of trading securities is determined according to the fair value of the payments at the time of incurred transaction.

Investments held to maturity date include: Term deposits at bank (including bills and negotiable notes), bonds, coupon shares that the issuer has to rebuy at specific future times and held-to-maturity loans for the purpose of periodic returns and held-to-maturity investments.

The value in registered book of the investments in subsidiaries and joint venture companies are accounted at original price.

The value in registered book of investments in capital instruments of other units that don't have a right to control, co-control or have the significant influences over the investee determined at original price in cash investment or in revaluing if it is a non-cash investment.

For dividends received in shares, only recording the number of shares received, not recording the increasing value of investment and turnover of financial operations.

Convertible shares are determined at the value of shares according to fair value at the date of exchange. The fair value of shares of a listed company is the closing price listed on the stock market, for unlisted shares traded on UPCOM floor of the is the closing price on UPCOM floor; for the other unlisted shares is agreed price upon or book value at the point of exchange.

Provision for diminution in value of investments made at the end of the year as follows:

- For investments in business securities: the basis for the provision is the difference between the original price of the investments recorded in the accounting book greater than its market price at the time of making the provision.
- For long-term investments (not classified as business securities) not having significant influence over the investee: if the investment in listed shares or the fair value of the investments are measured reliably; the provision is based on the market value of the shares; if the investment does not have a fair value at the time of reporting, the provision should be based on the financial statements at the time of provisioning of the investee.
- Held-to-maturity investments are assessed in recoverability to revaluation reserve, to make the provision for bad debts in accordance with the law.

5. Receivables

Receivable are monitored in detail base on receivable collection period, object, original currencies, and other factors to meet the management needs of the Company.

Provision for bad Receivables is made for the amounts: overdue receivables written in economic contracts, loan agreements, contractual commitments or commitments of debts and receivables that is not up to date but difficult to recover. In particular, the provision for overdue receivables is based on the original loan payment period according to initial purchasing contract regardless of the extension of the indebtedness between the stakeholders and undue receivables but the debtors have fallen into the floor breaking or are in the process of oaths, missing or escaping.

6. Inventory

Inventories are noted at original price. If the net realizable value is lower than original price, inventories are noted at net realizable value. The original price of inventories includes purchasing costs, processing and other directly related costs incurred in getting the inventories at their present location and status.

The value of inventories is determined by the weighted average method.
Inventories are accounted according to the regular enumeration method.

Method of determining the value of not-finished product at the end of period:

Not finished production and business expenditures are combined with expenditures on main raw materials for each type of not-finished products.

Provision for devaluation of inventories is made at the end of the period based on the difference of the original price of inventories greater than made net value.

7. Fixed Assets, Financial Leased Assets and Investment Real Estate

Implement Circular No.45/2013/TT-BTC dated April 25, 2013 of the Ministry of Finance, guiding the management regime, using and deducting fixed asset depreciation and amended by Circular No.147/2016/TT-BTC dated October 13, 2016. Tangible fixed assets, intangible fixed assets are recorded at original price. In the process of using intangible fixed assets, intangible fixed assets are recorded at original cost, accumulated depreciation and residual value. Depreciation is charged on a straight line basis. Depreciation is estimated as follows:

- House, structures	05-25 years
- Machines, equipment	03-06 years
- Vehicles, transportation	05-08 years
- Office equipment	03-05 years

8. Prepaid costs

Incurred costs related to production and business operations through accounting periods are accounted in the prepaid cost for allocation into the results of business operations in next accounting periods.

The calculation and allocation of long-term prepaid costs into the costs of business production in each accounting period shall be based on the nature and level of each type of cost in order to select the method and criteria for rational apportion. Prepaid costs are allocated gradually on a straight-line basis.

Business advantage incurs when the equitization of State-owned enterprises is distributed gradually up to a maximum of 3 years.

9. Payables

Payables are levied according to maturity date, objects, original currencies and other factors to meet the management needs of the Company.

10. Borrowings and financial lease liabilities

The value of financial lease liabilities is equal to the present value of the minimum lease payment or the fair value of the leased property.

Loans and financial lease liabilities are monitored for each borrower, each loan agreement and the maturity of the loan and financial lease liabilities. In cases of borrowings and liabilities in foreign currencies, the details shall be made in the original currency.

11. Borrowing costs

Borrowing costs are recognized into production and business costs incurred in the period, except for borrowing costs directly related to construction investment or uncompleted asset production included in the value of the asset (capitalized) when the conditions in Vietnamese Accounting Standard No. 16 "Borrowing Costs" are met. In addition, for separate borrowings for the construction of fixed assets, real estate investment, borrowing interest is capitalized even in construction period less than 12 months.

For general borrowings, including those used for construction investment or uncompleted asset production, the amount of borrowing costs is eligible for capitalization in each accounting period determined according to the capitalization rate for the cumulative weighted average cost of capital incurred for the investment in the construction or production of that asset. Capitalization rate is calculated by the weighted average interest rate of unpaid loans outstanding during the period, except for separate loans for the purpose of having an unfinished asset.

12. Payable costs

Payables for goods and services received from the seller or provided to the buyer during the reporting period, in fact, are not included in the production and business costs of the reporting period.

Recognition of payable costs in the production and business costs in the period is carried out in accordance with the principles meeting the revenue and costs incurred in the period. Payable costs will be settled at actual costs incurred, the difference between the prepaid amount and the actual costs is reimbursed.

13. Payable provisions

Payable provisions are included when the following conditions are met:

- The enterprise has a present debt obligation (legal obligation or constructive obligation) as a result of a happened event;
- A decrease in the economic benefits may arise resulting in a requirement for repayment of debt obligations; and
- A reliable estimate of the value of the obligation is provided.

The recognized value of payable provision is a value estimated maximum appropriately for payment of the present debt obligation on the last day of accounting period.

Only costs related to the initial payable provisions are made up for the payable provision.

Payable provisions are recognized in the production and business costs of the accounting period. The difference between payable provisions made in the previous accounting period, which has not yet been fully utilized, is greater than payable provisions in the accounting

period when the deduction of production and business costs in the period is included, except for the greater difference of payable provisions for the construction works reimbursed in other incomes in the period.

14. Unrealized revenue

Unrealized revenue includes revenue received in advance such as advance payment of the customer in one or more accounting periods for asset leasing, received interest before loans or purchasing debt instruments and other unrealized revenues such as the difference between the selling price lately paid or paid by installment corresponding to the commitment of the selling price paid immediately, the turnover corresponding to the value of goods, services or discounts for customers in the traditional customer program.

Unrealized revenue gains are transferred in the revenue of selling and providing services or financial revenue in the amount determined in accordance with each accounting period.

15. Equity

Investment capital of the owner is recorded in the owner's actual contributed capital.

The share surplus reflects the difference between the par value, the direct cost associated with the issue of shares and shares issue price (including reissue of treasury stock) and may be a positive surplus (if the issue price is higher than the par value and direct costs related to the issuance of shares) or a negative surplus (if the issuance price is lower than par value and costs directly related to the issue of shares).

Other capitals belonging to the equity reflects the amount of business capital formed from the addition of the results of business operations, or donations, revaluation of assets (if increase and decrease of equity is included).

Treasury stock is stock issued by the Company and purchased by the Company, which will not be canceled and will be reissued within the period stipulated by the law on securities, treasury stock. Treasury stock is recognized at actual repurchasing value and presented on the Accounting Balance Sheet as a deduction from equity. The capital cost of treasury stock when it is reissued or used to pay dividends, bonuses, etc. is usually calculated on a weighted average basis.

Asset revaluation differences are reflected in the following cases: when the State has issued a decision on asset revaluation upon the equitization of state owned enterprises, and other cases in accordance with the regulations of the law.

Undistributed after-tax profits reflects the results of business results (profit and lost) after corporate income tax and the situation of sharing profit and dealing with loss of the Company. The distribution of profits is made when the Company's undistributed after-tax profits doesn't exceed undistributed after-tax profits in the consolidated financial statements after the deduction of the profits from transactions with retail purchasing. When the payment of shares and profit to the owner exceeds undistributed after-tax profits as the case of reducing contribution capital. Unallocated after-tax profits can be distributed to investors based on their capital contribution ratios after being approved by the General Meeting of Shareholders/the Board of Directors and after setting funds in accordance with the Regulations of the Company and the provisions of the law of Vietnam.

The dividend for the shareholders is recognized as liabilities in the Company's accounting balance sheet after the announcement of sharing the dividend of the Company's Board of

Directors and the announcement of the date of closing the right to receive the dividend of Vietnam Securities Depository Center.

16. Revenue

Sales revenue

- Revenue from the sale of goods is recognized when the following conditions are met:
- Most of the risks and benefits associated with product or commodity product momentum transferred to the buyer;
- The Company no longer holds the right to manage goods as the goods owner or merchandise control right;
- The revenue can be measured reliably;
- The Company obtains or will receive economic benefits from the sale transaction;
- Determining the costs related to the sale transaction.

Revenue from service provision

- Turnover of service provision is recognized when satisfying the following conditions:
- The revenue can be measured reliably;
- It is probable to receive economic benefits from transactions providing tat service;
- The finished part of work can be defined on the day of making the accounting balance Sheet;
- The costs incurred for the transaction and the cost of completion of the service delivery transaction can be determined.

The completed part of service provision is determined by the methodology of completed job evaluation.

Revenue from financial operations

Revenue from interest, royalties, dividends, profits and other revenue from financial operations is recognized at the time of occurrence of two (2) following conditions:

- Economic benefits from such transactions can be achievable;
- The revenue can be measured reliably.

Dividend, profits is recognized when the Company is entitled to receive dividends or profits from the capital contribution.

17. Deductions from revenue

Deductions for sales revenue and incurred services provision during the period include: Trade discounts, rebates on selling goods and goods returned.

Trade discounts, rebates on goods sold, selling goods returned incur during the same period of consumption of products, goods and services are adjusted to reduce revenue in the incurred period. In cases where products, goods and services are consumed from the previous periods and in the subsequent period the reduction of revenue incurs, revenue reduction shall be included according to the following principles: if arising before the issuance of the financial statements, the revenue reduction in the financial statements of the period when making the Statement (previous period) is recorded, if arising after the issuance of the financial statements, the reduction revenue shall be recorded in the subsequent period.

18. Cost of goods sales

Cost of goods sales reflects the capital value of products, goods and services sold in the period.

19. Financial costs

Costs recognized in financial costs include:

- Costs or losses related to financial investment operations;
 - Costs for borrowing capital;
 - Loss costs for short-term securities transfer, costs for the sales transactions of securities;
 - Provision for diminution in value of trading securities, provision for losses on investments in other units, losses arising from the sale of foreign currencies or foreign exchange losses.
- The above amounts are recognized according to the total amount incurred in the period, not offset with the revenue of financial operations.

20. Corporate income tax

The costs of current corporate income tax are based on the taxable income basic in the year and corporate income tax rate in the current year.

The company is applying the corporate income tax exemption for operations of production and goods and services trading of enterprises with an average of more than 30% laborers with disabilities out of average laborers in the year (excluding financial operations and real estate transferring operations) regulated by the Law on Corporate Income Tax and Official Letter No. 10296/CCT-TTHT-AC dated July 06, 2016 of the Tax Department of Long Bien district on corporate income tax exemption

21. Stakeholders

Stakeholders are considered to be related if they are capable of controlling or having significant influences over the other party in making decisions about financial and operating policies. Related stakeholders of the Company include:

- Companies directly or indirectly through one or more intermediaries are entitled to control the Company or are under the common control of the Company, or under a common control with Companies, including parent companies and subsidiary company and affiliate company;
- Individuals who directly or indirectly hold voting rights in the Company that have a material influence over the Company, key management personnel of the Company, close members in the family of these individuals;
- The enterprises that the above-mentioned individuals directly or indirectly hold important voting rights or have significant influence on the enterprise.

In considering each stakeholder relationship, attention should be paid to the nature of the relationship rather than to the legal form of the relationship.

V. ADDITIONAL INFORMATION FOR ITEMS ON ACCOUNTING BALANCE SHEET

1. MONEY

	Ending balance VND	Beginning balance VND
- Cash	4.197.905.782	3.373.542.663
- Call deposits at bank	7.646.951.763	8.885.773.134
+ Deposits in VND	7.646.951.763	8.885.773.134
<i>BIDV - Bac Hanoi Branch</i>	7.608.398.799	8.863.877.845
<i>Other bank</i>	38.552.964	21.895.289
Total	11.844.857.545	12.259.315.797

2. FINANCIAL INVESTMENTS (APPENDIX 01)

3. RECEIVABLES FROM CUSTOMERS

Currency: VND

	Ending balance		Beginning balance	
	Value	Provision	Value	Provision
a. Short-term				
Vietnam South East Asia I.S.C.			3.491.750.000	
Vietnam HSE Co., Ltd			3.258.739.000	
Minh Anh Trading & Services Co., Ltd			6.629.925.000	
Minh Anh Fashion Co., Ltd	32.864.974.400		16.451.511.400	
Lap Phuong Thanh Trading and Manufacturing J.S.C.	12.239.289.370			
Song Hong Technology and Communication J.S.C.	1.560.000.000			
b. Long-term				
Total	46.664.263.770	-	29.831.925.400	-

In which collecting from customers being stakeholders

	Ending balance	Beginning balance
Minh Anh Fashion Co., Ltd	-	6.629.925.000
Total	-	6.629.925.000

4. PREPAID FOR SELLER

Currency: VND

	Ending balance		Beginning balance	
	Value	Provision	Value	Provision
a. Short-term	46.147.640.686	-	53.637.952.836	-
Branch of Dong Thien Phu Group Corporation I.S.C.	9 225 000 000		9.225.000.000	
Dong Thien Phu Group Corporation I.S.C.	20.000.000.000		40.000.000.000	
MHB Vietnam Co., Ltd	11.124.545.851			
Other prepayments by sellers	5.798.094.835		4.412.952.836	
Total	46.147.640.686	-	53.637.952.836	-
In which customers are stakeholders			Ending balance	Beginning balance
Prepaying sellers			20.000.000.000	40.000.000.000
Dong Thien Phu Group Corporation I.S.C.			20.000.000.000	40.000.000.000
Total			20.000.000.000	40.000.000.000

5. OTHER RECEIVABLES

Currency: VND

	Ending balance		Beginning balance	
	Value	Provision	Value	Provision
a. Short-term			17.385.967.483	
- Credit balance Social Insurance			1 339.622	
- Advance (*)			17.383.634.711	
- Other receivables			993.150	
b. Long-term	116.639.000.000		116.639.000.000	
- Other receivables	116.639.000.000		116.639.000.000	
Ha Nam EMJ (**)	34.200.000.000		34.200.000.000	
Toan Thang (***)	82.439.000.000		82.439.000.000	
Total	116.639.000.000		134.024.967.483	

(**) is a receivable on the business cooperation contract with Ha Nam EMJ Joint Stock Company to build wine manufacturing line with capacity of 1,95 million liters per year in Kim Binh industrial zone, Phu Ly, Ha Nam, and develop the brand of wine Vodka EMJ. The capital contribution rate is 67%, the cooperating time is from January 03, 2015 to May 05, 2054. Profit is divided by capital contribution rate. By June 30, 2018, the project is in the licensing investment phase.

(***) is a receivable on the entrusted investment contract with Toan Thang Investment and Real Estate Co., Ltd. to invest in the project "Golden Beach Resort". The cooperating time is from January 01, 2018 to December 31, 2037. Profit is divided by the ratio: Tien Thanh receives 30% of total profits. By June 30, 2018, the project is in the licensing investment phase.

6. INVENTORY	Ending balance		Beginning balance	
	VND	VND	VND	VND
	Original price	Provision	Original price	Provision
- Uncompleted production and business costs	3.222.042.444		2.614.518.467	
	69.924.994.222		68.067.351.048	
Total	73.147.036.666	-	70.681.869.515	-

- * Value of stagnant, low qualified and defective inventories at the end of the period: 0 dong
- * Cause and solutions stagnant, low qualified and defective inventories:
- * Value of inventories used for mortgages, pledges guarantee liabilities at the end of the period: 0 dong

7. INCREASE AND DECREASE IN TANGIBLE FIXED ASSETS (Details in Appendix No. 02)

8. INCREASE AND DECREASE IN INTANGIBLE FIXED ASSIGNMENT (Details in Appendix No.2)

9. PREPAID COSTS	Ending balance	Beginning balance
	VND	VND
a. Short-term	67.936.121	21.654.845
Short-term allocation tools		
Short-term prepaid costs	67.936.121	21.654.845
b. Long-term	73.939.785	162.804.429
Long-term allocation tools	65.294.368	90.738.659
Long-term prepaid costs	8.645.417	72.065.770
Total	141.875.905	184.459.274

10. PAYMENT FOR SELLERS

	Ending balance		Beginning balance	
	Book value	Capable of repayment	Book value	Capable of repayment
	VND	VND	VND	VND
Short-term sellers and payers	35.537.156.963	35.537.156.963	70.913.769.573	70.913.769.573
ACTIVE CREATION APPRAEL SDN.BHD	22.313.051.600	22.313.051.600	66.445.143.000	66.445.143.000
- Lam Giang Steel J.S.C.	12.141.953.340	12.141.953.340		-
- Other objects	1.082.152.023	1.082.152.023	4.468.626.573	4.468.626.573
Total	35.537.156.963	35.537.156.963	70.913.769.573	70.913.769.573

The accompanying notes are an integral part of the financial statements

11. PREPAID BUYERS

	Ending balance		Beginning balance	
	Value VND	Capable of repayment VND	Value VND	Capable of repayment VND
Prepaying buyers	13.221.761.000	13.221.761.000	171.586.900	171.586.900
IISE Vietnam Co., Ltd	10.949.261.000	10.949.261.000		-
Golden Lotus Investment Consultancy and Investment JSC	2.245.000.000	2.245.000.000		-
Dong Thien Phu Group Corporation J.S.C.	27.500.000	27.500.000	27.500.000	27.500.000
Trong Duong Steel Co., Ltd			- 44.086.900	44.086.900
Northern Company			- 100.000.000	100.000.000
Total	13.221.761.000	13.221.761.000	171.586.900	171.586.900

In which customers are stakeholders

	Ending balance VND	Beginning balance VND
Dong Thien Phu Group Corporation I.S.C.	27.500.000	27.500.000
Total	27.500.000	27.500.000

12. TAXES AND PAYABLES TO STATE

a. Payables

Currency: VND

Interpretation	Beginning balance	Balance in the period	Actual balance in the period	Other adjustments	Ending balance
	(a)	(b)	(c)	(d)	(e)=(a)+(b)-(c)+(d)
Value-added tax	-	1.999.733.586	1.999.733.586		-
Housing tax, land rent	-	593.386.977	593.386.977		-
Fees, charges and other payable amounts	-	15.153.784	15.153.784		-
Total	-	2.608.274.347	2.608.274.347	-	-

The Company's tax settlement is under the control of the tax authorities. Since the application of tax laws and regulations to a variety of transactions can be explained in a variety of ways, tax amount presented in the financial statements can be changed according to the decision of tax authorities.

13. OTHER PAYABLE COSTS

	Ending balance VND	Beginning balance VND
a. Short- term		
- Lending interests	14.451.792	
Total	14.451.792	-

14. PAYABLES

	Ending balance VND	Beginning balance VND
a. Short-term	65.939.960	214.064.692
- Trade Union funds	40.704.482	26.797.192
- Social Insurance	25.235.478	-
- Other payables,	-	187.267.500
Total	65.939.960	214.064.692

17. SHORT-TERM LOANS AND SHORT-TERM FINANTIAL LIABILITIES (Details in Annex 3)

The accompanying notes are an integral part of the financial statements

18. EQUITY

a. The table of changes in equity (Detail in Appendix No. 04)

b. Detail equity	Ending balance VND	Percent %	Beginning balance VND	Percent %
State capital	-		-	
Capital of other stakeholders	298.999.810.000	100,00	298.999.810.000	100,00
Total	298.999.810.000	100,00	298.999.810.000	100,00

Shareholders in detail

Shareholders	Relationship	Ending balance	Period increase	Period decrease	Beginning balance
Mr. Nguyen Huy Truong	Member of Board of Directors	62.790.000.000			62.790.000.000
Mr. Nguyen Thanh Le	Member of Board of Directors	131.560.000			131.560.000
Mr. Vu Van Trong	Member of Board of Directors	-			
Mr. Nguyen Anh Tuan	Member of Board of Directors	77.740.000			77.740.000
Ms. Nguyen Thi Kim Phuong	Member of Board of Directors	107.640.000			107.640.000

c. Capital transactions with equity and distribution of dividends and profits

	First six months of 2018 VND	First six months of 2017 VND
Equity		
+ Beginning contributed capital	298.999.810.000	129.999.980.000
+ Increased contributed capital in period	-	-
+ Decreased contributed capital in period		
+ Ending capital	298.999.810.000	129.999.980.000
- Divided dividends and profits		

d. Shares	Ending balance VND	Beginning balance VND
The number of issued shares	29.899.981	12.999.998
The number of sold shares in public	29.899.981	12.999.998
+ Common shares	29.899.981	12.999.998
+ Common shares		
Number of shares acquired (treasury shares)		
Current shares	29.899.981	12.999.998
+ Common shares	29.899.981	12.999.998
+ Common shares (clarified as equity)		

* Current shares value: 10,000 VND

VI. ADDITIONAL INFORMATION FOR ITEMS PRESENTED IN THE INCOME STATEMENT

1. REVENUE	First six months of 2018 VND	First six months of 2017 VND
Total revenue	83.725.784.538	99.255.901.260
Revenue from sale of goods	83.725.784.538	99.246.901.260
Revenue from service		9.000.0000
Revenue deduction		
Net revenue	83.725.748.538	99.255.901.260
2. COST OF GOODS SOLD	First six months of 2018 VND	First six months of 2017 VND
Cost of goods sold	65.337.821.701	86.080.404.096
Cost of service provided		251.017.240
Total	65.337.821.701	86.331.421.336
3. REVENUE FROM FINANCIAL OPERATIONS	First six months of 2018 VND	First six months of 2017 VND
Deposit, loan interests	1.588.927	1.127.527
Shared dividends and profits	381.678.000	610.425.509
Exchange rate differences	645.476.521	37.608.911
Total	1.028.752.448	649.161.947
4. FINANCIAL EXPENSES	First six months of 2018 VND	First six months of 2017 VND
Interest expense	1.268.214.846	305.915.693
Exchange rate difference	167.008.500	15.672.787
Total	1.435.223.346	321.588.480
5. PRODUCTION AND BUSINESS COSTS ACCORDING TO SALE AND MANAGEMENT EXPENSES	First six months of 2018 VND	First six months of 2017 VND
Costs according to factor		
- Costs for raw materials, materials, tools and instruments	113.722.187	521.648.473
- Labor costs	1.031.722.187	1.319.335.797
- Cost of fixed asset depreciation	1.244.271.378	708.625.239
- Tax, charge, fee	15.153.784	14.153.784
- Outside purchasing services cost	347.151.846	25.641.091
- Other costs	308.054.418	4.936.640
Total	3.059.888.710	2.594.341.024

In which	First six months of 2018 VND	First six months of 2017 VND
b. Expenses of sale		
- Labor expenses	747.996.657	572.244.200
Total	747.996.657	572.244.200
c. Administrative cost		
- Costs for raw materials, materials, tools and instruments	113.722.187	521.648.473
- Labor expenses	283.538.440	747.091.597
- Cost of fixed asset depreciation	1.244.271.378	708.625.239
- Tax, charge, fee	15.153.784	14.153.784
- Outside purchasing services cost	347.151.846	25.614.091
- Other costs	308.054.418	4.936.640
Total	2.311.892.053	2.022.096.824
6. OTHER INCOME		
- Other income	38.750	
Total	38.750	-
7. OTHER EXPENSES		
- Other expenses	2.236.273	25.208.688
Total	2.236.273	25.208.688
8. CURRENT CORPORATE INCOME TAX EXPENSE		
	First six months of 2018 VND	First six months of 2017 VND
Corporate income tax expense calculated on taxable income	-	-
Adjustment of corporate income tax expenses of the year	-	-
Total current corporate income tax expense	-	-
Details of current corporate income tax expense		
	First six months of 2018 VND	First six months of 2017 VND
Pretax profit	14.919.405.706	10.632.503.679
Adjustment for taxable income	-	-
Increases	-	-
Decreases	-	-
Tax-free profit	14.919.405.706	10.632.503.679
Taxable profit	-	-
Current tax rate	20%	20%
Current corporate income tax expense	-	-
Deferred corporate income tax	-	-
Corporate income tax payable	-	-

The Company is applying corporate income tax exemption for production and trading of goods and services of enterprises with the average number of disable employee of 30% or more of the total average number of employees in the year (excluding financial operations and real estate transfer) in accordance with the provisions of the Law on Corporate Income Tax and Official Letter No. 10296/CCT-TTHT-AC dated 06/07/2016 of the Tax Department of Long Bien district on the exemption of corporate income tax.

VIII. OTHER INFORMATION

2. Financial instruments

Financial instrument of the Company include:

Currency: VND

Financial assets	Closing balance		Beginning balance	
	Original cost	Provision	Original cost	Provision
Cash and cash equivalent	11.844.857.545		12.259.315.797	
Receivables from customer, other receivables	163.303.263.770		163.856.892.883	
Long-term investment	99.516.870.000		99.516.870.000	
Total	247.664.991.315		275.633.078.680	

Financial liabilities	Closing balance		Beginning balance	
	VND		VND	
Loan and debt	29.908.552.200		30.000.000.000	
Payables to supplier, other payables	35.603.096.923		71.127.834.265	
Expenses payable	14.451.792			
Total	65.625.100.715		101.127.834.265	

Financial assets and financial liabilities are not assessed at the end of accounting period according Circular No. 210/2009/TT-BTC and the current regulations require presentation of financial statements and explanation of information to financial instruments but do not provide equivalent guidance for the assessment and recognition of fair value of financial assets and financial liabilities, except for the provision for doubtful debts and the provision for diminution in value of investments in securities as detailed in the relevant Notes.

Financial risk management

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

Market risk

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

Price risk:

The Company bears a price risk for equity instruments arising from short-term and long-term stock investments due to uncertainty about the future price of the invested stocks. Long-term stock investments are held for a long-term strategic purpose, at the end of the accounting period, the Company has no plans to sell these investments.

Exchange rate risk:

The Company is exposed to exchange rate risk because the fair value of future cash flows of a financial instrument fluctuates in accordance with changes in foreign exchange rates when borrowings, revenues and expenses of the Company are in the currency other than Vietnam Dong.

Interest rate risk:

The Company bears interest rate risk because the fair value of future cash flows of a financial instrument will fluctuate in accordance with the changes in market interest rates when the Company incurs non-term deposits, floating-rate loans and debts. The Company manages interest rate risk by analyzing the competitive situation in the market in order to obtain the interest rate favorable for the purpose of the Company.

Credit risk

Credit risk is the risk that a party to a financial instrument or contract is incapable of performing its obligations resulting in a financial loss to the Company. The Company is exposed to credit risk from its business and operation operations (mainly for receivables from customers) and financial operations (including bank deposits, loans and other financial instruments)

	From 1 year and below VND	From 1 year to 5 years VND	Above 5 years VND	Total VND
Closing balance				
Cash and cash equivalent	11.844.857.545			11.844.857.545
Receivables from customer, other receivables	46.664.263.770	116.639.000.000		163.303.263.770
Long-term investment		99.516.870.000		99.516.870.000
Total	58.509.121.315	216.155.870.000		274664.991.315
beginning balance				
Cash and cash equivalent				
Receivables from customer, other receivables	12.259.315.797	116.639.000.000		12.259.315.797
Long-term investment	47.217.298.883			163.856.892.883
		99.516.870.000		99.516.870.000
Total	59.477.208.680	216.155.870.000		275.633.078.680

Liquidity risk

Liquidity risk is a risk when the Company has difficulty in performing its financial obligations due to lack of capital. The Company's exposure to liquidity risk arises from the existence of financial assets and liabilities at various maturity dates.

The maturity of financial liabilities is based on the expected payments under the contract (based on the cash flow of the principal) as follows:

	From 1 year and below VND	From 1 year to 5 year VND	Above 5 year VND	Total VND
Closing balance				
Loan and debt	29.908.552.000			29.908.552.000
Payables to supplier, other payables	35.603.096.923			35.603.096.923
Expenses payable	11.451.792			14.451.792
Total	65.526.100.715			65.526.100.715

Beginning balance		
Loan and debt		
Payables to supplier, other payables	30.000.000.000 71.127.834.265	300.000.000.000 71.127.834.265
Expenses payable		
Total	101.127.834.265	101.127.834.265

The company believes that the degree of risk concentration for debt repayment is manageable. The Company is able to repay its due debts from cash inflows from operating operations and from due financial assets.

3. EVENTS OCCURRING AFTER THE END OF ACCOUNTING PERIOD

No significant events occurring after the end of the accounting period are required to be adjusted or reported in the separate financial statements.

4. DEPARTMENT REPORT

Department report by geographical area (Classification of domestic and foreign operations)

The Company only operates in the geographical area of Vietnam.

Department report by business lines

The major business lines of the Company are as follows:

	Sale of goods and provision of services	Total
Net revenue	83.725.784.538	83.725.748.538
Total net revenue	83.725.784.538	83.725.748.538
Cost of department	65.337.821.701	65.337.821.701
Business results of department	18.387.962.837	18.387.962.837
Expenses not allocated by department		3.059.888.710
Profit from the business operations		15.328.074.127
Revenue from financial operations		1.028.752.448
Financial expenses		1.435.223.346
Other income		38.750
Other expenses		2.236.273
Current CIT		-
Profit after tax		14.919.405.706

5. OPERATIONS AND BALANCES WITH RELATED PARTIES

Related parties	Relationship
Mr. Nguyen Huu Truong	Chairman of the Board cum General Director
Mr. Vu Van Trong	Member of the Board cum Deputy General Director
Ms. Nguyen Thi Kim Phuong	Member of the Board
Dong Thien Phu Group Joint Stock Company	Chief accountant of Dong Thien Phu is a member of Tien Thanh Board of Directors
Minh Anh Investment and Service Trading Co., Ltd	Director of Minh Anh Company is father of the member of Tien Thanh Board of Directors
Minh Van Anh Development Investment Co., Ltd	Is a unit that Tien Thanh owns 19% shares
Kien Giang Brick Tile Joint Stock Company	Is a unit that Tien Thanh owns 12.71% shares

Transaction with related parties as follows:

	Relationship	First six months of 2018 VND	First six months of 2017 VND
Mr. Nguyen Huu Truong	Chairman of the Board		
Advance		630.000.000	
Return		630.000.000	
Mr. Vu Van Trong	Member of the Board		
Advance			
Return		17.356.943.000	27.500.000.000
			23.500.000.000
Ms. Nguyen Thi Kim Phuong	Member of the Board		
Advance		9.986.000.000	
Return		9.986.000.000	
Minh Anh Investment and Service Trading Co., Ltd			
Collect sales revenue		6.629.925.000	
Kien Giang Brick Tile Joint Stock Company			
Collect dividends of 2017		381.687.000	

Balance with related parties as follows:

	Closing balance VND	Beginning balance VND
Advance		
Mr. Vu Van Trong		17.356.943.000
Receivable		
Minh Anh Investment and Service Trading Co., Ltd		6.629.925.000
Income of Board of Directors and General Management	First six months of 2018 VND	First six months of 2017 VND
Income of the Board of Directors and Board of Directors	17.950.000	205.000.000

7. COMPARATIVE FIGURES

Comparative figures in the Balance Sheet and the corresponding notes are figures of the separate financial statements for the fiscal year ended 31/12/2017 audited by TTP Auditing Limited Company, figures in Income Statement and corresponding notes are figures of the separate financial statements in the middle of fiscal year reviewed by TTP Auditing Limited Company for the period from January 01, 2017 to June 30, 2017.

Prepared by



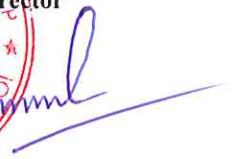
Trinh Thanh Tui

Chief Accountant



Trinh Thanh Tui

Hanoi, July 31, 2018
TIEN THANH SERVICE AND
TRADING JOINT STOCK COMPANY
General Director



Nguyen Huu Trung

APPENDIX 01:

2. Financial investments:

	Original cost	Ending balance		Beginning balance		Fair value
		Original cost	Provision	Original cost	Provision	
a. Investments in subsidiaries	90.000.000.000	-	-	90.000.000.000	-	90.000.000.000
- Son Phu Investment Joint Stock Company	90.000.000.000	-	-	90.000.000.000	-	90.000.000.000
b. Other investments	9.516.870.000	-	-	9.516.870.000	-	9.516.870.000
- Kien Giang Brick and Tile Joint Stock Company	3.816.870.000	-	-	3.816.870.000	-	3.816.870.000
- Minh Van Anh Development Investment Co., Ltd	5.700.000	-	-	5.700.000	-	5.700.000
Total	99.516.870.000	-	-	99.516.870.000	-	99.516.870.000

Currency: VND

Investment in joint-venture

Details of other subsidiaries and investment companies of the Company as at 30/06/2018 are as follows:

TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY
 Viet Hung Urban Area, Duc Giang Ward, Long Bien District, Hanoi

The interim Financial Statements
 For the accounting period
 from 01/01/2018 to 30/06/2018

Name of subsidiaries	Place of establishment and operation	Proportion of control right	Proportion of voting right	Main business operations
- Son Phu Investment Joint Stock Company	No. 122, Khuat Duy Tien, Nhan Chinh Ward, Thanh Xuan District, Hanoi City	64.29%	64.29%	- Trading in building materials; - Exploitation of stone, sand, gravel and clay
- Kien Giang Brick and Tile Joint Stock Company	Group 4, Xa Ngach Quarter, Kien Luong Town, Kien Luong District, Kien Giang Province	12.71%	12.71%	- Exploitation of stone, sand, gravel and clay
- Minh Van Anh Development Investment Co., Ltd	513/6/1 Nguyen Oanh, Ward 17, Go Vap District, Ho Chi Minh City	19.00%	19.00%	- Agent, broker, auction - Wholesale of agricultural and forestry raw materials (except wood, bamboo and cork) and live animals - Wholesale of food

The accompanying notes are an integral part of the financial statements

APPENDIX 02:

7. INCREASE OR DECREASE TANGIBLE FIXED ASSETS

Items	Buildings, architectures	Machine, equipment	Means of transport	Equipment, management tool	Other fixed assets	Total
Original price fixed assets						
Beginning balance	28.208.718.585	112.300.000	8.864.844.000	346.023.389	-	37.531.885.974
Increase in the period	-	-	-	-	-	-
Decrease in the period	21.777.229	-	-	-	-	21.777.229
- <i>Decrease due to reclassification</i>	21.777.229	-	-	-	-	21.777.229
Ending balance	28.186.941.356	112.300.000	8.864.844.000	346.023.389	-	37.510.108.745
Accumulated depreciation						
Beginning balance	588.502.813	112.300.000	1.557.010.999	227.227.133	-	2.485.040.945
Increase in the period	397.099.680	-	826.351.728	20.819.970	-	1.244.271.378
- <i>Depreciation in the period</i>	397.099.680	-	826.351.728	20.819.970	-	1.244.271.378
Decrease in the period	-	-	-	-	-	-
- <i>Switched to investment real estate</i>	-	-	-	-	-	-
- <i>Liquidation, sale</i>	-	-	-	-	-	-
- <i>Other decrease</i>	-	-	-	-	-	-
Ending balance	985.602.493	112.300.000	2.383.362.727	248.047.103	-	3.729.312.323
Residual value						
At the beginning year	27.620.215.772	-	7.307.833.001	118.796.256	-	35.046.845.029
At the ending period	27.201.338.863	-	6.481.481.273	97.976.286	-	33.780.796.422

- The residual value as at 30/06/2018 of tangible fixed assets used as collateral for the loan: 33.581.965.990 VND.

- The original cost of tangible fixed assets has been fully depreciated but it is still used as at 30/06/2018: 683.420.610 VND.

8. INCREASE OR DECREASE INTANGIBLE FIXED ASSETS

Items	Land use right	Trademark	Computer software	Copyright, patent	Other intangible fixed assets	Currency: VND	
						Total	
Original price of fixed assets							
Beginning balance	3.437.750.000					3.437.750.000	
Increase in the period	21.777.229					21.777.229	
- <i>Increase due to reclassification</i>	21.777.229						
Decrease in the period	-	-					
Ending balance	3.459.527.229					3.459.527.229	
Accumulated depreciation							
Beginning balance							
Increase in the period	-						
Decrease in the period	-						
Ending balance	-						
Residual value							
At the beginning year	3.437.750.000					3.437.750.000	
At the ending period	3.459.527.229					3.459.527.229	

- The residual value as at 30/06/2018 of intangible fixed assets used as collateral for the loan: 3.437.750.000 VND.

- The original cost of intangible fixed assets has been fully depreciated but it is still used as at 30/06/2018: 0 VND.

APPENDIX 3:

17. BORROWINGS AND FINANCE LEASE LIABILITIES

	Ending balance		Increase in the period		Decrease in the period		Beginning balance		Currency: VND
	Value	Amount that can be paid	Value	Value	Value	Value	Value	Amount that can be paid	
Short-term borrowings	29.908.552.000	29.908.552.000	30.008.552.000	30.100.000.000	30.000.000.000	30.000.000.000	30.000.000.000	30.000.000.000	
- Bank borrowings	29.908.552.000	29.908.552.000	30.008.552.000	30.100.000.000	30.100.000.000	30.000.000.000	30.000.000.000	30.000.000.000	
+ Joint Stock Commercial Bank for Investment and Development of Vietnam – Bac Hanoi Branch (*)	29.908.552.000	29.908.552.000	30.008.552.000	30.100.000.000	30.100.000.000	30.000.000.000	30.000.000.000	30.000.000.000	

(*) Including 05 credit contracts:

1. Credit Contract No. 01/2018/4642129/HDTD dated 08/02/2018, Loan amount: VND 5,500,000,000. Duration: 6 months. Purpose: To supplement working capital for trading in construction steel. Interest rate: 8.9%/year. Balance as at 30/06/2018: 5,400,000,000 VND
2. Credit Contract No. 02/2018/4642129/HDTD dated 20/04/2018. Loan amount: 5.000.000.000. Duration: 06 months. Purpose: To supplement working capital for trading in construction steel. Interest rate: 8.9%/year. Balance as at 30/06/2018: 5,000,000,000 VND
3. Credit Contract No. 03/2018/4642129/HDTD dated 28/05/2018. Loan amount: 7,304,000,000 VND. Duration: 03 months. Purpose: To supplement working capital for trading in construction steel. Interest rate: 8.9%/year. Balance as at 30/06/2018: 7,304,000,000 VND
4. Credit Contract No. 04/2018/4642129/HDTD dated 19/06/2018. Loan amount: 6,793,072,000 VND. Duration: 06 months. Purpose: To supplement working capital for trading in construction steel. Interest rate: 8.7%/year. Balance as at 30/06/2018: 6,793,072,000 VND
5. Credit Contract No. 05/2018/4642129/HDTD dated 21/06/2018. Loan amount: 5,411,480,000 VND. Duration: 6 months. Purpose: To supplement working capital for trading in construction steel. Interest rate: 8.7%/year. Balance as at 30/06/2018: 5,411,480,000 VND.

APPENDIX 4:

18. OWNERS' EQUITY

a. A table of changes in equity

	Paid-in capital	Share premium	Foreign exchange differences	Investment & development funds	Undistributed profit after tax	Currency: VND Total
Beginning balance of prior year	129.999.980.000			1.394.830.504	60.821.596.715	192.216.407.219
- Increase capital in prior year	168.999.830.000					168.999.830.000
- Interest in prior year					27.384.513.587	27.384.513.587
- Deductions for setting up funds				5.000.000.000	(6.000.000.000)	(1.000.000.000)
- Payment of dividends					(12.999.980.000)	(12.999.980.000)
- Stock dividend					(38.999.850.000)	(38.999.850.000)
- Other decrease						-
Beginning balance of current year	298.999.810.000	-	-	6.394.830.504	30.206.280.302	335.600.920.806
- Increase capital in the year						
- Interest in the period					14.919.405.706	14.919.405.706
- Deductions for setting up funds						
- Other increase (*)					94.882.000	94.882.000
Ending balance	298.999.810.000	-	-	6.394.830.504	45.220.568.008	350.615.208.512

(*) Dividends of shareholders that are not needed to be paid because the shareholders have not received payment at overdue date according to Notice No. 50/2017/TB-TT dated 5/10/2017. Accordingly, the shareholders have not yet signed to receive dividends from 26/10/2017 to 30/12/2017 and if the shareholders do not make dividend payment procedures, the Company has no obligation to pay dividends.

