

**TIEN PHONG PLASTIC JOINT STOCK COMPANY**

*(Incorporated in the Socialist Republic of Vietnam)*

**REVIEWED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS**

**For the 6-month period ended 30 June 2018**

**STATEMENT OF THE BOARD OF GENERAL DIRECTORS (Continued)**

**BOARD OF GENERAL DIRECTORS' STATEMENT OF RESPONSIBILITY (Continued)**

- Prepare the interim consolidated 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 interim consolidated financial statements so as to minimize errors and frauds.

The Board of General Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the consolidated financial position of the Company and that the consolidated financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim consolidated financial reporting. The Board of General Directors 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 Board of General Directors confirms that the Company has complied with the above requirements in preparing these interim consolidated financial statements.

For and on behalf of the Board of General Directors,



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**Tran Ba Phuc**  
**Chairman**

*Hai Phong, 14 August 2018*

No.: 277 /VN1A-HN-BC

## REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**To: The shareholders  
The Boards of Management and General Directors  
Tien Phong Plastic Joint Stock Company**

We have reviewed the accompanying interim consolidated financial statements of Tien Phong Plastic Joint Stock Company (the "Company"), prepared on 14 August 2018 as set out from page 4 to page 28, which comprise the interim consolidated balance sheet as at 30 June 2018, the interim consolidated income statement and interim consolidated cash flow statement for the 6-month period then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Interim Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim consolidated financial reporting, and for such internal control as management determines is necessary to enable the preparation of interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express a conclusion on the accompanying interim consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements (VSRE) 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as at 30 June 2018, and of its consolidated financial performance and its consolidated cash flows for the 6-month period then ended, in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim consolidated financial reporting.



**Pham Hoai Nam**  
**Deputy General Director**  
Audit Practising Registration Certificate  
No. 0042-2018-001-1

**DELOITTE VIETNAM COMPANY LIMITED**

14 August 2018  
Hanoi, S.R. Vietnam

## INTERIM CONSOLIDATED BALANCE SHEET

As at 30 June 2018

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>2,394,056,353,564</b>	<b>2,302,419,973,083</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>4</b>	<b>166,748,543,593</b>	<b>124,508,048,251</b>
1. Cash	111		166,748,543,593	97,508,048,251
2. Cash equivalents	112		-	27,000,000,000
<b>II. Short-term receivables</b>	<b>130</b>		<b>1,280,841,200,630</b>	<b>1,293,192,424,218</b>
1. Short-term trade receivables	131	5	1,168,194,853,576	1,132,041,703,224
2. Short-term advances to suppliers	132		109,943,526,170	155,682,083,418
3. Short-term loan receivables	135		15,461,572,866	15,461,572,866
4. Other short-term receivables	136	6	6,629,188,576	9,395,005,268
5. Provision for short-term doubtful debts	137	7	(19,387,940,558)	(19,387,940,558)
<b>III. Inventories</b>	<b>140</b>	<b>8</b>	<b>919,611,608,502</b>	<b>852,974,374,152</b>
1. Inventories	141		931,218,735,803	864,581,501,453
2. Provision for devaluation of inventories	149		(11,607,127,301)	(11,607,127,301)
<b>IV. Other short-term assets</b>	<b>150</b>		<b>26,855,000,839</b>	<b>31,745,126,462</b>
1. Short-term prepayments	151	9	8,752,223,718	15,801,529,236
2. Value added tax deductibles	152		358,812,702	10,483,221,352
3. Taxes and other receivables from the State budget	153	10	17,743,964,419	5,460,375,874
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>2,058,403,608,007</b>	<b>1,959,300,911,318</b>
<b>I. Fixed assets</b>	<b>220</b>		<b>1,357,847,410,435</b>	<b>1,315,384,055,673</b>
1. Tangible fixed assets	221	11	1,320,410,505,051	1,276,794,538,059
- Cost	222		2,347,057,065,062	2,242,192,412,106
- Accumulated depreciation	223		(1,026,646,560,011)	(965,397,874,047)
2. Intangible assets	227	12	37,436,905,384	38,589,517,614
- Cost	228		49,435,906,053	49,435,906,053
- Accumulated amortization	229		(11,999,000,669)	(10,846,388,439)
<b>II. Long-term assets in progress</b>	<b>240</b>		<b>237,384,415,550</b>	<b>191,781,018,464</b>
1. Construction in progress	242	13	237,384,415,550	191,781,018,464
<b>III. Long-term financial investments</b>	<b>250</b>		<b>446,939,757,268</b>	<b>443,992,756,732</b>
1. Investments in joint-ventures, associates	252	14	243,714,568,668	241,895,688,132
2. Equity investments in other entities	253		204,560,188,600	203,432,068,600
3. Provision for impairment of long-term financial investments	254		(1,335,000,000)	(1,335,000,000)
<b>IV. Other long-term assets</b>	<b>260</b>		<b>16,232,024,754</b>	<b>8,143,080,449</b>
1. Long-term prepayments	261	9	16,232,024,754	8,143,080,449
<b>TOTAL ASSETS (270=100+200)</b>	<b>270</b>		<b>4,452,459,961,571</b>	<b>4,261,720,884,401</b>

The accompanying notes are an integral part of these interim consolidated financial statements

## INTERIM CONSOLIDATED BALANCE SHEET (Continued)


As at 30 June 2018

Unit: VND


RESOURCES	Codes	Notes	Closing balance	Opening balance
<b>C. LIABILITIES</b>	<b>300</b>		<b>2,380,646,323,609</b>	<b>2,175,715,167,768</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>2,159,815,307,879</b>	<b>1,932,727,830,711</b>
1. Short-term trade payables	311	15	236,781,575,120	269,939,060,091
2. Short-term advances from customers	312		2,162,684,088	1,836,473,847
3. Taxes and amounts payable to the State budget	313	10	16,291,685,890	9,310,580,274
4. Payables to employees	314		34,516,627,154	47,647,861,600
5. Short-term accrued expenses	315	16	99,308,267,165	113,505,433,496
6. Other current payables	319	17	16,821,390,078	16,695,865,731
7. Short-term loans and obligations under finance leases	320	18	1,729,799,553,856	1,455,610,252,041
8. Bonus and welfare funds	322		24,133,524,528	18,182,303,631
<b>II. Long-term liabilities</b>	<b>330</b>		<b>220,831,015,730</b>	<b>242,987,337,057</b>
1. Long-term loans and obligations under finance leases	338	19	215,831,015,730	237,987,337,057
2. Scientific and technological development fund	343		5,000,000,000	5,000,000,000
<b>D. EQUITY</b>	<b>400</b>		<b>2,071,813,637,962</b>	<b>2,086,005,716,633</b>
<b>I. Owners' equity</b>	<b>410</b>	<b>20</b>	<b>2,071,813,637,962</b>	<b>2,085,365,716,633</b>
1. Owners' contributed capital	411		892,403,020,000	892,403,020,000
2. Investment and development fund	418		824,402,903,721	732,244,784,945
3. Retained earnings	421		355,007,714,241	460,717,911,688
- Retained earnings accumulated to the prior year end	421a		205,310,596,112	46,600,157,126
- Retained earnings of the current period	421b		149,697,118,129	414,117,754,562
<b>II. Other resources and funds</b>	<b>430</b>		<b>-</b>	<b>640,000,000</b>
1. Subsidised fund	431		-	640,000,000
<b>TOTAL RESOURCES (440=300+400)</b>	<b>440</b>		<b>4,452,459,961,571</b>	<b>4,261,720,884,401</b>



Lưu Thị Mai  
Preparer



Trần Ngọc Bảo  
Chief Accountant



Trần Bá Phúc  
Chairman

14 August 2018

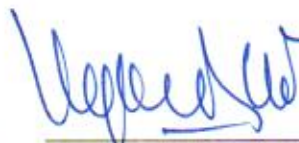
**INTERIM CONSOLIDATED INCOME STATEMENT**

For the 6-month period ended 30 June 2018

Unit: VND

ITEMS	Codes	Notes	Current period	Prior period
<b>1. Gross revenue from goods sold</b>	<b>01</b>	<b>22</b>	<b>2,079,176,157,475</b>	<b>2,057,759,654,703</b>
2. Deductions	02	22	8,184,738,867	4,851,250,120
<b>3. Net revenue from goods sold (10=01-02)</b>	<b>10</b>	<b>22</b>	<b>2,070,991,418,608</b>	<b>2,052,908,404,583</b>
4. Cost of sales	11	23	1,428,336,584,148	1,348,730,526,781
<b>5. Gross profit from goods sold (20=10-11)</b>	<b>20</b>		<b>642,654,834,460</b>	<b>704,177,877,802</b>
6. Financial income	21		349,720,522	941,702,276
7. Financial expenses	22	25	49,730,703,568	33,637,017,617
<i>In which: Interest expense</i>	23		49,277,058,266	33,500,100,901
8. Share of the net profit of joint ventures, associates	24	14	1,818,880,536	17,112,141,758
9. Selling expenses	25	26	345,087,658,832	367,264,597,605
10. General and administration expenses	26	26	81,548,451,938	90,886,687,197
<b>11. Operating profit (30=20+(21-22)+24-(25+26)</b>	<b>30</b>		<b>168,456,621,180</b>	<b>230,443,419,417</b>
12. Other income	31		3,577,856,994	1,564,641,045
13. Other expenses	32		542,210,064	168,540,096
<b>14. Profit from other activities (40=31-32)</b>	<b>40</b>		<b>3,035,646,930</b>	<b>1,396,100,949</b>
<b>15. Accounting profit before tax (50=30+40)</b>	<b>50</b>		<b>171,492,268,110</b>	<b>231,839,520,366</b>
16. Current corporate income tax expense	51	27	21,795,149,981	29,727,000,503
<b>17. Net profit after corporate income tax (60=50-51)</b>	<b>60</b>		<b>149,697,118,129</b>	<b>202,112,519,863</b>
<b>18. Basic earnings per share</b>	<b>70</b>	<b>29</b>	<b>1,677</b>	<b>2,111</b>

  
Luu Thi Mai  
Preparer

  
Tran Ngoc Bao  
Chief Accountant



  
Tran Ba Phuc  
Chairman

14 August 2018

**INTERIM CONSOLIDATED CASH FLOW STATEMENT**

For the 6-month period ended 30 June 2018

Unit: VND

ITEMS	Codes	Current period	Prior period
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>1. Profit before tax</b>	<b>01</b>	<b>171,492,268,110</b>	<b>231,839,520,366</b>
<b>2. Adjustments for:</b>			
Depreciation and amortisation of fixed assets	02	65,036,279,477	108,428,369,353
Provisions	03	-	98,191,856
Foreign exchange loss	04	434,221,433	-
(Gain) from investing activities	05	(2,599,482,464)	(17,885,904,008)
Interest expense	06	49,277,058,266	33,500,100,901
<b>3. Operating profit before movements in working capital</b>	<b>08</b>	<b>283,640,344,822</b>	<b>355,980,278,468</b>
Changes in receivables	09	34,084,830,459	(66,935,113,741)
Changes in inventories	10	(66,637,234,350)	(208,645,831,886)
Changes in payables (excluding accrued loan interest and corporate income tax payable)	11	(118,655,260,140)	(54,861,194,987)
Changes in prepaid expenses	12	(1,039,638,787)	22,970,692,914
Interest paid	14	(49,679,803,483)	(34,560,521,953)
Corporate income tax paid	15	(31,470,584,680)	(21,147,930,904)
Other cash outflows	17	(23,437,522,903)	(9,266,465,096)
<b>Net cash generated by operating activities</b>	<b>20</b>	<b>26,805,130,938</b>	<b>(16,466,087,185)</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Acquisition and construction of fixed assets and other long-term assets	21	(102,405,629,387)	(117,233,547,873)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	510,598,000	(601,995,000)
3. Investments in other entities	25	(1,128,120,000)	-
4. Interest earned, dividends and profits received	27	285,988,303	788,880,624
<b>Net cash used in investing activities</b>	<b>30</b>	<b>(102,737,163,084)</b>	<b>(117,046,662,249)</b>

**INTERIM CONSOLIDATED CASH FLOW STATEMENT (Continued)**

For the 6-month period ended 30 June 2018

Unit: VND

ITEMS	Codes	Current period	Prior period
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1. Proceeds from borrowings	33	1,944,611,452,592	1,600,503,750,863
2. Repayment of borrowings	34	(1,692,578,472,104)	(1,386,745,577,492)
3. Dividends paid	36	(133,860,453,000)	(74,367,307,001)
<b>Net cash generated by financing activities</b>	<b>40</b>	<b>118,172,527,488</b>	<b>139,390,866,370</b>
<b>Net increase in cash (50=20+30+40)</b>	<b>50</b>	<b>42,240,495,342</b>	<b>5,878,116,936</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>60</b>	<b>124,508,048,251</b>	<b>109,949,992,376</b>
<b>Cash and cash equivalents at the end of the period (70=50+60)</b>	<b>70</b>	<b>166,748,543,593</b>	<b>115,828,109,312</b>

  
Luu Thi Mai  
Preparer

14 August 2018

  
Tran Ngoc Bao  
Chief Accountant



  
Tran Ba Phuc  
Chairman



**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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

**1. GENERAL INFORMATION****Structure of ownership**

Tien Phong Plastic Joint Stock Company (the "Company"), which was formerly a State-owned enterprise, was equitized pursuant to Decree No. 64/2002/ND-CP dated 19 June 2002 issued by the Government on restructuring of State-owned enterprises to joint stock companies. The equitization of the Company was implemented in accordance with Decision No. 80/2004/QD-BCN dated 17 August 2004 issued by the Minister of Industry and Trade of Vietnam.

After equitization, the Company is a joint stock company operating under Business Registration Certificate No. 0203001195 issued by Hai Phong Department of Planning and Investment on 30 December 2004, as amended.

The Company's shares are listed on Hanoi Stock Exchange with the stock symbol of "NTP".

The total number of employees of the Holding Company as at 30 June 2018 was 1,329 (31 December 2017: 1,299).

**Principal activities**

The business activities of the Company include:

- Manufacturing and trading plastic products for civil consumption and use in construction, industries, agriculture, fisheries and transportation;
- Construction of apartment buildings, infrastructures, high quality houses, offices for lease, trade centers and markets;
- Construction of other civil engineering works;
- Providing financial services and monetary intermediary services;
- Providing warehouse and storage services, road transportation and other supporting services for transportation; and
- Trading real estate and land use rights.

**Normal production and business cycle**

The Company's normal production and business cycle is carried out for a time period of 12 months or less.

**The Company's structure**

Details of subsidiaries whose financial statements were consolidated in these interim consolidated financial statements of the Company for the 6-month period ended 30 June 2018 are as follows:

<b>Name of subsidiaries</b>	<b>Place of incorporation and operation</b>	<b>Proportion of ownership (%)</b>	<b>Proportion of voting power held (%)</b>	<b>Principal activities</b>
Tien Phong Central Plastic Company Limited	Nghe An Province	100	100	Manufacturing and trading plastic products for civil and industrial use
Tien Phong Land Company Limited	Hai Phong City	100	100	Trading real estate, land use rights, and providing transportation service and plastic products for civil and industrial use

As at 30 June 2018, the Company had 03 investees that are joint ventures and associates as follows:

<b>Name of joint venture, associates</b>	<b>Place of incorporation and operation</b>	<b>Proportion of ownership (%)</b>	<b>Proportion of voting power held (%)</b>	<b>Principal activities</b>
Tien Phong South Plastic Joint Stock Company	Binh Duong Province	27.39	27.39	Manufacturing and trading plastic products for civil and industrial use
Tien Phong Packaging Joint Stock Company	Hai Phong City	49.98	49.98	Manufacturing PP plastic package, cement packages, paper of all types, membrane complexes and other plastic products
Tien Phong - SMP Plastic Joint Venture Company Limited	Vientiane-Laos	51.00	51.00	Manufacturing and selling plastic pipes, spare parts and other plastic products

**Disclosure of information comparability in the interim consolidated financial statements**

The Company's ownership interest in Tien Phong - SMP Plastic Joint Venture Company Limited is greater than 50%, however, according to assessment of the Company's Board of Directors, the Company has no control over Tien Phong - SMP Plastic Joint Venture Company Limited, thus the Company has decided to represent this investments in the item Investment in joint venture, associates in the interim consolidated financial statements.

**Disclosure of information comparability in the interim separate financial statements**

The comparative figures of the interim balance sheet and corresponding notes are the figures of the Company's audited consolidated financial statements for the year ended 31 December 2017. The comparative figures of the interim income statement, interim cash flow statement and corresponding notes are the figures of the reviewed interim consolidated financial statements for the 6-month period ended 30 June 2017.

**2. ACCOUNTING CONVENTION AND ACCOUNTING PERIOD**

**Accounting convention**

The accompanying consolidated financial statements, expressed in Vietnamese Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim consolidated financial reporting.

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

**Accounting period**

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

These interim consolidated financial statements were prepared for the 6-month period ended 30 June 2018.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies, which have been adopted by the Company in the preparation of these interim consolidated financial statements, are as follows:

**Estimates**

The preparation of the interim consolidated financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim consolidated financial reporting requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the interim consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Although these accounting estimates are based on the management's best knowledge, actual results may differ from those estimates.

**Basis of consolidation**

The interim consolidated financial statements incorporate the interim financial statements of the Company and enterprises controlled by the Company (its subsidiaries) for the 6-month period ended 30 June 2018. This control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the interim consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the interim financial statements of subsidiaries to bring the accounting policies used in line with those used by the Company.

All intra-group transactions and balances between the Company and its subsidiaries and among subsidiaries are eliminated in full on consolidation.

Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination (see below) and the non-controlling interests' share of changes in equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2018.6.30  
T. H. G. A. P.

**Business combinations**

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to profit and loss in the period of acquisition.

The non-controlling interest is initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

**Investments in associates**

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these interim consolidated financial statements using the equity method of accounting. Interests in associates are carried in the interim consolidated balance sheet at cost as adjusted by post-acquisition changes in the Company's share of the net assets of the associate. Losses of an associate in excess of the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate) are not recognized.

Where a group entity transacts with an associate of the Company, unrealised profits and losses are eliminated to the extent of the Company's interest in the relevant associate.

**Interests in joint ventures**

A joint venture is a contractual arrangement whereby the Company and other parties undertake an economic activity that is subject to joint control, i.e., the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

Where a group entity undertakes its activities under joint venture arrangements directly, the Company's share of jointly controlled assets and any liabilities incurred jointly with other ventures are recognised in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Company's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Company and their amount can be measured reliably.

Joint venture arrangements that involve the establishment of a consolidated entity in which each venturer has an interest are referred to as jointly controlled entities. The Company reports its interests in jointly controlled entities using the equity method of accounting.

Any goodwill arising on the acquisition of the Company's interest in a jointly controlled entity is accounted for in accordance with the Company's accounting policy for goodwill arising on the acquisition of a subsidiary.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Financial investments**

***Trading securities***

Trading securities are those the Company holds for trading purpose. Trading securities are recognised from the date the Company obtains the ownership of those securities and initially measured at the fair value of payments made at the transaction date plus directly attributable transaction costs.

In subsequent periods, investments in trading securities are measured at cost less provision for impairment of such investments.

Provision for impairment of investments in trading securities is made in accordance with prevailing accounting regulations.

***Loan receivables***

Loan receivables are measured at cost less provision for doubtful debts. Provision for doubtful debts relating to loan receivables is made in accordance with prevailing accounting regulations.

***Equity investments in other entities***

Equity investments in other entities represent the Company's investments in ordinary shares of the entities over which the Company has no control, joint control, or significant influence.

Equity investments in other entities are carried at cost less provision for impairment.

**Receivables**

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

**Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and where applicable, direct labor costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Inventories are accounted on a regular basis. Cost is calculated using the weighted average method except for cost of materials which is calculated using the first-in, first-out method. Net realizable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realisable values as at the consolidated balance sheet date.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use. The costs of self-constructed or manufactured assets are the actual construction or manufacturing cost plus installation and test running costs.

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

	<u>Current period</u> Years
Buildings, structures	5 - 25
Machinery, equipment	3 - 12
Motor vehicles	3 - 10
Office equipment	3 - 7

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between proceeds from sales or disposals of assets and their residual values and is recognised in the interim consolidated income statement.

During the period, the Company's Board decided to change the depreciation period for some tangible fixed assets with the total cost of VND 1,211 billion. The Board of Directors believes that application of new depreciation period will more accurately reflect the Company's assets. If the old depreciation period continued to be used, the depreciation expense in the period would increase by VND 59,5 billion, which would result in a reduction by the same amount in the Company's pre-tax profit.

#### **Intangible assets and amortization**

Intangible assets represent land use rights that are stated at cost less accumulated amortization.

The initial cost of land use rights comprises the value of the rights as stated in its purchase price and any directly attributable costs incurred in conjunction with securing the land use rights. Intangible assets are amortised using the straight-line method over 30 - 45 years.

Intangible assets represent computer software which is stated at cost less accumulated amortisation and is amortised using the straight-line method over the estimated useful life of 5 years.

#### **Construction in progress**

Properties in the course of construction for production, rental or administrative purposes, or for the purposes not yet determined, are carried at cost. Cost includes professional fees, and for qualifying assets, borrowing costs dealt with in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

#### **Prepayments**

Prepayments are expenses which have already been paid but relate to results of operations of multiple periods. Prepayments include costs of small tools, supplies and spare parts issued for consumption. These expenditures have been capitalized as prepayments, and are allocated to the interim consolidated income statement using the straight-line method in accordance with the current prevailing accounting regulations.

#### **Payable provisions**

Payable provisions are recognized when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation as at the consolidated balance sheet date.

### **Revenue recognition**

Revenue from the sale of goods is recognised when all five (5) following conditions are satisfied:

- (a) The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) The amount of revenue can be measured reliably;
- (d) It is probable that the economic benefits associated with the transaction will flow to the Company; and
- (e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

Dividend income from investments is recognised when the Company's right to receive payment has been established.

### **Borrowing costs**

Borrowing costs are recognised in the interim consolidated income statement in the period when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard No. 16 "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalised even when the construction period is under 12 months.

### **Foreign currencies**

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the consolidated balance sheet date are retranslated at the exchange rates on the same date. Exchange differences arising from the translation of these accounts are recognised in the interim consolidated income statement.

### **Taxation**

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

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

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the interim consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of tax authorities' examination.

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

**4. CASH AND CASH EQUIVALENTS**

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Cash on hand	873,417,507	213,942,180
Bank demand deposits	165,875,126,086	97,294,106,071
Cash equivalents	-	27,000,000,000
	<u><b>166,748,543,593</b></u>	<u><b>124,508,048,251</b></u>

**5. SHORT-TERM TRADE RECEIVABLES**

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
<b>Short-term trade receivables</b>		
Tam Phuoc Company Limited	218,830,507,754	229,107,030,088
Thai Hoa Trading Company Limited	185,901,882,584	209,789,483,084
Nam Phuong Trading Company Limited	160,843,183,315	151,490,561,092
Ha Dung Trading Company Limited	13,390,856,872	14,013,591,342
Others	27,558,166,731	28,064,309,956
<b>Receivables from related parties</b>		
Minh Hai Import - Export and Trading service Company Limited	446,705,242,897	361,995,295,441
Tien Phong South Plastic Joint Stock Company	114,965,013,423	137,581,432,221
	<u><b>1,168,194,853,576</b></u>	<u><b>1,132,041,703,224</b></u>

**6. OTHER SHORT-TERM RECEIVABLES**

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Personal income tax paid on behalf of employees	541,845,107	164,354,692
Advances to employees	1,669,725,721	1,144,684,821
Short-term deposits	1,454,000,000	1,674,000,000
Others	2,963,617,748	6,411,965,755
	<u><b>6,629,188,576</b></u>	<u><b>9,395,005,268</b></u>



7. BAD DEBTS

	Closing balance		Opening balance	
	VND Cost	VND Recoverable amount	VND Cost	VND Recoverable amount
Over due more than 3 years	19,387,940,558	-	19,387,940,558	-
<i>Huong Minh Company Limited</i>	4,478,393,135	-	4,478,393,135	-
<i>Binh Trung Trading and Business Company Limited</i>	3,809,318,071	-	3,809,318,071	-
Others	11,100,229,352	-	11,100,229,352	-
	<b>19,387,940,558</b>	<b>-</b>	<b>19,387,940,558</b>	<b>-</b>

8. INVENTORIES

	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Goods in transit	94,432,017,432	-	176,312,440,999	-
Raw materials	488,983,580,406	(11,477,999,010)	406,286,243,168	(11,477,999,010)
Tools and supplies	8,257,449,097	-	9,109,919,368	-
Work in process	118,159,801,754	-	107,837,734,800	-
Finished goods	221,385,887,114	(129,128,291)	165,035,163,118	(129,128,291)
	<b>931,218,735,803</b>	<b>(11,607,127,301)</b>	<b>864,581,501,453</b>	<b>(11,607,127,301)</b>

As further noted in Notes 18 and 19, the Company has pledged its inventories, with carrying value of VND 919,611,608,502 as at 30 June 2018 to secure banking facilities granted to the Company (31 December 2017: VND 773,755,437,621).

9. PREPAYMENTS

	Closing balance	Opening balance
	VND	VND
<b>a) Short-term</b>		
Tools and supplies	8,752,223,718	15,801,529,236
	<b>8,752,223,718</b>	<b>15,801,529,236</b>
<b>b) Long-term</b>		
Tools and supplies	5,135,297,744	2,085,442,730
Others	11,096,727,010	6,057,637,719
	<b>16,232,024,754</b>	<b>8,143,080,449</b>

10. TAXES AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE BUDGET

Items	Opening balance	During the period		Closing balance
		VND	Receivable/ Payable VND	
<b>a) Receivables</b>				
Corporate income tax	5,041,925,054	17,748,344,988	30,000,000,000	17,293,580,066
Others	418,450,820	472,207,444	504,140,977	450,384,353
<b>Total</b>	<b>5,460,375,874</b>	<b>18,220,552,432</b>	<b>30,504,140,977</b>	<b>17,743,964,419</b>
<b>b) Payables</b>				
Value added tax	1,312,268,478	294,230,041,838	285,184,102,983	10,358,207,333
Import tax	355,436,176	7,851,654,090	7,851,654,090	355,436,176
Corporate income tax	780,035	4,046,804,993	1,470,584,680	2,577,000,348
Others	7,642,095,585	8,158,711,038	12,799,764,590	3,001,042,033
<b>Total</b>	<b>9,310,580,274</b>	<b>314,287,211,959</b>	<b>307,306,106,343</b>	<b>16,291,685,890</b>

11. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Motor vehicles	Office equipment	Total
	VND	VND	VND	VND	VND
<b>COST</b>					
Opening balance	1,233,335,119,158	843,087,886,701	147,596,048,078	18,173,358,169	2,242,192,412,106
Purchases	-	2,542,083,000	-	-	2,542,083,000
Transfer from construction in progress	63,156,490,168	37,435,233,496	3,955,781,950	426,030,000	104,973,535,614
Disposals	-	(2,650,965,658)	-	-	(2,650,965,658)
Closing balance	1,296,491,609,326	880,414,237,539	151,551,830,028	18,599,388,169	2,347,057,065,062
<b>ACCUMULATED DEPRECIATION</b>					
Opening balance	324,300,825,950	554,444,771,862	72,148,690,987	14,503,585,248	965,397,874,047
Charge for the period	33,045,260,892	23,714,546,737	6,389,310,258	734,549,360	63,883,667,247
Disposals	-	(2,634,981,283)	-	-	(2,634,981,283)
Closing balance	357,346,086,842	575,524,337,316	78,538,001,245	15,238,134,608	1,026,646,560,011
<b>NET BOOK VALUE</b>					
Closing balance	939,145,522,484	304,889,900,223	73,013,828,783	3,361,253,561	1,320,410,505,051
Opening balance	909,034,293,208	288,643,114,839	75,447,357,091	3,669,772,921	1,276,794,538,059

As further noted in Notes 18 and 19, the Company has pledged its entire tangible fixed assets, with the cost and accumulated depreciation of VND 2,105,112,974,869 and VND 898,929,847,951 respectively as at 30 June 2018 (31 December 2017: VND 2,002,790,404,913 and VND 842,973,413,049) to secure banking facilities granted to the Company.

The cost of the Company's tangible fixed assets as at 30 June 2018 includes VND 428,011,652,597 (31 December 2017: VND 394,134,696,231) of tangible assets which have been fully depreciated but are still in use.

During the period, the Company's Board of Directors changed the depreciation period for some tangible fixed assets as described in Note 3. The Board of Directors believes that the application of new depreciation period will more accurately reflect the utilization of Company's assets. If the old depreciation period continued to be used, the depreciation expense for the period would increase by VND 59.5 billion and the Company's profit before tax would decrease by the same amount.

12. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Land use rights VND	Computer software VND	Others VND	Total VND
<b>COST</b>				
Opening balance	39,574,856,946	153,400,000	9,707,649,107	49,435,906,053
Closing balance	39,574,856,946	153,400,000	9,707,649,107	49,435,906,053
<b>ACCUMULATED AMORTIZATION</b>				
Opening balance	3,780,494,038	145,844,229	6,920,050,172	10,846,388,439
Charge for the period	377,079,420	7,555,771	767,977,039	1,152,612,230
Closing balance	4,157,573,458	153,400,000	7,688,027,211	11,999,000,669
<b>NET BOOK VALUE</b>				
Closing balance	35,417,283,488	-	2,019,621,896	37,436,905,384
Opening balance	35,794,362,908	7,555,771	2,787,598,935	38,589,517,614

As further noted in Notes 18 and 19, the Company has pledged its land use rights with the cost of VND 30,737,799,316 as at 30 June 2018 (31 December 2017: VND 30,737,799,316) to secure banking facilities granted to the Company.

13. CONSTRUCTION IN PROGRESS

	Current period VND	Prior period VND
<b>Opening balance</b>	<b>191,781,018,464</b>	<b>215,146,899,641</b>
Additions	155,167,509,217	142,378,845,603
Transfer to tangible fixed assets	(104,973,535,614)	(79,448,546,845)
Other decreases	(4,590,576,517)	(1,064,322,067)
<b>Closing balance</b>	<b>237,384,415,550</b>	<b>277,012,876,332</b>

Construction works in progress include:

	Closing balance VND	Opening balance VND
New factory in Duong Kinh	213,872,653,246	178,765,407,500
Project at No. 02 An Da (i)	9,051,188,067	9,051,188,067
Other projects	14,460,574,237	3,964,422,897
	<b>237,384,415,550</b>	<b>191,781,018,464</b>

As further noted in Notes 18 and 19, the Company has pledged its construction works in progress with the carrying value of VND 233,221,447,198 as at 30 June 2018 (31 December 2017: VND 187,816,595,567) to secure banking facilities granted to the Company.

- (i) According to Official Letters No. 375/UBND-XD dated 18 January 2008 and No. 2460/UBND-CN dated 12 May 2010 issued by Hai Phong People's Committee, the Company was licensed to construct a building complex including apartments and offices for lease at No. 02 An Da, Lach Tray Ward, Hai Phong City. On 22 May 2014, Hai Phong City People's Committee released Decision No. 1018/QD-UBND approving the project's detailed planning at a scale of 1:500 and its design; accordingly, the Company has responsibility to continue to process procedures for the project implementation as regulated. As at the date of these interim consolidated financial statements, the Company is in the process of completing its procedures to continue the project.

14. INVESTMENTS IN JOINT VENTURES, ASSOCIATES

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Investments in joint ventures, associates	243,714,568,668	241,895,688,132
	<b>243,714,568,668</b>	<b>241,895,688,132</b>
<i>In which:</i>		
Tien Phong South Plastic Joint Stock Company	232,566,335,959	231,063,917,518
Tien Phong Packaging Joint Stock Company	11,148,232,709	10,831,770,614
	<b>243,714,568,668</b>	<b>241,895,688,132</b>

Details of the Company's joint ventures and associates as at 30 June 2018 are presented in Note 1.

Tien Phong-SMP Plastic Joint Venture Company Limited (the "Joint Venture") was established under Overseas Investment Certificate No. 222/BKH-DTRNN issued by the Ministry of Planning and Investment on 05 March 2009 and Investment Certificate No. 032/IB.VC issued by Vientiane Department of Planning and Investment on 17 April 2008. The Joint Venture is between SMP Commerce Import - Export Co., Ltd. ("SMP") and Tien Phong Plastic Joint Stock Company.

On 15 May 2014, the Company signed a contract to transfer its ownership interest in the Joint Venture to PPS Import and Export Trading Company Limited ("PPS"); accordingly, the Company will transfer its entire ownership interest in the Joint Venture to PPS for the amount of USD 1,275,000. Up to the reporting date, the transfer has not been carried out.

During the period, the significant transactions between the Company and its joint venture and associates are mainly trading materials and finished goods, and profit sharing (as stated in Note 30).

Summarised financial information in respect of the Company's joint venture and associates is set out below:

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Total assets	1,559,253,105,547	1,487,423,955,556
Total liabilities	684,752,566,720	648,761,610,579
Net assets	874,500,538,827	838,662,344,977
<b>The Company's share of joint venture and associates' net assets</b>	<b>243,714,568,668</b>	<b>241,895,688,132</b>
	<u>Current period</u> VND	<u>Prior period</u> VND
Net revenue	499,866,223,992	381,400,457,018
Profit after tax	32,874,837,626	29,416,916,364
<b>The Company's share of joint venture and associates' net profit</b>	<b>1,818,880,536</b>	<b>17,112,141,758</b>

15. SHORT-TERM TRADE PAYABLES

	<u>Closing balance</u> VND Amount/Amount able to be paid off	<u>Opening balance</u> VND Amount/Amount able to be paid off
<b>Short-term trade payables</b>		
Huyen Trang Investment Company Limited	28,003,913,255	7,946,948,055
Dai Dung Central Region Steel Structure Joint- Stock Company	23,032,349,500	-
Huong Cang Construction Trading Co., Ltd.	21,786,790,050	9,896,302,750
Hoa Tin Construction Trading Co., Ltd.	18,684,117,303	30,414,550,160
SCG Plastics Co., Ltd	16,512,967,680	-
Tin Kim Plastic Joint Stock Company	16,379,991,664	77,924,670,238
Hyosung Corporation	3,319,012,680	16,329,139,200
Phuong Dong Petro Trading Joint Stock Company	60,100,128	12,589,539,600
Tricon Overseas, Inc	-	25,328,721,600
Basell Asia Pacific Ltd	-	9,590,367,600
Others	67,818,026,036	78,429,400,648
	<u>195,597,268,296</u>	<u>268,449,639,851</u>
<b>Trade payables to related parties</b>		
Tien Phong South Plastic Joint Stock Company	40,057,485,755	-
Tien Phong Packaging Joint Stock Company	1,126,821,069	1,489,420,240.00
	<u>41,184,306,824</u>	<u>1,489,420,240</u>
<b>Total</b>	<u>236,781,575,120</u>	<u>269,939,060,091</u>

16. SHORT-TERM ACCRUED EXPENSES

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Payables to distributors	82,322,213,672	84,257,737,332
Payables to contractors	1,140,910,000	1,140,910,000
Transportation expenses	8,238,872,461	5,829,562,109
Interest payables	3,130,960,987	3,533,706,204
Others	4,475,310,045	18,743,517,851
	<u>99,308,267,165</u>	<u>113,505,433,496</u>

17. OTHER CURRENT PAYABLES

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Short-term deposits received	8,794,475,500	10,207,475,500
Trade union fee	1,298,416,612	1,131,058,775
Insurances	836,193,039	833,046,767
Others	5,892,304,927	4,524,284,689
	<u>16,821,390,078</u>	<u>16,695,865,731</u>

**18. SHORT-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES**

	<u>Opening balance</u>	<u>In the period</u>		<u>Closing balance</u>
	VND Amount/Amount able to be paid off	VND Increases	Decreases	VND Amount/Amount able to be paid off
Short-term borrowings	1,366,372,849,501	1,901,680,273,855	1,645,190,396,418	1,622,862,726,938
Current portion of long-term loans (see Note 19)	89,237,402,540	65,087,500,064	47,388,075,686	106,936,826,918
	<b>1,455,610,252,041</b>	<b>1,966,767,773,919</b>	<b>1,692,578,472,104</b>	<b>1,729,799,553,856</b>

Short-term borrowings are used to supplement the Company's working capital for its operation. Interest rates in the period range from 4.1% p.a to 6% p.a with respect to loans in VND.

Details of loans by collateral type are as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Loans secured by the Company's fixed assets and construction in progress (i)	833,527,999,355	635,052,037,976
Loans secured by the Company's inventories (i)	522,601,760,085	605,242,187,380
Unsecured loans	373,669,794,416	215,316,026,685
	<b>1,729,799,553,856</b>	<b>1,455,610,252,041</b>

(i) Short-term and long-term borrowings from banks (Note 19) were secured by the Company's assets (fixed assets, intangible fixed assets, construction in progress, inventories) with the total book value as at 30 June 2018 of VND 3,288,683,829,885 (31 December 2017: VND 3,074,319,374,632) and receivables balance as at 30 June 2018 of VND 55,574,720,497 (31 December 2017: VND 62,846,410,010).

**19. LONG-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES**

	<u>Opening balance</u>	<u>In the period</u>		<u>Closing balance</u>
	VND Amount/Amount able to be paid off	VND Increases	Decreases	VND Amount/Amount able to be paid off
Long-term loans from Commercial Joint Stock Bank	237,987,337,057	42,931,178,737	65,087,500,064	215,831,015,730
	<b>237,987,337,057</b>	<b>42,931,178,737</b>	<b>65,087,500,064</b>	<b>215,831,015,730</b>

The loan is repayable in installments starting from 24 September 2015 to 08 August 2022. The loan bears interest at the rate equal to the deposit rate plus 2% at the disbursement time; interest rate is adjustable every 3 months and interest is payable on the 1<sup>st</sup> day of each month. The Company uses its fixed assets as collaterals for the loans (see Note 18).

Long-term loans are repayable as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
On demand or within one year	106,936,826,918	89,237,402,540
In the second year	104,736,826,923	75,558,230,886
In the third to fifth year inclusive	111,094,188,807	162,429,106,171
	<b>322,767,842,648</b>	<b>327,224,739,597</b>
Less: Amount due for settlement within 12 months (shown under current liabilities - see Note 18)	106,936,826,918	89,237,402,540
<b>Amount due for settlement after 12 months</b>	<b>215,831,015,730</b>	<b>237,987,337,057</b>

**20. OWNERS' EQUITY**

	Owners' contributed capital	Investment and development fund	Retained earnings	Total
	VND	VND	VND	VND
<b>Balance as at 01 January 2017</b>	<b>743,673,070,000</b>	<b>722,568,011,805</b>	<b>366,554,020,952</b>	<b>1,832,795,102,757</b>
Profit for the period	-	-	202,112,519,863	202,112,519,863
Capital increase	148,729,950,000	-	(148,729,950,000)	-
Distribution to Investment and development fund	-	9,676,773,140	(9,676,773,140)	-
Distribution to Bonus and welfare funds	-	-	(26,331,264,027)	(26,331,264,027)
Remuneration to the Board of Management, Board of General Directors and Supervisory Board	-	-	(2,000,000,000)	(2,000,000,000)
Dividends paid	-	-	(74,367,307,001)	(74,367,307,001)
<b>Balance as at 30 June 2017</b>	<b>892,403,020,000</b>	<b>732,244,784,945</b>	<b>307,561,246,647</b>	<b>1,932,209,051,592</b>
<b>Balance as at 01 January 2018</b>	<b>892,403,020,000</b>	<b>732,244,784,945</b>	<b>460,717,911,688</b>	<b>2,085,365,716,633</b>
Profit for the period	-	-	149,697,118,129	149,697,118,129
Distribution to Investment and development fund (i)	-	92,158,118,776	(92,158,118,776)	-
Distribution to Bonus and welfare funds (i)	-	-	(27,388,743,800)	(27,388,743,800)
Remuneration to the Board of Management and Supervisory Board (i)	-	-	(2,000,000,000)	(2,000,000,000)
Dividends paid (ii)	-	-	(133,860,453,000)	(133,860,453,000)
<b>Balance as at 30 June 2018</b>	<b>892,403,020,000</b>	<b>824,402,903,721</b>	<b>355,007,714,241</b>	<b>2,071,813,637,962</b>

Under Article 2 of Resolution No. 26/NQ-DHDCDTN-2018/NTP approved in the Annual General Meeting of Shareholders on 23 April 2018, the Company distributed its 2017 profit as follows: distribution to Investment and development fund: VND 92,158,118,776, distribution to Bonus and welfare funds: VND 27,388,743,800, and remuneration to the Boards of Management and Supervisory Board in 2017: VND 4,000,000,000 (In which: the amount paid in 2017 is VND 2,000,000,000, the remaining of VND 2,000,000,000 will be paid in 2018).

- (ii) The Company declared 2nd dividends from its 2017 profit after tax according to Resolution No. 26/NQ-DHDCDTN-2018/NTP dated 23 April 2018 approved in the Annual General Meeting of Shareholders with the amount of VND 133,860,453,000 equal to 15% of charter capital (The 1<sup>st</sup> is paid by cash at the rate of 15% of charter capital in 2017).

Shares	<u>Closing balance</u>	<u>Opening balance</u>
<b>- Number of shares issued to public</b>		
+ Common shares	89,240,302	89,240,302
<b>- Number of outstanding shares in circulation</b>		
+ Common shares	89,240,302	89,240,302
 <b>21. OFF BALANCE SHEET ITEMS</b>		
	<u>Closing balance</u>	<u>Opening balance</u>
<b>Foreign currencies</b>		
United States Dollar (USD)	13,578	26,988
 <b>22. REVENUE</b>		
	<u>Current period</u>	<u>Prior period</u>
	VND	VND
<b>Gross sale of goods</b>		
Sales of finished goods	2,077,513,951,593	2,055,633,341,371
Others	1,662,205,882	2,126,313,332
	<b>2,079,176,157,475</b>	<b>2,057,759,654,703</b>
Sales discount	(8,184,738,867)	(4,851,250,120)
<b>Net revenue</b>	<b>2,070,991,418,608</b>	<b>2,052,908,404,583</b>
<b>In which, sales to related parties transactions:</b>		
<i>Tien Phong South Plastic Joint Stock Company</i>	125,232,593,617	145,613,345,033
<i>Minh Hai Import - Export and Trading service Company Limited</i>	467,575,482,022	436,406,644,929
	<b>592,808,075,639</b>	<b>582,019,989,962</b>
 <b>23. COST OF SALES</b>		
	<u>Current period</u>	<u>Prior period</u>
	VND	VND
Cost of finished goods	1,427,226,755,689	1,342,217,533,648
Others	1,109,828,459	6,512,993,133
	<b>1,428,336,584,148</b>	<b>1,348,730,526,781</b>



24. PRODUCTION COST BY NATURE

	<u>Current period</u> VND	<u>Prior period</u> VND
Raw materials and consumables	1,294,712,788,313	1,214,097,492,212
Labour	142,907,171,796	158,266,374,004
Depreciation and amortization	65,036,279,477	108,428,369,353
Distribution expenses	197,885,283,717	235,567,446,049
Out-sourced services	130,464,857,554	125,592,711,226
Other monetary expenses	29,142,526,387	9,627,488,595
	<u><b>1,860,148,907,244</b></u>	<u><b>1,851,579,881,439</b></u>

25. FINANCIAL EXPENSES

	<u>Current period</u> VND	<u>Prior period</u> VND
Interest expense	49,277,058,266	33,500,100,901
Foreign exchange loss	453,645,302	136,916,716
	<u><b>49,730,703,568</b></u>	<u><b>33,637,017,617</b></u>

26. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES

	<u>Current period</u> VND	<u>Prior period</u> VND
<b>Selling expenses</b>		
Transportation	41,230,251,231	35,521,541,772
Sales discount	197,885,283,717	235,395,664,643
Others	105,972,123,884	96,347,391,190
	<u><b>345,087,658,832</b></u>	<u><b>367,264,597,605</b></u>
<b>General and administration expenses</b>		
Labour	24,471,249,485	23,711,313,597
Depreciation and amortisation	15,540,158,920	27,606,659,346
Other monetary expenses	26,535,231,850	24,706,284,361
Others	15,001,811,683	14,862,429,893
	<u><b>81,548,451,938</b></u>	<u><b>90,886,687,197</b></u>

27. CORPORATE INCOME TAX EXPENSE

	<u>Current period</u> VND	<u>Prior period</u> VND
Current corporate income tax expense based on taxable profit in the current period	21,795,149,981	29,727,000,503
<i>In which:</i>		
<i>Tien Phong Plastic Joint Stock Company</i>	17,745,350,215	29,723,051,268
<i>Tien Phong Land Company Limited</i>	-	3,949,235
<i>Tien Phong Central Plastic Company Limited</i>	4,049,799,766	-
<b>Total current corporate income tax expense</b>	<b>21,795,149,981</b>	<b>29,727,000,503</b>

28. BUSINESS AND GEOGRAPHICAL SEGMENTS

The principal business activities of the Company and its subsidiaries are to manufacture and trade plastic products for civil consumption and use in construction and industries. Accordingly, the financial information presented in the consolidated balance sheet as at 30 June 2018 and the entire revenue and expenses presented in the consolidated income statement for the 6-month period ended 30 June 2018 only relate to these principal business activities.

The Company's operations are located in Vietnam only; therefore, the Company did not prepare segment reporting for geographic segments outside Vietnam.

29. BASIC EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the ordinary equity holders of the holding company is based on the following data:

	<u>Current period</u>	<u>Prior period</u>
Earnings for the purpose of calculating basic earnings per share (VND)	149,697,118,129	202,112,519,863
Deduct: Distribution to bonus and welfare funds (VND) (i)	-	(13,694,371,900)
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	89,240,302	89,240,302
<b>Basic earnings per share (VND/share)</b>	<b>1,677</b>	<b>2,111</b>

- (i) As at 30 June 2018, the Company has not reliably estimated the profit for the six-month period ended 30 June 2018, which may be allocated to the bonus and welfare fund due to the uncertainty on profit for the whole year 2018. If the Company deducted bonus and welfare funds for the six-month period ended 30 June 2018, the profit for the calculation of basic earnings per share in the first half of 2018 would be decreased by the same amount.

According to Resolution No. 26/NQ-DHDCDTN-2018/NTP dated 23 April 2018, the Company distributed to the bonus and welfare fund from 2017 with the amount of VND 27,388,743,800. As a result, the basic earnings per share for the six-month period ended 30 June 2017 were restated to VND 2,111 per share (figure presented in the interim consolidated financial statements for the six month period ended 30 June 2017 is VND 2,265 per share).

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30. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties with significant transactions and balances for the period:

<u>Related parties</u>	<u>Relationship</u>
Tien Phong South Plastic Joint Stock Company	Associate
Tien Phong Packaging Joint Stock Company	Associate
Tien Phong - SMP Plastic Joint Venture Company Limited	Joint venture
Minh Hai Import - Export and Trading service Company Limited	Other related party

During the period, the Company entered into the following significant transactions with its related parties:

	<u>Current period</u> VND	<u>Prior period</u> VND
<b>Sales</b>		
Tien Phong South Plastic Joint Stock Company	125,232,593,617	145,613,345,033
Minh Hai Import - Export and Trading service Company Limited	467,575,482,022	436,406,644,929
<b>Purchases</b>		
Tien Phong South Plastic Joint Stock Company	104,215,690,768	177,819,157,216
Tien Phong Packaging Joint Stock Company	7,356,272,210	6,905,714,960

Significant related party balances as at the consolidated balance sheet date were as follows:

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
<b>Receivables</b>		
Minh Hai Import - Export and Trading service Company Limited	446,705,242,897	361,995,295,441
Tien Phong South Plastic Joint Stock Company	114,965,013,423	137,581,432,221
<b>Short-term loan receivables</b>		
Tien Phong Packaging Joint Stock Company	15,461,572,866	15,461,572,866
<b>Payables</b>		
Tien Phong South Plastic Joint Stock Company	40,057,485,755	-
Tien Phong Packaging Joint Stock Company	1,126,821,069	1,489,420,240

Remuneration paid to the Company's Boards of Management and General Directors during the period was as follows:

	<u>Current period</u> VND	<u>Prior period</u> VND
Remuneration of members of the Boards of Management and General Directors	4,856,512,296	5,138,604,599

Dividends declared to the Boards of Management and General Directors in the period are as follows:

	<u>Current period</u> VND	<u>Prior period</u> VND
Dividends distributed to members of the Board of Management and General Directors	12,342,559,125	2,424,042,800

**31. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION**

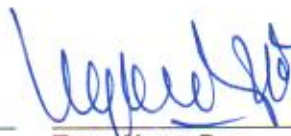
**Supplemental non-cash disclosures**

Cash outflows for purchases of fixed assets and construction in progress during the period exclude an amount of VND 61,933,046,802 (2017: VND 8,491,998,047), representing an addition in fixed assets and construction in progress during the period that has not yet been paid. Consequently, changes in accounts payable have been adjusted by the same amount.



**Luu Thi Mai**  
**Preparer**

14 August 2018



**Tran Ngoc Bao**  
**Chief Accountant**



**Tran Ba Phuc**  
**Chairman**