

**THE INTERIM CONSOLIDATED 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") hereby presents the Statements and Company's interim consolidated 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 23rd time on 04/05/2017 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 consolidated 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	

**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	Dismissed on 08/08/2018
Ms. Trinh Thanh Tuoi	Chief Accountant	

## **TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY**

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

### **AUDITOR**

The interim consolidated 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 THE FINANCIAL STATEMENTS**

Company's General Management who is responsible for preparing interim consolidated 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 consolidated financial statements, Company's General Management is committed to comply with the following requirements:

- As determined by the General Management and Board of Directors, 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 mistake;
- 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.

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 violations.

Company's General Management undertakes that the interim consolidated financial statements reflect honestly and reasonably the Company's financial position from 30/06/2018, the consolidated Income Statement and situation of consolidated 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 consolidated financial statements.

**TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY**

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

**Other commitments**

General Management undertakes that the Company complies with Decree 71/2017/ND-CP dated 06/06/2017 on corporate governance applicable to public companies and 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, August 14, 2018*

**TIEN THANH SERVICE AND TRADING  
JOINT STOCK COMPANY**

**On behalf of General Management**

**General Director**



**Nguyen Huu Trung**



## TTP AUDITING LIMITED COMPANY

No: 276/BCKT-TC

### REVIEW STATEMENT ON INTERIM FINANCIAL POSITION

*Re: Consolidated 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 consolidated Financial Statements of Tien Thanh Service And Trading Joint Stock Company prepared on 31/07/2018 including: the consolidated Balance Sheet on 30/06/2018, consolidated Income Statement, consolidated Statement of cash flows and Notes to the interim consolidated Financial Statements for the accounting period from 01/01/2018 to 30/06/2018 presented from page 7 to page 37 attached hereto.

#### **General Management's Responsibility**

General Management is responsible for preparing and presenting honestly and reasonably the Company's interim consolidated 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 consolidated Financial Statements without material misstatement due to fraud or mistake.

#### **Auditor's Responsibility**

Our responsibility is to give conclusion of the interim consolidated 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 independent auditor. The review of interim consolidated 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 procedure 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.

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## **Conclusion of Auditor**

Based on the results of our review, we find that any problem is detected in the interim consolidated Financial Statements because of its truthfulness and reasonableness. In terms of the material fact, company's the interim consolidated Financial Statements on 30/06/2018, the interim consolidated Income Statement and interim consolidated 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 consolidated Financial Statements.

*Hanoi, August 14, 2018*

**TTP AUDITING LIMITED COMPANY**

**General Director**

*(Signed and sealed)*

**Le Quang Duc**

*Certificate of Audit Practice No.:*

*0164-2018-133-1*

**INTERIM CONSOLIDATED BALANCE SHEET**  
**As of 30/06/2018**

ASSETS	Code	Note	Currency: VND	
			Ending balance	Beginning balance
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>344.746.475.907</b>	<b>310.631.592.757</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>V.1</b>	31.942.973/708	24.753.040.376
1. Cash	111		31.942.973.708	24.753.040.376
2. Cash equivalents	112		-	-
<b>II. Short-term investments</b>	<b>120</b>	<b>V.6</b>	-	-
<b>III. Current accounts receivable</b>	<b>130</b>		<b>223.857.862.880</b>	<b>186.841.940.588</b>
1. Short-term trade receivables	131	<b>V.2</b>	76.196.118.238	51.251.220.900
2. Short-term advances to suppliers	132	<b>V.3a</b>	110.470.027.693	116.534.035.256
6. Other short-term receivables	136	<b>V.4a</b>	37.191.716.949	19.056.684.432
<b>IV. Inventories</b>	<b>140</b>	<b>V.7</b>	86.671.591.078	96.764.596.208
1. Inventories	141		86.671.591.078	96.764.596.208
2. Provision for obsolete inventories (*)	149		-	-
<b>V. Other current assets</b>	<b>150</b>		<b>2.274.048.241</b>	<b>2.272.015.585</b>
1. Short-term prepaid expenses	151	<b>V.10a</b>	365.021.087	21.654.845
2. Value added tax deductibles	152		1.906.501.564	2.249.589.190
3. Tax and other receivables from the State	153		2.525.590	771.550
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>179.383.989.335</b>	<b>169.406.444.397</b>
<b>I. Non-current accounts receivable</b>	<b>210</b>		<b>126.639.000.000</b>	<b>116.639.000.000</b>
2. Long-term advance to suppliers	212	<b>V.3b</b>	10.000.000.000	-
6. Other long-term receivables	216	<b>V.4b</b>	116.639.000.000	116.639.000.000
7. Provision for doubtful long-term receivables (*)	219		-	-



**INTERIM CONSOLIDATED BALANCE SHEET**

As of 30/06/2018

(Continued)

ASSETS	Code	Note	Currency: VND	
			Ending balance	Beginning balance
<b>II. Fixed assets</b>	<b>220</b>		<b>42.628.191.245</b>	<b>42.618.918.357</b>
1. Tangible fixed assets	221	V.8	39.168.664.016	39.181.168.357
- Cost	222		44.925.744.144	43.122.975.919
- Accumulated depreciation (*)	223		(5.757.080.128)	(3.941.807.562)
2. Leased financial fixed assets	224		-	-
- Cost	225		-	-
- Accumulated depreciation (*)	226		-	-
3. Intangible fixed assets	227	V.9	3.459.527.229	3.437.750.000
- Cost	228		3.459.527.229	3.437.750.000
- Accumulated depreciation (*)	229		-	-
<b>III. Investment properties</b>	<b>230</b>		-	-
- Cost	231		-	-
- Accumulated depreciation (*)	232		-	-
<b>IV. Long term assets in progress</b>	<b>240</b>		<b>176.453.843</b>	<b>176.453.843</b>
1. Long-term work in progress	241		-	-
2. Construction in progress	242		176.453.843	176.453.843
<b>IV. Long-term investments</b>	<b>250</b>	V.6	<b>9.516.870.000</b>	<b>9.516.870.000</b>
1. Investments in subsidiary	251		-	-
2. Investments in associates, jointly controlled entities	252		-	-
3. Investment in other entities	253		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		-	-
<b>V. Other long-term assets</b>	<b>260</b>		<b>423.474.247</b>	<b>455.202.197</b>
1. Long-term prepaid expenses	261	V.10b	423474247	455.202.197
2. Deferred tax assets	262		-	-
3. Long-term tools, supplies and spare parts	263		-	-
4. Other long-term assets	268		-	-
<b>VI. Goodwill</b>	<b>269</b>		-	-
<b>TOTAL ASSETS</b>	<b>270</b>		<b>524.130.465.242</b>	<b>480.038.037.154</b>

**INTERIM CONSOLIDATED BALANCE SHEET**

As of 30/06/2018

(Continued)

RESOURCES	Code	Note	Ending balance	Beginning balance
<b>C. LIABILITIES</b>	<b>300</b>		<b>123.362.691.388</b>	<b>143.196.208.049</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>123.362.691.388</b>	<b>143.196.208.049</b>
1. Short-term trade payables	311	V.11	38 173 185.090	72.907.428.153
2. Short-term advances from customers	312	V.12	13.730.160.199	1.044.796.036
3. Statutory obligations	313	V.13	2.907.366.456	1.351.779.203
4. Payables to employees	314		9.759.184	103.884.886
5. Short-term accrued expenses	315	V.14	19.691.542.153	18.588.027.783
9. Other short-term payables	319	V.15	292.126.306	250.291.988
10. Short-term loan and finance lease	320	V.16	46.558.552.000	46.950.000.000
11. Short-term provision	321		-	-
12. Reward and welfare funds	322		2.000.000.000	2.000.000.000
<b>II. Non-current liabilities</b>	<b>330</b>		-	-
<b>D. OWNERS' EQUITY</b>	<b>400</b>		<b>400.767.773.854</b>	<b>336.841.829.105</b>
<b>I. Capital</b>	<b>410</b>	V.17	<b>400.767.773.854</b>	<b>336.841.829.105</b>
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		45.318.645.728	31.447.188.601
- Undistributed earnings accumulated to prior year-end	421a		31.487.582.979	(12.900.157.464)
- Undistributed earnings of this period	421b		13.831.062.749	44347.346.065
12. Fund for capital expenditure	422		-	-
13. Out-of-control shareholder benefits	429		50.054.487.622	-
<b>TOTAL</b>	<b>440</b>		<b>524.130.465.242</b>	<b>480.038.037.154</b>

Currency: VND

Hanoi, August 14, 2018

TIEN THANH SERVICE AND  
 TRADING JOINT STOCK COMPANY

Prepared by



Trinh Thanh Tui

Chief Accountant



Trinh Thanh Tui

General Director



Nguyen Huu Truong

**INTERIM CONSOLIDATED 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	VI.1	102.182.003.042	99.255.901.260
2. Deductions	02		-	-
3. Net revenue from sale of goods and rendering of services (10 = 01 - 02)	10		102.182.003.042	99.255.901.260
4. Costs of goods sold and services rendered	11	VI.2	83.083.151.573	86.331.421.336
5. Gross profit from sale of goods and rendering of services (20 = 10 - 11)	20		19.098.851.469	12.924.479.924
6. Finance income	21	VI.3	1.028.990.539	649.161.947
7. Finance expenses	22	VI.4	2.524.285.924	321.588.480
- In which: Interest expenses	23		2.357.277.424	305.915.693
8. Selling expenses	24	VI.7	747.996.657	572.244.200
9. General and administrative expenses	25	VI.7	2.918.174.764	2.022.096.824
10. Operating profit {30 = 20 + (21 - 22)-(24 + 25)}	30		13.937.384.663	10.657.712.367
11. Other income	31	VI.5	38.752	-
12. Other expenses	32	VI.6	106.360.666	25.208.688
13. Other profit (40 = 31 - 32)	40		(106.321.914)	(25.208.688)
14. Net profit before tax (50 = 30 + 40)	50		13.831.062.749	10.632.503.679
15. Current corporate income tax expense	51	VI.8	-	-
16. Deferred income tax income/(expense)	52		-	-
17. Net profit after tax (60=50-51-52)	60		13.831.062.749	10.632.503.679
Profit after tax of parent company			13.831.062.749	10.632.503.679
Non-controlling profit after tax of shareholders				
18. Basic earnings per share	70	VI.9	462.58	804.23

Hanoi, August 14, 2018

TIEN THANH SERVICE AND  
 TRADING JOINT STOCK COMPANY

Prepared by

  
 Trinh Thanh Tui

Chief Accountant

  
 Trinh Thanh Tui

General Director

  
 Nguyen Huu Truong

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

ITEMS	Code	Currency: VND	
		The first 6 months of 2018	The first 6 months of 2017
<b>I. Cash flows from operations</b>			
1. Net profit before tax		13.831.062.749	10.632.503.679
2. Adjustments for	01		
- Depreciation	02	1.815.272.566	687.617.474
- Foreign exchange (Profits)/losses arising from revaluation of monetary accounts	04	-	(18.528.911)
- (Profits)/losses from investing operations	05	(383.514.018)	(611.553.036)
- Interest expenses	06	2.357.277.424	305.915.693
3. Operating income before changes in working capital	08	1 7.620.098.721	10.995.954.899
- Decrease/(increase) in receivables	09	(46.674.588.706)	(4.481.543.349)
- Decrease/(increase) in inventories	10	10.093.005.130	30.395.258.282
- Decrease/(increase) in payables (not included interest expenses and income tax payables)	11	30.638.361.547	2.863.002.116
- Decrease/(Increase) in prepaid expenses	12	(311.638.292)	(37.480.060)
- Interest paid	13	(2.342.825.632)	(305.915.693)
- Corporate income tax paid	14	-	-
<b>Cash flows from operations</b>		<b>9.022.412.768</b>	<b>39.429.276.195</b>
<b>II. Cash flows from investing operations</b>			
1. Purchase and construction of fixed assets and other long-term assets	21	(1.824.545.454)	(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	-	-
6. Proceeds from investment in other entities	26	-	-
7. Interest and dividend received	27	383.514.018	611.553.036
<b>Cash flows from investing operations</b>		<b>(1.441.031.436)</b>	<b>(4.645.330.964)</b>
<b>III. Cash flows from financial operations</b>			
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	(30.400.000.000)	(5.180.000.000)
6. Dividend paid to owner	36	-	-
<b>Cash flows from financial operations</b>		<b>(391.448.000)</b>	<b>5.320.000.000</b>
<b>Net cash increase/(decrease)</b>	<b>50</b>	<b>7.189.933.332</b>	<b>40.103.945.231</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>60</b>	<b>24.753.040.376</b>	<b>10.582.810.299</b>
<b>Impact of exchange rate fluctuation</b>	<b>61</b>	<b>-</b>	<b>18 528 911</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>70</b>	<b>31.942.973.708</b>	<b>50.705.284.441</b>

Prepared by

Trinh Thanh Tuoi

Chief Accountant

Trinh Thanh Tuoi

Hanoi, August 14, 2018  
TIEN THANH SERVICE AND  
TRADING JOINT STOCK COMPANY  
General Director

Nguyen Huu Truong

## NOTES TO THE INTERIM CONSOLIDATED 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 23rd time on 04/05/2017 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.

#### Business structure

Subsidiary	Place of incorporation and operation	Control rate	Voting rate	Main business lines
Son Phu Investment Joint Stock Company	No. 122 Khuat Duy Tien, Nhan Chinh Ward, Thanh Xuan District, Hanoi	64.29%	64.29%	- Trading construction materials; - Exploitation of stone, sand, gravel and clay

### II. ACCOUNTING YEAR, 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 re-buy 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 price, accumulated depreciation and remaining 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 instalment 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 cancelled 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% staff with disabilities out of average staff 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.

## **22. Other accounting principles and methods**

Basis of preparation of the consolidated financial statements: The financial statements are prepared and presented on the basis of accounting principles and methods: accrual basis, continuing operations, original price that are cautious, critical, compensatory and comparable. The financial statements prepared by the Company are not intended to present the financial position, results of operations and cash flows in accordance with accounting standards and systems or accounting principles and practices. It is generally accepted in countries other than Vietnam.

The consolidated financial statements of the Company are prepared on the basis of consolidation of the financial statements from the parent company and its subsidiaries. The Companies identified as a subsidiary of the Company when it is able to control the financial and operating policies of the investees so as to obtain benefits from the operations of these companies.

The accounting policies of subsidiaries can be adjusted so as to ensure that the accounting policies applied in the parent company and subsidiaries are not significantly different.

All transactions (transactions) and balances between subsidiaries of the Group are eliminated on when making the consolidated financial statements.

The value of the Company's investments in associates is reflected in the consolidated financial statements in accordance with the equity method. As a result, investments in associates are accounted for in the consolidated balance sheet at original price minus allowance for diminution in value of the Group's share of the net assets of the associates after buying investments. Losses attributable to the associates in excess of the Company's contributed capital in these companies are not recognized.

## V. ADDITIONAL INFORMATION FOR ITEMS ON ACCOUNTING BALANCE SHEET

### 1. CASH

	Ending balance VND	Beginning balance VND
- Cash	11.250.394.341	6.743.133.966
- Call deposits at bank	20.692.579.367	18.009.906.410
<b>Total</b>	<b>31.942.973.708</b>	<b>24.753.040.376</b>

### 2. RECEIVABLES FROM CUSTOMERS

Currency: VND

	Ending balance		Beginning balance	
	Value	Provision	Value	Provision
<b>a. Short-term</b>				
VISTACOM., JSC			3.491.750.000	
HSE Vietnam Co., Ltd			3.258.739.000	
Minh Anh Investment and Service Trading Co., Ltd			6.629.925.000	
VMG Fashion Co., Ltd	32.864.974.400		16.451.511.400	
Lap Phuong Thanh Manufacture and Trading Joint Stock Company	23.339.485.522		3.571.444.152	
Lam Giang Steel Joint Stock Company	3.454.966.079		5.582.966.079	
Minh Van Anh Development Investment Co., Ltd	2.912.206.731		8.146.206.731	
Other receivables from customers	13.624.485.506		4.118.678.538	
<b>Total</b>	<b>76.196.118.238</b>		<b>51.251.220.900</b>	

#### In which collecting from customers being stakeholders

Objects	Relationship	Ending balance VND	Beginning balance VND
Minh Van Anh Development Investment Co., Ltd	The entity in which Tien Thanh owns 19% of the shares	2.912.206.731	8.146.206.731
Minh Anh Investment and Service Trading Co., Ltd	The director of Minh Anh is the father of the member of Tien Thanh BOD		6.629.925.000
<b>Total</b>		<b>2.912.206.731</b>	<b>14.776.131.731</b>

The accompanying notes are an integral part of the financial statements

### 3. PREPAID FOR SELLER

Currency: VND

	Ending balance		Beginning balance	
	Value	Provision	Value	Provision
<b>a. Short-term</b>	<b>110.470.027.693</b>		116.534.035.256	
Ha Nam EMJ Joint Stock Company	12.776.369.600		12.776.369.600	
Dong Thien Phu Mien Nam JSC	10.125.785.200		10.125.785.200	
Branch of Dong Thien Phu Group JSC	9.225.000.000		9.225.000.000	
Dong Thien Phu Group JSC	20.000.000.000		40.000.000.000	
Dong Thien Phu Group JSC Hung Yen	34.739.000.440		34.739.000.440	
Others	23.603.872.453		9.667.880.016	
<b>b. Long-term</b>	<b>10.000.000.000</b>			
Nguyen Tran Linh Chi	10.000.000.000			
<b>Total</b>	<b>120.470.027.693</b>		<b>116.534.035.256</b>	

In which, the balances with related parties are as follows:

Objects	Relationship	Ending balance VND	Beginning balance VND
Dong Thien Phu Mien Nam JSC	The Chairman of Tien Thanh BOD is the Director of Dong Thien Phu Mien Nam JSC	10.125.785.200	10.125.785.200
Dong Thien Phu Group JSC	Chief Accountant of Dong Thien Phu Group is a member of Tien Thanh BOD	20.000.000.000	40.000.000.000
Ha Nam EMJ Joint Stock Company	It is the entity that co-operates with Tien Thanh	12.776.369.600	12.776.369.600

### 4. OTHER RECEIVABLES

Currency: VND

	Ending balance		Beginning balance	
	Value	Provision	Value	Provision
<b>a. Short-term</b>	<b>37.191.716.949</b>		19.056.684.432	
- Other receivables	133.716.949		134.710.099	
- Outstanding loan of social insurance			1.339.622	
- Advance	37.058.000.000		18.920.634.711	
<b>b. Long-term</b>	<b>116.639.000.000</b>		<b>116.639.000.000</b>	
- Other long-term receivables (*)	116.639.000.000		116.639.000.000	

(\*) In which:

- The business cooperation contract with Ha Nam EMJ Joint Stock Company with 34.200.000.000 VND 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.

- The business cooperation contract with Toan Thang Investment and Real Estate Co., Ltd. to invest in the project "Golden Beach Resort" with 82.439.000.000 VND. 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.

In which, the balances with related parties are as follows:

Objects	Relationship	Ending balance VND	Beginning balance VND
Mr. Vu Van Trong	Member of the BOD cum Vice General Director (dismissed from the Board of Directors on 27/04/2018 and dismissed from the position of Vice General Director on 08/08/2018)		17.356.943.000
Luong Duc Chien	Member of Board of Directors cum Director of Son Phu Company is a subsidiary of Tien Thanh	10.305.000.000	
Ta Ngoc Bang	Vice General Director since 08/01/2018 Son Phu is a subsidiary of Tien Thanh	25.030.000.000	

#### 6. FINANCIAL INVESTMENTS (See Appendix No. 01)

#### 7. INVENTORY

	Ending balance		Beginning balance	
	Original price VND	Provision VND	Original price VND	Provision VND
- Raw materials, materials	1.388.640.009		895.523.127	
- Tools and supplies	326.157.653		269.021.828	
- Cost of production and business in progress	5.985.734.047		5.221.825.528	
- Finished products	3.206.130.077		1.068.344.457	
- Goods	75.764.929.292		89.309.881.268	
<b>Total</b>	<b>86.671.591.078</b>		<b>96.764.596.208</b>	

\* Value of stagnant, low qualified and defective inventories at the end of the period: 0 dong

\* Value of inventories used for mortgages, pledges guarantee liabilities at the end of the period: 0 dong

#### 8. INCREASE AND DECREASE IN TANGIBLE FIXED ASSETS (See Appendix No. 02)

#### 9. INCREASE AND DECREASE IN INTANGIBLE FIXED ASSIGNMENT (See Appendix No. 02)

10. PREPAID COSTS	Ending balance VND	Beginning balance VND
<b>a. Short-term</b>	<b>365.021.087</b>	<b>21.654.845</b>
Short-term allocation tools	3.028.266	
Short-term prepaid costs	361.992.821	21.654.845
<b>b. Long-term</b>	<b>423.474.247</b>	<b>455.202.197</b>
Long-term allocation tools	205.793.043	90738.659
Long-term prepaid costs	217.681.204	364.463.538
<b>Total</b>	<b>788.495.333</b>	<b>476.857.042</b>

The accompanying notes are an integral part of the financial statements



Currency: VND

**11. PAYABLES TO SELLERS**

	Ending balance		Beginning balance	
	Book value	Capable of repayment	Book value	Capable of repayment
	VND	VND	VND	VND
<b>Short-term sellers and payers</b>	<b>38.173.185.090</b>	<b>38.173.185.090</b>	<b>72.907.428.153</b>	<b>72.907.428.153</b>
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 payables to sellers	3.718.180.150	3.718.180.150	6.462.285.153	6.462.285.153

Currency: VND

**12. PREPAID BY BUYERS**

	Ending balance		Beginning balance	
	Value	Capable of repayment	Value	Capable of repayment
	VND	VND	VND	VND
<b>Prepaying buyers</b>	<b>13.730.160.199</b>	<b>13.730.160.199</b>	<b>1.044.796.036</b>	<b>1.044.796.036</b>
HSE 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 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
Van Thang Starch Processing Co., Ltd			150.000.000	150.000.000
VD SUN CO., LTD			614.560.000	614.560.000
Other prepayments from customers	508.399.199	508.399.199	108.649.136	108.649.136
<b>Total</b>	<b>13.730.160.199</b>	<b>13.730.160.199</b>	<b>1.044.796.036</b>	<b>1.044.796.036</b>

**In which, the balances with related parties are as follows:**

Objects	Relationship	Ending balance VND	Beginning balance VND
Dong Thien Phu Group Joint Stock Company	Chief Accountant of Dong Thien Phu Group is a member of Tien Thanh BOD	27.500.000	27.500.000

The accompanying notes are an integral part of the financial statements

### 13. TAXES AND PAYABLES TO THE STATE

Interpretation	Beginning balance (a)	Balance in the period (b)	Actual balance in the period (c)	Other adjustments (d)	Currency: VND
					Ending balance (e)=(a)+(b)-(c)+(d)
VAT payable	512.708.589	3.300.424.454	2.029.595.718		1.783.537.325
CIT	130.654.016				130.654.016
Royalties	318.665.515	313.500.000	400.886.750		231.278.765
Housing and land tax	236.267.783	775.930.777	920.160.160		92.038.400
Charges, fees and other payables	153.483.300	660.628.784	144.254.134		669.857.950
<b>Total</b>	<b>1.351.779.203</b>	<b>5.050.484.015</b>	<b>3.494.896.762</b>		<b>2.907.366.456</b>

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.

### 14. PAYABLE COSTS

	Ending balance VND	Beginning balance VND
<b>a. Short-term</b>	19.691.542.153	18.588.027.783
- Interest payable	19.691.542.153	18.588.027.783
<b>Total</b>	<b>19.691.542.153</b>	<b>18.588.027.783</b>

### 15. OTHER PAYABLES

	Ending balance VND	Beginning balance VND
<b>a. Short-term</b>	292.126.306	250.291.988
- Trade Union funds	54.910.012	26.797.192
- Social insurance	237.216.294	223.494.796
<b>Total</b>	<b>292.126.306</b>	<b>250.291.988</b>

### 16. SHORT-TERM LOANS AND SHORT-TERM FINANTIAL LIABILITIES

(Details in Appendix 3)

### 17. EQUITY

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

b. Details of the capital contribution of the owner (Appendix No. 4)

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		

The accompanying notes are an integral part of the financial statements

<b>d. Shares</b>	<b>Ending balance</b>	<b>Beginning balance</b>
	<b>VND</b>	<b>VND</b>
The number of issued shares	29.899.981	12.999.998
The number of sold shares in public	29.899.981	12.999.998
+ <i>Common shares</i>	<i>29.899.981</i>	<i>12.999.998</i>
+ <i>Common shares</i>		
Number of shares acquired (treasury shares)		
Current shares	29.899.981	12.999.998
+ <i>Common shares</i>	<i>29.899.981</i>	<i>12.999.998</i>
+ <i>Common shares (clarified as equity)</i>		
* Current shares value: 10,000 VND		
<b>e. The funds of the enterprise</b>		
- Investment and development fund	6.394.830.504	6.394.830.504
<b>Total</b>	<b>6.394.830.504</b>	<b>6.394.830.504</b>
<b>VI. ADDITIONAL INFORMATION FOR ITEMS PRESENTED IN THE INCOME STATEMENT</b>		
<b>1. REVENUE FROM SALE OF GOODS AND PROVISION OF SERVICES</b>	<b>First six months of 2018</b>	<b>First six months of 2017</b>
	<b>VND</b>	<b>VND</b>
- Revenue from sale of goods and provision of services	102.182.003.042	99.255.901.260
<b>Total</b>	<b>102.182.003.042</b>	<b>99.255.901.260</b>
<b>In which, the revenue with related parties are as follows:</b>		
	<b>First six months of 2018</b>	<b>First six months of 2017</b>
	<b>VND</b>	<b>VND</b>
- Minh Anh Investment and Service Trading Co., Ltd	-	12.481.750.000
<b>Total</b>	<b>-</b>	<b>12.481.750.000</b>
<b>2. COST OF GOODS SOLD</b>	<b>First six months of 2018</b>	<b>First six months of 2017</b>
	<b>VND</b>	<b>VND</b>
Cost of goods sold and service provided	83.083.151.573	86.331.421.336
<b>Total</b>	<b>83.083.151.573</b>	<b>86.331.421.336</b>
<b>3. REVENUE FROM FINANCIAL OPERATIONS</b>	<b>First six months of 2018</b>	<b>First six months of 2017</b>
	<b>VND</b>	<b>VND</b>
Deposit, loan interests	1.827.018	1.127.527
Shared dividends and profits	645.476521	37.608.911
Exchange rate differences	381.687.000	610.425.509
<b>Total</b>	<b>1.028.990.539</b>	<b>649.161.947</b>
<b>4. FINANCIAL EXPENSES</b>	<b>First six months of 2018</b>	<b>First six months of 2017</b>
	<b>VND</b>	<b>VND</b>
Interest expense	2.357.277.424	305.915.693
Exchange rate difference loss	167.008.500	15.672.787
<b>Total</b>	<b>2.524.285.924</b>	<b>321.588.480</b>

The accompanying notes are an integral part of the financial statements

<b>5. OTHER INCOME</b>	<b>First six months of 2018</b>	<b>First six months of 2017</b>
	<b>VND</b>	<b>VND</b>
- Other income	38.750	
<b>Total</b>	<b>38.750</b>	<b>-</b>
<b>6. OTHER EXPENSES</b>	<b>First six months of 2018</b>	<b>First six months of 2017</b>
	<b>VND</b>	<b>VND</b>
- Other expenses	106.360.666	25.208.688
<b>Total</b>	<b>106.360.666</b>	<b>25.208.688</b>
<b>7. SALE COSTS AND MANAGEMENT COSTS</b>	<b>First six months of 2018</b>	<b>First six months of 2017</b>
	<b>VND</b>	<b>VND</b>
<b>Costs according to factor</b>		
- Costs for raw materials, materials	2.456.897.909	521.648.473
- Labor cost	2.149.550.831	1.319.335.797
- Cost of fixed asset depreciation	1.815.272.566	708.625.239
- Taxes, charges, fees	482.053.784	14.153.784
- Outside purchasing services cost	1.962.285.445	25.641.091
- Other costs	371.309.906	4.936.640
<b>Total</b>	<b>9.237.370.441</b>	<b>2.594.341.024</b>
<b>In which</b>		
<b>Production cost</b>	<b>First six months of 2018</b>	<b>First six months of 2017</b>
	<b>VND</b>	<b>VND</b>
- Costs for raw materials, materials	2.343.175.722	
- Labor cost	945.461.885	
- Cost of fixed asset depreciation	288.564.528	
- Taxes, charges, fees	462.900.000	
- Outside purchasing services cost	1.497.597.941	
- Other costs	33.498.944	
<b>Total</b>	<b>5.571.199.020</b>	
<b>Cost of sale</b>	<b>First six months of 2018</b>	<b>First six months of 2017</b>
	<b>VND</b>	<b>VND</b>
- Labor cost	747.996.657	572.244.200
<b>Total</b>	<b>747.996.657</b>	<b>572.244.200</b>
<b>Enterprise management cost</b>	<b>First six months of 2018</b>	<b>First six months of 2017</b>
	<b>VND</b>	<b>VND</b>
- Costs for raw materials, materials	113.722.187	521.648.473
- Labor cost	456.092.289	747.091.597
- Cost of fixed asset depreciation	1.526.708.038	708.625.239
- Taxes, charges, fees	19.153.784	14.153.784
- Outside purchasing services cost	464.687.504	25.641.091
- Other costs	337.810.962	4.936.640
<b>Total</b>	<b>2.918.174.764</b>	<b>2.022.096.824</b>

The accompanying notes are an integral part of the financial statements

## 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	-	-
<b>Total current corporate income tax expense</b>	-	-

## 9. BASIC EARNINGS PER SHARE

	First six months of 2018 VND	First six months of 2017 VND
Net profit after tax	13.831.062.749	10.632.503.679
Adjustments	-	177.562.811
- <i>Reward and welfare funds from profit after tax</i>		177.562.811
Profit attributable to ordinary shares	13.831.062.749	10.454.940.867
Ordinary shares outstanding during the period	29.899.981	12.999.998
<b>Basic earnings per share</b>	<b>462.58</b>	<b>804.23</b>

In the first half of 2018, the Company did not estimate the allocation of bonus and welfare funds to the profit after tax for the period from 1 January 2018 to 30 June 2018. Therefore, the calculation of basic earnings per share does not include the effect of the allocated bonus and welfare funds.

## VII. OTHER INFORMATION

### 2. Financial instruments

Financial instrument of the Company include:

Financial assets	Ending balance		Beginning balance	
	Original price	Provision	Original price	Provision
Cash and cash equivalent	31.942.973.708		24.753.040.376	
Receivables from customer, other receivables	230.026.835.187		186.946.905.332	
Long-term investment	9.516.870.000		9.516.870.000	
<b>Total</b>	<b>271.486.678.895</b>		<b>221.216.815.708</b>	

Currency: VND

Financial liabilities	Ending balance		Beginning balance	
	VND		VND	
Loans and debts	46.558.552.000		46.950.000.000	
Payables to suppliers, other payables	38.465.311.396		73.157.720.141	
Expenses payable	19.691.542.153		18.588.027.783	
<b>Total</b>	<b>104.715.405.549</b>		<b>138.695.747.924</b>	

Currency: VND

The accompanying notes are an integral part of the financial statements

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
<b>Ending balance</b>				
Cash and cash equivalents	31.942.973.708			31.942.973.708
Trade receivables, other receivables	113.387.835.187	116.639.000.000		230.026.835.187
Loans				
Short-term investment	9.516.870.000			9.516.870.000
Long-term investment				
<b>Total</b>	<b>154.847.678.895</b>	<b>116.639.000.000</b>		<b>271.486.678.895</b>

The accompanying notes are an integral part of the financial statements

**Beginning balance**

Cash and cash equivalents	24.753.040.376		24.753.040.376
Trade receivables, other receivables	70.307.905.332	116.639.000.000	186.946.905.332
Short-term investment	9.516.870.000		9.516.870.000
<b>Total</b>	<b>104.577.815.708</b>	<b>116.639.000.000</b>	<b>221.216.815.708</b>

**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:

	<b>From 1 year and below VND</b>	<b>From 1 year to 5 years VND</b>	<b>Above 5 years VND</b>	<b>Total VND</b>
<b>Ending balance</b>				
Loans and debts	46.558.552.000			46.558.552.000
Payables to suppliers, other payables	38.465.311.396			38.465.311.396
Expenses payable	19.691.542.153			19.691.542.153
<b>Total</b>	<b>104.715.405.549</b>			<b>104.715.405.549</b>

**Beginning balance**

Loans and debts	46.950.000.000		46.950.000.000
Payables to suppliers, other payables	73.157.720.141		73.157.720.141
Expenses payable	18.588.027.783		18.588.027.783
<b>Total</b>	<b>138.695.747.924</b>		<b>138.695.747.924</b>

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.

**VIII. 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	Currency: VND Total
Net revenue	102.182.003.042	102.182.003.042
<b>Total net revenue</b>	<b>102.182.003.42</b>	<b>102.182.003.42</b>
Cost of department	83.083.151.573	83.083.151.573
<b>Business results of department</b>	<b>19.098.851.469</b>	<b>19.098.851.469</b>
<b>Expenses not allocated by department</b>		<b>3.666.171.421</b>
Profit from the business operations		15.432.680.048
Revenue from financial operations		1.028.990.539
Financial expenses		2.524.285.924
Other income		38.752
Other expenses		106.360.666
Current CIT		-
<b>Profit after tax</b>		<b>13.831.062.749</b>

**IX. OPERATIONS AND BALANCES WITH RELATED PARTIES**

1. Transactions with related parties in the first 6 months of 2018 are as follows:

Related parties	Relationship	Transactions in the first 6 months of 2018	Value VND
Mr. Nguyen Huu Truong	Chairman of the Board of Directors cum General Director	Advance	630.000.000
Mr. Nguyen Huu Truong	Chairman of the Board of Directors cum General Director	Refund	630.000.000
Mr. Vu Van Trong	Member of the BOD (dismissed 27/04/2018) cum Vice General Director (dismissed on 08/08/2018)	Refund	17.356.943.000
Ms. Nguyen Thi Kim Phuong	Member of the BOD	Advance	9.986.000.000
Ms. Nguyen Thi Kim Phuong	Member of the BOD	Refund	9.986.000.000
Luong Duc Chien	Member of Board of Directors cum Director of Son Phu Company is a subsidiary of Tien Thanh	Advance	32.725.000.000
Luong Duc Chien	Member of Board of Directors cum Director of Son Phu Company is a subsidiary of Tien Thanh	Refund	22.420.000.000
Ta Ngoc Bang	Vice General Director since 08/01/2018 Son Phu is a subsidiary of Tien Thanh	Advance	25.030.000.000
Dong Thien Phu Group Joint Stock Company	Chief Accountant of Dong Thien Phu Group is a member of Tien Thanh BOD	Return advance	20.000.000.000
Minh Anh Investment and Service Trading Co., Ltd	The director of Minh Anh is the father of the member of Tien Thanh BOD	Collecting from sales	6.629.925.000
Minh Van Anh Development Investment Co., Ltd	The entity in which Tien Thanh owns 19% of the shares	Collecting from sales	5.234.000.000
Kien Giang Brick and Tile Joint Stock Company	The entity in which Tien Thanh owns 12.71% of the shares	Collecting dividend in 2017	381.687.000

The accompanying notes are an integral part of the financial statements



In addition to the notes given above, the General Management is committed not to enter into any transactions with other related parties.

<b>Income of the General Management</b>	<b>First six months of 2018</b>	<b>First six months of 2017</b>
	<b>VND</b>	<b>VND</b>
Income of the Board of Directors and the Audit Department	17.950.000	205.000.000

**X. COMPARATIVE FIGURES**

Comparative figures in the Balance Sheet and the corresponding notes are figures of the consolidated 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 consolidated 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, August 14, 2018*  
**TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY**  
**General Director**  
  
**Nguyen Huu Truong**

**Appendix 01:**  
**6. Financial investments**

Currency: VND

	Percentage		Ending balance		Beginning balance		Provision	Provision
	Holding	Voting	Original price	Fair value	Original price	Fair value		
<b>b. Investments in other entities</b>								
Kien Giang Brick and Tile Joint Stock Company	12.71%	12.71%	9.516.870.000	9.516.870.000	9.516.870.000	9.516.870.000		
Minh Van Anh Development Investment Co., Ltd	19.00%	19.00%	5.700.000.000	5.700.000.000	5.700.000.000	5.700.000.000		

The accompanying notes are an integral part of the financial statements

Appendix 02

8. Increase, decrease of tangible fixed assets

Currency: VND

Item	Buildings and structures	Machinery, equipment	Means of transport	Management equipment, tools	Other fixed assets	Total
Original price of fixed assets						
Beginning balance	29.054.737.421	3.807.043.182	9.609.444.000	346.023.389	305.727.927	43.122.975.919
Increases in the period	-	1.596.945.454	320.000.000	-	-	1.916.945.454
- Bought in the period		1.596.945.454	320.000.000			1.916.945.454
- Increase due to reclassification						-
Decreases in the period	21.777.229	92.400.000	-	-	-	114.177.229
- Decrease due to reclassification	21.777.229	92.400.000				114.177.229
Ending balance	29.032.960.192	5.311.588.636	9.929.444.000	346.023.389	305.727.927	44.925.744.144
Accumulated depreciation						
Beginning balance	809.751.788	1.029.337.468	1.635.900.442	227.227.133	239.590.731	3.941.807.562
Increases in the period	420.057.556	424.919.227	966.451.725	20.819.970	19.107.996	1.851.356.474
- Depreciation in the period	420.057.556	388.835.319	966.451.725	20819.970	19.107.996	1.815.272.566
- Other increases		36.083.908				36.083.908
Decreases in the period	-	-	-	-	36.083.908	36.083.908
- Other decreases					36.083.908	36.083.908
Ending balance	1.229.809.344	1.454.256.695	2.602.352.167	248.047.103	222.614.819	5.757.080.128
Remaining value						
On the first day of the year	28.244.985.633	2.777.705.714	7.973.543.558	118.796.256	66.137.196	39.181.168.357
At the end of the period	27.803.150.848	3.857.331.941	7.327.091.833	97.976.286	83.113.108	39.168.664.016

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

- The original price of tangible fixed assets has been fully depreciated but it is still used as of 30/06/2018: 1.028.420.610 VND.

The accompanying notes are an integral part of the financial statements

9. Increase, decrease of intangible fixed assets

Currency: VND

Item	Land use rights	Trademark	Computer software	Copyright, patents	Other intangible fixed assets	Total
<b>Original price of fixed assets</b>						
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					
Decreases in the period	-	-	-	-	-	-
Ending balance	3.459.527.229					3.459.527.229
<b>Accumulated depreciation</b>						
Beginning balance						
Increase in the period	-	-	-	-	-	-
Depreciation in the period	-	-	-	-	-	-
Ending balance	-	-	-	-	-	-
<b>Remaining value</b>						
On the first day of the year	3.437.750.000					3.437.750.000
At the end of the period	3.459.527.229					3.459.527.229

- The remaining value as of 30/06/2018 of intangible fixed assets used as collateral for the loan: 3.459.527.229 VND.

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

The accompanying notes are an integral part of the financial statements

Appendix 3:

16. BORROWINGS AND FINANCE LEASE LIABILITIES

	Ending balance		Increase in the period		Decrease in the period		Beginning balance	
	Value	Amount that can be paid	Value	Value	Value	Value	Value	Amount that can be paid
Short-term borrowings	46.558.552.000	46.558.552.000	30.008.552.000	30.400.000.000	30.400.000.000	46.950.000.000	46.950.000.000	46.950.000.000
- Bank borrowings	46.558.552.000	46.558.552.000	30.008.552.000	30.400.000.000	30.400.000.000	46.950.000.000	46.950.000.000	46.950.000.000
+ Joint Stock Commercial Bank for Investment and Development of Vietnam – Bac Hanoi Branch (*)	46.558.552.000	46.558.552.000	30.008.552.000	30.400.000.000	30.400.000.000	46.950.000.000	46.950.000.000	46.950.000.000

(\*) Including 06 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 of 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 of 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 of 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 of 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 of 30/06/2018: 5,411,480,000 VND.
6. Loan under the Credit Contract No. 01/2012/3501895/HDTD dated 23 October 2012 with Joint Stock Commercial Bank for Investment and Development of Vietnam – Bac Hanoi Branch for the purpose of supplementing short-term capital for cathodes purchase at 99.99% according to Economic Contract No. 15/2012/Sino-P between Sino German Medical Equipment Co., Ltd and Son Phu Investment JSC. The loan term is 09 months; The interest rate is 8% per annum. The outstanding loan principal as of 30/06/2018 is 16,650,000,000 VND. According to the minutes of May 10, 2018 between Son Phu Investment Joint Stock Company and Joint Stock Commercial Bank for Investment and Development of Vietnam – Bac Hanoi Branch, the repayment schedule is as follows: 2018: 1,200,000,000 VND, in 2019 pay off the principal amount: 15,450,000,000 VND

The accompanying notes are an integral part of the financial statements

## Appendix 04

## 17. EQUITY

## a. Reconciliation of equity volatility

	Capital of the owner	Equity surplus	Development fund	Profit after tax	Uncontrolled undistributed benefit shareholders	Currency: VND Total
<b>Beginning balance of the previous year</b>	129.999.980.000		1.394.830.504	60.821.596.715		192-216.407.219
- Increase capital in the previous year	168.999.830.000					168.999.830.000
- Interest in the previous year				28.625.421.886		28.625.421.886
- Appropriate funds			5.000.000.000	(6.000.000.000)		(1.000.000.000)
- Other increase / decrease						
- Dividend				(51.999.830.000)		(51.999.830.000)
- Capital decreases during the year						
<b>Ending balance of the previous year</b>	298.999.810.000		6.394.830.504	31.447.188.601		336.841.829.105
<b>Beginning balance of this year</b>	298.999.810.000		6.394.830.504	31.447.188.601		336.841.829.105
- Increase during the period					50.054.487.622	50.054.487.622
- Interest in the period				13.831.062.749		13.831.062.749
- Appropriate funds						
- Other increases				94.882.000		94.882.000
- Loss during the period						
- Dividend						
- Other decreases				(54.487.622)		(54.487.622)
<b>Ending balance</b>	298.999.810.000		6.394.830.504	45.318.645.728	50.054.487.622	400.767.773.854

## b. Details of the capital contribution by the Owner

	Ending balance	Currency: VND Beginning balance
- Investment of the State	298.999.810.000	298.999.810.000
- Capital contributed by other shareholders	298.999.810.000	298.999.810.000
<b>Total</b>		

The accompanying notes are an integral part of the financial statements

