

TIEN PHONG PLASTIC JOINT STOCK COMPANY

(Incorporated in the Socialist Republic of Vietnam)

**REVIEWED INTERIM SEPARATE
FINANCIAL STATEMENTS**

For the 6-month period ended 30 June 2018

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STATEMENT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of Tien Phong Plastic Joint Stock Company (the "Company") presents this report together with the Company's interim separate financial statements for the 6-month period ended 30 June 2018.

THE BOARDS OF MANAGEMENT AND GENERAL DIRECTORS

The members of the Boards of Management and General Directors of the Company who held office during the period and to the date of this report are as follows:

Board of Management

Mr. Tran Ba Phuc	Chairman
Mr. Dang Quoc Dung	Vice Chairman (Appointed 23 April 2018)
Mr. Nguyen Chi Thanh	Vice Chairman (Resigned 12 April 2018)
Mr. Nguyen Quoc Truong	Member
Mr. Noboru Kobayashi	Member
Mr. Nguyen Anh Tuan	Member (Appointed 23 April 2018)
Mr. Chu Van Phuong	Member (Appointed 23 April 2018)
Mr. Tran Ngoc Bao	Member (Appointed 23 April 2018)

Board of General Directors

Mr. Nguyen Quoc Truong	General Director
Mr. Nguyen Trung Kien	Deputy General Director
Mr. Chu Van Phuong	Deputy General Director
Mr. Nguyen Van Thuc	Deputy General Director
Mr. Tran Nhat Ninh	Deputy General Director
Ms. Ngo Thi Thu Thuy	Deputy General Director
Mr. Tran Ngoc Bao	Chief Accountant

BOARD OF GENERAL DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of General Directors of the Company is responsible for preparing the interim separate financial statements, which give a true and fair view of the financial position of the Company as at 30 June 2018, and its financial performance and its 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 financial reporting. In preparing these interim separate financial statements, the Board of General Directors is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the interim separate financial statements;

STATEMENT OF THE BOARD OF GENERAL DIRECTORS (Continued)

BOARD OF GENERAL DIRECTORS' STATEMENT OF RESPONSIBILITY (Continued)

- prepare the interim separate 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 separate 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 financial position of the Company and that the interim separate financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to 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 separate financial statements.

For and on behalf of the Board of General Directors,



Tran Ba Phuc
Chairman

Hai Phong, 14 August 2018

No.: 278 /VN1A-HN-BC

REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS

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

We have reviewed the accompanying interim separate financial statements of Tien Phong Plastic Joint Stock Company (the "Company"), prepared on 14 August 2018 as set out from page 4 to page 27, which comprise the interim balance sheet as at 30 June 2018, the interim income statement and interim 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 Separate Financial Statements

Management is responsible for the preparation and fair presentation of these interim separate financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim financial reporting, and for such internal control as management determines is necessary to enable the preparation of interim separate 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 separate 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 separate 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 separate financial statements do not present fairly, in all material respects, the financial position of the Company as at 30 June 2018, and of its financial performance and its 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 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

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INTERIM BALANCE SHEET

As at 30 June 2018

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		2,312,122,074,229	2,184,127,845,716
I. Cash and cash equivalents	110	4	142,162,721,390	119,979,974,407
1. Cash	111		142,162,721,390	92,979,974,407
2. Cash equivalents	112		-	27,000,000,000
II. Short-term receivables	130		1,268,231,726,934	1,259,051,064,278
1. Short-term trade receivables	131	6	1,112,620,133,079	1,069,195,293,214
2. Short-term advances to suppliers	132		109,709,646,170	155,651,833,418
3. Short-term loan receivables	135		15,461,572,866	15,461,572,866
4. Other short-term receivables	136	7	49,828,315,377	38,130,305,338
5. Provision for short-term doubtful debts	137	8	(19,387,940,558)	(19,387,940,558)
III. Inventories	140	9	875,791,585,057	773,755,437,621
1. Inventories	141		887,398,712,358	785,362,564,922
2. Provision for devaluation of inventories	149		(11,607,127,301)	(11,607,127,301)
IV. Other short-term assets	150		25,936,040,848	31,341,369,410
1. Short-term prepayments	151	10	8,192,076,429	15,739,661,114
2. Taxes and other receivables from the State budget	153	11	17,743,964,419	5,457,381,101
B. NON-CURRENT ASSETS	200		1,895,556,469,516	1,798,620,608,514
I. Fixed assets	220		1,235,016,106,708	1,189,652,306,628
1. Tangible fixed assets	221	12	1,206,183,126,918	1,159,816,991,864
- Cost	222		2,105,112,974,869	2,002,790,404,913
- Accumulated depreciation	223		(898,929,847,951)	(842,973,413,049)
2. Intangible assets	227	13	28,832,979,790	29,835,314,764
- Cost	228		34,970,529,169	34,970,529,169
- Accumulated amortization	229		(6,137,549,379)	(5,135,214,405)
II. Long-term assets in progress	240		233,221,447,198	187,816,595,567
1. Construction in progress	242	14	233,221,447,198	187,816,595,567
III. Long-term financial investments	250	5	416,222,188,600	415,094,068,600
1. Investments in subsidiaries	251		131,100,000,000	131,100,000,000
2. Investments in joint ventures, associates	252		105,695,883,000	105,695,883,000
3. Equity investments in other entities	253		204,560,188,600	203,432,068,600
4. Provision for impairment of long-term financial investments	254		(25,133,883,000)	(25,133,883,000)
IV. Other long-term assets	260		11,096,727,010	6,057,637,719
1. Long-term prepayments	261	10	11,096,727,010	6,057,637,719
TOTAL ASSETS (270=100+200)	270		4,207,678,543,745	3,982,748,454,230


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

INTERIM BALANCE SHEET (Continued)

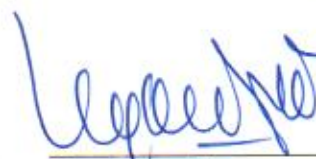
As at 30 June 2018

Unit: VND


RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		2,297,793,416,385	2,056,858,826,489
I. Current liabilities	310		2,076,962,400,655	1,813,871,489,432
1. Short-term trade payables	311	15	312,465,511,283	269,108,010,815
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	11	11,084,906,444	7,838,335,290
4. Payables to employees	314		29,076,754,581	43,432,306,355
5. Short-term accrued expenses	315	16	90,997,913,523	101,718,046,068
6. Other current payables	319	17	16,594,811,056	16,567,320,089
7. Short-term loans and obligations under finance leases	320	18	1,591,799,553,856	1,355,610,252,041
8. Bonus and welfare funds	322		22,780,265,824	17,760,744,927
II. Long-term liabilities	330		220,831,015,730	242,987,337,057
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
D. EQUITY	400		1,909,885,127,360	1,925,889,627,741
I. Owners' equity	410	20	1,909,885,127,360	1,925,249,627,741
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		193,079,203,639	300,601,822,796
- Retained earnings accumulated to the prior year end	421a		45,194,507,220	46,600,157,126
- Retained earnings of the current period	421b		147,884,696,419	254,001,665,670
II. Other resources and funds	430		-	640,000,000
1. Subsidised fund	431		-	640,000,000
TOTAL RESOURCES (440=300+400)	440		4,207,678,543,745	3,982,748,454,230



Luu Thi Mai
Preparer



Tran Ngoc Bao
Chief Accountant



Tran Ba Phuc
Chairman



14 August 2018

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

INTERIM INCOME STATEMENT


For the 6-month period ended 30 June 2018

Unit: VND


ITEMS	Codes	Notes	Current period	Prior period
1. Gross revenue from goods sold	01	22	1,939,675,680,743	1,933,551,138,012
2. Deductions	02	22	8,180,380,747	4,851,250,120
3. Net revenue from goods sold (10=01-02)	10	22	1,931,495,299,996	1,928,699,887,892
4. Cost of sales	11	23	1,410,136,801,567	1,334,712,257,277
5. Gross profit from goods sold (20=10-11)	20		521,358,498,429	593,987,630,615
6. Financial income	21	25	77,238,245,195	67,481,286,465
7. Financial expenses	22	26	47,819,739,184	33,637,017,617
<i>In which: Interest expense</i>	23		47,366,093,882	33,500,100,901
8. Selling expenses	25	27	314,574,630,373	335,149,688,780
9. General and administration expenses	26	27	73,650,874,363	78,836,003,965
10. Operating profit (30=20+(21-22)-(25+26))	30		162,551,499,704	213,846,206,718
11. Other income	31		3,577,856,994	1,513,222,436
12. Other expenses	32		499,310,064	152,021,722
13. Profit from other activities (40=31-32)	40		3,078,546,930	1,361,200,714
14. Accounting profit before tax (50=30+40)	50		165,630,046,634	215,207,407,432
15. Current corporate income tax expense	51	28	17,745,350,215	29,723,051,268
16. Net profit after corporate income tax (60=50-51)	60		147,884,696,419	185,484,356,164


Luu Thi Mai
Preparer

14 August 2018


Tran Ngoc Bao
Chief Accountant




Tran Ba Phuc
Chairman

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

INTERIM CASH FLOW STATEMENT

For the 6-month period ended 30 June 2018

Unit: VND

ITEMS	Codes	Current period	Prior period
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	165,630,046,634	215,207,407,432
2. Adjustments for:			
Depreciation and amortisation of fixed assets	02	59,593,751,159	90,646,572,472
Provisions	03	-	98,191,856
Unrealized foreign exchange loss	04	434,221,433	-
(Gain) from investing activities	05	(77,669,126,601)	(67,328,464,813)
Interest expense	06	47,366,093,882	33,500,100,901
3. Operating profit before movements in working capital	08	195,354,986,507	272,123,807,848
Changes in receivables	09	27,228,986,918	(91,723,373,974)
Changes in inventories	10	(102,036,147,436)	(174,597,959,472)
Changes in payables (excluding accrued loan interest and corporate income tax payable)	11	(40,942,365,544)	(45,280,228,882)
Changes in prepaid expenses	12	2,508,495,394	23,050,123,221
Interest paid	14	(47,768,839,099)	(34,560,521,953)
Corporate income tax paid	15	(30,000,000,000)	(21,143,913,392)
Other cash outflows	17	(24,369,222,903)	(7,864,765,000)
Net cash (used in) operating activities	20	(20,024,106,163)	(79,996,831,604)
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(99,863,546,387)	(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	62,515,394,045	71,889,458,723
Net cash (used in) investing activities	30	(37,965,674,342)	(44,742,094,150)

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

INTERIM CASH FLOW STATEMENT (Continued)

For the 6-month period ended 30 June 2018

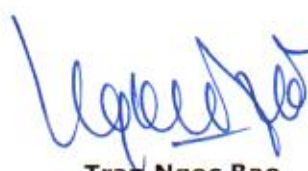
Unit: VND

ITEMS	Codes	Current period	Prior period
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	1,794,611,452,592	1,600,503,750,863
2. Repayment of borrowings	34	(1,580,578,472,104)	(1,386,745,577,492)
3. Dividends paid	36	(133,860,453,000)	(74,367,307,001)
Net cash generated by financing activities	40	80,172,527,488	139,390,866,370
Net increase in cash (50=20+30+40)	50	22,182,746,983	14,651,940,616
Cash and cash equivalents at the beginning of the period	60	119,979,974,407	99,241,691,586
Cash and cash equivalents at the end of the period (70=50+60)	70	142,162,721,390	113,893,632,202



Lưu Thị Mai
Preparer

14 August 2018



Trần Ngọc Bảo
Chief Accountant



Trần Ba Phúc
Chairman

NOTE TO THE INTERIM SEPARATE FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying interim separate 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/QĐ-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 dated 30 December 2004, as amended.

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

The total number of employees of the 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

As at 30 June 2018, the Company had 02 subsidiaries and 03 associates and joint venture, as follows:

Name of subsidiaries	Place of incorporation and operation	Proportion of ownership interest (%)	Proportion of voting power held (%)	Principal activities
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

Name of joint venture, associates	Place of incorporation and operation	Proportion of ownership interest (%)	Proportion of voting power held (%)	Principal activity
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

The Company's ownership interest in Tien Phong - SMP Plastic Joint Venture Company Limited is greater than 50%, however, according to assessment of the Board of Directors, the Company has no control over Tien Phong - SMP Plastic Joint Venture Company Limited, the Company has decided to represent this investment in the item Investment in joint venture, associates in the interim separate 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 separate 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 separate financial statements for the 6-month period ended 30 June 2017.

2. ACCOUNTING CONVENTION AND ACCOUNTING PERIOD

Accounting convention

The accompanying interim separate financial statements, expressed in Vietnam 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 financial reporting.

The accompanying interim separate financial statements are not intended to present the financial position, results of operations and 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 separate 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 separate financial statements, are as follows:

Estimates

The preparation of the interim separate financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim 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 separate 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.

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.

Investments in subsidiaries, joint ventures, associates

Investments in subsidiaries

A subsidiary is an entity over which the Company has control. 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.

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.

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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 recognized 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 separate entity in which each venturer has an interest are referred to as jointly controlled entities.

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.

Interests in subsidiaries, joint ventures and associates are initially recognised at cost. The Company's share of the net profit of the investee after acquisition is recognised in the interim income statement. Other distributions received other than such profit share are deducted from the cost of the investments as receivable amounts.

Investments in subsidiaries, joint ventures and associates are carried in the interim balance sheet at cost less provision for impairment of such investments (if any). Provisions for impairment of investments in subsidiaries, joint ventures and associates are made in accordance with Circular No. 228/2009/TT-BTC dated 07 December 2009 issued by the Ministry of Finance on "Guiding the appropriation and use of provisions for devaluation of inventories, loss of financial investments, bad debts and warranty for products, goods and construction works at enterprises", Circular No. 89/2013/TT-BTC dated 28 June 2013 by the Ministry of Finance amending and supplementing Circular No. 228/2009/TT-BTC and prevailing accounting regulations.

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. 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 realizable values as at the 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 profit from sales or disposals of assets and their residual values and is recognised in the interim 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 1,006 billion. The Board of Directors believes that the 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 for the period would increase by VND 46.9 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 and technological copyright that are stated at cost less accumulated amortization. The initial cost of land use right 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 amortized using the straight-line method over 30 - 45 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 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 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 income statement in the year 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 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 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 year. Taxable profit differs from profit before tax as reported in the interim 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 recognized on significant differences between carrying amounts of assets and liabilities in the interim separate 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 recognized for all temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized. 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 the tax authorities' examinations.

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	776,044,931	208,933,404
Bank demand deposits	141,386,676,459	92,771,041,003
Cash equivalents	-	27,000,000,000
	<u>142,162,721,390</u>	<u>119,979,974,407</u>

5. FINANCIAL INVESTMENTS

	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Subsidiaries	131,100,000,000	-	131,100,000,000	-
Tien Phong Central Plastic Company Limited	120,000,000,000	-	120,000,000,000	-
Tien Phong Land Company Limited (i)	11,100,000,000	-	11,100,000,000	-
Joint venture, associates	105,695,883,000	(23,798,883,000)	105,695,883,000	(23,798,883,000)
Tien Phong South Plastic Joint Stock Company	76,500,000,000	-	76,500,000,000	-
Tien Phong Packaging Joint Stock Company	5,397,000,000	-	5,397,000,000	-
Tien Phong - SMP Plastic Joint Venture Company Limited (ii)	23,798,883,000	(23,798,883,000)	23,798,883,000	(23,798,883,000)
Equity investments in other entities	204,560,188,600	(1,335,000,000)	203,432,068,600	(1,335,000,000)
Nam Dinh Water Supply Joint Stock Company	46,784,068,600	-	46,784,068,600	-
Ha Giang Water Supply Joint Stock Company (iii)	1,128,120,000	-	-	-
Bonds of Vietnam Joint Stock Commercial Bank for Industry and Trade	150,000,000,000	-	150,000,000,000	-
Equity investments in other entities	6,648,000,000	(1,335,000,000)	6,648,000,000	(1,335,000,000)
	441,356,071,600	(25,133,883,000)	440,227,951,600	(25,133,883,000)

Summary of activities of subsidiaries, joint ventures and associates in the period:

	Current period	Prior period
Subsidiaries		
Tien Phong Central Plastic Company Limited	Operating at a profit	Operating at a profit
Tien Phong Land Company Limited	Under construction	Under construction
Joint venture, associates		
Tien Phong South Plastic Joint Stock Company	Operating at a profit	Operating at a profit
Tien Phong Packaging Joint Stock Company	Operating at a profit	Operating at a profit
Tien Phong - SMP Plastic Joint Venture Company Limited (ii)	Operating at a loss	Operating at a loss

- (i) Tien Phong Land Company Limited was incorporated on 18 May 2015, who had no bussiness activities up to the reporting date. Under this subsidiary's Bussiness Registration Certificate, the Company shall contribute VND 20 billion to the charter capital of Tien Phong Land Company Limited. Up to 30 June 2018, the Company has contributed VND 11.1 billion in Tien Phong Land Company Limited's charter capital.
- (ii) 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 Domestic and Foreign Investment on 17 April 2008 between SMP Commerce Import - Export Co., Ltd. ("SMP") and Tien Phong Plastic Joint Stock Company.

On 15 May 2014, the Company has signed 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.

- (iii) On 18 June 2018, the Company purchased 56,406 shares at par value of VND 20,000 of Ha Giang Water Supply Joint Stock Company, accordingly, the Company owns 4.8% of charter capital of Ha Giang Water Supply Joint Stock Company.

The Company has not determined fair value of its financial investments as at the balance sheet date as required in Circular No. 200/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014 since there are no comprehensive guidance of relevant prevailing regulations on determination of fair value of these financial investments.

During the period, the significant transactions between the Company and its subsidiaries, joint venture and associates are mainly trading materials and finished goods, and profit sharing as following:

	<u>Current period</u> VND	<u>Prior period</u> VND
Sales		
Tien Phong Central Plastic Company Limited	193,958,517,303	229,735,357,967
Tien Phong South Plastic Joint Stock Company	125,232,593,617	145,613,345,033
	<u>Current period</u> VND	<u>Prior period</u> VND
Purchases		
Tien Phong Central Plastic Company Limited	157,625,941,291	145,325,208,488
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
Profit, dividends receivable		
Tien Phong Central Plastic Company Limited	76,903,295,558	66,592,151,088
Tien Phong Packaging Joint Stock Company	-	499,775,000

6. SHORT-TERM TRADE RECEIVABLES

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Short-term trade receivables		
Tam Phuoc Company Limited	196,261,257,341	200,589,162,697
Nam Phuong Trading Company Limited	160,843,183,315	150,949,161,478
Thai Hoa Trading Company Limited	154,266,323,067	176,103,754,072
Ha Dung Trading Company Limited	13,390,856,872	13,912,177,349
Others	26,416,229,840	28,064,309,956
Receivables from related parties		
Minh Hai Import - Export and Trading service Company Limited	446,477,269,221	361,995,295,441
Tien Phong South Plastic Joint Stock Company	114,965,013,423	137,581,432,221
	<u>1,112,620,133,079</u>	<u>1,069,195,293,214</u>

7. OTHER SHORT-TERM RECEIVABLES

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Receivable from subsidiary (i)	43,537,689,795	28,878,570,864
Personal income tax paid on behalf of employees	541,845,107	164,354,692
Advances to employees	1,367,836,635	1,038,087,935
Short-term deposits	1,454,000,000	1,674,000,000
Others	2,926,943,840	6,375,291,847
	<u>49,828,315,377</u>	<u>38,130,305,338</u>

(i) Represents profits receivable from Tien Phong Central Plastic Company Limited - the Company's subsidiary.

8. BAD DEBTS

	<u>Closing balance</u>		<u>Opening balance</u>	
	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	-
<i>Others</i>	11,100,229,352	-	11,100,229,352	-
Total	<u>19,387,940,558</u>	<u>-</u>	<u>19,387,940,558</u>	<u>-</u>

9. INVENTORIES

	Closing balance		Opening balance	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	94,432,017,432	-	176,312,440,999	-
Raw materials	476,427,001,759	(11,320,779,370)	362,357,400,516	(11,320,779,370)
Tools and supplies	7,946,946,451	-	8,843,091,269	-
Work in process	109,417,465,754	-	89,447,975,800	-
Finished goods	199,175,280,962	(286,347,931)	148,401,656,338	(286,347,931)
	887,398,712,358	(11,607,127,301)	785,362,564,922	(11,607,127,301)

As further noted in Notes 18 and 19, the Company has pledged its inventories, which have the carrying value as at 30 June 2018 of VND 785,791,585,057 to secure banking facilities granted to the Company (31 December 2017: VND 773,755,437,621).

10. PREPAYMENTS

	Closing balance VND	Opening balance VND
Short-term		
Tools and supplies	8,192,076,429	15,739,661,114
	8,192,076,429	15,739,661,114
Long-term		
Others	11,096,727,010.00	6,057,637,719
	11,096,727,010	6,057,637,719

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

Items	During the period			Closing balance VND
	Opening balance VND	Receivable/Payable VND	Offset/Paid VND	
a) Receivables				
Corporate income tax	5,038,930,281	17,745,350,215	30,000,000,000	17,293,580,066
Others	418,450,820	472,207,444	504,140,977	450,384,353
	5,457,381,101	18,217,557,659	30,504,140,977	17,743,964,419
b) Payables				
Value added tax	-	278,798,910,070	271,029,125,606	7,769,784,464
Import tax	355,436,176	7,851,654,090	7,851,654,090	355,436,176
Personal income tax	7,482,899,114	7,753,284,066	12,276,497,376	2,959,685,804
	7,838,335,290	294,403,848,226	291,157,277,072	11,084,906,444

12. INCREASE, DECREASE TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	Total
	VND	VND	VND	VND	VND
COST					
Opening balance	1,082,401,223,238	769,346,935,633	133,213,401,440	17,828,844,602	2,002,790,404,913
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	1,145,557,713,406	804,131,203,471	137,169,183,390	18,254,874,602	2,105,112,974,869
ACCUMULATED DEPRECIATION					
Opening balance	262,379,640,377	501,915,450,032	64,387,384,305	14,290,938,335	842,973,413,049
Charge for the period	29,873,763,172	22,257,613,237	5,748,942,510	711,097,266	58,591,416,185
Disposals	-	(2,634,981,283)	-	-	(2,634,981,283)
Closing balance	292,253,403,549	521,538,081,986	70,136,326,815	15,002,035,601	898,929,847,951
NET BOOK VALUE					
Closing balance	853,304,309,857	282,593,121,485	67,032,856,575	3,252,839,001	1,206,183,126,918
Opening balance	820,021,582,861	267,431,485,601	68,826,017,135	3,537,906,267	1,159,816,991,864

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 402,668,332,482 (31 December 2017: VND 371,627,652,537) 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 the Company's assets. If the old depreciation period continued to be used, the depreciation expense for the period would increase by VND 46.9 billion and the Company's profit before tax would decrease by the same amount.

13. INCREASE, DECREASE INTANGIBLE ASSETS

	<u>Land use rights</u> VND	<u>Others</u> VND	<u>Total</u> VND
COST			
Opening balance	32,469,506,946	2,501,022,223	34,970,529,169
Closing balance	<u>32,469,506,946</u>	<u>2,501,022,223</u>	<u>34,970,529,169</u>
ACCUMULATED AMORTIZATION			
Opening balance	3,780,494,038	1,354,720,367	5,135,214,405
Charge for the period	377,079,420	625,255,554	1,002,334,974
Closing balance	<u>4,157,573,458</u>	<u>1,979,975,921</u>	<u>6,137,549,379</u>
NET BOOK VALUE			
Closing balance	<u>28,311,933,488</u>	<u>521,046,302</u>	<u>28,832,979,790</u>
Opening balance	<u>28,689,012,908</u>	<u>1,146,301,856</u>	<u>29,835,314,764</u>

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.

14. CONSTRUCTION IN PROGRESS

	<u>Current period</u> VND	<u>Prior period</u> VND
Opening balance	187,816,595,567	211,877,152,369
Additions	154,968,963,762	141,425,699,342
Transfer to tangible fixed assets	(104,973,535,614)	(78,219,620,584)
Other decreases	(4,590,576,517)	(1,064,322,067)
Closing balance	<u>233,221,447,198</u>	<u>274,018,909,060</u>

Construction works in progress include:

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
New factory in Duong Kinh	213,872,653,246	178,765,407,500
The project No. 02 An Da (i)	9,051,188,067	9,051,188,067
Other projects	10,297,605,885	-
	<u>233,221,447,198</u>	<u>187,816,595,567</u>

As further noted in Notes 18 and 19, the Company has pledged construction 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.

15. SHORT-TERM TRADE PAYABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
	Amount/Amount	Amount/Amount
	able to be paid off	able to be paid off
Short-term trade payables		
Huyen Trang Investment Co., Ltd	28,003,913,255	-
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.	18,336,237,650	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 Coporation	3,319,012,680	16,329,139,200
Phuong Dong Petro Trading Joint Stock Company	60,100,128	12,589,539,600
Ticon Overseas, Inc	-	25,328,721,600
Basell Asia Pacific Ltd	-	9,590,367,600
Others	67,337,893,385	85,545,299,427
Sum	<u>194,769,255,992</u>	<u>267,618,590,575</u>
Trade payables to related parties		
Tien Phong Packaging Joint Stock Company	1,126,821,069	1,489,420,240
Tien Phong Central Plastic Company Limited	76,511,948,467	-
Tien Phong South Plastic Joint Stock Company	40,057,485,755	-
Sum	<u>117,696,255,291</u>	<u>1,489,420,240</u>
Total	<u>312,465,511,283</u>	<u>269,108,010,815</u>

16. SHORT-TERM ACCRUED EXPENSES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Payables to distributors	75,272,586,027	73,526,877,860
Payables to contractors	1,140,910,000	1,140,910,000
Transportation expenses	7,027,419,166	4,796,170,860
Interest payables	3,130,960,987	3,533,706,204
Others	4,426,037,343	18,720,381,144
	<u>90,997,913,523</u>	<u>101,718,046,068</u>

17. OTHER CURRENT PAYABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Short-term deposits received	8,794,475,500	10,207,475,500
Trade union fee	1,181,740,190	1,032,457,133
Insurances	823,004,773	833,046,767
Others	5,795,590,593	4,494,340,689
	<u>16,594,811,056</u>	<u>16,567,320,089</u>

18. SHORT-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASE

	Opening balance	In the period		Closing balance
	VND Amount/Amount able to be paid off	VND Increases	Decreases	VND Amount/Amount able to be paid off
Short-term borrowings	1,266,372,849,501	1,751,680,273,855	1,533,190,396,418	1,484,862,726,938
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
	1,355,610,252,041	1,816,767,773,919	1,580,578,472,104	1,591,799,553,856

Short-term borrowings are used to supplement the Company's working capital for its operation. Interest rates 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:

	Closing balance	Opening balance
	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)	384,601,760,085	505,242,187,380
Unsecured loans	373,669,794,416	215,316,026,685
	1,591,799,553,856	1,355,610,252,041

- (i) Short-term and long-term borrowings from banks (Note 19) were secured by the Company's assets with the total book value as at 30 June 2018 of VND 3,244,864,007,124 (31 December 2017: VND 2,995,100,438,101).

19. LONG-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASE

	Opening balance	In the period		Closing balance
	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
	237,987,337,057	42,931,178,737	65,087,500,064	215,831,015,730

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 1st 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
	322,767,842,648	327,224,739,597
Less: Amount due for settlement within 12 months (shown under current liabilities - see Note 18)	106,936,826,918	89,237,402,540
Amount due for settlement after 12 months	215,831,015,730	237,987,337,057

20. OWNERS' EQUITY

	<u>Owners' contributed capital</u>	<u>Investment and development fund</u>	<u>Retained earnings</u>	<u>Total</u>
	VND	VND	VND	VND
Balance as at 01 January 2017	743,673,070,000	722,568,011,805	307,705,451,293	1,773,946,533,098
Profit for the period	-	-	185,484,356,164	185,484,356,164
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 Board of Management, Board of General Directors and Supervisory Board	-	-	(2,000,000,000)	(2,000,000,000)
Dividends declared	-	-	(74,367,307,001)	(74,367,307,001)
Balance as at 30 June 2017	892,403,020,000	732,244,784,945	232,084,513,289	1,856,732,318,234
Balance as at 01 January 2018	892,403,020,000	732,244,784,945	300,601,822,796	1,925,249,627,741
Profit for the period	-	-	147,884,696,419	147,884,696,419
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 Board of Management, Board of General Directors and Supervisory Board (i)	-	-	(2,000,000,000)	(2,000,000,000)
Dividends declared (ii)	-	-	(133,860,453,000)	(133,860,453,000)
Balance as at 30 June 2018	892,403,020,000	824,402,903,721	193,079,203,639	1,909,885,127,360

- (i) 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 General Directors 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 1st is paid by cash at the rate of 15% of charter capital in 2017).

Shares	<u>Closing balance</u>	<u>Opening balance</u>
- Number of shares issued to public		
+ Common shares	89,240,302	89,240,302
- Number of outstanding shares in circulation		
+ Common shares	89,240,302	89,240,302
21. OFF BALANCE SHEET ITEMS		
	<u>Closing balance</u>	<u>Opening balance</u>
Foreign currencies		
United States Dollar (USD)	13,578	26,988
22. REVENUE		
	<u>Current period</u>	<u>Prior period</u>
	VND	VND
Gross sale of goods		
Sales of finished goods	1,935,853,804,097	1,931,596,656,092
Others	3,821,876,646	1,954,481,920
	1,939,675,680,743	1,933,551,138,012
Sales return	(8,180,380,747)	(4,851,250,120)
Net revenue	1,931,495,299,996	1,928,699,887,892
In which, sale to related parties:		
<i>Tien Phong Central Plastic Company Limited</i>	193,958,517,303	229,735,357,967
<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	435,260,990,900
	786,766,592,942	810,609,693,900
23. COST OF SALES		
	<u>Current period</u>	<u>Prior period</u>
	VND	VND
Cost of finished goods	1,406,867,302,344	1,328,199,264,144
Others	3,269,499,223	6,512,993,133
	1,410,136,801,567	1,334,712,257,277

24. PRODUCTION COST BY NATURE

	<u>Current period</u> VND	<u>Prior period</u> VND
Raw materials and consumables	1,359,158,755,217	1,264,682,535,181
Labour	128,461,096,265	145,243,777,400
Depreciation and amortization	59,593,751,159	90,646,572,472
Distribution center expense	176,810,231,256	214,185,946,315
Out-sourced services	140,450,699,459	112,711,258,414
Other monetary expenses	4,630,887,525	8,634,167,365
	<u>1,869,105,420,881</u>	<u>1,836,104,257,147</u>

25. FINANCIAL INCOME

	<u>Current period</u> VND	<u>Prior period</u> VND
Interest income	271,217,418	736,313,725
Foreign exchange gain	63,732,219	152,821,652
Dividends and profits received (i)	76,903,295,558	66,592,151,088
	<u>77,238,245,195</u>	<u>67,481,286,465</u>

(i) Dividends and profits received in the period comprise profit from Tien Phong Central Plastic Company Limited (the first 6-months of 2017: VND 66,092,376,088).

26. FINANCIAL EXPENSES

	<u>Current period</u> VND	<u>Prior period</u> VND
Interest expense	47,366,093,882	33,500,100,901
Foreign exchange loss	453,645,302	136,916,716
	<u>47,819,739,184</u>	<u>33,637,017,617</u>

27. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES

	<u>Current period</u> VND	<u>Prior period</u> VND
Selling expenses		
Transportation	36,662,567,688	31,537,557,920
Sales discount	176,810,231,256	214,185,946,315
Others	101,101,831,429	89,426,184,545
	<u>314,574,630,373</u>	<u>335,149,688,780</u>
General and administration expenses		
Labor	20,263,256,199	20,628,660,784
Depreciation and armortization	13,785,787,325	22,150,423,699
Other monetary expenses	24,687,417,798	21,424,697,019
Others	14,914,413,041	14,632,222,463
	<u>73,650,874,363</u>	<u>78,836,003,965</u>

28. CORPORATE INCOME TAX EXPENSE

	<u>Current period</u>	<u>Prior period</u>
	VND	VND
Corporate income tax based on taxable profit in the current period	17,745,350,215	25,473,923,093
Adjustments for corporate income tax expense in previous year to the current period	-	4,249,128,175
Current corporate income tax expense	17,745,350,215	29,723,051,268

The current corporate income tax expense for the period was computed as follow:

	<u>Current period</u>	<u>Prior period</u>
	VND	VND
Profit before tax	165,630,046,634	215,207,407,432
Adjustments for taxable profit		
Less: non-assessable income	(76,903,295,558)	(87,837,791,965)
Add back: non-deductible expenses	-	-
Taxable profit	88,726,751,076	127,369,615,467
Normal tax rate	20%	20%
Corporate income tax	17,745,350,215	25,473,923,093

29. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Company's principal business activities are to manufacture and trade plastic products for civil consumption and use in construction and industries. Accordingly, the financial information presented in the interim balance sheet as at 30 June 2018 and the entire revenue and expenses presented in the interim 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.

30. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

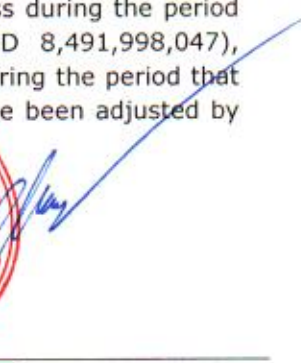
Supplemental non-cash disclosures

Cash outflows for purchases of fixed assets and construction in progress during the period exclude an amount of VND 61,933,046,802 (6-months 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


 Tran Ngoc Bao
 Chief Accountant




 Tran Ba Phuc
 Chairman

14 August 2018