

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

For the accounting period from 01/01/2019 to 30/06/2019

(Reviewed)

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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 THE BOARD OF MANAGEMENT**

The Board of Management of Tien Thanh Service and Trading Joint Stock Company (hereinafter referred to as "Company") hereby presents the Statements and Company's interim financial statements for the accounting period from 01/01/2019 to 30/06/2019.

**COMPANY**

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

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

The business activities of the Company include:

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

**EVENTS AFTER DATE OF BOOK CLOSING FOR PREPARING FINANCIAL STATEMENTS**

The Board of 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 01/01/2019 to 30/06/2019

**THE BOARD OF DIRECTORS, INTERNAL AUDIT DEPARTMENT, THE BOARD OF 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	Dismissed on 23/04/2019
Mr. Vu Quoc Hoa	Vice Chairman	Appointed on 23/04/2019
Mr. Phan Thanh Nam	Member	Appointed on 23/04/2019
Ms. Nguyen Tran Linh Chi	Member	Dismissed on 23/04/2019
Mr. Nguyen Anh Tuan	Member	
Ms. Nguyen Thi Kim Phuong	Member	

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

Ms. Nguyen Thi Kim Phuong	Chief of Department
Ms. Ha Thi Tuyet Trinh	Member
Mr. Phan Quang Tiep	Member

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

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

**Members in the board of management in accounting period and date of preparing Financial Statements include:**

Mr. Nguyen Huu Truong            General director  
Ms. Trinh Thanh Tuoi            Chief Accountant

**AUDITOR**

The Interim Financial Statements for the accounting period from 01/01/2019 to 30/06/2019 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 THE BOARD OF MANAGEMENT TO THE FINANCIAL STATEMENTS**

Company's The board of 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 financial statements, Company's The board of Management is committed to comply with the following requirements:

- As determined by The board of Management and Board of Company, 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 The Board of 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 The Board of Management undertakes that the interim financial statements reflect honestly and reasonably the Company's financial position from 30/06/2019, the Income Statement and situation of cash flows for the accounting period from 01/01/2019 to 30/06/2019 in compliance with standards and system of enterprise account in Vietnam complying with legal regulations relating to preparation and presentation of the interim financial statements.

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

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

**Other commitments**

The Board of 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 12, 2019*

**On behalf of The Board of Management  
General Director**



**Nguyễn Hữu Trường**



## TTP AUDITING LIMITED COMPANY

No: 293/BCKT-TC

### REPORT ON REVIEW ON INTERIM FINANCIAL POSITION

*Re: Financial Statements for accounting period from 01/01/2019 to 30/06/2019  
Of Tien Thanh Service and Trading Joint Stock Company*

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

We have audited The Interim Financial Statements of Tien Thanh Service And Trading Joint Stock Company prepared on 12/08/2019 including: The Balance Sheet on 30/06/2019, Income Statement, Cash flows Statement and Notes to the interim Financial Statements for the accounting period from 01/01/2019 to 30/06/2019 presented from page 7 to page 36 attached hereto.

#### **The Board of Management's Responsibility**

The Board of Management is responsible for preparing and presenting honestly and reasonably the Company's Interim Financial Statements in compliance with accounting standards and system of enterprise account in Vietnam and legal regulations relating to preparation and presentation of the Financial Statements. The Board 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 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 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 Financial Statements because of its truthfulness and reasonableness. In terms of the material fact, Company's The Interim Financial Statements on 30/06/2019, The Interim Income Statement and Interim Cash flows statement for the 6-month-accounting period have ended in the same day in accordance with accounting standards and system of enterprise account in Vietnam and legal regulations relating to preparation and presentation of the interim Financial Statements.

*Hanoi, August 12, 2019*

**TTP AUDITING LIMITED COMPANY**

**Deputy General Director**

*(Signed and sealed)*

**Nguyen Chi Thanh**

*Certificate of Audit Practice No.:*

*0164-2018-133-1*

**INTERIM BALANCE SHEET**  
**As at 30 June 2019**

Currency: VND

ASSETS	Code	Note	Closing balance	Opening balance
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>269.805.859.024</b>	<b>248.744.980.747</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>V.01</b>	<b>49.446.724.424</b>	<b>38.153.013.343</b>
1. Cash	111		49.446.724.424	32.153.013.343
2. Cash equivalents	112		-	-
<b>II. Short-term financial investments</b>	<b>120</b>		-	-
<b>III. Short-term receivables</b>	<b>130</b>		<b>122.546.352.529</b>	<b>121.203.387.028</b>
1. Short-term trade receivables	131	V.03	67.131.927.541	120.911.627.400
2. Short-term advances to suppliers	132	V.04	33.795.192.280	50.000.084
6. Other short-term receivables	136	V.05a	21.619.232.708	241.759.544
<b>IV. Inventories</b>	<b>140</b>	<b>V.06</b>	<b>97.079.233.787</b>	<b>89.381.629.122</b>
1. Inventories	141		97.079.233.787	89.381.629.122
2. Provision for devaluation of inventories (*)	149		-	-
<b>V. Other short-term assets</b>	<b>150</b>		<b>733.548.284</b>	<b>6.951.254</b>
1. Short-term prepayments	151	V.9a	-	6.951.254
2. Value added tax deductibles	152		733.548.284	-
3. Tax and other receivables from the State budget	153		-	-
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>189.710.555.199</b>	<b>228.283.363.695</b>
<b>I. Non-current receivables</b>	<b>210</b>		<b>34.203.000.000</b>	<b>116.639.000.000</b>
6. Other long-term receivables	216	V.5b	34.203.000.000	116.639.000.000
7. Provision for doubtful long-term receivables (*)	219		-	-

## INTERIM BALANCE SHEET

As at 30 June 2019

(Continued)

Currency: VND				
ASSETS	Code	Note	Closing balance	Opening balance
<b>II. Fixed assets</b>	<b>220</b>		<b>66.446.657.619</b>	<b>35.998.598.574</b>
1. Tangible fixed assets	221	V.07	33.319.575.573	32.539.071.345
- Cost	222		39.539.248.928	37.510.108.745
- Accumulated depreciation (*)	223		(6.219.673.355)	(4.971.037.400)
2. Leased financial fixed assets	224		-	-
- Cost	225		-	-
- Accumulated depreciation (*)	226		-	-
3. Intangible fixed assets	227	V.08	33.127.082.046	3.459.527.229
- Cost	228		33.127.082.046	3.459.527.229
- 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>		-	-
1. Long-term work in progress	241		-	-
2. Construction in progress	242		176.453.843	176.453.843
<b>IV. Long-term financial investments</b>	<b>250</b>		<b>89.016.870.000</b>	<b>75.576.435.478</b>
1. Investments in subsidiary	251	V.02a	-	-
2. Investments in joint-ventures, associates	252		-	-
3. Equity investments in other entities	253		88.916.870.000	75.616.870.000
4. Provision for impairment of long-term financial investments (*)	254		-	(140.434.522)
5. Held-to-maturity investments	255		100.000.000	100.000.000
<b>V. Other long-term assets</b>	<b>260</b>		<b>44.027.580</b>	<b>69.329.643</b>
1. Long-term prepayment	261	V.9b	44.027.580	69.329.643
2. Deferred tax assets	262		-	-
3. Long-term tools, supplies and spare parts	263		-	-
4. Other long-term assets	268		-	-
<b>TOTAL ASSETS</b>	<b>270</b>		<b>459.516.414.223</b>	<b>477.028.344.442</b>

**INTERIM BALANCE SHEET**  
**As at 30 June 2019**  
**(Continued)**

Currency: VND

RESOURCES	Code	Note	Closing balance	Opening balance
<b>C. LIABILITIES</b>	<b>300</b>		<b>66.359.749.948</b>	<b>77.904.275.923</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>47.499.749.948</b>	<b>77.904.275.923</b>
1. Short-term trade payables	311	V.10	6.336.482.020	45.909.590.577
2. Short-term advances from customers	312	V.11	1.307.700.746	-
3. Taxes and amounts payable to the State budget	313	V.12	495.102.990	4.327.429
5. Short-term accrued expenses	315	V.13	39.208.982	39.499.896
9. Other short-term payables	319	V.14	3.834.758.022	32.138.021
10. Short-term borrowings	320	V.17a	33.092.600.000	29.918.720.000
12. Bonus and welfare funds	322		2.393.897.188	2.000.000.000
<b>II. Non-current liabilities</b>	<b>330</b>		<b>18.860.000.000</b>	<b>-</b>
8. Short-term borrowings	338	V.17b	18.860.000.000	-
<b>D. OWNERS' EQUITY</b>	<b>400</b>		<b>393.156.664.275</b>	<b>399.124.068.519</b>
<b>I. Owner's equity</b>	<b>410</b>	<b>V.18</b>	<b>393.156.664.275</b>	<b>399.124.068.519</b>
1. Owner's contributed capital	411		298.999.810.000	298.999.810.000
8. Investment and development fund	418		8.394.830.504	6.394.830.504
11. Retained earnings	421		85.762.023.771	93.729.428.015
- Retained earnings accumulated to prior year-end	421a		76.385.540.327	30.301.162.302
- Retained earnings of the current period	421b		9.376.483.444	63.428.265.713
<b>II. Other resources and funds</b>	<b>430</b>		<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>440</b>		<b>459.516.414.223</b>	<b>477.028.344.442</b>

Prepared by



Trinh Thanh Tuoi

Chief Accountant



Trinh Thanh Tuoi



**INTERIM INCOME STATEMENT**  
*For the 6-month period ended 30 June 2019*

ITEMS	Code	Note	Currency: VND	
			Current period	Prior period
1. Gross revenue from goods sold and rendering of services	01	VI.1	100.420.523.219	83.725.784.538
2. Deductions	02		-	-
3. Net revenue from goods sold and rendering of services (10 = 01 - 02)	10		100.420.523.219	83.725.784.538
4. Costs of goods sold	11	VI.2	84.708.204.519	65.337.821.701
5. Gross profit from goods sold and rendering of services (20 = 10 - 11)	20		15.712.318.700	18.387.962.837
6. Financial income	21	VI.3	768.397.735	1.028.752.448
7. Financial expenses	22	VI.4	4.086.388.940	1.435.223.346
- In which: Interest expense	23		1.481.310.002	1.268.214.846
8. Selling expenses	24	VI.6	792.545.974	747.996.657
9. General and administrative expenses	25	VI.7	2.225.291.414	2.311.892.052
10. Operating profit {30 = 20 + (21 - 22)-(24 + 25)}	30		9.376.490.107	14.921.603.230
11. Other income	31	VI.8	18.337	38.750
12. Other expenses	32	VI.9	25.000	2.236.273
13. Profit from other activities (40 = 31 - 32)	40		(6.663)	(2.197.523)
14. Accounting profit before tax (50 = 30 + 40)	50		9.376.483.444	14.919.405.707
15. Current corporate income tax expense	51	VI.10	-	-
16. Deferred corporate income tax expense	52		-	-
17. Net profit after corporate income tax (60=50-51-52)	60		9.376.483.444	14.919.405.707
18. Basic earnings per share	70	VI.11	300,42	874,11

Prepared by



Trinh Thanh Tuoi

Chief Accountant



Trinh Thanh Tuoi



**INTERIM CASH FLOWS STATEMENT**  
**According to indirect method**  
**For the 6-month period ended 30 June 2019**

ITEMS	Code	Currency: VND	
		Current period	Prior period
<b>I. Cash flows from operating activities</b>			
<i>1. Net profit before tax</i>		<b>9.376.483.444</b>	<b>14.919.405.707</b>
<i>2. Adjustments for:</i>	<i>01</i>		
- Depreciation and amortisation of fixed assets	02	1.248.635.955	1.244.271.378
- Provisions	03	(140.434.522)	-
- Foreign exchange (Profits)/losses arising from revaluation of monetary accounts	04	85.513.460	-
- (Profits)/losses from investing activities	05	(768.397.735)	(383.275.927)
- Interest expense	06	1.481.310.002	1.268.214.846
<i>3. Operating profit before changes in working capital</i>	<b>08</b>	<b>11.283.110.604</b>	<b>17.048.616.004</b>
- Increase/(Decrease) in receivables	09	80.359.486.215	8.301.125.897
- Increase/(Decrease) in inventories	10	(7.697.604.665)	(2.465.167.151)
- Increase/(Decrease) in payables (excluding accrued loan interest and corporate tax payable)	11	(37.620.595.259)	(22.379.681.242)
- Increase/(Decrease) in prepaid expenses	12	32.253.317	42.583.368
- Interest paid	13	(1.481.600.916)	(1.253.763.054)
<b>Net cash generated by operating activities</b>	<b>20</b>	<b>44.875.049.296</b>	<b>(706.286.178)</b>
<b>II. Cash flows from investing activities</b>			
1. Acquisition and construction of fixed assets and other long-term assets	21	(31.696.695.000)	-
5. Investments in other entities	25	(13.300.000.000)	-
6. Proceeds from investment in other entities	26	-	-
7. Interest earned, dividends and profits received	27	768.397.735	383.275.927
<b>Net cash used in investing activities</b>	<b>30</b>	<b>(-44.228.297.265)</b>	<b>383.275.927</b>
<b>III. Cash flows from financing activities</b>			
3. Proceeds from long-term and short-term borrowings	33	65.782.600.000	30.008.552.000
4. Repayment of borrowings	34	(43.748.720.000)	(30.100.000.000)
6. Dividends paid	36	(11.386.920.950)	-
<b>Net cash generated by financing activities</b>	<b>40</b>	<b>10.646.959.050</b>	<b>(91.448.000)</b>
<b>Net increase in cash</b>	<b>50</b>	<b>11.293.711.081</b>	<b>(414.458.251)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>60</b>	<b>38.153.013.343</b>	<b>12.259.315.797</b>
Impact of exchange rate fluctuation	61	-	-
<b>Cash and cash equivalents at the end of the period</b>	<b>70</b>	<b>49.446.724.424</b>	<b>11.844.857.546</b>

Prepared by



Trinh Thanh Tuoi

Chief Accountant



Trinh Thanh Tuoi

Hanoi, August 12, 2019  
 General Director



Nguyen Huu Trung

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the accounting period from 01/01/2019 to 30/06/2019

(These notes are constituent parts for Financial Statements)

### I. CHARACTERISTICS OF COMPANY'S OPERATION

#### Type of owner's equity

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

#### The business activities of the Company include:

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

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

### II. ACCOUNTING 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. Inventories

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, Leased Financial Fixed Assets and Investment Propeties

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, equipments	03-06 years
- Vehicles, transportations	05-08 years
- Office equipments	03-05 years

## **8. Prepayments**

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

The calculation and allocation of long-term prepayments 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. Prepayments 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 sold**

Cost of goods sold 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. Related parties

Related parties 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 related party relationship, attention should be paid to the nature of the relationship rather than to the legal form of the relationship.

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

### 1. CASH

	Closing balance VND	Opneing balance VND
- Cash	5.400.023.444	2.363.486.142
- Bank demand deposits	44.046.700.980	35.789.527.201
+ Deposits VND	44.046.700.980	35.789.527.201
<i>BIDV – Branch Northen Hanoi</i>	2.483.988	773.074.237
<i>BIDV – Branch Bac Tu Liem</i>	44.020.989.709	5.000.000.000
<i>SHB</i>	955.027	30.000.000.000
<i>Other banks</i>	22.272.256	16.452.964
- Cash equivalents	-	-
<b>Total</b>	<b>31.942.973.708</b>	<b>24.753.040.376</b>

### 2. FINANCIAL INVESTMENTS (Appendix No. 01)

### 3. TRADE RECEIVABLES

	Currency: VND			
	Closing balance		Opening balance	
	Value	Provision	Value	Provision
<b>a. Short-term</b>				
Vietnam South East Asia JSC	2.048.000.000		23.048.000.000	
Trong Duong commercial and service Co., Ltd	27.892.522.276		..	
Hung Yen Dong Thien Phu JSC	12.990.231.265			
VMG Fashion Co., Ltd	24.025.724.000		69.555.807.400	
Golden Lotus Investment & Consultancy JSC			22.331.000.000	
Others	175.450.000		5.976.820.000	
<b>b. Long-term</b>				
<b>Total</b>	<b>67.131.927.541</b>		<b>120.911.627.400</b>	

#### In which receivables from related parties:

	Relationship	Closing balance	Opening balance
<b>Short-term receivables</b>		<b>165.000.000</b>	<b>137.500.000</b>
Dong Thien Phu Group corporation		165.000.000	137.500.000
<b>Total</b>		<b>165.000.000</b>	<b>137.000.000</b>

The accompanying notes are an integral part of the financial statements

#### 4. ADVANCES TO SUPPLIERS

Currency: VND

	Closing balance		Opening balance	
	Value	Provision	Value	Provision
<b>a. Short-term</b>	<b>33.795.192.280</b>	<b>-</b>	<b>50.000.084</b>	<b>-</b>
Dong Thien Phu Group Corporation	10.799.995.654			
Vietnam sea ocean export-import & investment Co., Ltd	9.930.000.000			
Toan Thang building materials and service Co., Ltd	11.999.000.000			
Others	1.066.196.626		50.000.084	
<b>Total</b>	<b>33.795.192.280</b>	<b>-</b>	<b>50.000.084</b>	<b>-</b>

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

	Relationship	Closing balance	Opening balance
		<b>10.799.995.654</b>	-
Dong Thien Phu Group Corporation		10.125.785.200	-
<b>Total</b>		<b>10.799.995.654</b>	-

#### 5. OTHER RECEIVABLES

Currency: VND

	Closing balance		Opening balance	
	Value	Provision	Value	Provision
<b>a. Short-term</b>	<b>21.619.232.708</b>		<b>241.759.544</b>	
- Advance	21.619.232.708		241.759.544	
<b>b. Long-term</b>	<b>34.203.000.000</b>		<b>116.639.000.000</b>	
- Other receivables	34.203.000.000		116.639.000.000	
+ Ha Nam EMJ JSC	34.200.000.000		34.200.000.000	
+ Toan Thang building materials and service Co., Ltd	3.000.000		82.439.000.000	
<b>Total</b>	<b>55.822.232.708</b>		<b>116.880.759.544</b>	

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

	Relationship	Closing balance	Opening balance
<b>Advance</b>		<b>18.145.582.820</b>	<b>18.300.000</b>
Mr. Nguyen Huu Truong		18.145.582.820	18.300.000
<b>Total</b>		<b>18.145.582.820</b>	<b>18.300.000</b>

(\*) The advance balance of Mr. Nguyen Huu Truong – Chairman of the Board of Director cum General Director is 18.145.582.820 dong. Advance for implementation project “Tien Thanh Tower”

(\*\*) Is a receivable on the business cooperation contract with Ha Nam EMJ Joint Stock Company to build wine manufacturing line with capacity of 1,95 million liters/year in Kim Binh Industrial Zone, Phu Ly, Ha Nam, and develop the brand of Vodka EMJ wine. The capital contribution rate is 67%, the cooperating time is from January 03rd, 2015 to May 05th, 2054. Profit is divided according to capital contribution rate. By June 30, 2019, 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". The cooperating time is from January 01, 2018 to December 31, 2037. Profit is divided by the ratio: Tien Thanh receives 30% of total profits. By June 30, 2019 two parties agreed to terminate the contract.

The accompanying notes are an integral part of the financial statements

## 6. INVENTORIES

	Closing balance		Opening balance	
	VND	VND	VND	VND
	Cost	Provision	Cost	Provision
- Work in progress	3.466.694.404		3.354.627.000	
- Goods	93.612.539.383		86.027.002.122	
<b>Total</b>	<b>97.079.233.787</b>		<b>89.381.629.122</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

## 7. INCREASE, DECREASE IN TANGIBLE FIXED ASSETS (Appendix No. 02)

## 8. INCREASE, DECREASE IN INTANGIBLE FIXED ASSETS (Appendix No. 02)

## 9. PREPAYMENTS

	Closing balance VND	Opening balance VND
<b>a. Short-term</b>	-	6.951.254
Short-term prepayments		6.951.254
<b>b. Long-term</b>	44.027.580	69.329.643
Long-term allocation tools	31.392.422	69.329.643
Long-term prepayments	12.635.158	
<b>Total</b>	<b>44.027.580</b>	<b>76.280.897</b>

## 10. TRADE PAYABLES

	Closing balance		Opening balance	
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
	Currency: VND			
<b>Short-term trade payables</b>	<b>6.336.482.020</b>	<b>6.336.482.020</b>	<b>45.909.590.577</b>	<b>45.909.590.577</b>
- ACTIVE CREATION APPRAEL SDN.BHD	5.261.854.000	5.261.854.000	7.578.317.500	7.578.317.500
- National technology SJC			14.120.501.001	14.120.501.001
- Red River JSC			13.911.000.000	13.911.000.000
- Lam Giang Steel J.S.C.			9.213.349.053	9.213.349.053
- Technology transfer and construction design consultants JSC	775.000.000	775.000.000	775.000.000	775.000.000
- Other trade payables	299.628.020	299.628.020	311.423.023	311.423.023
<b>Total</b>	<b>6.336.482.020</b>	<b>6.336.482.020</b>	<b>45.909.590.577</b>	<b>45.909.590.577</b>

## 11. ADVANCES FROM CUSTOMERS

	Closing balance		Opening balance	
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
	Currency: VND			
<b>Advances from customers</b>	<b>1.307.700.746</b>	<b>1.307.700.746</b>	-	-
Intetech technology JSC	1.307.700.746	1.307.700.746		
<b>Total</b>	<b>1.307.700.746</b>	<b>1.307.700.746</b>	-	-

The accompanying notes are an integral part of the financial statements

## 12. TAXES AND PAYABLES TO THE STATE BUDGET

, Currency: VND

Interpretation	Opening balance	Payable in the period	Paid	Other adjustments	Closing balance
	(a)	(b)	(c)	(d)	(e)=(a)+(b)-(c)+(d)
Value added tax	4.327.429	2.476.858.850	1.986.083.289		495.102.990
Personal income tax	-	20.400.000	20.400.000		-
Charges, fees and other payables	-	4.000.000	4.000.000		-
<b>Total</b>	<b>4.327.429</b>	<b>2.501.258.850</b>	<b>2.010.483.289</b>	<b>-</b>	<b>495.102.990</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.

## 13. ACCURED EXPENSES

	Closing balance VND	Opening balance VND
<b>a. Short-term</b>	<b>39.208.982</b>	<b>39.499.896</b>
- Interest expense	39.208.982	39.499.896
<b>Total</b>	<b>39.208.982</b>	<b>39.499.896</b>

## 14. OTHER PAYABLES

	Closing balance VND	Opening balance VND
<b>a. Short-term</b>	<b>3.834.758.022</b>	<b>32.138.021</b>
- Trade Union fee	57.294.773	31.7453.882
- Insurances	56.198.699	392.139
- Others	3.721.264.550	-
<b>Total</b>	<b>3.834.758.022</b>	<b>32.138.021</b>

## 17. SHORT-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

(Appendix No.3)

## 18. OWNER'S EQUITY

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

b. Details of the capital contribution of the owner

	Closing balance VND	Rate %	Opening balance VND	Rate %
Capital contribution of the State	-		-	
Capital contributed by other shareholders	298.999.810.000	100	298.999.810.000	100
<b>Total</b>	<b>298.999.810.000</b>	<b>100</b>	<b>298.999.810.000</b>	<b>100</b>

Related shareholders:

Shareholders	Relationship	Closing balance	Opening balance
Mr. Nguyen Huu Truong	Chairman	62.790.000.000	62.790.000.000
Mr. Nguyen Anh Tuấn	Commissioner	77.740.000	77.740.000
Ms. Nguyen Thi Kim Phuong	Commissioner	107.640.000	107.640.000
<b>Total</b>		<b>62.975.380.000</b>	<b>62.975.380.000</b>

The accompanying notes are an integral part of the financial statements

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

	Current period VND	Prior period VND
Owner's Equity		
+ Balance as at 1 January 2019	298.999.810.000	298.999.810.000
+ Increased contributed capital in period	-	-
+ Decreased contributed capital in period		
+ Balance as at 30 June 2019	298.999.810.000	298.999.810.000
- Divided dividends and profits		

**d. Shares**

	Closing balance VND	Opening balance VND
The number of issued shares	29.899.981	29.899.981
The number of sold shares in public	29.899.981	29.899.981
+ Common shares	29.899.981	29.899.981
+ Preferred shares		
Treasury shares		
Number of outstanding shares in circulation	29.899.981	29.899.981
+ Common shares	29.899.981	29.899.981
+ Preferred shares		
* Par value: 10.000 VND		

**e. The funds of the enterprise**

	Closing balance VND	Opening balance VND
- 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>

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

	Current period VND	Prior period VND
<b>1. REVENUE</b>		
<b>Gross Revenue</b>	<b>100.420.523.219</b>	<b>83.725.784.538</b>
- Revenue from sale of goods	100.262.023.219	83.725.784.538
- Rendering services	158.500.000	
<b>Deductions</b>	<b>-</b>	<b>-</b>
<b>Net Revenue</b>	<b>100.420.523.219</b>	<b>83.725.784.538</b>
<b>2. COST OF SALES</b>		
<b>Cost of goods sold</b>	<b>84.581.245.474</b>	<b>65.337.821.701</b>
Cost of service provided	126.959.045	
<b>Total</b>	<b>84.708.204.519</b>	<b>65.337.821.701</b>
<b>3. FINANCIAL INCOME</b>		
<b>Deposit interest, loan interest</b>	<b>5.023.735</b>	<b>1.558.927</b>
Dividends and profits received	763.374.000	381.687.000
Realised xchange foreign gains		645.476.521
<b>Total</b>	<b>1.028.990.539</b>	<b>649.161.947</b>

The accompanying notes are an integral part of the financial statements

<b>4. FINANCIAL EXPENSES</b>	<b>Current period VND</b>	<b>Prior period VND</b>
Interest expense	2.357.277.424	305.915.693
Refund provision for devaluation of investments	-140.434.522	
Sold shares losses	2.660.000.000	
Realised xchange foreign losses	85.513.460	167.008.500
<b>Total</b>	<b>4.086.388.940</b>	<b>1.435.223.346</b>

  

<b>5. SELLING EXPENSES, GENERAL AND ADMINISTRATION EXPENSES</b>	<b>Current period VND</b>	<b>Prior period VND</b>
<b>Expenses according to factor</b>		
- Raw materials	-	113.722.186
- Labour	1.354.703.941	1.031.535.097
- Depreciation of fixed assets	1.248.635.955	1.244.271.378
- Taxes, charges, fees	116.067.404	15.153.784
- Outsourced service	307.916.062	347.151.846
- Other monetary expenses	229.540.475	308.054.418
<b>Total</b>	<b>3.256.863.837</b>	<b>3.059.888.709</b>

  

<b>6. SELLING EXPENSES</b>	<b>Current period VND</b>	<b>Prior period VND</b>
- Labour	791.043.700	747.996.657
- Outsourced service	1.502.274	
<b>Total</b>	<b>792.545.974</b>	<b>747.996.657</b>

  

<b>7. GENERAL AND ADMINISTRATION EXPENSES</b>	<b>Current period VND</b>	<b>Prior period VND</b>
- Raw materials		113.722.186
- Labour	563.660.241	283.538.440
- Depreciation of fixed assets	1.121.676.910	1.244.271.378
- Taxes, charges, fees	4.000.000	15.153.784
- Outsourced service	306.413.788	347.151.846
- Other monetary expenses	229.540.475	308.054.418
<b>Total</b>	<b>2.225.291.414</b>	<b>2.311.892.052</b>

  

<b>8. OTHER INCOME</b>	<b>Current period VND</b>	<b>Prior period VND</b>
- Other income	18.3370	38.750
<b>Total</b>	<b>38.750</b>	<b>38.750</b>

  

<b>9. OTHER EXPENSES</b>	<b>Current period VND</b>	<b>Prior period VND</b>
- Other expenses	25.000	2.236.273
<b>Total</b>	<b>25.000</b>	<b>2.236.273</b>

The accompanying notes are an integral part of the financial statements

## 10. CURRENT CORPORATE INCOME TAX EXPENSE

	Current period VND	Prior period VND
Current corporate income tax expense based on taxable profit in the current period	-	-
Adjustment of corporate income tax expenses of the year	-	-
<b>Total current corporate income tax expense</b>	<b>-</b>	<b>-</b>

Detail of current corporate income tax expense	Current period VND	Prior period VND
Accounting profit before tax	9.376.483.444	14.919.405.707
Adjustment for taxable income	-	-
Increased adjustments	-	-
Decreased adjustments	-	-
<b>Tax-free profit</b>	<b>9.376.483.444</b>	<b>14.919.405.707</b>
<b>Taxable profit</b>	<b>-</b>	<b>-</b>
<b>Current tax</b>	<b>20%</b>	<b>20%</b>
<b>Current corporate income tax expense</b>	<b>-</b>	<b>-</b>
<b>Deferred corporate income tax expense</b>	<b>-</b>	<b>-</b>
<b>Total current corporate income tax expense</b>	<b>-</b>	<b>-</b>

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

## 11. BASIC EARNINGS PER SHARE

	Current period VND	Prior period VND
Net profit after tax	9.376.483.444	14.919.405.707
Adjustment for:	393.897.188	-
- Dividends of preferred shares	-	-
- Bonus and welfare funds is deducted from profit after tax (*)	393.897.188	-
Profit distributed to common shares	8.982.586.256	14.919.405.707
Common shares outstanding average in the period	29.899.981	29.899.981
<b>Basic earnings per share</b>	<b>300,42</b>	<b>498,98</b>
<b>Per value (VND/share)</b>	<b>10.000</b>	<b>10.000</b>

The accompanying notes are an integral part of the financial statements

## VIII. OTHER INFORMATION

### 2. Financial instruments

Financial instrument of the Company include:

Financial assets	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
	Currency: VND			
Cash and cash equivalents	49.446.724.424		38.153.013.343	
Trade receivables, other receivables	122.954.160.249		237.792.386.944	
Long-term investment	89.016.870.000		75.716.870.000	
<b>Total</b>	<b>261.417.754.673</b>	<b>-</b>	<b>351.662.270.287</b>	<b>-</b>

Financial liabilities	Closing balance		Opening balance	
	VND		VND	
	Currency: VND			
Loans and obligations under finance leases	51.952.600.000		29.918.720.000	
Trade payables, other payables	10.171.240.042		45.941.728.598	
Expenses payable	39.208.982		39.499.896	
<b>Total</b>	<b>62.163.049.024</b>		<b>75.899.948.494</b>	

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.

The accompanying notes are an integral part of the financial statements

### 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>Closing balance</b>				
Cash and cash equivalents	49.446.724.424			49.446.724.424
Trade receivables, other receivables	88.751.160.249	34.203.000.000		122.954.160.249
Long-term investments		89.016.870.000		89.016.870.000
<b>Total</b>	<b>154.847.678.895</b>	<b>116.639.000.000</b>		<b>271.486.678.895</b>
<b>Opening balance</b>				
Cash and cash equivalents	38.153.013.343			38.153.013.343
Trade receivables, other receivables	121.153.386.944	116.639.000.000		237.792.386.944
Long-term investments		75.576.435.478		75.576.435.478
<b>Total</b>	<b>159.306.400.287</b>	<b>192.215.435.478</b>		<b>351.521.835.765</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:

	From 1 year and below VND	From 1 year to 5 years VND	Above 5 years VND	Total VND
<b>Closing balance</b>				
Borrowings	33.092.600.000		18.860.000.000	51.952.600.000
Trade payables, other payables	10.171.240.042			10.171.240.042
Expenses payable	39.208.982			39.208.982
<b>Total</b>	<b>43.303.049.024</b>		<b>18.860.000.000</b>	<b>62.163.049.024</b>
<b>Opening balance</b>				
Borrowings	29.918.720.000			29.918.720.000
Trade payables, other payables	45.941.728.598			45.941.728.598
Expenses payable	39.499.896			39.499.896
<b>Total</b>	<b>75.899.948.494</b>			<b>75.899.948.494</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.

The accompanying notes are an integral part of the financial statements

### 3. EVENTS OCCURRING AFTER THE EXPIRY DATE OF ACCOUNTING PERIOD

No significant events occurring after the expiry date of accounting period required to be adjusted or reported in the financial statements

### 4. DEPARTMENT REPORT

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

The Company only operates in the geographical area of Vietnam.

#### Department report by business lines

The major business lines of the Company are as follows:

	Provide services	Sale of goods	Total
Net revenue of outside	158.500.000	100.262.023.219	100.420.523.219
<b>Total net revenue</b>	<b>158.500.000</b>	<b>100.262.023.219</b>	<b>100.420.523.219</b>
Cost of department	126.959.045	84.581.245.474	84.708.204.519
<b>Business results of department</b>	<b>31.540.955</b>	<b>15.680.777.745</b>	<b>15.712.318.700</b>
<b>Expenses not allocated according to the department</b>			<b>3.017.837.388</b>
Profit from the business operations			12.694.481.312
Financial income			768.397.735
Financial expenses			4.086.388.940
Other income			18.337
Other expenses			25.000
Current CIT			-
<b>Net Profit after CIT</b>			<b>9.376.483.444</b>

Currency: VND

### 5. OPERATIONS AND BALANCES WITH RELATED PARTIES

Related parties	Relationship
Mr. Nguyen Huu Truong	Chairman of the board of Directors cum general director
Ms. Nguyen Thi Kim Phuong	Member of the board of directors
Dong Thien Phu Group Corporation	Chief accountant of DTP is a member of Tien Thanh's board of directors
Minh Van Anh development investments Co., Ltd	Is company that Tien Thanh owns 19% shares
Kien Giang brick tile JSC	Is company that Tien Thanh owns 12,71% shares
Toan Thang building materials and services Co., Ltd	Business cooperation

Transaction with related parties are as follows:

	Current period VND	Prior period VND
<b>Mr. Nguyen Huu Truong</b>		
Advance	123.178.000.000	8.203.300.000
Return	105.050.717.180	8.185.000.000

The accompanying notes are an integral part of the financial statements

**Dong Thien Phu Group Corporation**

Sales	165.000.000
Collection of sales revenue	137.500.000
Advance goods	15.918.664.172
Purchases	5.118.668.518

**Minh Van Anh development investment**

Purchases	89.412.096.446
Payment of goods	89.412.096.446
Additional investment	39.900.000.000

**Kien Giang birck tile JSC**

Dividends received	763.374.000
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**Toan Thang building materials and services Co., Ltd**

Money for business cooperation received	82.436.000.000
Money transferred over	5.388.000.000
Refunds	5.388.000.000

Balance of related parties	Current period VND	Prior period VND
<b>Advance</b>		
Mr Nguyen Huu Truong	18.145.582.820	18.300.000
<b>Income of the board of directors and the board of management</b>		
Income of the board of directors and the board of management	204.000.000	17.950.000

**7. 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 Tuoi**

Chief Accountant



**Trinh Thanh Tuoi**

Hanoi, August 12, 2019  
 General Director



  
**Nguyen Huu Truong**

The accompanying notes are an integral part of the financial statements

APPENDIX No. 01:

2. FINANCIAL INVESTMENTS

	Closing balance			Opening balance		
	Cost	Provision	Fair value	Cost	Provision	Fair value
a. Investment in subsidiaries	-	-	-	-	-	-
b. Other investments	89.016.870.000	-	89.016.870.000	750.716.870.000	140.434.522	75.576.435.478
- Kien Giang brick tile JSC	3.816.870.000	-	3.816.870.000	3.816.870.000	-	3.816.870.000
- Minh Van Anh developmet investment Co., Ltd	45.600.000.000	-	45.600.000.000	5.700.000.000	-	5.700.000.000
- Baltic trading and services Co., Ltd	39.500.000.000	-	39.500.000.000	39.500.000.000	-	39.500.000.000
- Son Phu invest JSC	-	-	-	26.600.000.000	140.434.522	26.459.565.478
c. Investments held to maturity						
- Bonds of BIDV bank	100.000.000	-	100.000.000	100.000.000	-	100.000.000
<b>Total</b>	<b>89.016.870.000</b>	<b>-</b>	<b>89.016.870.000</b>	<b>75.716.870.000</b>	<b>140.434.522</b>	<b>75.576.435.478</b>

Other Investments

Details about other investment companies of Company on 30 June 2019 are as follows:

Name of other investment companies	Place of establishment and operation	Control rate	Voting rate	The business activities of the Company
Kien Giang Brick Tile JSC	Group 4, Xa Ngach quarter, Kien Luong town, Kien Luong distric, Kien Giang province	12,71%	12,71%	Production of construction bricks
Minh Van Anh development investment Co., Ltd	No.81-83, Him Lam 6A, Binh Hung Commune, Binh Chanh district, Ho Chi Minh city	19,00%	19,00%	Trading in fabrics, garments, shoes
Baltic trading and services JSC	Cam Chuong Industrial cluster, Cam Thuong ward, Hai Duong city, Hai Duong province	19,75%	19,75%	Product wine, non-alcoholic beverage

The accompanying notes are an integral part of the financial statements

APPENDIX No. 02

7. INCREASE, DECREASE OF TANGIBLE FIXED ASSETS

Currency: VND

Item	Buildings and structures	Machinery, <sup>5</sup> equipment	Means of transport	Management equipment, tools	Other fixed assets	Total
<b>Cost of fixed assets</b>						
Opening balance	28.186.941.356	112.300.000	8.864.844.000	346.023.389		37.510.108.745
Increases in the period	2.029.140.182	-	-	-	-	2.029.140.183
- Bought in the period	2.029.140.182					2.029.140.182
Decreases in the period	-	-	-	-	-	-
Closing balance	30.216.081.539	112.300.000	8.864.844.000	346.023.389	-	39.539.248.928
<b>Accumulated depreciation</b>						
Beginning balance	1.382.702.173	112.300.000	3.209.714.455	266.320.772		4.971.037.400
Increases in the period	409.797.591	-	826.351.728	12.486.636	-	1.248.635.955
- Depreciation in the period	409.797.591		826.351.728	12.486.636		1.248.635.955
Decreases in the period	-	-	-	-	-	-
Ending balance	1.792.499.764	112.300.000	4.036.066.408	278.807.408	-	6.219.673.355
<b>Residual value</b>						
On the first day of the year	26.804.239.183	-	5.655.129.545	79.702.617	-	32.539.071.345
At the end of the period	28.423.581.775	-	4.828.777.817	67.215.981	-	33.319.575.573

- The residual value as of 30/06/2019 of tangible fixed assets used as collateral for the loan: 33.151.505.446 VND.
- The cost of tangible fixed assets has been fully depreciated but it is still used as of 30/06/2019: 733.420.610 VND.

The accompanying notes are an integral part of the financial statements

**8. INCREASE, DECREASE OF INTANGIBLE FIXED ASSETS**

Currency: VND

Item	Land use right	Trademark	Computer software	Copyright, patents	Other intangible fixed assets	Total
<b>Cost of fixed assets</b>						
<b>Opening balance</b>	3.459.527.229					3.459.527.229
Increases in the period	29.667.554.817	-	-	-	-	29.667.554.817
- <i>Bought in the period</i>	29.667.554.817					29.667.554.817
Decreases in the period	-	-	-	-	-	-
<b>Closing balance</b>	33.127.082.046					33.127.082.046
<b>Accumulated depreciation</b>						
<b>Beginning balance</b>						-
Increases in the period	-	-	-	-	-	-
Depreciation in the period	-	-	-	-	-	-
<b>Ending balance</b>	-	-	-	-	-	-
<b>Residual value</b>						
On the first day of the year	3.459.527.229		-	-	-	3.459.527.229
At the end of the period	33.127.082.046		-	-	-	33.127.082.046

- The remaining value as of 30/06/2019 of intangible fixed assets used as collateral for the loan: 33.127.082.046 VND.
- The cost of intangible fixed assets has been fully depreciated but it is still used as of 30/06/2019: 0 VND.

The accompanying notes are an integral part of the financial statements

APPENDIX No. 03

17. BORROWINGS AND OBLIGATIONS UNDER FINANCE LEASES

Currency: VND

	Closing balance		Increase Amount	Decrease Amount	Opening balance	
	Amount	Amount able to be paid off			Amount	Amount
<b>a. Short-term borrowings</b>	<b>33.092.600.000</b>	<b>33.092.600.000</b>	<b>46.922.600.000</b>	<b>43.748.720.000</b>	<b>29.918.720.000</b>	<b>29.918.720.000</b>
- Borrowings from bank	33.092.600.000	33.092.600.000	46.922.600.000	43.748.720.000	29.918.720.000	29.918.720.000
+ <i>BIDV (*)</i>	29.952.600.000	29.952.600.000	43.782.600.000	43.748.720.000	29.918.720.000	29.918.720.000
- Due borrowings payable	3.140.000.000	3.140.000.000	3.140.000.000	-	-	-
+ <i>Vietin bank (**)</i>	3.140.000.000	3.140.000.000	3.140.000.000	-	-	-
<b>b. Long-term</b>	<b>18.860.000.000</b>	<b>18.860.000.000</b>	<b>22.000.000.000</b>	<b>3.140.000.000</b>	-	-
- Borrowings from bank	18.860.000.000	18.860.000.000	22.000.000.000	3.140.000.000	-	-
+ <i>Vietin bank</i>	18.860.000.000	18.860.000.000	22.000.000.000	3.140.000.000	-	-
<b>Total</b>	<b>51.952.600.000</b>	<b>51.952.600.000</b>	<b>68.922.600.000</b>	<b>46.888.720.000</b>	<b>29.918.720.000</b>	<b>29.918.720.000</b>

Detail of contracts:

(\*) Including 06 credit contracts:

1. Credit Contract No. 03/2019/4642129/HDTD dated 003/04/2019, Loan amount: VND 7.440.000.000. Duration: 6 months. Purpose: To supplement working capital for trading in fashionable items. Interest rate: 9,7%/year. Balance as at 30/06/2019: VND 7.440.000.000.
2. Credit Contract No. 04/2019/4642129/HDTD dated 11/04/2019. Loan amount: VND 5.750.000.000. Duration: 06 months. Purpose: To supplement working capital for trading in air conditioners. Interest rate: 9,7%/year. Balance as at 30/06/2019: VND 5.750.000.000.
3. Credit Contract No. 05/2019/4642129/HDTD dated 24/04/2019. Loan amount: VND 4.573.000.000. Duration: 03 months. Purpose: To supplement working capital for trading in air conditioners. Interest rate: 9,7%/year. Balance as at 30/06/2019: VND 4.573.000.000.
4. Credit Contract No. 06/2019/4642129/HDTD dated 28/05/2019. Loan amount: VND 6.165.000.000. Duration: 06 months. Purpose: To supplement working capital for trading in construction steel. Interest rate: 9,7%/year. Balance as at 30/06/2019: VND 66.165.000.000.
5. Credit Contract No. 07/2019/4642129/HDTD dated 29/05/2019. Loan amount: VND 4.224.600.000. Duration: 6 months. Purpose: To supplement working capital for trading in fashionable items. Interest rate: 9,7%/year. Balance as at 30/06/2019: VND 4.224.600.000.
6. Credit Contract No. 08/2019/4642129/HDTD dated 10/06/2019. Loan amount: VND 1.800.000.000. Duration: 06 months. Purpose: To supplement working capital for trading in construction steel. Interest rate: 9,2%/year. Balance as at 30/06/2019: VND 1.800.000.000.

(\*\*) Vietin bank:

- Credit Contract No. 14/2019-HHDDCVDAADD/NHC324-TIENTHANH dated 27/05/2019.
- Loan amount: VND 22.000.000.000
- Interest rate: 10%/year for 12 months from the first disbursement date 13<sup>th</sup> month according to Vietinbank's regulations
- Duration: 84 months
- Balance as at 30/06/2019: VND 22.000.000.000 (Due borrowings payable: VND 3.140.000.000)

The accompanying notes are an integral part of the financial statements

APPENDIX No. 04

18. EQUITY

a. Volatility of equity

	Owner's capital	Equity surplus	Difference of exchange rates	Investment and development fund	Undistributed after-tax profit	Total
						<i>Currency: VND</i>
<b>Opening balance of the previous year</b>	298.999.810.000			6.394.830.504	30.206.280.302	335.600.920.806
- Increase capital in the previous year						-
- Interest in the previous year					63.428.265.713	63.428.265.713
- Appropriate funds						
- Other increases (*)					94.882.000	94.882.000
<b>Opening balance of this year</b>	298.999.810.000			6.394.830.504	93.729.428.015	399.124.068.519
- Increase capital in the period						-
- Interest in the period					9.376.483.444	9.376.483.444
- Appropriate funds						-
- Other increases						-
- Distribution of profit				2.000.000.000	(2.393.897.188)	(393.897.188)
- Dividend in cash					(14.949.990.500)	(14.949.990.500)
- Dividend in shares						-
<b>Closing balance</b>	298.999.810.000	-	-	8.394.830.504	85.762.023.771	393.156.664.275

The accompanying notes are an integral part of the financial statements

