

# **Tan Tien Plastic Packaging Joint Stock Company**

Interim financial statements

30 June 2016



# Tan Tien Plastic Packaging Joint Stock Company

## CONTENTS

	<i>Pages</i>
General information	1
Report of the General Director	2
Report on review of interim financial statements	3 - 4
Interim balance sheet	5 - 6
Interim income statement	7
Interim cash flow statement	8 - 9
Notes to the interim financial statements	10 - 27



# Tan Tien Plastic Packaging Joint Stock Company

## GENERAL INFORMATION

### THE COMPANY

Tan Tien Plastic Packaging Joint Stock Company ("the Company") was formerly a State-owned enterprise established in accordance with the Decision No. 451/CNn/TCLD issued by the Ministry of Industry on 7 May 1993 and the Business Registration Certificate ("BRC") No. 103022 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 18 May 1994.

On 23 October 2002, the Company was equitized as a shareholding company in accordance with the Decision No. 624/QD-TCCB issued by the Ministry of Industry. This equalization was formalized by the DPI of Ho Chi Minh City through the issuance of the BRC No. 4103002999 on 28 December 2004 and the subsequent amended BRCs.

On 11 January 2016, the Company obtained the latest BRC No. 0300391040 issued by the DPI of Ho Chi Minh City.

The Company's shares were formerly listed on the Ho Chi Minh Stock Exchange ("HOSE") in accordance with the License No. 70/UBCK-GPNY issued by the HOSE on 9 November 2006. However, the Company was approved by shareholders to delist its shares from HOSE at the Extraordinary General Meeting dated 6 June 2015. Accordingly, the Company was officially delisted on 15 October 2015 in accordance with the Decision No. 418/QD-SGDHCM issued by the HOSE on 16 September 2015.

The Company's current principal activity is to manufacture plastic packaging used for food, consumer products.

The Company's registered head office is located at Lot II, Group 4, Street 13, Tan Binh Industrial Park, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City, Vietnam.

### BOARD OF DIRECTORS

Members of the Board of Directors during the period and at the date of this report are:

Mr Cho Jum Kun	Chairman
Mr Park Moonsu	Member
Mr Song Jongsun	Member
Mr Jo Jeong Kook	Member
Mr Lee Sehoon	Member

### BOARD OF SUPERVISION

Members of the Board of Supervision during the period and at the date of this report are:

Mr Le Van Nhan	Head	appointed on 25 February 2016
Mr Pham The Nghia	Head	resigned on 25 February 2016
Mr Choi Sang Woo	Member	appointed on 25 February 2016
Mr Cho Hyonwoo	Member	appointed on 25 February 2016
Ms Truong Thi Thanh Huyen	Member	resigned on 25 February 2016

### GENERAL DIRECTOR

The General Director during the period and at the date of this report is Mr Jo Jeong Kook.

### LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of this report is Mr Jo Jeong Kook.

### AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.



# Tan Tien Plastic Packaging Joint Stock Company

## REPORT OF THE GENERAL DIRECTOR

The General Director of Tan Tien Plastic Packaging Joint Stock Company ("the Company") is pleased to present its report and the interim financial statements of the Company for the six-month period ended 30 June 2016.

### THE GENERAL DIRECTOR'S RESPONSIBILITY IN RESPECT OF THE INTERIM FINANCIAL STATEMENTS

The General Director is responsible for the interim financial statements of each financial period which give a true and fair view of the interim financial position of the Company and of the interim results of its operations and its interim cash flows. In preparing those interim financial statements, the General Director 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 standards have been followed, subject to any material departures disclosed and explained in the interim financial statements; and
- prepare the interim financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

The General Director is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim financial position of the Company and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The General Director confirmed that it has complied with the above requirements in preparing the accompanying interim financial statements.

### STATEMENT BY THE GENERAL DIRECTOR

The General Director does hereby state that, in his opinion, the accompanying interim financial statements give a true and fair view of the interim financial position of the Company as at 30 June 2016 and of the interim results of its operations and its interim cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim financial statements.



Jo Jeong Kook  
General Director

Ho Chi Minh City, Vietnam

12 August 2016

Reference: 61277151/18662603-LR

## REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

**To: The Shareholders of Tan Tien Plastic Packaging Joint Stock Company**

We have reviewed the accompanying interim financial statements of Tan Tien Plastic Packaging Joint Stock Company ("the Company"), as prepared on 12 August 2016 and set out on pages 5 to 27, which comprise the interim balance sheet as at 30 June 2016 and the interim income statement and the interim cash flow statement for the six-month period then ended and the notes thereto.

### *General Director's responsibility*

The Company's General Director is responsible for the preparation and fair presentation of these interim financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim financial statements, and for such internal control as the General Director determines is necessary to enable the preparation and presentation of interim 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 interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim financial information 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 financial statements do not give a true and fair view, in all material respects, of the interim financial position of the Company as at 30 June 2016, and of the interim results of its operations and its interim cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim financial statements.

### **Other matter**

The Company's interim financial statements for the six-month period ended 30 June 2015 and the Company's financial statements for the year ended 31 December 2015 were reviewed and audited, respectively, by another audit firm who issued unmodified reports dated 30 July 2015 and 3 February 2016, respectively.



Hàng Nhật Quang  
Deputy General Director  
Audit Practicing Registration Certificate  
No: 1772-2013-004-1

Ho Chi Minh City, Vietnam

12 August 2016



INTERIM BALANCE SHEET  
as at 30 June 2016

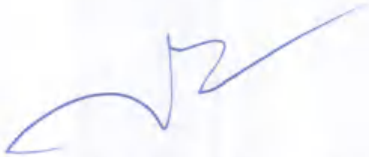
VND

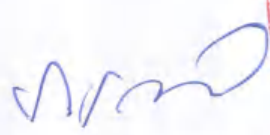
Code	ASSETS	Notes	30 June 2016	31 December 2015
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>630,016,112,728</b>	<b>623,878,943,936</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>28,444,475,229</b>	<b>182,746,432,093</b>
111	1. Cash		28,444,475,229	16,746,432,093
112	2. Cash equivalents		-	166,000,000,000
<b>120</b>	<b>II. Short-term investment</b>		<b>180,000,000,000</b>	<b>-</b>
123	1. Held-to-maturity investments	5	180,000,000,000	-
<b>130</b>	<b>III. Current accounts receivable</b>		<b>270,006,395,011</b>	<b>264,107,410,850</b>
131	1. Short-term trade receivables	6	266,337,265,841	254,988,853,219
132	2. Short-term advances to suppliers		3,704,736,032	11,293,527,115
136	3. Other short-term receivables	7	3,126,649,153	998,771,780
137	4. Provision for doubtful short-term receivables	6	(3,162,256,015)	(3,173,741,264)
<b>140</b>	<b>IV. Inventories</b>	<b>8</b>	<b>148,152,587,875</b>	<b>172,633,566,556</b>
141	1. Inventories		148,152,587,875	172,633,566,556
<b>150</b>	<b>V. Other current assets</b>		<b>3,412,654,613</b>	<b>4,391,534,437</b>
151	1. Short-term prepaid expenses	11	3,230,127,414	4,035,409,421
153	2. Tax and other receivables from the State	13	182,527,199	356,125,016
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>163,611,547,718</b>	<b>189,590,294,806</b>
<b>210</b>	<b>I. Long-term receivable</b>		<b>10,000,000</b>	<b>10,000,000</b>
216	1. Other long-term receivable		10,000,000	10,000,000
<b>220</b>	<b>II. Fixed assets</b>		<b>153,777,635,227</b>	<b>178,362,267,726</b>
221	1. Tangible fixed assets	9	129,070,220,082	153,095,818,711
222	Cost		678,453,910,021	678,333,808,121
223	Accumulated depreciation		(549,383,689,939)	(525,237,989,410)
227	2. Intangible assets	10	24,707,415,145	25,266,449,015
228	Cost		34,267,498,262	34,237,798,962
229	Accumulated amortization		(9,560,083,117)	(8,971,349,947)
<b>240</b>	<b>III. Long-term assets in progress</b>		<b>50,000,000</b>	<b>-</b>
242	1. Construction in progress		50,000,000	-
<b>260</b>	<b>IV. Other long-term assets</b>		<b>9,773,912,491</b>	<b>11,218,027,080</b>
261	1. Long-term prepaid expenses	11	8,965,001,190	11,218,027,080
262	2. Deferred tax asset	24.3	808,911,301	-
<b>270</b>	<b>TOTAL ASSETS</b>		<b>793,627,660,446</b>	<b>813,469,238,742</b>


INTERIM BALANCE SHEET (continued)  
as at 30 June 2016

VND

Code	ASSETS	Notes	30 June 2016	31 December 2015
<b>300</b>	<b>C. LIABILITIES</b>		<b>192,143,174,430</b>	<b>256,473,330,202</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>188,098,617,924</b>	<b>256,473,330,202</b>
311	1. Short-term trade payables	12	90,989,398,389	90,420,446,689
312	2. Short-term advances from customers		1,098,666,753	1,570,433,633
313	3. Statutory obligations	13	7,548,195,125	9,438,925,323
314	4. Payables to employees		6,850,940,031	7,235,292,448
315	5. Short-term accrued expenses	14	19,466,348,597	21,605,872,598
319	6. Other short-term payables	15	61,032,897,815	51,760,234,216
320	7. Short-term loan		-	73,329,954,081
322	8. Bonus and welfare fund		1,112,171,214	1,112,171,214
<b>330</b>	<b>II. Non-current liability</b>		<b>4,044,556,506</b>	-
342	1. Long-term provision	16	4,044,556,506	-
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>601,484,486,016</b>	<b>556,995,908,540</b>
<b>410</b>	<b>I. Capital</b>	<b>17.1</b>	<b>601,484,486,016</b>	<b>556,995,908,540</b>
411	1. Share capital		149,999,980,000	149,999,980,000
411a	- Shares with voting rights		149,999,980,000	149,999,980,000
412	2. Share premium		154,777,960,000	154,777,960,000
415	3. Treasury shares		(45,918,033,800)	(45,918,033,800)
418	4. Investment and development fund		177,152,251,138	177,152,251,138
421	5. Undistributed earnings		165,472,328,678	120,983,751,202
421a	- Undistributed earnings up to the end of prior period		120,983,751,202	60,275,876,933
421b	- Undistributed earnings of the current period		44,488,577,476	60,707,874,269
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>793,627,660,446</b>	<b>813,469,238,742</b>


  
Tran Thi Thuy Tien  
Chief Accountant


  
Lee Sehoon  
Chief Financial Officer


  
Jo Jeong Kook  
General Director

12 August 2016



INTERIM INCOME STATEMENT  
for the six-month period ended 30 June 2016

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2016	For the six-month period ended 30 June 2015
01	1. Revenue from sale of goods	18.1	685,109,647,811	665,271,474,175
02	2. Deductions	18.1	(2,307,244,616)	(1,976,868,839)
10	3. Net revenue from sale of goods	18.1	682,802,403,195	663,294,605,336
11	4. Cost of goods sold	19	(569,289,874,397)	(567,226,229,181)
20	5. Gross profit from sale of goods		113,512,528,798	96,068,376,155
21	6. Finance income	18.2	4,482,252,012	2,091,938,117
22	7. Finance expenses	21	(723,216,936)	(14,686,753,100)
23	In which: Interest expense		(681,864,761)	(14,429,699,965)
25	8. Selling expenses	20	(20,597,337,203)	(16,591,122,622)
26	9. General and administrative expenses	20	(25,436,763,044)	(34,490,894,719)
30	10. Operating profit		71,237,463,627	32,391,543,831
31	11. Other income		110,891,472	1,226,754,631
32	12. Other expenses	22	(15,222,310,785)	(125,789,244)
40	13. Other (loss) profit		(15,111,419,313)	1,100,965,387
50	14. Accounting profit before tax		56,126,044,314	33,492,509,218
51	15. Current corporate income tax expense	24.2	(12,446,378,139)	(7,828,649,579)
52	16. Deferred tax income	24.3	808,911,301	-
60	17. Net profit after tax		44,488,577,476	25,663,859,639
70	18. Basic earnings per share	17.3	3,291	1,894
71	19. Diluted earnings per share	17.3	3,291	1,894

Tran Thi Thuy Tien  
Chief Accountant

Lee Sehoon  
Chief Financial Officer

Jo Jeong Kook  
General Director

12 August 2016

INTERIM CASH FLOW STATEMENT  
for the six-month period ended 30 June 2016

VND


Code	ITEMS	Notes	For the six-month period ended 30 June 2016	For the six-month period ended 30 June 2015
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Accounting profit before tax</b>		<b>56,126,044,314</b>	<b>33,492,509,218</b>
	<i>Adjustments for:</i>			
02	Depreciation of fixed assets and amortization of intangible assets	9, 10	24,966,566,799	28,059,359,738
03	Reversal of provisions		(11,485,249)	(25,493,404)
04	Foreign exchange (gains) losses arising from revaluation of monetary accounts denominated in foreign currency		(6,738,903)	23,382,900
05	Profits from investing activities		(4,462,592,410)	(2,436,824,755)
06	Interest expense		681,864,761	14,429,699,965
08	<b>Operating profit before changes in working capital</b>		<b>77,293,659,312</b>	<b>73,542,633,662</b>
09	(Increase) decrease in receivables		(4,032,401,095)	92,299,958,289
10	Decrease in inventories		24,480,978,681	41,693,658,839
11	Increase (decrease) in payables		13,872,138,102	(60,534,484,667)
12	Decrease (increase) in prepaid expenses		3,058,307,897	(1,931,581,742)
14	Interest paid		(724,393,710)	(16,883,311,075)
15	Corporate income tax paid	24.2	(17,276,188,983)	(1,941,059,190)
17	Other cash outflows for operating activities		-	(5,419,010,240)
20	<b>Net cash flows from operating activities</b>		<b>96,672,100,204</b>	<b>120,826,803,876</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets		(431,934,300)	(2,127,760,650)
22	Proceeds from disposals of fixed assets		18,181,818	775,909,092
23	Term bank deposits		(180,000,000,000)	-
27	Interest and dividends received		2,762,910,592	1,660,915,663
30	<b>Net cash flows (used in) from investing activities</b>		<b>(177,650,841,890)</b>	<b>309,064,105</b>





INTERIM CASH FLOW STATEMENT (continued)  
for the six-month period ended 30 June 2016

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2016	For the six-month period ended 30 June 2015
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
32	Capital redemption	17.1	-	(966,900,000)
33	Drawdown of borrowings		4,941,273,233	517,001,533,393
34	Repayment of borrowings		(78,271,227,314)	(620,604,954,966)
36	Dividends paid		-	(639,350)
40	<b>Net cash flows used in financing activities</b>		<b>(73,329,954,081)</b>	<b>(104,570,960,923)</b>
50	<b>Net (decrease) increase in cash and cash equivalents for the period</b>		<b>(154,308,695,767)</b>	<b>16,564,907,058</b>
60	<b>Cash and cash equivalents at beginning of period</b>		<b>182,746,432,093</b>	<b>71,681,705,249</b>
61	<b>Impact of exchange rate fluctuation</b>		<b>6,738,903</b>	<b>4,701,103</b>
70	<b>Cash and cash equivalents at end of period</b>	4	<b>28,444,475,229</b>	<b>88,251,313,410</b>

  
 Tran Thi Thuy Tien  
Chief Accountant

  
 Lee Sehoon  
Chief Financial Officer

  
 Jo Jeong Kook  
General Director


12 August 2016



NOTES TO THE INTERIM FINANCIAL STATEMENTS  
as at and for the six-month period ended 30 June 2016

## 1. CORPORATE INFORMATION

Tan Tien Plastic Packaging Joint Stock Company ("the Company") was formerly a State-owned enterprise established in accordance with the Decision No. 451/CNn/TCLD issued by the Ministry of Industry on 7 May 1993 and the Business Registration Certificate ("BRC") No. 103022 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 18 May 1994.

On 23 October 2002, the Company was equitized as a shareholding company in accordance with the Decision No. 624/QD-TCCB issued by the Ministry of Industry. This equalization was formalized by the DPI of Ho Chi Minh City through the issuance of the BRC No. 4103002999 on 28 December 2004 and the subsequent amended BRCs.

On 11 January 2016, the Company obtained the latest BRC No. 0300391040 issued by the DPI of Ho Chi Minh City.

The Company's shares were formerly listed on the Ho Chi Minh Stock Exchange ("HOSE") in accordance with the License No. 70/UBCK-GPNY issued by the HOSE on 9 November 2006. However, the Company was approved by shareholders to delist its shares from HOSE at the Extraordinary General Meeting dated 6 June 2015. Accordingly, the Company was officially delisted on 15 October 2015 in accordance with the Decision No. 418/QD-SGDHCM issued by the HOSE on 16 September 2015.

The Company's current principal activity is to manufacture plastic packaging used for food, consumer products.

The Company's registered head office is located at Lot II, Group 4, Street 13, Tan Binh Industrial Park, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City, Vietnam.

The number of the Company's employees as at 30 June 2016 was 813 (31 December 2015: 833).

## 2. BASIS OF PREPARATION

### 2.1 *Applied accounting standards and system*

The interim financial statements of the Company, expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System, Vietnamese Accounting Standard No. 27 – Interim Financial Reporting and other Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying interim financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the interim financial position and the interim results of its operations and interim cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.



NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2016

**2. BASIS OF PREPARATION (continued)**

**2.2 Applied accounting documentation system**

The Company's applied accounting documentation system is the General Journal system.

**2.3 Fiscal year**

The Company's fiscal year applicable for the preparation of its financial statements starts on 1 January and ends on 31 December.

**2.4 Accounting currency**

The interim financial statements are prepared in VND which is also the Company's accounting currency.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand, cash in banks and short-term, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

**3.2 Inventories**

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realizable value. Net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

Raw materials	- cost of purchase on a weighted average basis.
Finished goods and work-in-process	- cost of direct materials and labor plus attributable manufacturing overheads based on the normal operating capacity on a weighted average basis.

*Provision for obsolete inventories*

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Company, based on appropriate evidence of impairment available at the interim balance sheet date.

Increases and decreases to the provision balance are recorded into the cost of goods sold account in the interim income statement.

**3.3 Receivables**

Receivables are presented in the interim financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful receivables.

The provision for doubtful receivables represents amounts of outstanding receivables at the interim balance sheet date which are doubtful of being recovered. Increases and decreases to the provision balance are recorded as general and administrative expense in the interim income statement.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2016

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.4 Fixed assets**

Tangible fixed assets and intangible assets are stated at cost less accumulated depreciation and amortization.

The cost of a fixed asset comprises its purchase price and any directly attributable costs of bringing the fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the interim income statement as incurred.

When fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the interim income statement.

*Land use rights*

Land use rights are recorded as intangible assets representing the value of the right to use the lands acquired by the Company. The useful lives of land use rights are assessed as either definite or indefinite. Accordingly, the land use right with definite useful lives representing the land lease is amortized over the lease term while the land use right with indefinite useful lives is not amortized.

**3.5 Depreciation and amortization**

Depreciation of tangible fixed assets and amortization of intangible assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	5 - 25 years
Machinery and equipment	5 - 8 years
Means of transportation	6- 7 years
Office equipment	3 - 6 years
Computer software	3 years
Land use right	43 - 46 years
Others	4 years

**3.6 Prepaid expenses**

Prepaid expenses are reported as short-term or long-term prepaid expenses on the interim balance sheet and amortized over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

**3.7 Borrowing costs**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and are recorded as expense during the period in which they are incurred.

**3.8 Payables and accruals**

Payables and accruals are recognized for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

**3.9 Foreign currency transactions**

Transactions in currencies other than the Company's reporting currency of VND are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- Transaction resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection; and
- Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment.



NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2016

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.9 Foreign currency transactions (continued)**

At the end of the period, monetary balances denominated in foreign currencies are translated at the actual exchange rates at the that date which are determined as follows:

- Monetary assets are translated at buying exchange rate of the commercial bank where the Company conducts transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company conducts transactions regularly.

All exchange differences incurred during the period and arising from the revaluation of monetary accounts denominated in foreign currency at period-end are taken to the interim income statement.

**3.10 Treasury shares**

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit (loss) upon purchase, sale, issue or cancellation of the Company's own equity instruments.

**3.11 Earnings per share**

Basic earnings per share amount is computed by dividing net profit for the period attributable to ordinary shareholders (after the allocation to bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the period, where applicable.

Diluted earnings per share amounts are calculated by dividing the net profit or loss after tax attributable to ordinary equity holders of the Company (after the allocation to bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

**3.12 Appropriation of net profits**

Net profit after tax is available for appropriation to shareholders after approval in the annual general meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

The Company maintains the following reserve funds which are appropriated from the Company's net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting.

*Investment and development fund*

This fund is set aside for use in the Company's expansion of its operation or in-depth investments.

*Bonus and welfare funds*

Income is recognized when the Company's entitlement as an investor to receive the dividend is established.

*Dividends*

Final dividends proposed by the Company's Board of Directors are classified as an allocation of undistributed earnings within the equity section of the interim balance sheet, until they have been approved by the Company's shareholders at the Annual General Meeting. When these dividends have been approved by the shareholders and declared, they are recognized as a liability in the interim balance sheet.



NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2016

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.13 Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognized:

*Sale of goods*

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

*Interest income*

Revenue is recognized as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

*Dividends*

Income is recognized when the Company's entitlement as an investor to receive the dividend is established.

**3.14 Taxation**

*Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted by the interim balance sheet date.

Current income tax is charged or credited to the interim income statement, except when it relates to items recognized directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to offset current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

*Deferred tax*

Deferred income tax is provided using the liability method on temporary differences at the interim balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each interim balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Previously unrecognized deferred tax assets are re-assessed at each interim balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled based on tax rates and tax laws that have been enacted at the interim balance sheet date.

Deferred income tax is charged or credited to the interim income statement, except when it relates to items recognized directly to equity, in which case the deferred tax is also dealt with in the equity account.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2016

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.14 Taxation (continued)

##### Deferred tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company to offset current tax assets against current tax liabilities and when they relate to income taxes levied on the same taxable entity by the same taxation authority or when the Company intends either to settle current tax liabilities and assets on a net basis or to realize the assets and settle the liabilities simultaneously, in each future year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### 4. CASH AND CASH EQUIVALENTS

	VND	
	30 June 2016	31 December 2015
Cash on hand	141,034,851	103,749,287
Cash at banks	28,303,440,378	16,642,682,806
Cash equivalents	-	166,000,000,000
<b>TOTAL</b>	<b>28,444,475,229</b>	<b>182,746,432,093</b>

### 5. HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments represent short-term deposits at commercial banks with original maturities from 3 months to 12 months and earn interest at the rates ranging from 4.7% to 6.5% per annum.

### 6. SHORT-TERM TRADE RECEIVABLES

	VND	
	30 June 2016	31 December 2015
Unilever Vietnam International Co., Ltd.	152,973,829,254	152,352,860,792
Due from other parties	113,363,436,587	102,635,992,427
<b>TOTAL</b>	<b>266,337,265,841</b>	<b>254,988,853,219</b>
Provision for doubtful short-term receivables	(3,162,256,015)	(3,173,741,264)
<b>NET</b>	<b>263,175,009,826</b>	<b>251,815,111,955</b>

*Movements of provision for doubtful short-term receivables are as follows:*

	VND	
	For the six-month period ended 30 June 2016	For the six-month period ended 30 June 2015
At beginning of period	3,173,741,264	3,378,939,737
Add: Provision made during the period	21,527,000	-
Less: Reversal of provision during the period	(33,012,249)	(73,493,404)
<b>At end of period</b>	<b>3,162,256,015</b>	<b>3,305,446,333</b>



NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2016

7. OTHER SHORT-TERM RECEIVABLES

	VND	
	30 June 2016	31 December 2015
Bank interest receivables	2,417,194,444	735,694,444
Social insurance	145,288,947	148,983,336
Others	564,165,762	114,094,000
<b>TOTAL</b>	<b>3,126,649,153</b>	<b>998,771,780</b>

8. INVENTORIES

	VND	
	30 June 2016	31 December 2015
Raw materials	101,157,744,695	115,043,293,420
Finished goods	28,685,394,383	38,683,375,678
Work in process	18,300,578,797	16,109,171,684
Tools and supplies	8,870,000	5,200,000
Goods in transit	-	2,787,922,563
Merchandise goods	-	4,603,211
<b>TOTAL</b>	<b>148,152,587,875</b>	<b>172,633,566,556</b>

# Tan Tien Plastic Packaging Joint Stock Company

B09a-DN

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2016

## 9. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Other assets	VND Total
<b>Cost</b>						
As at 31 December 2015	132,768,406,114	473,663,922,344	59,879,256,359	10,188,845,114	1,833,378,190	678,333,808,121
New purchase	119,865,000	-	232,370,000	-	-	352,235,000
Disposal	-	(232,133,100)	-	-	-	(232,133,100)
As at 30 June 2016	132,888,271,114	473,431,789,244	60,111,626,359	10,188,845,114	1,833,378,190	678,453,910,021
<i>In which:</i>						
<i>Fully depreciated</i>	32,666,127,867	304,743,436,419	38,697,203,968	3,579,215,741	1,642,142,190	381,328,126,185
<b>Accumulated depreciation</b>						
As at 31 December 2015	65,116,259,354	401,613,150,440	49,470,081,902	7,296,928,422	1,741,569,292	525,237,989,410
Depreciation for the period	4,406,437,019	17,099,202,054	1,739,447,710	1,088,746,932	43,999,914	24,377,833,629
Disposal	-	(232,133,100)	-	-	-	(232,133,100)
As at 30 June 2016	69,522,696,373	418,480,219,394	51,209,529,612	8,385,675,354	1,785,569,206	549,383,689,939
<b>Net carrying amount</b>						
As at 31 December 2015	67,652,146,760	72,050,771,904	10,409,174,457	2,891,916,692	91,808,898	153,095,818,711
As at 30 June 2016	63,365,574,741	54,951,569,850	8,902,096,747	1,803,169,760	47,808,984	129,070,220,082



NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2016

## 10. INTANGIBLE ASSETS

	<i>Land use rights</i>	<i>Computer software</i>	<i>VND Total</i>
<b>Cost</b>			
As at 31 December 2015	31,394,484,385	2,843,314,577	34,237,798,962
New purchase	-	29,699,300	29,699,300
As at 30 June 2016	31,394,484,385	2,873,013,877	34,267,498,262
<i>In which:</i>			
<i>Fully amortized</i>	4,356,025,551	1,200,792,827	5,556,818,378
<b>Accumulated amortization</b>			
As at 31 December 2015	7,223,049,872	1,748,300,075	8,971,349,947
Amortization for the period	307,554,720	281,178,450	588,733,170
As at 30 June 2016	7,530,604,592	2,029,478,525	9,560,083,117
<b>Net carrying amount</b>			
As at 31 December 2015	24,171,434,513	1,095,014,502	25,266,449,015
As at 30 June 2016	23,863,879,793	843,535,352	24,707,415,145

## 11. PREPAID EXPENSES

	<i>30 June 2016</i>	<i>VND 31 December 2015</i>
<b>Short-term</b>	<b>3,230,127,414</b>	<b>4,035,409,421</b>
Tools and equipment	2,861,466,114	4,018,377,708
Others	368,661,300	17,031,713
<b>Long-term</b>	<b>8,965,001,190</b>	<b>11,218,027,080</b>
Tools and equipment	8,965,001,190	11,218,027,080
<b>TOTAL</b>	<b>12,195,128,604</b>	<b>15,253,436,501</b>

## 12. SHORT-TERM TRADE PAYABLES

	<i>30 June 2016</i>	<i>VND 31 December 2015</i>
Kien Duc Trading and Services Plastic Packaging Joint Stock Company	16,877,876,639	13,758,646,165
Hung Nghiep Formosa Co., Ltd.	12,318,824,311	12,497,556,852
Others	61,792,697,439	64,164,243,672
<b>TOTAL</b>	<b>90,989,398,389</b>	<b>90,420,446,689</b>



NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2016

## 13. STATUARY OBLIGATIONS

	31 December 2015	Payable for the period	Payment made in the period	VND 30 June 2016
<b>Payables</b>				
Corporate income tax (Note 24.2)	8,639,726,581	12,446,378,139	17,276,188,983	3,809,915,737
Value added tax	797,638,742	39,232,452,130	36,291,811,484	3,738,279,388
Others	1,560,000	411,829,409	413,389,409	-
<b>TOTAL</b>	<b>9,438,925,323</b>	<b>52,090,659,678</b>	<b>53,981,389,876</b>	<b>7,548,195,125</b>

	31 December 2015	Receivable for the period	Payment received in the period	VND 30 June 2016
<b>Receivables</b>				
Personal income tax	356,125,016	3,192,870,389	3,373,509,471	175,485,934
Import tax	-	626,435,064	619,393,799	7,041,265
<b>TOTAL</b>	<b>356,125,016</b>	<b>3,819,305,453</b>	<b>3,992,903,270</b>	<b>182,527,199</b>

## 14. SHORT-TERM ACCRUED EXPENSES

	30 June 2016	31 December 2015
Bonus	16,000,000,000	20,028,981,113
Others	3,466,348,597	1,576,891,485
<b>TOTAL</b>	<b>19,466,348,597</b>	<b>21,605,872,598</b>

## 15. OTHER SHORT-TERM PAYABLES

	30 June 2016	31 December 2015
Deposit received (*)	59,165,164,000	49,165,164,000
Dividend payables	898,459,000	898,459,000
Others	969,274,815	1,696,611,216
<b>TOTAL</b>	<b>61,032,897,815</b>	<b>51,760,234,216</b>

(\*) On 20 August 2015, the Company entered into the business cooperation and transferring contract totaling VND 115,165,164,000 with Ngoi Nha Xanh Co., Ltd. regarding the investment and transferring of Exim Plaza Trading Center located at 96 Luy Ban Bich Street, Tan Thoi Hoa Ward, Tan Binh District, Ho Chi Minh City, Vietnam.

## 16. LONG-TERM PROVISION

Long-term provision represents the accrual for severance allowance to employees.

# Tan Tien Plastic Packaging Joint Stock Company

B09a-DN

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2016

## 17. OWNERS' EQUITY

### 17.1 Increase and decrease in owners' equity

	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	VND Total
<i>For the six-month period ended 30 June 2015</i>						
As at 31 December 2014	149,999,980,000	154,777,960,000	(44,951,133,800)	177,152,251,138	67,034,761,933	504,013,819,271
Net profit for the period	-	-	-	-	25,663,859,639	25,663,859,639
Repurchase of shares	-	-	(966,900,000)	-	-	(966,900,000)
As at 30 June 2015	149,999,980,000	154,777,960,000	(45,918,033,800)	177,152,251,138	92,698,621,572	528,710,778,910
<i>For the six-month period ended 30 June 2016</i>						
As at 31 December 2015	149,999,980,000	154,777,960,000	(45,918,033,800)	177,152,251,138	120,983,751,202	556,995,908,540
Net profit for the period	-	-	-	-	44,488,577,476	44,488,577,476
As at 30 June 2016	149,999,980,000	154,777,960,000	(45,918,033,800)	177,152,251,138	165,472,328,678	601,484,486,016



NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2016

**17. OWNERS' EQUITY (continued)**

**17.2 Shares**

	30 June 2016	31 December 2015
	Quantity	Quantity
<b>Authorized shares</b>	<b>15,000,000</b>	<b>15,000,000</b>
<b>Issued shares</b>		
Issued and paid-up shares	14,999,998	14,999,998
Ordinary shares	14,999,998	14,999,998
<b>Treasury shares</b>		
Ordinary shares	1,482,228	1,482,228
<b>Shares in circulation</b>		
Ordinary shares	13,517,770	13,517,770

**17.3 Earnings per share**

	For the six-month period ended 30 June 2016	For the six-month period ended 30 June 2015
Net profit attributable to ordinary shareholders of the Company (VND)	44,488,577,476	25,663,859,639
Weighted average number of ordinary shares (shares)	13,517,770	13,547,221
<b>Basic earnings per share (VND)</b> (par value: VND 10,000 per share)	<b>3,291</b>	<b>1,894</b>
<b>Diluted earnings per share (VND)</b>	<b>3,291</b>	<b>1,894</b>

As at 30 June 2016, there have been no dilutive potential ordinary shares.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2016

18. REVENUES

18.1 Revenue from sale of goods

	VND	
	For the six-month period ended 30 June 2016	For the six-month period ended 30 June 2015
<b>Gross revenues</b>	<b>685,109,647,811</b>	<b>665,271,474,175</b>
Of which:		
Sale of finished goods	678,349,710,900	655,514,547,426
Sale of merchandise goods	4,427,549,923	7,434,663,864
Others	2,332,386,988	2,322,262,885
<b>Less:</b>	<b>(2,307,244,616)</b>	<b>(1,976,868,839)</b>
Sales returns	(2,213,001,732)	-
Sale discount	(92,239,584)	-
Sale allowances	(2,003,300)	(1,976,868,839)
<b>NET REVENUES</b>	<b>682,802,403,195</b>	<b>663,294,605,336</b>
In which		
Sale of finished goods	676,042,466,284	653,537,678,587
Sale of merchandise goods	4,427,549,923	7,434,663,864
Others	2,332,386,988	2,322,262,885

18.2 Finance income

	VND	
	For the six-month period ended 30 June 2016	For the six-month period ended 30 June 2015
Interest income	4,444,410,592	1,465,915,663
Foreign exchange gain	37,841,420	431,022,454
Dividends income	-	195,000,000
<b>TOTAL</b>	<b>4,482,252,012</b>	<b>2,091,938,117</b>

19. COST OF GOODS SOLD

	VND	
	For the six-month period ended 30 June 2016	For the six-month period ended 30 June 2015
Cost of finished goods	565,119,885,010	560,186,331,212
Cost of merchandise goods	4,169,989,387	7,039,897,969
<b>TOTAL</b>	<b>569,289,874,397</b>	<b>567,226,229,181</b>



NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2016

**20. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES**

	VND	
	<i>For the six-month period ended 30 June 2016</i>	<i>For the six-month period ended 30 June 2015</i>
<b>Selling expenses</b>	<b>20,597,337,203</b>	<b>16,591,122,622</b>
Labor costs	8,216,410,853	7,300,809,187
Expenses for external services	5,973,960,773	7,865,439,212
Depreciation and amortization	141,083,175	193,449,180
Others	6,265,882,402	1,231,425,043
<b>General and administrative expenses</b>	<b>25,436,763,044</b>	<b>34,490,894,719</b>
Labor costs	12,233,119,710	19,784,482,681
Depreciation and amortization	2,153,656,724	1,878,789,440
Expenses for external services	1,692,867,326	3,911,484,278
Others	9,357,119,284	8,916,138,320
<b>TOTAL</b>	<b>46,034,100,247</b>	<b>51,082,017,341</b>

**21. FINANCE EXPENSES**

	VND	
	<i>For the six-month period ended 30 June 2016</i>	<i>For the six-month period ended 30 June 2015</i>
Interest expense	681,864,761	14,429,699,965
Others	41,352,175	257,053,135
<b>TOTAL</b>	<b>723,216,936</b>	<b>14,686,753,100</b>

**22. OTHER EXPENSES**

	VND	
	<i>For the six-month period ended 30 June 2016</i>	<i>For the six-month period ended 30 June 2015</i>
Additional land rental expense	14,339,497,065	-
Tax late payment charged	882,813,720	125,789,244
<b>TOTAL</b>	<b>15,222,310,785</b>	<b>125,789,244</b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2016

**23. PRODUCTION AND OPERATING COSTS**

	VND	
	<i>For the six-month period ended 30 June 2016</i>	<i>For the six-month period ended 30 June 2015</i>
Cost of materials	471,798,103,575	471,200,605,968
Labor costs	82,057,558,736	81,720,874,271
Cost of outsourced services	27,911,324,471	28,781,778,748
Depreciation and amortization (Notes 9 and 10)	24,966,566,799	28,059,359,738
Others	16,396,995,245	10,165,775,640
<b>TOTAL</b>	<b>623,130,548,826</b>	<b>619,928,394,365</b>

**24. CORPORATE INCOME TAX**

The Company has the obligation to pay corporate income tax ("CIT") at the rate of 20% of taxable profits (2015: 22%).

The Company's tax returns are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the interim financial statements could change at a later date upon final determination by the tax authorities.

**24.1 CIT expenses**

	VND	
	<i>For the six-month period ended 30 June 2016</i>	<i>For the six-month period ended 30 June 2015</i>
Current CIT expense	12,446,378,139	7,470,275,662
Adjust for under accrual of CIT expense in previous periods	-	358,373,917
Deferred tax income	(808,911,301)	-
<b>TOTAL</b>	<b>11,637,466,838</b>	<b>7,828,649,579</b>

**24.2 Current CIT**

The current tax payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the interim income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted at the interim balance sheet date.



NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2016

24. CORPORATE INCOME TAX (continued)

24.2 Current CIT (continued)

A reconciliation between the accounting profit before tax in the interim income statement and the estimated taxable profit is presented below:

	VND	
	For the six-month period ended 30 June 2016	For the six-month period ended 30 June 2015
Accounting profit before tax	56,126,044,314	33,492,509,218
Adjustments:		
Change in severance allowance	4,044,556,506	-
Non-deductible expenses	2,061,289,876	658,289,244
Dividend received	-	(195,000,000)
Estimated current taxable profit	62,231,890,696	33,955,798,462
Estimated current CIT expense	12,446,378,139	7,470,275,662
CIT payable at beginning of period	8,639,726,581	1,414,719,165
Adjusted under accrual of CIT expense in previous periods	-	358,373,917
CIT paid during the period	(17,276,188,983)	(1,941,059,190)
CIT payable at end of period (Note 13)	3,809,915,737	7,302,309,554

24.3 Deferred CIT

The following is deferred tax assets recognized by the Company, and the movements thereon, during the current and previous periods:

	VND			
	Interim balance sheet		Interim income statement	
	30 June 2016	31 December 2015	For the six-month period ended 30 June 2016	For the six-month period ended 30 June 2015
Severance allowance	808,911,301	-	808,911,301	-
Deferred tax asset	808,911,301	-		
Deferred tax income			808,911,301	-

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2016

**25. TRANSACTIONS WITH RELATED PARTIES**

Significant transaction with a related party in current period and prior period were as follows:

Related party	Relationship	Transaction	VND	
			For the six-month period ended 30 June 2016	For the six-month period ended 30 June 2015
Dongwons System Corporation	Major shareholder	Purchase of raw materials	<u>1,362,627,970</u>	<u>754,947,820</u>

Remuneration to members of the Board of Directors and the General Director during the period was as follows:

	VND	
	For the six-month period ended 30 June 2016	For the six-month period ended 30 June 2015
Allowance and bonus	<u>2,440,306,874</u>	<u>1,322,755,185</u>

**26. OFF-BALANCE SHEET ITEM**

ITEM	30 June 2016	31 December 2015
Foreign currency:		
- United States dollar	<u>47,216</u>	<u>100,223</u>

**27. OPERATING LEASE COMMITMENTS**

The Company leases warehouse and office under operating lease arrangements. The minimum lease commitment as at the interim balance sheet date is as follows:

	VND	
	30 June 2016	31 December 2015
Less than 1 year	2,522,677,200	2,522,677,200
From 1 to 5 years	<u>1,051,115,500</u>	<u>2,312,454,100</u>
<b>TOTAL</b>	<u><b>3,573,792,700</b></u>	<u><b>4,835,131,300</b></u>



NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2016

28. RECLASSIFICATION OF CORRESPONDING FIGURES

Certain figures in the balance sheet as at 31 December 2015 and in the income statement for the six-month period ended 30 June 2016 were reclassified to conform to the presentation of current period's financial statements. The summary of the above reclassifications are as follows:

Items	As previously reported	Impact of reclassification	VND Reclassification amounts
<b>Balance sheet</b>			
Other short-term receivables	1,320,495,290	(321,723,510)	998,771,780
Other long-term receivables	-	10,000,000	10,000,000
Payable to employees	27,634,096,866	(20,398,804,418)	7,235,292,448
Short-term accrued expenses	1,576,891,485	20,028,981,113	21,605,872,598
Other short-term payables	51,702,134,421	58,099,795	51,760,234,216
<b>Income statement</b>			
Selling expenses	(9,302,661,435)	(7,288,461,187)	(16,591,122,622)
General and administrative expenses	(41,779,355,906)	7,288,461,187	(34,490,894,719)

29. EVENTS AFTER THE INTERIM BALANCE SHEET DATE

There has been no significant event occurring after the interim balance sheet date which would require adjustments or disclosures to be made in the interim financial statements.

  
 Tran Thi Thuy Tien  
 Chief Accountant

  
 Lee Sehoon  
 Chief Financial Officer

  
 Jo Jeong Kook  
 General Director



12 August 2016