

Century Synthetic Fiber Corporation

Interim financial statements

30 June 2015

Century Synthetic Fiber Corporation

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Century Synthetic Fiber Corporation

GENERAL INFORMATION

THE COMPANY

Century Synthetic Fiber Corporation (“the Company”) is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate (“BRC”) No. 4103003288 issued by the Department of Planning and Investment of Ho Chi Minh City on 11 April 2005 and the following amended BRC:

<u>Amended BRC No.</u>	<u>Date</u>
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0302018927 – 5 th	12 November 2009
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On 11 June 2015, the Company submitted the initial listing registration documents to the Ho Chi Minh City Stock Exchange.

The Company has a branch incorporated pursuant to Investment Certificate No. 45211000130 issued by the Board of Management of Tay Ninh Economic Zone on 26 June 2009 and the following amended Investment Certificates:

<u>Amended Investment Certificate No.</u>	<u>Date</u>
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The current principal activities of the Company and its branch are to manufacture synthetic yarn and knitting.

The Company’s registered head office is located at North West Cu Chi Industrial Zone, Cu Chi District, Ho Chi Minh City, Vietnam and its branch is located at Trang Bang Industrial Zone, Trang Bang District, Tay Ninh Province, Vietnam.

The Company has a representative office which is located at 102-104-106 Bau Cat, Ward 14, Tan Binh District, Ho Chi Minh City, established pursuant to the Registration Certificate No. 0302018927 issued by the Department of Planning and Investment of Ho Chi Minh City on 30 March 2015.

BOARD OF DIRECTORS

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

Mr Dang Trieu Hoa	Chairman	
Mr Dang Huong Cuong	Member	
Ms Dang My Linh	Member	
Mr Lee Chien Kuan	Member	
Mr Thai Tuan Chi	Member	
Ms Cao Thi Que Anh	Member	appointed on 12 January 2015

Century Synthetic Fiber Corporation

GENERAL INFORMATION (continued)

BOARD OF SUPERVISION

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

Mr Nguyen Tu Luc	Head of the Board of Supervision
Ms Nguyen Thi Ngoc Linh	Member
Mr Le Anh Tuan	Member

GENERAL DIRECTOR

General Director during the period and at the date of this report is Mr Dang Trieu Hoa.

LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of this report is Mr Dang Trieu Hoa.

AUDITORS

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

Century Synthetic Fiber Corporation

REPORT OF THE GENERAL DIRECTOR

The General Director of Century Synthetic Fiber Corporation ("the Company") is pleased to present his report and the interim financial statements of the Company for the six-month period ended 30 June 2015.

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 for the period. In preparing those interim financial statements, the General Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 in 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. He 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 he 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 2015 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. *Abel*



Dang Trieu Hoa
General Director

10 August 2015



**Building a better
working world**

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Reference: 60867230/17793503/LR

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To: The Shareholders of Century Synthetic Fiber Corporation

We have reviewed the interim financial statements of Century Synthetic Fiber Corporation ("the Company") and set out on pages 5 to 33, which comprise the interim balance sheet as at 30 June 2015, and the interim income statement and interim cash flow statement for the six-month period then ended and the notes thereto.

The preparation and presentation of these interim financial statements are the responsibility of the Company's General Director. Our responsibility is to issue a report on these interim financial statements based on our review.

We conducted our review in accordance with Vietnamese Standard on Auditing No. 910 – Engagements to Review Financial Statements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim financial statements are free from material misstatement. A review is limited primarily to inquiries of the Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

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 2015, and of the interim results of its operations and its interim cash flows for the six-month period then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprises Accounting System and the statutory requirements relevant to preparation and presentation of interim financial statements.




Le Thi Tuyet Mai
Deputy General Director
Audit Practicing Registration Certificate
No. 1575-2013-004-1



Ngo Buu Quoc Dat
Auditor
Audit Practicing Registration Certificate
No. 2198-2013-004-1

Ho Chi Minh City, Vietnam

10 August 2015

Century Synthetic Fiber Corporation

B01a-DN

INTERIM BALANCE SHEET
as at 30 June 2015

VND

Code	ASSETS	Notes	30 June 2015	31 December 2014
100	A. CURRENT ASSETS		396,120,315,156	463,417,444,832
110	I. Cash and cash equivalents	4	61,160,314,529	148,163,520,136
111	1. Cash		19,660,314,529	20,298,520,136
112	2. Cash equivalents		41,500,000,000	127,865,000,000
130	II. Current accounts receivable		73,450,072,603	111,723,137,946
131	1. Trade receivables	5.1	62,369,296,255	49,526,060,005
132	2. Advances to suppliers	5.2	10,447,142,639	60,711,348,389
135	3. Other receivables		633,633,709	1,485,729,552
140	III. Inventories	6	221,200,878,920	183,506,950,504
141	1. Inventories		221,984,357,697	184,045,418,879
149	2. Provision for obsolete inventories		(783,478,777)	(538,468,375)
150	IV. Other current assets		40,309,049,104	20,023,836,246
151	1. Short-term prepaid expenses		3,668,732,483	6,213,378,919
152	2. Value-added tax deductible		36,276,689,496	13,526,399,862
158	3. Other current assets		363,627,125	284,057,465
200	B. NON-CURRENT ASSETS		1,222,010,740,045	781,535,198,363
220	I. Fixed assets		1,174,378,601,270	744,113,484,659
221	1. Tangible fixed assets	7	453,650,450,338	492,328,571,397
222	Cost		874,640,556,581	874,191,340,581
223	Accumulated depreciation		(420,990,106,243)	(381,862,769,184)
227	2. Intangible assets	8	5,093,886,080	6,466,047,720
228	Cost		13,834,916,387	13,834,916,387
229	Accumulated amortisation		(8,741,030,307)	(7,368,868,667)
230	3. Construction in progress	9	715,634,264,852	245,318,865,542
250	II. Long-term investment		7,468,652,342	-
252	1. Investment in an associate	11	7,468,652,342	-
260	III. Other long-term assets		40,163,486,433	37,421,713,704
261	1. Long-term prepaid expenses	12	37,036,669,603	35,522,710,260
262	2. Deferred tax assets	22.3	3,126,816,830	1,899,003,444
270	TOTAL ASSETS		1,618,131,055,201	1,244,952,643,195

Century Synthetic Fiber Corporation

B01a-DN


INTERIM BALANCE SHEET (continued)
as at 30 June 2015


VND

Code	RESOURCES	Notes	30 June 2015	31 December 2014
300	A. LIABILITIES		944,846,510,514	570,135,332,123
310	I. Current liabilities		285,501,374,674	207,533,888,644
311	1. Short-term loans and debts	13	95,814,061,777	25,927,315,002
312	2. Trade payables	14.1	143,098,715,619	143,401,284,862
313	3. Advances from customers	14.2	11,251,715,531	6,993,191,400
314	4. Statutory obligations	15	14,127,420,371	7,954,297,693
315	5. Payables to employees		7,734,124,683	10,845,779,461
316	6. Accrued expenses	16	8,149,984,136	7,013,230,059
319	7. Other payables		2,772,772,702	3,477,398,912
323	8. Bonus and welfare fund		2,552,579,855	1,921,391,255
330	II. Non-current liabilities		659,345,135,840	362,601,443,479
331	1. Long-term trade payables		-	155,183,680,160
333	2. Other long-term liabilities		368,452,750	311,921,959
334	3. Long-term loans and debts	17	658,976,683,090	207,105,841,360
400	B. OWNERS' EQUITY		673,284,544,687	674,817,311,072
410	I. Capital	18.1	673,284,544,687	674,817,311,072
411	1. Share capital		423,053,360,000	423,053,360,000
412	2. Share premium		35,539,435,379	40,026,904,470
414	3. Treasury shares		-	(11,826,900,000)
418	4. Financial reserve fund		1,219,011,000	1,219,011,000
420	5. Undistributed earnings		213,472,738,308	222,344,935,602
440	TOTAL LIABILITIES AND OWNERS' EQUITY		1,618,131,055,201	1,244,952,643,195

OFF BALANCE SHEET ITEM

ITEM	30 June 2015	31 December 2014
Foreign currency: United States Dollar (USD)	657,945	855,484


Preparer
Le Thi Lieu


Chief Accountant
Phan Nhu Bich


General Director
Dang Trieu Hoa

10 August 2015

INTERIM INCOME STATEMENT
for the six-month period ended 30 June 2015

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2015	For the six-month period ended 30 June 2014
01	1. Revenue from sale of goods	19.1	630,391,883,876	722,954,413,973
02	2. Deductions	19.1	(46,481,853)	(252,560,000)
10	3. Net revenue from sale of goods	19.1	630,345,402,023	722,701,853,973
11	4. Cost of goods sold		(514,160,448,143)	(617,753,370,825)
20	5. Gross profit from sales of goods		116,184,953,880	104,948,483,148
21	6. Financial income	19.2	7,928,187,380	1,057,198,706
22	7. Financial expenses	20	(20,407,123,860)	(6,657,760,682)
23	<i>In which: Interest expense</i>		(2,501,958,765)	(3,986,552,352)
24	8. Selling expenses		(14,764,764,130)	(15,274,588,510)
25	9. General and administration expenses		(18,816,378,407)	(16,492,223,983)
30	10. Operating profit		70,124,874,863	67,581,108,679
31	11. Other income		440,134,484	337,104,604
32	12. Other expenses		(68,223,455)	(28,125,584)
40	13. Other profit		371,911,029	308,979,020
50	14. Profit before tax		70,496,785,892	67,890,087,699
51	15. Current corporate income tax expense	22.2	(17,138,792,572)	(15,593,618,846)
52	16. Deferred tax income	22.3	1,227,813,386	488,283,749
60	17. Net profit after tax		54,585,806,706	52,784,752,602
70	18. Earnings per share	24		
	- Basic		1,299	1,360
	- Diluted		1,299	1,360

Preparer
Le Thi Lieu

Chief Accountant
Phan Nhu Bich

General Director
Dang Trieu Hoa

10 August 2015

INTERIM CASH FLOW STATEMENT
for the six-month period ended 30 June 2015

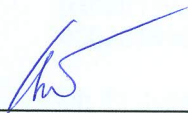
VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2015	For the six-month period ended 30 June 2014
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		70,496,785,892	67,890,087,699
	<i>Adjustments for:</i>			
02	Depreciation and amortisation		40,499,498,699	40,637,839,695
03	Provision		245,010,402	-
04	Unrealised foreign exchange losses	20	11,270,638,982	2,232,165,350
05	Profits from investing activities	19.2	(475,901,974)	(599,378,261)
06	Interest expense	20	2,501,958,765	3,986,552,352
08	Operating profit before changes in working capital		124,537,990,766	114,147,266,835
09	Decrease in receivables		16,381,970,679	27,060,910,559
10	(Increase) decrease in inventories		(37,938,938,818)	2,493,749,054
11	Decrease in payables		(179,320,581,930)	(86,423,172,445)
12	Decrease (increase) in prepaid expenses		1,030,687,093	(2,579,379,176)
13	Interest paid		(5,172,861,859)	(3,573,706,892)
14	Corporate income tax paid	22.2	(10,664,071,382)	(18,594,513,482)
15	Other cash inflows from operating activities		34,664,741,308	144,553,164,615
16	Other cash outflows for operating activities		(34,916,770,011)	(150,493,610,704)
20	Net cash (used in) from operating activities		(91,397,834,154)	26,590,708,364
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(442,394,913,795)	(952,918,078)
25	Payment for investment in an associate	11	(7,468,652,342)	-
27	Interest received	19.2	475,901,974	599,378,261
30	Net cash used in investing activities		(449,387,664,163)	(353,539,817)
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Capital contribution and issuance of shares	18.1	7,339,430,909	-
33	Drawdown of borrowings		571,617,542,982	54,625,202,400
34	Repayment of borrowings		(61,944,980,965)	(94,450,747,208)
35	Payment of finance lease liabilities		-	(29,456,794,944)
36	Dividends paid		(63,458,004,000)	-
40	Net cash from (used in) financing activities		453,553,988,926	(69,282,339,752)

INTERIM CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2015

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2015	For the six-month period ended 30 June 2014
50	Net decrease in cash and cash equivalents		(87,231,509,391)	(43,045,171,205)
60	Cash and cash equivalents at beginning of period		148,163,520,136	75,562,455,154
61	Impact of exchange rate fluctuation		228,303,784	150,493,600
70	Cash and cash equivalents at end of period	4	61,160,314,529	32,667,777,549


Preparer
Le Thi Lieu


Chief Accountant
Phan Nhu Bich


General Director
Dang Trieu Hoa

10 August 2015

NOTES TO THE INTERIM FINANCIAL STATEMENTS
as at and for the six-month period ended 30 June 2015

1. CORPORATE INFORMATION

Century Synthetic Fiber Corporation (“the Company”) is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Registration Certificate (“BRC”) No. 4103003288 issued by the Department of Planning and Investment of Ho Chi Minh City on 11 April 2005 and the following amended BRC:

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The number of the Company’ employees as at 30 June 2015 was 861(31 December 2014: 733).

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

2. BASIS OF PREPARATION

2.1 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 statements, and other Vietnamese Accounting Standards (“VAS”) 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 balance sheet, interim income statement, interim cash flow statement and related notes, 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 financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

New accounting guidance issued

On 22 December 2014, the Ministry of Finance issued the Circular No. 200/2014/TT-BTC providing guidance on enterprise accounting system (“Circular 200”) replacing the Decision No. 15/2006/QD-BTC dated 20 March 2006 (“Decision 15”), which will be effective for the financial years starting on or after 1 January 2015. In accordance with Circular 75/2015/TT-BTC dated 18 May 2015 amending Article 128 of Circular 200, companies subject to quarterly and six-month reporting requirements have an option to present the quarterly and six-month financial statements following either Decision 15 or Circular 200.

The General Director of the Company opted for the preparation of its interim financial statements for the six-month period ended 30 June 2015 following Decision 15.

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 comprise 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 changes in value.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value. Net realisable 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	- cost of direct materials and labour 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 (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 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, along with the provision for doubtful debts.

The provision for doubtful debts represents the estimated loss due to non-collection of receivables that were outstanding at the balance sheet date. Increases and decreases to the provision balance are recorded as general and administration expense in the interim income statement.

3.4 Fixed assets

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

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 capitalised and expenditures for maintenance and repairs are charged to the interim income statement as incurred.

When fixed assets are sold or retired, their cost and accumulated depreciation/amortisation are removed from the interim balance sheet and any gain or loss resulting from their disposal is included in the interim income statement.

3.5 Depreciation and amortisation

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

Buildings and structures	4 - 25 years
Machinery and equipment	2 - 15 years
Means of transportation	4 - 10 years
Office equipment	3 - 5 years
Computer software	4 - 5 years

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 *Prepaid expenses*

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

The prepaid land rental represents the unamortised balance of advance payment made in accordance with the lease contract signed with Cidico Corporation on 3 July 2000 for a period of 50 years and Tay Ninh Industrial Park Infrastructure Development Joint Stock Company on 21 July 2009 for a period of 45 years. Such prepaid rental is recognised as a long-term prepaid expense for allocation to the interim income statement over the remaining lease period according to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013, guiding the regime of management, use and depreciation of fixed assets.

3.7 *Investment in associate*

Investment in associate over which the Company has significant influence is carried at cost.

Distribution from accumulated net profits of the associate arising subsequent to the date of acquisition is recognised in the interim income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

3.8 *Payables and accruals*

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

3.9 *Accrual for severance pay*

The severance pay to employee is accrued at the end of each reporting period for all employees who have been being in service up to 31 December 2008 at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code, the Law on Social Insurance and related implementing guidance. The average monthly salary used in this calculation will be revised at the end of each reporting period following the average monthly salary of the 6-month period up to the reporting date. Any increase to the accrued amount will be taken to the interim income statement.

This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labour contract following Article 48 of the Labour Code.

3.10 *Foreign currency transactions*

Transactions in currencies other than the Company's reporting currency of VND are recorded at the exchange rates ruling at the date of the transaction. At the end of the period, monetary assets and liabilities denominated in foreign currencies are translated at buying exchange rate announced by the commercial bank where the Company maintains bank accounts at the balance sheet date. All realised and unrealised foreign exchange differences are taken to the interim income statement.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 *Appropriation of net profit*

Net profit after tax (excluding unrealised exchange gains as at the interim balance sheet date) is available for appropriation to shareholders after approval in the shareholders' 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.

Financial reserve fund

This fund is set aside to protect the Company's normal operations from business risks or losses, or to prepare for unforeseen losses or damages for objective reasons and force majeure, such as fire, economic and financial turmoil of the country or elsewhere.

Bonus and welfare fund

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits and presented as a liability on the interim balance sheet.

3.12 *Earnings per share*

Basic earnings per share amount are calculated by dividing net profit for the period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Company 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.

3.13 *Treasury shares*

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

3.14 *Revenue recognition*

Revenue is recognised 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 recognised:

Sale of goods

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

Interest

Revenue is recognised as the interest accrues unless collectability is in doubt.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 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 as at the balance sheet date.

Current income tax is charged or credited to the interim income statement, except when it relates to items recognised directly to equity, in which case the deferred 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 income tax assets against current income tax liabilities and when the Company intend to settle its current income tax assets and liabilities on a net basis.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised 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 utilised, except the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each 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 utilised. Previously unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised 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 realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

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

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Financial instruments

Financial instruments – initial recognition and presentation

Financial assets

Financial assets within the scope of Circular No. 210/2009/TT-BTC dated 6 November 2009 issued by the Ministry of Finance providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments (“Circular 210”) are classified, for disclosures in the notes to the interim financial statements, as financial assets at fair value through profit or loss, loans and receivables or available-for-sale financial assets as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at cost, plus directly attributable transaction costs.

The Company’s financial assets include cash and short-term deposits, trade and other receivables.

Financial liabilities

Financial liabilities within the scope of Circular 210 are classified, for disclosures in the notes to the interim financial statements, as financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at cost, net of directly attributable transaction costs.

The Company’s financial liabilities include trade and other payables, and loans.

Financial instruments – subsequent re-measurement

There is currently no guidance in Circular 210 in relation to subsequent re-measurement of financial instruments. Accordingly, the financial instruments are subsequently re-measured at cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the interim balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4. CASH AND CASH EQUIVALENTS

	VND	
	30 June 2015	31 December 2014
Cash on hand	115,435,742	36,853,724
Cash in banks	19,544,878,787	20,261,666,412
Cash equivalents (*)	41,500,000,000	127,865,000,000
TOTAL	61,160,314,529	148,163,520,136

(*) Cash equivalents represent short-term bank deposits with maturity of less than one month and earn the applicable deposit interests.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

5. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

5.1 Short-term trade receivables

	VND	
	30 June 2015	31 December 2014
Due from other parties	62,369,296,255	48,522,183,372
Due from a related party	-	1,003,876,633
TOTAL	<u>62,369,296,255</u>	<u>49,526,060,005</u>

5.2 Advances to suppliers

	VND	
	30 June 2015	31 December 2014
Advances to other parties	<u>10,447,142,639</u>	<u>60,711,348,389</u>

6. INVENTORIES

	VND	
	30 June 2015	31 December 2014
Finished goods	113,761,442,454	97,814,484,052
Raw materials	80,335,659,387	55,975,288,762
Goods in transit	<u>27,880,291,516</u>	<u>30,255,646,065</u>
TOTAL	<u>221,984,357,697</u>	<u>184,045,418,879</u>
Provision for obsolete inventories	<u>(783,478,777)</u>	<u>(538,468,375)</u>
NET	<u>221,200,878,920</u>	<u>183,506,950,504</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

7. TANGIBLE FIXED ASSETS

	VND				
	<i>Buildings and structures</i>	<i>Machinery and equipment</i>	<i>Motor vehicles</i>	<i>Office equipment</i>	<i>Total</i>
Cost:					
As at 31 December 2014	150,598,256,568	660,991,507,589	62,315,221,616	286,354,808	874,191,340,581
New purchase	-	449,216,000	-	-	449,216,000
As at 30 June 2015	<u>150,598,256,568</u>	<u>661,440,723,589</u>	<u>62,315,221,616</u>	<u>286,354,808</u>	<u>874,640,556,581</u>
<i>In which:</i>					
<i>Fully depreciated</i>	<i>12,311,542,400</i>	<i>59,965,666,167</i>	<i>2,657,197,475</i>	<i>129,348,192</i>	<i>75,063,754,234</i>
Accumulated depreciation:					
As at 31 December 2014	66,359,007,140	288,907,535,686	26,433,384,907	162,841,451	381,862,769,184
Depreciation for the period	<u>6,157,907,707</u>	<u>29,334,978,936</u>	<u>3,618,749,754</u>	<u>15,700,662</u>	<u>39,127,337,059</u>
As at 30 June 2015	<u>72,516,914,847</u>	<u>318,242,514,622</u>	<u>30,052,134,661</u>	<u>178,542,113</u>	<u>420,990,106,243</u>
Net carrying amount:					
As at 31 December 2014	<u>84,239,249,428</u>	<u>372,083,971,903</u>	<u>35,881,836,709</u>	<u>123,513,357</u>	<u>492,328,571,397</u>
As at 30 June 2015	<u>78,081,341,721</u>	<u>343,198,208,967</u>	<u>32,263,086,955</u>	<u>107,812,695</u>	<u>453,650,450,338</u>
<i>In which:</i>					
<i>Pledged as loan security (Note 17)</i>	<i>59,613,023,011</i>	<i>285,400,649,973</i>	<i>30,806,722,218</i>	<i>3,686,049</i>	<i>375,824,081,251</i>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

8. INTANGIBLE ASSETS

	VND
	<i>Computer software</i>
Cost:	
As at 31 December 2014 and 30 June 2015	<u>13,834,916,387</u>
<i>In which:</i>	
Fully amortised	113,300,000
Accumulated amortisation:	
As at 31 December 2014	7,368,868,667
Amortisation for the period	<u>1,372,161,640</u>
As at 30 June 2015	<u>8,741,030,307</u>
Net carrying amount:	
As at 31 December 2014	<u>6,466,047,720</u>
As at 30 June 2015	<u>5,093,886,080</u>

9. CONSTRUCTION IN PROGRESS

Construction in progress as at 30 June 2015 represents the construction cost and machinery under installation of phase 3 at the Company's Trang Bang branch.

10. CAPITALIZED BORROWING COSTS

During the period, the Company capitalized borrowing costs amounting to VND3,800,459,927 (For the six-month period ended 30 June 2014: nil). These costs relate to borrowings taken to finance the construction of phase 3 at the Company's Trang Bang branch. The capitalized borrowing costs comprise interests only.

11. INVESTMENT IN AN ASSOCIATE

	<u>30 June 2015</u>		<u>31 December 2014</u>	
	<i>% of</i>		<i>% of</i>	
	<i>interest</i>	<i>Cost</i>	<i>interest</i>	<i>Cost</i>
		VND		VND
Investment in Unitex Corporation	<u>49.99</u>	<u>7,468,652,342</u>	<u>-</u>	<u>-</u>

Unitex Corporation ("Unitex") is a shareholding company established in Vietnam pursuant to the Investment Certificate No. 452033000336 issued by the Management Board of Tay Ninh Economic Zone on 29 June 2015. The principal activities of Unitex are to manufacture fibers and fabrics. The registered head office of Unitex is located at A17.1, C1 Street, Thanh Thanh Cong Industrial Zone, An Hoa Commune, Trang Bang District, Tay Ninh Province, Vietnam.

As at the date of these interim financial statements, Unitex is currently in the stage of getting approval for the plan for construction and development.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

12. LONG-TERM PREPAID EXPENSES

	VND	
	30 June 2015	31 December 2014
Land rental (land use rights) (*)	28,515,025,398	28,948,319,116
Others	<u>8,521,644,205</u>	<u>6,574,391,144</u>
TOTAL	<u>37,036,669,603</u>	<u>35,522,710,260</u>

(*) As disclosed in Note 17, the Company has pledged the land use rights to secure the bank loan facilities.

13. SHORT-TERM LOANS AND DEBTS

	VND	
	30 June 2015	31 December 2014
Short-term loans	87,403,736,777	25,927,315,002
Current portion of long-term loans (Note 17)	<u>8,410,325,000</u>	<u>-</u>
TOTAL	<u>95,814,061,777</u>	<u>25,927,315,002</u>

The Company obtained the unsecured loans from banks for the purpose of financing its working capital requirements. Details are as follows:

Bank	30 June 2015		Original amount	Term and maturity date	Interest rate
	VND	USD			
CTBC Bank Co., Ltd.	45,226,699,632	2,070,346		From 10 September 2015 to 9 November 2015	1.7%
Vietnam Joint Stock Commercial Bank for Industry and Trade	42,177,037,145	1,930,741		From 11 September 2015 to 5 October 2015	1.7%
TOTAL	<u>87,403,736,777</u>	<u>4,001,087</u>			

14. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

14.1 Short-term trade payables

	VND	
	30 June 2015	31 December 2014
Due to other parties	<u>143,098,715,619</u>	<u>143,401,284,862</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

14. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS (continued)

14.2 Advances from customers

	VND	
	30 June 2015	31 December 2014
Advances from other parties	11,026,385,149	6,993,191,400
Advances from a related party (Note 23)	225,330,382	-
TOTAL	<u>11,251,715,531</u>	<u>6,993,191,400</u>

15. STATUTORY OBLIGATIONS

	VND	
	30 June 2015	31 December 2014
Corporate income tax (Note 22.2)	11,768,891,204	5,294,170,014
Import and export duties	2,279,474,307	2,529,151,028
Personal income tax	79,054,860	117,671,051
Other	-	13,305,600
TOTAL	<u>14,127,420,371</u>	<u>7,954,297,693</u>

16. ACCRUED EXPENSES

	VND	
	30 June 2015	31 December 2014
Sales commission	4,060,112,119	3,124,592,045
Utility expenses	2,515,552,956	2,322,269,055
Interest expense	1,129,556,833	436,024,328
Professional services fee	301,639,166	240,220,166
Others	143,123,062	890,124,465
TOTAL	<u>8,149,984,136</u>	<u>7,013,230,059</u>

17. LONG-TERM LOANS AND DEBTS

	VND	
	30 June 2015	31 December 2014
Loans from banks	<u>667,387,008,090</u>	<u>207,105,841,360</u>
<i>In which:</i>		
Current portion (Note 13)	8,410,325,000	-
Non-current portion	658,976,683,090	207,105,841,360

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015**17. LONG-TERM LOANS AND DEBTS** (continued)

Details of the long-term loans from banks are as follows:

	30 June 2015	Original amount	Term and maturity date	Interest rate	Description of collateral
	VND	USD		(p.a)	
Dong A Joint Stock Commercial Bank					
H.0217-13	100,729,960,090	4,611,122	From 1 March 2012 to 1 March 2019	2.75%	Assets funded by loans including imported machinery and equipment (phase2). Total assets value is USD 12,100,000
<i>In which:</i>					
<i>Current portion</i>	8,410,325,000	385,000			
H.1022-14	7,460,000,000	351,638	From 15 October 2014 to 15 October 2019	2.69%	Land use rights to be obtained in Thanh Thanh Cong Industrial Zone funded by loans
<i>In which:</i>					
<i>Current portion</i>	-	-			
Vietnam Export and Import Joint Stock Commercial Bank					
200908121	34,917,048,000	1,598,400	From 20 July 2012 to 20 April 2018	3.00%	Assets funded by loans including land use right, building and structures, and machineries at Trang Bang, Tay Ninh Province
201403738	524,280,000,000	24,000,000	From 28 January 2017 to 28 October 2021	2.57%	
<i>In which:</i>					
<i>Current portion</i>	-	-			
TOTAL	<u>667,387,008,090</u>	<u>30,561,160</u>			
<i>In which:</i>					
<i>Current portion</i>	8,410,325,000	385,000			

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

18. OWNERS' EQUITY

18.1 Increases and decreases in owners' equity

	Share capital	Share premium	Treasury shares	Financial reserve fund	Undistributed earnings	VND Total
For the six-month period ended 30 June 2014:						
As at 31 December 2013	315,425,840,000	-	(11,826,900,000)	1,219,011,000	198,245,463,380	503,063,414,380
Increase in capital	31,050,960,000	-	-	-	(31,050,960,000)	-
Net profit for the period	-	-	-	-	52,784,752,602	52,784,752,602
Dividends declared	46,576,560,000	-	-	-	(46,576,560,000)	-
Profit appropriation	-	-	-	-	(4,380,000,000)	(4,380,000,000)
As at 30 June 2014	<u>393,053,360,000</u>	<u>-</u>	<u>(11,826,900,000)</u>	<u>1,219,011,000</u>	<u>169,022,695,982</u>	<u>551,468,166,982</u>
For the six-month period ended 30 June 2015:						
As at 31 December 2014	423,053,360,000	40,026,904,470	(11,826,900,000)	1,219,011,000	222,344,935,602	674,817,311,072
Dividends declared	-	-	-	-	(63,458,004,000)	(63,458,004,000)
Re-issuance of treasury shares(*)	-	(4,487,469,091)	11,826,900,000	-	-	7,339,430,909
Net profit for the period	-	-	-	-	54,585,806,706	54,585,806,706
As at 30 June 2015	<u>423,053,360,000</u>	<u>35,539,435,379</u>	<u>-</u>	<u>1,219,011,000</u>	<u>213,472,738,308</u>	<u>673,284,544,687</u>

(*) On 17 April 2015, the Company completed the sale of 491,234 treasury shares. This issuance was executed under the Resolution of Board of Director Meeting No. 01-2015/NQ-HĐQT dated 12 January 2015 and No. 06-2015/NQ-HĐQT dated 3 March 2015. The result of issuance was reported to the State Securities Commission on 22 April 2015.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

18. OWNERS' EQUITY (continued)

18.2 Capital transactions with owners and distribution of dividends, profits

	VND	
	<i>For the six-month period ended 30 June 2015</i>	<i>For the six-month period ended 30 June 2014</i>
Issued share capital		
Beginning balance	423,053,360,000	315,425,840,000
Share issuance	-	77,627,520,000
Ending balance	<u>423,053,360,000</u>	<u>393,053,360,000</u>
Dividends declared and paid	(63,458,004,000)	(46,576,560,000)

18.3 Shares

	<u>30 June 2015</u>		<u>31 December 2014</u>	
	Quantity	Amount (VND)	Quantity	Amount (VND)
Authorized shares	42,305,336	423,053,360,000	42,305,336	423,053,360,000
Issued shares				
<i>Issued and paid-up shares</i>	<i>42,305,336</i>	<i>423,053,360,000</i>	<i>42,305,336</i>	<i>423,053,360,000</i>
Ordinary shares	42,305,336	423,053,360,000	42,305,336	423,053,360,000
Treasury shares				
<i>Held by the Company</i>	-	-	<i>(491,234)</i>	<i>(4,912,340,000)</i>
Ordinary shares	-	-	(491,234)	(4,912,340,000)
Shares in circulation				
Ordinary shares	42,305,336	423,053,360,000	41,814,102	418,141,020,000

19. REVENUES

19.1 Revenue from sale of goods

	VND	
	<i>For the six-month period ended 30 June 2015</i>	<i>For the six-month period ended 30 June 2014</i>
Gross revenue	630,391,883,876	722,954,413,973
Less:		
Sales returns	(46,481,853)	(252,560,000)
Net revenue	<u>630,345,402,023</u>	<u>722,701,853,973</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

19. REVENUES (continued)

19.2 *Financial income*

	VND	
	<i>For the six-month period ended 30 June 2015</i>	<i>For the six-month period ended 30 June 2014</i>
Realised foreign exchange gains	7,452,285,406	457,820,445
Interest income	475,901,974	599,378,261
TOTAL	<u>7,928,187,380</u>	<u>1,057,198,706</u>

20. FINANCIAL EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2015</i>	<i>For the six-month period ended 30 June 2014</i>
Unrealised foreign exchange losses	11,270,638,982	2,232,165,350
Realised foreign exchange losses	6,634,526,113	439,042,980
Interest expense	2,501,958,765	3,986,552,352
TOTAL	<u>20,407,123,860</u>	<u>6,657,760,682</u>

21. PRODUCTION AND OPERATING COSTS

	VND	
	<i>For the six-month period ended 30 June 2015</i>	<i>For the six-month period ended 30 June 2014</i>
Raw materials	366,703,162,491	477,164,175,590
Labour costs	37,880,737,363	33,589,612,499
Depreciation and amortisation (Notes 7 and 8)	40,499,498,699	40,637,839,695
Expenses for external services	99,583,688,493	94,998,358,295
Other expenses	3,074,503,634	3,130,197,239
TOTAL	<u>547,741,590,680</u>	<u>649,520,183,318</u>

22. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") rate applicable to the Company is 22% of taxable profits.

The tax returns filed by the Company 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.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

22. CORPORATE INCOME TAX (continued)

22.1 Current tax expense

	VND	
	<i>For the six-month period ended 30 June 2015</i>	<i>For the six-month period ended 30 June 2014</i>
Current tax expense	17,138,792,572	15,593,618,846
Deferred tax income	<u>(1,227,813,386)</u>	<u>(488,283,749)</u>
TOTAL	<u>15,910,979,186</u>	<u>15,105,335,097</u>

22.2 Current tax

The current tax payable is based on taxable profit for the current period. The taxable profit of the Company for the period differs from the 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 by the balance sheet date.

A reconciliation between the profit before tax and taxable profit is presented below:

	VND	
	<i>For the six-month period ended 30 June 2015</i>	<i>For the six-month period ended 30 June 2014</i>
Accounting profit before tax	70,496,785,892	67,890,087,699
<i>Adjustments:</i>		
Change in recognition of exported net income	(299,407,016)	971,995,272
Change in provision for obsolete inventories	245,010,402	-
Change in accrual for commission expenses	951,893,205	(86,504,538)
Change in accrual for severance pay	56,530,791	(9,893,000)
Change in accrual for annual leave	66,285,172	
Change in unrealised profit recorded by Branch	4,623,611,874	856,930,350
Change in unrealised foreign exchange (gain) losses	(62,954,493)	486,943,502
Non-deductible expenses	<u>898,034,372</u>	<u>770,526,381</u>
Estimated current taxable profit	<u>76,975,790,199</u>	<u>70,880,085,666</u>
Estimated current CIT	16,934,673,844	15,593,618,846
CIT payable at beginning of period	5,294,170,014	9,372,343,472
Under CIT accrual for previous year	204,118,728	-
CIT paid during the period	<u>(10,664,071,382)</u>	<u>(18,594,513,482)</u>
CIT payable at end of period	<u>11,768,891,204</u>	<u>6,371,448,836</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

22. CORPORATE INCOME TAX (continued)

22.3 Deferred tax

The following are the deferred tax assets recognised by the Company, and the movements thereon, during the current period and previous period.

	<i>Interim balance sheet</i>		<i>Interim income statement</i>	
	<i>30 June</i>	<i>31 December</i>	<i>For the</i>	<i>For the</i>
	<i>2015</i>	<i>2014</i>	<i>six-month</i>	<i>six-month</i>
			<i>period ended</i>	<i>period ended</i>
			<i>30 June 2015</i>	<i>30 June 2014</i>
Deferred tax assets				
Unrealised profit	1,950,644,114	933,449,502	1,017,194,612	188,524,677
Accrual for expenses	893,224,666	683,808,161	209,416,505	(19,030,998)
Accrual for annual leave	127,938,623	113,355,884	14,582,739	-
Accrual for severance pay	81,059,605	68,622,831	12,436,774	(2,176,460)
Provision for obsolete inventory	172,365,331	118,463,043	53,902,288	-
Difference in recognition of exported net income	25,554,959	91,424,503	(65,869,544)	107,127,570
Unrealised foreign exchange gain	(123,970,468)	(110,120,480)	(13,849,988)	213,838,960
	3,126,816,830	1,899,003,444		
Net deferred tax credit to interim income statement			1,227,813,386	488,283,749

23. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties during the period were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND</i> <i>Amounts</i>
Unitex Corporation	Associate	Capital contribution	7,468,652,342
P.A.N Asia Limited Company	Related party	Sale of goods	1,887,702,090
LIANTEX Co., Ltd.	Related party	Sale of goods	1,564,591,376
		Advance	225,330,382

Details of remuneration of the Board of Directors and management during the period are as below:

	<i>VND</i>
	<i>For the six-month</i>
	<i>period ended</i>
	<i>30 June 2015</i>
	<i>For the six-month</i>
	<i>period ended</i>
	<i>30 June 2014</i>
Salaries and related expenses	252,000,000
	310,500,000

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

23. TRANSACTIONS WITH RELATED PARTIES (continued)

Amount due from related parties at the balance sheet date were as follows:

	<i>Relationship</i>	<i>Transaction</i>	<i>VND</i> <i>Payable</i>
<i>Advance from customer</i> (Note 14.2)			
LIANTEX Co., Ltd.	Related party	Advance	<u>225,330,382</u>

24. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit after tax for the period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share calculation:

	<i>For the six-month</i> <i>period ended 30</i> <i>June 2015</i>	<i>VND</i> <i>For the six-month</i> <i>period ended 30</i> <i>June 2014</i>
Net profit after tax for the period	54,585,806,706	52,784,752,602
Weighted average number of ordinary shares during the period	<u>42,017,652</u>	<u>38,814,102</u>
Earnings per share (<i>par value of VND 10,000/share</i>)	<u>1,299</u>	<u>1,360</u>

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these interim financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

25. COMMITMENTS

Operating lease commitment

The Company leases assets under operating lease arrangements. The minimum lease commitment as at 30 June 2015 under the operating lease agreements is as follows:

	VND	
	30 June 2015	31 December 2014
Less than 1 year	804,066,280	941,631,080
From 1 to 5 years	2,064,265,120	2,019,807,040
More than 5 years	<u>16,517,013,956</u>	<u>16,469,480,859</u>
TOTAL	<u>19,385,345,356</u>	<u>19,430,918,979</u>

Capital commitments

At 30 June 2015, the Company had outstanding commitments of VND97,654,879,173 (31 December 2014: VND472,439,001,571) principally relating to construction for its branch at Trang Bang (Phase 3), Tay Ninh Province, Vietnam.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise loans and borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company has loan, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Company does not hold or issue derivative financial instruments.

The Company is exposed to market risk, credit risk and liquidity risk.

Management reviews and agrees policies for managing each of these risks which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, trade receivables and payables.

The sensitivity analyses in the following sections relate to the position as at 30 June 2015 and 31 December 2014.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rate relates primarily to the Company's deposits at banks and loans.

A sensitivity analysis is not performed for interest rate risk as the Company's exposure to interest-rate risk is minimal at reporting date.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's accounting currency).

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk(continued)

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the USD, EUR exchange rate, with all other variables held constant, of the Company's profit before tax.

	<i>Change in USD rate</i>	<i>VND</i> <i>Effect on</i> <i>profit before tax</i>
For the six-month period ended 30 June 2015		
	+2%	(14,995,021,052)
	-2%	14,995,021,052
For the six-month period ended 30 June 2014		
	+1%	(2,417,630,114)
	-1%	2,417,630,114

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks.

Trade receivables

Customer credit risk is managed by the Company based on its established policy, procedures and control relating to customer credit risk management.

Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The Company seeks to maintain strict control over its outstanding receivables. In view of the aforementioned and the fact that the Company's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

Bank deposits

The Company's bank balances are mainly maintained with well-known banks in Vietnam. Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. The Company's maximum exposure to credit risk for the components of the interim balance sheet at each reporting dates are the carrying amounts as illustrated in Note 4. The Company evaluates the concentration of credit risk in respect to bank deposit as low.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligation due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of maturities of financial assets and liabilities.

The Company monitors its liquidity risk by maintaining a level of cash and cash equivalents and bank loans deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The table below summaries the maturity profile of the Company's financial liabilities:

	<i>Less than 1 year</i>	<i>From 1 to 5 years</i>	<i>VND</i> <i>Total</i>
30 June 2015			
Loans and debts	95,814,061,777	658,976,683,090	754,790,744,867
Trade payables	143,098,715,619	-	143,098,715,619
Other payables and accrued expenses	10,922,756,838	-	10,922,756,838
	<u>249,835,534,234</u>	<u>658,976,683,090</u>	<u>908,812,217,324</u>
31 December 2014			
Loans and debts	25,927,315,002	207,105,841,360	233,033,156,362
Trade payables	143,401,284,862	155,183,680,160	298,584,965,022
Other payables and accrued expenses	10,490,628,971	-	10,490,628,971
	<u>179,819,228,835</u>	<u>362,289,521,520</u>	<u>542,108,750,355</u>

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

Collateral

The Company has pledged part of its tangible fixed assets in order to fulfil the collateral requirements for the long-term loan obtained from banks (*Note 17*). As at 30 June 2015 and 31 December 2014, the net carrying values of the fixed assets pledged were VND 375,824,081,251 and VND 403,802,383,868, respectively. There are no other significant terms and conditions associated with the use of collateral.

The Company did not hold any collateral at 30 June 2015 and 31 December 2014.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

27. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is a comparison by class of the carrying amounts and fair values of the Company's financial instruments that are carried in the interim financial statements.

	VND			
	<i>Carrying amount</i>		<i>Fair value</i>	
	<i>30 June 2015</i>	<i>31 December 2014</i>	<i>30 June 2015</i>	<i>31 December 2014</i>
Financial assets				
Trade receivables	62,369,296,255	48,522,183,372	62,369,296,255	48,522,183,372
Receivable from related party	-	1,003,876,633	-	1,003,876,633
Other receivables	633,633,709	1,485,729,552	633,633,709	1,485,729,552
Other financial assets	363,627,125	284,057,465	363,627,125	284,057,465
Cash and cash equivalents	61,160,314,529	148,163,520,136	61,160,314,529	148,163,520,136
Total	124,526,871,618	199,459,367,158	124,526,871,618	199,459,367,158
Financial liabilities				
Loans and borrowings	754,790,744,867	233,033,156,362	754,790,744,867	233,033,156,362
Trade payables	143,098,715,619	298,584,965,022	143,098,715,619	298,584,965,022
Other current liabilities	10,922,756,838	10,490,628,971	10,922,756,838	10,490,628,971
Total	908,812,217,324	542,108,750,355	908,812,217,324	542,108,750,355

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair values of the financial assets and liabilities had not yet been formally assessed and determined as at 30 June 2015 and 31 December 2014. However, it is management's assessment that the fair values of these financial assets and liabilities are approximately the same as their carrying values as at the interim balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

28. SEGMENT INFORMATION

The Company's main activities are to manufacture synthetic yarn and knitting and its revenue is mainly from these activities. In addition, the Company's operation and branch which are generating revenue are located in Vietnam. Therefore, the Company's management believes presentation of segment information is not required.

29. EVENTS AFTER THE INTERIM BALANCE SHEET DATE

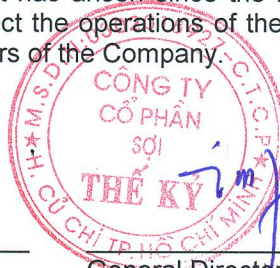
There has not been any matter or circumstance that has arisen since the interim balance sheet date that has affected or may significantly affect the operations of the Company, the interim results of those operations or the state of affairs of the Company.



Preparer
Le Thi Lieu



Chief Accountant
Phan Nhu Bich



General Director
Dang Trieu Hoa

10 August 2015