Ternium S.A.
Form 6-K
August 01, 2018

FORM 6 - K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Private Issuer
Pursuant to Rule 13a - 16 or 15d - 16 of
the Securities Exchange Act of 1934

As of 7/31/2018

Ternium S.A.
(Translation of Registrant's name into English)

Ternium S.A.
29 Avenue de la Porte-Neuve – 3rd floor
L-2227 Luxembourg
(352) 2668-3152
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or 40-F.

Form 20-F a Form 40-F __

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12G3-2(b) under the Securities Exchange Act of 1934.

Yes __ No a

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): Not applicable

The attached material is being furnished to the Securities and Exchange Commission pursuant to Rule 13a-16 and Form 6-K under the Securities Exchange Act of 1934, as amended.

This report contains Ternium S.A.'s consolidated financial statements as of June 30, 2018.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TERNIUM S.A.

By: /s/ Pablo Brizzio	By: /s/ Máximo Vedoya
Name: Pablo Brizzio	Name: Máximo Vedoya
Title: Chief Financial Officer	Title: Chief Executive Officer

Dated: July 31, 2018

TERNIUM S.A.
Consolidated Condensed Interim Financial Statements
as of June 30, 2018
and for the six-month periods
ended on June 30 2018 and 2017

29 Avenue de la Porte-Neuve, 3rd floor
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TERNIUM S.A.
Consolidated Condensed Interim Financial Statements as of June 30, 2018 and for the six-month periods ended June 30, 2018 and 2017

INDEX

TERNIUM S.A.
Consolidated Condensed Interim
Financial Statements as of June 30,
2018
and for the six-month periods
ended June 30, 2018 and 2017
(All amounts in USD thousands)

Consolidated Condensed Interim Income Statements

	Notes	Three-month period ended June 30, 2018 (Unaudited)	Three-month period ended June 30, 2017	Six- month period ended June 30, 2018 (Unaudited)	Six- month period ended June 30, 2017
Net sales	3	3,133,957	2,322,656	6,095,270	4,397,764
Cost of sales	3 & 4	(2,233,024)	(1,728,177)	(4,436,516)	(3,259,639)
Gross profit	3	900,933	594,479	1,658,754	1,138,125
Selling, general and administrative expenses	3 & 5	(245,001)	(189,048)	(485,518)	(361,323)
Other operating income (expenses), net	3	(5,584)	(12,609)	183	(19,829)
Operating income	3	650,348	392,822	1,173,419	756,973
Finance expense	6	(33,294)	(24,101)	(67,076)	(45,483)
Finance income	6	5,468	4,500	10,604	9,095
Other financial income (expenses), net	6	(121,367)	(47,472)	(172,462)	(70,623)
Equity in earnings (losses) of non-consolidated companies	9	12,366	15,163	32,349	36,573
Profit before income tax expense		513,521	340,912	976,834	686,535
Income tax expense		(175,742)	(59,123)	(216,960)	(94,357)
Profit for the period		337,779	281,789	759,874	592,178
Attributable to:					
Owners of the parent		326,570	249,705	693,294	511,040
Non-controlling interest		11,209	32,084	66,580	81,138
Profit for the period		337,779	281,789	759,874	592,178
Weighted average number of shares outstanding		1,963,076,776	1,963,076,776	1,963,076,776	1,963,076,776

Basic and diluted earnings (losses) per share for profit (loss) attributable to the equity holders of the company (expressed in USD per share)	0.17	0.13	0.35	0.26

The accompanying notes are an integral part of these consolidated condensed interim financial statements. These consolidated condensed interim financial statements should be read in conjunction with our audited Consolidated Financial Statements and notes for the year ended December 31, 2017.

TERNIUM S.A.
Consolidated Condensed Interim
Financial Statements as of June 30,
2018
and for the six-month periods
ended June 30, 2018 and 2017
(All amounts in USD thousands)

Consolidated Condensed Interim Statements of Comprehensive Income

	Three-month period ended June 30,		Six- month period ended June 30,	
	2018	2017	2018	2017
	(Unaudited)		(Unaudited)	
Profit for the period	337,779	281,789	759,874	592,178
Items that may be reclassified subsequently to profit or loss:				
Currency translation adjustment	(209,576)	(46,236)	(265,896)	(23,189)
Currency translation adjustment from participation in non-consolidated companies	(68,196)	(19,504)	(70,942)	(7,641)
Changes in the fair value of financial instruments at fair value through other comprehensive income	(710)	—	(940)	—
Income tax related to financial instruments at fair value	57	—	111	—
Changes in the fair value of derivatives classified as cash flow hedges	140	39,407	243	39,040
Income tax related to cash flow hedges	(42)	54	(185)	43
Other comprehensive income items	—	(3)	(305)	72
Other comprehensive income items from participation in non-consolidated companies	426	150	485	265
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of post employment benefit obligations	1,099	(811)	1,099	(1,310)
Income tax relating to remeasurement of post employment benefit obligations	(297)	—	(297)	—
Remeasurement of post employment benefit obligations from participation in non-consolidated companies	(1,476)	(198)	(1,832)	6,181
Other comprehensive income (loss) for the period, net of tax	(278,575)	(27,141)	(338,459)	13,461
Total comprehensive income for the period	59,204	254,648	421,415	605,639
Attributable to:				
Owners of the parent	133,846	242,026	462,799	533,768
Non-controlling interest	(74,642)	12,622	(41,384)	71,871
Total comprehensive income for the period	59,204	254,648	421,415	605,639

The accompanying notes are an integral part of these consolidated condensed interim financial statements. These consolidated condensed interim financial statements should be read in conjunction with our audited Consolidated Financial Statements and notes for the year ended December 31, 2017.

TERNIUM S.A.
Consolidated Condensed Interim
Financial Statements as of June 30,
2018
and for the six-month periods
ended June 30, 2018 and 2017
(All amounts in USD thousands)

Consolidated Condensed Interim Statements of Financial Position

	Notes	Balances as of June 30, 2018 (Unaudited)		December 31, 2017	
ASSETS					
Non-current assets					
Property, plant and equipment, net	7	5,138,794		5,349,753	
Intangible assets, net	8	1,027,425		1,092,579	
Investments in non-consolidated companies	9	438,347		478,348	
Other investments		31,112		3,380	
Deferred tax assets		129,066		121,092	
Receivables, net		635,978		677,299	
Trade receivables, net		5,583	7,406,305	4,832	7,727,283
Current assets					
Receivables, net		262,744		362,173	
Derivative financial instruments		1,685		2,304	
Inventories, net		2,589,388		2,550,930	
Trade receivables, net		1,273,727		1,006,598	
Other investments		97,939		132,736	
Cash and cash equivalents		229,813	4,455,296	337,779	4,392,520
Non-current assets classified as held for sale			2,190		2,763
Total Assets			11,863,791		12,122,566
EQUITY					
Capital and reserves attributable to the owners of the parent			5,257,588		5,010,424
Non-controlling interest			772,161		842,347
Total Equity			6,029,749		5,852,771
LIABILITIES					
Non-current liabilities					

Provisions	657,068		768,517	
Deferred tax liabilities	453,073		513,357	
Other liabilities	365,779		373,046	
Trade payables	1,054		2,259	
Finance lease liabilities	67,430		69,005	
Borrowings	1,512,172	3,056,576	1,716,337	3,442,521
Current liabilities				
Current income tax liabilities	72,236		52,940	
Other liabilities	347,667		357,001	
Trade payables	1,027,256		897,732	
Derivative financial instruments	49,133		6,001	
Finance lease liabilities	8,030		8,030	
Borrowings	1,273,144	2,777,466	1,505,570	2,827,274
Total Liabilities		5,834,042		6,269,795
Total Equity and Liabilities		11,863,791		12,122,566

The accompanying notes are an integral part of these consolidated condensed interim financial statements. These consolidated condensed interim financial statements should be read in conjunction with our audited Consolidated Financial Statements and notes for the year ended December 31, 2017.

TERNIUM S.A.
Consolidated Condensed Interim Financial Statements as of June 30, 2018 and for the six-month periods ended June 30, 2018 and 2017
(All amounts in USD thousands)

Consolidated Condensed Interim Statements of Changes in Equity

	Attributable to the owners of the parent (1)									
	Capital stock (2)	Treasury shares (2)	Initial public offering expenses	Reserves (3)	Capital stock issue discount (4)	Currency translation adjustment	Retained earnings	Total	Non-controlling interest	Total Equity
Balance as of January 1, 2018	2,004,743	(150,000)	(23,295)	1,416,121	(2,324,866)	(2,403,664)	6,491,385	5,010,424	842,347	5,852,771
Impact of adopting IFRS 9 at January 1, 2018 (see note 14)				450			(147)	303	204	507
Adjusted Balance at January 1, 2018	2,004,743	(150,000)	(23,295)	1,416,571	(2,324,866)	(2,403,664)	6,491,238	5,010,727	842,551	5,853,278
Profit for the period							693,294	693,294	66,580	759,874
Other comprehensive income (loss) for the period										
Currency translation adjustment						(228,825)		(228,825)	(108,013)	(336,838
Remeasurement of post employment benefit				(1,022)				(1,022)	(8)	(1,030

obligations										
Cash flow hedges and others, net of tax				(154)				(154)	212	58
Others				(494)				(494)	(155)	(649
Total comprehensive income for the period	—	—	—	(1,670)	—	(228,825)	693,294	462,799	(41,384)	421,415
Dividends paid in cash (5)							(215,938)	(215,938)	—	(215,938
Dividends paid in cash to non-controlling interest								—	(29,006)	(29,006
Balance as of June 30, 2018 (unaudited)	2,004,743	(150,000)	(23,295)	1,414,901	(2,324,866)	(2,632,489)	6,968,594	5,257,588	772,161	6,029,749

(1) Shareholders' equity determined in accordance with accounting principles generally accepted in Luxembourg is disclosed in Note 11 (iii).
(2) The Company has an authorized share capital of a single class of 3.5 billion shares having a nominal value of USD 1.00 per share. As of June 30, 2018, there were 2,004,743,442 shares issued. All issued shares are fully paid. Also, as of June 30, 2018, the Company held 41,666,666 shares as treasury shares.
(3) Include legal reserve under Luxembourg law for USD 200.5 million, undistributable reserves under Luxembourg law for USD 1.4 billion, hedge accounting reserve, net of tax effect, for USD 0.7 million and reserves related to the acquisition of non-controlling interest in subsidiaries for USD (88.5) million.
(4) Represents the difference between book value of non-monetary contributions received from shareholders under Luxembourg GAAP and IFRS.
(5) See Note 10.

Dividends may be paid by Ternium to the extent distributable retained earnings calculated in accordance with Luxembourg law and regulations exist. Therefore, retained earnings included in these consolidated condensed interim financial statements may not be wholly distributable. See Note 11 (iii).
The accompanying notes are an integral part of these consolidated condensed interim financial statements. These consolidated condensed interim financial statements should be read in conjunction with our audited Consolidated Financial Statements and notes for the year ended December 31, 2017.

TERNIUM S.A.
Consolidated Condensed Interim Financial Statements as of June 30, 2018 and for the six-month periods ended June 30, 2018 and 2017
(All amounts in USD thousands)

Consolidated Condensed Interim Statements of Changes in Equity

	Attributable to the owners of the parent (1)									
	Capital stock (2)	Treasury shares (2)	Initial public offering expenses	Reserves (3)	Capital stock issue discount (4)	Currency translation adjustment	Retained earnings	Total	Non-controlling interest	Total Equity
Balance as of January 1, 2017	2,004,743	(150,000)	(23,295)	1,420,171	(2,324,866)	(2,336,929)	5,801,474	4,391,298	775,295	5,166,593
Profit for the period							511,040	511,040	81,138	592,178
Other comprehensive (loss) income for the period										
Currency translation adjustment						(21,217)		(21,217)	(9,613)	(30,830)
Remeasurement of post employment benefit obligations				4,523				4,523	348	4,871
Cash flow hedges, net of tax				39,132				39,132	(49)	39,083
Others				290				290	47	337
Total comprehensive income (loss)	—	—	—	43,945	—	(21,217)	511,040	533,768	71,871	605,639

for the period										
Dividends paid in cash							(196,308)	(196,308)	—	(196,308)
Dividends paid in cash to non-controlling interest								—	(30,573)	(30,573)
Balance as of June 30, 2017 (unaudited)	2,004,743	(150,000)	(23,295)	1,464,116	(2,324,866)	(2,358,146)	6,116,206	4,728,758	816,593	5,545,351

(1) Shareholders' equity determined in accordance with accounting principles generally accepted in Luxembourg.
(2) The Company has an authorized share capital of a single class of 3.5 billion shares having a nominal value of USD 1.00 per share. As of June 30, 2017, there were 2,004,743,442 shares issued. All issued shares are fully paid. Also, as of June 30, 2017, the Company held 41,666,666 shares as treasury shares.
(3) Include legal reserve under Luxembourg law for USD 200.5 million, undistributable reserves under Luxembourg law for USD 1.4 billion, hedge accounting reserve, net of tax effect, for USD 39.1 million and reserves related to the acquisition of non-controlling interest in subsidiaries for USD (88.5) million.
(4) Represents the difference between book value of non-monetary contributions received from shareholders under Luxembourg GAAP and IFRS.

Dividends may be paid by Ternium to the extent distributable retained earnings calculated in accordance with Luxembourg law and regulations exist. Therefore, retained earnings included in these consolidated condensed interim financial statements may not be wholly distributable. See Note 11 (iii).
The accompanying notes are an integral part of these consolidated condensed interim financial statements. These consolidated condensed interim financial statements should be read in conjunction with our audited Consolidated Financial Statements and notes for the year ended December 31, 2017.

TERNIUM S.A.
Consolidated Condensed Interim Financial Statements as of June 30, 2018 and for the six-month periods ended June 30, 2018 and 2017
(All amounts in USD thousands)

Consolidated Condensed Interim Statements of Cash Flows

	Notes	Six- month period ended June 30, 2018	2017
		(Unaudited)	
Cash flows from operating activities			
Profit for the period		759,874	592,178
Adjustments for:			
Depreciation and amortization	7 & 8	279,286	205,637
Income tax accruals less payments		(48,465)	(309,586)
Equity in earnings of non-consolidated companies	9	(32,349)	(36,573)
Interest accruals less payments		(7,060)	1,984
Changes in provisions		1,047	1,305
Changes in working capital (1)		(350,796)	(458,502)
Net foreign exchange results and others		140,649	110,015
Net cash provided by operating activities		742,186	106,458
Cash flows from investing activities			
Capital expenditures	7 & 8	(237,923)	(182,490)
Loans to non-consolidated companies		—	(23,904)
(Increase) Decrease in other investments		6,311	(8,184)
Proceeds from the sale of property, plant and equipment		440	358
Dividends received from non-consolidated companies		—	65
Net cash used in investing activities		(231,172)	(214,155)
Cash flows from financing activities			
Dividends paid in cash to company’s shareholders	10	(215,938)	(196,308)
Dividends paid in cash to non-controlling interest		(29,006)	(30,573)
Finance lease payments		(3,843)	(1,083)
Proceeds from borrowings		526,046	858,374
Repayments of borrowings		(885,361)	(527,251)
Net cash (used in) provided by financing activities		(608,102)	103,159
Decrease in cash and cash equivalents		(97,088)	(4,538)
Movement in cash and cash equivalents			
At January 1,		337,779	183,463
Effect of exchange rate changes		(10,878)	(587)
Decrease in cash and cash equivalents		(97,088)	(4,538)
Cash and cash equivalents as of June 30, (2)		229,813	178,338
Non-cash transactions:			
Acquisition of PP&E under lease contract agreements		—	76,185

(1) The working capital is impacted by non-cash movement of USD (249.6) million as of June 30, 2018 (USD (21.4) million as of June 30, 2017) due to the variations in the exchange rates used by subsidiaries with functional currencies different from the US dollar.
(2) It includes restricted cash of nil and USD 81 as of June 30, 2018 and 2017, respectively. In addition, the Company had other investments with a maturity of more than six months for USD 97,939 and USD 159,035 as of June 30, 2018 and 2017, respectively.

The accompanying notes are an integral part of these consolidated condensed interim financial statements. These consolidated condensed interim financial statements should be read in conjunction with our audited Consolidated Financial Statements and notes for the year ended December 31, 2017.

Notes to the Consolidated Condensed Interim Financial Statements

1. GENERAL INFORMATION AND BASIS OF PRESENTATION

a) General information and basis of presentation

Ternium S.A. (the "Company" or "Ternium"), was incorporated on December 22, 2003 to hold investments in flat and long steel manufacturing and distributing companies. The Company has an authorized share capital of a single class of 3.5 billion shares having a nominal value of USD 1.00 per share. As of June 30, 2018, there were 2,004,743,442 shares issued. All issued shares are fully paid.

Ternium's American Depositary Shares ("ADS") trade on the New York Stock Exchange under the symbol "TX".

The name and percentage of ownership of subsidiaries that have been included in consolidation in these Consolidated Condensed Interim Financial Statements is disclosed in Note 2 to the audited Consolidated Financial Statements for the year ended December 31, 2017.

Certain comparative amounts have been reclassified to conform to changes in presentation in the current period. These reclassifications do not have a material effect on the Company's condensed interim consolidated financial statements.

The preparation of Consolidated Condensed Interim Financial Statements requires management to make estimates and assumptions that might affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the statement of financial position, and also the reported amounts of revenues and expenses for the reported periods. Actual results may differ from these estimates. The main assumptions and estimates were disclosed in the Consolidated Financial Statements for the year ended December 31, 2017, without significant changes since its publication.

Material intercompany transactions and balances have been eliminated in consolidation. However, the fact that the functional currency of the Company's subsidiaries differs, results in the generation of foreign exchange gains and losses that are included in the Consolidated Condensed Interim Income Statement under "Other financial income (expenses), net".

2. ACCOUNTING POLICIES

These Consolidated Condensed Interim Financial Statements have been prepared in accordance with IAS 34, "Interim Financial Reporting" and are unaudited. These Consolidated Condensed Interim Financial Statements should be read in conjunction with the audited Consolidated Financial Statements for the year ended December 31, 2017, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in conformity with International Financial Reporting Standards as adopted by the European Union ("EU"). Recently issued accounting pronouncements were applied by the Company as from their respective dates.

These Consolidated Condensed Interim Financial Statements have been prepared following the same accounting policies used in the preparation of the audited Consolidated Financial Statements for the year ended December 31, 2017, except for the changes explained in Note 15 of these Consolidated Condensed Interim Financial Statements.

2. ACCOUNTING POLICIES (continued)

None of the accounting pronouncements issued after December 31, 2017, and as of the date of these Consolidated Condensed Interim Financial Statements have a material effect on the Company's financial condition or result or operations.

3. SEGMENT INFORMATION

REPORTABLE OPERATING SEGMENTS

The Company is organized in two reportable segments: Steel and Mining.

The Steel segment includes the sales of steel products, which comprises slabs, hot rolled coils and sheets, cold rolled coils and sheets, tin plate, welded pipes, hot dipped galvanized and electro-galvanized sheets, pre-painted sheets, billets (steel in its basic, semi-finished state), wire rod and bars and other tailor-made products to serve its customers' requirements. It also includes the sales of energy.

The Steel segment comprises three operating segments: Mexico, Southern Region and Other markets. These three segments have been aggregated considering the economic characteristics and financial effects of each business activity in which the entity engages; the related economic environment in which it operates; the type or class of customer for the products; the nature of the products; and the production processes. The Mexico operating segment comprises the Company's businesses in Mexico. The Southern region operating segment manages the businesses in Argentina, Paraguay, Chile, Bolivia and Uruguay. The Other markets operating segment includes businesses mainly in Brazil, United States, Colombia, Guatemala, Costa Rica, Honduras, El Salvador and Nicaragua.

The Mining segment includes the sales of mining products, mainly iron ore and pellets, and comprises the mining activities of Las Encinas, an iron ore mining company in which Ternium holds a 100% equity interest and the 50% of the operations and results performed by Peña Colorada, another iron ore mining company in which Ternium maintains that same percentage over its equity interest. Both mining operations are located in Mexico. For Peña Colorada, the Company recognizes its assets, liabilities, revenue and expenses in relation to its interest in the joint operation.

Ternium's Chief Operating Decision Maker (CEO) holds monthly meetings with senior management, in which operating and financial performance information is reviewed, including financial information that differs from IFRS principally as follows:

- The use of direct cost methodology to calculate the inventories, while under IFRS is at full cost, including absorption of production overheads and depreciation.

- The use of costs based on previously internally defined cost estimates, while, under IFRS, costs are calculated at historical cost (with the FIFO method).

- Other timing and non-significant differences.

Most information on segment assets is not disclosed as it is not reviewed by the CODM (CEO).

TERNIUM S.A.
Consolidated
Condensed
Interim Financial
Statements as of
June 30, 2018
and for the
six-month periods
ended June 30,
2018 and 2017

3. SEGMENT INFORMATION (continued)

	Six- month period ended June 30, 2018 (Unaudited)			
	Steel	Mining	Inter-segment eliminations	Total
IFRS				
Net sales	6,094,524	143,469	(142,723)	6,095,270
Cost of sales	(4,477,764)	(107,745)	148,993	(4,436,516)
Gross profit	1,616,760	35,724	6,270	1,658,754
Selling, general and administrative expenses	(476,843)	(8,675)	—	(485,518)
Other operating income, net	(431)	614	—	183
Operating income - IFRS	1,139,486	27,663	6,270	1,173,419
Management view				
Net sales	6,094,524	173,030	(172,284)	6,095,270
Operating income	830,873	61,558	(5,386)	887,045
Reconciliation items:				
Differences in Cost of sales				286,374
Operating income - IFRS				1,173,419
Financial income (expense), net				(228,934)
Equity in earnings of non-consolidated companies				32,349
Income before income tax expense - IFRS				976,834
Depreciation and amortization - IFRS	(251,970)	(27,316)	—	(279,286)

	Six- month period ended June 30, 2017 (Unaudited)			
	Steel	Mining	Inter-segment eliminations	Total
IFRS				
Net sales	4,397,752	118,165	(118,153)	4,397,764
Cost of sales	(3,274,549)	(102,326)	117,236	(3,259,639)
Gross profit	1,123,203	15,839	(917)	1,138,125
Selling, general and administrative expenses	(356,077)	(5,246)	—	(361,323)
Other operating income, net	(20,145)	316	—	(19,829)
Operating income - IFRS	746,981	10,909	(917)	756,973
Management view				
Net sales	4,302,716	132,002	(131,990)	4,302,728
Operating income	476,541	25,996	3,081	505,618

Reconciliation items:				
Differences in Cost of sales				251,355
Operating income - IFRS				756,973
Financial income (expense), net				(107,011)
Equity in earnings of non-consolidated companies				36,573
Income before income tax expense - IFRS				686,535
Depreciation and amortization - IFRS	(182,378)	(23,259)	—	(205,637)

Page 10 of 30

TERNIUM S.A.
Consolidated Condensed Interim Financial Statements as of June 30, 2018 and for the six-month periods ended June 30, 2018 and 2017

3. SEGMENT INFORMATION (continued)

GEOGRAPHICAL INFORMATION

For purposes of reporting geographical information, net sales are allocated based on the customer's location. Allocation of non-current assets is based on the geographical location of the underlying assets.

	Six- month period ended June 30, 2018 (Unaudited)			
	Mexico	Southern region	Other markets (2)	Total
Net sales	3,285,070	1,229,561	1,580,639	6,095,270
Non-current assets (1)	4,032,648	436,283	1,697,288	6,166,219

	Six- month period ended June 30, 2017 (Unaudited)			
	Mexico	Southern region	Other markets	Total
Net sales	2,827,339	1,075,600	494,825	4,397,764
Non-current assets (1)	4,056,941	704,473	230,693	4,992,107

(1) Includes Property, plant and equipment and Intangible assets.
(2) Includes the assets related to the business acquisition disclosed in note 12.

4. COST OF SALES

	Six- month period ended June 30,	
	2018	2017
	(Unaudited)	

Inventories at the beginning of the year	2,550,930