Hợp nhất

YEAH1 GROUP CORPORATION
(formerly known as Youth Embassy Group Corporation)

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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YEAH1 GROUP CORPORATION
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CORPORATE INFORMATION

Enterprise registration certificate	No. 0304592171 dated 12 September 2006 was initially issued by the Department of Planning and Investment of Ho Chi Minh City and the 20th amendment dated 2 February 2018.	
Board of Management	Mr.Nguyen Anh Nhuong Tong	Chairman
	Mr.Dao Phuc Tri	Member
	Mr.Hoang Duc Trung	Member
	Mr.Don Di Lam	Member
Board of Directors	Mr.Dao Phuc Tri	General Director
	Mr.Vo Thai Phong	Financial Director
Legal representative	Mr.Nguyen Anh Nhuong Tong	Chairman
	Mr.Dao Phuc Tri	General Director
Registered office	Floor 1, Mplaza Building, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	
Auditor	PwC (Vietnam) Limited	

YEAH1 GROUP CORPORATION
(formerly known as Youth Embassy Group Corporation)

STATEMENT OF THE RESPONSIBILITY OF THE CHAIRMAN IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Chairman of Yeah1 Group Corporation ("the Company") is responsible for preparing the consolidated financial statements of the Company and its subsidiaries (together, "the Group") which give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of the consolidated results of its operations and its consolidated cash flows for the year then ended. In preparing these consolidated financial statements, the Chairman is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Chairman is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and which enable consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the consolidated financial statements. The Chairman is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

I hereby approve the accompanying consolidated financial statements as set out on pages 5 to 58 which give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.

M.S.D.N.: 0304592171 - C.T.C.P.
CÔNG TY CỔ PHẦN TẬP ĐOÀN YEAH1
THÀNH PHỐ HỒ CHÍ MINH

Nguyen Anh Nhuong Tong
Chairman

Ho Chi Minh City, SR Vietnam
9 April 2018

pwc

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF YEAH1 GROUP CORPORATION (formerly known as Youth Embassy Group Corporation)

We have audited the accompanying consolidated financial statements of Yeah1 Group Corporation ("the Company") and its subsidiaries (together, "the Group") which were prepared on 31 December 2017 and approved by the Chairman on 9 April 2018. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2017, the consolidated income statement and consolidated cash flow statement for the year then ended, and explanatory notes to the consolidated financial statements including significant accounting policies, as set out on pages 5 to 58.

The Chairman's Responsibility to the Consolidated Financial Statements

The Chairman of the Company is responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated financial statements and responsible for internal control which the Chairman determines necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical standards and requirements, and plan and perform the audit in order to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chairman, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PwC (Vietnam) Ltd.
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Auditor's Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2017, its financial performance and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated financial statements.

Other Matter

The independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English copies, the Vietnamese copy shall take precedence.

For and on behalf of PwC (Vietnam) Limited

CÔNG TY TNHH PWC (VIỆT NAM)

Mai Viet Hung Tran Audit Practising Licence No. 0048-2018-006-1 Authorised signatory	Cao Thi Ngoc Loan Audit Practising Licence No. 3030-2017-006-1

Report reference number: HCM7201
Ho Chi Minh City, 9 April 2018

As indicated in Note 2.1 to the consolidated financial statements, the accompanying consolidated financial statements are not intended to present the consolidated financial position, consolidated results of operations and consolidated cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than SR Vietnam, and furthermore their utilisation is not designed for those who are not informed about SR Vietnam's accounting principles, procedures and practices.

YEAH1 GROUP CORPORATION
(formerly known as Youth Embassy Group Corporation)

Form B 01 – DN/HN

CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at 31 December 2017 VND	2016 VND
100	**CURRENT ASSETS**		**435,565,961,714**	**282,410,029,174**
110	**Cash and cash equivalents**	4	**41,931,020,478**	**12,709,269,717**
111	Cash		25,631,020,478	12,709,269,717
112	Cash equivalents		16,300,000,000	-
120	**Short-term investment**		**35,575,296,036**	**26,393,641,314**
123	Investments held-to-maturity	5(a)	35,575,296,036	26,393,641,314
130	**Short-term receivables**		**248,879,625,134**	**175,805,160,007**
131	Short-term trade accounts receivable	6	154,665,886,234	116,883,639,712
132	Short-term prepayments to suppliers	7	32,690,645,652	16,735,994,416
136	Other short-term receivables	8(a)	61,699,493,248	42,211,925,879
137	Provision for doubtful debts – short-term		(176,400,000)	(26,400,000)
140	**Inventories**	9	**74,423,047,793**	**48,146,419,284**
141	Inventories		74,900,593,248	48,623,964,739
149	Provision for decline in value of inventories		(477,545,455)	(477,545,455)
150	**Other current assets**		**34,756,972,273**	**19,355,538,852**
151	Short-term prepaid expenses	10(a)	3,430,490,513	4,302,718,088
152	Value Added Tax to be reclaimed		29,866,508,519	14,815,502,796
153	Other taxes receivable		433,313,641	232,317,968
155	Other current assets		1,026,659,600	5,000,000

The notes on pages 10 to 58 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET
(continued)

Code	ASSETS (continued)	Note	As at 31 December 2017 VND	2016 VND
200	**LONG-TERM ASSETS**		**221,739,383,980**	**72,112,493,010**
210	**Long-term receivable**		**69,699,759,498**	**19,055,983,694**
215	Long-term lending	11	35,864,555,647	-
216	Other long-term receivables	8(b)	33,835,203,851	19,055,983,694
220	**Fixed assets**		**13,024,833,329**	**13,842,367,315**
221	Tangible fixed assets	12(a)	4,450,190,050	4,787,794,357
222	Historical cost		14,428,575,865	13,269,218,546
223	Accumulated depreciation		(9,978,385,815)	(8,481,424,189)
224	Finance lease assets	12(b)	1,925,290,576	2,339,909,488
225	Historical cost		2,833,229,210	2,833,229,210
226	Accumulated depreciation		(907,938,634)	(493,319,722)
227	Intangible fixed assets	12(c)	6,649,352,703	6,714,663,470
228	Historical cost		7,070,435,154	7,066,249,154
229	Accumulated amortisation		(421,082,451)	(351,585,684)
240	**Long-term asset in progress**		**115,475,000**	**2,362,499,998**
242	Construction in progress		115,475,000	2,362,499,998
250	**Long-term investments**		**7,866,659,742**	**250,669,012**
252	Investments in associates	5(b)	400,000,000	400,000,000
253	Investments in other entities	5(c)	7,615,990,730	-
254	Provision for long-term investments	5(b)	(149,330,988)	(149,330,988)
260	**Other long-term assets**		**131,032,656,411**	**36,600,972,991**
261	Long-term prepaid expenses	10(b)	20,385,650,623	36,436,526,142
262	Deferred income tax assets	20	806,924,582	164,446,849
268	Other long-term assets		450,000,000	-
269	Goodwill	13	109,390,081,206	-
270	**TOTAL ASSETS**		**657,305,345,694**	**354,522,522,184**

The notes on pages 10 to 58 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at 31 December 2017 VND	2016 VND
300	**LIABILITIES**		**324,514,900,460**	**244,882,690,807**
310	**Short-term liabilities**		**294,455,248,460**	**220,801,728,381**
311	Short-term trade accounts payable	14	126,325,444,089	69,949,547,074
312	Short-term advances from customers	15	6,575,814,503	2,509,662,344
313	Taxes and other payables to the State Budget	16	25,703,801,902	14,456,904,573
314	Payable to employees		2,921,177,799	36,156,875
315	Short-term accrued expenses	17	9,485,294,990	20,559,877,595
319	Other short-term payables	18	55,974,050,174	31,963,347,357
320	Short-term borrowings and finance lease liabilities	19(a)	67,469,665,003	80,943,866,786
322	Bonus and welfare fund		-	382,365,777
330	**Long-term liabilities**		**30,059,652,000**	**24,080,962,426**
337	Other long-term payables		59,652,000	59,652,000
338	Long-term borrowings and finance lease liabilities	19(b)	30,000,000,000	24,021,310,426
400	**OWNERS' EQUITY**		**332,790,445,234**	**109,639,831,377**
410	**Capital and reserves**		**332,790,445,234**	**109,639,831,377**
411	Owners' capital	21, 22	238,000,000,000	100,000,000,000
411a	*- Ordinary shares with voting rights*		*238,000,000,000*	*100,000,000,000*
412	Share premium	22	24,115,560,000	115,560,000
417	Foreign exchange differences	22	304,613,369	-
421	Undistributed earnings	22	42,111,388,642	1,459,673,264
421a	*- Undistributed post-tax profits of previous years*		-	-
421b	*- Post-tax profit of current year*		*42,111,388,642*	*1,459,673,264*
429	Non-controlling interests	23	28,258,883,223	8,064,598,113
440	**TOTAL RESOURCES**		**657,305,345,694**	**354,522,522,184**

CÔNG TY CỔ PHẦN TẬP ĐOÀN YEAH1 M.S.D.N.: 0304592171 T.C.P THÀNH PHỐ HỒ CHÍ MINH

Tran Thi Lao Chief Accountant/Preparer	Vo Thai Phong Financial Director	Nguyen Anh Nhuong Tong Chairman 9 April 2018

The notes on pages 10 to 58 are an integral part of these consolidated financial statements.

YEAH1 GROUP CORPORATION
(formerly known as Youth Embassy Group Corporation)

Form B 02 – DN/HN

CONSOLIDATED INCOME STATEMENT

Code		Note	Year ended 31 December 2017 VND	2016 VND
01	**Revenue from sales of goods and rendering of services**		**851,561,663,701**	**573,658,640,599**
02	Less deductions		(11,211,754,284)	(11,002,647,373)
10	**Net revenue from sales of goods and rendering of services**	26	**840,349,909,417**	**562,655,993,226**
11	**Cost of goods sold and services rendered**	27	**(593,383,891,696)**	**(408,304,282,009)**
20	**Gross profit**		**246,966,017,721**	**154,351,711,217**
21	Financial income	28	9,628,484,684	4,727,560,216
22	Financial expenses	29	(21,005,915,713)	(17,161,028,824)
23	*- Including: Interest expense*		*(16,183,866,742)*	*(12,780,626,557)*
25	Selling expenses	30	(52,734,972,406)	(54,049,079,430)
26	General and administration expenses	31	(85,596,057,685)	(63,166,438,151)
30	**Net operating profit**		**97,257,556,601**	**24,702,725,028**
31	Other income		13,048,200	224,925,910
32	Other expenses		(1,105,827,678)	(2,818,004,644)
40	**Net other expenses**	32	**(1,092,779,478)**	**(2,593,078,734)**
50	**Net accounting profit before tax**		**96,164,777,123**	**22,109,646,294**
51	**Business income tax - current**	33	**(14,528,122,647)**	**(5,957,206,740)**
52	**Business income tax - deferred**	20, 33	**642,477,733**	**(25,711,558)**
60	**Net profit after tax**		**82,279,132,209**	**16,126,727,996**
	Attributable to:			
61	**Owners of the Company**	22	**58,871,715,378**	**16,144,938,220**
62	**Non-controlling interests**	23	**23,407,416,831**	**(18,210,224)**
70	**Earnings per share**	24	**5,419**	**1,429**

M.S.D.N: 0304592171 – CÔNG TY CỔ PHẦN TẬP ĐOÀN YEAH1 – THÀNH PHỐ HỒ CHÍ MINH

Tran Thi Lao Chief Accountant/Preparer	Vo Thai Phong Financial Director	Nguyen Anh Nhuong Tong Chairman 9 April 2018

The notes on pages 10 to 58 are an integral part of these consolidated financial statements.

YEAH1 GROUP CORPORATION
(formerly known as Youth Embassy Group Corporation)

Form B 03 – DN/HN

CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)

Code		Note	Year ended 31 December 2017 VND	2016 VND
	CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Net accounting profit before tax**		**96,164,777,123**	**22,109,646,294**
	Adjustments for:			
02	Depreciation, amortisation and allocation of goodwill		10,468,914,010	2,175,104,491
03	Provisions/(reversal of provisions)		150,000,000	(13,200,000)
04	Unrealised foreign exchange losses		1,514,914	-
05	Profits from investing activities		(9,536,852,615)	(2,859,497,044)
06	Interest expense		16,183,866,742	12,780,626,557
08	**Operating profit before changes in working capital**		**113,432,220,174**	**34,192,680,298**
09	Increase in receivables		(221,391,958,593)	(32,982,596,531)
10	Increase in inventories		(26,276,628,508)	(32,338,785,725)
11	Increase in payables		164,914,309,012	58,482,823,240
12	Decrease in prepaid expenses		16,923,103,094	18,931,357,564
14	Interest paid		(13,732,248,570)	(17,146,664,957)
15	Business income tax paid	16	(8,231,063,733)	(4,056,874,607)
20	**Net cash inflows from operating activities**		**25,637,732,876**	**25,081,939,282**
	CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets		(417,686,819)	(255,129,995)
22	Proceeds from disposals of fixed assets and long-term assets		1,650,000,000	2,154,545,455
23	Deposits at banks with maturity of more than 3 months		(288,058,623,901)	(4,907,240,250)
24	Collection from deposits at banks with maturity more than 3 months		243,012,413,532	44,804,229,369
25	Investment in other entities		(92,544,790,730)	-
27	Dividends and interest received		9,528,104,975	4,727,560,216
30	**Net cash (outflows)/inflows from investing activities**		**(126,830,582,943)**	**46,523,964,795**
	CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from issuance of shares and capital contribution		33,600,000,000	2,900,000,000
32	Payments for share repurchases		-	(5,242,217,851)
33	Proceeds from borrowings	36(b)	404,150,857,437	272,521,982,403
34	Repayments of borrowings	36(c)	(297,110,841,858)	(331,203,983,277)
35	Finance lease principal repayments	36(c)	(755,527,788)	(755,527,785)
36	Dividends paid		(9,468,372,049)	(4,614,485,944)
40	**Net cash inflows/(outflows) from financing activities**		**130,416,115,742**	**(66,394,232,454)**
50	**Net increase in cash and cash equivalents**		**29,223,265,675**	**5,211,671,623**
60	**Cash and cash equivalents at beginning of year**	4	**12,709,269,717**	**7,497,598,094**
61	Effect of foreign exchange differences		(1,514,914)	-
70	**Cash and cash equivalents at end of year**	4	**41,931,020,478**	**12,709,269,717**

Major non-cash transactions in the year were presented in Note 36.

M.S.D.N: 0304592171 C.T.C.P. CÔNG TY CỔ PHẦN TẬP ĐOÀN YEAH1 THÀNH PHỐ HỒ CHÍ MINH

Tran Thi Lao	Vo Thai Phong	Nguyen Anh Nhuong Tong
Chief Accountant/Preparer	Financial Director	Chairman
		9 April 2018

The notes on pages 10 to 58 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1 GENERAL INFORMATION

Yeah1 Group Corporation (formerly known as Youth Embassy Group Corporation) ("the Company") was established in SR Vietnam pursuant to Enterprise registration certificate No. 0304592171 initially issued by the Department of Planning and Investment of Ho Chi Minh City on 12 September 2006 and the 20th amendment was issued on 2 February 2018.

The principal activities of the Company and its subsidiaries (together, "the Group") include advertising; creativity, entertainment, and artistic production; producing movies, videos, and televised programmes; organising and promoting trade; back-stage activities; non-wireless telecommunication activities; and other telecommunication activities.

The normal business cycle of the Group is 12 months.

As at 31 December 2017, the Group had 328 employees (2016: 204 employees).

1 GENERAL INFORMATION (continued)

As at 31 December 2017, the Company had 13 subsidiaries and 1 associate (2016: 6 subsidiaries and 1 associate) as follows:

No	Name	Place of incorporation and operation	Principal activities	2017 % of ownership	2017 % of voting rights	2016 % of ownership	2016 % of voting rights
	I – Direct subsidiaries						
1	Yeah1 Group Corporation (formerly known as Youth Embassy Group Corporation)	Ho Chi Minh City	Advertising, producing media channels	99.00	99.00	99.00	99.00
2	Yeah1 Brand Name Development Corporation (formerly known as Youth Embassy Brand Name Development Corporation)	Ho Chi Minh City	Advertising, designing websites	99.00	99.00	90.00	90.00
3	Dragon Entertainment Joint Stock Company	Ho Chi Minh City	Advertising, producing films	99.00	99.00	99.00	99.00
4	NVU Joint Stock Company	Ho Chi Minh City	Advertising, producing media channels	90.00	90.00	90.90	90.90
5	SMB Corporation	Ho Chi Minh City	Back-stage activities, film screenings, sound recording and music publishing	85.00	85.00	-	-
6	Film World Trade Joint Stock Company	Ho Chi Minh City	Producing films, telecommunication and advertisements	72.75	72.75	72.75	72.75
7	Yeah1 Film Production and Investment Corporation (formerly known as Youth Embassy Film Production and Investment Corporation)	Ho Chi Minh City	Producing films, telecommunications and advertisements	62.69	62.69	62.69	62.69
8	Netlink Online Communication JSC	Ho Chi Minh City	Creative, art and entertainment activities	51.00	51.00	-	-
9	On+ Communication Corporation	Ho Chi Minh City	Advertisements	51.00	51.00	-	-
	II – Indirect subsidiaries						
10	Yeah1 Network Vietnam Co, Ltd.	Ho Chi Minh City	Advertising, market research and public opinion polling.	90.09	100.00	-	-
11	Netlink Online Corporation (*)	Singapore	Film production, telecommunication and advertising	51.00	100.00	-	-
12	Yeah1 Network PTE. Ltd.	Singapore	Film, video and television programme production activities; creative, art and entertainment activities.	89.10	90.00	-	-
13	TNT Advertising Communication Company Limited	Ho Chi Minh City	Adverstising; trade organisation, introduction and promotion; film, video and television programme production activities; creative, art and entertainment activities.	50.49	51.00	-	-
	III - Associates						
14	Youth Connections Informatics Communication Joint Stock Company	Ho Chi Minh City	Producing films, telecommunication and advertisements	40.00	40.00	40.00	40.00

1 GENERAL INFORMATION (continued)

(*) As at the approval date of these consolidated financial statements, the Group has been in the process of completing the foreign investment procedures for Netlink Online Corporation.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements. The consolidated financial statements have been prepared under the historical cost convention.

The accompanying consolidated financial statements are not intended to present the consolidated financial position and consolidated results of operations and consolidated cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

2.2 Fiscal year

The Group's fiscal year is from 1 January to 31 December.

2.3 Currency

The consolidated financial statements are measured and presented in Vietnamese Dong ("VND").

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the consolidated income statement.

Monetary assets and liabilities denominated in foreign currencies at the consolidated balance sheet date are respectively translated at the buying and selling exchange rates at the consolidated balance sheet date of the commercial banks where the Group regularly trades. Foreign currencies deposited in banks at the consolidated balance sheet date are translated at the buying exchange rate of the banks where the Group opens the foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the consolidated income statement.

Foreign operations

Assets and liabilities of foreign operations are translated into VND at the closing exchange rates at the consolidated balance sheet date. Income and expenses of the foreign operations are translated into VND at the average exchange rate of the accounting period.

Foreign exchange differences arising from the translation of foreign operations are recognised under "Foreign exchange differences" which is under capital and reserves in the consolidated balance sheet.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Basis of consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling transactions and interests

The Group applies a policy for transactions with non-controlling interests ("NCI") as transactions with external parties to the Group.

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

The divestment of the Group's interest in a subsidiary that does not result in a loss of control is accounted for as a transaction with the owners. The difference between the change in the Group's share of net assets of the subsidiary and any consideration paid or received in divestment of the Group's interest in a subsidiary is recorded directly in the undistributed earnings under equity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Basis of consolidation (continued)

Associate

Associate is entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investment in associate is accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associate includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its associate's post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in reserves is recognised in consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains and losses on transactions between the Group and its associate are eliminated to the extent of the Group's interest in associate. Accounting policies of associate have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.5 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition in accordance with current accounting requirements. Goodwill on acquisitions of subsidiaries is recognised as an asset and is amortised on the straight-line basis over its estimated period of benefit but not exceed 10 years.

Goodwill on acquisitions of investments in joint ventures and associates is included in the carrying amount of the investments at the date of acquisition. The Group does not amortise this goodwill.

On disposal of the investments in subsidiaries or associates, the attributable amount of unamortised goodwill is included in the determination of the profit or loss on the disposal.

Goodwill is tested annually for impairment and carried at cost less accumulated amortisation less accumulated impairment losses. If there is evidence that the impairment during the year is higher than the annual goodwill charge, the Group records the impairment immediately in the accounting period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank, cash in transit, demand deposits and other short-term investments with an original maturity of three months or less.

2.7 Trade receivables

Trade receivables are carried at the original invoice amount less an estimate made for doubtful receivables based on a review by the Chairman of all outstanding amounts at the year end. Bad debts are written off when identified.

2.8 Inventories

(a) Television programmes

Television programmes are recognised as inventories and stated at the lower of cost and net realisable value. Cost is determined by the specific identification method and includes the actual cost of purchase, and other costs incurred in bringing the inventories to their present location and condition. Cost of television programme is recorded in cost of services based on the reducing balance method which is determined by the number of broadcast times.

(b) Merchandise

Merchandise is stated at the lower of cost and net realisable value. Cost is determined by the first-in first-out method and includes the actual cost of purchase, and other costs incurred in bringing the inventories to their present location and condition.

(c) Provision for decline in value of investments

Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses. Provision is made, where necessary, for obsolete, slow-moving and defective inventory items.

2.9 Investments

(a) Investments held-to-maturity

Investments held-to-maturity are investments which the Group's Chairman has positive intention and ability to hold until maturity.

Investments held-to-maturity include term deposits for interest earning. Those investments are accounted for at cost less provision.

Provision for diminution in value of investments held-to-maturity is made when there is evidence that part or the whole of the investment is uncollectible.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Investments (continued)

(b) Lending

Lending refers to contractual liabilities between parties. Lending is carried at cost less an estimate made for doubtful lending based on a review by the Chairman of all outstanding amounts at year-end.

(c) Investment in associate

Investment in associate is accounted for using the equity method when preparing the consolidated financial statements (Note 2.4).

(d) Investments in other entities

Investments in other entities are investments in equity instruments of other entities without controlling rights or co-controlling rights, or without significant influence over investees. These investments are initially recorded at cost. Provision for diminution in value of these investments is made when the entities make losses, except when the loss was anticipated in their business plan before the date of investment.

2.10 Fixed assets

Tangible and intangible fixed assets

Fixed assets are stated at historical cost less accumulated depreciation/ amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets.

Depreciation and amortisation

Fixed assets are depreciated and amortised using the straight-line method so as to write off the cost of the assets over their estimated useful lives or over the term of the project. The principal annual rates used are:

Office equipment	10% – 17%
Motor vehicles	10% – 33%
Machinery and equipment	10% – 20%
Computer software	2% – 10%
Patents	2%
Other assets	20%

Land use rights with indefinite useful life are recorded at historical cost and are not amortised.

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are recognised as income or expense in the consolidated income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Fixed assets (continued)

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost. Cost includes professional fees and, for qualifying assets, borrowing costs dealt with in accordance with the Company's accounting policies. Depreciation of these assets, on the same basis as other fixed assets, commences when the assets are ready for their intended use.

2.11 Leased assets

Leases of property, plant and equipment where the lessor has transferred the ownership at the end of the lease period, and transferred substantially the risks and rewards, are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charge, are included in long-term borrowings. The interest element of the finance cost is charged to the consolidated income statement over the lease period. The fixed assets acquired under finance leasing contracts are depreciated over the shorter of the estimated useful life of the assets or the lease term. However, if there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, depreciation is calculated over the estimated useful life of the assets.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the consolidated income statement on a straight-line basis over the term of the lease.

2.12 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments in the consolidated balance sheet and are mainly expenditures for project development, transmission equipment, tools and equipment which are already put to use. Prepaid expenses are recorded at historical cost and allocated using the straight line method over their estimated useful lives.

2.13 Payables

Classifications of payables are based on their nature as follows:

- Trade accounts payable includes trade payables arising from purchase of goods and services.
- Other payables include non-trade payables, and are not related to purchase of goods and services.

Payables are reclassified into long-term and short-term payables in the consolidated balance sheet based on the remaining period from the consolidated balance sheet date to the maturity date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Borrowing costs

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised in the consolidated income statement when incurred.

2.15 Borrowings

Borrowings with a payment term of more than 12 months from the date of the consolidated financial statements are presented as long-term loans. Borrowings fall due for settlement within the next 12 months from the date of the consolidated financial statements are presented as short-term loans. Borrowing expenses that directly relate to borrowings (other than payable interest), such as expenses for verification, audit, application and so on, are recognised in the consolidated income statement when incurred. Where these expenses arise from borrowings for the purposes of investment, construction or production of assets in progress, they shall be capitalized in accordance with the accounting policy stated in Note 2.14.

2.16 Accrued expenses

Accrued expenses include liabilities for goods and services received in the year but not yet paid due to pending invoice or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting period.

2.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provision is not recognised for future operating losses.

Provisions are measured at the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Provision for severance allowances

In accordance with Vietnamese labour laws, employees of the Group who have worked regularly for full 12 months or longer, are entitled to a severance allowance. The working period used for the calculation of severance allowance is the period during which the employee actually works for the Group less the period during which the employee participates in the unemployment insurance scheme in accordance with the labour regulations and the working period for which the employee has received severance allowance from the Group.

The severance allowance is accrued at the end of the reporting period on the basis of a half of an average monthly salary per each working year. The average monthly salary used for calculating the severance allowance is the employee's average salary for the six-month period prior to the consolidated balance sheet date.

This allowance will be paid as a lump sum when the employees terminate their labour contracts in accordance with current regulations.

2.19 Owners' capital

Contributed capital of the shareholders is recorded according to the actual amount contributed and are recorded according to the par value of the share.

Share premium is the difference between the par value and the issue price of shares and the difference between the repurchase price and re-issuing price of treasury shares.

Treasury shares are shares issued by the Group and bought-back by itself, but those are not cancelled and shall be re-issued in the period in accordance with the Law on securities.

Undistributed earnings record the Group's accumulated results after business income tax at the reporting date.

2.20 Appropriation of net profit

Net profit after income tax can be distributed to shareholders after approval at the Annual General Meeting, and after appropriation to the funds in accordance with the Group's charter and Vietnamese regulations.

(a) Dividend distribution

Dividend of the Group is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the shareholders at the Annual General Meeting.

(b) Bonus and welfare fund

Bonus and welfare fund is appropriated from the Group's net profit and subject to shareholders' approval at the Annual General Meeting. This fund's purpose is to bring mutual benefits and improve the welfare of employees.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Revenue recognition

(a) Sales of goods

Revenue from sale of goods is recognised in the consolidated income statement when all five of the following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

Revenue is recognised based on the principle of "substance over form" and allocated to each sales obligation. In case that the Group gives promotional goods to customers associated with customers' purchases, the Group allocates the total consideration received for goods sold and promotional goods. Cost of promotional goods is recognised as cost of sales in the consolidated income statement.

(b) Rendering of services

Revenue from rendering of services is recognised in the consolidated income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from rendering of services is only recognised when all four of the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group;
- The percentage of completion of the transaction at the consolidated balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

(c) Interest income

Interest income is recognised on an earned basis.

(d) Dividend income

Income from dividend is recognised when the Group has established the receiving right from investees.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Sales deductions

Sales deductions include trade discounts, sales returns and allowances. Sales deductions incurred in the same period of the related sales of products, goods and services are recorded as a deduction from revenue in that period.

Sales deductions for products, goods or services which are sold in the year but are incurred after the consolidated balance sheet date but before the issuance of the consolidated financial statements are recorded as a deduction from revenue of in the period.

2.23 Cost of sales and services rendered

Cost of sales and services rendered are mainly production cost of programmes, cost of broadcasting line rental, cost of reception, cost of sharing cooperative advertising activities, cost of television programmes and others and is recorded on the basis of matching with revenue and on prudent concept.

2.24 Financial expenses

Financial expenses are expenses incurred in the year for financial activities including expenses of lending and borrowing, payment discount and losses from foreign exchange differences.

2.25 Selling expenses

Selling expenses represent expenses that are incurred in the process of selling products, goods and providing services, which mainly include market research costs, salary expenses of the selling department, depreciation costs of fixed assets used for the sales department, and others.

2.26 General and administration expenses

General and administration expenses represent expenses for administrative purposes which mainly include salary expenses of administrative staff, expenses of office materials, tools and supplies, depreciation of fixed assets used for administration, utilities and others.

2.27 Current and deferred income tax

Income taxes include all income taxes which are based on taxable profits including profits generated from production and trading activities in other countries with which the Socialist Republic of Vietnam has not signed any double taxation agreement. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profits and the current year tax rates. Current and deferred tax should be recognised as an income or an expense and included in the profit or loss of the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, directly in equity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.27 Current and deferred income tax (continued)

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the consolidated balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.28 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors of the Group and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering a related party relationship, the Group considers the substance of the relationship but not merely the legal form.

2.29 Segment reporting

A segment is a component which can be separated by the Group engaged in providing products or services (business segment), or providing products or services within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Group's business segment or the Group's geographical segment.

Segment reporting is prepared and presented in accordance with accounting policies applied to the preparation and presentation of the Group's consolidated financial statements in order to help users of consolidated financial statements understand and evaluate the Group's operations in a comprehensive way.

3 BUSINESS COMBINATION

(a) Acquisition of TNT Advertising Communication Company Limited

On 15 January 2017, the Group completed its acquisition of 50.49% of interests in and voting rights of TNT Advertising Communication Company Limited at a consideration of VND31,041,419,092.

This business combination impacts to the assets of the Group at the acquisition date as follows:

	Fair values recognised at acquisition date VND
Assets	
Cash and cash equivalents	1,733,120,704
Short-term receivables	38,936,498,021
Other assets	675,466,020
	41,345,084,745
Liabilities	
Liabilities	(41,995,913,178)
Deferred income tax liabilities	(560,526,370)
	(42,556,439,548)
Total identifiable net assets	**(1,211,354,803)**
Goodwill	31,342,617,941
Non-controlling interests	(910,155,954)
Purchase consideration transferred	31,041,419,092
Cash acquired	(1,733,120,704)

As at 31 December 2017, an outstanding payable of VND26,145,419,092 as a result of business combination is recognised in other short-term payables (Note 18).

For the year 2017, the revenue of TNT Advertising Communication Company Limited is VND140,467,300,832.

3 BUSINESS COMBINATION (continued)

(b) Acquistion of a group of companies: Yeah1 Network Pte. Ltd. ("Yeah1 Sing") and Yeah1 Network Vietnam ("Yeah1 VN")

On 30 September 2017, the Group completed its acquisition 90% of interests in and voting rights of Yeah1 Sing at the total consideration of VND1,045,800,000. Through this acquisition, the Group also controlled 90.09% of interests in of Yeah1 VN as Yeah1 Sing held 90% of interest in Yeah1 VN.

This business combination impacts to the assets of the Group at the acquisition date as follows:

	Fair values recognised at acquisition date VND
Assets	
Cash and cash equivalents	3,535,717,588
Trade accounts receivable	35,867,659,895
Short-term receivables	2,443,391
	39,405,820,874
Liabilities	
Trade accounts payable	(43,201,973,627)
Other liabilities	(89,301,977)
	(43,291,275,604)
Total identifiable net assets	**(3,885,454,730)**
Goodwill	4,594,770,347
Non-controlling interests	(445,691,125)
Purchase consideration transferred	1,045,800,000
Cash acquired	(3,535,717,588)

For the year 2017, the revenue of Yeah1 Sing is VND357,354,960,331. The revenue from 1 October 2017 to 31 December 2017 of Yeah1 Sing is VND127,230,683,368.

3 BUSINESS COMBINATION (continued)

(c) Acquistion of a group of companies: Netlink Online Communication Joint Stock Company ("Netlink") and Netlink Online Corporation ("Netlink Sing")

On 1 July 2017, the Group completed its acquisition 51.00% of interests in and voting rights of Netlink at the total consideration of VND86,344,882,866. Through this acquisition, the Group also controlled Netlink Sing as Netlink held 100% of interest in Netlink Sing.

This business combination impacts to the assets of the Group at the acquisition date as follows:

	Fair values recognised at acquisition date VND
Assets	
Cash and cash equivalents	4,020,954,595
Investment in other entities	13,616,182,469
Short-term receivables	4,107,861,745
Tangible fixed assets	1,924,362,158
Other assets	490,294,382
	24,159,655,349
Liabilities	
Trade accounts payable	(12,231,850,158)
Deferred income tax liabilities	(126,131,553)
Borrowings and finance lease liabilities	(2,858,380,669)
Other liabilities	(1,913,719,061)
	(17,130,081,441)
Total identifiable net assets	**7,029,573,908**
Goodwill	80,508,001,080
Non-controlling interests	(1,192,692,122)
Purchase consideration transferred	86,344,882,866
Cash acquired	(4,020,954,595)

3 BUSINESS COMBINATION (continued)

(c) Acquistion of a group of companies: Netlink Online Communication Joint Stock Company ("Netlink") and Netlink Online Corporation ("Netlink Sing") (continued)

As at 31 December 2017, the outstanding payables of VND7,447,882,866 as a result of the business combination is recognised in other short-term payables (Note 18).

The revenue of the year 2017 of "Netlink" and "Netlink Sing" is VND199,953,216,973. The revenue from the acquisition date to 31 December 2017 of "Netlink" and "Netlink Sing" is VND145,725,950,262.

4 CASH AND CASH EQUIVALENTS

	2017 VND	2016 VND
Cash on hand	1,884,713,846	550,614,124
Cash at bank	23,746,306,632	12,158,655,593
Cash equivalents (*)	16,300,000,000	-
	41,931,020,478	12,709,269,717

(*) Cash equivalents are term deposits in Vietnamese Dong at commercial banks with an original maturity of 3 months or less and earn interest at rates from 4.5% to 5.3% per annum.

5 FINANCIAL INVESTMENTS

(a) Investments held-to-maturity

	2017		2016	
	Historical cost VND	Net book value VND	Historical cost VND	Net book value VND
Term deposits	35,575,296,036	35,575,296,036	26,393,641,314	26,393,641,314

The term deposits represent bank deposits with remaining maturity from six to twelve months at the commercial banks, and earn interest from 5.0% to 7.0% per annum (as at 31 December 2016: from 5.0% to 6.8% per annum). These term deposits were pledged as collateral assets for the short-term bank borrowing (Note 19(a)).

5 FINANCIAL INVESTMENTS (continued)

(b) Investment in associate

		2017				2016			
Company name	Principal activities	Ownership and voting rights %	Historical cost VND	Fair value VND	Provision VND	Ownership and voting rights %	Historical cost VND	Fair value VND	Provision VND
Youth Connections Informatics Communication Joint Stock Company	Producing films, telecommunication and advertisements	40	400,000,000	(*)	149,330,988	40	400,000,000	(*)	149,330,988

(*) As at 31 December 2017, the fair value of this investment was not available as this entity was not listed on the stock exchange. However, the Chairman believes that the fair value of this investment is higher than its book value.

(c) Investment in other equities

		2017				2016			
Company name	Principal activities	Ownership and voting rights %	Historical cost VND	Fair value VND	Provision VND	Ownership and voting rights %	Historical cost VND	Fair value VND	Provision VND
Zmedia Joint Stock Company	Advertising activities	15	7,500,000,000	(**)	-	-	-	-	-
Springme Corporation	Portal, telecommunication and advertisings	19	115,990,730	(**)	-	-	-	-	-
			7,615,990,730	(**)	-		-	-	-

(**) As at 31 December 2017, the fair values of these investments were not available as these entities were not listed on the stock exchange. However, the Chairman believes that the fair values of these investments are higher than their book value.

6 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	2017 VND	2016 VND
Third parties		
Google Asia Pacific Pte., Ltd.	81,258,215,510	-
WPP Media Co., Ltd. (*)	21,937,890,097	-
Facebook Ireland Limited	4,815,407,740	-
Aegis Media (VietNam) Co., Ltd.	3,630,533,275	-
TKL Communication Joint Stock Company (*)	3,011,047,000	-
MCV Corporation	2,261,490,000	8,935,377,501
Beta Media Corporation	1,524,531,568	11,369,719,245
Dat Viet VAC Group Holding (*)	326,711,154	5,950,956,234
Galaxy Studio Corporation	33,691,365	7,240,997,292
Global Call Corporation	-	48,437,189,683
Others	35,161,723,068	34,617,974,757
Related parties (Note 37(b))	704,645,457	331,425,000
	154,665,886,234	116,883,639,712

(*) As at 31 December 2017, these short-term trade receivables were pledged with banks as collateral assets for the short-term borrowings granted to the Group (Note 19(a)).

As at 31 December 2017 and 31 December 2016, balances of short-term trade accounts receivable that was past due were VND550,697,280 and VND400,697,280, respectively.

7 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	2017 VND	2016 VND
Long Ngoc Chau Co., Ltd.	18,202,244,105	-
Ho Chi Minh City Television Station	5,000,000,000	-
Da Phuong Tien Chau A Media Co., Ltd.	2,965,896,616	-
Da Phuong Tien VINACJ Entertainment Media Joint Stock company	2,800,000,000	-
Color Media Joint Stock Company	-	7,527,954,388
Vietnam Television Cable Co., Ltd.	-	2,916,666,667
Foneviet Co., Ltd.	-	1,363,438,086
Others	3,722,504,931	4,927,935,275
	32,690,645,652	16,735,994,416

8 OTHER RECEIVABLES

(a) Short-term

	2017 VND	2016 VND
Third parties		
Profits shared from business cooperation	2,806,543,782	4,085,304,711
Advances to employees (*)	28,176,664,809	6,562,381,628
Others	23,580,840,304	7,865,119,817
Related parties (Note 37(b))	7,135,444,353	23,699,119,723
	61,699,493,248	42,211,925,879

(*) As at 31 December 2017, the balance of advances to employees mainly represents the advance of VND26,555,206,429 to Mr. Truong Huynh Khai Nguyen - General Director of a subsidiary of the Group for the operation business purpose of that subsidiary.

(b) Long-term

	2017 VND	2016 VND
Third parties		
Receivables from business cooperation contract (*)	17,500,000,000	17,500,000,000
Others	4,158,491,523	1,555,983,694
Related parties (Note 37(b))		
Guarantee deposit (**)	8,000,000,000	-
Mr. Vo Thai Phong	4,176,712,328	-
	33,835,203,851	19,055,983,694

(*) This is a business cooperation contract relating to the investment, construction and business of Hung Vuong Square Project at 100 Hung Vuong Street, Ward 9, District 5, Ho Chi Minh City between the Company and Tan An Dong Sai Gon Company (formerly known as Mai Huong Huong Service and Trading Company Limited). The total investment value of the project is VND50 billion, in which, the Company agreed to contribute 35% of the total investment, equivalent to VND17.5 billion and the project owner agreed to contribute 65% of the total investment, equivalent to VND32.5 billion. The revenue sharing is based on the annual revenue of the project, according to which, the project owner shall commit to share 5.5% of the annual revenue of the project to the Company during the useful life of the business cooperation contract or minimum of 15% of the total investment if there is no revenue incurred. As at the approval of these consolidated financial statements date, the liquidation procedures for these contracts have still been in progress.

(**) This is the guarantee deposit for the contract signed between the Company and Vietnam Online Service Trade Joint Stock Company, a related party of the Group (Note 37(b)).

As at 31 December 2017 and 31 December 2016, there was no balance of other short-term and long-term receivables that was past due or not past due but doubtful.

9 INVENTORIES

	2017		2016	
	Cost VND	Provision VND	Cost VND	Provision VND
Work in progress	58,572,129,249	-	7,157,000,000	-
Broadcasting TV programmes broadcast - unapproved	-	-	4,600,000,000	-
Merchandise	12,428,827,437	(477,545,455)	24,808,650,018	(477,545,455)
Films in progress	3,583,873,675	-	11,977,362,340	-
Film copyrights	-	-	80,952,381	-
	74,900,593,248	(477,545,455)	48,623,964,739	(477,545,455)
Provision for decline in value of inventories	(477,545,455)		(477,545,455)	
	74,423,047,793		48,146,419,284	

10 PREPAID EXPENSES

(a) Short-term

	2017 VND	2016 VND
Prepaid service expenses (*)	2,116,019,458	3,683,088,357
Tools and supplies	1,266,471,055	-
Others	48,000,000	619,629,731
	3,430,490,513	4,302,718,088

Movement of short-term prepaid expenses during the year is as follows:

	2017 VND	2016 VND
Beginning of year	4,302,718,088	5,171,766,789
Increase	7,233,413,382	13,659,380,075
Allocation during the year	(8,105,640,957)	(14,528,428,776)
End of year	3,430,490,513	4,302,718,088

10 PREPAID EXPENSES (continued)

(b) Long-term

	2017 VND	2016 VND
Expenditures of channel project development	13,636,363,635	-
Prepaid service expenses (*)	4,987,498,435	35,595,250,890
Others	1,761,788,553	841,275,252
	20,385,650,623	36,436,526,142

Movement of long-term prepaid expenses during the year is as follows:

	2017 VND	2016 VND
Beginning of year	36,436,526,142	11,923,802,172
Increase	3,649,083,421	45,768,273,025
Allocation	(19,699,958,940)	(21,255,549,055)
End of year	20,385,650,623	36,436,526,142

(*) Prepaid service expenses mainly include the connection cost and the TV program copyright cost which have been prepaid to the Group's suppliers.

11 LONG-TERM LENDING

The amount represents lending to a related party, Mr. Vo An Phong, with a term of 48 months and credit limit of VND43,000,000,000. The lending is secured by an 18-month term saving deposit of VND30,000,000,000 at Ho Chi Minh City Development Joint Stock Commercial Bank and all shares of Mr. Vo Thai Phong in the Company. The lending earns interest at the rate of 10% per annum (Note 37(b)).

12 FIXED ASSETS

(a) Tangible fixed assets

	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Historical cost					
As at 1 January 2017	903,707,775	9,078,588,685	3,204,909,091	82,012,995	**13,269,218,546**
Purchase during the year	-	743,700,000	253,091,819	49,120,000	**1,045,911,819**
Increase from business combination	-	3,520,250,000	113,445,500	-	**3,633,695,500**
Disposals	-	(3,520,250,000)	-	-	**(3,520,250,000)**
As at 31 December 2017	903,707,775	9,822,288,685	3,571,446,410	131,132,995	**14,428,575,865**
Accumulated depreciation					
As at 1 January 2017	730,425,178	5,787,108,594	1,952,955,353	10,935,064	**8,481,424,189**
Increase from business combination	-	614,882,142	50,809,900	-	**665,692,042**
Charge for the year	80,617,098	2,442,830,050	170,417,480	16,402,596	**2,710,267,224**
Disposals	-	(1,878,997,640)	-	-	**(1,878,997,640)**
As at 31 December 2017	811,042,276	6,965,823,146	2,174,182,733	27,337,660	**9,978,385,815**
Net book value					
As at 1 January 2017	173,282,597	3,291,480,091	1,251,953,738	71,077,931	**4,787,794,357**
As at 31 December 2017	92,665,499	2,856,465,539	1,397,263,677	103,795,335	**4,450,190,050**

As at 31 December 2017, tangible fixed assets with carrying value of VND2,786,420,831 (as at 31 December 2016: VND1,363,273,463) were pledged with banks as collateral assets for short-term borrowings granted to the Group (Note 19(a)).

Historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2017 was VND4,650,656,233 (as at 31 December 2016: ND3,057,194,021).

12 FIXED ASSETS (continued)

(b) Finance lease assets

	Machinery and equipment VND
Historical cost	
As at 1 January 2017 and 31 December 2017	2,833,229,210
Accumulated depreciation	
As at 1 January 2017	493,319,722
Charge for the year	414,618,912
As at 31 December 2017	907,938,634
Net book value	
As at 1 January 2017	2,339,909,488
As at 31 December 2017	1,925,290,576

(c) Intangible fixed assets

	Land use rights VND	Patents VND	Computer Software VND	Total VND
Historical cost				
At 1 January 2017	4,500,000,000	2,524,382,154	41,867,000	**7,066,249,154**
Other addition	-	-	4,186,000	**4,186,000**
At 31 December 2017	4,500,000,000	2,524,382,154	46,053,000	**7,070,435,154**
Accumulated amortisation				
At 1 January 2017	-	348,794,552	2,791,132	**351,585,684**
Charge for the year	-	60,076,872	9,419,895	**69,496,767**
At 31 December 2017	-	408,871,424	12,211,027	**421,082,451**
Net book value				
At 1 January 2017	4,500,000,000	2,175,587,602	39,075,868	**6,714,663,470**
At 31 December 2017	4,500,000,000	2,115,510,730	33,841,973	**6,649,352,703**

13 GOODWILL

	2017 VND	2016 VND
Beginning of year	-	-
Increase (*)	116,445,389,368	-
Allocation	(7,274,531,107)	-
Foreign exchange difference	219,222,944	-
End of year	109,390,081,206	-

(*) Details of goodwill arising from business combination during the year and the estimated allocation periods are as follows:

	Goodwill VND	Allocation period (Year)
TNT Advertising Communication Company Limited	31,342,617,941	10
Yeah1 Network Pte. Ltd.	4,594,770,347	10
Netlink Online Communication Joint Stock Company	80,508,001,080	10
	116,445,389,368	

14 SHORT-TERM TRADE ACCOUNTS PAYABLE

	2017 VND	2016 VND
Third parties		
Coinmarket Cap LLC.	38,246,813,010	-
Can Tho Television and Radio Station	17,658,982,721	-
Color Media Joint Stock Company	14,833,777,265	-
Vietnam Television Cable Company Limited	9,903,277,000	7,358,231,073
World Star Advertising Joint Stock Company	6,097,960,718	-
Da Phuong Tien VINACJ Entertainment Media Joint Stock Company	3,011,939,689	8,598,813,650
Long Ngoc Chau Company Limited	-	18,329,280,659
Da Phuong Tien Chau A Media Company Limited	-	10,282,143,612
Foneviet Company Limited	-	5,268,457,534
Others	36,572,693,686	20,112,620,546
	126,325,444,089	69,949,547,074

As at 31 December 2017 and 31 December 2016, the Group did not have any short-term trade accounts payable which are past due.

15 SHORT-TERM ADVANCES FROM CUSTOMERS

	2017 VND	2016 VND
Third parties		
WPP Media Company Limited	2,770,700,000	-
Others	3,805,114,503	2,509,662,344
	6,575,814,503	2,509,662,344

16 TAXES AND OTHER PAYABLES TO THE STATE BUDGET

	2017 VND	2016 VND
Value added tax	12,279,347,308	7,283,360,663
Business income tax	12,209,453,481	5,912,394,567
Personal income tax	977,750,533	1,261,149,343
Others	237,250,580	-
	25,703,801,902	14,456,904,573

Movements in taxes and other payables to the State Budget during the year are as follows:

	As at 1.1.2017 VND	Payable during the year VND	Settled/Net-off during the year VND	As at 31.12.2017 VND
Value added tax	7,283,360,663	40,317,071,691	(35,321,085,046)	12,279,347,308
Business income tax	5,912,394,567	14,528,122,647	(8,231,063,733)	12,209,453,481
Personal income tax	1,261,149,343	1,506,329,921	(1,789,728,731)	977,750,533
Others	-	237,250,580	-	237,250,580
	14,456,904,573	56,588,774,839	(45,341,877,510)	25,703,801,902

17 SHORT-TERM ACCRUED EXPENSES

	2017 VND	2016 VND
Interest expense	3,992,579,771	1,540,961,599
Cost of film launching	2,657,341,354	2,587,201,318
Shared profits from advertising activities	1,177,026,996	1,805,464,722
Business cooperation fee on VTC4 channel	442,929,739	7,796,291,200
Salary and bonus accrual	387,870,500	1,621,048,622
Royalty fee	-	3,850,792,898
Others	827,546,630	1,358,117,236
	9,485,294,990	20,559,877,595

18 OTHER SHORT-TERM PAYABLES

	2017 VND	2016 VND
Third parties		
Business cooperation contracts (*)	5,853,801,792	26,073,765,826
Investment in subsidiaries	33,593,301,958	-
Others	16,460,735,006	5,860,035,844
Related parties (Note 37(b))	66,211,418	29,545,687
	55,974,050,174	31,963,347,357

(*) In 2017, a subsidiary of the Group signed business cooperation contracts with certain companies and individuals to produce films under non-legal entities arrangements. This subsidiary will use the capital from these investors to produce films itself or be representative to sign business cooperation contracts with other film producers. After the films are launched, based on the investment value, the parties will share the profit before tax from those films.

19 BORROWINGS AND FINANCE LEASE LIABILITIES

(a) Short-term borrowings and finance lease liabilities

	As at 1.1.2017 VND	Increase VND	Current portion of long-term loan VND	Decrease VND	As at 31.12.2017 VND
Bank loans					
Ho Chi Minh Development Joint Stock Bank (i)	48,604,152,609	147,640,741,506	-	(163,175,419,097)	33,069,475,018
United Overseas Bank Vietnam (ii)	31,657,306,830	112,730,115,931	-	(110,537,422,761)	33,850,000,000
Current portion of finance lease (iii)	682,407,347	-	623,310,426	(755,527,788)	550,189,985
	80,943,866,786	260,370,857,437	623,310,426	(274,468,369,646)	67,469,665,003

(i) The loans from Ho Chi Minh Development Joint Stock Bank ("HDBank") - Nguyen Dinh Chieu Branch are loans under Contract No. 2679/17/HDTDHM-DN/168 signed on 9 March 2017 with a credit limit of VND45 billion; Contract No. 2678/17/HĐTDTM-DN/168 signed on 9 March 2017 with a credit limit of VND30 billion; Contract No. 4275/17/HĐTDTM-PN/168 signed on 21 March 2017 with a credit limit of VND30 billion and Contract No. 2680/17/HĐTDTM-DN/168 signed on 9 March 2017 with a credit limit of VND15 billion. All the contracts have credit terms of 12 months from the signing dates for the purpose of working capital supplement. The loans bear interest at the rates ranging from 8 - 12% per annum which are adjusted for each drawdown based on lending interest rates announced by HD Bank in each period. The collateral assets for the loans include four cars of the Company; debt conversion rights stipulated in the contract signed between WPP Communications Company Limited and Saatchi & Saatchi Vietnam Joint Venture Company Limited; property at No.826, 828, Suoi Cat Street, Thanh Tuyen Commune, Dau Tieng District, Binh Duong Province and bank deposits at HDBank.

19 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

(a) Short-term borrowings and finance lease liabilities (continued)

(ii) This is a borrowing in Vietnamese Dong with maturity of one year from the date of the loan contract and credit limit of US$2,000,000. The borrowing bears interest at the rate of 3% per annum. The collateral assets include the obligation to maintain bank deposits that are equivalent to at least 50% of each drawdown and other individual collateral assets of US$2,000,000 owned by Mr. Nguyen Anh Nhuong Tong and Mr. Dao Phuc Tri.

(iii) Finance lease liabilities are from Chailease International Leasing Company Limited under Contract No. B150308102 with credit term of 36 months from 14 October 2015. This finance lease liabilities bear interest at the rate of 10% per annum and are repaid on a monthly basis. At the end of the lease period, the lessee has the right to purchase the leased asset at its carrying value.

19 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

(b) Long-term borrowings and finance lease liabilities

	As at 1.1.2017 VND	Increase VND	Current portion of long-term loans VND	Repayment during the year VND	Other decrease VND	As at 31.12.2017 VND
Bank loans						
Ho Chi Minh Development Joint Stock Bank (iv)	-	30,000,000,000	-	-	-	30,000,000,000
Convertible bonds (v)	-	113,780,000,000	-	-	(113,780,000,000)	-
Issued bonds	24,883,000,000	-	-	(24,883,000,000)	-	-
Finance leases	623,310,426	-	(623,310,426)	-	-	-
Cost of issuance bonds	(1,485,000,000)		-	1,485,000,000	-	-
	24,021,310,426	143,780,000,000	(623,310,426)	(23,398,000,000)	(113,780,000,000)	30,000,000,000

(iv) The loan from Ho Chi Minh Development Joint Stock Bank ("HD Bank" – Dong Nai Branch) is under Contract No. 9908/16/HĐTDDH-DN/140/ĐNGN-KUNN/01 signed on 16 January 2017 with a credit limit of VND30,000,000,000. The loan has a credit term of 36 months from the signing date for the purpose of working capital supplement for the Webmoney Vietnam project cooperated with Vietnam Online Service Trade Joint Stock Company ("VNO"). The loan bears interest at the rate of 9,3% per annum which is adjusted every three months. The collateral asset for the loan is the term deposit of VNO.

19 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

(b) Long-term borrowings and finance lease liabilities (continued)

(v) During the year, the Company issued 113,780 convertible bonds at par value of VND1,000,000 and bear interest at the rate of 7% per annum. As at 31 December 2017, all the bonds were repurchased by the Company at par value from bondholders including VND68,268,000,000 from Ancla Asset Limited and VND45,512,000,000 from 6 major shareholders of the Company.

Movements in convertible bonds during the year are as follows:

	2017 VND	2016 VND
Beginning of year	-	-
Increase from new issues	113,780,000,000	-
Repurchase	(113,780,000,000)	-
End of year	-	-

20 DEFERRED INCOME TAX ASSETS

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

The detail of deferred income tax assets are as follows:

	2017 VND	2016 VND
Deferred tax assets:		
Deferred tax assets to be recovered within 12 months	806,924,582	164,446,849

The movement in the deferred income tax assets during the year is as follows:

	2017 VND	2016 VND
Beginning of year	164,446,849	190,158,407
Consolidated income statement charge/(credited) (Note 33)	642,477,733	(25,711,558)
End of year	806,924,582	164,446,849

Deferred income tax assets mainly arise from deductive temporary differences from provisions and prepaid expenses.

21 OWNERS' CAPITAL

(a) Number of shares

	2017 Ordinary shares	2016 Ordinary shares
Number of shares registered	23,800,000	10,000,000
Number of shares issued	23,800,000	10,000,000
Number of shares repurchased	-	-
Number of existing shares in circulation	23,800,000	10,000,000

(b) Details of owners' shareholding

	31.12.2017		31.12.2016	
	Ordinary shares	%	Ordinary shares	%
Mr. Nguyen Anh Nhuong Tong	9,853,399	41.4	5,052,017	50.52
DFJ VinaCapital Venture Investment Ltd.	8,499,637	35.71	4,016,824	40.17
Ancla Assets Ltd.	2,973,260	12.49	-	-
Mr. Dao Phuc Tri	1,039,498	4.37	529,908	5.30
Other shareholders	1,434,206	6.03	401,251	4.01
Number of shares	23,800,000	100	10,000,000	100

(c) Movement of share capital

	Number of share capital	Ordinary shares VND	Total VND
As at 1 January 2016	9,750,000	97,500,000,000	**97,500,000,000**
New shares issued	250,000	2,500,000,000	**2,500,000,000**
As at 31 December 2016	10,000,000	100,000,000,000	**100,000,000,000**
New shares issued	13,800,000	138,000,000,000	**138,000,000,000**
As at 31 December 2017	23,800,000	238,000,000,000	**238,000,000,000**

Par value per share: VND10,000.

22 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Treasury shares VND	Foreign exchange differences VND	Undistributed earnings VND	Total VND
As at 1 January 2016	97,500,000,000	115,560,000	(4,380,000,000)	-	1,436,952,895	**94,672,512,895**
Profit for the year	-	-	-	-	16,144,938,220	**16,144,938,220**
Capital increase during the year	2,500,000,000	-	-	-	(2,500,000,000)	**-**
Purchase of treasury shares	-	-	(5,242,217,851)	-	-	**(5,242,217,851)**
Reissuance of treasury shares	-	-	9,622,217,851	-	(9,622,217,851)	**-**
Dividend paid	-	-	-	-	(4,000,000,000)	**(4,000,000,000)**
As at 31 December 2016	100,000,000,000	115,560,000	-	-	1,459,673,264	**101,575,233,264**
Profit for the year	-	-	-	-	58,871,715,378	**58,871,715,378**
Dividend paid by shares (i)	18,220,000,000	-	-	-	(18,220,000,000)	**-**
Issuance of shares to current shareholders (ii)	113,780,000,000	-	-	-	-	**113,780,000,000**
Issuance of shares to employees (iii)	6,000,000,000	24,000,000,000	-	-	-	**30,000,000,000**
Foreign exchange differences	-	-	-	304,613,369	-	**304,613,369**
As at 31 December 2017	238,000,000,000	24,115,560,000	-	304,613,369	42,111,388,642	**304,531,562,011**

22 MOVEMENTS IN OWNERS' EQUITY (continued)

(i) According to Resolution No. 2017A.2017/YEG/NQ and No. 2017C.2017/YEG/NQ of the Shareholders at the Annual Generral Meeting to increase the charter capital of the Company from the 2016 and 2017 undistributed earnings.

(ii) According to Resolution No. 2017A.2017/YEG/NQ of the Shareholders at the Annual General Meeting to issue 11,378,000 ordinary shares at par value of VND10,000 per share to the Company's existing shareholders.

(iii) According to Resolution No.2017A. 2017/YEG/NQ of the Shareholders at the Annual General Meeting to increase the charter capital through the issuance of 600,000 ordinary shares with par value of VND10,000 per share at the issuance price of VND50,000 per share to its employees and investors.

23 NON-CONTROLLING INTERESTS ("NCI")

Movements in NCI are as follows:

	2017 VND	2016 VND
Beginning of year	8,064,598,113	6,593,127,115
Increase from business combination	2,644,794,136	-
Profit/(loss) attributable to NCI	23,407,416,831	(18,210,224)
Capital contribution from NCI	3,600,000,000	2,900,000,000
Capital decreased	-	(795,832,834)
Dividend paid	(9,468,372,049)	(614,485,944)
Foreign exchange difference	10,446,192	-
End of year	28,258,883,223	8,064,598,113

24 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the bonus and welfare funds by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares repurchased by the Company and held as treasury shares:

	2017	**2016**
Net profit attributable to shareholders (VND)	58,871,715,378	16,144,938,220
Weighted average number of ordinary shares in issue (shares)	10,864,548	11,300,383
Basic earnings per share (VND)	5,419	1,429

Diluted earnings per share: the Company has not had potential shares which will be dilutive of earnings per share up to the date of these consolidated financial statements.

25 OFF BALANCE SHEET ITEMS

(a) Foreign currencies

Included in cash and cash equivalents are balances held in foreign currencies of US$56,316, SGN$221,030 and 54 tale of gold (as at 31 December 2016: US$3 and 54 tale of gold).

(b) Commitments under operating lease

The future minimum lease payable under non-cancellable operating lease as at 31 December 2017 is VND233,593,397,539 (as at 31 December 2016: VND VND109,565,569,701). Details are presented in Note 38.

(c) Capital expenditure commitment

As at 31 December 2017, the Group had commitments to contribute capital in the future according to business cooperation contracts with an amount of VND43,116,703,751 (as at 31 December 2016: VND1,509,207,865). Details are presented in Note 39.

26 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	2017 VND	2016 VND
Revenue from sales of goods and rendering of services		
Revenue from advertisements	371,671,695,120	343,896,801,615
Revenue from programme broadcasts on digital platform	293,016,261,536	196,839,594,461
Revenue from television programme production	105,265,002,553	13,714,285,716
Revenue from film copyright	39,698,299,191	3,998,219,013
Revenue from rendering of service	13,419,234,239	8,205,830,615
Revenue from lease of premises	347,181,821	301,295,454
Others	28,143,989,241	6,702,613,725
	851,561,663,701	573,658,640,599
Sales deductions		
Trade discounts	(11,211,754,284)	(11,002,647,373)
Net revenue from sales of goods and rendering of services		
Net revenue from advertisements	360,459,940,836	332,894,154,242
Net revenue from programmes broadcast on digital platforms	293,016,261,536	196,839,594,461
Net revenue from television programme production	105,265,002,553	13,714,285,716
Net revenue from film copyright	39,698,299,191	3,998,219,013
Net revenue from rendering of services	13,419,234,239	8,205,830,615
Net revenue from lease of premises	347,181,821	301,295,454
Others	28,143,989,241	6,702,613,725
	840,349,909,417	562,655,993,226

27 COST OF GOODS SOLD AND SERVICES RENDERED

	2017 VND	2016 VND
Production cost of programmes	439,743,802,584	304,079,813,043
Cost of channel rental	88,765,690,906	10,661,598,487
Cost of reception	25,226,439,392	49,010,747,094
Cost of film production	8,151,038,997	4,846,545,456
Cost of film copyright	6,682,693,594	25,352,173,202
Cost of view measurement	6,345,000,000	6,023,999,999
Others	18,469,226,223	8,329,404,728
	593,383,891,696	408,304,282,009

28 FINANCIAL INCOME

	2017 VND	2016 VND
Interest income from deposits	9,528,104,975	2,158,810,216
Realised foreign exchange gains	98,234,058	-
Income from investments	-	2,568,750,000
Others	2,145,651	-
	9,628,484,684	4,727,560,216

29 FINANCIAL EXPENSES

	2017 VND	2016 VND
Interest expense	16,115,626,007	12,589,018,312
Payment discounts	1,810,016,118	4,380,402,267
Cost of finance leases	68,240,735	191,608,245
Unrealised foreign exchange losses	1,514,914	-
Others	3,010,517,939	-
	21.005.915.713	17,161,028,824

30 SELLING EXPENSES

	2017 VND	2016 VND
Market research	26,625,452,217	36,246,285,742
Staff cost	13,236,520,283	7,526,387,491
Outside expenses service cost	9,581,761,562	6,653,143,261
Depreciation	338,266,832	456,652,445
Others	2,952,971,512	3,166,610,491
	52,734,972,406	54,049,079,430

31 GENERAL AND ADMINISTRATION EXPENSES

	2017 VND	2016 VND
Staff cost	35,183,659,072	25,304,870,681
Outside service cost	33,102,763,801	20,900,756,339
Goodwill allocation (Note 13)	7,274,531,107	-
Prepaid expense allocation	4,310,226,574	5,648,115,182
Depreciation and amortisation	2,266,032,979	1,786,258,201
Others	3,458,844,152	9,526,437,748
	85,596,057,685	63,166,438,151

32 NET OTHER INCOME AND EXPENSES

	2017 VND	2016 VND
Other income		
Gains on disposal of fixed assets	8,747,640	23,982,275
Others	4,300,560	200,943,635
	13,048,200	224,925,910
Other expenses		
Loss on disposal of fixed assets	-	(1,892,045,447)
Administrative penalty	(201,271,349)	(461,454,755)
Others	(904,556,329)	(464,504,442)
	(1,105,827,678)	(2,818,004,644)
Net other expenses	**(1,092,779,478)**	**(2,593,078,734)**

33 BUSINESS INCOME TAX

The tax on the Group's accounting profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% as follows:

	2017 VND	2016 VND
Net accounting profit before tax	96,164,777,123	22,109,646,294
Tax calculated at a rate of 20%	19,232,955,425	7,392,404,174
Effect of:		
Income not subject to tax	(3,771,939,813)	(1,716,416,042)
Non-deductible expenses for tax purposes	1,564,360,898	219,818,784
Utilisation of previously unrecognised tax losses	(1,306,800,461)	-
Temporary difference for which no deferred income tax has been recognised	(990,684,078)	-
Tax preference	(1,009,879,829)	-
Tax losses for which no deferred income tax asset have been recognised	167,632,772	-
Under-provision from previous year	-	87,111,382
Business income tax charge (*)	13,885,644,914	5,982,918,298
Charged/(credited) to consolidated income statement:		
Business income tax – current	14,528,122,647	5,957,206,740
Business income tax – deferred	(642,477,733)	25,711,558
	13,885,644,914	5,982,918,298

(*) The business income tax charge from the year is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

34 COST OF OPERATION BY FACTOR

	2017 VND	2016 VND
Raw materials	601,540,117,690	404,052,957,763
Outside service expenses	67,565,567,250	80,806,149,542
Staff costs	48,420,179,355	32,831,258,172
Goodwill allocation	7,274,531,107	-
Tools	4,310,226,574	5,654,329,622
Depreciation and amortisation	2,604,299,811	2,175,104,491
	731,714,921,787	525,519,799,590

35 SEGMENT REPORTING

(a) Business activity segments

Information on segment revenue and cost of sales based on the activities of the Group are as follows:

2017	Advertising VND	Broadcast on digital infrastructure VND	Selling programmes VND	Film patents VND	Others VND	Total VND
Net revenue	360,459,940,836	293,016,261,536	105,265,002,553	39,698,299,191	41,910,405,301	**840,349,909,417**
Cost of goods sold and services rendered	(284,301,927,315)	(187,013,314,661)	(88,765,690,906)	(14,833,732,591)	(18,469,226,223)	**(593,383,891,696)**
Gross profit	**76,158,013,521**	**106,002,946,875**	**16,499,311,647**	**24,864,566,600**	**23,441,179,078**	**246,966,017,721**

2016	Advertising VND	Broadcast on digital infrastructure VND	Selling programmes VND	Film patents VND	Others VND	Total VND
Net revenue	332,894,154,242	196,839,594,461	13,714,285,716	3,998,219,013	15,209,739,794	**562,655,993,226**
Cost of goods sold and services rendered	(227,116,382,092)	(153,578,191,246)	(10,661,598,487)	(7,702,652,468)	(9,245,457,716)	**(408,304,282,009)**
Gross profit	**105,777,772,150**	**43,261,403,215**	**3,052,687,229**	**(3,704,433,455)**	**5,964,282,078**	**154,351,711,217**

35 SEGMENT REPORTING

(b) Geographical segments

Information on segment revenue and cost of sales based on the geographical locations of the Group are as follows:

	2017		
	Domestic VND	Foreign VND	Total VND
Net revenue	605,929,431,806	234,420,477,611	**840,349,909,417**
Cost of goods sold and services rendered	(380,741,285,344)	(212,642,606,352)	**(593,383,891,696)**
	225,188,146,462	21,777,871,259	**246,966,017,721**

	2016		
	Domestic VND	Foreign VND	Total VND
Net revenue	562,655,993,226	-	**562,655,993,226**
Cost of goods sold and services rendered	(408,304,282,009)	-	**(408,304,282,009)**
	154,351,711,217	-	**154,351,711,217**

The main foreign market of the Group is in Singapore.

36 ADDITIONAL INFORMATION FOR THE ITEMS OF THE CONSOLIDATED CASH FLOW STATEMENT

(a) Non-cash transactions

	2017 VND	2016 VND
Current portion of long-term loans	623,310,426	698,863,203
Subsidiary acquisition by payables	33,593,301,959	-
Owner's capital contribution	132,000,000,000	-

(b) Amount of borrowings actually withdrawn during the year

	2017 VND	2016 VND
Proceeds from borrowings following normal borrowing contracts	404,150,857,437	272,521,982,403

(c) Amount of borrowings principal actually paid during the year

	2017 VND	2016 VND
Repayments for borrowings following normal borrowing contracs	273,712,841,858	266,233,320,673
Repayments for bonds	23,398,000,000	73,374,500,000
Repayment for principals of finance leases	755,527,788	755,527,785

37 RELATED PARTY DISCLOSURES

During the year, the Group has transactions and balances with related parties as below:

Relationship	Name
Chairman of the Board of Management	Mr. Nguyen Anh Nhuong Tong
General Director, member of Board of Directors	Mr. Dao Phuc Tri
Financial Director	Mr. Vo Thai Phong
Company under the control of Board of Management's member	Vietnam Online Service Joint Stock Company
Large shareholder	DFJ Vinacapital Venture Investment Ltd.

(a) Related party transactions

During the year, the following transactions were carried out with related parties:

	2017 VND	2016 VND
i) Rendering of services		
Vietnam Online Service Trade Joint StockCompany	347,181,821	301,295,454
ii) Purchases of services		
Vietnam Online Service Trade Joint Stock Company	1,323,179,302	-
iii) Compensation of key management		
Gross salaries and other benefits	4,918,886,802	824,168,000
iv) Dividend paid		
Mr. Vo Thai Phong	6,752,840	-
DFJ Vinacapital Venture Investment Ltd.	-	1,671,046,504
v) Lending		
Vietnam Online Service Trade Joint Stock Company	24,443,386,194	8,657,982,782
vi) Lending		
Mr. Vo Thai Phong	35,864,555,647	-

37 RELATED PARTY DISCLOSURES (continued)

(b) Year end balances with related parties

	2017 VND	2016 VND
(i) Short-term trade accounts receivable (Note 6)		
Vietnam Online Service Trade Joint Stock Company	704,645,457	331,425,000
(ii) Other short-term receivables (Note 8(a))		
Mr. Vo Thai Phong	7,135,444,353	7,214,456,098
Vietnam Online Service Trade Joint Stock Company	-	11,445,918,526
Mr. Nguyen Anh Nhuong Tong	-	5,038,745,099
	7,135,444,353	23,699,119,723
(iii) Other long-term receivables (Note 8(b))		
Vietnam Online Service Trade Joint Stock Company	8,000,000,000	-
Mr. Vo Thai Phong	4,176,712,328	-
	12,176,712,328	-
(iv) Lending (Note 11)		
Mr. Vo Thai Phong	35,864,555,647	-
(v) Other short-term payables (Note 18)		
Mr. Vo Thai Phong	38,356,663	16,953,927
Mr. Nguyen Anh Nhuong Tong	27,854,755	12,591,760
	66,211,418	33,907,854

38 COMMITMENTS UNDER OPERATING LEASES

The future minimum lease payments under non-cancellable operating leases are as follows:

	Office rental		Television license rental		Total	
	2017 VND	2016 VND	2017 VND	2016 VND	2017 VND	2016 VND
Within 1 year	45,359,531,553	4,166,441,333	24,200,000,000	20,408,666,667	69,559,531,553	24,575,108,000
1 - 5 years	157,983,865,986	42,301,278,667	6,050,000,000	42,689,183,034	164,033,865,986	84,990,461,701
Total minimum payment	203,343,397,539	46,467,720,000	30,250,000,000	63,097,849,701	233,593,397,539	109,565,569,701

39 CAPITAL EXPENDITURE COMMITMENTS

As at 31 December 2017, according to the signed business cooperation contracts, the Company had commitments to contribute its capital obligations as follows:

	2017 VND
NVU Joint Stock Company	18,450,830,000
Yeah1 Brand Name Development Corporation	12,665,873,751
Springme Corporation	9,900,000,000
YEAH Film Production and Investment Joint Stock Company1	1,600,000,000
Capital Contribution Joint Stock Company	500,000,000
	43,116,703,751

	2017 VND
Within 1 year	43,116,703,751

40 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

41 EVENTS AFTER THE CONSOLIDATED BALANCE SHEET DATE

(a) Acquisition of ADSBNC Corporation and Tri Tam Technology and Pharmaceutical Joint Stock Company

In January 2018, the Chairman approved the acquiring of 51% of the charter capital of ADSBNC Corporation and Tri Tam Technology and Pharmaceutical Joint Stock Company. As at the approval date of these consolidated financial statements, these charter capital transfer procedures have still been in progress.

(b) Acquisition of additional 25% of the charter capital of Netlink Online Communication Joint Stock Company ("Netlink Viet Nam")

In January 2018, the Chairman approved the acquiring of an additional 25% of the charter capital of Netlink Online Communication Joint Stock Company, increasing the Company's ownership and voting rights in this subsidiary from 51% to 76%. The consideration transferred depends on the audited income statement of Netlink Online Communication Joint Stock Company for the financial year ended 31 December 2017. As at the approval date of these consolidated financial statements, the Company paid VND20 billion as a deposit for the transaction to the owners of Netlink Viet Nam. As at the approval date of these consolidated financial statements, the transfer procedures have still been in progress.

The consolidated financial statements were approved by the Chairman on 9 April 2018.

Tran Thi Lao Chief Accountant/Preparer	Vo Thai Phong Financial Director	Nguyen Anh Nhuong Tong Chairman 9 April 2018

M.S.D.N: 0304592171 - C.T.C.P
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