YEAH1 GROUP CORPORATION

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2018

YEAH1 GROUP CORPORATION

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YEAH1 GROUP CORPORATION

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 21st amendment dated 21 April 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
	Mr.Nguyen Ngoc Dung	Member (from 10 April 2018)
	Mr.Niraan De Silva	Member (from 10 April 2018)
	Mr.Tran Quoc Bao	Member (from 10 April 2018)
	Mr.Ly Truong Chien	Member (from 10 April 2018)
Board of Supervision	Mr.Ho Nam Dong	Head of Board of Supervisor (from 10 April 2018)
	Mr.Lam Quoc Thai	Member (from 10 April 2018)
	Mr.Le Van Nhuong	Member (from 10 April 2018)
Board of Directors	Mr.Dao Phuc Tri	General Director
	Mr.Vo Thai Phong	Financial Deputy General 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

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

The Chairman of Yeah1 Group Corporation ("the Company") is responsible for preparing the consolidated interim financial statements of the Company and its subsidiaries (together, "the Group") which give a true and fair view of the consolidated interim financial position of the Group as at 31 March 2018, and of the consolidated results of its operations and its consolidated cash flows for the three-month period then ended. In preparing these consolidated interim 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 interim financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the consolidated interim 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 INTERIM FINANCIAL STATEMENTS

I hereby approve the accompanying consolidated interim financial statements as set out on pages 5 to 51 which give a true and fair view of the consolidated financial position of the Group as at 31 March 2017, and of the consolidated results of its operations and its consolidated cash flows for the three-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated interim financial statements.

CÔNG TY CỔ PHẦN TẬP ĐOÀN YEAH1 ★ THÀNH PHỐ HỒ CHÍ MINH

Nguyen Anh Nhuong Tong
Chairman

Ho Chi Minh City, SR Vietnam
27 April 2018

pwc

REPORT ON REVIEW OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF YEAH1 GROUP CORPORATION

We have reviewed the accompanying consolidated interim financial statements of Yeah1 Group Corporation ("the Company") and its subsidiaries (together, "the Group") which were prepared on 31 March 2018 and approved by the Chairman on 27 April 2018. The consolidated financial statements comprise the consolidated interim balance sheet as at 31 March 2017, the consolidated income statement and consolidated cash flow statement for the three-month period then ended, and explanatory notes to the consolidated interim financial statements including significant accounting policies, as set out on pages 5 to 51.

The Chairman's Responsibility

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PwC (Vietnam) Limited
8th Floor, Saigon Tower, 29 Le Duan Street, District 1, Ho Chi Minh City, Vietnam
T: +84 (28)38230796, www.pwc.com/vn

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, the financial position of the Group as at 31 March 2018, its financial performance and cash flows for the three-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of the interim financial statements.

Other Matters

The consolidated interim income statement and the consolidated interim cash flow statement of the Group for the three-month period ended 31 March 2017, are presented as comparative figures, have not reviewed.

The independent auditor's review 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

M.S.D.N: 0100157406 - C.T.T.N.H.H
CÔNG TY
TNHH
PWC (VIỆT NAM)
QUẬN 1 - T.P HỒ CHÍ MINH

Quach Thanh Chau
Audit Practising Licence No.
0875-2018-006-1
Authorised signatory

Report reference number: HCM7234
Ho Chi Minh City, 27 April 2018

As indicated in Note 2.1 to the consolidated interim financial statements, the accompanying consolidated interim 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

Form B 01a – DN/HN

CONSOLIDATED INTERIM BALANCE SHEET

Code	ASSETS	Note	As at 31.3.2018 VND	As at 31.12.2017 VND
100	**CURRENT ASSETS**		**584,548,326,597**	**435,565,961,714**
110	**Cash and cash equivalents**	4	**44,765,727,940**	**41,931,020,478**
111	Cash		28,549,351,841	25,631,020,478
112	Cash equivalents		16,216,376,099	16,300,000,000
120	**Short-term investment**		**61,210,296,036**	**35,575,296,036**
123	Investments held-to-maturity	5(a)	61,210,296,036	35,575,296,036
130	**Short-term receivables**		**382,146,005,157**	**248,879,625,134**
131	Short-term trade accounts receivable	6	221,854,465,477	154,665,886,234
132	Short-term prepayments to suppliers	7	21,202,780,219	32,690,645,652
136	Other short-term receivables	8(a)	139,115,159,461	61,699,493,248
137	Provision for doubtful debts – short-term		(26,400,000)	(176,400,000)
140	**Inventories**	9	**63,949,619,452**	**74,423,047,793**
141	Inventories		63,949,619,452	74,900,593,248
149	Provision for decline in value of inventories		-	-477,545,455
150	**Other current assets**		**32,476,678,012**	**34,756,972,273**
151	Short-term prepaid expenses	10(a)	2,912,085,252	3,430,490,513
152	Value Added Tax to be reclaimed		28,560,326,763	29,866,508,519
153	Other taxes receivable		1,004,265,997	433,313,641
155	Other current assets		-	1,026,659,600

The notes on pages 10 to 51 are an integral part of these consolidated interim financial statements.

YEAH1 GROUP CORPORATION

Form B 01a – DN/HN

CONSOLIDATED INTERIM BALANCE SHEET (continued)

Code	ASSETS (continued)	Note	As at 31.3.2018 VND	As at 31.12.2017 VND
200	**LONG-TERM ASSETS**		**225,419,790,047**	**221,739,383,980**
210	**Long-term receivable**		**68,298,211,063**	**69,699,759,498**
215	Long-term lending	11	35,864,555,647	35,864,555,647
216	Other long-term receivables	8(b)	32,433,655,416	33,835,203,851
220	**Fixed assets**		**12,649,444,355**	**13,024,833,329**
221	Tangible fixed assets	12(a)	4,166,687,787	4,450,190,050
222	Historical cost		14,428,575,865	14,428,575,865
223	Accumulated depreciation		(10,261,888,078)	(9,978,385,815)
224	Finance lease assets	12(b)	1,821,635,848	1,925,290,576
225	Historical cost		2,833,229,210	2,833,229,210
226	Accumulated depreciation		(1,011,593,362)	(907,938,634)
227	Intangible fixed assets	12(c)	6,661,120,720	6,649,352,703
228	Historical cost		7,102,122,654	7,070,435,154
229	Accumulated amortisation		(441,001,934)	(421,082,451)
240	**Long-term asset in progress**		**115,475,000**	**115,475,000**
242	Construction in progress		115,475,000	115,475,000
250	**Long-term investments**		**20,153,659,742**	**8,316,659,742**
252	Investments in associates	5(b)	250,669,012	250,669,012
253	Investments in other entities	5(c)	19,902,990,730	8,065,990,730
260	**Other long-term assets**		**124,202,999,887**	**130,582,656,411**
261	Long-term prepaid expenses	10(b)	16,235,282,741	20,385,650,623
262	Deferred income tax assets	20	686,236,820	806,924,582
268	Other long-term assets		750,000,000	-
269	Goodwill	13	106,531,480,326	109,390,081,206
270	**TOTAL ASSETS**		**809,968,116,644**	**657,305,345,694**

The notes on pages 10 to 51 are an integral part of these consolidated interim financial statements.

CONSOLIDATED INTERIM BALANCE SHEET (continued)

Code	RESOURCES	Note	As at 31.3.2018 VND	As at 31.12.2017 VND
300	**LIABILITIES**		**479,537,120,886**	**324,514,900,460**
310	**Short-term liabilities**		**449,537,120,886**	**294,455,248,460**
311	Short-term trade accounts payable	14	98,173,482,776	126,325,444,089
312	Short-term advances from customers	15	8,225,131,164	6,575,814,503
313	Taxes and other payables to the State Budget	16	36,007,809,763	25,703,801,902
314	Payable to employees		3,319,814,699	2,921,177,799
315	Short-term accrued expenses	17	36,683,167,894	9,485,294,990
319	Other short-term payables	18	126,908,178,617	55,974,050,174
320	Short-term borrowings and finance lease liabilities	19(a)	140,219,535,973	67,469,665,003
330	**Long-term liabilities**		**30,000,000,000**	**30,059,652,000**
337	Other long-term payables		-	59,652,000
338	Long-term borrowings and finance lease liabilities	19(b)	30,000,000,000	30,000,000,000
400	**OWNERS' EQUITY**		**330,430,995,758**	**332,790,445,234**
410	**Capital and reserves**		**330,430,995,758**	**332,790,445,234**
411	Owners' capital	21, 22	238,000,000,000	238,000,000,000
411a	*- Ordinary shares with voting rights*		*238,000,000,000*	*238,000,000,000*
412	Share premium	22	24,115,560,000	24,115,560,000
417	Foreign exchange differences	22	872,326,898	304,613,369
421	Undistributed earnings	22	42,549,658,228	42,111,388,642
421a	*- Undistributed post-tax profits of previous years*		*5,302,568,373*	-
421b	*- Post-tax profit of current year*		*37,247,089,855*	*42,111,388,642*
429	Non-controlling interests	23	24,893,450,632	28,258,883,223
440	**TOTAL RESOURCES**		**809,968,116,644**	**657,305,345,694**

M.S.D.N.: 0304592171 - C.T.C.P 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 27 April 2018

The notes on pages 10 to 51 are an integral part of these consolidated interim financial statements.

YEAH1 GROUP CORPORATION

Form B 02a – DN/HN

CONSOLIDATED INTERIM INCOME STATEMENT

Code		Note	For the three-month ended 31.3.2018 VND	31.3.2017 VND (Un-reviewed)
01	**Revenue from sales of goods and rendering of services**		**330,188,208,682**	**175,456,999,105**
02	Less deductions		(18,907,786)	(170,511,644)
10	**Net revenue from sales of goods and rendering of services**	26	**330,169,300,896**	**175,286,487,461**
11	**Cost of goods sold and services rendered**	27	**(224,171,585,618)**	**(130,848,158,799)**
20	**Gross profit**		**105,997,715,278**	**44,438,328,662**
21	Financial income	28	2,822,074,556	955,861,824
22	Financial expenses	29	(2,333,266,810)	(4,542,207,954)
23	*- Including: Interest expense*		(2,297,600,143)	(3,744,679,009)
25	Selling expenses	30	(26,310,211,841)	(13,010,894,863)
26	General and administration expenses	31	(29,214,883,419)	(17,736,723,460)
30	**Net operating profit**		**50,961,427,764**	**10,104,364,209**
31	Other income		507,672	525,000,000
32	Other expenses		(223,734,893)	(506,597,735)
40	**Net other (expenses)/income**	32	**(223,227,221)**	**18,402,265**
50	**Net accounting profit before tax**		**50,738,200,543**	**10,122,766,474**
51	**Business income tax - current**	33	**(11,436,303,837)**	**(2,585,189,404)**
52	**Business income tax - deferred**	20, 33	**(120,687,762)**	**-**
60	**Net profit after tax**		**39,181,208,944**	**7,537,577,070**
	Attributable to:			
61	**Owners of the Company**	22	**37,247,089,855**	**6,021,677,226**
62	**Non-controlling interests**	23	**1,934,119,089**	**1,515,899,844**
70	**Earnings per share**	24	**1,565**	**602**
70	**Diluted earnings per share**	24	**1,565**	**602**

Tran Thi Lao Chief Accountant/Preparer	Vo Thai Phong Financial Director	Nguyen Anh Nhuong Tong Chairman 27 April 2018

The notes on pages 10 to 51 are an integral part of these consolidated interim financial statements.

YEAH1 GROUP CORPORATION

Form B 03a – DN/HN

CONSOLIDATED INTERIM CASH FLOW STATEMENT
(Indirect method)

Code		Note	For the three-month period ended 31.3.2018 VND	31.3.2017 VND (Un-reviewed)
	CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Net accounting profit before tax**		**50,738,200,543**	**10,122,766,474**
	Adjustments for:			
02	Depreciation, amortisation and allocation of goodwill		3,323,691,782	1,195,526,916
03	Reversal of provisions		(627,545,455)	-
05	Profits from investing activities		(2,822,074,556)	(955,861,824)
06	Interest expense		2,297,600,143	3,744,679,009
08	**Operating profit before changes in working capital**		**52,909,872,457**	**14,107,110,575**
09	Increase in receivables		(130,702,942,588)	(259,608,207,174)
10	Decrease/(increase) in inventories		10,950,973,796	(10,185,241,138)
11	Increase in payables		38,115,071,851	219,169,162,273
12	Decrease in prepaid expenses		4,668,773,143	1,317,519,872
14	Interest paid		(2,297,600,143)	(3,744,679,009)
15	Business income tax paid	16	(364,699,080)	(272,434,447)
20	**Net cash inflows from operating activities**		**(26,720,550,564)**	**(39,216,769,048)**
	CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets		(31,687,500)	-
23	Deposits at banks with maturity of more than 3 months		(74,150,000,000)	(34,820,000,000)
24	Collection from deposits at banks with maturity more than 3 months		48,515,000,000	4,000,000,000
25	Investment in other entities		(20,500,000,000)	-
27	Dividends and interest received		2,822,074,556	955,861,824
30	**Net cash outflows from investing activities**		**(43,344,612,944)**	**(29,864,138,176)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from issuance of shares and capital contribution		150,000,000	-
33	Proceeds from borrowings	36(b)	119,675,002,278	144,225,204,375
34	Repayments of borrowings	36(c)	(46,925,131,308)	(66,066,194,465)
40	**Net cash inflows from financing activities**		**72,899,870,970**	**78,159,009,910**
50	**Net increase in cash and cash equivalents**		**2,834,707,462**	**9,078,102,686**
60	**Cash and cash equivalents at beginning of period**	4	**41,931,020,478**	**12,709,269,717**
70	**Cash and cash equivalents at end of period**	4	**44,765,727,940**	**21,787,372,403**

Major non-cash transactions in the period 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
		27 April 2018

The notes on pages 10 to 51 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2018

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 21st amendment was issued on 21 April 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 March 2018, the Group had 373 employees (as at 31 December 2017: 328 employees).

1 GENERAL INFORMATION (continued)

As at 31 March 2018, the Company had 15 subsidiaries and 1 associate (as at 31 December 2017: 13 subsidiaries and 1 associate) as follows:

No	Name	Place of incorporation and operation	Principal activities	31.3.2018 % of ownership	31.3.2018 % of voting rights	31.12.2017 % of ownership	31.12.2017 % of voting rights
	I – Direct subsidiaries						
1	Yeah1 Group Corporation	Ho Chi Minh City	Advertising, producing media channels	99.00	99.00	99.00	99.00
2	Yeah1 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	90.00	90.00
5	SMB Corporation	Ho Chi Minh City	Back-stage activities, film screenings, sound recording and music publishing	85.00	85.00	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	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	76.00	76.00	51.00	51.00
9	On+ Communication Corporation	Ho Chi Minh City	Advertisements	76.00	76.00	51.00	51.00
10	ZeroZ Corporation	Ho Chi Minh City	Producing films, professional designing	100.00	100.00	-	-
	II – Indirect subsidiaries						
11	Yeah1 Network Vietnam Co, Ltd.	Ho Chi Minh City	Advertising, market research and public opinion polling.	90.09	100.00	90.09	100.00
12	Netlink Online Corporation (*)	Singapore	Film production, telecommunication and advertising	76.00	100.00	51.00	100.00
13	Yeah1 Network PTE. Ltd.	Singapore	Film, video and television programme production activities; creative, art and entertainment activities.	89.10	90.00	89.10	90.00
14	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	50.49	51.00
15	Digital Content Center Company Limited	Ben Tre City	Advertising.	90.09	90.09	-	-
	III - Associates						
16	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 interim 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 interim financial statements

The consolidated interim 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 interim financial statements. The consolidated interim financial statements have been prepared under the historical cost convention.

The accompanying consolidated interim 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. These consolidated interim financial statements are prepared for the accounting period from 1 January 2018 to 31 March 2018.

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 period-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 could be distributed to owners/ shareholders after approval at General Meeting, and after appropriation to other funds in accordance with the Group's charter and Vietnamese regulations.

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

The Group appropriated below fund:

Bonus and welfare fund

The bonus and welfare fund is appropriated from the Group's undistributed earnings and subject to shareholders' approval at the Annual General Meeting. This fund is set aside for rewarding, increasing general benefits and improving the welfare for officers and 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 FORMATION OF SUBSIDIARIES AND TRANSACTIONS WITH NON-CONTROLLING INTEREST

3.1 Formation during the period

(a) Formation of ZeroZ Corporation ("ZeroZ"), a new subsidiary

On 8 January 2018, the Group completed the formation of ZeroZ, a new subsidiary. Through this formation, the Group held 100% interest in ZeroZ.

(b) Formation of Digital Content Center Company Limited ("Digital Content"), a new subsidiary

On 6 February 2018, the Group completed the formation of Digital Content, a new subsidiary. Through this formation, the Group held 90.09% interest in Digital Content.

3.1 Transactions with non-controlling interest

(a) Acquisition of additional equity interest in Netlink Online Corporation Joint Stock Company ("Netlink"), an existing subsidiary

On 2 January 2018, the Company acquired additional 25.00% of the voting shares of Netlink. This transaction increased the equity interest of the Group in Netlink to 76.00%. Total consideration for this transaction was VND42,325,922,974 and total carrying value of the equity interest acquired was VND3,200,619,528. The difference of VND39,125,303,446 between the consideration and the carrying value of the equity interest acquired was charged to retained earnings within the equity.

(b) Change in equity interest in Netlink Online Corporation ("Netlink Sing") , an existing indirect subsidiary

On 2 January 2018, the equity interest of the Group in Netlink Sing increased from 51.00% to 76.00% as result of change in ownership in Netlink - direct parent company of Netlink Sing. The total carrying value of the equity interest decreasing amounting to VND2,316,483,178 was credited to retained earnings within the equity.

4 CASH AND CASH EQUIVALENTS

	31.3.2018 VND	31.12.2017 VND
Cash on hand	5,327,081,486	1,884,713,846
Cash at bank	23,222,270,355	23,746,306,632
Cash equivalents (*)	16,216,376,099	16,300,000,000
	44,765,727,940	41,931,020,478

(*) 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

	31.3.2018		31.12.2017	
	Historical cost VND	Net book value VND	Historical cost VND	Net book value VND
Term deposits	61,210,296,036	61,210,296,036	35,575,296,036	35,575,296,036

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 2017: from 5.0% to 7.0% per annum). These term deposits were pledged as collateral assets for the short-term bank borrowings (Note 19(a)).

5 FINANCIAL INVESTMENTS (continued)

(b) Investment in associate

Company name	Principal activities	31.3.2018 Ownership and voting rights %	31.3.2018 Historical cost VND	31.3.2018 Fair value VND	31.3.2018 Provision VND	31.12.2017 Ownership and voting rights %	31.12.2017 Historical cost VND	31.12.2017 Fair value VND	31.12.2017 Provision VND
Youth Connections Informatics Communication Joint Stock Company	Producing films, telecommunication and advertisements	40	250,669,012	(*)	-	40	250,669,012	(*)	-

(*) As at 31 March 2018, 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) Investments in other entities

Company name	Principal activities	31.3.2018 Ownership and voting rights %	31.3.2018 Historical cost VND	31.3.2018 Fair value VND	31.3.2018 Provision VND	31.12.2017 Ownership and voting rights %	31.12.2017 Historical cost VND	31.12.2017 Fair value VND	31.12.2017 Provision VND
ADSBNC Technology and Media Joint Stock Company	Media advertisings	8.3	11,337,000,000	(**)	-	-			
Zmedia Joint Stock Company	Advertising activities	15	7,500,000,000	(**)	-	15	7,500,000,000	(**)	-
Springme Corporation	Portal, telecommunication and advertisings	19	115,990,730	(**)	-	19	115,990,730	(**)	-
Gamify Vietnam Joint Stock Company	Video games	15	950,000,000	(**)	-	15	450,000,000	(**)	-
			19,902,990,730	(**)	-		8,065,990,730	(**)	-

(**) As at 31 March 2018, 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

	31.3.2018 VND	31.12.2017 VND
Third parties		
Foneviet One Member Co., Ltd.	21,450,000,000	-
WPP Media Co., Ltd. (*)	24,547,956,368	21,937,890,097
MMS Vietnam Media Co., Ltd.	22,473,966,119	964,432,728
Viet Telecommunications Co., Ltd.	18,150,000,000	-
Google Asia Pacific Pte., Ltd.	17,156,640,157	81,258,215,510
Aegis Media (VietNam) Co., Ltd.	14,912,301,578	3,630,533,275
Iflix Sdn Bhd	12,559,477,727	-
Freedom Family Limited	11,400,894,535	-
CS Media Co., Ltd.	5,865,001,924	-
TKL Communication Joint Stock Company (*)	2,618,664,040	3,011,047,000
Facebook Ireland Limited	1,749,794,759	4,815,407,740
MAC (Vietnam) Media Advertising Development Joint Stock Company	-	2,261,490,000
Beta Media Corporation	-	1,524,531,568
Dat Viet VAC Group Holding (*)	970,619,999	326,711,154
Galaxy Studio Corporation	33,691,365	33,691,365
Others	67,260,811,449	34,197,290,340
Related parties (Note 37(b))	704,645,457	704,645,457
	221,854,465,477	154,665,886,234

(*) As at 31 March 2018, 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 March 2018 and 31 December 2017, balances of short-term trade accounts receivable that were past due were VND550,697,280 and VND550,697,280, respectively.

7 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	31.3.2018 VND	31.12.2017 VND
Long Ngoc Chau Co., Ltd.	-	18,202,244,105
Ho Chi Minh City Television Station	9,290,000,000	5,000,000,000
Da Phuong Tien Chau A Media Co., Ltd.	2,965,896,616	2,965,896,616
Da Phuong Tien VINACJ Entertainment Media Joint Stock Company	2,800,000,000	2,800,000,000
MBC Entertainment Media Joint Stock Company	1,600,000,000	-
Others	4,546,883,603	3,722,504,931
	21,202,780,219	32,690,645,652

8 OTHER RECEIVABLES

(a) Short-term

	31.3.2018 VND	31.12.2017 VND
Third parties		
Profits shared from business cooperation	2,806,543,782	2,806,543,782
Advances to employees (*)	58,073,928,193	28,176,664,809
Others	70,038,969,161	23,580,840,304
Related parties (Note 37(b))	8,195,718,325	7,135,444,353
	139,115,159,461	61,699,493,248

(*) As at 31 March 2018, the balance of advances to employees mainly represents the advance of VND 35,255,250,158 to Mr. Truong Huynh Khai Nguyen - General Director of a subsidiary of the Group for the operation business purpose of that subsidiary (as at 31 December 2017: VND26,555,206,429).

(b) Long-term

	31.3.2018 VND	31.12.2017 VND
Third parties		
Receivables from business cooperation contract (*)	17,500,000,000	17,500,000,000
Others	2,884,641,523	4,158,491,523
Related parties (Note 37(b))		
Guarantee deposit (**)	8,000,000,000	8,000,000,000
Mr. Vo Thai Phong	4,049,013,893	4,176,712,328
	32,433,655,416	33,835,203,851

(*) 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 March 2018 and 31 December 2017, there was no balance of other short-term and long-term receivables that was past due or not past due but doubtful.

9 INVENTORIES

	31.3.2018 Cost VND	31.3.2018 Provision VND	31.12.2017 Cost VND	31.12.2017 Provision VND
Work in progress	48,088,902,659	-	58,572,129,249	-
Merchandise	6,930,801,379	-	12,428,827,437	(477,545,455)
Films in progress	8,855,911,057	-	3,583,873,675	-
Others	74,004,357	-	315,762,887	-
	63,949,619,452	-	74,900,593,248	(477,545,455)
Provision for decline in value of inventories	-		(477,545,455)	
	63,949,619,452		74,423,047,793	

Movement of provision for decline in value of inventories during the period is as follows:

	For the three-month period ended 31.3.2018 VND	31.3.2017 VND (Un-reviewed)
Beginning of period	(477,545,455)	(477,545,455)
Reversal	477,545,455	-
End of period	-	(477,545,455)

10 PREPAID EXPENSES

(a) Short-term

	31.3.2018 VND	31.12.2017 VND
Prepaid service expenses (*)	1,645,411,220	2,116,019,458
Tools and supplies	1,266,674,032	1,266,471,055
Others	-	48,000,000
	2,912,085,252	3,430,490,513

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

	For the three-month period ended 31.3.2018 VND	31.3.2017 VND (Un-reviewed)
Beginning of period	3,430,490,513	4,299,209,418
Increase	8,640,029,201	3,196,038,338
Allocation during the period	(9,158,434,462)	(3,908,718,753)
End of period	2,912,085,252	3,586,529,003

10 PREPAID EXPENSES (continued)

(b) Long-term

	31.3.2018 VND	31.12.2017 VND
Expenditures of channel project development	12,878,787,864	13,636,363,635
Prepaid service expenses (*)	1,660,094,852	4,987,498,435
Others	1,696,400,025	1,761,788,553
	16,235,282,741	20,385,650,623

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

	For the three-month period ended	
	31.3.2018 VND	31.3.2017 VND (Un-reviewed)
Beginning of period	20,385,650,623	36,454,255,000
Increase	731,802,826	1,320,833,898
Allocation	(4,882,170,708)	(1,939,893,543)
End of period	16,235,282,741	35,835,195,355

(*) 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 2018 and 31 March 2018	903,707,775	9,826,791,816	3,566,943,279	131,132,995	**14,428,575,865**
Accumulated depreciation					
As at 1 January 2018	811,042,276	5,788,507,209	3,351,498,670	27,337,660	**9,978,385,815**
Charge for the period	1,841,772	253,361,970	24,197,872	4,100,649	**283,502,263**
As at 31 March 2018	812,884,048	6,041,869,179	3,375,696,542	31,438,309	**10,261,888,078**
Net book value					
As at 1 January 2018	92,665,499	4,038,284,607	215,444,609	103,795,335	**4,450,190,050**
As at 31 March 2018	90,823,727	3,784,922,637	191,246,737	99,694,686	**4,166,687,787**

As at 31 March 2018, tangible fixed assets with carrying value of VND2,412,403,914 (as at 31 December 2017: VND2,786,420,831) 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 March 2018 was VND4,650,656,233 (as at 31 December 2017: VND4,650,656,233).

12 FIXED ASSETS (continued)

(b) Finance lease assets

	Machinery and equipment VND
Historical cost	
As at 1 January 2018 and 31 March 2018	2,833,229,210
Accumulated depreciation	
As at 1 January 2018	907,938,634
Charge for the period	103,654,728
As at 31 March 2018	1,011,593,362
Net book value	
As at 1 January 2018	1,925,290,576
As at 31 March 2018	1,821,635,848

(c) Intangible fixed assets

	Land use rights VND	Patents VND	Computer Software VND	Total VND
Historical cost				
At 1 January 2018	4,500,000,000	2,524,382,154	46,053,000	**7,070,435,154**
Purchase	-	-	31,687,500	**31,687,500**
At 31 March 2018	4,500,000,000	2,524,382,154	77,740,500	**7,102,122,654**
Accumulated amortisation				
At 1 January 2018	-	408,871,424	12,211,027	**421,082,451**
Charge for the period	-	15,019,218	4,900,265	**19,919,483**
At 31 March 2018	-	423,890,642	17,111,292	**441,001,934**
Net book value				
At 1 January 2018	4,500,000,000	2,115,510,730	33,841,973	**6,649,352,703**
At 31 March 2018	4,500,000,000	2,100,491,512	60,629,208	**6,661,120,720**

13 GOODWILL

	31.3.2018 VND	31.12.2017 VND
Beginning of period	109,390,081,206	-
Increase in the period/year	-	116,445,389,368
Allocation during the period/year	(2,916,615,308)	(7,274,531,107)
Foreign exchange difference	58,014,428	219,222,944
End of period	106,531,480,326	109,390,081,206

14 SHORT-TERM TRADE ACCOUNTS PAYABLE

	31.3.2018 VND	31.12.2017 VND
Third parties		
Can Tho Television and Radio Station	15,993,695,001	17,658,982,721
Vietnam Television Cable Company Limited	9,396,258,060	9,903,277,000
Long An Television and Radio Station	6,111,000,000	-
Nhat Nguyen Media Joint Stock Company	5,358,900,000	-
World Star Advertising Joint Stock Company	4,739,152,718	6,097,960,718
Ca Mau Television and Radio Station	4,729,969,900	-
Color Media Joint Stock Company	4,413,777,265	14,833,777,265
Da Phuong Tien VINACJ Entertainment Media Joint Stock Company	3,011,938,790	3,011,939,689
SDTV Co., Ltd.	2,909,499,999	-
Coinmarket Cap LLC.	118,795,480	38,246,813,010
Others	40,647,057,170	36,572,693,686
Related parties (Note 37(b))	743,438,393	-
	98,173,482,776	126,325,444,089

As at 31 March 2018 and 31 December 2017, the Group did not have any short-term trade accounts payable which are past due.

15 SHORT-TERM ADVANCES FROM CUSTOMERS

	31.3.2018 VND	31.12.2017 VND
Third parties		
WPP Media Company Limited	4,260,872,229	2,770,700,000
Others	3,964,258,935	3,805,114,503
	8,225,131,164	6,575,814,503

16 TAXES AND OTHER PAYABLES TO THE STATE BUDGET

	31.3.2018 VND	31.12.2017 VND
Value added tax	9,869,409,869	12,279,347,308
Business income tax	23,281,058,238	12,209,453,481
Personal income tax	2,567,843,748	977,750,533
Others	289,497,909	237,250,580
	36,007,809,763	25,703,801,902

Movements in taxes and other payables to the State budget during the period are as follows:

	As at 1.1.2018 VND	Payable during the period VND	Settled/net-off during the period VND	As at 31.3.2018 VND
Value added tax	12,279,347,308	15,631,997,305	(18,041,934,744)	9,869,409,869
Business income tax	12,209,453,481	11,436,303,837	(364,699,080)	23,281,058,238
Personal income tax	977,750,533	2,506,873,141	(916,779,926)	2,567,843,748
Others	237,250,580	85,247,330	(33,000,000)	289,497,909
	25,703,801,902	29,660,421,613	(19,356,413,750)	36,007,809,763

17 SHORT-TERM ACCRUED EXPENSES

	31.3.2018 VND	31.12.2017 VND
Accrued expenses for television station	21,940,777,273	-
Interest expense	3,992,579,771	3,992,579,771
Cost of film launching	1,190,124,825	2,657,341,354
Shared profits from advertising activities	7,511,979,586	1,177,026,996
Business cooperation fee on VTC4 channel	-	442,929,739
Salary and bonus accrual	-	387,870,500
Others	2,047,706,439	827,546,630
	36,683,167,894	9,485,294,990

18 OTHER SHORT-TERM PAYABLES

	31.3.2018 VND	31.12.2017 VND
Third parties		
Business cooperation contracts (*)	36,825,584,902	5,853,801,792
Investment in subsidiaries	60,815,224,932	33,593,301,958
Other investments	11,337,000,000	-
Others	13,395,864,321	16,460,735,006
Related parties (Note 37(b))	4,534,504,462	66,211,418
	126,908,178,617	55,974,050,174

(*) A subsidiary of the Group signed the 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 1.1.2018 VND	Increase VND	Decrease VND	As at 31.3.2018 VND
Bank loans				
Ho Chi Minh Development Joint Stock Bank (i)	33,069,475,018	10,118,735,715	(26,736,249,361)	16,451,961,372
United Overseas Bank Vietnam (ii)	33,850,000,000	74,000,000,000	(19,000,000,000)	88,850,000,000
Vietnam Maritime Joint Stock Commercial Bank (iii)	-	30,556,266,563	-	30,556,266,563
Television Services Center	-	2,000,000,000	-	2,000,000,000
Vietnam Online Joint Stock Company	-	2,000,000,000	(1,000,000,000)	1,000,000,000
Others	-	1,000,000,000	-	1,000,000,000
Current portion of finance lease (iv)	550,189,985	-	(188,881,947)	361,308,038
	67,469,665,003	119,675,002,278	(46,925,131,308)	140,219,535,973

(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.

(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.

19 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

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

(iii) The loans from Vietnam Maritime Joint Stock Commercial Bank are loans under Contract No. 030/2017/HDTD signed on 29 December 2017 with a credit limit of VND40 billion. The contract has credit term of 12 months from the signing date for the purpose of working capital supplement. The loans bear interest at the rates ranging from 8 – 12% per annum which as adjusted for each drawdown based on lending interest rates announed by Maritime Bank in each period. The collateral assets for the loans include: term deposit at Maritime Bank, Real Estate and respective receivables.

(iv) 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.

(b) Long-term borrowings and finance lease liabilities

	As at 1.1.2018 VND	Increase during the period	Decrease VND	As at 31.3.2018 VND
Bank loans				
Ho Chi Minh Development Joint Stock Bank (v)	30,000,000,000	-	-	30,000,000,000

(v) 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.

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:

	31.3.2018 VND	31.12.2017 VND
Deferred tax assets:		
Deferred tax assets to be recovered within 12 months	686,236,820	806,924,582

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

	For the three-month period ended 31.3.2018 VND	For the financial year ended 31.12.2017 VND
Beginning of period	806,924,582	164,446,849
Consolidated income statement (charged)/credited (Note 33)	(120,687,762)	642,477,733
End of period	686,236,820	806,924,582

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

21 OWNERS' CAPITAL

(a) Number of shares

	31.3.2018 Ordinary shares	31.12.2017 Ordinary shares
Number of shares registered	23,800,000	23,800,000
Number of shares issued	23,800,000	23,800,000
Number of shares repurchased	-	-
Number of existing shares in circulation	23,800,000	23,800,000

(b) Details of owners' shareholding

	31.12.2018 Ordinary shares	%	31.12.2017 Ordinary shares	%
Mr. Nguyen Anh Nhuong Tong	9,853,399	41.40	9,853,399	41.40
DFJ VinaCapital Venture Investment Ltd.	8,499,637	35.71	8,499,637	35.71
Ancla Assets Ltd.	2,973,260	12.49	2,973,260	12.49
Mr. Dao Phuc Tri	1,039,498	4.37	1,039,498	4.37
Other shareholders	1,434,206	6.03	1,434,206	6.03
Number of shares	23,800,000	100	23,800,000	100

(c) Movement of share capital

	Number of share capital Shares	Ordinary shares VND	Total VND
At 1 January 2017	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**
At 31 December 2017 and 31 March 2018	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	Foreign exchange differences VND	Undistributed earnings VND	Total VND
As at 1 January 2017	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**
Profit for the period	-	-	-	37,247,089,855	**37,247,089,855**
Transaction with Non-controlling interest (Note 3.2)	-	-	-	(36,808,820,269)	**(36,808,820,269)**
Foreign exchange differences	-	-	567,713,529	-	**567,713,529**
As at 31 March 2018	238,000,000,000	24,115,560,000	872,326,898	42,549,658,228	**305,537,545,126**

(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:

	For the three-month period ended 31.3.2018 VND	For the financial year ended 31.12.2017 VND
Beginning of period	28,258,883,223	8,064,598,113
Increase from business combination	-	2,644,794,136
Profit attributable to NCI	1,934,119,089	23,407,416,831
Capital contribution from NCI	150,000,000	3,600,000,000
Capital decreased	(5,517,102,706)	-
Dividend paid	-	(9,468,372,049)
Foreign exchange difference	67,551,026	10,446,192
End of period	24,893,450,632	28,258,883,223

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 period, excluding ordinary shares repurchased by the Company and held as treasury shares:

	For the three-month period ended	
	31.3.2018 VND	31.3.2017 VND (Un-reviewed)
Net profit attributable to shareholders (VND)	37,247,089,855	6,021,677,226
Weighted average number of ordinary shares in issue (shares)	23,800,000	10,000,000
Basic earnings per share (VND)	1,565	602

Diluted earnings per share: the Company does 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$22,110, SGD594,371 and 73 tale of gold (as at 31 December 2017: US$56,316, SGD221,030 and 54 tale of gold).

(b) Commitments under operating lease

The future minimum lease payable under non-cancellable operating lease as at 31 March 2018 is VND216,203,514,651 (as at 31 December 2017: VND233,593,397,539). Details are presented in Note 38.

(c) Capital expenditure commitment

As at 31 March 2018, 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 2017: VND43,116,703,751). Details are presented in Note 39.

26 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	For the three-month period ended	
	31.3.2018	**31.3.2017**
	VND	**VND**
		(Un-reviewed)
Revenue from sales of goods and rendering of services		
Revenue from advertisements	259,306,965,897	102,598,190,028
Revenue from programme broadcasts on digital platform	68,082,253,649	71,400,978,148
Revenue from film copyright	1,852,989,136	1,371,035,475
Revenue from rendering of service	946,000,000	86,795,454
	330,188,208,682	175,456,999,105
Sales deductions		
Trade discounts	(18,907,786)	(170,511,644)
Net revenue from sales of goods and rendering of services		
Net revenue from advertisements	259,288,058,111	102,427,678,384
Net revenue from programmes broadcast on digital platforms	68,082,253,649	71,400,978,148
Net revenue from film copyright	1,852,989,136	1,371,035,475
Net revenue from rendering of services	946,000,000	86,795,454
	330,169,300,896	175,286,487,461

27 COST OF GOODS SOLD AND SERVICES RENDERED

	For the three-month period ended 31.3.2018 VND	31.3.2017 VND (Un-reviewed)
Production cost of programmes	204,807,332,461	93,366,761,382
Cost of channel rental	12,132,434,031	28,067,045,454
Cost of reception	2,150,909,091	-
Cost of film copyright	1,560,878,791	9,325,504,235
Cost of view measurement	1,380,218,750	75,400,000
Others	2,139,812,494	13,447,728
	224,171,585,618	130,848,158,799

28 FINANCIAL INCOME

	For the three-month period ended 31.3.2018 VND	31.3.2017 VND (Un-reviewed)
Interest income from deposits	2,819,348,176	955,861,824
Realised foreign exchange gains	2,726,380	-
	2,822,074,556	955,861,824

29 FINANCIAL EXPENSES

	For the three-month period ended 31.3.2018 VND	31.3.2017 VND (Un-reviewed)
Interest expense	2,283,748,800	3,710,050,652
Cost of finance leases	13,851,343	34,628,357
Others	35,666,667	797,528,945
	2,333,266,810	4,542,207,954

30 SELLING EXPENSES

	For the three-month period ended 31.3.2018 VND	31.3.2017 VND (Un-reviewed)
Market research	22,744,004,534	10,107,121,651
Staff cost	3,093,657,444	2,787,495,481
Depreciation	112,732,879	79,302,207
Others	359,816,984	36,975,524
	26,310,211,841	13,010,894,863

31 GENERAL AND ADMINISTRATION EXPENSES

	For the three-month period ended 31.3.2018 VND	31.3.2017 VND (Un-reviewed)
Staff cost	13,625,527,366	6,339,722,672
Outside service cost	7,302,566,380	9,265,818,430
Goodwill allocation (Note 13)	2,916,615,308	783,565,449
Prepaid expense allocation	3,915,352,313	79,186,173
Depreciation and amortisation	-	1,248,430,736
Others	1,454,822,052	20,000,000
	29,214,883,419	17,736,723,460

32 OTHER INCOME AND EXPENSES

	For the three-month period ended 31.3.2018 VND	31.3.2017 VND (Un-reviewed)
Other income		
Others	507,672	525,000,000
Other expenses		
Penalties	(223,734,893)	(506,597,735)
Net other (expenses)/income	**(223,227,221)**	**18,402,265**

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:

	For the three-month period ended	
	31.3.2018 VND	31.3.2017 VND (Un-reviewed)
Net accounting profit before tax	50,738,200,543	10,122,766,474
Tax calculated at a rate of 20%	10,147,640,109	2,024,553,295
Effect of:		
Income not subject to tax	(582,920,954)	-
Non-deductible expenses for tax purposes	583,423,207	560,636,109
Utilisation of previously unrecognised tax losses	(88,791,717)	-
Tax preference	(331,038,035)	-
Tax losses for which no deferred income tax have been recognised	815,820,678	-
Under-provision from previous period	1,012,858,311	-
Business income tax charge (*)	11,556,991,599	2,585,189,404
Charged/(credited) to consolidated interim income statement:		
Business income tax – current	11,436,303,837	2,585,189,404
Business income tax – deferred	120,687,762	-
	11,556,991,599	2,585,189,404

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

34 COST OF OPERATION BY FACTOR

	For the three-month period ended	
	31.3.2018 VND	31.3.2017 VND (Un-reviewed)
Raw materials	247,393,135,607	234,756,252,724
Staff costs	16,719,184,810	9,127,218,153
Outside service expenses	7,302,566,380	9,265,818,430
Goodwill allocation	2,916,615,308	783,565,449
Tools	3,915,352,313	79,186,173
Depreciation and amortisation	112,732,879	1,327,732,943
Others	1,814,639,036	56,975,524
	280,174,226,333	255,396,749,396

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:

For the three-month period ended 31.3.2018

	Advertising VND	Broadcast on digital infrastructure VND	Film patents VND	Selling programmes VND	Others VND	Elimination entries VND	Total VND
Net revenue	359,776,547,746	68,082,253,649	1,852,989,136	946,000,000	10,333,066,115	(110,821,555,750)	**330,169,300,896**
Cost of goods sold and services rendered	(295,465,063,239)	(22,481,743,690)	(1,560,878,791)	-	(2,963,468,494)	98,299,568,596	**(224,171,585,618)**
Gross profit	64,311,484,507	45,600,509,959	292,110,345	946,000,000	7,369,597,621	(12,521,987,154)	**105,997,715,278**

For the three-month period ended 31.3.2017 (Un-reviewed)

	Advertising VND	Broadcast on digital infrastructure VND	Film patents VND	Selling programmes VND	Others VND	Elimination entries VND	Total VND
Net revenue	91,498,221,688	124,973,190,028	1,371,035,475	2,226,749,997	-	(44,782,709,726)	**175,286,487,461**
Cost of good sold and services rendered	(117,287,215,927)	(46,864,746,092)	(9,325,504,235)	(13,447,728)	-	42,642,755,183	**(130,848,158,799)**
Gross profit	(25,788,994,239)	78,108,443,936	(7,954,468,760)	2,226,749,997	-	(2,139,954,543)	**44,438,328,662**

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:

	For the three-month period ended 31 March 2018			
	Domestic VND	Foreign VND	Elimination entries VND	Total VND
Net revenue	281,320,047,984	159,670,808,662	(110,821,555,750)	**330,169,300,896**
Cost of goods sold and services rendered	(168,219,988,479)	(154,251,165,735)	98,299,568,596	**(224,171,585,618)**
Gross profit	113,100,059,505	5,419,642,927	(12,521,987,154)	**105,997,715,278**

	For the three-month period ended 31 March 2017 (Un-reviewed)			
	Domestic VND	Foreign VND	Elimination entries VND	Total VND
Net revenue	120,924,388,588	99,144,808,599	(44,782,709,726)	**175,286,487,461**
Cost of goods sold and services rendered	(87,896,740,598)	(85,594,173,384)	42,642,755,183	**(130,848,158,799)**
Gross profit	33,027,647,990	13,550,635,215	(2,139,954,543)	**44,438,328,662**

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

	For the three-month period ended	
	31.3.2018 VND	31.3.2017 VND (Un-reviewed)
Acquisition of additional equity interest from non-controlling interest by payables	22,325,922,974	-
Investment in other equities by payables	11,337,000,000	-

(b) Amount of borrowings actually withdrawn during the period

	For the three-month period ended	
	31.3.2018 VND	31.3.2017 VND (Un-reviewed)
Proceeds from borrowings following normal borrowing contracts	119,675,002,278	144,225,204,375

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

	For the three-month period ended	
	31.3.2018 VND	31.3.2017 VND (Un-reviewed)
Repayments for borrowings following normal borrowing contracs	46,736,249,361	65,877,312,518
Repayment for principals of finance leases	188,881,947	188,881,947

37 RELATED PARTY DISCLOSURES

During the period, 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 Deputy General Director	Mr. Vo Thai Phong
Company under the control of Board of Management's member	Vietnam Online Service Joint Stock Company
Major shareholder	DFJ Vinacapital Venture Investment Ltd.

(a) Related party transactions

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

	For the three-month period ended 31.3.2018 VND	31.3.2017 VND (Un-reviewed)
i) Rendering of services		
Vietnam Online Service Trade Joint StockCompany	-	86,795,454
ii) Purchases of services		
Vietnam Online Service Trade Joint Stock Company	520,310,571	457,688,827
iii) Compensation of key management		
Gross salaries and other benefits	2,090,003,322	4,918,886,802
iv) Interest paid		
Vietnam Online Service Trade Joint Stock Company	27,000,000	-
v) Lending		
Vietnam Online Service Trade Joint Stock Company	24,443,386,194	8,657,982,782
vi) Borrowing		
Vietnam Online Service Trade Joint Stock Company	2,000,000,000	-
vii) Borrowing settlement		
Vietnam Online Service Trade Joint Stock Company	1,000,000,000	-

37 RELATED PARTY DISCLOSURES (continued)

(b) Period end balances with related parties

	31.3.2018 VND	31.12.2017 VND
(i) Short-term trade accounts receivable (Note 6)		
Vietnam Online Service Trade Joint Stock Company	704,645,457	704,645,457
(ii) Other short-term receivables (Note 8(a))		
Mr. Vo Thai Phong	8,195,718,325	7,135,444,353
Mr. Dao Phuc Tri	-	26,555,206,429
	8,195,718,325	33,690,650,782
(iii) Other long-term receivables (Note 8(b))		
Vietnam Online Service Trade Joint Stock Company	8,000,000,000	8,000,000,000
Mr. Vo Thai Phong	4,049,013,893	4,176,712,328
	12,049,013,893	12,176,712,328
(iv) Lending (Note 11)		
Mr. Vo Thai Phong	35,864,555,647	35,864,555,647
(v) Other short-term payables (Note 18)		
Vietnam Online Service Trade Joint Stock Company	4,534,504,462	-
Mr. Vo Thai Phong	-	38,356,663
Mr. Nguyen Anh Nhuong Tong	-	27,854,755
	4,534,504,462	66,211,418

38 COMMITMENTS UNDER OPERATING LEASES

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

	Office rental		Television license rental		Total	
	31.3.2018 VND	31.12.2017 VND	31.3.2018 VND	31.12.2017 VND	31.3.2018 VND	31.12.2017 VND
Within 1 year	45,359,531,553	45,359,531,553	24,200,000,000	24,200,000,000	69,559,531,553	69,559,531,553
1 - 5 years	146,643,983,098	157,983,865,986	-	6,050,000,000	146,643,983,098	164,033,865,986
Total minimum payment	192,003,514,651	203,343,397,539	24,200,000,000	30,250,000,000	216,203,514,651	233,593,397,539

39 CAPITAL EXPENDITURE COMMITMENTS

As at 31 March 2018, according to the signed business cooperation contracts, the Company had commitments to contribute its capital obligations as follows:

	31.3.2018 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

	31.3.2018 VND
Within 1 year	43,116,703,751

40 EVENTS AFTER THE CONSOLIDATED INTERIM BALANCE SHEET DATE

Issuance of additional shares from undistributed earnings, appropriation of development and investment fund

According to Resolution No. 01/2018/NQ/ĐHĐCĐ dated on April 10 2018, the Annual General Shareholders' Meeting approved the issuance of shares from undistributed earnings at the rate of 15% of charter capital to existing shareholders, appropriate the development and invested fund with the amount of VND5 billion. As of the date of approval of these consolidated interim financial statements, the procedures for issuance of additional shares have been completed.

41 COMPARATIVE FIGURES

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

The consolidated interim financial statements were approved by the Chairman on 27 April 2018.

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