YEAH1 GROUP CORPORATION

SEPARATE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018

YEAH1 GROUP CORPORATION

SEPARATE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018

TABLE OF CONTENTS **PAGE**

YEAH1 GROUP CORPORATION

CORPORATE INFORMATION

Business 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 Directors	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 Supervisors	Mr. Ho Nam Dong	Head of department (from 10 April 2018)
	Mr. Lam Quoc Thai	Member (from 10 April 2018)
	Mr. Le Van Nhuong	Member (from 10 April 2018)
Board of Management	Mr. Dao Phuc Tri	General Director
	Mr. Vo Thai Phong	Deputy General Director - Finance
	Mr. Niraan De Silva	Deputy General Director - Strategy (from 20 June 2018)
	Mr. Loh Yeah Wei Jason	Deputy General Director - Operation (from 20 June 2018)
Legal representatives	Mr. Nguyen Anh Nhuong Tong	Chairman
	Mr. Dao Phuc Tri	General Director
Registered office	1st floor, Office Tower, Mplaza Building, 39 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.	
Auditor	PwC (Vietnam) Limited	

YEAH1 GROUP CORPORATION

STATEMENT OF RESPONSIBILITY OF THE CHAIRMAN OF THE COMPANY IN RESPECT OF THE SEPARATE INTERIM FINANCIAL STATEMENTS

The Chairman of Yeah1 Group Corporation ("the Company") is responsible for preparing the separate interim financial statements of the Company which give a true and fair view of the separate interim financial position of the Company as at 30 June 2018, and of the separate results of its operations and its separate cash flows for the six-month period then ended. In preparing these separate 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 separate interim financial statements on a going concern basis unless it is inappropriate to presume that the Company 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 separate financial position of the Company and which enable separate interim financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the separate interim financial statements. The Chairman is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL OF THE SEPARATE INTERIM FINANCIAL STATEMENTS

I hereby approve the accompanying separate interim financial statements as set out on pages 5 to 45 which give a true and fair view of the separate interim financial position of the Company as at 30 June 2018, and of the separate results of its operations and its separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate interim financial statements.

Users of these separate interim financial statements of the Company should read them together with the consolidated interim financial statements of the Company and its subsidiaries (collectively referred to as "the Group") for the six-month period ended 30 June 2018 in order to obtain full information of the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group as a whole.

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
17 August 2018

pwc

REPORT ON THE REVIEW OF SEPARATE INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF YEAH1 GROUP CORPORATION

We have reviewed the accompanying separate interim financial statements of Yeah1 Group Corporation ("the Company") which were prepared on 30 June 2018 and approved by the Chairman on 17 August 2018. The separate interim financial statements comprise the separate interim balance sheet as at 30 June 2018, the separate income statement and separate cash flow statement for the period then ended, and explanatory notes to the separate interim financial statements including significant accounting policies, as set out on pages 10 to 45.

The Chairman's Responsibility

The Chairman of the Company is responsible for the preparation and the true and fair presentation of these separate interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate interim financial statements and for such internal control which Chairman determines is necessary to enable the preparation and fair presentation of the separate 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 this separate interim financial information 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 separate interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial statements do not present fairly, in all material respects, the separate financial position of the Company as at 30 June 2018, its separate financial performance and separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate interim financial statements.

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

Other Matters

The separate interim income statement and the separate interim cash flow statement of the Company for the six-month period ended on 30 June 2017, presented as corresponding figures, have not been reviewed by any independent auditors.

This 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)

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

Report reference number: HCM7443
Ho Chi Minh City, 17 August 2018

As indicated in Note 2.1 to the separate interim financial statements, the accompanying separate interim financial statements are not intended to present the separate interim financial position, separate results of operations and separate 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

SEPARATE INTERIM BALANCE SHEET

Code	ASSETS	Note	As at 30.6.2018 VND	31.12.2017 VND
100	**CURRENT ASSETS**		**140,185,196,470**	**182,052,180,379**
110	**Cash**	3	**1,139,011,676**	**10,082,225,490**
111	Cash		1,139,011,676	10,082,225,490
120	**Short-term investment**		**24,830,000,000**	**33,973,712,550**
123	Investments held-to-maturity	4(a)	24,830,000,000	33,973,712,550
130	**Short-term receivables**		**109,132,825,973**	**123,049,641,642**
131	Short-term trade accounts receivable	5	17,622,993,571	51,516,276,519
132	Short-term prepayments to suppliers	6	8,114,509,810	7,486,963,226
135	Short-term lending	10(a)	18,238,913,953	8,295,498,596
136	Other short-term receivables	7(a)	65,156,408,639	55,750,903,301
140	**Inventories**	8	**-**	**13,900,813,659**
141	Inventories		-	14,378,359,114
149	Provision for decline in value of inventories		-	(477,545,455)
150	**Other current asset**		**5,083,358,821**	**1,045,787,038**
151	Short-term prepaid expenses	9(a)	5,083,358,821	1,045,787,038

The notes on pages 10 to 45 are an integral part of these separate interim financial statements.

YEAH1 GROUP CORPORATION

Form B 01a – DN

SEPARATE INTERIM BALANCE SHEET (continued)

Code	ASSETS (continued)	Note	As at 30.6.2018 VND	As at 31.12.2017 VND
200	**LONG-TERM ASSETS**		**365,826,650,213**	**238,958,819,634**
210	**Long-term receivables**		**29,746,141,776**	**56,598,712,628**
215	Long-term lending	10(b)	13,000,000,000	43,000,000,000
216	Other long-term receivables	7(b)	16,746,141,776	13,598,712,628
220	**Fixed assets**		**7,681,712,990**	**7,651,215,097**
221	Tangible fixed assets	11(a)	1,096,240,696	1,035,704,367
222	Historical cost		4,245,850,786	4,042,981,410
223	Accumulated depreciation		(3,149,610,090)	(3,007,277,043)
227	Intangible fixed assets	11(b)	6,585,472,294	6,615,510,730
228	Historical cost		7,024,382,154	7,024,382,154
229	Accumulated amortisation		(438,909,860)	(408,871,424)
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**		**324,701,839,532**	**155,908,678,127**
251	Investments in subsidiaries	4(b)	323,751,839,532	155,208,009,115
252	Investment in an associate	4(c)	-	400,000,000
253	Investment in other entities	4(d)	950,000,000	450,000,000
254	Provision for long-term investments	4(c)	-	(149,330,988)
260	**Other long-term assets**		**3,581,480,915**	**18,684,738,782**
261	Long-term prepaid expenses	9(b)	3,561,480,916	17,877,814,200
262	Deferred income tax assets	17	19,999,999	806,924,582
270	**TOTAL ASSETS**		**506,011,846,683**	**421,011,000,013**

YEAH1 GROUP CORPORATION

Form B 01a – DN

SEPARATE INTERIM BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at 30.6.2018 VND	31.12.2017 VND
300	**LIABILITIES**		**179,221,211,653**	**140,842,652,239**
310	**Short-term liabilities**		**149,221,211,653**	**110,783,000,239**
311	Short-term trade accounts payable	12	8,858,707,594	45,061,536,618
312	Short-term advances from customers		-	1,153,795,164
313	Tax and other payables to the State budget	13	1,337,873,879	2,948,668,176
315	Short-term accrued expenses	14	3,507,746,467	3,853,255,163
319	Other short-term payables	15	134,422,479,101	19,475,652,305
320	Short-term borrowings	16(a)	1,094,404,612	38,290,092,813
330	**Long-term liabilities**		**30,000,000,000**	**30,059,652,000**
337	Other long-term payables		-	59,652,000
338	Long-term borrowings	16(b)	30,000,000,000	30,000,000,000
400	**OWNERS' EQUITY**		**326,790,635,030**	**280,168,347,774**
410	**Capital and reserves**		**326,790,635,030**	**280,168,347,774**
411	Owners' capital	18, 19	273,699,680,000	238,000,000,000
411a	*- Ordinary shares with voting rights*		*273,699,680,000*	*238,000,000,000*
412	Share premium	19	24,115,560,000	24,115,560,000
421	Undistributed earnings	19	28,975,395,030	18,052,787,774
421a	*- Undistributed post-tax profits of previous years*		*18,052,787,774*	-
421b	*- Post-tax profit of current period/ year*		*10,922,607,256*	*18,052,787,774*
440	**TOTAL RESOURCES**		**506,011,846,683**	**421,011,000,013**

Tran Thi Lao
Chief Accountant/Preparer

Vo Thai Phong
Deputy General Director - Finance

Nguyen Anh Nhuong Tong
Chairman
17 August 2018

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

The notes on pages 10 to 45 are an integral part of these separate interim financial statements.

YEAH1 GROUP CORPORATION

Form B 02a – DN

SEPARATE INTERIM INCOME STATEMENT

Code		Note	For the six-month period ended 30.6.2018 VND	30.6.2017 VND (Un-reviewed)
01	**Revenue from sales of goods and rendering of services**		**39,753,208,363**	**70,130,818,808**
02	Less deductions		-	(6,110,234)
10	**Net revenue from sales of goods and rendering of services**	21	**39,753,208,363**	**70,124,708,574**
11	**Cost of goods sold and services rendered**	22	**(24,484,710,159)**	**(43,249,241,343)**
20	**Gross profit**		**15,268,498,204**	**26,875,467,231**
21	Financial income	23	44,879,422,454	2,451,981,106
22	Financial expenses	24	(1,872,335,863)	(6,315,875,847)
23	*- Including: Interest expense*	24	*(1,872,335,863)*	*(6,192,075,847)*
25	Selling expenses	25	(136,424,674)	(8,133,277,233)
26	General and administration expenses	26	(10,483,101,588)	(7,198,729,066)
30	**Net operating profit**		**47,656,058,533**	**7,679,566,191**
31	Other income		-	-
32	Other expenses		(246,846,694)	(33,934,921)
40	**Net other expenses**		**(246,846,694)**	**(33,934,921)**
50	**Net accounting profit before tax**		**47,409,211,839**	**7,645,631,270**
51	Business income tax - current	27	-	(1,145,913,238)
52	Business income tax - deferred	17, 27	(786,924,583)	-
60	**Net profit after tax**		**46,622,287,256**	**6,499,718,032**

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
Deputy General Director - Finance

Nguyen Anh Nhuong Tong
Chairman
17 August 2018

The notes on pages 10 to 45 are an integral part of these separate interim financial statements.

SEPARATE INTERIM CASH FLOW STATEMENT
(Indirect method)

Code		Note	For the six-month period ended 30.6.2018 VND	30.6.2017 VND (Un-reviewed)
	CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Net accounting profit before tax**		**47,409,211,839**	**7,645,631,270**
	Adjustments for:			
02	Depreciation and amortisation	11	172,371,483	230,446,488
03	Reversal of provisions		(626,876,443)	-
05	Profits from investing activities		(44,879,422,454)	(2,450,554,052)
06	Interest expense		1,872,335,863	6,192,075,847
08	**Operating profit before changes in working capital**		**3,947,620,288**	**11,617,599,553**
09	Decrease in receivables		65,143,518,572	5,249,015,164
10	Decrease in inventories		14,378,359,114	1,421,966,877
11	Decrease in payables		(22,202,384,804)	(31,247,999,459)
12	Decrease in prepaid expenses		10,278,761,501	31,275,888,980
14	Interest paid		(1,934,086,470)	(4,953,989,098)
15	Business income tax paid		(182,031,763)	(2,851,212,840)
20	**Net cash inflows from operating activities**		**69,429,756,438**	**10,511,269,177**
	CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets		(202,869,376)	-
23	Loans granted and term deposits		(42,791,830,985)	(6,300,000,000)
24	Collection of loans granted and term deposits		61,365,000,000	-
25	Investments in other entities		(61,275,000,000)	-
27	Dividends and interest received		1,727,418,310	2,450,554,052
30	**Net cash outflows from investing activities**		**(41,177,282,051)**	**(3,849,445,948)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
33	Proceeds from borrowings		7,275,290,337	183,883,905,506
34	Repayments of borrowings		(44,470,978,538)	(77,901,961,470)
40	**Net cash (outflows)/inflows from financing activities**		**(37,195,688,201)**	**105,981,944,036**
50	**Net (decrease)/increase in cash**		**(8,943,213,814)**	**112,643,767,265**
60	**Cash at beginning of period**	3	**10,082,225,490**	**7,435,012,010**
70	**Cash at end of period**	3	**1,139,011,676**	**120,078,779,275**

Major non-cash transactions in the period were presented in Note 29.

Tran Thi Lao Chief Accountant/Preparer	Vo Thai Phong Deputy General Director - Finance	Nguyen Anh Nhuong Tong Chairman 17 August 2018

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

The notes on pages 10 to 45 are an integral part of these separate interim financial statements.

NOTES TO THE SEPARATE INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018

1 GENERAL INFORMATION

Yeah1 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 dated 12 September 2006 and the 21st amended Enterprise registration certificate was issued by the Department of Planning and Investment of Ho Chi Minh City on 21 April 2018.

The Company have been listed and its shares have been officially traded on Ho Chi Minh city Stock Exchange ("HOSE") since 26 June 2018 in accordance with Decision No.212/QD-SGDHCM signed by the Director of HOSE on 19 June 2018.

The principal activities of the Company include: advertising; creativity, entertainment, and artistic production; producing movies, videos and television programmes.

The normal business cycle of the Company is within 12 (twelve) months.

As at 30 June 2018, the Company had 36 employees (as at 31 December 2017: 17 employees).

As at 30 June 2018, the Company had 9 direct subsidiaries and 8 indirect subsidiaries (as at 31 December 2017: 8 direct subsidiaries, 5 indirect subsidiaries and 1 associate) as presented in Note 4 - Investments.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of separate interim financial statements

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

The accompanying separate interim financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries 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.

Separately, the Company has also prepared consolidated interim financial statements of the Company and its subsidiaries (together, "the Group") in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements. In the consolidated interim financial statements, subsidiary undertakings – which are those companies over which the Group has the power to govern the financial and operating policies – have been fully consolidated.

Users of these separate interim financial statements of the Company should read them together with the consolidated interim financial statements of the Group for the period ended 30 June 2018 in order to obtain full information of the consolidated financial position and consolidated results of operations and consolidated cash flows of the Group.

2.2 Fiscal year

The Company's fiscal year is from 1 January to 31 December. The separate interim financial statements is prepared for the six-month period from 1 January 2018 to 30 June 2018.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Currency

The separate interim 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 separate income statement.

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

2.4 Cash

Cash comprises cash on hand and cash at bank.

2.5 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 period end. Bad debts are written off when identified.

2.6 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, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

(b) Merchandises

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

(c) Provision

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Investments

(a) Investments held-to-maturity

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

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

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

(b) Short-term lendings

Lendings are contractual liabilities between the parties. Lendings are carried at cost less an estimate made for doubtful lendings based on a review by the Chairman of all outstanding amounts at the period end.

(c) Investments in subsidiaries

Subsidiaries are all entities over which the Company 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 Company controls another entity.

Investments in subsidiaries are accounted for at cost less provision for diminution in value. Provision for diminution in value is made when there is an impairment of the investments.

(d) Investment in an associate

Associate is investment that the Company has significant influence but not control and would generally have from 20% to under 50% of the voting shares of the investee.

Investment in an associate is accounted for at cost less provision for diminution in value. Provision for diminution in value is made when there is a reduction in value of the investment.

2.8 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:

Motor vehicles	10% – 33%
Machinery and equipment	20% – 23%
Brand names	2% – 10%

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Fixed assets (continued)

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 separate income statement.

2.9 Prepaid expenses

Prepaid expenses include short-term or long-term prepayments in the separate interim balance sheet and are mainly expenses for capital increase, equipment already put to use and others. Prepaid expenses are recorded at historical cost and allocated using the straight line method over estimated useful lives.

2.10 Payables

Classifications of payables are based on their nature as follows:

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

Payables are reclassified in the separate interim balance sheet based on the remaining period from the separate interim balance sheet date to the maturity date.

2.11 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 separate income statement when incurred.

2.12 Borrowings

Borrowings with payment terms of more than 12 months from the date of the separate interim financial statements are presented as long-term loans. Borrowings that fall due for settlement within the next 12 months from the date of the separate interim financial statements are presented as short-term loans. Borrowing expenses directly related to the borrowings (other than payable interest), such as expenses for verification, audit, application and so on, are recognised in the separate 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 capitalised in accordance with the accounting policy stated in Note 2.11.

2.13 Accrued expenses

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

2.14 Provisions

Provisions are recognised when the Company 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Provisions (continued)

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.

2.15 Owner's capital

Contributed capital of the shareholders is recorded according to actual amount contributed and is 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 Company 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 records the Company's accumulated results after business income tax at the reporting date.

2.16 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 Company's charter and Vietnamese regulations.

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

The Company appropriated below fund:

Bonus and welfare fund

The bonus and welfare fund is appropriated from the Company's undistributed earnings and subject to shareholders' approval at the General Meeting. This fund's purpose is to bring mutual benefits and improve the welfare of employees.

2.17 Revenue recognition

(a) Sales of goods

Revenue from the sale of goods is recognised in the separate income statement when all five (5) of the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company 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 Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Revenue recognition (continued)

(a) Sales of goods (continued)

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 Company gives promotional goods to customers associated with customers' purchase, the Company allocates the total consideration received for goods sold and promotional goods. Cost of promotional goods is recognised as cost of sales in the separate income statement.

(b) Rendering of services

Revenue from rendering of services is recognised in the separate 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 (4) 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 Company;
- The percentage of completion of the transaction at the separate 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 dividends is recognised when the Company has established the receiving right from investees.

2.18 Cost of sales and services rendered

Cost of sales and services rendered are mainly cost of television programme production, cost of sharing cooperative advertising activities and cost of merchandises, and recorded on the basis of matching with revenue and on prudent concept.

2.19 Financial expenses

Financial expenses are expenses incurred in the period for financial activities including expenses of borrowing and payment discounts.

2.20 Selling expenses

Selling expenses represent expenses that are incurred in the process of providing services, which mainly include depreciation of fixed assets for the sales department and others.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 General and administration expenses

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

2.22 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 period taxable profits at the current period 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.

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 separate interim 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 period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the separate 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.

2.23 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 Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

2.24 Segment reporting

A segment is a component which can be separated by the Company 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 Company's business segment or the Company's geographical segment.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Accounting estimates

The separate interim financial statements have been prepared in accordance with Vietnamese Accounting Standards requires the Chairman to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of assets and contingent liabilities at the date of the separate interim financial statements as well as the amounts of revenues and expenses for the reporting period. Although the accounting estimate is made by all the knowledge of the Chairman, the actual results may differ from those estimates.

3 CASH

	30.6.2018 VND	31.12.2017 VND
Cash on hand	465,915,416	258,144,005
Cash at bank	673,096,260	9,824,081,485
	1,139,011,676	10,082,225,490

4 INVESTMENTS

(a) Investments held-to-maturity

	30.6.2018		31.12.2017	
	Historical cost VND	Book value VND	Historical cost VND	Book value VND
Deposits at bank (*)	24,830,000,000	24,830,000,000	33,973,712,550	33,973,712,550

(*) Investments held-to-maturity mainly include deposits at bank with maturity from three to twelve months and earn interest at rates ranging from 6% per annum to 6.8% per annum (2017: from 5% per annum to 6% per annum). These deposits were pledged as collateral assets for short-term bank loans granted to the Company (Note 16).

4 INVESTMENTS (continued)

(b) Investments in subsidiaries

No.	Company	Principal activities	30.6.2018 Ownership and voting rights %	30.6.2018 Cost VND	30.6.2018 Fair value VND	30.6.2018 Provision VND	31.12.2017 Ownership and voting rights %	31.12.2017 Cost VND	31.12.2017 Fair value VND	31.12.2017 Provision VND
1	Yeah1 Entertainment Corporation	Advertisings, producing media channels	99.00	29,700,000,000	(*)	-	99.00	29,700,000,000	(*)	-
2	Yeah1 Brand Name Development Corporation	Advertisings, designing website	99.00	4,334,126,249	(*)	-	99.00	2,334,126,249	(*)	-
3	Dragon Entertainment Joint Stock Company	Advertisings, producing films	99.00	9,900,000,000	(*)	-	99.00	9,900,000,000	(*)	-
4	NVU Joint Stock Company	Advertising, producing media channels	90.00	30,000,000,000	(*)	-	90.00	5,425,000,000	(*)	-
5	Film World Trade Joint Stock Company	Producing films, telecommunication and advertisements	80.00	11,304,000,000	(*)	-	80.00	11,304,000,000	(*)	-
6	Yeah1 Film Production and Investment Corporation	Producing films, telecommunications and advertisements	67.00	6,300,000,000	(*)	-	67.00	5,100,000,000	(*)	-
7	Netlink Online Communication Joint Stock Company	Creative, art and entertainment activities	76.00	119,885,963,283	(*)	-	51.00	86,344,882,866	(*)	-
8	On+ Communication Joint Stock Company	Advertisings	51.00	5,100,000,000	(*)	-	51.00	5,100,000,000	(*)	-
9	ADS Group Vietnam Joint Stock Company	Information website, IT services, advertisement	51.00	107,227,750,000	(*)	-	-	-		-
				323,751,839,532				155,208,009,115		

(*) As at 30 June 2018 and 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.

4 INVESTMENTS (continued)

(b) Investments in subsidiaries (continued)

In addition, the Company has indirect subsidiaries as follows:

No.	Company	Principal activities	Registered office	Ownership %	Voting rights %
1	TNT Advertising Communication Company Limited	Advertising; trade organisation, introduction and promotion; film, video and television programme production activities; creative, art and entertainment activities.	Ho Chi Minh City, Vietnam	50.49	51.00
2	Yeah1 Network Pte., Ltd.	Film, video and television programme production activities; creative, art and entertainment activities.	Singapore	89.10	90.00
3	Yeah1 Network Vietnam Co., Ltd.	Advertising, market research and public opinion polling.	Ho Chi Minh City, Vietnam	90.09	100.00
4	Netlink Online Corporation	Film production, telecommunication and advertising.	Seychelles	76.00	100.00
5	SMB Joint Stock Company	Post-production, film screening, music recording and publishing	Ho Chi Minh City, Vietnam	84.15	85.00
6	Digital Content Center Company Limited	Advertising	Ben Tre, Vietnam	90.09	90.09
7	ZeroZ Joint Stock Company	Film production, professional designing services	Ho Chi Minh City, Vietnam	94.05	95.00
8	Tri Tam Pharmaceutical and Technology Joint Stock Company	Trading in functional foods, foodstuffs, medical tools, drug, pharmaceutical, medicine production	Hanoi, Vietnam	50.49	99.00

4 INVESTMENTS (continued)

(c) Investment in an associate

Company	Principal activities	30.6.2018 Ownership and voting rights %	30.6.2018 Cost VND	30.6.2018 Fair value VND	30.6.2018 Provision VND	31.12.2017 Ownership and voting rights %	31.12.2017 Cost VND	31.12.2017 Fair value VND	31.12.2017 Provision VND
Youth Connections Informatics Communication Joint Stock Company	Producing films, telecommunication and advertisement	-	-	-	-	40.00	400,000,000	250,669,012	(149,330,988)

During the period, the Company had divested the investment in Youth Connections Informatics Communication Joint Stock Company.

(d) Investment in other entities

Company	Principal activities	30.6.2018 Ownership and voting rights %	30.6.2018 Cost VND	30.6.2018 Fair value VND	30.6.2018 Provision VND	31.12.2017 Ownership and voting rights %	31.12.2017 Cost VND	31.12.2017 Fair value VND	31.12.2017 Provision VND
Gamify Vietnam Joint Stock Company	Online games service	15	950,000,000	(*)	-	15	450,000,000	(*)	-

(*) As at 30 June 2018 and 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.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	30.6.2018 VND	31.12.2017 VND
Third parties		
WPP Marketing Communications Co., Ltd.	3,196,107,503	3,120,711,076
Tan Hiep Phat Trading - Service Company Limited	1,828,192,310	1,828,181,627
Others	1,844,681,427	2,070,347,558
Related parties (Note 30(b))	10,754,012,331	44,497,036,258
	17,622,993,571	51,516,276,519

As at 30 June 2018 and 31 December 2017, short-term trade receivables to third parties were pledged as collateral assets for the short-term bank loans granted to the Company (Note 16).

As at 30 June 2018 and 31 December 2017, there was no balance of short-term trade accounts receivable that was past due or not past due but doubtful.

6 PREPAYMENTS TO SUPPLIERS

	30.6.2018 VND	31.12.2017 VND
Third parties		
Asia Multimedia Entertainment Company	4,218,861,600	4,218,861,600
VinaCJ Multimedia Joint Stock Company	2,800,000,000	2,800,000,000
Others	1,095,648,210	468,101,626
	8,114,509,810	7,486,963,226

As at 30 June 2018 and 31 December 2017, there was no balance of prepayments to suppliers that was past due or not past due but doubtful.

7 OTHER RECEIVABLES

(a) Short-term

	30.6.2018 VND	31.12.2017 VND
Dividend receivables	29,956,279,231	34,629,069,406
Receivable from business cooperation contract (*)	17,500,000,000	17,500,000,000
Receivable from channels transfer	14,217,730,920	-
Profits shared from business cooperation contracts (*)	2,100,000,000	2,806,543,782
Advances to employees	1,302,398,488	815,290,113
Others	80,000,000	-
	65,156,408,639	55,750,903,301
In which:		
Related parties (Note 30(b))	45,404,457,151	35,136,561,714
Third parties	19,751,951,488	20,614,341,587
	65,156,408,639	55,750,903,301

(*) This is a business cooperation contract relating 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 Saigon Company (formerly known as Mai Huong Huong Service and Trading Company Limited), the project owner. The total investment value is VND50,000,000,000; in which, the Company agreed to contribute 35% of the total investment, equivalent to VND17,500,000,000 and the project owner agreed to contribute the 65% of total investment equivalent to VND32,500,000,000. The revenue sharing is based on 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 cooperation or at least 15% of the total contribution if the project does not generate income.

As at the approval date of these separate interim financial statements, the Company is still in progress of liquidating the contract.

7 OTHER RECEIVABLES (continued)

(b) Long-term

	30.6.2018 VND	31.12.2017 VND
Guarantee deposit (**)	10,447,919,503	8,000,000,000
Interest receivables from lending	5,003,920,603	4,176,712,523
Deposits	1,294,301,670	1,422,000,105
	16,746,141,776	13,598,712,628
In which:		
Related parties (Note 30(b))	15,451,840,106	12,176,712,523
Third parties	1,294,301,670	1,422,000,105
	16,746,141,776	13,598,712,628

(**) The amount represents the deposit for using the web money service of Vietnam Online Joint Stock Company, a related party (Note 30(b)).

As at 30 June 2018 and 31 December 2017, there was no balance of other receivables that was past due or not past due but doubtful.

8 INVENTORIES

	30.6.2018		31.12.2017	
	Cost VND	Provision VND	Cost VND	Provision VND
Broadcasting TV programmes broadcast - unapproved	-	-	7,152,727,272	-
Merchandises	-	-	7,225,631,842	(477,545,455)
	-	-	14,378,359,114	(477,545,455)

Movements in the provision for decline in value of inventories during the period/year were as follows:

	For the six-month period ended 30.6.2018 VND	For the year ended 31.12.2017 VND
Beginning of the period/year	(477,545,455)	(477,545,455)
Reversal	477,545,455	-
End of the period/year	-	(477,545,455)

9 PREPAID EXPENSES

(a) Short-term

	30.6.2018 VND	31.12.2017 VND
Capital increase expenses	5,041,792,873	-
Tools and supplies	41,565,948	66,353,303
Prepaid service expenses	-	979,433,735
	5,083,358,821	1,045,787,038

(b) Long-term

	30.6.2018 VND	31.12.2017 VND
Prepaid service expenses	3,456,692,647	4,012,659,417
Tools and supplies	104,788,269	228,791,148
Investment and development cost for media channel project	-	13,636,363,635
	3,561,480,916	17,877,814,200

Movements in long-term prepaid expenses during the period/year are as follows:

	For the six-month period ended 30.6.2018 VND	For the year ended 31.12.2017 VND
Beginning of period/year	17,877,814,200	35,595,250,890
Increase during the period/year	390,008,327	684,535,619
Allocation during the period/year	(488,610,691)	(18,401,972,309)
Transfer to subsidiary (Note 30(a))	(14,217,730,920)	-
End of period/year	3,561,480,916	17,877,814,200

10 LENDINGS

(a) Short-term

	30.6.2018 VND	31.12.2017 VND
Third party	-	819,909,876
Related parties (Note 30(b)) (*)	18,238,913,953	7,475,588,720
	18,238,913,953	8,295,498,596

(*) There are short-term lendings to related parties which earn the interest rate of 0% per annum. The lending terms are below twelve months and there are not any collateral assets for these balances.

(b) Long-term

This balance presented for the long-term lending to Mr. Vo Thai Phong, Deputy General Director - Finance, which has the maturity of 48 months and the credit limit of VND43,000,000,000. The lending is secured by a 18-month saving deposit of VND30,000,000,000 at Ho Chi Minh City Development Joint Stock Commercial Bank owned by Vietnam Online Joint Stock Company and all shares of Mr. Vo Thai Phong in the Company. The lending earns interest at the rate of 10% per annum (Note 30(b)). During the period, the Company has collected VND30,000,000,000 from this long-term lending.

11 FIXED ASSETS

(a) Tangible fixed assets

	Motor vehicles VND	Machinery and equipment VND	Total VND
Historical cost			
As at 1 January 2018	3,139,273,635	903,707,775	**4,042,981,410**
New purchases	-	202,869,376	**202,869,376**
As at 30 June 2018	3,139,273,635	1,106,577,151	**4,245,850,786**
Accumulated depreciation			
As at 1 January 2018	2,196,234,767	811,042,276	**3,007,277,043**
Charge for the period	123,474,498	18,858,549	**142,333,047**
As at 30 June 2018	2,319,709,265	829,900,825	**3,149,610,090**
Net book value			
As at 1 January 2018	943,038,868	92,665,499	**1,035,704,367**
As at 30 June 2018	819,564,370	276,676,326	**1,096,240,696**

11 FIXED ASSETS (continued)

(a) Tangible fixed assets (continued)

As at 30 June 2018, tangible fixed assets with carrying value of VND905,479,691 (as at 31 December 2017: VND1,028,954,189) were pledged as collateral assets for short-term and long-term bank loans granted to the Company (Note 16).

Historical cost of fully depreciated tangible fixed assets but still in use as at 30 June 2018 was VND1,536,655,955 (as at 31 December 2017: VND1,450,746,637).

(b) Intangible fixed assets

	Land use rights VND	Brand names VND	Total VND
Historical cost			
As at 1 January 2018 and 30 June 2018	4,500,000,000	2,524,382,154	**7,024,382,154**
Accumulated amortisation			
As at 1 January 2018	-	408,871,424	**408,871,424**
Charge for the period	-	30,038,436	**30,038,436**
As at 30 June 2018	-	438,909,860	**438,909,860**
Net book value			
As at 1 January 2018	4,500,000,000	2,115,510,730	**6,615,510,730**
As at 30 June 2018	4,500,000,000	2,085,472,294	**6,585,472,294**

As at 30 June 2018, land use rights with total value of VND4,500,000,000 (as at 31 December 2017: VND4,500,000,000) was pledged as collateral for short-term and long-term borrowings from bank (Note 16).

12 SHORT-TERM TRADE ACCOUNTS PAYABLE

	30.6.2018 Amount VND	30.6.2018 Able-to-pay amount VND	31.12.2017 Amount VND	31.12.2017 Able-to-pay amount VND
Third parties				
Long Ngoc Chau One member Co., Ltd	4,195,113,085	4,195,113,085	-	-
Southern Digital Television Co., Ltd	2,909,499,999	2,909,499,999	2,909,499,999	2,909,499,999
Sky and Stars Production Co., Ltd	409,013,550	409,013,550	-	-
Rohto-Mentholatum (Vietnam) Co., Ltd	45,040,371	45,040,371	1,352,397,564	1,352,397,564
Hoang Mai P&T Co., Ltd	-	-	1,073,824,400	1,073,824,400
Others	1,190,040,589	1,190,040,589	2,320,670,174	2,320,670,174
Related parties (Note 30(b))	110,000,000	110,000,000	37,405,144,481	37,405,144,481
	8,858,707,594	8,858,707,594	45,061,536,618	45,061,536,618

As at 30 June 2018 and 31 December 2017, there was no trade accounts payable that was past due.

13 TAXES AND OTHER PAYABLES TO THE STATE BUDGET

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	Net-off during the period VND	Settled during the period VND	As at 30.6.2018 VND
Payables					
Value added tax	2,190,591,910	2,495,590,934	(710,573,915)	(3,434,013,272)	541,595,657
Business income tax	182,031,763	-	-	(182,031,763)	-
Personal income tax	576,044,503	570,358,783	-	(350,125,064)	796,278,222
Others	-	3,000,000	-	(3,000,000)	-
	2,948,668,176	3,068,949,717	(710,573,915)	(3,969,170,099)	1,337,873,879

14 SHORT-TERM ACCRUED EXPENSES

	30.6.2018 VND	31.12.2017 VND
Interest expense	3,407,746,467	3,465,384,663
Designing fee	100,000,000	-
Others	-	387,870,500
	3,507,746,467	3,853,255,163
In which:		
Third parties	-	445,508,696
Related parties (Note 30(b))	3,507,746,467	3,407,746,467
	3,507,746,467	3,853,255,163

15 OTHER SHORT-TERM PAYABLES

	30.6.2018		31.12.2017	
	Amount VND	Able-to-pay amount VND	Amount VND	Able-to-pay amount VND
Investment in subsidiaries (*)	115,216,713,283	115,216,713,283	7,447,882,866	7,447,882,866
Internal payables	18,560,573,726	18,560,573,726	11,713,159,203	11,713,159,203
Others	645,192,092	645,192,092	314,610,236	314,610,236
	134,422,479,101	134,422,479,101	19,475,652,305	19,475,652,305
In which:				
Related parties (Note 30(b))	18,560,573,726	18,560,573,726	11,717,304,573	11,717,304,573
Third parties	115,861,905,375	115,861,905,375	7,758,347,732	7,758,347,732
	134,422,479,101	134,422,479,101	19,475,652,305	19,475,652,305

(*) The partial balance which amount of VND101,227,750,000 is related to the transfer of 51% share capital from ADS Group Vietnam Joint Stock Company to the Company on 1 April 2018. The remaining balance of VND13,988,963,283 is related to the additional acquisition of 25% share capital of Netlink Online Communication Joint Stock Company on 1 January 2018. This amount will be settled when the Company successfully increases its capital.

16 BORROWINGS

(a) Short-term

	At as 1.1.2018 VND	Increase VND	Decrease VND	At as 30.6.2018 VND
Ho Chi Minh Development Joint Stock Commercial Bank (*)	19,290,092,813	7,275,290,337	(25,470,978,538)	1,094,404,612
Vietnam United Overseas Bank	19,000,000,000	-	(19,000,000,000)	-
	38,290,092,813	7,275,290,337	(44,470,978,538)	1,094,404,612

(*) These are borrowings in Vietnamese Dong according to the loan contract No.11037/18MN/HDTD with a total facility of VND17,000,000,000 at Ho Chi Minh Development Joint Stock Commercial Bank ("the Bank"). The loans have maturity of 12 months from the drawdown date and the repayment dates are prescribed in each loan agreements. The borrowings bear an interest of 10% per annum for VND amounts and 4% per annum for foreign currency amounts. The purpose is to supplement the working capital used for the production and trading of TV programmes, film distribution, commercial advertising and other activities. The collateral assets include: the land use rights of the property at No. 826, 828, Suoi Cat Street, Thanh Tuyen Commune, Dau Tieng District, Binh Duong Province (Note 11(b)) and vehicles of the Company (Note 11(a)) and Yeah1 Entertainment Corporation (a subsidiary); 5,000,000 shares owned by Mr. Nguyen Anh Nhuong Tong and/or a third party accepted by the Bank; debt conversion rights stipulated in the contract signed between MMS Vietnam Communication Co., Ltd, WPP Communications Co., Ltd., Dentsu Vietnam Co., Ltd, TK-L Media Joint Stock Company and Dat Viet VAC Media Corporation (Note 5); and term deposits at the Bank of the Company (Note (4a)).

(b) Long-term

	At as 1.1.2018 VND	Increase VND	Decrease VND	At as 30.6.2018 VND
Ho Chi Minh Development Joint Stock Commercial Bank (**)	30,000,000,000	-	-	30,000,000,000

(**) This is a borrowing in VND having a maturity of 36 months from the disbursement date according to loan contract No.9989/16/HDTDTDH-DN/140 with a total facility of VND30,000,000,000. The borrowing is used for the co-operation with Vietnam Online Joint Stock Company to implement the Vietnam Webmoney project. The borrowing bears an interest rate of 9.3% per annum which would be adjusted every three months. The interests are paid monthly, the principals will be repaid on maturity date. The collateral asset is a deposit of VND30,000,000,000 of Vietnam Online Joint Stock Company at the Bank.

17 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.

Details of deferred income tax assets are as follows:

	30.6.2018 VND	31.12.2017 VND
Deferred tax assets to be recovered within 12 months	19,999,999	806,924,582

Movements of deferred income tax assets during the period/year are as follows:

	For the six-month period ended 30.6.2018 VND	For the year ended 31.12.2017 VND
Beginning of period/year	806,924,582	164,446,849
Separate income statement credit/(charge) (Note 27)	(786,924,583)	642,477,733
End of period/year	19,999,999	806,924,582

Deferred tax assets primarily arose from provisions. The Company uses tax rate of 20% in year 2018 (2017: 20%) for determining deferred tax assets.

The Company's tax losses can be carried forward to offset against future taxable income for a maximum period of no more than five consecutive years from the year right after the year in which the loss was incurred. The actual amount of tax losses that can be carried forward is subject to review and approval of the tax authorities and may be different from the figures presented. The estimated amount of tax losses available for offset against the Company's future taxable income is:

Year of tax loss	Status of tax authoritie review	Loss incurred VND	Loss utilised VND	Loss carried forward VND
2017	Outstanding	2,127,238,583	-	2,127,238,583

The Company did not recognise deferred income tax assets relating to the above tax losses carried forward, as the realisation of the related tax benefit through future taxable income currently cannot be assessed as probable.

18 OWNERS' CAPITAL

(a) Number of shares

	30.6.2018 Ordinary shares	31.12.2017 Ordinary shares
Number of shares registered	27,369,968	23,800,000
Number of shares issued	27,369,968	23,800,000
Number of existing shares in circulation	27,369,968	23,800,000

(b) Details of owners' shareholdings

	30.6.2018 Ordinary shares	30.6.2018 %	31.12.2017 Ordinary shares	31.12.2017 %
Mr. Nguyen Anh Nhuong Tong	7,421,408	27.12	9,853,399	41.40
Mr. Ho Ngoc Tan	3,910,000	14.29	-	-
Ancla Assets Ltd.	3,419,249	12.49	2,973,260	12.49
DFJ VinaCapital Venture Investment Ltd.	1,954,582	7.14	8,499,637	35.71
Macquarie Bank Limited	1,572,000	5.74	-	-
Mr. Dao Phuc Tri	1,195,422	4.37	1,039,498	4.37
Other shareholders	7,897,307	28.85	1,434,206	6.03
	27,369,968	100.00	23,800,000	100.00

(c) Movement of share capital

	Number of share capital Shares	Ordinary shares VND	Total VND
As 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**
As at 1 January 2018	23,800,000	238,000,000,000	**238,000,000,000**
New shares issued	3,569,968	35,699,680,000	**35,699,680,000**
As at 30 June 2018	27,369,968	273,699,680,000	**273,699,680,000**

Par value per share: VND10,000.

19 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Post-tax undistributed earnings VND	Total VND
As at 1 January 2017	100,000,000,000	115,560,000	3,991,936,684	**104,107,496,684**
Net profit for the year	-	-	32,280,851,090	**32,280,851,090**
Distribution of dividends by shares	18,220,000,000	-	(18,220,000,000)	**-**
Issuance of shares for existing shareholders	113,780,000,000	-	-	**113,780,000,000**
Issuance of shares for employees	6,000,000,000	24,000,000,000	-	**30,000,000,000**
As at 31 December 2017	238,000,000,000	24,115,560,000	18,052,787,774	**280,168,347,774**
Net profit for the period	-	-	46,622,287,256	**46,622,287,256**
Distribution of dividends by shares (i)	35,699,680,000	-	(35,699,680,000)	**-**
As at 30 June 2018	273,699,680,000	24,115,560,000	28,975,395,030	**326,790,635,030**

(i) Pursuant to Decision No.01/2018/NQ/DHDCD dated 10 April 2018, the Board of Directors had approved the new share issuance plan by undistributed retain earnings with the ratio of 15% charter capital for existing shareholders.

20 OFF BALANCE SHEET ITEMS

(a) Foreign currencies

Included in cash are balances held in foreign currencies of 73 gold threads (as at 31 December 2017: USD3 and 55 gold threads).

(b) Commitments under operating lease

The future minimum lease payments under non-cancellable operating leases were VND19,623,477,237 and VND49,824,941,284 as at 30 June 2018 and 31 December 2017, respectively (Note 31(a)).

21 REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	For the six-month period ended	
	30.6.2018	**30.6.2017**
	VND	**VND**
		(Un-reviewed)
Revenue from sales of goods and rendering of services		
Revenue from programme broadcasts on digital platform	16,500,000,000	24,250,000,000
Revenue from sales of goods	9,583,343,976	-
Revenue from licensing	8,110,084,105	13,404,475,182
Revenue from rental	5,559,780,282	553,499,994
Revenue from advertisement	-	31,922,843,632
	39,753,208,363	70,130,818,808
Deductions		
Trade discounts	-	(6,110,234)
Net revenue from sales of goods and rendering of services		
Net revenue from programme broadcasts on digital platform	16,500,000,000	24,250,000,000
Net revenue from sales of goods	9,583,343,976	-
Net revenue from licensing	8,110,084,105	13,404,475,182
Net revenue from rental	5,559,780,282	553,499,994
Net revenue from advertisement	-	31,916,733,398
	39,753,208,363	70,124,708,574

22 COST OF GOODS SOLD AND SERVICES RENDERED

	For the six-month period ended	
	30.6.2018 VND	30.6.2017 VND (Un-reviewed)
Cost of goods sold	8,362,899,142	-
Cost of programme production	7,152,727,272	10,132,670,188
Cost of licensing	5,996,051,745	9,469,696,965
Cost of rental	2,973,032,000	1,594,442,807
Cost of advertisement	-	22,052,431,383
	24,484,710,159	43,249,241,343

23 FINANCIAL INCOME

	For the six-month period ended	
	30.6.2018 VND	30.6.2017 VND (Un-reviewed)
Dividend income (Note 30(a))	44,310,052,396	-
Interest income from deposits and lending	569,370,058	2,450,554,052
Others	-	1,427,054
	44,879,422,454	2,451,981,106

24 FINANCIAL EXPENSES

	For the six-month period ended	
	30.6.2018 VND	30.6.2017 VND (Un-reviewed)
Interest expense	1,872,335,863	6,192,075,847
Payment discount	-	123,800,000
	1,872,335,863	6,315,875,847

25 SELLING EXPENSES

	For the six-month period ended	
	30.6.2018 VND	30.6.2017 VND (Un-reviewed)
Depreciation and amortisation	123,474,498	196,724,508
Tools and supplies	12,950,176	21,451,140
Outside services expenses	-	7,816,227,585
Others	-	98,874,000
	136,424,674	8,133,277,233

26 GENERAL AND ADMINISTRATION EXPENSES

	For the six-month period ended	
	30.6.2018 VND	30.6.2017 VND (Un-reviewed)
Outside services expenses	3,763,493,915	3,271,859,949
Staff costs	3,451,409,913	1,550,242,090
Meeting and business travelling	2,135,423,585	818,855,357
Tools and supplies	1,083,877,190	1,524,049,690
Depreciation and amortisation	48,896,985	33,721,980
	10,483,101,588	7,198,729,066

27 BUSINESS INCOME TAX

The tax on the Company's accounting profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% (2017: 20%) as follows:

	For the six-month period ended	
	30.6.2018 VND	30.6.2017 VND (Un-reviewed)
Net accounting profit before tax	47,409,211,839	7,645,631,270
Tax calculated at a rate of 20%	9,481,842,368	1,529,126,254
Effect of:		
Income not subject to tax	(8,862,010,479)	(383,213,016)
Expenses not deductible for tax purposes	49,369,339	-
Tax losses for which no deferred income tax asset was recognised	117,723,355	-
Business income tax charge (*)	786,924,583	1,145,913,238

27 BUSINESS INCOME TAX (continued)

	For the six-month period ended	
	30.6.2018 VND	30.6.2017 VND (Un-reviewed)
Charged to separate interim income statement:		
Business income tax – current	-	1,145,913,238
Business income tax – deferred (Note 17)	786,924,583	-
	786,924,583	1,145,913,238

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

28 COST OF OPERATION BY FACTOR

	For the six-month period ended	
	30.6.2018 VND	30.6.2017 VND (Un-reviewed)
Outside services expenses	13,626,361,245	45,122,388,046
Cost of goods sold	8,362,899,142	-
Programme production expenses	7,152,727,272	10,132,670,188
Staff cost	4,693,049,913	1,550,242,090
Tools and supplies	1,096,827,366	1,545,500,830
Depreciation and amortisation	172,371,483	230,446,488
	35,104,236,421	58,581,247,642

29 ADDITIONAL INFORMATION FOR THE ITEMS OF THE CASH FLOW STATEMENT

(a) Non-cash transactions affect the cash flow statement

	For the six-month period ended	
	30.6.2018 VND	30.6.2017 VND (Un-reviewed)
Distribution of dividends by shares	35,699,680,000	-
Subsidiary acquisition by payables	115,216,713,283	-
Dividend receivables	29,956,279,231	-

29 ADDITIONAL INFORMATION FOR THE ITEMS OF THE CASH FLOW STATEMENT (continued)

(b) Amount of lending and term deposits actually collected during the period

	For the six-month period ended	
	30.6.2018 VND	30.6.2017 VND (Un-reviewed)
Collection of lending granted to related parties	30,000,000,000	-
Collection of term deposits at bank	31,365,000,000	-
	61,365,000,000	-

(c) Amount of lending and term deposits made at bank during the period

	For the six-month period ended	
	30.6.2018 VND	30.6.2017 VND (Un-reviewed)
Interest-free lending	19,291,830,985	-
Term deposits at bank	23,500,000,000	6,300,000,000
	42,791,830,985	6,300,000,000

(d) Amount of borrowing actually withdrawn during the period

	For the six-month period ended	
	30.6.2018 VND	30.6.2017 VND (Un-reviewed)
Proceeds from borrowings	7,275,290,337	183,883,905,506
Proceeds from convertible bonds	-	113,780,000,000
	7,275,290,337	297,663,905,506

(e) Amount of borrowing principal actually paid during the period

	For the six-month period ended	
	30.6.2018 VND	30.6.2017 VND (Un-reviewed)
Repayments for borrowings	44,470,978,538	77,901,961,470

30 RELATED PARTY DISCLOSURES

During the period, the Company has transactions and balances with related parties which are the shareholders of the Company and subsidiaries listed as below.

Relationship	Name
Subsidiary	Yeah1 Entertainment Corporation
Subsidiary	Dragon Entertainment Joint Stock Company
Subsidiary	NVU Joint Stock Company
Subsidiary	Yeah1 Network Pte. Ltd.
Subsidiary	Yeah1 Brand Name Development Corporation
Subsidiary	Film World Trade Joint Stock Company
Subsidiary	Yeah1 Film Production and Investment Corporation
Subsidiary	Yeah1 Network Vietnam Co., Ltd
Subsidiary	On+ Communication Corporation
Subsidiary	SMB Corporation
Subsidiary	TNT Advertising Communication Company Limited
Subsidiary	Netlink Online Communication Joint Stock Company
Subsidiary	Digital Content Center Company Limited
Subsidiary	ZeroZ Creative Joint Stock Company
Subsidiary	Netlink Online Joint Stock Company
Subsidiary	ADS Group Vietnam Joint Stock Company
Subsidiary	Tri Tam Technology and Pharmaceutical Joint Stock Company
Company owned by major shareholder	Vietnam Online Joint Stock Company
Shareholder	Ancla Assets Limited
Shareholder	DFJ Vinacapital Venture Investment Ltd.
Chairman	Mr. Nguyen Anh Nhuong Tong
BoD member	Mr. Dao Phuc Tri
BoD member	Mr. Vo Thai Phong
Related party (Chairman's family member)	Mrs. Nguyen Thi Truc Mai

(a) Related party transactions

Related parties' transactions are presented from the date these parties became related parties to the Company. During the period, the following transactions were carried out with related parties:

	For the six-month period ended	
	30.6.2018	**30.6.2017**
	VND	**VND**
		(Un-reviewed)
i) Revenue from sales of goods and rendering of services		
Yeah1 Network Vietnam Co., Ltd	20,400,000,000	-
Yeah1 Entertainment Corporation	8,549,370,917	36,068,181,818
Yeah1 Brand Name Development Corporation	1,527,616,759	1,586,293,364
Yeah1 Film Production and Investment Corporation	414,627,270	379,909,086
SMB Corporation	305,078,429	-
ZeroZ Creative Joint Stock Company	150,000,000	-
Dragon Entertainment Joint Stock Company	122,839,969	456,130,098
NVU Joint Stock Company	-	3,900,000,000
Vietnam Online Joint Stock Company	173,590,914	173,590,908
	31,643,124,258	42,564,105,274

30 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	For the six-month period ended 30.6.2018 VND	30.6.2017 VND (Un-reviewed)
ii) Purchases of goods and services		
Yeah1 Brand Name Development Corporation	4,685,385,455	-
ZeroZ Creative Joint Stock Company	300,000,000	-
Dragon Entertainment Joint Stock Company	-	2,491,243,636
Yeah1 Entertainment Corporation	-	454,545,455
	4,985,385,455	2,945,789,091
iii) Advance		
Vietnam Online Joint Stock Company	2,447,919,503	-
iv) Interest expense		
Mr. Vo Thai Phong	827,208,080	2,009,041,096
Vietnam Online Joint Stock Company	-	705,688,827
v) Capital contribution		
NVU Joint Stock Company	24,575,000,000	-
Yeah1 Brand Name Development Corporation	2,000,000,000	-
Yeah1 Film Production and Investment Corporation	1,200,000,000	-
	27,775,000,000	-
vi) Dividend receivable		
Dragon Entertainment Joint Stock Company	20,616,704,125	-
Yeah1 Entertainment Corporation	16,360,319,302	-
Netlink Online Communication Joint Stock Company	4,722,638,538	-
Film World Trade Joint Stock Company	1,532,153,054	-
Yeah1 Brand Name Development Corporation	1,037,454,991	-
On+ Communication Corporation	40,782,386	-
	44,310,052,396	-

30 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	For the six-month period ended 30.6.2018 VND	30.6.2017 VND (Un-reviewed)
vii) Bond issuance		
Ancla Assets Limited	-	68,268,000,000
Mr. Nguyen Anh Nhuong Tong	-	39,800,000,000
Mr. Vo Thai Phong	-	1,566,000,000
Mr. Dao Phuc Tri	-	3,891,000,000
Mrs. Nguyen Thi Truc Mai	-	255,000,000
	-	113,780,000,000
viii) Lending		
Mr. Vo Thai Phong	-	30,000,000,000
ix) Lending collection		
Mr. Vo Thai Phong	30,000,000,000	-
x) Income from channel transfers to subsidiary		
Yeah1 Brand Name Development Corporation	14,217,730,920	-
xi) Compensation for key management		
Gross salaries and other benefits	1,343,470,000	638,821,000

30 RELATED PARTY DISCLOSURES (continued)

(b) Period/year end balances with related parties

	30.6.2018 VND	31.12.2017 VND
Short-term trade accounts receivable (Note 5)		
Yeah1 Network Vietnam Co., Ltd	7,225,000,000	-
Yeah1 Brand Name Development Corporation	1,649,661,243	6,979,690,801
Vietnam Online Joint Stock Company	886,915,917	704,645,457
SMB Corporation	305,078,429	-
Yeah1 Film Production and Investment Corporation	228,044,998	81,650,000
Yeah1 Entertainment Corporation	186,471,775	16,185,000,000
ZeroZ Creative Joint Stock Company	150,000,000	-
Dragon Entertainment Joint Stock Company	122,839,969	-
NVU Joint Stock Company	-	20,546,050,000
	10,754,012,331	44,497,036,258
Short-term other receivables (Note 7(a))		
Dragon Entertainment Joint Stock Company	17,887,674,163	1,337,062,340
Yeah1 Brand Name Development Corporation	15,255,185,911	1,349,111,673
Yeah1 Entertainment Corporation	4,735,576,099	2,773,203,410
Netlink Online Communication Joint Stock Company	4,722,638,538	-
Film World Trade Joint Stock Company	1,532,153,054	-
Mr. Nguyen Anh Nhuong Tong	1,150,447,000	500,000,000
SMB Corporation	80,000,000	-
On+ Communication Corporation	40,782,386	-
NVU Joint Stock Company	-	29,169,691,983
Mrs. Nguyen Thi Truc Mai	-	7,492,308
	45,404,457,151	35,136,561,714
Long-term other receivables (Note 7(b))		
Vietnam Online Joint Stock Company	10,447,919,503	8,000,000,000
Mr. Vo Thai Phong	5,003,920,603	4,176,712,523
	15,451,840,106	12,176,712,523

30 RELATED PARTY DISCLOSURES (continued)

(b) Period/year end balances with related parties (continued)

	30.6.2018 VND	31.12.2017 VND
Short-term lending (Note 10(a))		
NVU Joint Stock Company	11,396,388,838	42,809,886
Yeah1 Brand Name Development Corporation	5,386,372,611	-
Dragon Entertainment Joint Stock Company	1,236,152,504	7,432,778,834
Yeah1 Network Vietnam Co., Ltd	220,000,000	-
	18,238,913,953	7,475,588,720
Long-term lending (Note 10(b))		
Mr. Vo Thai Phong	13,000,000,000	43,000,000,000
Short-term trade accounts payable (Note 12)		
ZeroZ Creative Joint Stock Company	110,000,000	-
Yeah1 Entertainment Corporation	-	28,362,426,663
Yeah1 Brand Name Development Corporation	-	5,049,048,000
Film World Trade Joint Stock Company	-	3,990,000,000
Dragon Entertainment Joint Stock Company	-	3,669,818
	110,000,000	37,405,144,481
Short-term accrued expenses (Note 14)		
Ancla Assets Limited	3,407,746,467	3,407,746,467
ZeroZ Creative Joint Stock Company	100,000,000	-
	3,507,746,467	3,407,746,467
Short-term other payables (Note 15)		
Film World Trade Joint Stock Company	17,560,573,726	4,331,583,152
Digital Content Center Company Limited	1,000,000,000	-
Yeah1 Brand Name Development Corporation	-	7,365,375,812
Yeah1 Entertainment Corporation	-	16,200,239
Vietnam Online Joint Stock Company	-	4,145,370
	18,560,573,726	11,717,304,573

31 OTHER COMMITMENTS

(a) Commitments under operating leases

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

	Office rental		Television license rental		Total	
	30.6.2018 VND	**31.12.2017 VND**	**30.6.2018 VND**	**31.12.2017 VND**	**30.6.2018 VND**	**31.12.2017 VND**
Within one year	7,416,083,840	6,427,958,175	-	30,250,000,000	7,416,083,840	36,677,958,175
Between one and five years	12,207,393,397	13,146,983,109	-	-	12,207,393,397	13,146,983,109
Total minimum payments	19,623,477,237	19,574,941,284	-	30,250,000,000	19,623,477,237	49,824,941,284

31 OTHER COMMITMENTS (continued)

(b) Capital contribution to subsidiaries

	30.6.2018 VND	30.6.2017 VND (Un-reviewed)
ADS Group Vietnam Joint Stock Company	12,584,250,000	-
Yeah1 Brand Name Development Corporation	10,515,873,751	12,515,873,751
Film World Trade Joint Stock Company	696,000,000	696,000,000
Yeah1 Film Production and Investment Corporation	400,000,000	400,000,000
	24,196,123,751	13,611,873,751

(c) Capital contribution to other company

	30.6.2018 VND	31.12.2017 VND
Gamify Vietnam Joint Stock Company	4,681,862,500	-

32 EVENTS AFTER THE SEPARATE INTERIM BALANCE SHEET DATE

Subsidiary establishment

On 18 July 2018, the Company has established the subsidiary YAG Entertainment Corporation ("YAG") with the ownership of 85% and charter capital of VND18,400,000,000. The registered business activities of YAG are post production activities, film screening activities and composing, art and entertainment activities.

33 COMPARATIVE FIGURES

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

Separate balance sheet

		As at 31 December 2017		
Code	Assets	Previously reported VND	Reclassification VND	Reclassified figures VND
100	**Current assets**	**171,687,624,732**	**10,364,555,647**	**182,052,180,379**
130	**Short-term receivables**	**112,685,085,995**	**10,364,555,647**	**123,049,641,642**
135	Short-term lending	-	8,295,498,596	8,295,498,596
136	Other short-term receivables	53,681,846,250	2,069,057,051	55,750,903,301
200	**Non-current assets**	**249,323,375,281**	**(10,364,555,647)**	**238,958,819,634**
210	**Long-term receivables**	**66,963,268,275**	**(10,364,555,647)**	**56,598,712,628**
215	Long-term lending	35,864,555,647	7,135,444,353	43,000,000,000
216	Other long-term receivable	31,098,712,628	(17,500,000,000)	13,598,712,628
250	**Long-term investments**	**155,458,678,127**	**450,000,000**	**155,908,678,127**
253	Investment in other entities	-	450,000,000	450,000,000
260	**Other long-term assets**	**19,134,738,782**	**(450,000,000)**	**18,684,738,782**
268	Other long-term assets	450,000,000	(450,000,000)	-

The separate interim financial statements were approved by the Chairman on 17 August 2018.

Tran Thi Lao
Chief Accountant/Preparer

Vo Thai Phong
Deputy General Director - Finance

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
17 August 2018