

YEAH1 GROUP CORPORATION

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018**



YEAH1 GROUP CORPORATION

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018**

TABLE OF CONTENTS	PAGE
Corporate information	1
Statement by the Chairman	2
Consolidated interim balance sheet (Form B 01a – DN/HN)	3
Consolidated interim income statement (Form B 02a – DN/HN)	6
Consolidated interim cash flow statement (Form B 03a – DN/HN)	7
Notes to the consolidated interim financial statements (Form B 09a – DN/HN)	8

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 22nd amendment dated 29 August 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 to 8 October 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	Deputy General Director of Finance
Mr. Niraan De Silva	Deputy General Director of Strategy (from 20 June 2018)
Mr. Loh Yeah Wei Jason	Deputy General Director of Operation (from 20 June 2018)

Legal representative

Mr. Nguyen Anh Nhuong Tong	Chairman
Mr. Dao Phuc Tri	General Director

Registered office

Floor 1, 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 THE RESPONSIBILITY OF THE CHAIRMAN OF THE COMPANY 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 30 September 2018, and of the consolidated results of its operations and its consolidated cash flows for the nine-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 3 to 55 which give a true and fair view of the consolidated financial position of the Group as at 30 September 2018, and of the consolidated results of its operations and its consolidated cash flows for the nine-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.



Nguyễn Anh Nhung Tong
Chairman

Ho Chi Minh City, SR Vietnam
19 October 2018

CONSOLIDATED INTERIM BALANCE SHEET

Code	ASSETS	Note	As at	
			30.09.2018 VND	31.12.2017 VND
100	CURRENT ASSETS		1,832,408,801,028	445,930,517,361
110	Cash and cash equivalents	4	773,683,537,280	41,931,020,478
111	Cash		56,461,030,431	25,631,020,478
112	Cash equivalents		717,222,506,849	16,300,000,000
120	Short-term investment		471,400,604,246	35,575,296,036
123	Investments held-to-maturity	5(a)	471,400,604,246	35,575,296,036
130	Short-term receivables		438,279,066,987	259,244,180,781
131	Short-term trade accounts receivable	6	293,085,033,750	154,665,886,234
132	Short-term prepayments to suppliers	7	75,565,379,075	32,690,645,652
136	Other short-term receivables	8(a)	69,628,654,162	72,064,048,895
137	Provision for doubtful debts – short-term		-	(176,400,000)
140	Inventories	9	111,969,829,429	74,423,047,793
141	Inventories		111,969,829,429	74,900,593,248
149	Provision for decline in value of inventories		-	(477,545,455)
150	Other current assets		37,075,763,086	34,756,972,273
151	Short-term prepaid expenses	10(a)	3,743,508,393	3,430,490,513
152	Value Added Tax to be reclaimed	16	33,140,802,337	30,133,354,865
153	Other taxes receivable		191,452,356	166,467,295
155	Other current assets		-	1,026,659,600

The notes on pages 9 to 55 are an integral part of these consolidated interim financial statements.

CONSOLIDATED INTERIM BALANCE SHEET
 (continued)

Code	ASSETS (continued)	Note	As at	
			30.09.2018 VND	31.12.2017 VND
200	LONG-TERM ASSETS		190,631,827,853	211,374,828,333
			-	-
210	Long-term receivable		29,844,103,014	59,335,203,851
215	Long-term lending	11	13,000,000,000	43,000,000,000
216	Other long-term receivables	8(b)	16,844,103,014	16,335,203,851
220	Fixed assets		27,679,994,689	13,024,833,329
221	Tangible fixed assets	12(a)	3,874,910,109	4,450,190,050
222	Historical cost		14,732,745,241	14,428,575,865
223	Accumulated depreciation		(10,857,835,132)	(9,978,385,815)
224	Finance lease assets		1,653,283,294	1,925,290,576
225	Historical cost		2,872,186,112	2,833,229,210
226	Accumulated depreciation		(1,218,902,818)	(907,938,634)
227	Intangible fixed assets	12(b)	22,151,801,286	6,649,352,703
228	Historical cost		23,210,560,154	7,070,435,154
229	Accumulated amortisation		(1,058,758,868)	(421,082,451)
240	Investment property		189,949,000	115,475,000
242	Construction in progress		189,949,000	115,475,000
250	Long-term investments		25,156,058,401	8,316,659,742
252	Investments in associates	5(b)	1,200,000,000	400,000,000
253	Investments in other entities	5(c)	23,956,058,401	8,065,990,730
254	Provision for long-term investments		-	(149,330,988)
260	Other long-term assets		107,761,722,749	130,582,656,411
261	Long-term prepaid expenses	10(b)	12,144,685,195	20,385,650,623
262	Deferred income tax assets	20	-	806,924,582
269	Goodwill	13	95,617,037,554	109,390,081,206
270	TOTAL ASSETS		2,023,040,628,881	657,305,345,694

The notes on pages 9 to 55 are an integral part of these consolidated interim financial statements.

CONSOLIDATED INTERIM BALANCE SHEET
 (continued)

Code	RESOURCES	Note	As at	
			30.09.2018 VND	31.12.2017 VND
300	LIABILITIES		468,349,567,419	324,514,900,460
310	Short-term liabilities		468,349,567,419	294,455,248,460
311	Short-term trade accounts payable	14	132,256,888,155	134,365,105,390
312	Short-term advances from customers	15	3,363,893,904	6,575,814,503
313	Taxes and other payables to the State Budget	16	54,669,494,795	25,703,801,902
314	Payable to employees		3,145,663,621	2,921,177,799
315	Short-term accrued expenses	17	32,037,706,904	9,485,294,990
319	Other short-term payables	18	68,704,342,426	47,934,388,873
320	Short-term borrowings and finance lease liabilities	19(a)	173,828,611,718	67,469,665,003
322	Bonus and welfare fund		342,965,896	-
330	Long-term liabilities		-	30,059,652,000
337	Other long-term payables		-	59,652,000
338	Long-term borrowings	19(b)	-	30,000,000,000
400	OWNERS' EQUITY		1,554,691,061,462	332,790,445,234
410	Capital and reserves		1,554,691,061,462	332,790,445,234
411	Owners' capital	21(a)	312,799,680,000	238,000,000,000
411a	- Ordinary shares with voting rights		312,799,680,000	238,000,000,000
412	Share premium		1,132,143,560,000	24,115,560,000
417	Foreign exchange differences		273,769,609	304,613,369
421	Undistributed earnings	22	73,476,114,952	42,111,388,642
421a	- Undistributed post-tax profits of previous years		8,960,557,758	-
421b	- Post-tax profit of current period/year		64,515,557,194	42,111,388,642
429	Non-controlling interests	23	35,997,936,901	28,258,883,223
440	TOTAL RESOURCES		2,023,040,628,881	657,305,345,694



 Nguyen Van Cang
 Preparer



 Vo Thai Phong
 Deputy General Director of Finance
 cum Chief Accountant

 Nguyen Anh Nhung Tong
 Chairman
 19 October 2018

The notes on pages 9 to 55 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		For the nine-month ended	
		30.09.2018	30.09.2017	30.09.2018	30.09.2017
		VND	VND	VND	VND
1	Revenue from sales of goods and rendering of services	381,683,427,692	180,224,140,986	1,039,645,428,646	492,810,795,268
2	Less deductions	(3,212,922,243)	(878,044,499)	(4,865,948,145)	(1,579,570,482)
10	Net revenue from sales of goods and rendering of services	378,470,505,449	179,346,096,487	1,034,779,480,501	491,231,224,786
11	Cost of goods sold and services rendered	(285,501,802,653)	(134,151,983,544)	(727,693,213,075)	(347,320,312,264)
20	Gross profit from sales of goods and rendering of services	92,968,702,796	45,194,112,943	307,086,267,426	143,910,912,522
21	Financial income	6,912,145,951	1,226,357,248	8,075,630,253	3,750,248,836
22	Financial expenses	(5,065,848,835)	(4,992,307,595)	(11,185,390,818)	(14,604,028,421)
23	- Including: Interest expense	(3,908,828,742)	(4,288,186,966)	(9,522,710,538)	(12,454,703,826)
25	Selling expenses	(14,161,157,649)	(2,509,600,263)	(63,996,572,182)	(18,933,895,444)
26	General and administration expenses	(32,384,192,343)	(21,414,445,193)	(80,830,121,018)	(54,744,185,036)
30	Net operating profit	48,269,649,920	17,504,117,140	159,149,813,661	59,379,052,457
31	Other income	207,809	1,859,055	256,577,674	1,859,055
32	Other expenses	(87,835,676)	(200,779,579)	(584,038,896)	(976,634,411)
40	Net other expenses	(87,627,867)	(198,920,524)	(327,461,222)	(974,775,356)
50	Net accounting profit before tax	48,182,022,053	17,305,196,616	158,822,352,439	58,404,277,101

YEAH1 GROUP CORPORATION

Form B 02a – DN/HN

CONSOLIDATED INTERIM INCOME STATEMENT (continued)

Code	Code	For the three-month ended		For the nine-month ended	
		30.09.2018	30.09.2017	30.09.2018	30.09.2017
		VND	VND	VND	VND
51	Business income tax - current	(3,293,962,226)	(1,674,104,402)	(26,856,856,093)	(9,811,535,451)
52	Business income tax - deferred	(20,000,000)	-	(806,924,582)	-
60	Net profit after tax	44,868,059,827	15,631,092,214	131,158,571,764	48,592,741,650
Attributable to:					
61	Owners of the Company	36,229,439,216	7,013,677,905	112,834,728,608	33,311,672,052
62	Non-controlling interests	8,638,620,611	8,617,414,309	18,323,843,156	15,281,069,598
70	Earnings per share	1,148	455	4,048	2,164
71	Diluted earnings per share	1,148	455	4,048	2,164

Nguyen Van Cang
Preparer

Vo Thai Phong
Deputy General Director of Finance
cum Chief Accountant



Nguyễn Anh Nhung Tong
Chairman
19 October 2018

The notes on pages 9 to 55 are an integral part of these consolidated interim financial statements.

CONSOLIDATED INTERIM CASH FLOW STATEMENT
(Indirect method)

		For the nine-month ended	
		30.09.2018	30.09.2017
Code	Note	VND	VND
CASH FLOWS FROM OPERATING ACTIVITIES			
1	Net accounting profit before tax	158,822,352,439	58,404,277,101
Adjustments for:			
2	Depreciation, amortisation and allocation of goodwill	9,845,037,914	5,852,290,688
3	Reversal of provisions	(803,276,443)	-
5	Profits from investing activities	(7,887,458,255)	(3,713,380,157)
6	Interest expense	9,500,313,610	12,454,330,026
8	Operating profit before changes in working capital	169,476,969,265	72,997,517,658
9	Increase in receivables	(174,621,105,352)	(60,461,268,613)
10	Increase in inventories	(37,069,236,181)	(39,195,337,297)
11	Increase in payables	67,816,778,123	13,880,955,864
12	Decrease in prepaid expenses	7,927,947,548	29,842,627,819
14	Interest paid	(12,776,035,437)	(11,201,280,699)
15	Business income tax paid	(5,425,266,773)	(1,469,918,126)
20	Net cash inflows from operating activities	15,330,051,193	4,393,296,606
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(16,444,294,376)	-
23	Deposits at banks with maturity of more than 3 months	(503,019,020,760)	(19,000,000,000)
24	Collection from deposits at banks with maturity more than 3 months	89,415,000,000	19,000,000,000
25	Investments in other entities	(84,903,624,225)	6,436,675,880
27	Dividends and interest received	7,887,458,255	3,713,380,157
30	Net cash (outflows)/inflows from investing activities	(507,064,481,106)	10,150,056,037
CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from issue of shares and capital contribution	1,147,128,000,000	1,800,000,000
33	Proceeds from borrowings	356,136,897,577	402,059,614,753
34	Repayments of borrowings	(279,777,950,862)	(284,910,710,616)
40	Net cash inflows from financing activities	1,223,486,946,715	118,948,904,137
50	Net increase in cash and cash equivalents	731,752,516,802	133,492,256,780
60	Cash and cash equivalents at beginning of period	41,931,020,478	12,709,269,717
70	Cash and cash equivalents at end of period	773,683,537,280	146,201,526,497

Major non-cash transactions in the period were presented in Note 38.

 Nguyen Van Cang
 Preparer

 Vo Thai Phong
 Deputy General Director of Finance
 cum Chief Accountant

 Nguyen Anh Nhung Tong
 Chairman
 19 October 2018

The notes on pages 9 to 55 are an integral part of these consolidated financial statements.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 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 22nd amended Enterprise registration certificate was issued by the Department of Planning and Investment of Ho Chi Minh City on 29 August 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/QĐ-SGDHCM signed by the Director of HOSE on 19 June 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 30 September 2018, the Group had 451 employees (as at 31 December 2017: 328 employees).

As at 30 September 2018, the Group had 17 subsidiaries and 1 associate (as at 31 December 2017: 13 subsidiaries and 1 associate) presented as below:

YEAH1 GROUP CORPORATION

Form B 09a – DN/HN

1 GENERAL INFORMATION (continued)

No	Name I – Direct subsidiaries	Place of incorporation and operation	Principal activities	31.12.2017		
				30.06.2018	% of ownership	% of voting rights
1	Yeah1 Group Corporation	Ho Chi Minh City	Advertising, producing media channels	99.00	99.00	99.00
2	Yeah1 Brand Name Development Corporation	Ho Chi Minh City	Advertising, designing websites	99.00	99.00	99.00
3	Dragon Entertainment Joint Stock Company	Ho Chi Minh City	Advertising, producing films	99.00	99.00	99.00
4	NVU Joint Stock Company	Ho Chi Minh City	Advertising, producing media channels	99.00	99.00	99.00
5	Film World Trade Joint Stock Company	Ho Chi Minh City	Producing films, telecommunication and advertisements	80.00	80.00	80.00
6	Youth Embassy Film Production and Investment Corporation	Ho Chi Minh City	Producing films, telecommunication and advertisements	67.00	67.00	67.00
7	Netlink Online Communication Joint Stock Company	Ha Noi	Creative, art and entertainment activities	76.00	76.00	76.00
8	On+ Communication Corporation	Ho Chi Minh City	Advertisements	51.00	51.00	51.00
9	YAG Entertainment Corporation	Ho Chi Minh City	Motion picture production, Post-production, Sound recording and music publishing activities	99.60	100.00	-
II – Indirect subsidiaries						
10	SMB corporation	Ho Chi Minh City	Internet Advertising	84.15	85.00	85.00
11	Yeah1 Network Vietnam Co, Ltd.	Ho Chi Minh City	Advertising, market research and public opinion polling	90.09	100.00	100.00
12	Netlink Online Corporation (*)	Singapore	Film production, telecommunication and advertising	76.00	100.00	100.00
13	Yeah1 Network PTE. Ltd.	Singapore	Film, video and television programme production activities; creative, art and entertainment activities	89.10	90.00	90.00
14	TNT Advertising Communication Company Limited	Ho Chi Minh City	Advertising; trade organisation, introduction and promotion; film, video and television programme production activities; creative, art and entertainment activities	50.49	51.00	51.00
15	ZeroZ Corporation	Ho Chi Minh City	Producing films, professional designing	94.05	95.00	-
16	Digital Content Center Company Limited	Ben Tre City	Advertising	90.98	100.00	-
17	SGO48 Company Limited	Ho Chi Minh City	Motion picture production, Post-production, Sound recording and music publishing activities	50.49	51.00	-
III - Associates						
18	Vietnam Entertainment Investment Joint Stock Company	Ho Chi Minh City	Investment, producing films and related activities	13.40	20.00	-
19	Youth Connections Informatics Communication Joint Stock Company	Ho Chi Minh City	Producing films, telecommunication and advertisements	-	-	40.00

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 30 September 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.

2.4 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.4 Basis of consolidation (continued)*****Subsidiaries (continued)***

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.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**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.

2.6 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**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.

(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:

Machinery and equipment	10% – 20%
Motor vehicles	10% – 33%
Office equipment	10% – 17%
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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.10 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 consolidated income statement.

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.

2.18 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 nine-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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**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.

2.21 Revenue recognition**(a) Sales of goods**

Revenue from sale of goods is recognised in the consolidated income statement when all five (5) 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.21 Revenue recognition (continued)****(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 (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 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.

2.22 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.30 Accounting estimate**

The consolidated 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 consolidated 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 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% interests 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% interests in Digital Content.

(c) Formation of YAG Entertainment Corporation (“YAG”), a new subsidiary

On 18 July 2018, the Group completed the formation of YAG, a new subsidiary. Through this formation, the Group held 99,60% interests in YAG.

(d) Formation of SGO48 Company Limited (“SGO48”), a new subsidiary

On 4 September 2018, the Group completed the formation of SGO48, a new subsidiary. Through this formation, the Group held 50.49% interests in SGO48.

3.2 Transactions with non-controlling interest**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 interests of the Group in Netlink to 76.00%. Total considerations for this transaction were VND51,287,425,004 and total carrying value of the equity interests acquired was VND5,517,102,706. The difference of VND48,086,805,476 between the considerations and the carrying value of the equity interests acquired was charged to retained earnings within the equity (Note 22).

4 CASH AND CASH EQUIVALENTS

	30.09.2018	31.12.2017
	VND	VND
Cash on hand	2,036,190,530	1,853,438,779
Cash at bank	54,424,839,901	23,777,581,699
Cash equivalents (*)	717,222,506,849	16,300,000,000
	<u>773,683,537,280</u>	<u>41,931,020,478</u>

(*) 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 3% to 5.6% per annum (2017: from 5% to 7% per annum). Some deposits were pledged as collateral assets for the short-term bank borrowings (Note 19(a)).

5 INVESTMENTS**(a) Investments held-to-maturity**

	30.09.2018		31.12.2017	
	Historical cost	Net book value	Historical cost	Net book value
	VND	VND	VND	VND
Term deposits	<u>471,400,604,246</u>	<u>448,050,604,246</u>	<u>35,575,296,036</u>	<u>35,575,296,036</u>

The term deposits represent bank deposits with remaining maturity from six to twelve months at the commercial banks, and earn interest from 3.8% per annum to 6.8% per annum (as at 31 December 2017: from 5.0% per annum to 7.0% per annum). Some term deposits were pledged as collateral assets for the short-term bank borrowings (Note 19(a)).

YEAH1 GROUP CORPORATION

Form B 09a – DN/HN

5 INVESTMENTS (continued)

(b) Investment in associate

		30.9.2018				31.12.2017			
Company name	Principal activities	Ownership %	Voting rights	Historical cost value VND	Fair value VND	Provision VND	Ownership and voting rights		
							%	Historical cost value VND	Fair value VND
Vietnam Entertainment Investment Joint Stock Company	Investment, producing films and other related activities	13.4	20.0	1,200,000,000	(*)	-	-	-	-
Youth Connections Informatics Communication Joint Stock Company	Producing films, telecommunication and advertisements	-	-	-	-	-	40	400,000,000	(*) 149,330,988

(*) As at 30 September 2018, the fair value of this investment was not available as this entity was not listed on the stock exchange. However, the Board of Management believes that the fair value of this investment is higher than its book value.

YEAH1 GROUP CORPORATION

Form B 09a – DN/HN

5 INVESTMENTS (continued)

(c) Investments in other entities

Company name	Principal activities	30.9.2018				31.12.2017			
		Ownership %	Voting rights %	Historical cost VND	Fair value VND	Provision VND	Ownership %	Voting rights %	Historical cost VND
Zmedia Joint Stock Company	Advertising activities	11.44	15.00	10,500,000,000	(**)	-	11.44	15.00	7,500,000,000
Springme Corporation	Portal, telecommunication and advertisings	16.93	19.00	4,236,058,401	(**)	-	16.93	19.00	115,990,730
Something Big Corporation	Portal, telecommunication and advertisings	16.93	19.00	2,270,000,000	(**)	-	-	-	-
ADSBNC Technology and Communication Joint Stock Company (***)	Information website, IT services, advertisement	4.40	4.40	6,000,000,000	(**)	-	-	-	-
Gamify Vietnam Joint Stock Company	Video games	15.00	15.00	950,000,000	(**)	-	15.00	15.00	450,000,000
				23,956,058,401	(**)	-			8,065,990,730

(**) As at 30 September 2018, the fair values of these investments were not available as these entities were not listed on the stock exchange. However, the Board of Management believes that the fair values of these investments are higher than their book value.

(**) As at 1 April 2018, the Group owned 51% of voting shares of ADSBNC Group Joint Stock Company ("ADSBNC"). Through this acquisition, the Group also controlled Tri Tam Pharmaceutical and Technology Joint Stock Company ("Tri Tam") with 50.49% voting shares. Due to recent strategic growth differences, the BOD of YEG has decided to unwind these acquisitions and all parties have agreed to redetermine the ownership based on the actual investments, thus, ADSBNC and Tri Tam are no longer subsidiaries of the Group. This unwinding of subsidiaries have no material impact on the financial earnings of the group for 2018.

6 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	30.09.2018	31.12.2017
	VND	VND
Third parties		
MMS Vietnam Media Co., Ltd.	51,676,024,255	7,243,653,222
Google Asia Pacific Pte. Ltd	48,202,943,218	81,258,215,510
Aegis Media (VietNam) Co., Ltd.	24,413,744,894	8,336,851,479
Thien Hoang Investment – Services Joint Stock Company	14,500,000,000	-
Facebook Ireland Limited	13,920,753,124	4,815,407,740
VTC Digital Television Station	13,292,970,000	132,000,000
WPP Media Co., Ltd.	10,503,513,125	23,900,807,053
TK-L Media Corporation	9,726,901,457	4,391,121,040
Freedom! Family Limited	7,793,963,169	-
Iflix Vietnam Company Limited	7,746,400,000	-
Springme Pte. Ltd,	5,161,525,000	-
Can Tho City Television and Radio Station	4,516,622,483	4,004,314,256
Viet Land Media Joint Stock Company	4,224,134,364	1,663,441,151
Dentsu Media Vietnam Company Limited	3,511,269,386	1,951,352,818
Others	72,811,519,848	16,264,076,508
	-	-
Related parties (Note 36(b))	1,082,749,427	704,645,457
	<u>293,085,033,750</u>	<u>154,665,886,234</u>

(*) As at 30 September 2018, the short-term trade receivables of VND79,641,544,014 (as at 31 December 2017: VND31,486,113,262) were pledged with banks as collateral assets for the short-term borrowings granted to the Group (Note 19(a)).

As at 30 September 2018, balances of short-term trade accounts receivable that were past due were nil (as at 31 December 2017: VND550,697,280).

7 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	30.09.2018	31.12.2017
	VND	VND
Third parties		
Ho Chi Minh City Television Station	35,442,702,000	5,000,000,000
Da Phuong Tien Chau A Media Co., Ltd.	3,114,194,448	4,218,861,600
MBC Entertainment Media Joint Stock Company	1,600,000,000	-
VINACJ Multimedia Joint Stock Company	458,733,895	2,800,000,000
Others	34,949,748,732	20,671,784,052
	<u>75,565,379,075</u>	<u>32,690,645,652</u>

7 SHORT-TERM PREPAYMENTS TO SUPPLIERS (continued)

As at 30 September 2018 and 31 December 2017, there was no balance of short-term prepayments to suppliers which was past due or not past due but doubtful.

8 OTHER RECEIVABLES**(a) Short-term**

	30.09.2018		31.12.2017	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Advances to employees (*)	34,389,546,952	-	36,709,268,488	-
Receivable from business cooperation contract (**)	17,500,000,000	-	17,500,000,000	-
Receivable from related parties for interest-free loan	7,186,440,382	-	3,645,378,399	-
Interest receivable from loans	3,625,731,688	-	-	-
Interest receivable from business cooperation contract	2,100,000,000	-	2,806,543,782	-
Deposits	156,347,183	-	11,402,858,226	-
Dividend receivable (***)	66,009,585	-	-	-
Others	4,604,578,372	-	-	-
	<u>69,628,654,162</u>	<u>-</u>	<u>72,064,048,895</u>	<u>-</u>
In which:				
Related parties (Note 36(b))	14,543,801,911	-	630,000,000	-
Third parties	55,084,852,251	-	71,434,048,895	-
	<u>69,628,654,162</u>	<u>-</u>	<u>72,064,048,895</u>	<u>-</u>

(*) As at 30 September 2018, the balance of advances to employees mainly represents the advance of VND 13,026,556,868 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).

(**) 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.

(***) Dividend receivable represents profit sharing of 2017 from a non-controlling company of a subsidiary in the Group.

8 OTHER RECEIVABLES (continued)**(b) Long-term**

	30.09.2018		31.12.2017	
	Cost VND	Provision VND	Cost VND	Provision VND
Guarantee deposit (*)	8,447,919,503	-	8,000,000,000	-
Interest receivable from loans	5,331,591,641	-	4,176,712,523	-
Deposits	2,634,041,870	-	2,788,491,523	-
Advance to employees	425,000,000	-	1,369,999,805	-
Others	5,550,000	-	-	-
	<u>16,844,103,014</u>	<u>-</u>	<u>16,335,203,851</u>	<u>-</u>
In which:				
Related parties (Note 36(b))	3,064,591,870	-	4,158,491,328	-
Third parties	13,779,511,144	-	12,176,712,523	-
	<u>16,844,103,014</u>	<u>-</u>	<u>16,335,203,851</u>	<u>-</u>

(*) 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 36(b)).

As at 30 September 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

	30.09.2018		31.12.2017	
	Giá gốc VND	Dự phòng VND	Giá gốc VND	Dự phòng VND
Television shows	41,907,437,911	-	58,768,038,340	-
Films in progress	17,924,040,813	-	3,583,873,675	-
Merchandise	50,997,037,862	-	12,428,827,437	(477,545,455)
Others	1,141,312,843	-	119,853,796	-
	<u>111,969,829,429</u>	<u>-</u>	<u>74,900,593,248</u>	<u>(477,545,455)</u>

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

	For nine-month period ended 30.09.2018 VND	For year ended 31.12.2017 VND
Beginning of period/year	(477,545,455)	(477,545,455)
Reversal	477,545,455	-
End of period/year	<u>-</u>	<u>(477,545,455)</u>

10 PREPAID EXPENSES**(a) Short-term**

	30.09.2018 VND	31.12.2017 VND
Tools and supplies	1,543,378,968	1,274,061,055
Prepaid service expenses	2,200,129,425	2,156,429,458
	<u>3,743,508,393</u>	<u>3,430,490,513</u>

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

	For nine-month period ended 30.09.2018 VND	For year ended 31.12.2017 VND
Beginning of period/year	3,581,180,940	4,299,209,418
Increase	16,084,315,812	7,236,922,052
Allocation during the period/year	(15,921,988,359)	(8,105,640,957)
End of period/year	<u>3,743,508,393</u>	<u>3,430,490,513</u>

10 PREPAID EXPENSES (continued)**(b) Long-term**

	30.09.2018 VND	31.12.2017 VND
Tool and supplies	5,236,587,197	1,761,788,553
Expenditures of channel project development	-	13,636,363,635
Prepaid service expenses (*)	6,908,097,998	4,987,498,435
	<u>12,144,685,195</u>	<u>20,385,650,623</u>

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

	For nine-month period ended 30.09.2018 VND	For year ended 31.12.2017 VND
Beginning of period/year	20,385,650,623	36,454,255,000
Increase	4,498,002,435	3,631,354,563
Allocation during the period/year	(12,738,967,863)	(19,699,958,940)
End of period/year	<u>12,144,685,195</u>	<u>20,385,650,623</u>

(*) 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 Thai 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 36(b)). During the period, the Group have collected VND30,000,000,000 from this long-term lending.

YOUTH EMBASSY GROUP CORPORATION

Form B 09a – DN/HN

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	903,707,775	9,826,791,816	3,566,943,279	131,132,995	14,428,575,865
New purchases	250,669,376	-	53,500,000	-	304,169,376
As at 30 September 2018	1,154,377,151	9,826,791,816	3,620,443,279	131,132,995	14,732,745,241
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	37,606,104	754,776,729	74,764,537	12,301,947	879,449,317
As at 30 September 2018	848,648,380	6,543,283,938	3,426,263,207	39,639,607	10,857,835,132
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 30 September 2018	305,728,771	3,283,507,878	194,180,072	91,493,388	3,874,910,109

As at 30 September 2018, tangible fixed assets with carrying value of VND1,342,844,232 (as at 31 December 2017: VND1,598,327,256) 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 30 September 2018 was VND4,091,024,258 (as at 31 December 2017: VND4,044,164,258).

YOUTH EMBASSY GROUP CORPORATION

Form B 09a – DN/HN

12 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land use rights VND	Brand name and trade mark VND	Computers software VND	Total VND
Historical cost				
As at 1 January 2018	4,500,000,000	2,524,382,154	46,053,000	7,070,435,154
New purchase	-	15,810,000,000	330,125,000	16,140,125,000
As at 30 September 2018	4,500,000,000	18,334,382,154	376,178,000	23,210,560,154
Accumulated depreciation				
As at 1 January 2018	-	408,871,424	12,211,027	421,082,451
Charge for the period	-	316,343,674	321,332,743	637,676,417
As at 30 September 2018	-	725,215,098	333,543,770	1,058,758,868
Net book value				
As at 1 January 2018	4,500,000,000	2,115,510,730	33,841,973	6,649,352,703
As at 30 September 2018	4,500,000,000	17,609,167,056	42,634,230	22,151,801,286

As at 30 June 2018, land use right with carrying value of VND4,500,000,000 (as at 31 December 2017: VND4,500,000,000) were pledged with banks as collateral assets for short-term borrowings granted to the Group (Note 19).

13 GOODWILL

	For the nine-month period ended 30.09.2018 VND	For the year ended 31.12.2017 VND
Beginning of period/year	109,390,081,206	-
Increase in the period/year	-	116,445,389,369
Allocation during the period/year (Note 31)	(8,327,912,180)	(7,274,531,107)
Foreign exchange difference	(38,571,171)	219,222,944
Other adjustments (*)	(5,406,560,301)	-
End of period/year	95,617,037,554	109,390,081,206

(*) Other adjustments relate to decrease of consideration for acquisition of TNT Advertising Communication Company Limited and the group of Netlink Online Communication Joint Stock Company and Netlink Online Corporation after finalisation with sellers.

14 SHORT-TERM TRADE ACCOUNTS PAYABLE

	30.09.2018		31.12.2017	
	Amount VND	Able-to-pay VND	Amount VND	Able-to-pay VND
Third parties				
CB Group Holdings	11,558,292,279	11,558,292,279	1,337,033,850	1,337,033,850
Founders Capital Joint Stock Company	11,327,126,433	11,327,126,433	5,140,000	5,140,000
Can Tho Television and Radio Station	9,997,833,001	9,997,833,001	17,658,982,721	17,658,982,721
World Star Advertising Joint Stock Company	7,742,357,760	7,742,357,760	6,097,960,718	6,097,960,718
MOV Communication Joint Stock Company	7,385,300,000	7,385,300,000	-	-
Viet Nam Press Joint Stock Company	7,004,400,000	7,004,400,000	2,200,000	2,200,000
VTC Digital Television Station	9,972,325,000	9,972,325,000	56,000,009	56,000,009
Long An Television and Radio Station	5,913,300,000	5,913,300,000	4,965,000,000	4,965,000,000
Ca Mau Television and Radio Station	4,228,249,900	4,228,249,900	2,938,079,900	2,938,079,900
Vietnam Television Cable Company Limited	816,700,000	816,700,000	12,130,360,333	12,130,360,333
Others	56,311,003,782	52,705,745,916	86,921,811,722	86,921,811,722
Related parties (Note 36(b))	-	-	2,252,536,137	2,252,536,137
	132,256,888,155	128,651,630,289	134,365,105,390	134,365,105,390

As at 30 September 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

	30.09.2018	31.12.2017
	VND	VND
Third parties		
Viet Land Media Joint Stock Company	506,304,002	146,991,272
WPP Media Company Limited	496,919,626	3,154,089,520
Dentsu Media Vietnam Company Limited	355,674,900	367,955,398
TK-L Media Corporation	107,829,000	149,109,001
Others	1,897,166,376	2,757,669,312
	<u>3,363,893,904</u>	<u>6,575,814,503</u>

16 TAXES AND OTHER PAYABLES TO THE STATE BUDGET

	30.09.2018	31.12.2017
	VND	VND
Third parties		
Business income tax	36,046,997,294	14,615,407,974
Value added tax	13,718,442,071	9,618,323,943
Personal income tax	2,317,591,152	1,470,069,985
Others	2,586,464,278	-
	<u>54,669,494,795</u>	<u>25,703,801,902</u>

YEAH1 GROUP CORPORATION

Form B 09a – DN/HN

16 TAXES AND OTHER PAYABLES TO/RECEIVABLE FROM THE STATE BUDGET (continued)

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

	As at 1.1.2018 VND	Arose during the period VND	Net-off VND	Settled during the period VND	As at 30.09.2018 VND
Payable					
Business income tax	14,615,407,974	26,856,856,093	-	(5,425,266,773)	36,046,997,294
Value added tax	9,618,323,943	55,415,144,093	(41,344,015,713)	(9,971,010,252)	13,718,442,071
Personal income tax	1,470,069,985	4,885,254,705	-	(4,037,733,538)	2,317,591,152
Others	-	3,831,901,414	-	(1,245,437,136)	2,586,464,278
	<u>25,703,801,902</u>	<u>90,989,156,305</u>	<u>(41,344,015,713)</u>	<u>(20,679,447,699)</u>	<u>54,669,494,795</u>
Receivable					
Personal income tax	411,312,141	356,244,878	-	(512,995,888)	254,561,131
Value added tax	29,888,510,019	44,512,955,256	(41,332,015,713)	-	33,069,449,562
Others	-	20,244,000	(12,000,000)	-	8,244,000
	<u>30,299,822,160</u>	<u>44,889,444,134</u>	<u>(41,344,015,713)</u>	<u>(512,995,888)</u>	<u>33,332,254,693</u>

17 SHORT-TERM ACCRUED EXPENSES

	30.09.2018	31.12.2017
	VND	VND
Third parties		
Accrued expenses for television station	19,757,527,187	-
Film's copyrights fee	6,719,580,623	-
Cost of film launching	2,109,544,389	2,634,842,707
Shared profits from advertising activities	1,977,394,536	1,459,773,499
Business cooperation fee on VTC4 channel	446,250,897	160,183,236
Interest expense	189,662,836	3,465,384,663
Salary and bonus accrual	48,196,421	1,401,360,114
Others	789,550,015	363,750,771
	<u>32,037,706,904</u>	<u>9,485,294,990</u>

18 OTHER SHORT-TERM PAYABLES

	30.09.2018		31.12.2017	
	Amount	Able-to-pay	Amount	Able-to-pay
	VND	VND	VND	VND
Payable for Business cooperation contract	18,427,924,540	18,427,924,540	3,986,897,042	3,986,897,042
Payable for acquisition of subsidiaries (*)	14,563,510,805	14,563,510,805	39,624,301,958	39,624,301,958
Dividend payable to non-controlling interest	6,014,154,828	6,014,154,828	3,766,583,093	3,766,583,093
Payable to related parties for interest-free borrowing	142,089,200	142,089,200	142,089,200	142,089,200
Others	29,556,663,053	29,556,663,053	414,517,580	414,517,580
	<u>68,704,342,426</u>	<u>68,704,342,426</u>	<u>47,934,388,873</u>	<u>47,934,388,873</u>
In which:				
Third parties	64,858,887,874	64,858,887,874	47,727,375,891	47,727,375,891
Related parties (Note 36(b))	<u>3,845,454,552</u>	<u>3,845,454,552</u>	<u>207,012,982</u>	<u>207,012,982</u>
	<u>68,704,342,426</u>	<u>68,704,342,426</u>	<u>47,934,388,873</u>	<u>47,934,388,873</u>

YEAH1 GROUP CORPORATION

Form B 09a – DN/HN

19 BORROWINGS AND FINANCE LEASE LIABILITIES

(a) Short-term borrowings and finance lease liabilities

	As at 01.01.2018 VND	Increase VND	Decrease VND	As at 30.09.2018 VND
Bank loans				
Ho Chi Minh Development Joint Stock Bank (i)	33,069,475,018	109,273,501,944	(96,421,494,314)	45,921,482,648
United Overseas Bank Vietnam (ii)	33,850,000,000	201,907,129,070	(107,850,000,000)	127,907,129,070
Vietnam Maritime Joint Stock Commercial Bank (iii)	-	35,556,266,563	(35,556,266,563)	-
Third party				
Mr. Huynh Kim Long	-	4,400,000,000	(4,400,000,000)	-
Mrs. Truong Bich Thuy	-	3,000,000,000	(3,000,000,000)	-
Related party				
Vietnam Online Joint Stock Company	-	2,000,000,000	(2,000,000,000)	-
Current portion of finance lease	550,189,985	-	(550,189,985)	-
	67,469,665,003	356,136,897,577	(249,777,950,862)	173,828,611,718

- (i) The loans from Ho Chi Minh Development Joint Stock Bank ("HDBank") - Nguyen Dinh Chieu Branch are Vietnamese Dong loans under five (5) Credit contracts of 11037/18MN/HDT, 11038/18MN/HDT, 11039/18MN/HDT, 11040/18MN/HDT, 11041/18MN/HDT with a credit limit of VND17 billion, VND42 billion, VND17 billion, VND42 billion, VND32 billion respectively. All the contracts have credit terms of 12 months from the signing dates for the purpose of working capital supplement, the due date for repayment between each drawdown is specified in each drawdown contract. The loans bear interest are adjusted for each drawdown. 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 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., Densu Vietnam Co., Ltd, TK-L Media Joint Stock Company and Dat Viet VAC Media Corporation; and term deposits at the HDBank of the Group.

YEAH1 GROUP CORPORATION

Form B 09a – DN/HN

19 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

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

- (ii) The loans from United Overseas Bank Limited - Ho Chi Minh Branch("UOB") are Vietnamese Dong loans under four (4) Credit contracts of UOB/HCMC/CB-18099-01, UOB/HCMC/CB-18099-02, UOB/HCMC/CB-18099-03 and UOB/HCMC/CB-18099-04 with a credit limit of USD4 million, USD3 milion, USD1 million and USD2 million, respectively. All the contracts have credit terms of 12 months from the signing dates for the purpose of working capital supplement, the due date for repayment between each drawdown is specified in each drawdown contract. The loans bear interest are adjusted for each drawdown. The current interest rate is 5.7% per annum. 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 of the loan includes: deposit balance at bank which is maintained minimum at 50% of each drawdown, account receivables approximate to loan balances, all loan balances are guaranteed by the Group, Mr. Nguyen Anh Nhung Tong and Mr. Dao Phuc Tri.

- (iii) The loans from Vietnam Maritime Joint Stock Commercial Bank are Vietnamese Dong 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 announced by Maritime Bank in each period. The collateral assets for the loans include: term deposit at Maritime Bank, Real Estate and respective receivables.

(b) Long-term borrowings

Bank loans

Ho Chi Minh Development Joint Stock Bank

	As at 01.01.2018 VND	Increase VND	Decrease VND	As at 30.09.2018 VND
	30,000,000,000	-	(30,000,000,000)	-
	30,000,000,000	-	(30,000,000,000)	-

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:

	30.09.2018	31.12.2017
	VND	VND
Deferred tax assets to be recovered within 12 months	-	806,924,582
	<u> </u>	<u> </u>

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

	For the nine-month period ended	For the year ended
	30.09.2018	31.12.2017
	VND	VND
Beginning of period/year	806,924,582	164,446,849
Consolidated income statement (charged)/credited (Note 33)	(806,924,582)	642,477,733
	<u> </u>	<u> </u>
End of period/year	-	806,924,582
	<u> </u>	<u> </u>

The Group'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 Group's future taxable income are:

Year of tax loss	Status of tax authorities review	Loss incurred VND	Loss utilised VND	Loss carried forward VND
2015	Outstanding	282,185,890	282,185,890	-
2016	Outstanding	10,785,093,259	10,785,093,259	-
2017	Outstanding	2,476,171,587	2,476,171,587	-
2018	Outstanding	3,767,162,849	-	3,767,162,849
		<u> </u>	<u> </u>	<u> </u>

The Group 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.

YOUTH EMBASSY GROUP CORPORATION
Form B 09a – DN/HN
21 OWNERS' CAPITAL
(a) Number of shares

	30.9.2018	31.12.2017
	Ordinary shares	Ordinary shares
Number of shares registered	31,279,968	23,800,000
Number of shares issued	31,279,968	23,800,000
Number of existing shares in circulation	31,279,968	23,800,000

(b) Details of owners' shareholding

	30.09.2018		31.12.2017	
	Ordinary shares	%	Ordinary shares	%
Mr. Nguyen Anh Nhung Tong	11,331,408	36.23	9,853,399	41.40
Mr. Ho Ngoc Tan	3,910,000	12.50	-	-
Ancla Assets Ltd.	3,419,249	10.93	2,973,260	12.49
DFJ VinaCapital Venture Investment Ltd.	1,954,582	6.25	8,499,637	35.71
Macquarie Bank Limited	1,582,550	5.06	-	-
Mr. Dao Phuc Tri	1,195,422	3.82	1,039,498	4.37
Other shareholders	7,886,757	25.21	1,434,206	6.03
Number of shares	31,279,968	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 31 December 2017	23,800,000	238,000,000,000	238,000,000,000
New shares issued	7,479,968	74,799,680,000	74,799,680,000
As at 30 September 2018	31,279,968	312,799,680,000	312,799,680,000

Par value per share: VND10,000.

YEAH1 GROUP CORPORATION

Form B 09a – DN/HN

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	18,220,000,000	-	-	(18,220,000,000)	-
Issuance of shares to current shareholders	113,780,000,000	-	-	-	113,780,000,000
Issuance of shares to employees	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	-	-	-	112,834,728,608	112,834,728,608
Dividend paid by shares (i)	35,699,680,000	-	-	(35,699,680,000)	-
Transaction with non-controlling interest (Note 3.2)	-	-	-	(45,770,322,298)	(45,770,322,298)
Issued new shares (ii)	39,100,000,000	1,108,028,000,000	-	-	1,147,128,000,000
Foreign exchange differences	-	-	(30,843,760)	-	(30,843,760)
As at 30 September 2018	312,799,680,000	1,132,143,560,000	273,769,609	73,476,114,952	1,518,693,124,561

- (i) Pursuant to Decision No.01/2018/NQ/DHĐCĐ 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.
- (ii) Also according to Resolution No. 01/2018/NQ/DHĐCĐ dated 10 April 2018, the Annual General Meeting of Shareholders approved the plan to issue 3,910,000 new shares to Mr. Nguyen Anh Nhung Tong at the price of VND300,000 per share. The State Securities Commission approved this new issue as per Official letter No. 5290/UBCK-QLCB dated 24 August 2018. Total expenses incurred for this new issue amounting to VND25,894,000,000 has been netted off with the share premium.

23 NON-CONTROLLING INTERESTS (“NCI”)

Movements in NCI during the period/year were as follows:

	For the nine-month period ended 30.9.2018 VND	For the year ended 31.12.2017 VND
Beginning of period/year	28,258,883,223	8,064,598,113
Increase from business combination	-	2,644,794,136
Profit attributable to NCI	18,323,843,156	23,407,416,831
Capital contribution from NCI	1,450,000,000	3,600,000,000
Decrease due to change in interest during the period/year	(5,517,102,706)	-
Dividend paid	(6,517,686,772)	(9,468,372,049)
Foreign exchange difference	-	10,446,192
End of period/year	35,997,936,901	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 nine-month period ended	
	30.09.2018 VND	30.09.2017 VND
Net profit attributable to shareholders (VND)	112,834,728,608	33,311,672,052
Weighted average number of ordinary shares in issue (shares)	27,871,250	15,391,968
Basic earnings per share (VND)	4,048	2,164

Diluted earning per share: the Company did not have potential shares which would 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\$538,562.35, SGD822,636.53 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 30 September 2018 is VND138,054,575,092 (as at 31 December 2017: VND84,976,042,313). Details are presented in Note 37.

25 OFF BALANCE SHEET ITEMS (continued)**(c) Capital expenditure commitment**

As at 30 September 2018, the Group had commitments to contribute capital in the future according to business cooperation contracts with an amount of VND16,981,054,575,092 (as at 31 December 2017: nil). Details are presented in Note 37.

26 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	For the nine-month ended	
	30.09.2018	30.09.2017
	VND	VND
Revenue from sales of goods and rendering of services		
Revenue from programme broadcasts on digital platform	448,719,599,243	238,353,551,119
Revenue from advertisements on television channels	565,760,495,193	234,105,792,697
Revenue from film copyright	12,481,434,712	17,637,281,366
Revenue from rendering of service	12,683,899,498	2,714,170,086
	<u>1,039,645,428,646</u>	<u>492,810,795,268</u>
Sales deductions		
Trade discounts	(4,865,948,145)	(1,579,570,482)
Net revenue from sales of goods and rendering of services		
Net revenue from programme broadcasts on digital platform	444,065,179,324	237,069,830,637
Net revenue from advertisements on television channels	565,548,966,967	233,809,942,697
Net revenue from film copyright	12,481,434,712	17,637,281,366
Net revenue from rendering of service	12,683,899,498	2,714,170,086
	<u>1,034,779,480,501</u>	<u>491,231,224,786</u>

27 COST OF GOODS SOLD AND SERVICES RENDERED

	For the nine-month ended	
	30.09.2018	30.09.2017
	VND	VND
Cost of broadcasting programmes on digital platforms	303,685,856,644	209,197,358,200
Cost of advertisements	409,459,006,790	127,447,230,449
Cost of film copyright	5,835,378,076	10,114,480,282
Cost of rendering of services	8,712,971,565	561,243,333
	<u>727,693,213,075</u>	<u>347,320,312,264</u>

28 FINANCIAL INCOME

	For the nine-month ended	
	30.09.2018	30.09.2017
	VND	VND
Interest income from deposits	7,887,458,255	3,713,380,157
Realised foreign exchange gains	20,302,573	35,440,950
Dividend income	66,009,585	-
Others	101,859,840	1,427,729
	<u>8,075,630,253</u>	<u>3,750,248,836</u>

29 FINANCIAL EXPENSES

	For the nine-month ended	
	30.09.2018	30.09.2017
	VND	VND
Interest expense	9,500,313,610	12,454,330,026
Realised foreign exchange losses	22,396,928	1,486,890
Payment discounts	1,037,974,637	2,067,412,005
Other expense	624,705,643	80,799,500
	<u>11,185,390,818</u>	<u>14,604,028,421</u>

30 SELLING EXPENSES

	For the nine-month ended	
	30.09.2018	30.09.2017
	VND	VND
Marketing and advertising expenses	46,607,558,109	8,269,768,895
Salary expenses	11,048,795,965	10,037,826,629
Depreciation and amortisation expenses	-	258,461,757
Outside service expenses	5,752,647,914	250,449,805
Tools and supplies	587,570,194	109,588,358
Others	-	7,800,000
	<u>63,996,572,182</u>	<u>18,933,895,444</u>

31 GENERAL AND ADMINISTRATION EXPENSES

	For the nine-month ended	
	30.09.2018	30.09.2017
	VND	VND
Salary expenses	32,985,715,378	21,351,315,065
Outside service expenses	17,458,666,558	11,010,305,240
Tools and supplies	7,075,609,579	4,676,738,372
Depreciation and amortisation expenses	1,332,277,606	1,230,432,558
Business trip, guest reception expenses	4,881,678,193	7,895,000,961
Office rental fee	8,768,261,524	4,216,996,467
Goodwill allocation	8,327,912,180	4,363,396,373
	<u>80,830,121,018</u>	<u>54,744,185,036</u>

32 OTHER INCOME AND EXPENSES

	For the nine-month ended	
	30.09.2018	30.09.2017
	VND	VND
Other income		
Others	256,577,674	1,859,055
	<u>256,577,674</u>	<u>1,859,055</u>
Other expenses		
Penalties	(582,464,775)	(784,609,593)
Others	(1,574,121)	(192,024,818)
	<u>(584,038,896)</u>	<u>(976,634,411)</u>
Net other expenses	<u>(327,461,222)</u>	<u>(974,775,356)</u>

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 nine-month period ended	
	30.9.2018	30.9.2017
	VND	VND
Net accounting profit before tax	158,822,352,439	58,404,277,101
Tax calculated at a rate of 20%	31,764,470,488	11,680,855,420
Effect of:		
Non-taxable income	(4,682,674,560)	-
Non-deductible expense	2,559,019,708	169,117,512
Temporary difference for which no deferred tax recognised	2,698,500,863	36,222,000
Allocation of good will	1,665,582,436	872,679,275
Utilisation of previously unrecognised tax losses	(530,730,309)	(3,096,615,487)
Tax incentive (*)	(5,961,074,464)	(801,579,283)
Tax losses for which no deferred income tax have been recognised	150,686,513	950,856,014
Business income tax charge (**)	27,663,780,675	9,811,535,451
Charged to consolidated interim income statement:		
Business income tax – current	26,856,856,093	9,811,535,451
Business income tax – deferred	806,924,582	-
Business income tax charge (**)	27,663,780,675	9,811,535,451

- (*) A subsidiary of the Group is Yeah1 Network Pte. Ltd has applicable tax rate of 17%. In addition, this subsidiary is entitled to tax incentive in accordance with regulation in Singapore as follows: tax exemption for first SGD100,000, 50% tax reduction for next SGD200,000. The company also has tax rebate of 40%, cap at SGD15,000. For the year 2019, the company has tax rebate of 20% on tax payables amount, maximum at SGD10,000.

Tax incentive also relates to business income tax exemption for a subsidiary of the Group which is Netlink Online Corporation.

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

34 COST OF OPERATION BY FACTOR

	For the nine-month ended	
	30.09.2018	30.09.2017
	VND	VND
Outside service expenses	811,162,025,373	378,970,633,632
Staff costs	44,034,511,343	31,389,141,694
Tools and supplies	7,663,179,773	4,786,326,730
Depreciation and amortisation	1,332,277,606	1,488,894,315
Goodwill allocation	8,327,912,180	4,363,396,373
	<u>872,519,906,275</u>	<u>420,998,392,744</u>

YEAH1 GROUP CORPORATION

Form B 09a – DN/HN

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 nine-month period ended 30 September 2018					
	Advertising on television channels VND	Broadcast on digital infrastructure VND	Rendering services VND	Film copyrights VND	Elimination entries VND	Total VND
Revenue from third parties	444,065,179,324	565,548,966,967	12,683,899,498	12,481,434,712	-	1,034,779,480,501
Revenue between sections	62,710,953,173	242,911,159,629	11,033,792,995	-	(316,655,905,797)	-
Net revenue	506,776,132,497	808,460,126,596	23,717,692,493	12,481,434,712	(316,655,905,797)	1,034,779,480,501
Cost of goods sold and services rendered	(342,009,843,890)	(663,406,137,994)	(8,806,643,565)	(5,835,378,076)	292,364,790,450	(727,693,213,075)
Gross profit	164,766,288,607	145,053,988,602	14,911,048,928	6,646,056,636	(24,291,115,347)	307,086,267,426
Assets						
Segment's assets	1,291,039,242,767	399,508,434,732	21,561,924,585	41,580,151,924	(206,635,352,980)	1,547,054,401,028
Unallocated assets						475,986,227,853
Total assets						2,023,040,628,881
Liabilities						
Segment's liabilities	417,677,039,178	250,960,685,824	17,667,375,720	22,113,096,879	(268,144,960,395)	440,273,237,206
Unallocated assets						28,076,330,213
Total liabilities						468,349,567,419

YEAH1 GROUP CORPORATION

Form B 09a – DN/HN

35 SEGMENT REPORTING (continued)

(b) Business activity segments (continued)

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

	For the nine-month period ended 30 September 2017					
	Advertising on television channels VND	Broadcast on digital infrastructure VND	Rendering services VND	Film copyrights VND	Elimination entries VND	Total VND
Revenue from third parties	237,069,830,637	233,809,942,697	2,714,170,086	17,637,281,366	-	491,231,224,786
Revenue between sections	88,148,088,517	180,000,000	2,520,973,629	3,560,666,668	(94,409,728,814)	-
Net revenue	325,217,919,154	233,989,942,697	5,235,143,715	21,197,948,034	(94,409,728,814)	491,231,224,786
Cost of goods sold and services rendered	(270,156,113,385)	(158,197,230,449)	(561,243,333)	(10,114,480,282)	91,708,755,185	(347,320,312,264)
Gross profit	55,061,805,769	75,792,712,248	4,673,900,382	11,083,467,752	(2,700,973,629)	143,910,912,522
Assets						
Segment's assets	390,881,209,759	170,830,045,538	23,913,532,195	39,459,815,920	(48,643,307,648)	576,441,295,764
Unallocated assets						201,888,989,825
Total assets						778,330,285,589
Liabilities						
Segment's liabilities	258,190,231,410	114,775,392,594	22,026,383,293	21,393,831,969	(123,027,858,332)	293,357,980,934
Unallocated assets						321,849,246,368
Total liabilities						615,207,227,302

35 SEGMENT REPORTING (continued)**(b) Geographical segments**

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

For the nine-month period ended 30 September 2018				
	Domestic VND	Foreign VND	Elimination entries VND	Total VND
Net revenue	881,458,990,164	469,976,396,134	(316,655,905,797)	1,034,779,480,501
Cost of goods sold and services rendered	(650,261,708,027)	(369,796,295,498)	292,364,790,450	(727,693,213,075)
Gross profit	<u>231,197,282,137</u>	<u>100,180,100,636</u>	<u>(24,291,115,347)</u>	<u>307,086,267,426</u>
For the nine-month period ended 30 September 2017				
	Domestic VND	Foreign VND	Elimination entries VND	Total VND
Net revenue	561,006,943,964	24,634,009,636	(94,409,728,814)	491,231,224,786
Cost of goods sold and services rendered	(418,459,258,763)	(20,569,808,686)	91,708,755,185	(347,320,312,264)
Gross profit	<u>142,547,685,201</u>	<u>4,064,200,950</u>	<u>(2,700,973,629)</u>	<u>143,910,912,522</u>

36 RELATED PARTY DISCLOSURES

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

Relationship	Name
Company owned by the Group's shareholders	Vietnam Online Service Trade Joint Stock Company
Shareholder	Ancla Assets Limited
Shareholder	DFJ Vinacapital Venture Investment Ltd.
Chairman of the Board of Management	Mr. Nguyen Anh Nhuong Tong
Board of Directors	Mr. Dao Phuc Tri
Board of Directors	Mr. Vo Thai Phong
Board of Management Member	Mr. Tran Quoc Bao
Board of Management Member	Mr. Ly Truong Chien
Board of Management Member	Mr. Nguyen Ngoc Dung
Related personel (family member of Chairman)	Mrs. Nguyen Thi Truc Mai
Company owned by BOD member	Vietnam Online Joint Stock Company
	Vietnam Entertainment Investment Joint Stock Company
Associates	

36 RELATED PARTY DISCLOSURES (continued)**(a) Related party transactions**

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

	For the nine-month period ended	
	30.9.2018 VND	30.9.2017 VND
i) Rendering of services		
Vietnam Online Service Trade Joint Stock Company	265,386,364	-
Vietnam Entertainment Investment Joint Stock Company	132,985,410	
	<u>398,371,774</u>	<u>-</u>
ii) Purchases of services		
Vietnam Online Service Trade Joint Stock Company	606,209,275	-
	<u>606,209,275</u>	<u>-</u>
iii) Borrowing		
Vietnam Online Service Trade Joint Stock Company	2,000,000,000	-
	<u>2,000,000,000</u>	<u>-</u>
iv) Borrowing repayment		
Vietnam Online Service Trade Joint Stock Company	2,000,000,000	-
	<u>2,000,000,000</u>	<u>-</u>
v) Bond issued		
Ancela Assets Limited	-	68,268,000,000
Mr. Nguyen Anh Nhung 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
	<u>-</u>	<u>113,780,000,000</u>

36 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

		For the nine-month period ended	
		30.9.2018	30.9.2017
		VND	VND
vi) Advances			
Vietnam Online Service Trade Joint Stock Company	2,447,919,503	-	
Mr. Dao Phuc Tri	5,181,035,719	4,003,949,496	
Mr. Nguyen Anh Nhuong Tong	1,883,059,044	7,240,594,218	
Mrs. Nguyen Thi Truc Mai	86,996,000	-	
Mr. Vo Thai Phong	2,000,000	198,041,000	
	<u>9,601,010,266</u>	<u>11,442,584,714</u>	
vii) Collection of advances			
Mr. Dao Phuc Tri	1,439,370,000	3,443,728,916	
Mrs. Nguyen Thi Truc Mai	80,966,033	-	
Mr. Vo Thai Phong	2,000,000	386,552,745	
Mr. Nguyen Anh Nhuong Tong	-	12,057,862,230	
	<u>1,522,336,033</u>	<u>15,888,143,891</u>	
viii) Lending			
Mr. Vo Thai Phong	-	30,000,000,000	
ix) Collection of lending			
Mr. Vo Thai Phong	30,000,000,000	-	
x) Lending interest			
Mr. Vo Thai Phong	1,154,879,313	3,092,876,712	

36 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

		For the nine-month period ended	
		30.9.2018	30.9.2017
		VND	VND
<i>xii)</i>	Borrowing interest		
	Vietnam Online Service Trade Joint Stock Company	44,688,889	705,688,827
<i>xii)</i>	Salary for key management		
	Salary and other bonuses	2,110,717,000	2,525,470,000

(b) Related party balances

		30.9.2018	31.12.2017
		VND	VND
<i>(i)</i>	Short-term trade accounts receivable (Note 6)		
	Vietnam Online Service Trade Joint Stock Company	999,750,003	704,645,457
	Vietnam Entertainment Investment Joint Stock Company	82,999,424	-
		1,082,749,427	704,645,457
<i>(ii)</i>	Other short-term receivables (Note 8(a))		
	Mr. Dao Phuc Tri	7,135,401,674	-
	Vietnam Online Service Trade Joint Stock Company	5,663,346,129	-
	Mr. Nguyen Anh Nhuong Tong	1,517,080,786	-
	Mr. Ly Truong Chien	75,000,000	-
	Mr. Nguyen Ngoc Dung	75,000,000	-
	Mr. Tran Quoc Bao	75,000,000	-
	Vietnam Entertainment Investment Joint Stock Company	2,078,072	-
	Mrs. Nguyen Thi Truc Mai	895,250	-
	SMB Corporation	-	630,000,000
		14,543,801,911	630,000,000

36 RELATED PARTY DISCLOSURES (continued)**(b) Related party balances (continued)**

	30.9.2018 VND	31.12.2017 VND
(iii) Other long-term receivables (Note 8(b))		
Vietnam Online Service Trade Joint Stock Company	8,447,919,503	8,000,000,000
Mr. Vo Thai Phong	5,331,591,641	4,176,712,523
	13,779,511,144	12,176,712,328
(iv) Long-term Lending (Note 11)		
Mr. Vo Thai Phong	13,000,000,000	43,000,000,000
(v) Short-term trade payable (Note 14)		
Vietnam Online Service Trade Joint Stock Company	-	2,252,536,137
(vi) Other short-term payables (Note 18)		
Vietnam Entertainment Investment Joint Stock Company	3,638,441,570	-
Vietnam Online Service Trade Joint Stock Company	142,089,200	142,089,200
Mr. Nguyen Anh Nhung Tong	37,712,845	38,356,663
Mr. Vo Thai Phong	27,210,937	26,567,119
	3,845,454,552	207,012,982

YEAH1 GROUP CORPORATION

Form B 09a – DN/HN

37 CAPITAL EXPENDITURE COMMITMENTS

(a) Operating leases:

	Office rental		Television license rental		Total	
	30.9.2018 VND	31.12.2017 VND	30.9.2018 VND	31.12.2017 VND	30.9.2018 VND	31.12.2017 VND
Within 1 year	13,489,050,708	15,943,634,424	39,267,678,756	14,211,392,089	52,756,729,464	30,155,026,514
1 - 5 years	18,801,650,408	27,773,261,522	66,496,195,220	27,047,754,277	85,297,845,629	54,821,015,799
Total minimum payment	32,290,701,116	43,716,895,946	105,763,873,976	41,259,146,366	138,054,575,092	84,976,042,313

37 CAPITAL EXPENDITURE COMMITMENTS (continued)**(b) Investment in an associate**

	30.9.2018 VND	31.12.2017 VND
Vietnam Entertainment Investment Joint Stock Company	10,800,000,000	-

(c) Investment in other entity

	30.9.2018 VND	31.12.2017 VND
Gamify Vietnam Company Limited	4,681,862,500	-
Blux Media Advertisement And Trade Services Company Limited	1,500,000,000	-
	<u>6,381,862,500</u>	<u>-</u>

38 ADDITIONAL INFORMATION FOR THE ITEMS OF THE CASH FLOWS STATEMENT**(a) Non-cash transactions affect the cash flows statement:**

	<u>For nine-month period ended</u>	
	30.9.2018 VND	30.9.2017 VND
Acquisition of subsidiary under form of receiving debts directly	-	30,731,004,901
Purchase assets under form of receiving debts directly	6,810,000,000	-
Bonus shares from retained earnings	35,699,680,000	-

(b) Amount of loan actually withdrawn during the period

	<u>For nine-month period ended</u>	
	30.9.2018 VND	30.9.2017 VND
Proceeds from borrowings following normal borrowing contracts	356,136,897,577	402,059,614,753

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

	<u>For nine-month period ended</u>	
	30.9.2018 VND	30.9.2017 VND
Repayments for borrowings following normal borrowing contracts	279,777,950,862	284,910,710,616

40 COMPARATIVE FIGURES

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

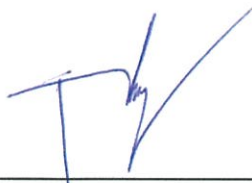
Consolidate balance sheet

Code	Assets	As at 31 December 2017		
		As previously reported VND	Reclassification VND	As reclassified VND
100	Current assets	435,565,961,714	10,364,555,647	445,930,517,361
130	Other receivables	248,879,625,134	10,364,555,647	259,244,180,781
136	Other receivables	61,699,493,248	10,364,555,647	72,064,048,895
150	Other current assets	34,756,972,273	-	34,756,972,273
152	VAT deductible	29,866,508,519	22,001,500	29,888,510,019
153	Taxes and receivable from State Budget	433,313,641	(22,001,500)	411,312,141
200	Non-current assets	221,739,383,980	(10,364,555,647)	211,374,828,333
210	Long-term receivables	69,699,759,498	(10,364,555,647)	59,335,203,851
215	Receivable from long-term lending	35,864,555,647	7,135,444,353	43,000,000,000
216	Other long-term receivable	33,835,203,851	(17,500,000,000)	16,335,203,851
311	Trade payable	126,325,444,089	8,039,661,301	134,365,105,390
319	Other short-term payable	55,974,050,174	(8,039,661,301)	47,934,388,873

The consolidated interim financial statements were approved by the Chairman on 19 October 2018.



Nguyen Van Cang
Preparer



Vo Thai Phong
Deputy General Director of Finance
cum Chief Accountant



Nguyen Anh Nhung Tong
Chairman